



# SY 2023–24 Q4 FINANCE UPDATE

Weston Young, CPA – Chief Financial Officer

August 29, 2024

- 1 Year to Date Overview
- 2 Supplier Diversity
- 3 All Funds
- 4 Strategic Priority 4: Operate and Fund Strategically
- 5 ESSER Updates & Long-Term Planning
- 6 Appendix: Board-Appropriated Funds

**A**

Maintain financial and operational transparency

**B**

Provide timely financial updates to stakeholders

**C**

Communicate progress and new initiatives

## Budget Execution &amp; Strategy for SY 2023–24

## Debt Issued to Support Learning Environments

- [\\$130M Capital Referendum Debt](#) Closed October 4, 2023
- [\\$95M Deferred Maintenance Debt](#) Closed December 20, 2023
- Planning for 2 Fall 2024 Issuances - \$159M Cap Ref & \$95M Def Maint

Launch [2023 Capital Referendum Tracker](#)

## Rebuilding Stronger Implementation

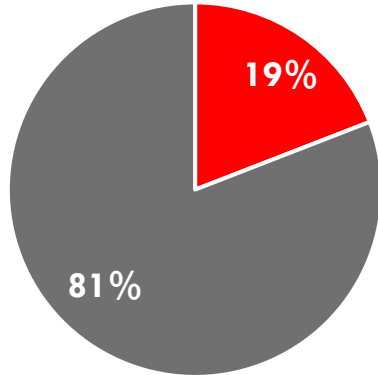
- Positions & Programming
  - Professional Development
  - School Leadership
- Readiness for Launch in SY 2024-25

SY 2023-24  
[Academic Data & Strategic Initiative Review](#)

## Resource Allocation &amp; Reporting

- Leverage Final Year of [ESSER Funding](#) before 9/30/24 End Date
- Support [Budget Development](#) for SY 2024-25 & Beyond
- Finalized SY 2022-23 [Audit](#) & SY 2023-24 [Fiscal Year-End Reporting](#)

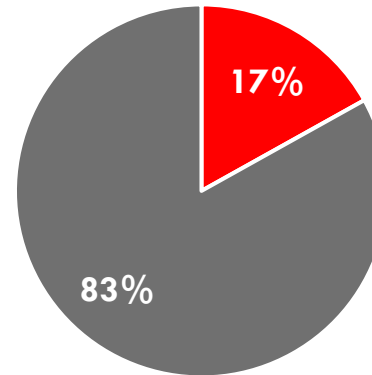
### 2024 Year to Date



**Total Eligible Expenditures**  
\$98,000,000

■ XBE ■ Non XBE

### 2023 Calendar Year



**Total Eligible Expenditures**  
\$143,000,000

Top 5 Vendors 2024 YTD			Top 5 Vendors 2023		
TUTORED BY TEACHERS, MBE	\$	5,700,266	TUTORED BY TEACHERS, MBE	\$	9,030,580
POWERS-DAVIS JV, MBE	\$	3,238,394	DNO INC, MBE	\$	2,018,340
DNO INC, MBE	\$	1,413,807	METICULOUS DESIGN, MBE	\$	1,841,922
SCHMIDT ASSOCIATES, WBE	\$	1,334,339	EDUSERVICE, WBE	\$	860,358
WDI ARCHITECTURE, MBE, WBE	\$	1,088,338	WEBER AND ASSOCIATES, WBE	\$	744,626

QUANTITY OF VENDORS USED 2024		QUANTITY OF VENDORS USED 2023	
XBE VENDORS USED	115	XBE VENDORS USED	131
TOTAL VENDORS USED	853	TOTAL VENDORS USED	1011

## SY 2019 to 2024 Cash Flow Summary

	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
<b>RECEIPTS</b>												
Tuition Support	233.7	247.1	250.7	258.4	267.7	286.2	49%	49%	49%	46%	41%	43%
Local Property Taxes	70.5	68.6	84.6	82.6	90.0	85.9	15%	14%	16%	15%	14%	13%
Local Property Taxes - Referendum	15.4	28.3	35.0	34.6	38.2	40.4	3%	6%	7%	6%	6%	6%
Local Property Taxes - Debt	50.6	55.2	58.3	54.4	64.7	86.1	11%	11%	11%	10%	10%	13%
Other Taxes	13.1	16.6	16.3	20.2	19.7	19.4	3%	3%	3%	4%	3%	3%
Federal Revenue	50.7	40.0	42.7	37.0	34.4	39.5	11%	8%	8%	7%	5%	6%
ESSER	-	-	2.1	30.0	91.8	67.5	0%	0%	0%	5%	14%	10%
Food Service	20.1	17.6	9.6	22.0	23.2	21.5	4%	4%	2%	4%	4%	3%
Disposal of Property	2.7	5.8	0.1	0.4	0.0	0.0	1%	1%	0%	0%	0%	0%
Other	15.7	20.6	16.9	17.5	17.5	21.3	3%	4%	3%	3%	3%	3%
<b>Total Receipts</b>	<b>472.5</b>	<b>499.8</b>	<b>516.1</b>	<b>556.9</b>	<b>647.2</b>	<b>667.9</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>EXPENDITURES</b>												
General Education	111.6	119.1	120.3	120.5	138.2	136.1	24%	25%	23%	22%	21%	20%
Special Education	42.1	49.1	47.7	44.8	48.6	48.7	9%	10%	9%	8%	8%	7%
Innovation Network	59.3	66.9	87.7	104.3	109.7	116.1	13%	14%	17%	19%	17%	17%
Educational Support	59.2	66.8	77.4	84.2	104.6	110.7	12%	14%	15%	15%	16%	16%
Administrative Operations	19.6	20.1	22.7	22.0	25.7	26.1	4%	4%	4%	4%	4%	4%
Capital Projects	52.5	44.3	50.7	55.8	73.1	65.0	11%	9%	10%	10%	11%	10%
Transportation	37.5	34.4	33.9	31.2	40.8	50.9	8%	7%	7%	6%	6%	8%
Food Service	25.7	22.9	13.4	20.4	22.1	21.6	5%	5%	3%	4%	3%	3%
Debt Payment - Principal	28.2	28.1	50.4	47.7	62.4	73.8	6%	6%	10%	9%	10%	11%
Debt Payment - Interest	30.5	27.2	12.6	12.6	15.1	21.5	6%	6%	2%	2%	2%	3%
Other	8.4	7.0	0.2	0.8	7.2	4.2	2%	1%	0%	0%	1%	1%
<b>Total Expenditures</b>	<b>474.6</b>	<b>485.7</b>	<b>517.2</b>	<b>544.4</b>	<b>647.6</b>	<b>674.5</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
							Surplus (Deficit) as % of Total Expenditures					
Surplus (Deficit)	(2.1)	14.0	(1.1)	12.6	(0.4)	(6.7)	0%	3%	0%	2%	0%	-1%

### Total Revenues

Impacted by:

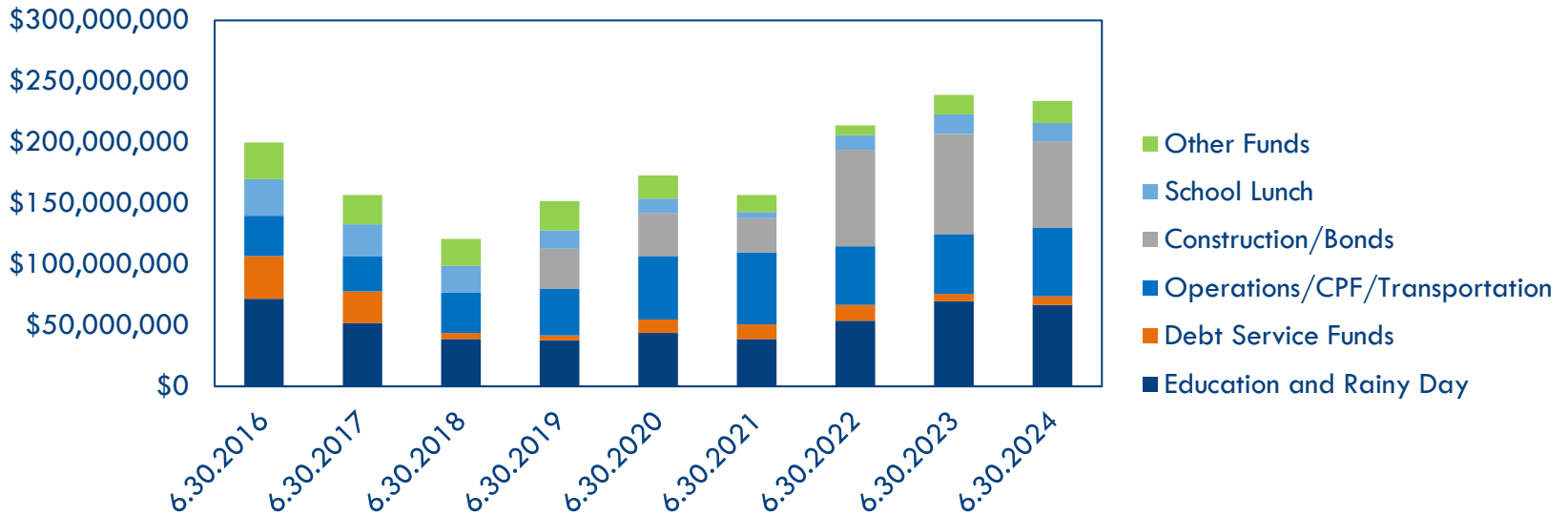
- 1) Total Enrollment across portfolio stable with additional Tuition Support per pupil
- 2) Local Property Tax Funding received semi-monthly
- 3) Timing of ESSER reimbursements

### Total Expenditures

Impacted by:

- 1) Compensation & Innovation Agreements
- 2) Timing of Payments for Capital Projects, Transportation, & Insurance
- 3) Semi-monthly Debt payments

### Historical Fund Balances



Fund Balances	6.30.16	6.30.17	6.30.18	6.30.19	6.30.20	6.30.21	6.30.22	6.30.23	6.30.24
Education and Rainy Day	\$72M	\$52M	\$39M	\$38M	\$44M	\$39M	\$54M	\$70M	\$67M
Debt Service Funds	\$35M	\$26M	\$5M	\$4M	\$11M	\$12M	\$13M	\$6M	\$7M
Operations/CPF/ Transportation	\$33M	\$29M	\$33M	\$38M	\$52M	\$59M	\$48M	\$49M	\$56M
Construction/Bonds	\$0M	\$0M	\$0M	\$33M	\$35M	\$28M	\$79M	\$82M	\$71M
School Lunch	\$30M	\$26M	\$22M	\$15M	\$12M	\$5M	\$12M	\$16M	\$15M
Other Funds	\$30M	\$24M	\$22M	\$24M	\$19M	\$14M	\$8M	\$16M	\$18M
<b>Total Funds</b>	<b>\$200M</b>	<b>\$157M</b>	<b>\$121M</b>	<b>\$152M</b>	<b>\$173M</b>	<b>\$157M</b>	<b>\$214M</b>	<b>\$239M</b>	<b>\$234M</b>



### Macro Environmental Factors

- Legislative policy, funding formula, and SY 2023-24 & 2024-25 state budgets
- Enrollment: student mobility between SY 2023-24 and SY 2024–25
- Economy: inflation, recession?, and impact on federal, state and local funding



### Strategic Conversations

- Budget process alignment to [strategic priorities](#) and [board goals](#)
- Compensation & Health Insurance – Fall 2023 Collective Bargaining
- Investments in [COVID-19 response](#), technology and unfinished learning



### Implemented and Yielding Positive Results

- Health insurance
- Facilities & [Energy management](#)
- [Transportation](#)



### In Development

- Long-Term Planning for revenue shifts in State Budget Policy
- SY 2024-25 Budget Development – School-Based & Central Supports
- [Rebuilding Stronger Campaign](#) – Implementation of Facilities & Academic Programming for SY 2024-25



# Long-Term Budget Planning

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## Revenue Trends

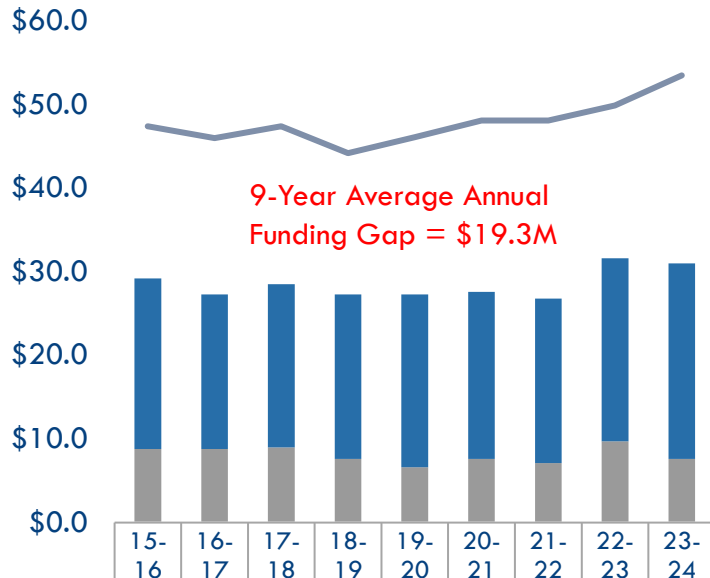
**Focus on systems and partnerships has led to a sustained increase in annual operational revenue.**

<b>Funds</b>	<b>SY 15-16</b>	<b>SY 16-17</b>	<b>SY 17-18</b>	<b>SY 18-19</b>	<b>SY 19-20</b>	<b>SY 20-21</b>	<b>SY 21-22</b>	<b>SY 22-23</b>	<b>SY 23-24</b>
Interest Income	\$640K	\$1.6M	\$1.9M	\$2.5M	\$2.7M	\$1.1M	\$677K	\$3.5M	\$11.3M
Textbook Rental & IDOE Reimb	\$1.7M	\$1.8M	\$2.0M	\$1.7M	\$1.8M	\$2.1M	\$1.7M	\$1.9M	\$3.3M
Medicaid Reimbursement	\$674K	\$941K	\$1.9M	\$2.3M	\$1.8M	\$2.3M	\$1.4M	\$1.2M	\$1.7M
Grant Contributions	\$612K	\$1.6M	\$4.1M	\$2.7M	\$2.8M	\$3.5M	\$4.6M	\$5.1M	\$5.5M
Rental Income	\$938K	\$710K	\$875K	\$910K	\$127K	\$82K	\$102K	\$54K	\$257K
<b>Subtotal Annual</b>	<b>\$4.6M</b>	<b>\$6.7M</b>	<b>\$10.7M</b>	<b>\$10.1M</b>	<b>\$9.2M</b>	<b>\$9.1M</b>	<b>\$8.7M</b>	<b>\$11.8M</b>	<b>\$22.1M</b>
Sale of Property	\$2.3M	\$385K	\$13.4M	\$2.7M	\$5.8M	\$0	\$0	\$0	\$0
<b>Total Annual &amp; One-Time</b>	<b>\$6.9M</b>	<b>\$7.1M</b>	<b>\$24.1M</b>	<b>\$12.9M</b>	<b>\$15.0M</b>	<b>\$9.1M</b>	<b>\$8.7M</b>	<b>\$11.8M</b>	<b>\$22.1M</b>

