Recommended School Budget

Fiscal Year January 1, 2022 - December 31, 2022

Kareemah Fowler
Assistant Superintendent of Business & Finance

Jenise Palmer
Budget Director

Primary goal:

To raise the maximum allowable revenue in each fund to support the educational programs in the district.

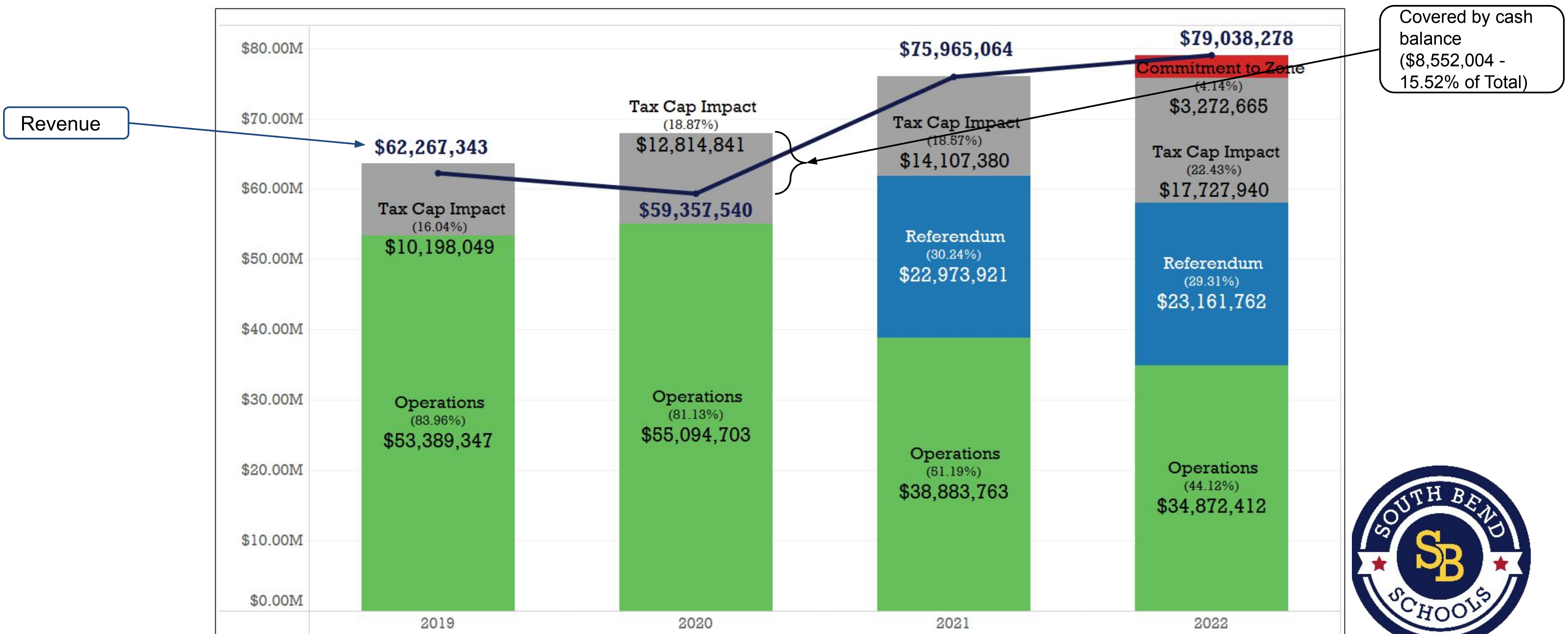
Agenda

- Commitment to Increasing Transparency
- State of the District
- Referendum & Strategic Spending
- Educational & Operational Deep Dives
- Major Fund Groups
- Budget Overview
- Fund Group Deeps Dives

MAJOR FUNDS	FUND PURPOSE	FUND METHOD
EDUCATION	Salaries, benefits, professional services, supplies, instruction, technology for students and educational support	Indiana State Funds from ADM Count (student enrollment)
REFERENDUM - OPERATING	Social workers/literacy coaches, water utilities, facilities and grounds supplies, building maintenance, construction, improvements, equipment, repairs	St. Joseph County property taxes
OPERATIONS	Transportation salaries, benefits, professional services, supplies, fuel, parts, maintenance, bus repairs, VMF technology Funds for bus replacement on a 12-year cycle and contracted transportation services Funds to support general programs for the Center For History and South Bend Art Center	St. Joseph County property taxes Transfer from Education Fund
DEBT SERVICE	Unreimbursed textbooks, pension liability, G.O. bonds, loans, lease payments, Common School Fund loan	St. Joseph County property taxes

