



# Griffith Public Schools

## **2025 Budget Public Hearing**

**Prepared for the Board of School Trustees and Griffith Taxpayers**

**September 26, 2024**

**Terri Chance, Chief Financial Officer**

# 2025 Budget Funds

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## ■ Education Fund

- Basic Tuition Support is determined by the Average Daily Membership (ADM).
- ADM is reported on October 1<sup>st</sup> and February 1<sup>st</sup>
- Basic Tuition Support for 2025 equals \$7,196 per student.
- Griffith's initial funding for 2025 equals \$15,755,298

## ■ Debt Service Funds

- Levy/Cash balance projections are calculated to avoid the expense of tax anticipation warrants.

## ■ Operations Fund

- Funded by local property taxes (levy)
- The maximum levy is set by the DLGF
- Transfers received from Education Fund

## ■ Referendum Fund

- Funded by local property taxes (levy)
- Voter approved to increase taxes to fund specific education initiatives or cover general operating expenses

# Six (6) Funds

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## 2025 Advertised Budget

|                              |                      |
|------------------------------|----------------------|
| ■ Education Fund             | \$ 15,250,000        |
| ■ Debt Service Fund          | \$ 6,860,645         |
| ■ Pension Bond Fund          | \$ 193,373           |
| ■ Operations Fund            | \$ 4,900,000         |
| ■ Referendum Fund            | \$ 3,759,497         |
| <b>TOTAL APPROPRIATIONS:</b> | <b>\$ 30,963,515</b> |

# LEVIED FUNDS

- The Budget numbers presented are our best estimate of what we require to run the district
- The Levy is the maximum amount we estimate will need to be raised from property taxes
- The Rate is inflated by design

| LEVIED FUND  | Budget             | Levy               | Rate          |
|--------------|--------------------|--------------------|---------------|
| Referendum   | \$3,759,497        | \$3,701,312        | \$0.329       |
| Debt Service | \$6,860,645        | \$6,514,656        | \$ 0.782      |
| Pension Debt | \$193,373          | \$193,373          | \$0.023       |
| Education    | \$15,250,000       | \$0                | \$0           |
| Operations   | <u>\$4,900,000</u> | <u>\$3,300,000</u> | <u>\$.396</u> |
| Combined     | \$30,963,515       | \$13,709,341       | \$1.5302      |

# Education/Operation Funds

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- **Annual Education Fund revenue is set for every school district by the State according to the State school funding formula.**
  - The local school board has no control over the level of Education Fund Dollars allocated to the district
  - This is the district's primary operating fund
  
- **The Education Fund is for instruction-related items**
  - This fund is directly used to pay for teacher, instructional assistant, clerical, and building level administrators salaries/benefits.
  - This fund is also used for all curricular and textbook materials.
  
- **The Operation Fund is for non-instruction-related items.**
  - Broadly used to pay for school corporation's non-classroom expenditures, such as, non-educational staff (Superintendent, CFO, Transportation Director including bus drivers, Buildings and Grounds Director, all maintenance and custodial staff, central office staff, Safety & Security Director) utilities, facility and maintenance needs in addition to anything not covered by the Education Fund.

# Education/Operation Funds

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  - Broadly used to pay for school corporation's non-classroom expenditures, such as non-educational staff (Superintendent, CFO, Transportation Director including bus drivers, Buildings and Grounds Director, all maintenance and custodial staff, central office staff, Safety & Security Director) utilities, facility and maintenance needs in addition to anything not covered by the Education Fund.
  
- **The budgeting process looks at an 18-month timeline beginning July 1, 2024**
  
- **Projections through December 31, 2024, include:**
  1. 2023-2024 and 2024-2025 Student counts
  2. Benefit costs including health insurance, retirement, workers compensation, FICA
  3. Utility costs and weather-related expenses.
  4. Unanticipated major building repairs
  5. Special Education costs

# Referendum Funds

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## ■ Referendum Funds

- **Funded through Voter Approved Property Taxes**
- Retaining and Attracting Personnel
  - \$3,331,181    90%
- Operations
  - \$162,858    4.4%
- Student Transportation
  - \$122,143    3.3%
- Safety and Security
  - \$85,130    2.3%