## Funding Gap For Students With Special Needs

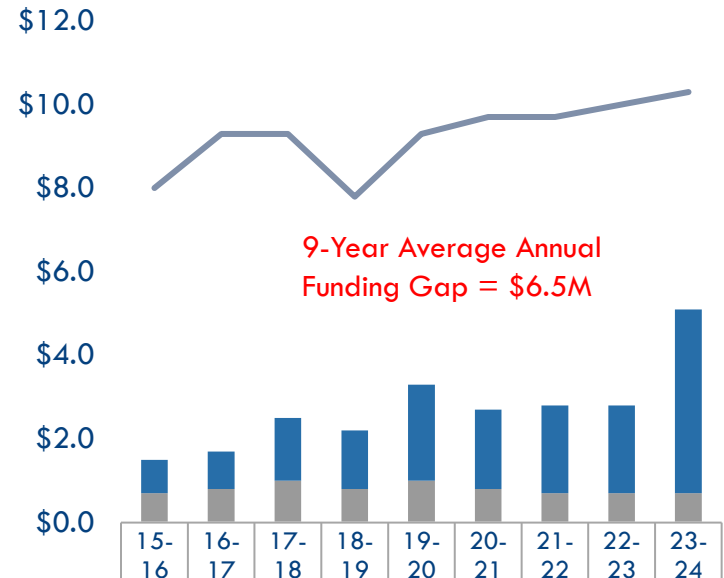
**Expenditures for special education (SpEd) and English language learners (ELL) encroach on General/Education Fund budget allocations, capturing around 16% of state tuition support or 94% of complexity index funding.**

SPED Funding & Cost (in millions)



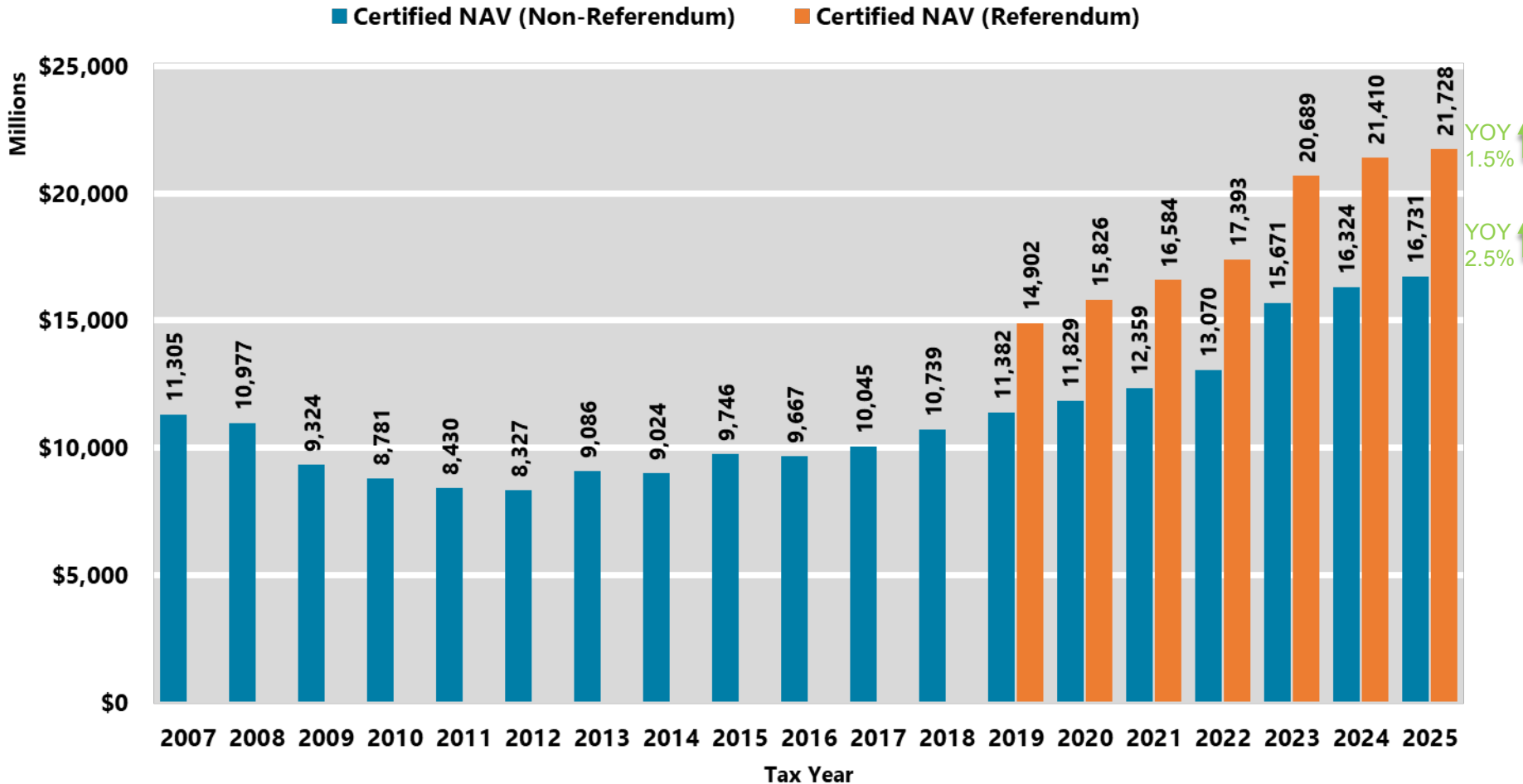
State Revenue	20.4	18.5	19.5	19.7	20.7	20.0	19.7	21.9	23.4
Federal Revenue	8.8	8.8	9.0	7.6	6.6	7.6	7.1	9.7	7.6
Cost	47.4	46.0	47.4	44.2	46.1	48.1	48.1	49.9	53.5

ELL Funding & Cost (in millions)

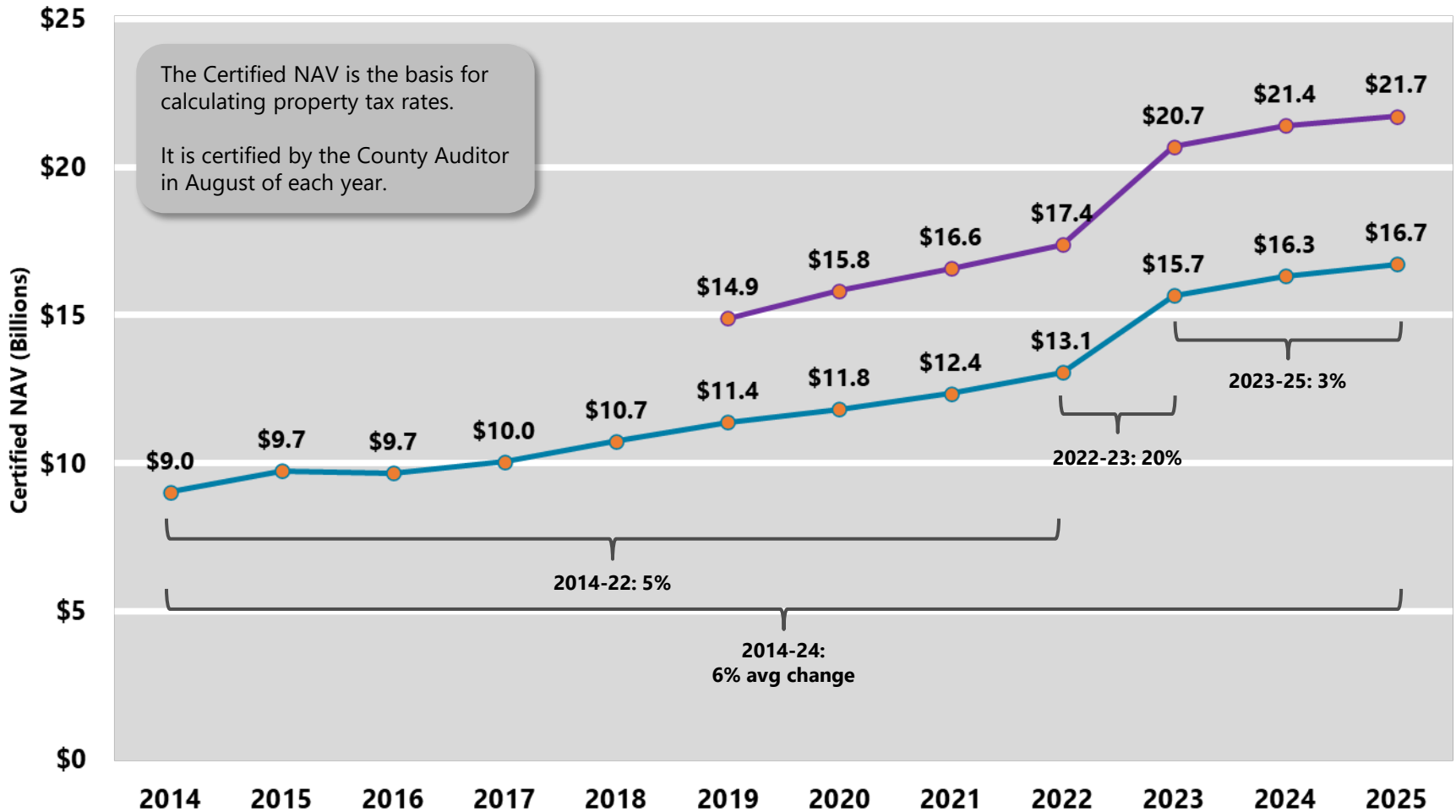


State Revenue	0.8	0.9	1.5	1.4	2.3	1.9	2.1	2.1	4.4
Federal Revenue	0.7	0.8	1.0	0.8	1.0	0.8	0.7	0.7	0.7
Cost	8.0	9.3	9.3	7.8	9.3	9.7	9.7	10.0	10.3

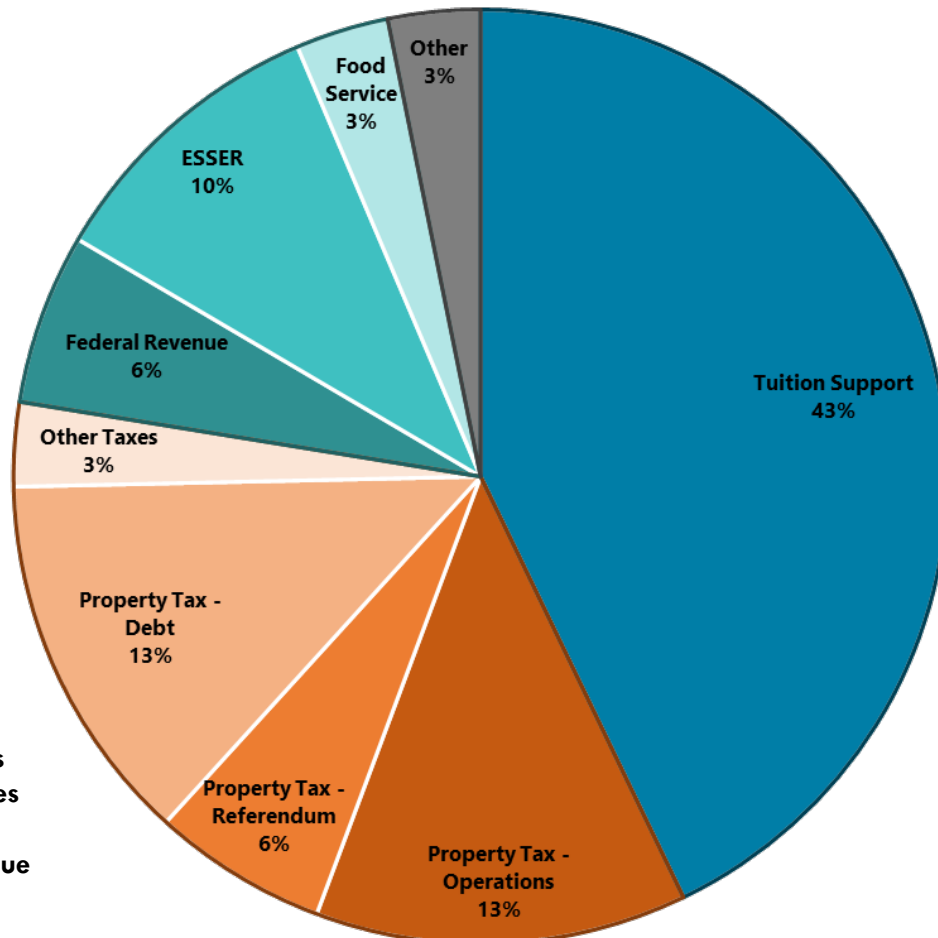
## Historical Perspective: Certified Assessed Value (\$)



## IPS Certified Net Assessed Value by Tax Year



### Composition of IPS Revenue (SY 2024)



Property Taxes and Local Taxes total 35% of SY2024 Revenue

- State Tuition Support totaled 43% of IPS revenue in SY 2024.
- Property Taxes and other local taxes totaled 35% of IPS revenue in SY 2024.
- Federal Funding and other revenue sources totaled 22% of SY 2024 revenue.
- ESSER funding is a one-time grant revenue source and cannot support ongoing operations.