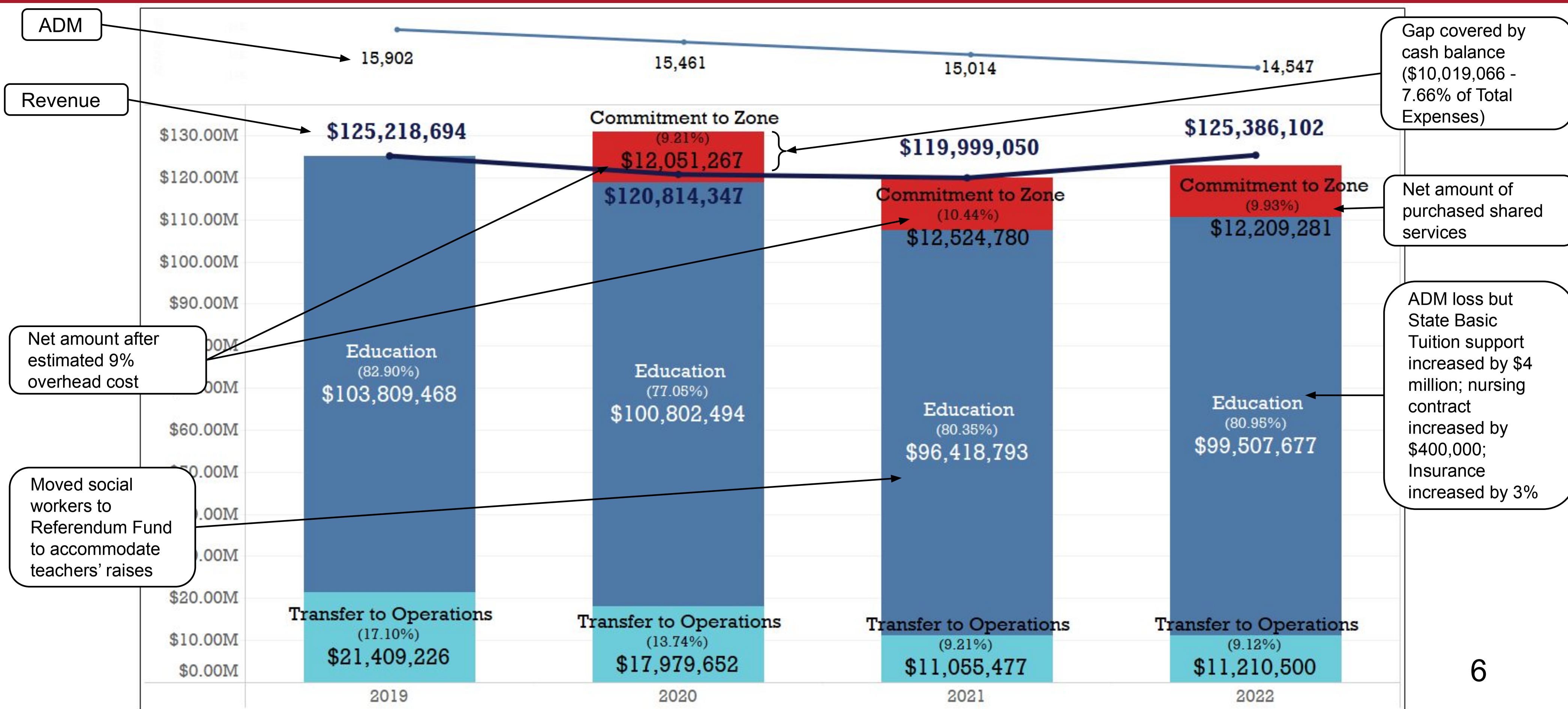
Financial State of the District

Current State



*Assumes full collection of tax levies in 2021 & 2022

Education Overview: Increase in Budget, Decrease in Enrollment



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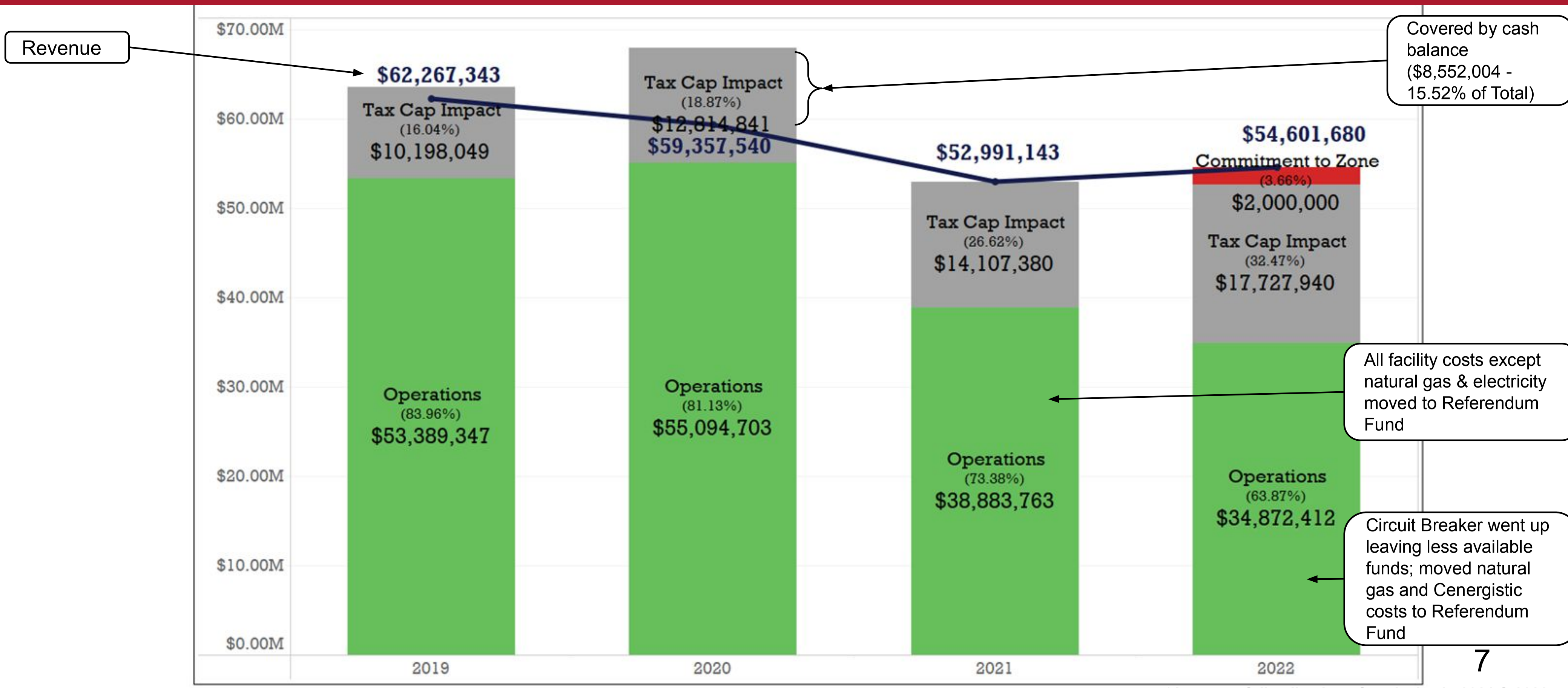
Budget Overview : Operation Fund Expenses vs Revenue