# Debt Service Fund

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- **Debt Service Funds are for payment of district debt and cannot be used for any other purpose.**
  - Can be reduced by Circuit Breaker Credits
- **Debt Service payment is from local property taxes.**
  - Includes some funding from Excise, FIT & CVET
- **New Debt may require taxpayer approval**
- **Debt issuance is the best funding option for major capital improvements**
- **If Capital Debt is approved by voters in a referendum vote, it becomes “above the caps” and can exceed the maximum levy**



# Exempt Pension Debt Fund

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- **The Exempt Pension Bond Fund is to retire a Bond issued in 2005 to cover the cost of unfunded pension debt**
- **In 2004, the State charged school districts with reducing their “unfunded retirement liability.”**
  - This liability was typically tied to three staff benefits:
    1. Post-retirement employer-paid health insurance
    2. Early retirement incentive payments
    3. Lump sum payments for the unused sick days
- **Remaining Bond Proceeds are used to continue these payments**
- **Bond repayment amortization continues to 2025.**
  - Like Exempt Debt, this moves above the caps in 2020

# Capital Projects Plan

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## ■ Potential Capital Projects

- Aquatic Center
- Athletic Center
- Replace Football Field Turf and Track
- Football Press Box
- District HVAC
- Other District Projects as Needed

# Bus Replacement Plan

- This is only for the purchase of vehicles for student transportation. The State allows schools to replace buses every twelve years.
- The district will not purchase any buses in 2025

|    | Bus Description               | Corp ID Number | Type of Bus/Vehicle per DOE "TN" | Owned or Leased         | Estimated Replacement Costs |              |              |              |              |
|----|-------------------------------|----------------|----------------------------------|-------------------------|-----------------------------|--------------|--------------|--------------|--------------|
|    |                               |                |                                  |                         | 2025                        | 2026         | 2027         | 2028         | 2029         |
| 4  | 2011 International - 48/Wheel | 10             | C                                | Owned                   |                             | \$147,000    |              |              |              |
| 6  | 2013 Chevrolet Starcraft - 15 | 25             | A                                | Owned                   |                             | \$100,000    |              |              |              |
| 7  | 2015 Chevrolet Starcraft - 15 | 22             | A                                | Owned                   |                             |              | \$100,000    |              | \$100,000    |
| 8  | 2016 International - 78       | 4              | C                                | Owned                   |                             |              |              | \$160,000    |              |
| 9  | 2017 International - 78       | 5              | C                                | Owned                   |                             |              |              |              | \$150,000    |
| 10 | 2017 Chevrolet Starcraft - 15 | 23             | A                                | Owned                   |                             |              |              |              | \$100,000    |
| 11 | 2018 International - 72       | 11             | C                                | Owned                   |                             |              |              |              |              |
| 12 | 2018 International - 72       | 12             | C                                | Owned                   |                             |              |              |              |              |
| 13 | 2018 International - 72       | 2              | C                                | Owned                   |                             |              |              |              |              |
| 14 | 2018 International - 72       | 3              | C                                | Owned                   |                             |              |              |              |              |
| 15 | 2018 International - 72       | 13             | C                                | Owned                   |                             |              |              |              |              |
| 16 | 2019 Chevrolet Starcraft - 15 | 24             | A                                | Owned                   |                             |              |              |              |              |
| 17 | 2020 International - 72       | 9              | C                                | Owned                   |                             |              |              |              |              |
| 18 | 2021 International - 72       | 14             | C                                | Owned                   |                             |              |              |              |              |
| 19 | 2021 International 48/Wheel   | 15             | C                                | Owned                   |                             |              |              |              |              |
| 20 | 2020 International - 72       | 16             | C                                | Owned                   |                             |              |              |              |              |
| 21 | 2019 International - 72       | 17             | C                                | Owned                   |                             |              |              |              |              |
| 22 | 2017 International - 72       | 18             | C                                | Owned                   |                             |              |              |              |              |
| 23 | 2024 Chevrolet Starcraft - 15 | 26             | A                                | Owned                   |                             |              |              |              |              |
| 24 |                               |                |                                  |                         |                             |              |              |              |              |
| 25 |                               |                |                                  |                         |                             |              |              |              |              |
|    |                               |                |                                  | Replacement Cost Totals |                             | \$247,000.00 | \$100,000.00 | \$160,000.00 | \$350,000.00 |

# Comments

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- At this time, we will take any public comment regarding the 2025 Budget.