# IPS ESSER UPDATE

**Andrew Strope, Deputy Superintendent**  
**John Isaacson, Strategy Analyst**  
**Indianapolis Public Schools**

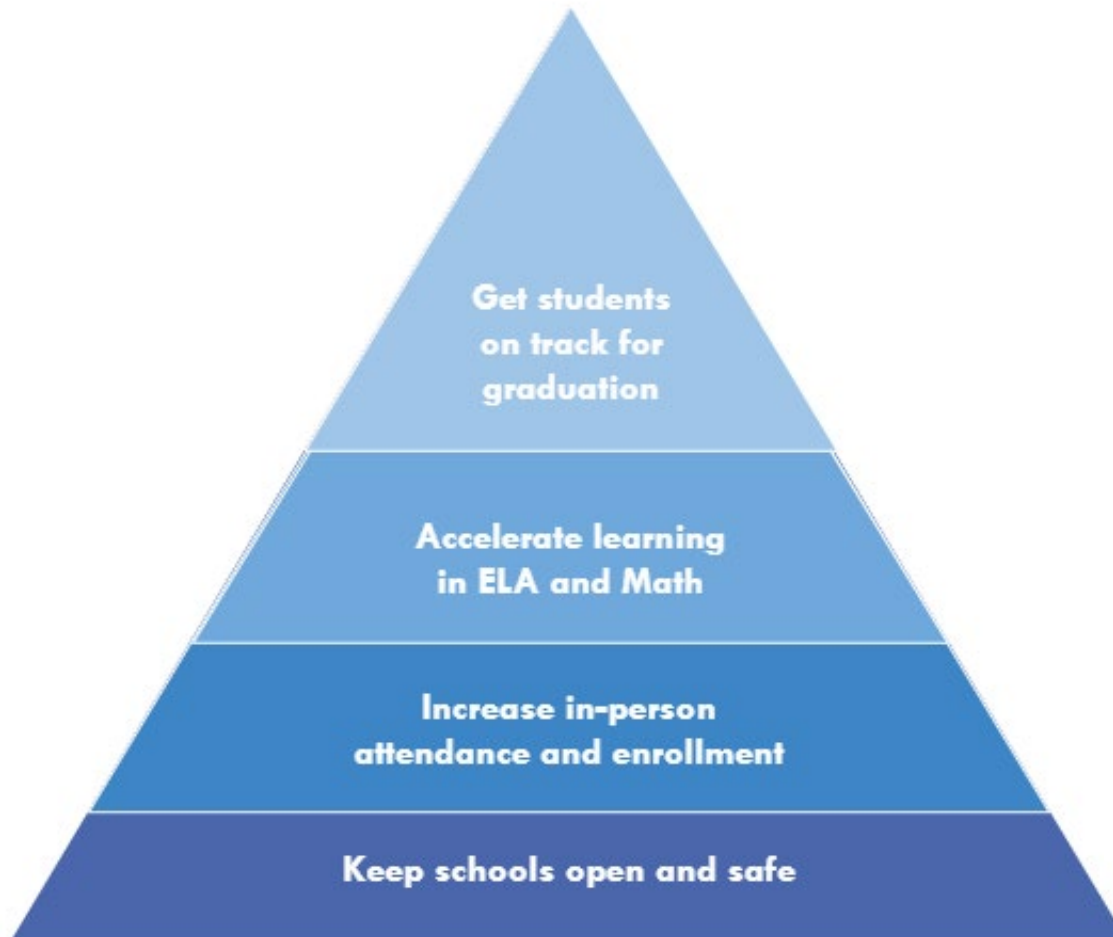
**August 29th, 2024**

- IPS leveraged ESSER priorities to ensure a focus on student learning.
- Strategic investments were made to ensure dollars went to areas of highest need.
- The impact of ESSER funds will extend beyond the ESSER window.



## IPS has set 4 ESSER goals that support these federal priorities and align to our board goals and strategic plan

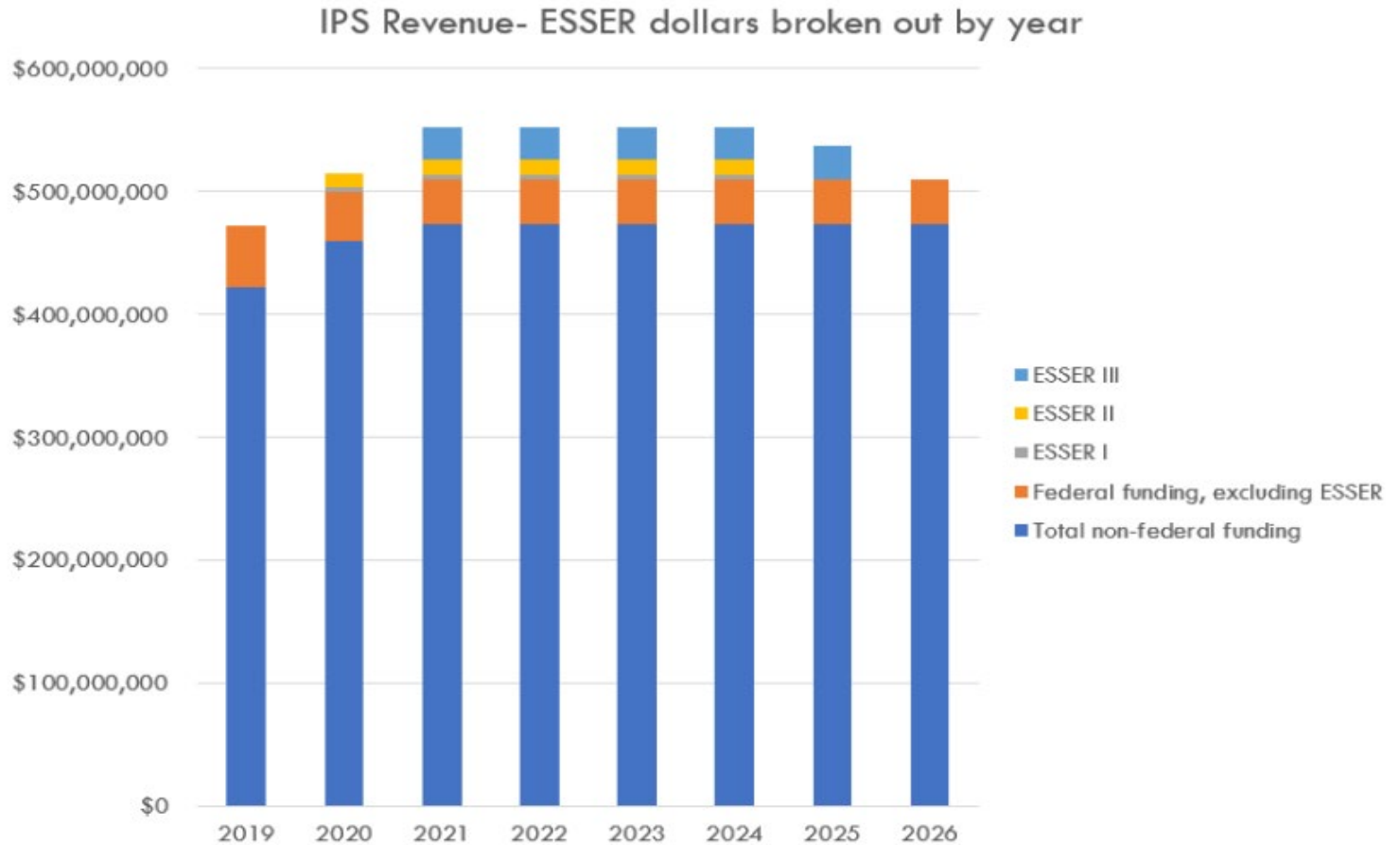
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These goals function as a “hierarchy of needs.” For IPS students to be successful, they need to be *at school, in person, and safe*. This creates opportunities for us to *accelerate learning in core subjects, especially ELA and Math*. Accelerating learning means our students can be *on track to graduate and be set up for success in college and career*.

ESSER funding supports students along this continuum.

# ESSER funding roughly doubles our federal funding, but works out to be a max of 8% of our total revenue year over year until the spending deadline



ILLUSTRATIVE: These do not reflect detailed future IPS revenue projections

# IPS continues to shift towards more investment in ELA and Math supports

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## ESSER Spend as of June 30th, 2024

Current ESSER Spend: \$186.9M

Total ESSER funds to be spent by 12/15/24: \$217.2M

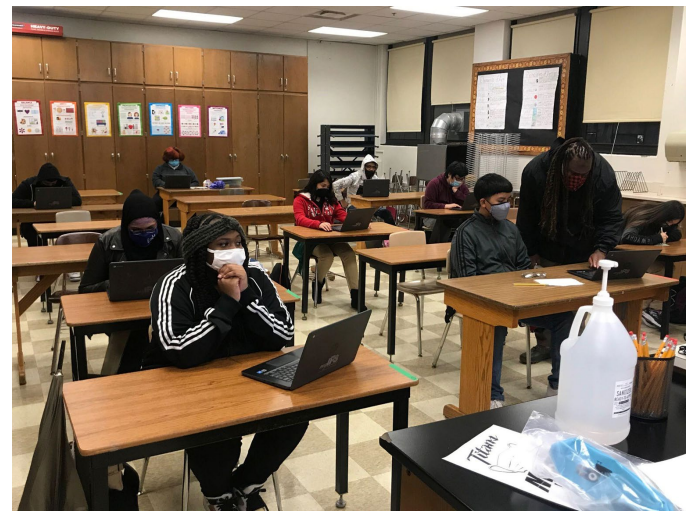


Spend has increased to 86% of total spend, in line with state-wide spend of about 87%.

Keep Schools Open and Safe	<b>\$83.3M</b> (\$8.9M remaining)	<ul style="list-style-type: none"> <li>• Hold staff harmless</li> <li>• Nursing Services</li> <li>• Associate Teachers and Parallel Subs</li> <li>• Temperature &amp; Air Quality Projects</li> </ul>
Accelerate Learning in ELA and Math	<b>\$63.3M</b> (\$12.7M remaining)	<ul style="list-style-type: none"> <li>• Tutoring Initiatives</li> <li>• Professional Learning &amp; Curriculum</li> <li>• Emerging Schools Supports</li> </ul>
Increase in-person attendance and enrollment	<b>\$10.3M</b> (\$0.9M remaining)	<ul style="list-style-type: none"> <li>• EveryDay Labs</li> <li>• Enrichment Programs</li> <li>• Community Partnerships</li> </ul>
Get students on track for graduation	<b>\$5M</b> (\$1M remaining)	<ul style="list-style-type: none"> <li>• Future Centers</li> <li>• Grad Coaches</li> <li>• Credentialing Future Ready Pathways Teachers</li> </ul>
Administer ESSER Effectively	<b>\$6.8M</b> (\$6M remaining)	<ul style="list-style-type: none"> <li>• Administrative salaries</li> <li>• Indirect Costs</li> <li>• Strategic Planning Support</li> </ul>
Share Dollars in accordance with state policies	<b>\$18.1M</b> (\$1.1M remaining)	<ul style="list-style-type: none"> <li>• Pass-through to Out-LEA Innovation Schools</li> <li>• Shared Dollars to in-LEA innovation schools</li> </ul>



- Covid Rapid Testing
- School Health Tracker
- Water filling stations & water bottles
- Increased nursing services
- PPE in schools



- Students could safely ride buses with expanded bus services
- Food services could continue while schools went virtual
- Bell covers to limit spread of COVID to allow music program to continue



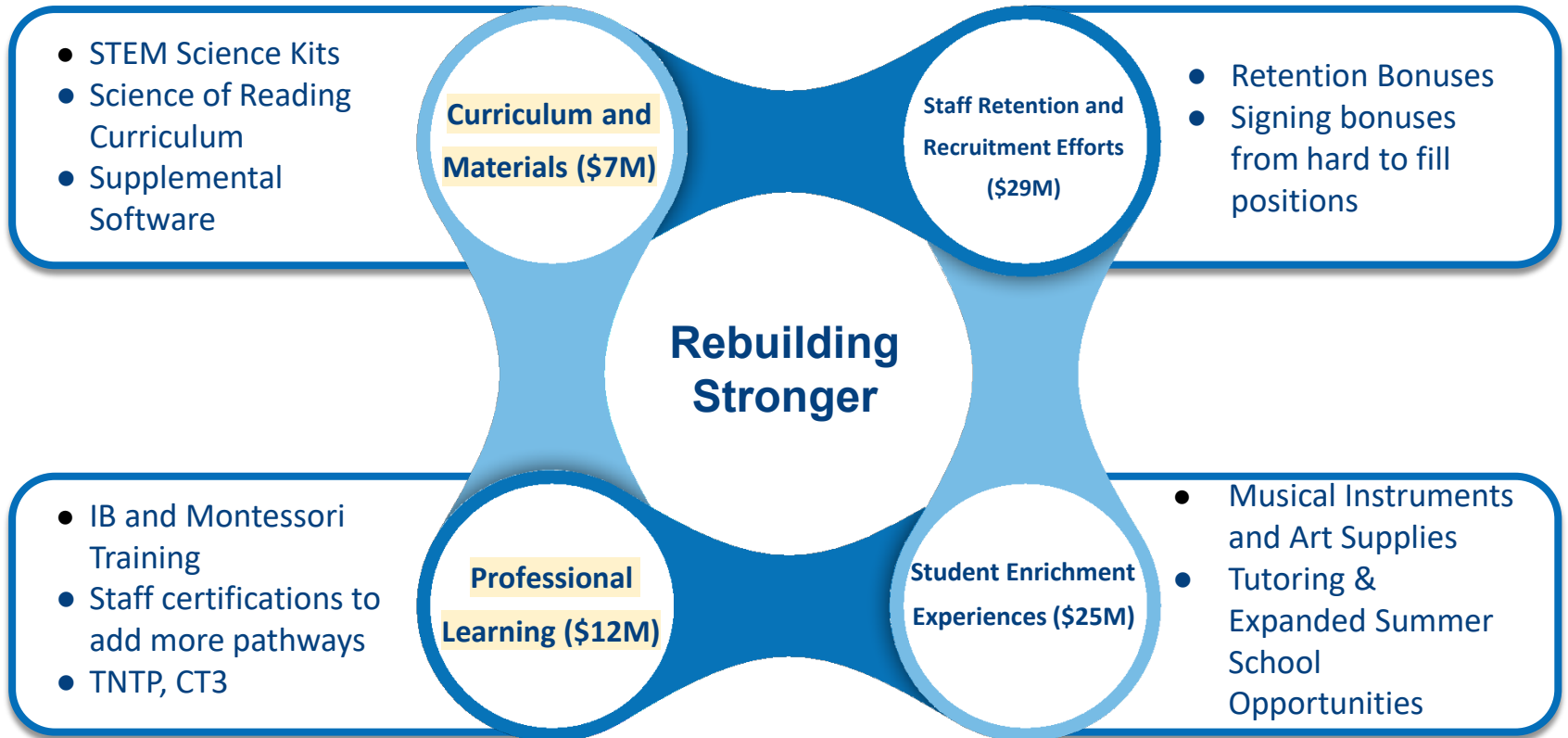


# Careful introductions of programs led to promising results

Program	Initial Investment	Expansion
High Dosage Tutoring	Spring pilot in 2022 to determine best way to engage participation and drive impact	Expanded to Emerging Schools, then across 24 schools
CT3 Coaching	In conjunction with the UVA partnership, began CT3 coaching at our learning lab schools	Given early feedback, grew to expand coaching to entire learning community
Science of Reading	UFLI Curriculum	TNTP Training to implement curriculum district-wide.
Teacher Flex Time	Pilot with 6 schools	Expansion into an additional group of schools and built into school-schedule guidance



# A number of key investments are designed for long-term benefits





SY 2023-24 funding priorities supported the planning and launch of Rebuilding Stronger in SY 2024-25.



Use of ESSER Funds has positively impacted safety and academic outcomes. High-dosage tutoring has been a successful initiative and is included in instructional planning for SY 2024-25 after ESSER funds expire 9/30/24.



Long-term sustainability for IPS students will require prudent decision-making, while encouraging and sustaining local taxpayer support to meet community demand for instructional and operational services.