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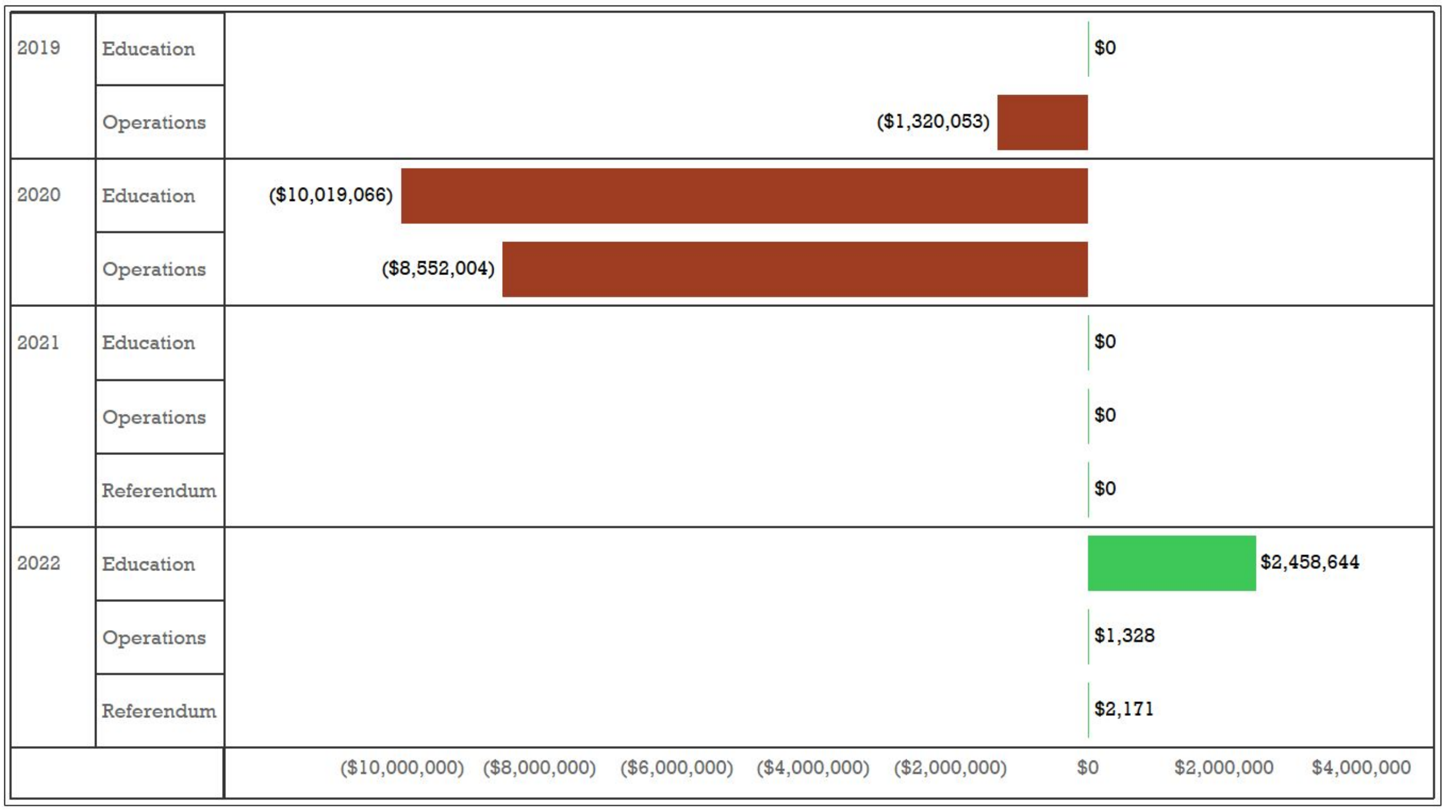
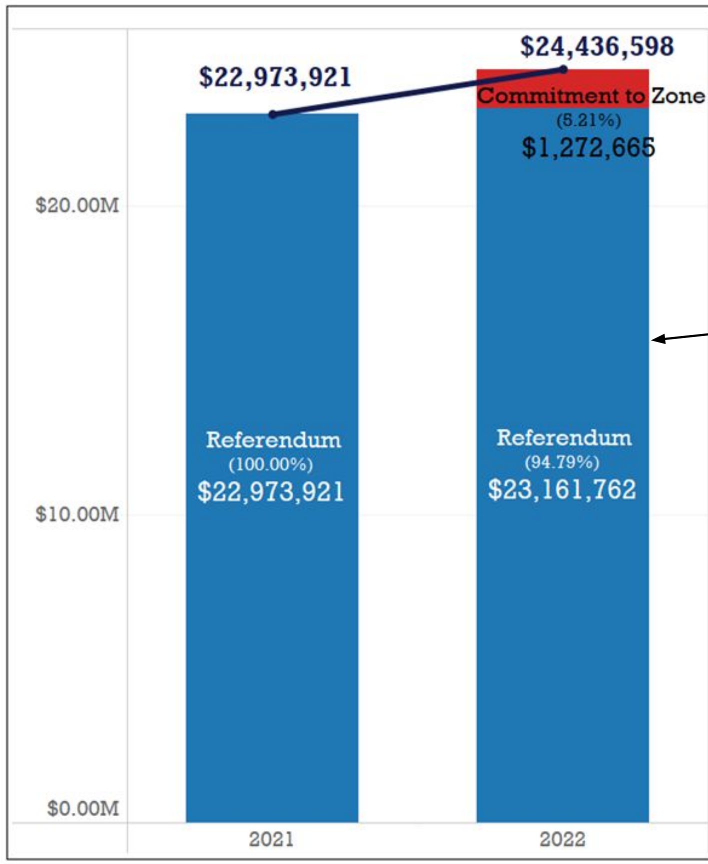
Financial State of the Corporation
Change in Cash



*Projected change in Cash YoY

Referendum Operating Fund & Strategic Spending

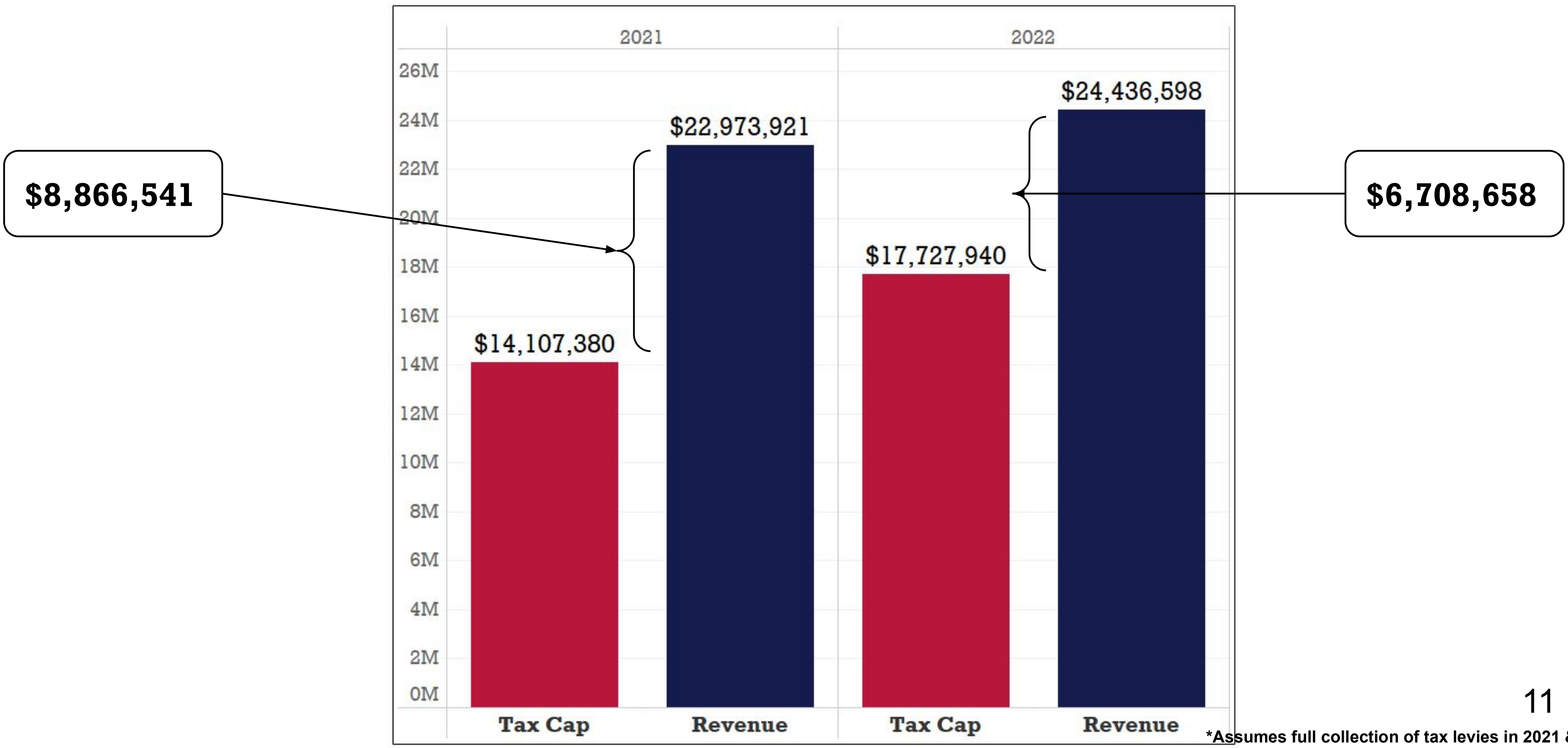
Budget Assumptions: Referendum Operation Fund



Assessed value went up, increasing the revenue

*Assumes full collection of tax levies in 2021 & 2022

Budget Assumptions: Referendum vs. Tax Cap



*Assumes full collection of tax levies in 2021 & 2022

What have we done?