*my*IPS



**Cash Flow Projection**  
**Board Appropriated Funds**  
**Federal Funds – ESSER**  
**Resource Allocation & Example Allotments**  
**Vision & Strategic Plan**  
**Supplier Diversity**  
**Long-Term Budget Planning**  
**Make Every Dollar Count**  
**Financial Reporting**

# Strategic Priority 4: Operate and Fund Strategically

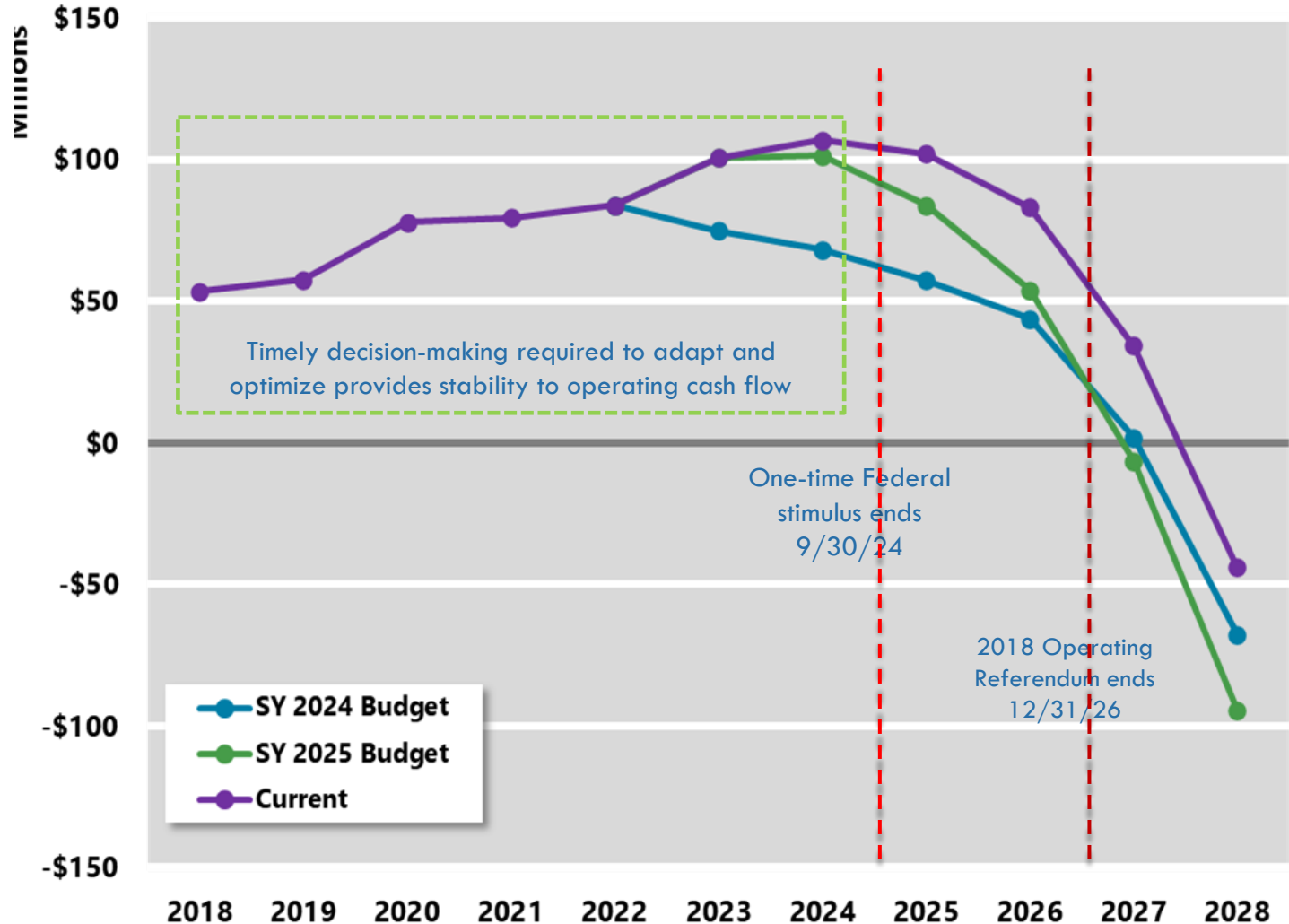
## Cash Flow Projection – August 2024

IPS Education & Operations Fund cash balance will be sustained or fluctuate depending on the timing of decisions.

- **Blue line** illustrates March 2023 Budget Projection.
- **Green line** illustrates March 2024 Budget Projection.
- **Purple line** illustrates August 2024 Projection.

Operating cash flow is currently supported by 2 time bound funding sources, such as

- One-time Federal stimulus (ending in 2024) and
- local property tax referendum (ending 12/31/26) which would need to be extended every 8 years





# Board-Appropriated Funds

## SY 2023–24 Cash Flow Summary

Funds	Actual Balance 6.30.2023	Actual Revenue	Transfers from Other Funds & Adjustments	Actual Admin Fund Transfers @ <15% (1)	Actual Expense	Net Cash Flow	Actual Balance 6.30.2024	Fund Balance % (2)
Education	\$49M	\$292M	\$9M	(\$30M)	(\$269M)	\$2M	\$51M	16%
Operations	\$49M	\$103M	\$1M	\$30M	(\$127M)	\$7M	\$56M	44%
Rainy Day	\$19M	-	(\$2M)		\$0M	(\$2M)	\$17M	0%
Operating Referendum	\$3M	\$43M	(\$3M)		(\$43M)	(\$3M)	\$0M	0%
<b>Total</b>	<b>\$120M</b>	<b>\$438M</b>	<b>\$5M</b>	<b>\$0M</b>	<b>(\$439M)</b>	<b>\$4M</b>	<b>\$124M</b>	<b>28%</b>

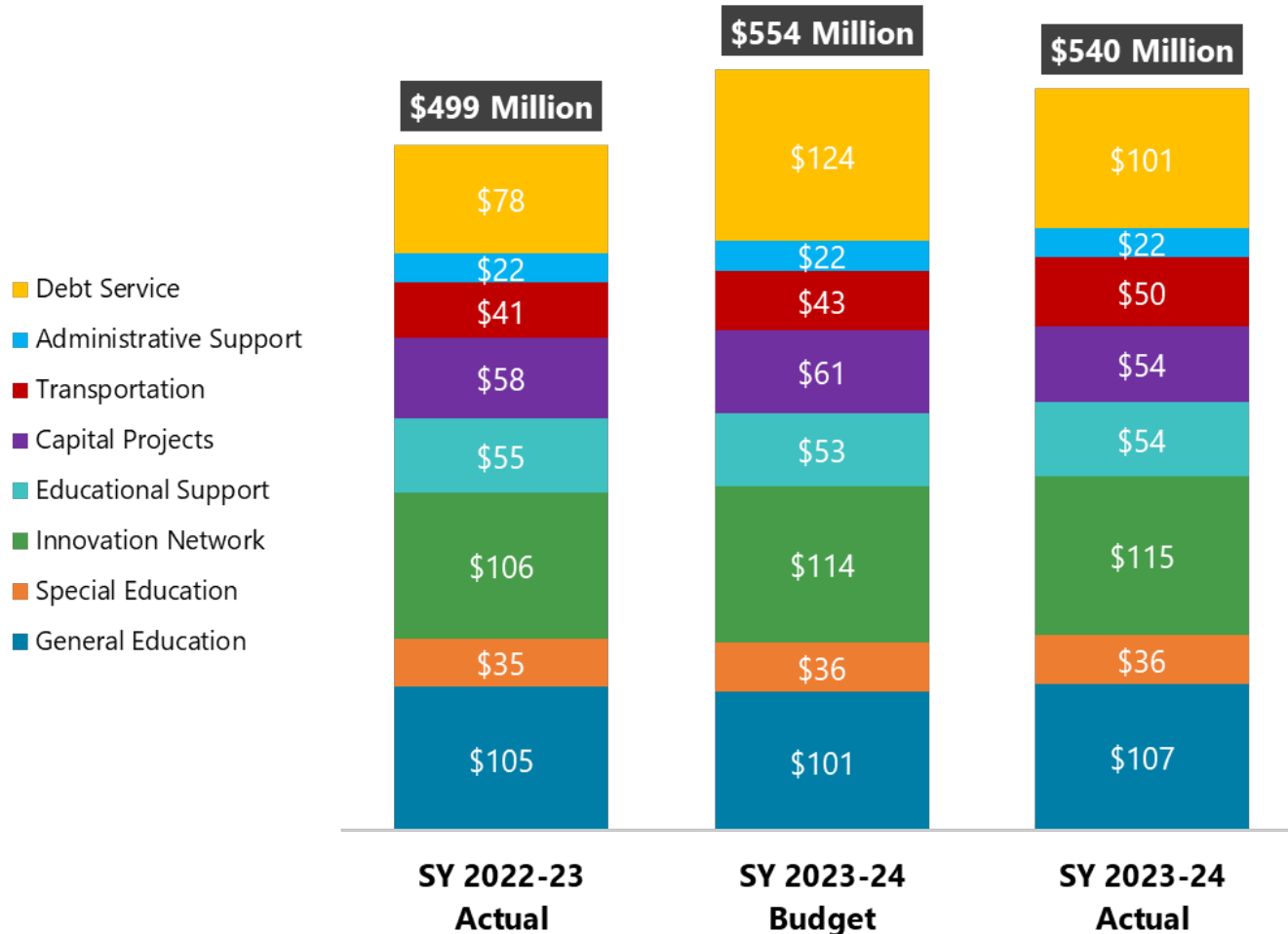
**Cash Flow** through second quarter was supported by state tuition support and semi-annual property tax receipts. Cash reserves are used to support the facilities, transportation, and operational supports of the district during months when property tax receipts are not received. Cyclical cash flow is planned & managed by retaining adequate cash reserves.

**Cash Balances** remain above the Fund Reserve Balance Policy’s goal of 8% or 1 month of reserves.

(1) IPS Cash Flow projections allow for less than 15% of Annual Education Fund Revenues to be administratively transferred and retain sufficient cash in Education Fund.

(2) Fund Reserve Balance Policy (Board Policy 6227) provides guidance on retaining reserves equal to at least 1 to 3 months or 8% to 25% of annual expenditures.

## July 2023-June 2024: Expenditures (in Millions)



**Analysis:**

- 1) Total Non-Debt Expenditures in line with Prior Year and Budget
- 2) General, Special Education, & Educational Support in line with Prior Year and Budget inclusive of Fall 2023 Collective Bargaining Raises
- 3) Innovation payments increased from Prior Year due to change in State Funding.
- 4) Capital Projects impacted by the timing of payments & investments reimbursed by Fall 2023 bond issuances.
- 5) Transportation over budget & YoY due to timing of payments.
- 6) Timing of 6/30 Debt payments differ from Budget.



# Board-Appropriated Funds

## SY 2024-25 Projected Cash Flow Summary

Funds	Actual Balance 6.30.2024	Projected Revenue	Net Transfers to/from Other Funds & Adjustments	Projected Admin Fund Transfers @ <15% (1)	Projected Expense	Net Cash Flow	Projected Balance 6.30.2025	Fund Balance % (2)
Education	\$51M	\$293M	\$3M	(30M)	(\$275M)	(\$9M)	\$42M	13%
Operations	\$56M	\$100M	\$0M	\$30M	(\$129M)	\$1M	\$57M	44%
Rainy Day	\$17M	-	\$2M		\$0M	\$2M	\$19M	0%
Operating Referendum	\$0M	\$45M	\$0M		(\$45M)	\$0M	\$0M	0%
<b>Total</b>	<b>\$124M</b>	<b>\$438M</b>	<b>\$5M</b>	<b>\$0M</b>	<b>(\$449M)</b>	<b>(\$6M)</b>	<b>\$118M</b>	<b>26%</b>

**Cash Flow** during the fiscal year is projected to incur more expenses than revenues. The district’s pursuit of Strategic Plan 2025 priorities and goals is supported by planning and implementation of Rebuilding Stronger Plan and the time-bound funding source of 2018 operating referendum proceeds which expire 12/31/26. The district retains a continued focus of managing operational trade-offs to reduce and control costs in a elevated cost economic environment and advocating for sustainable funding at the Local, State, and Federal levels.

**Cash Balances** at year-end are projected above the Fund Reserve Balance Policy’s goal of 8% or 1 month of reserves.

(1) IPS Cash Flow projections allow for less than 15% of Annual Education Fund Revenues to be administratively transferred and retain sufficient cash in Education Fund.

(2) Fund Reserve Balance Policy (Board Policy 6227) provides guidance on retaining reserves equal to at least 1 to 3 months or 8% to 25% of annual expenditures.

Content updated 8.20.2024  
Subject to change due to state, federal or local funding fluctuations

## State Tuition Support

### Education Fund

<b>Inflows =</b>	<b><u>\$298M</u></b>
<b>Expenditures</b>	
General Education =	(\$64M)
Special Education =	(\$36M)
Innovation Network =	(\$115M)
Educational Support =	(\$54M)
<b>Total Expenditures =</b>	<b><u>(\$269M)</u></b>
Ops. Transfer =	(\$30M)
<b>Total Outflows =</b>	<b><u>(\$299M)</u></b>
\$43M received and \$46M expended in Operating Referendum Fund for Education Fund related services	