Referendum Commitment / Allocation

Investment	Distribution	Cost
Teacher raises for school year 2020-21 (highest starting base salary in the region)	December 4, 2020	**$3.1 million**
Social & emotional/academic & literacy support *(College coaches, counselors, social workers & literacy specialists)*	September 15, 2020	**$2.1 million**
Cost for early childhood teacher salaries	Spring 2021	**$200,000**
Non-certified and support staff raises	Spring 2021	**$2 million**
Replacement schedule for equipment	Begins in 2022	**$1.1 million**
Total		**$8.5 million**

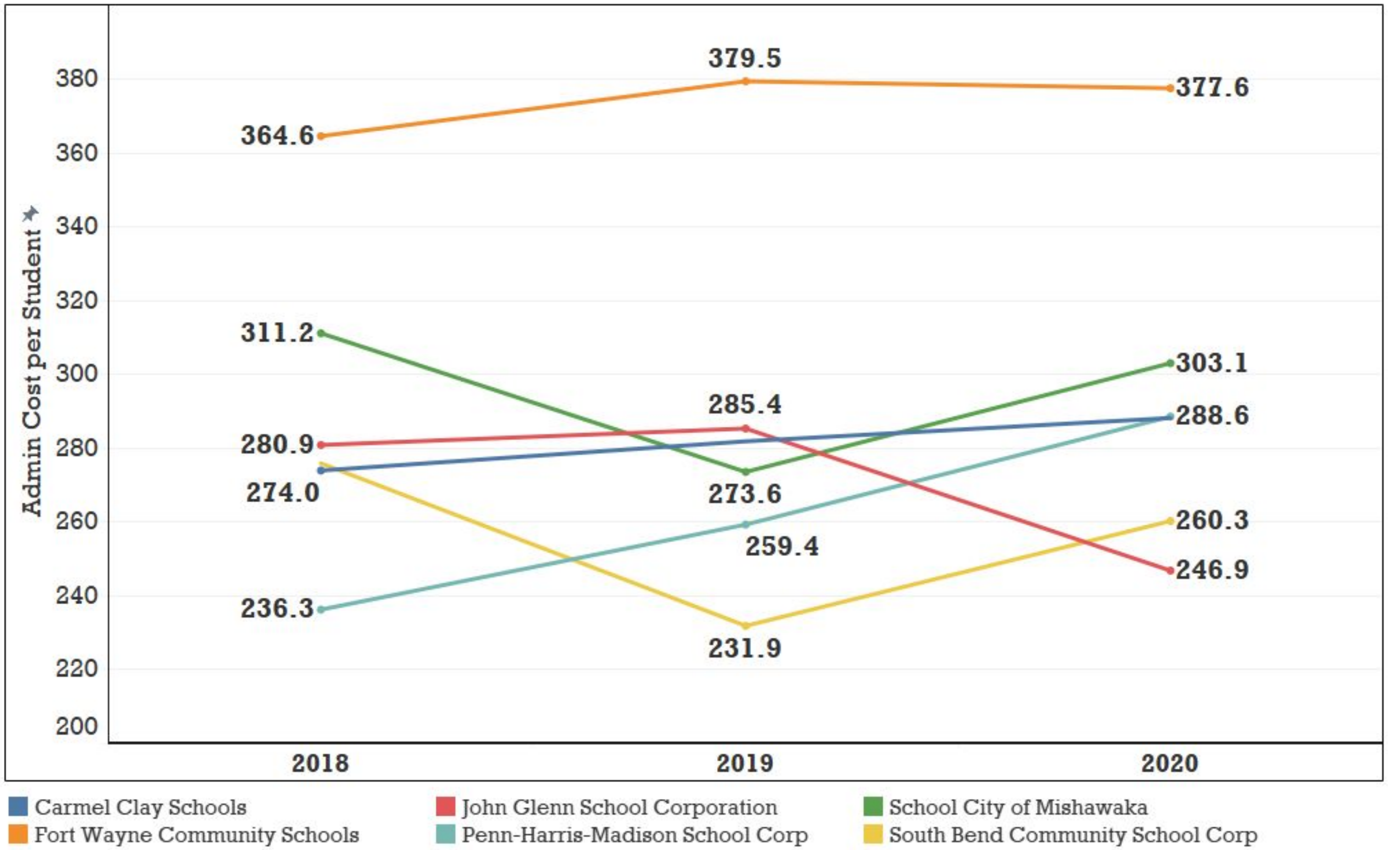
$7.4 million dollar investment made

Administrative Cost Comparison

In 2022 our total administrative cost will be 4.95% of the total salaries

SBCSC the lowest among ADM comparable districts

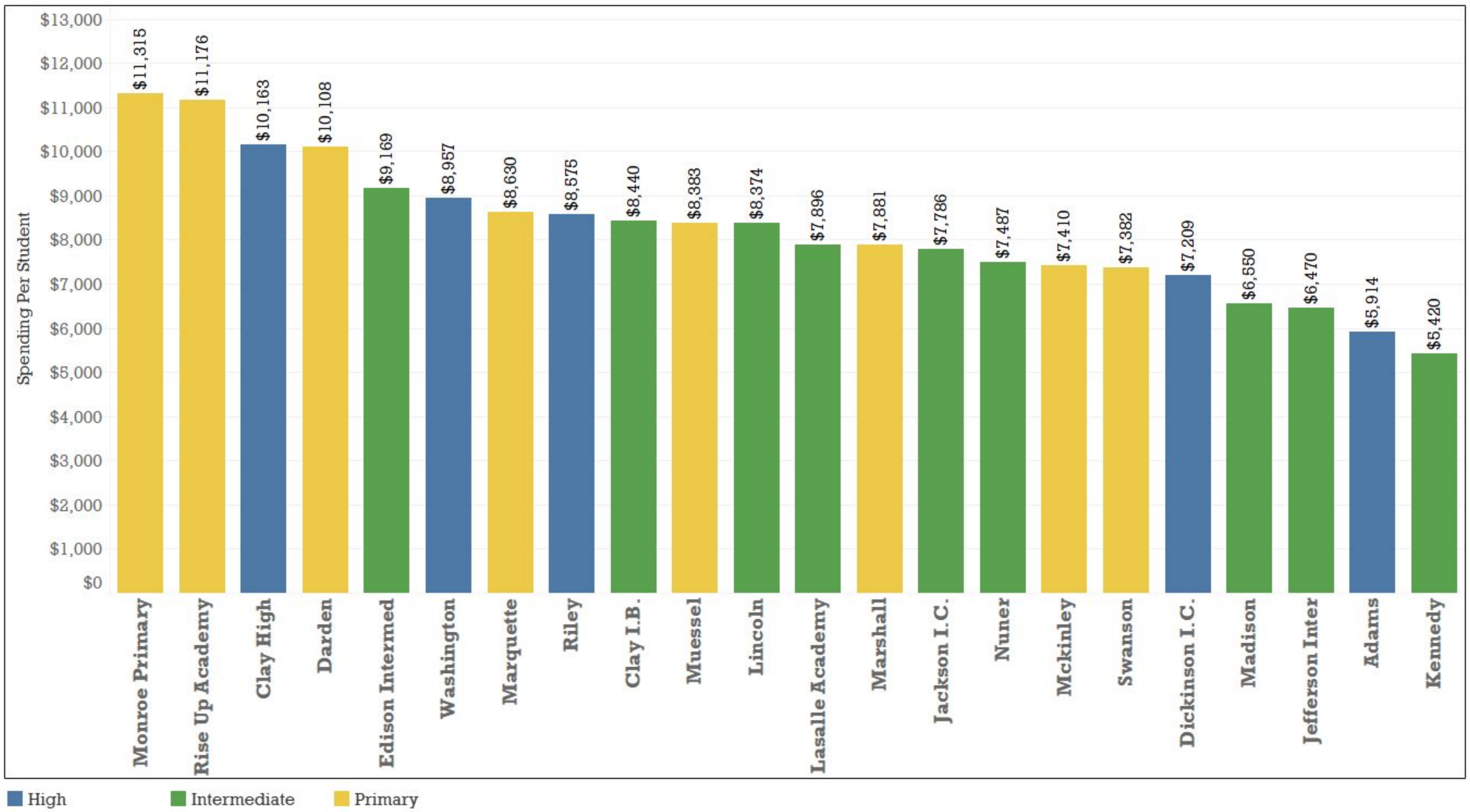
Second lowest among neighboring districts



*Data source: Indiana Department of Education

Building-level Equity

Spending per student



Students that require the most assistance are given more resources

Accountability

Audits, reporting, and systems

Completed State Board of Account Audit Reports:

- Financial Audits: 2 - FY2017/2018 and 2018/2019 (Cash Basis)
- Federal Audits: 2 - FY2017/2018 and 2018/2019 (Cash Basis)
- ADM Virtual Audits: 1
- Ongoing Audits:
  - Financial Audits: 1 - FY2019/2020 (GAAP Basis)
  - Federal Audits: 1 - FY2019/2020
  - Extra-curricular Audits 5

Department of Education:

- 1 indirect cost allocation plan for school allocation plan

Other Audits:

- Bank Reconciliation 2 years
- Transformation Zone 1
- Workman's Comp audits 2
- Insurance Renewal audits 2
- Shared Services Costs 1

31 audit touch points in the last 18 months including:
- desktop monitoring
- gap conversion

How did we get there?

Education and Operation Fund

Shifting Costs to Other Funding Sources (Redistributed)

Expenses moved out of regular funds to one-time funds (ESSER/CARES, TSL Grant, etc.)

Education

- Data processing - $1.2M (CARES)
- Instruction - $200,000 Elementary Summer School (CARES)
- Principal intern- $268,483 (TSL)
- Pre K: $200,000 (CARES)/Referendum)

Operation

- Bus replacement: $2.1M (Deferred)
- Bus paras: $207,309 (CARES)

Referendum

- Social workers- $2,962,780 (CARES)
- Equipment replacement schedule - $1.1 M (Building Corporation)

Significant Changes in 2022 Budget (Other Considerations)

$400,000

Addition to budget for class coverage

3%

Increase in health insurance

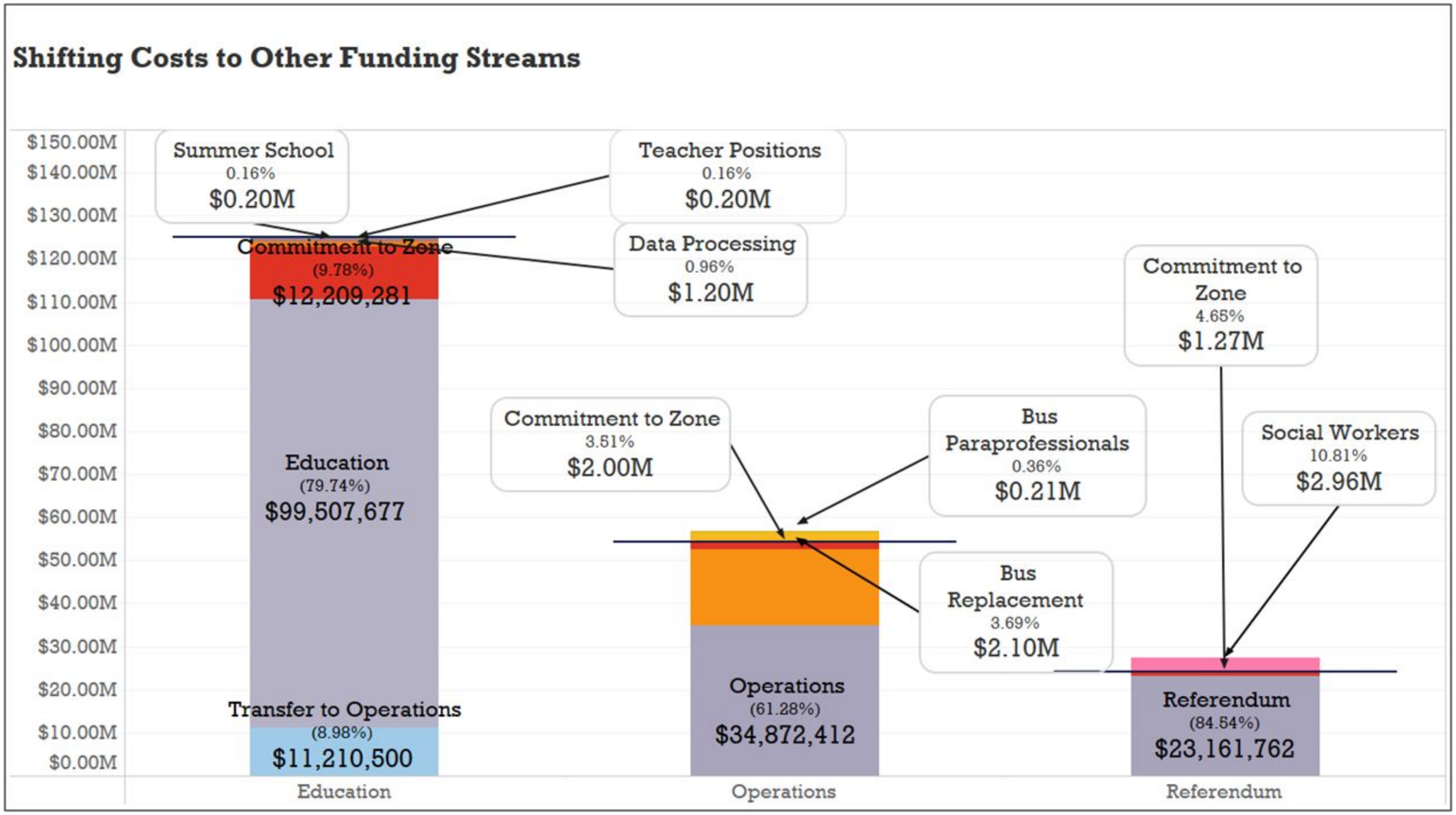
$400,000

Increase to Beacon Health nursing contract

$2 Million

Zone commitment (transportation)

Projections



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What Have We Done?
Administration & Department Cuts

$2,580,000
Department Cuts

$800,000
Transportation
Cuts

$400,000
Budget Control
Cuts

$630,000
Administration
Cuts

$750,000
Vacant Positions
Cuts

What Have We Done?
Deferred

$2,100,000

Transportation
(bus replacement deferred)

What Have We Done?
Re-Sizing Savings

$240,000

School Closures
(Tarkington & Hay)

How Are We Going to Cover This?
(Internal efficiencies to sustain raises)

Operational & Departmental Cuts
Efficiency study (update)

Buildings & Grounds
Request for proposal - custodial services, grounds management, plant operations & maintenance & integrated facility management