## Property-Tax Support

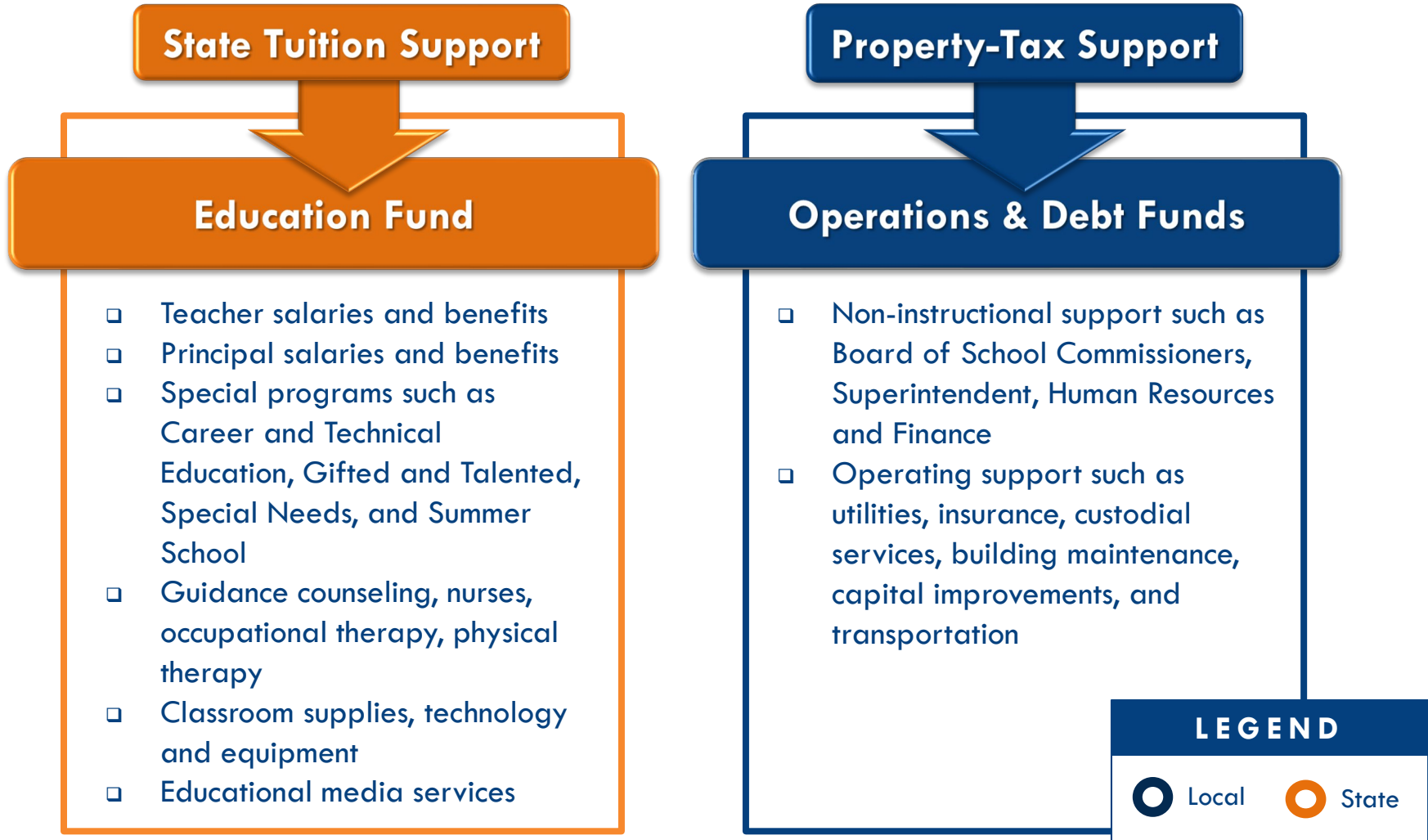
### Operations Fund

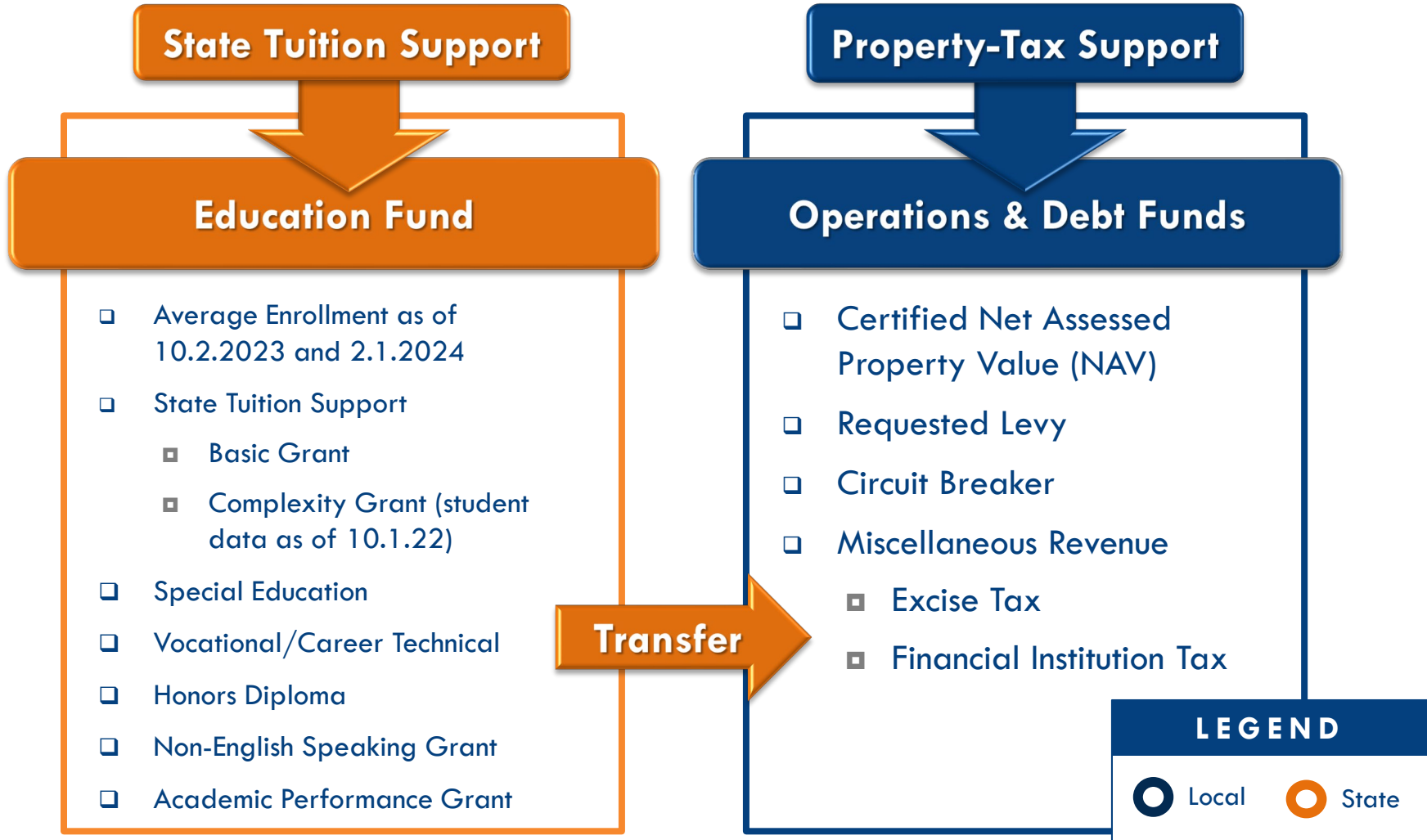
<b>Inflows</b>	
Property Tax =	\$103M
Ops. Transfer =	\$30M
Fund Transfers =	\$1M
<b>Total Inflows =</b>	<b><u>\$134M</u></b>
<b>Expenditures</b>	
Capital Projects =	(\$54M)
Transportation =	(\$51M)
Admin. Operations =	(\$22M)
<b>Total Expenditures =</b>	<b><u>(\$127M)</u></b>

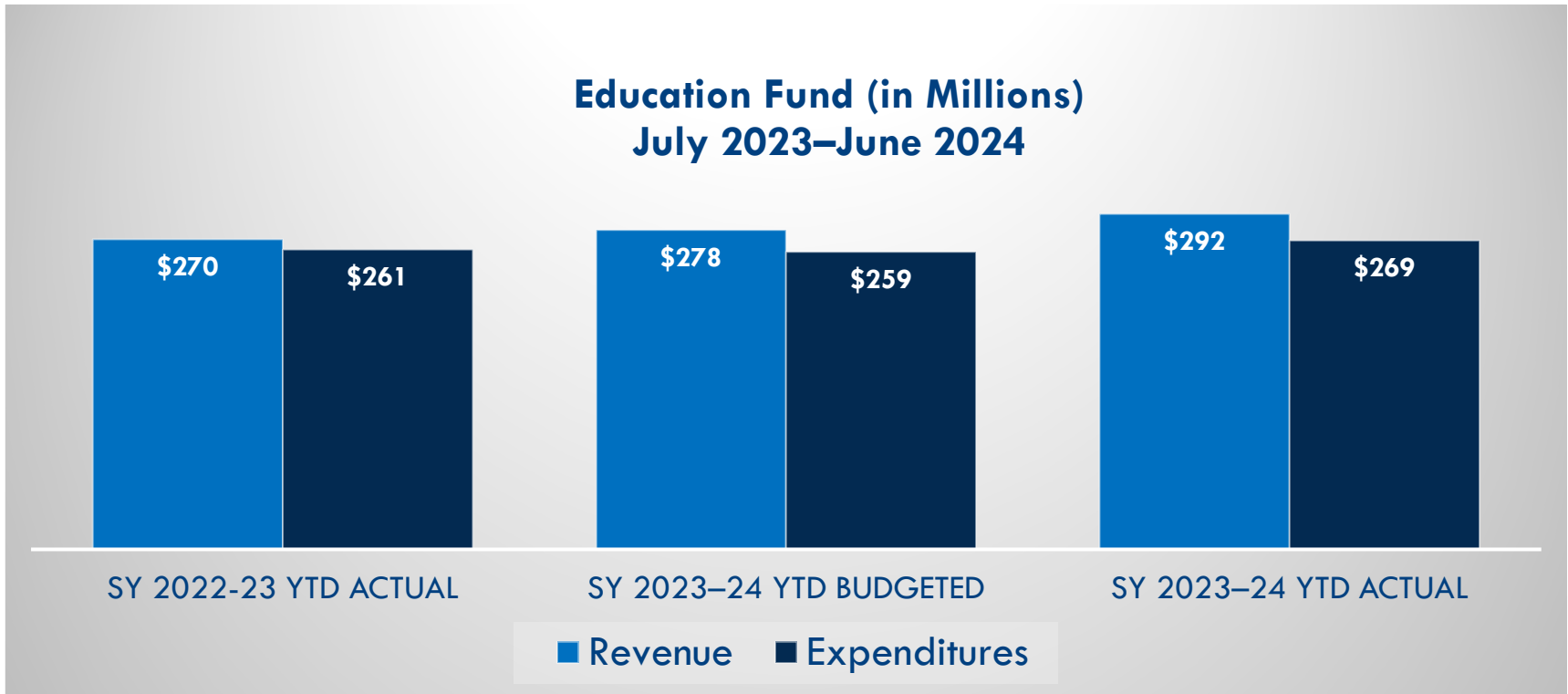
\$30M Ops. Transfer

#### LEGEND

- Local
- State

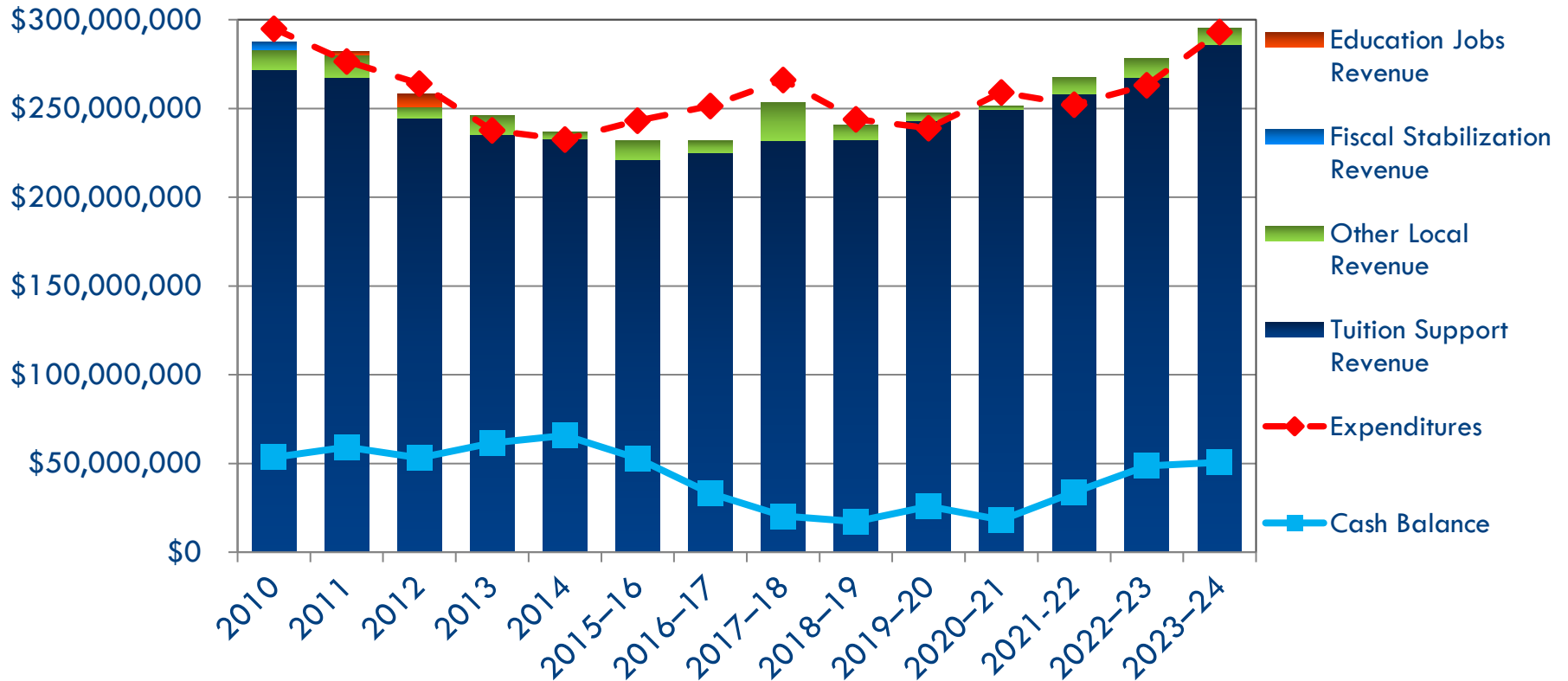


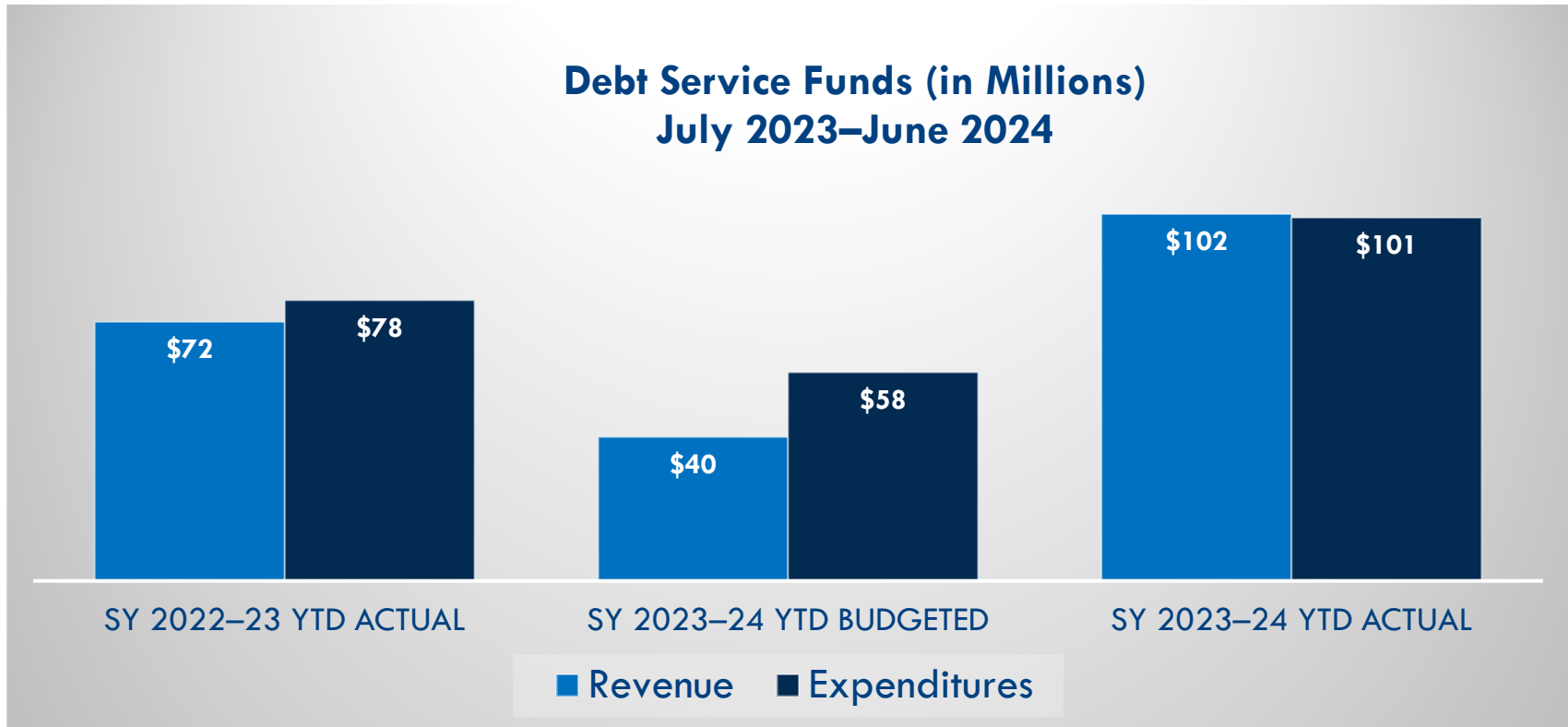




- ❑ Appropriation requested from DLGF = \$286M (not including Admin Transfer)
- ❑ State tax revenue received monthly
- ❑ Effective July 1, 2019, “General Fund” converted to “Education Fund”