Transportation
Internal revamp

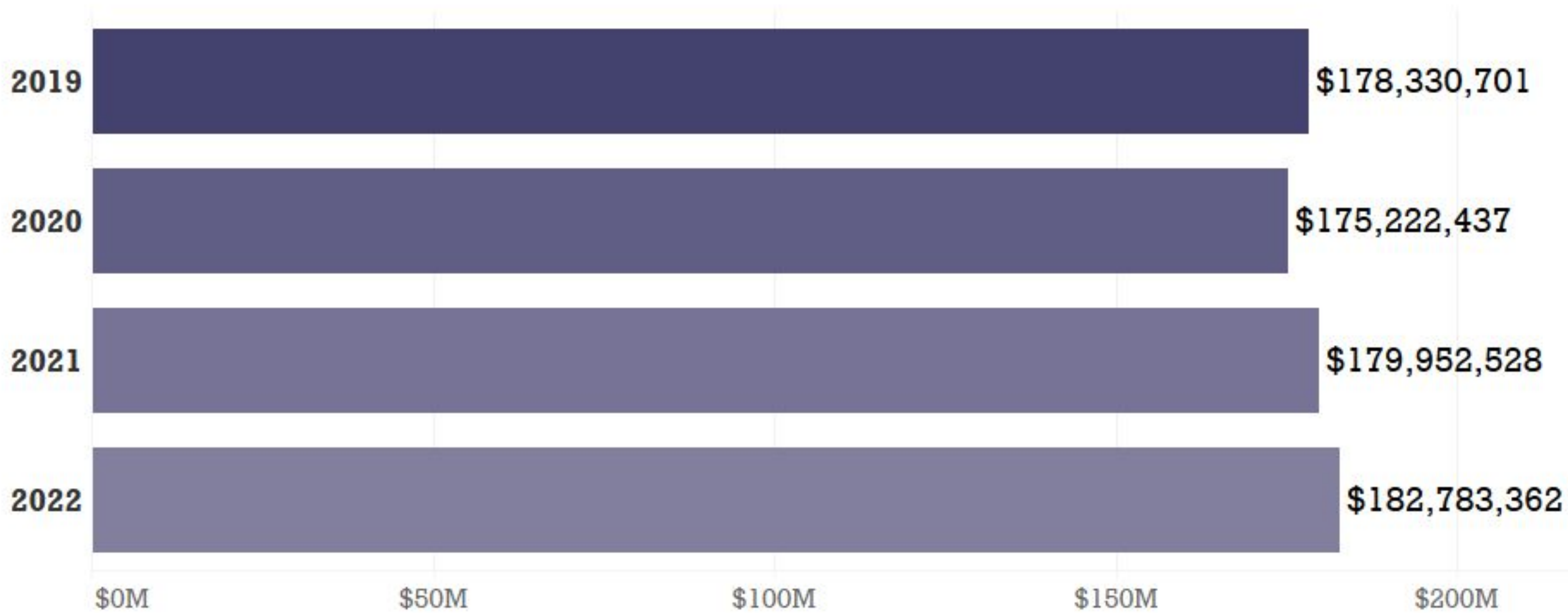
Update of Backend Systems
eFinance Plus

Time & Attendance System
TimeClock Plus

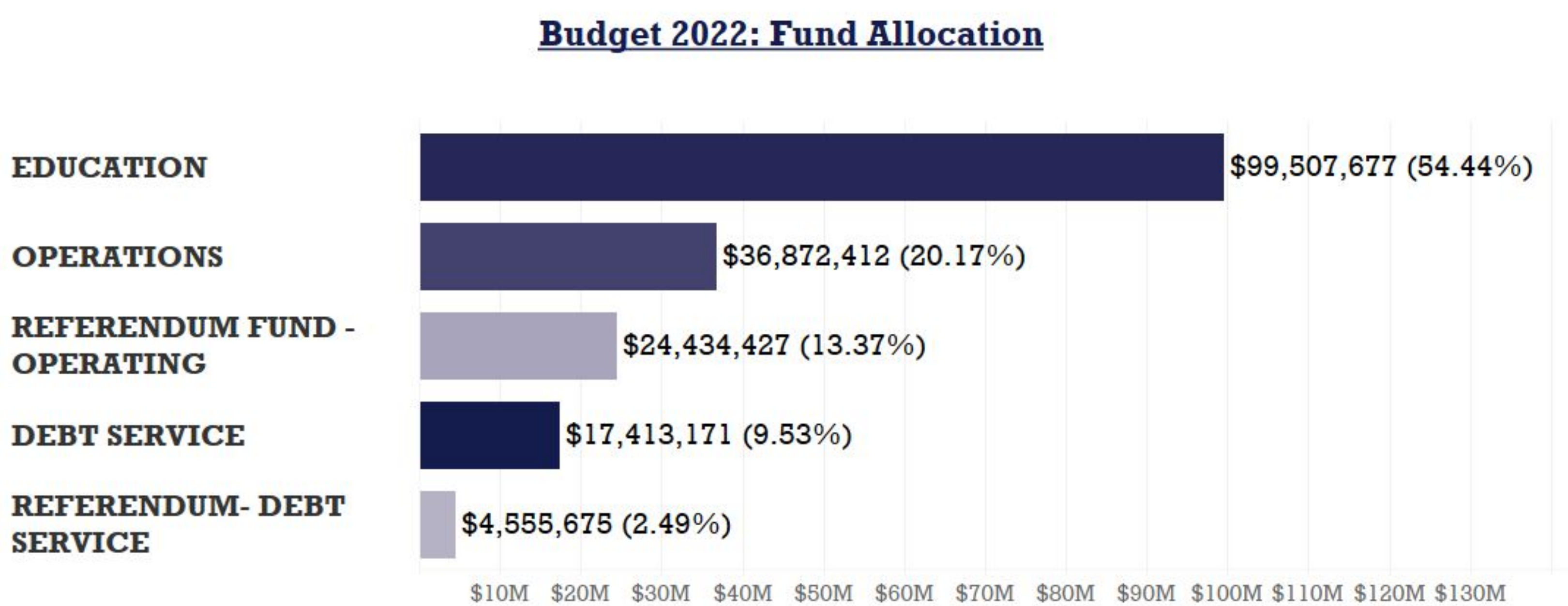
Right-Sizing
Facilities master planning

Minimal Transfers
Transfers from Education to Operation funds

Budget Overview



2022 Fund Allocation



Total Budget: **$182,783,362**

Education Fund deep dive

Major Fund Groups

Fund Name	FY19 Budget	FY20 Budget	FY21 Budget	FY22 Proposed Budget	Funding Method
Education Fund	$103,809,468	$100,802,494	$96,418,793	$99,507,677	• Enrollment count • St. Josephy County property taxes • Does not include the transfers to operations and the Zone
Operations Fund	$53,389,347	$55,094,703	$38,883,763	$36,872,412	St. Joseph County property taxes
Referendum Operations Fund	$0	$0	$22,973,921	$24,434,427	St. Joseph County property taxes
Pension Debt Fund	$3,152,754	$3,149,474	$650,273	$0	St. Joseph County property taxes (paid off in 2021)
Debt Service	$17,979,132	$16,175,766	$16,463,316	$17,413,171	St. Joseph County property taxes
Referendum-Debt Fund	$0	$0	$4,562,462	$4,555,675	St. Joseph County property taxes

Budget Assumptions: Education Fund

Spring 2021 Count - 15,329.91 - actual

- **2022 funding formula – student count February 2022 – 14,980**
- **2022 funding formula – student count September 2022 – 14,547**
- **Basic tuition support per student count – 21/22 - $5,995, 22/23 - $6,235**
- **Complexity index per student count – 2022 - $1,385**
- **Career and Technical Grant – $2,036,680**
- **Special Education Grant – $11,521,814**
- **3% increase in health insurance for 2022, adjusted for current participation**
- **Commitment to Zone Schools – $12,209,281 (District Innovation)**
- **Transfer to Operations Fund – $11,210,500**

2022 EDUCATION FUND BY OBJECT SUMMARY

	2019	2020	2021	2022
Salaries	$72,378,022	$72,356,349	$65,259,016	$68,463,544
Employee Benefits	$25,739,834	$22,502,320	$23,107,741	$25,109,577
Purchased Professional Services	$2,540,140	$2,764,415	$4,975,799	$4,168,838
Purchased Property Services	$1,231,250	$1,231,250	$31,250	$41,250
Supplies	$1,158,795	$1,149,098	$1,073,937	$958,032
Other Purchased Services	$409,386	$418,661	$385,733	$381,119
Other Objects	$352,041	$380,401	$1,585,317	$385,317
Grand Total	**$103,809,468**	**$100,802,494**	**$96,418,793**	**$99,507,677**

Social Workers moved; Substitute teachers to Professional Services; Cleaned Position control

Increase in Insurance Cost

Substitute teachers; EduStaff; Increase in Beacon Contract

No longer leasing equipment (Change in Indiana Code)

No longer leasing equipment (Change in Indiana Code)

Operation Fund deep dive

Budget Assumptions: Operation Fund

- Presumes the maximum allowable levy
- Assessed value = $5,553,169,924
- 2021 Circuit Breaker Impact = $14,107,380
- 2022 Circuit Breaker Impact = $17,727,940
- Natural gas $963,000 and $400,000 of Cenergistic contract moved to Referendum - Operating

*Assumes full collection of tax levies in 2021 & 2022

2022 Operation Fund by Object Summary

	2019	2020	2021	2022
Salaries	$20,323,066	$21,048,016	$13,277,352	$13,104,881
Employee Benefits	$9,264,222	$10,080,742	$6,486,446	$6,794,212
Purchased Professional Services	$705,500	$829,000	$2,056,871	$1,453,304
Purchased Property Services	$3,481,330	$3,541,850	$910,050	$857,463
Supplies	$7,393,065	$7,794,143	$7,101,820	$5,762,828
Equipment and Other Objects	$6,806,194	$7,144,833	$3,804,525	$2,273,865
Other Purchased Services	$5,415,970	$4,656,119	$5,246,699	$4,625,859
Commitment to Zone				$2,000,000
Grand Total	**$53,389,347**	**$55,094,703**	**$38,883,763**	**$36,872,412**

Facilities moved to Referendum

Natural Gas moved to Referendum

Facilities moved to Referendum

Debt Service Fund deep dive

Budget Assumption: Debt Service

- Assessed value = $5,553,169,924
- Assessed value Referendum Debt Service = $6,986,853,875
- Raise required debt amount through 6/30/2023
- Raises $263,010 for unreimbursed textbooks
- New 2021 General Obligation Bond - $5,375,000
- New Referendum Bond - $6,000,000

DEBT SERVICE FUND SUMMARY

	2019	2020	2021	2022
Common School Fund Loans	$79,293	$425,252	$755,782	$1,002,988
General Obligation Bonds	$1,724,913	$1,378,288	$1,349,650	$2,688,173
Lease Rental Payments	$15,190,000	$13,409,000	$13,427,000	$13,459,000
Temporary Loans	$400,000	$400,000	$400,000	$0
Unreimbursed Textbooks	$584,926	$563,225	$530,884	$263,010
Grand Total	**$17,979,132**	**$16,175,765**	**$16,463,316**	**$17,413,171**

Referendum Operating Fund & Strategic Spending deep dive

Budget Assumptions: Referendum Operation Fund

- Presumes the maximum allowable levy
- Assessed value = $6,986,853,875
- Includes all facility costs except electricity
- Includes social emotional support other than social workers and literacy specialists

2022 Referendum Operation Fund by Object Summary

	2021	2022
Salaries	$9,844,875	$8,607,042
Employee Benefits	$4,431,446	$4,201,884
Purchased Professional Services	$86,500	$489,467
Purchased Property Services	$3,870,520	$3,923,020
Supplies	$793,359	$1,913,128
Equipment and Other Objects	$3,945,421	$4,020,921
Other Purchased Services	$1,800	$6,300
Commitment to Zone		$1,272,665
Grand Total	**$22,973,921**	**$24,434,427**