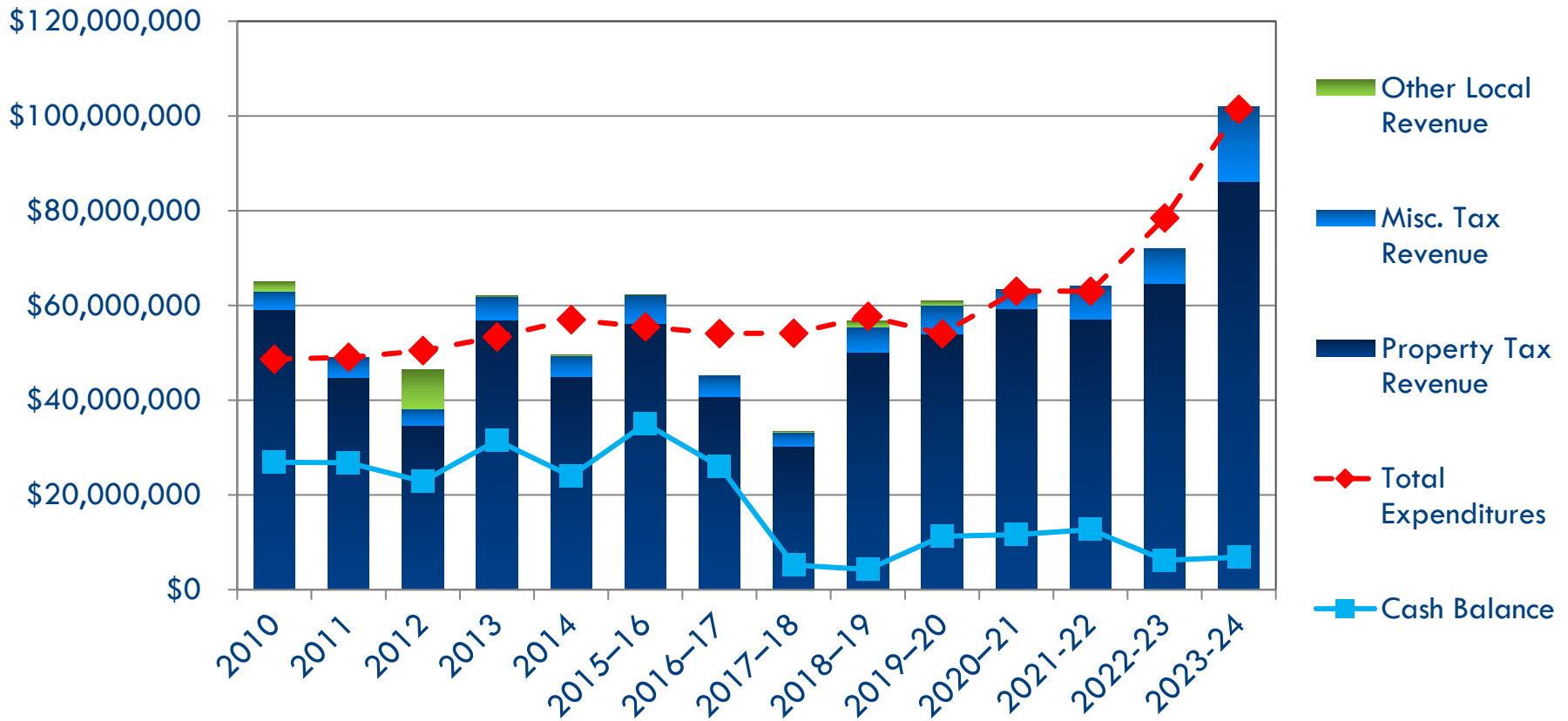
## General/Education Fund and Related Supporting Funds Calendar Year 2010 Through SY 2023–24

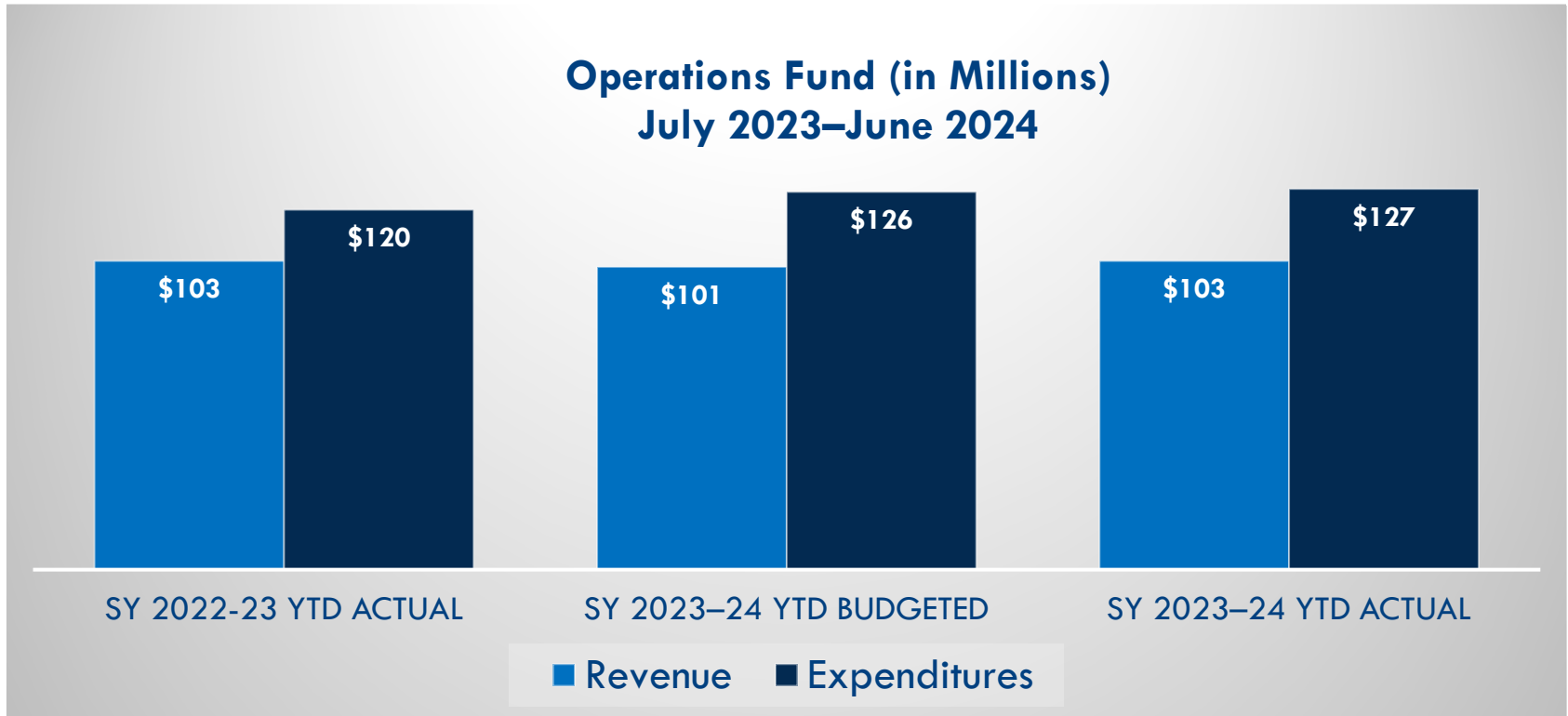




- ❑ Local property-tax revenues received semiannually
- ❑ Payments represent loan payments

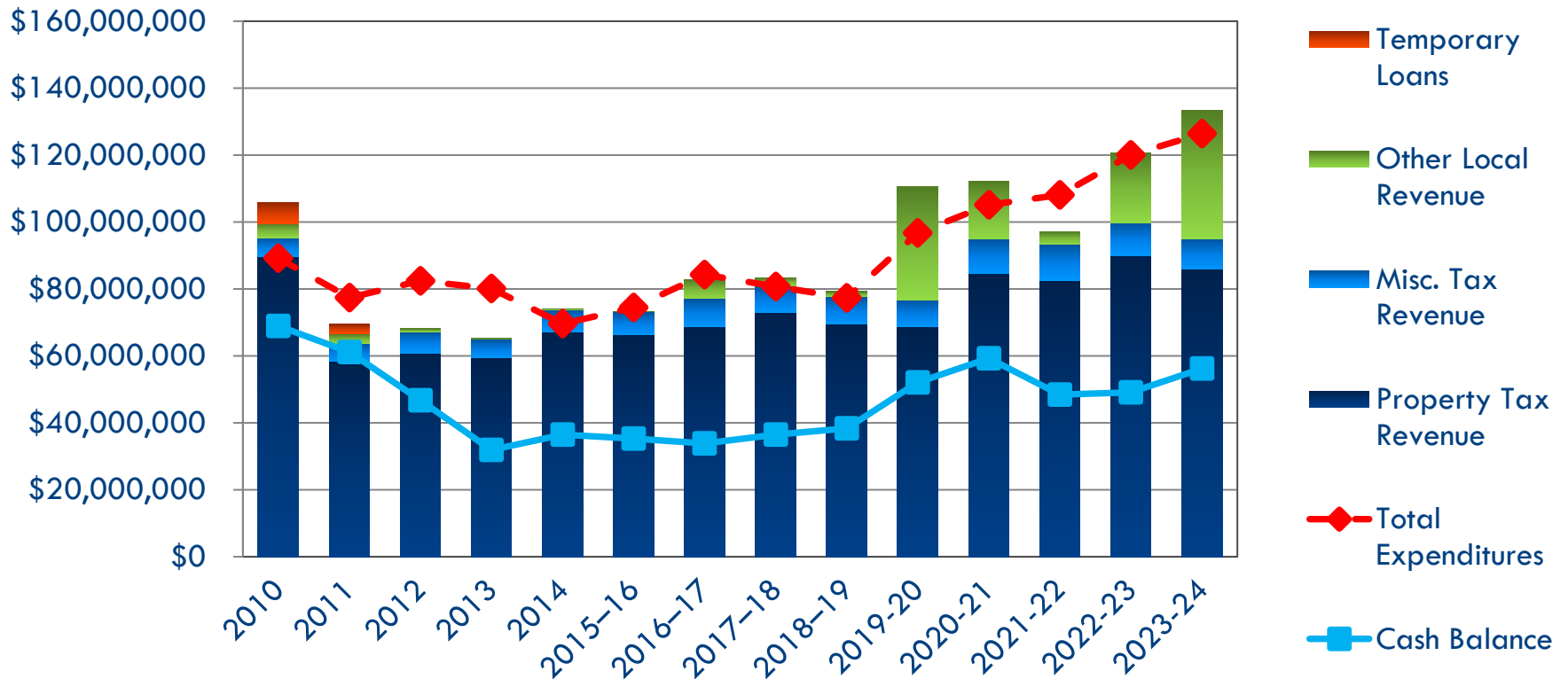
## Debt Service Funds Calendar Year 2010 Through SY 2023-24



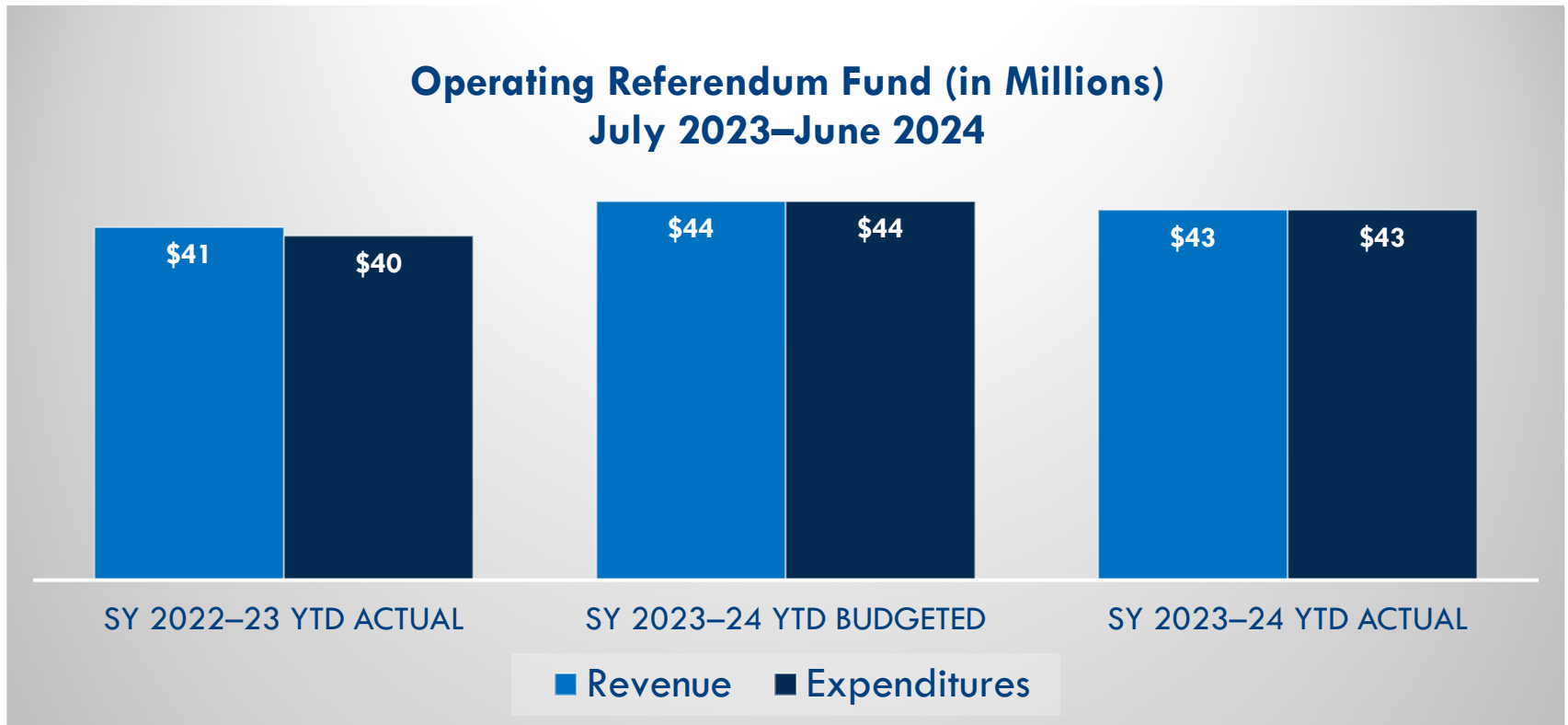


- ❑ Appropriation requested from DLGF = \$139M
- ❑ Local property-tax revenues received semiannually
- ❑ Property-tax caps decrease receipts, reducing revenue received
- ❑ Includes administrative operations, utilities, facilities maintenance projects, and transportation

## Operations Fund Calendar Year 2010 Through SY 2023–24

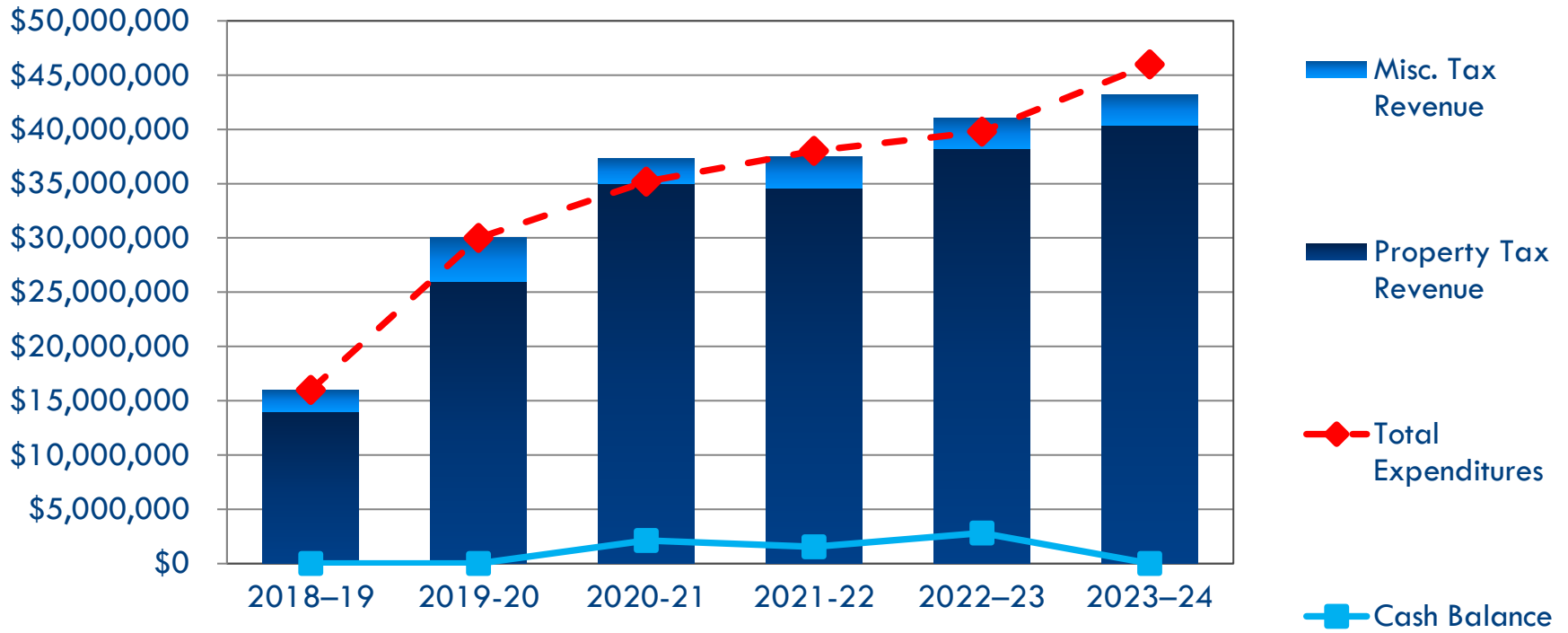


Effective July 1, 2019, "Capital Projects Fund," "Transportation Operating," and "Bus Replacement" consolidated into "Operations Fund"

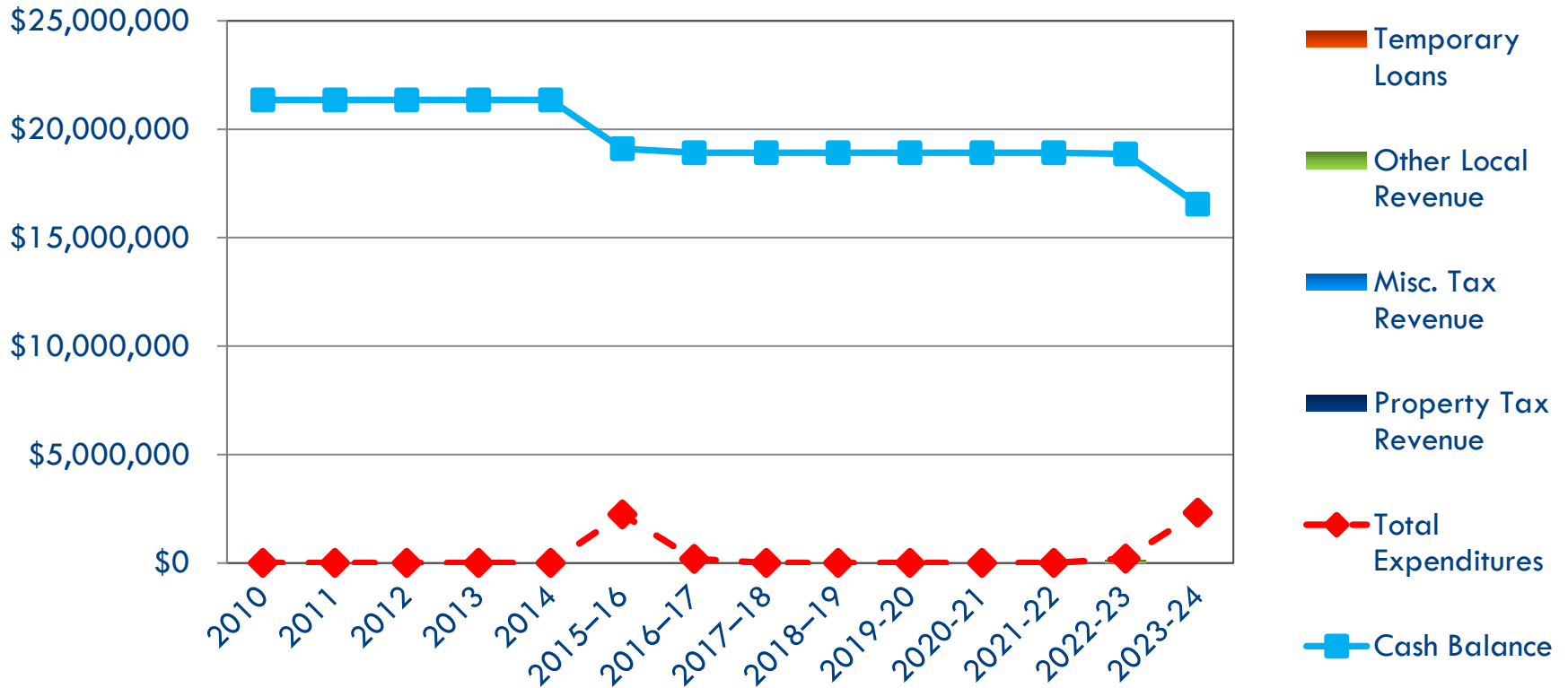


- ❑ Local property-tax revenues received semiannually
- ❑ Operating Referendum passed by voters November 2018

## Operating Referendum Fund SY 2018–19 Through SY 2023–24



## Rainy-Day Fund Calendar Year 2010 Through SY 2023–24



## Why do we have ESSER funds?

**Federal Language:** *Elementary and Secondary School Emergency Relief (ESSER) funds are provided to State educational agencies and school districts to help safely reopen and sustain the safe operation of schools and address the impact of the coronavirus pandemic on the Nation's students*

IPS' priorities for using these funds are in alignment with federal guidance to:

1. Keep classrooms ***open*** and ***safe*** for students and teachers during this global pandemic (*including critical technology*)
2. Kick-start accelerated learning to ***recover*** and lay the groundwork for long-term ***redesign*** of underlying cost structures to address heightened student need.\*

*\*The extent of our progress on priority #2 is dependent on the pandemic and the resulting costs incurred under priority #1.*

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## Strategic framework to inform ESSER investments

1	Invest in student learning	<ul style="list-style-type: none"> <li>• Short term: Learning Acceleration</li> <li>• Long term: Create supports to strengthen Tier 1 instruction</li> </ul>	Strategic priority 1 and 2
2	Evolve IT infrastructure for 21st century learning	<ul style="list-style-type: none"> <li>• Move IPS network to modernized infrastructure</li> <li>• Invest in staff technology needs</li> </ul>	Strategic priority 1 and 4
3	Invest in facilities and operational costs, prioritizing investments that promote student and staff safety	<ul style="list-style-type: none"> <li>• PPE</li> <li>• Modernized central controls over building systems</li> </ul>	Strategic priority 4

- **Engagement opportunities with the community to gather feedback informed our approach**
- **An [ESSER tracking tool](#) is available to transparently track approved expenditures.**

**We have scaled our ESSER investments and are on pace to spend down all ESSER funds.**

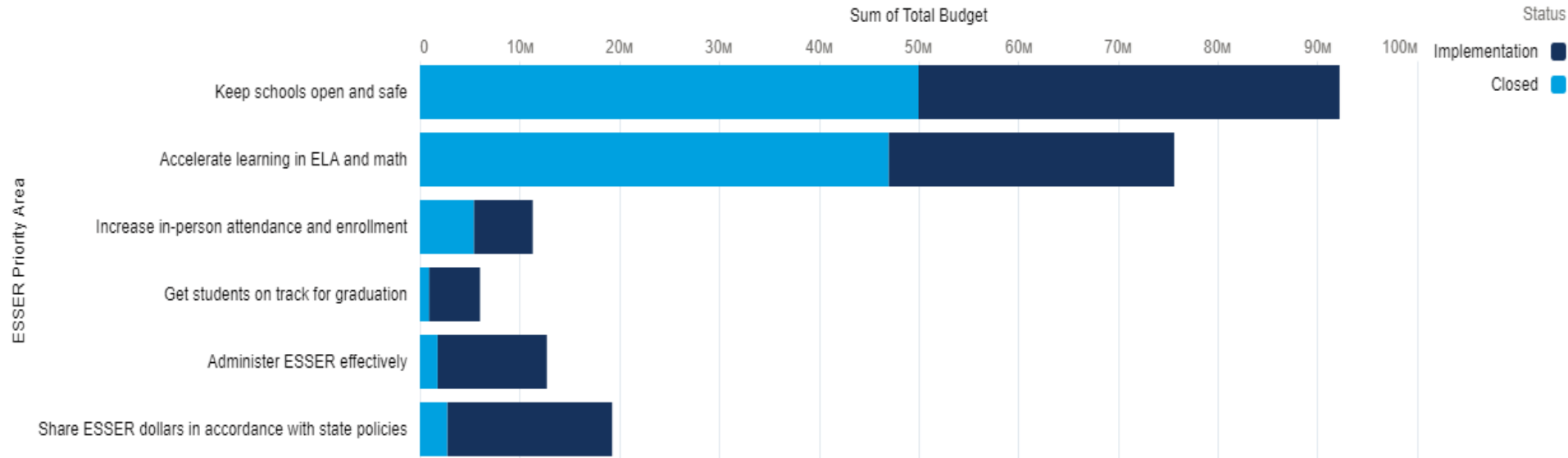
- ❑ IPS continues to **prioritize ESSER investments** in support of our 2025 Strategic Priorities and Rebuilding Stronger efforts.
- ❑ Investments are prioritizing **accelerating learning in English Language Arts (ELA) and Math**, addressing the board's goals and IPS's strategic priorities.
- ❑ IPS continues to invest in **tutoring initiatives** both during and after school.



# ESSER spending primarily focuses on keeping schools open and safe while accelerating learning in ELA and Math

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Spending Plan as of 6/30/24



## “CARES Act” – ESSER 1: Passed March 2020

**Elementary & Secondary School Emergency Relief Fund  
(\$21.5M for IPS Students)**

- Allocated to districts by IDOE based on a formula
  - IPS LEA and Non-public schools = \$17M
  - IPS Innovation Charter Network Schools = \$4.5M
- Application process and reimbursement of expenditures through 2022
- Flexible use for any activity currently allowed under federal education law
- **STATUS: Spending and reporting deadlines have passed. 100% of IPS-LEA Funds Spent.**

**Governor’s Emergency Education Relief Fund**

- Funds distributed at discretion of governor
- Permissible uses focus on higher education, however an opportunity for LEAs
  - “emergency support through grants to LEAs that the IDOE deems have been most significantly impacted by coronavirus to support the ability of the LEAs to provide educational services and support the LEA’s functionality”
- **STATUS: Spending and reporting deadlines have passed. 100% of IPS-LEA Funds Spent.**

### Elementary & Secondary School Emergency Relief Fund (\$83.9M for IPS Students)

- Allocated to districts by IDOE based on a formula
  - IPS LEA = \$61.1M
  - IPS Innovation Charter Network Schools = \$22.8M
- Application process and reimbursement of expenditures through September 2023
- Flexible use for any activity currently allowed under federal education law
- **STATUS:** As of 12/31/23, \$61.1M reimbursed. Spending and reporting deadlines have passed. 100% of IPS-LEA Funds Spent.