Natural Gas moved to supplies to keep transfer to Operations fund to minimum

Zone Portion moved

SOUTH BEND COMMUNITY SCHOOL CORPORATION
SUMMARY PROJECTION BY BUDGETARY FUND
2022 BUDGET

	Education Fund	Debt Service Fund	Referendum - Debt Service	Operation Fund	Referendum - Operating
Anticipated Fund Balance 01/01/22*	**$13,141,119**	**6,892,971**	**$72,468**	**$3,531,895**	**$875,943**
Anticipated Revenues					
From Local Sources and Misc Receipts	$0			$12,227,460	
From Local Excise and FIT Taxes	$0	$818,180	$227,183	$2,009,096	$1,142,427
From Local Tax Levy	$0	$16,738,876	$4,597,852	$40,365,124	$23,294,171
From State Sources	$125,311,102				
From Federal Sources	$75,000				
Total Revenues	**$125,386,102**	**$17,557,056**	**$4,825,035**	**$54,601,680**	**$24,436,598**
Property Tax Cap Impact	$0	$0	$0	$17,727,940	$0
Total Resources Available	**$138,527,221**	**$24,450,027**	**$4,897,503**	**$40,405,635**	**$25,312,541**
Appropriations					
Payroll Costs	$93,573,121			$19,899,093	$12,808,926
Purchased & Contracted Services	$4,591,207			$6,936,626	$4,418,787
Supplies and Materials	$958,032			$5,762,828	$1,913,128
Capital Outlay	$378,192			$2,229,750	$4,020,921
Other Objects	$7,125	$17,413,171	$4,555,675	$44,115	$0
Tranfer to Transformation Zone	$12,209,281			$2,000,000	$1,272,665
Transfer to Operations	$11,210,500				
Total Appropriations	**$122,927,458**	**$17,413,171**	**$4,555,675**	**$36,872,412**	**$24,434,427**
Anticipated Fund Balance 12/31/22	**$15,599,763**	**$7,036,856**	**$341,828**	**$3,533,223**	**$878,114**

Assumes full collection of tax levies in 2021

2022 Budget Takeaways

- The SBCSC proposed 2022 budget sets up the Corporation for financial stability in the face of funding challenges now and in the future.
- The SBCSC proposed 2022 budget focuses on aligning with the Corporation’s strategic plan through “baseline spending”, driving efficiency and moving the district forward.
- The SBCSC proposed 2022 budget focuses on strategic spending (referendum) for the district through consistent, sustainable investment, which can be repeated year after year to build the foundation for success for all staff and students.

2022 Budget Adoption Timeline

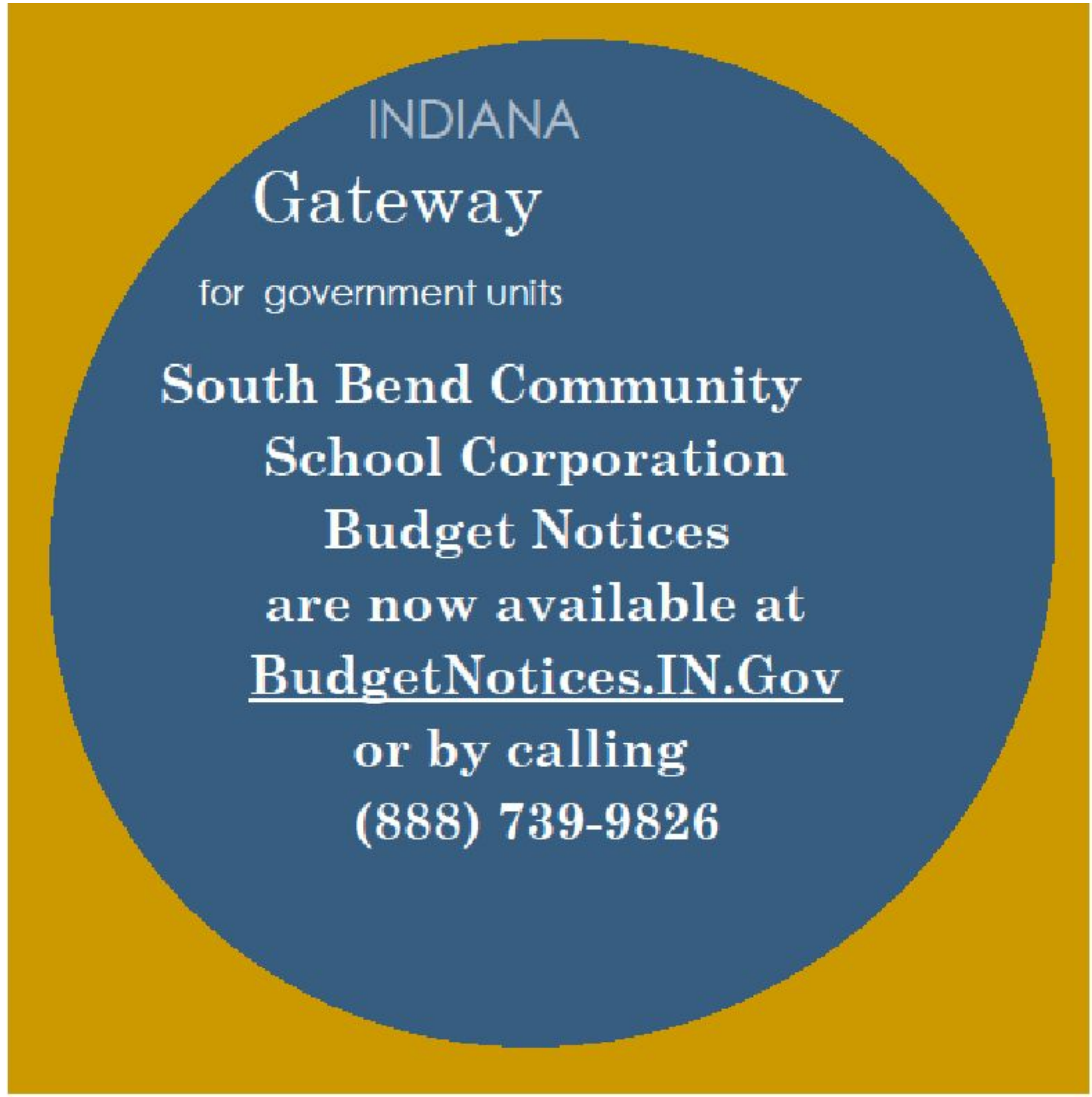
September 20, 2021	Board Approval to Advertise 2020 Budget
September 27, 2021	Advertisement of Budget
October 4, 2021	Board Meeting Budget Presentation
October 4, 2021	Public Hearing
October 18, 2020	Budget Adoption

Additional budget information
is available at:

SBCSC BUDGET ONLINE

@ INDIANA Gateway

BudgetNotices.IN.Gov



Questions