### Elementary & Secondary School Emergency Relief Fund (\$190M for IPS Students)

- Allocated to districts by IDOE based on a formula
  - IPS LEA = \$139M
  - IPS Innovation Charter Network Schools = \$51M
- Application process and reimbursement of expenditures through September 2024
- Flexible use for any activity currently allowed under federal education law
- **STATUS:** Application approved by IDOE. IPS continuing to assess needs and developing plans to address learning loss related to COVID-19 while incorporating community feedback from Town Halls. As of 6/30/24, \$109.7M reimbursed or under review for IPS-LEA.

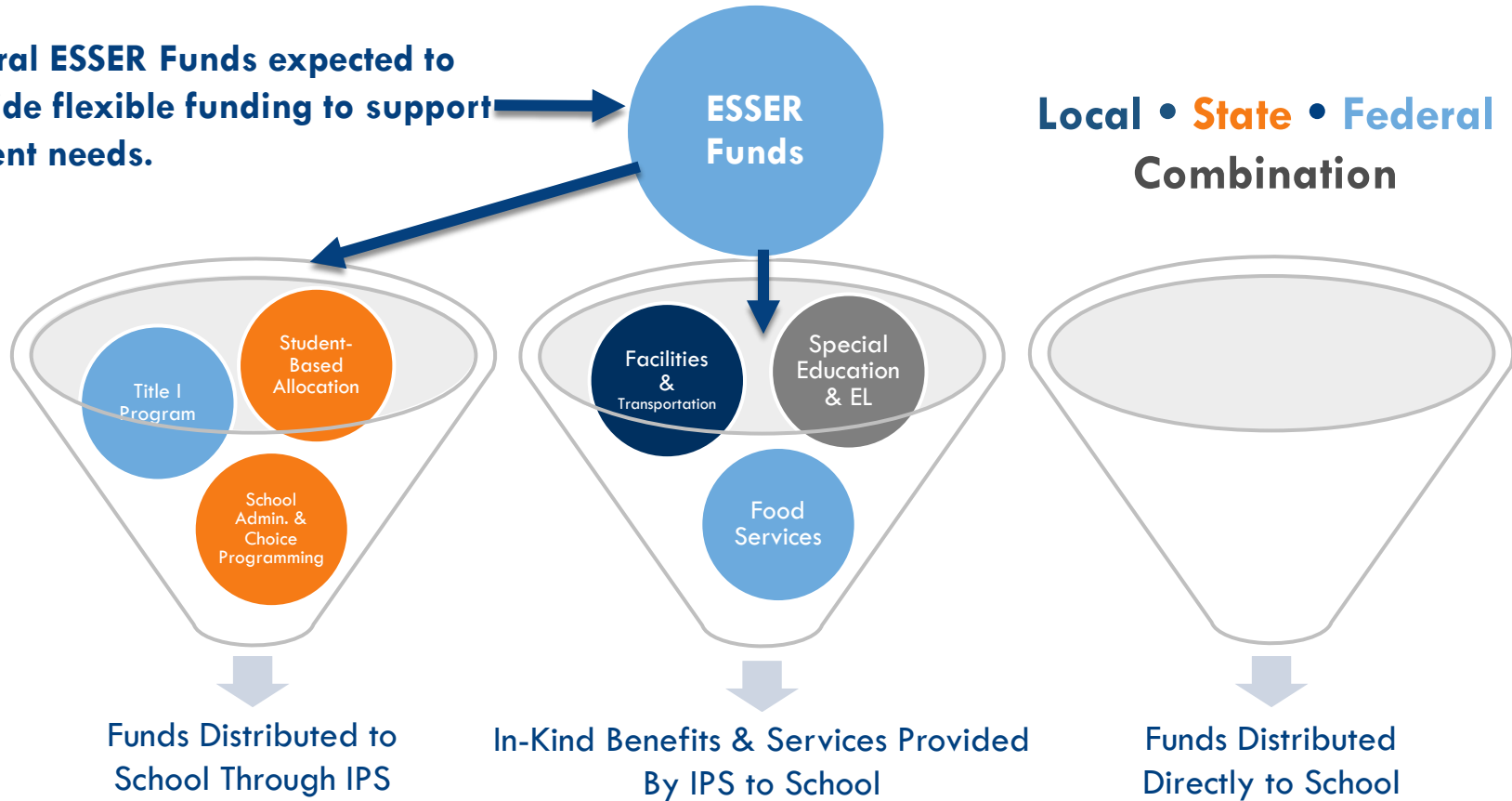
## ESSER Allocations by Local Education Agency (LEA)

One-time federal stimulus funds are available to reimburse funding for initial COVID-19 response needs, return-to-school plans, learning acceleration, and instructional supports from March 13, 2020 to 2024.

ID	Description	Sept 2020 ADM	Allocations				Allocations Per Pupil			
			ESSER 1 Final	ESSER 2 Final	ESSER 3 Planning	Total	ESSER 1 Final	ESSER 2 Final	ESSER 3 Planning	Total
5385	IPS	22,216	17,034,904	60,517,963	135,914,747	213,467,614	767	2,724	6,118	9,609
8685	James & Rosemary Phalen at George Fisher	447	313,645	1,245,876	2,798,060	4,357,581	702	2,787	6,260	9,749
8950	Phalen at Francis Scott Key	451	in IPS	1,379,384	3,097,900	4,477,284	-	3,059	6,869	9,927
8980	PATH Academy at Stephen Foster	499	in IPS	1,494,333	3,356,059	4,850,391	-	2,995	6,726	9,720
9000	Phalen Virtual Leadership Academy	34	-	40,000	89,834	129,834	-	1,176	2,642	3,819
9010	Ignite Achievement Academy	398	374,476	1,503,950	3,377,659	5,256,085	941	3,779	8,487	13,206
9015	Purdue Polytechnic High School Ind	536	114,504	903,996	2,030,246	3,048,746	214	1,687	3,788	5,688
9040	Avondale Meadows Middle School	167	97,913	393,233	883,145	1,374,291	586	2,355	5,288	8,229
9090	Matchbook Learning	643	451,346	1,845,413	4,144,536	6,441,294	702	2,870	6,446	10,018
9095	Urban ACT Academy	314	241,463	941,085	2,113,543	3,296,091	769	2,997	6,731	10,497
9115	Kindezi Academy	427	210,919	933,436	2,096,364	3,240,718	494	2,186	4,910	7,590
9130	Emma Donnan Adelante	346	367,561	1,082,937	2,432,123	3,882,622	1,062	3,130	7,029	11,221
9135	KIPP Indy Legacy High	256	100,263	862,965	1,938,097	2,901,325	392	3,371	7,571	11,333
9145	Riverside High School	436	110,283	581,020	1,304,888	1,996,190	253	1,333	2,993	4,578
9365	Enlace Academy	606	362,877	1,519,521	3,412,628	5,295,026	599	2,507	5,631	8,738
9380	Christel House Academy South	673	510,251	1,965,271	4,413,721	6,889,243	758	2,920	6,558	10,237
9400	KIPP Indy College Prep Middle	371	333,739	1,285,421	2,886,874	4,506,034	900	3,465	7,781	12,146
9410	KIPP Indy Unite Elementary	636	401,444	1,821,302	4,090,385	6,313,130	631	2,864	6,431	9,926
9650	Herron High School	949	163,567	812,752	1,825,325	2,801,644	172	856	1,923	2,952
9651	The Hope Academy, Inc.	20	-	40,000	89,834	129,834	-	2,000	4,492	6,492
9701	Paramount School of Excellence Virtual Academy	-	-	40,000	89,834	129,834	-	-	-	-
9702	Herron Preparatory Academy	-	-	40,000	89,834	129,834	-	-	-	-
9954	Phalen at Louis B. Russell	211	-	683,642	1,535,363	2,219,005	-	3,240	7,277	10,517
9975	Global Preparatory Academy	585	305,007	1,354,227	3,041,401	4,700,635	521	2,315	5,199	8,035
	<b>Total</b>	<b>31,221</b>	<b>21,494,161</b>	<b>83,287,726</b>	<b>187,052,400</b>	<b>291,834,287</b>	<b>688</b>	<b>2,668</b>	<b>5,991</b>	<b>9,347</b>
	IPS Totals	22,216	17,034,904	60,517,963	135,914,747	213,467,614	767	2,724	6,118	9,609
	IPS Innovation Network Charter Schools	9,005	4,459,257	22,769,763	51,137,652	78,366,673	495	2,529	5,679	8,703

## Example: Traditional & Innovation LEA School Funding

Federal ESSER Funds expected to provide flexible funding to support student needs.



## Example: Traditional & Innovation-LEA School Funding

Allocation Source (Under SBA)	\$ PP	Students	Dollars
Base Allocation	\$3,693	349	\$1,288,857
English Language Learner Weight	\$369/\$739/\$1,108/\$1,478	30/15/10/15	\$55,405
Poverty Weight	\$739	302	\$223,178
Baseline Supplement			\$45,000
Transition Adjustment			-
Strategic Support			-
<b>Total:</b>			<b>\$1,612,440</b>

Through SBA

Restricted Funds (not comprehensive)	
Title I Allocation	\$124,238
Title II/III Allocation	\$16,799
<b>Total:</b>	<b>\$141,000</b>

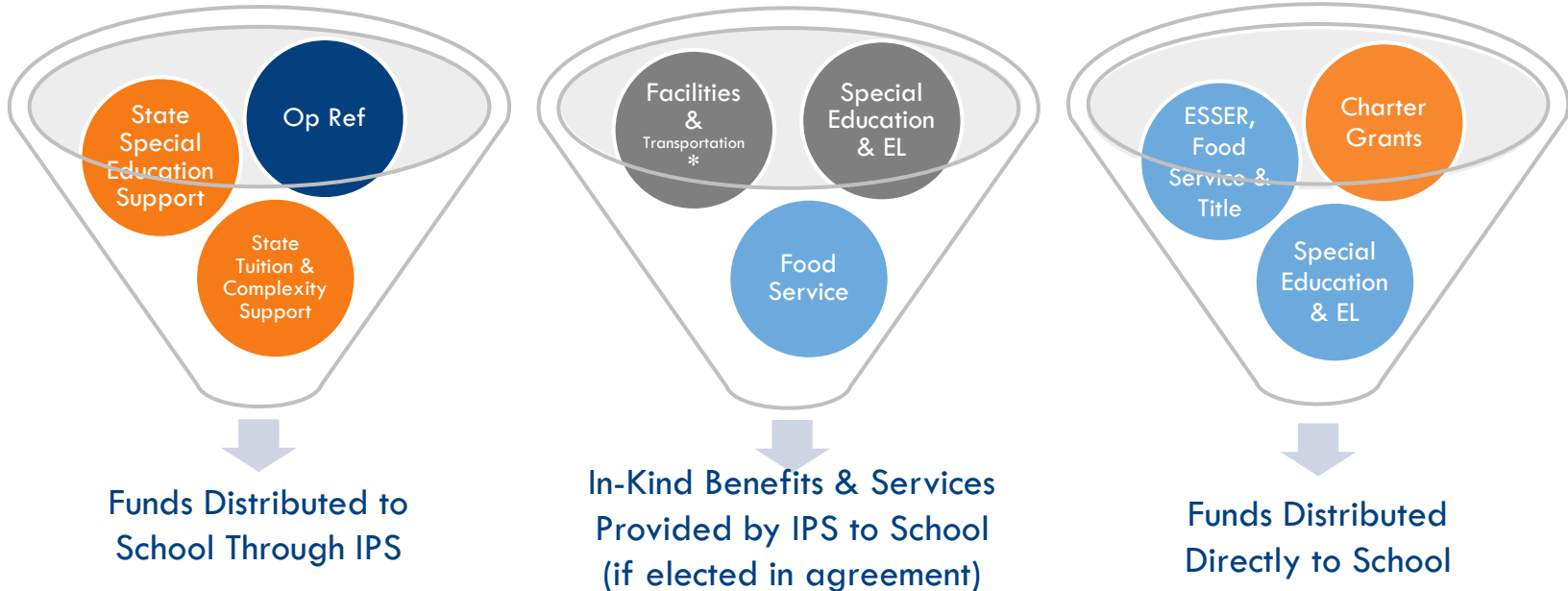
Locked Resources (not comprehensive)	
Custodial Services	\$120,338
Food Service	\$218,695
Special Education	\$342,000
English Learners	\$78,987
School Admin. and Central Services	\$253,251
Choice Programming	\$0
Transportation Services	\$400,695
Facilities Maintenance	\$500,695
<b>Total:</b>	<b>\$1,915,000</b>

Outside SBA

**Local • State • Federal  
Combination**

## Example: Innovation-Non-LEA School Funding

### Local • State • Federal Combination



\*Non-LEA innovation schools *may* utilize state tuition dollars to fund transportation and facilities; however, some innovation operators are provided transportation and facilities due to access to IPS property-tax funded services. See individual non-LEA innovation agreements for more details.

Allocation Source	\$ PP	Students	Dollars
Tuition Support	\$7,975	349	\$2,783,275
Special Education Support – Level 1	\$525	10	\$5,250
Special Education Support – Level 2	\$2,790	3	\$8,370
Special Education Support – Level 3	\$11,104	1	\$11,104
Operating Referendum Share	\$500	349	\$174,500
<b>Total:</b>			<b>\$2,982,499</b>

Per-Pupil Agreement

Restricted Funds (not comprehensive)	
Title I Allocation	\$124,238
Title II/III Allocation	\$16,799
<b>Total:</b>	<b>\$141,000</b>

Locked Resources (not comprehensive)	
Custodial Services	\$120,338
Food Service	\$218,695
Special Education	\$321,300
English Learners	\$78,987
School Admin. and Central Services	\$253,251
Transportation Services*	\$400,695
Facilities Maintenance*	\$500,695
<b>Total:</b>	<b>\$1,893,961</b>

Services and Operations Per Agreement

### Local • State • Federal

\*Non-LEA innovation schools may utilize state tuition dollars to fund transportation and facilities; however, some innovation operators are provided transportation and facilities due to access to IPS property-tax funded services. See individual non-LEA innovation agreements for more details.

Values	
<b>Students First</b>	We believe that students can achieve at their highest levels if we hold ourselves to an expectation of excellence and focus on students' holistic needs, setting them up for lives of choice and purpose.
<b>Racial Equity</b>	We strive to build diverse, inclusive, and antiracist classrooms and teams, deploy our resources to ensure students and team members get the opportunities they need to succeed, and ensure our classrooms and work environments respect the dignity of all.
<b>Continuous Improvement</b>	We endeavor to get better and achieve more through hard work and continuous learning, both as individuals and as a system.
<b>Integrity</b>	We hold ourselves to the highest possible standards of professionalism and service and communicate with candor and care.
<b>Community</b>	We treat each other with love and respect, work effectively across lines of difference, and continuously build the supportive, inclusive community within IPS that we desire for our city.

## Strategic Priorities

### **SP1: Increase Access to Rigorous Curriculum and Instruction**

Support adults at all levels of the system to build safe, engaging, and socially and emotionally supportive learning environments for students that ensure access to high-quality curriculum and instruction.

### **SP2: Promote Racial Equity**

Strengthen and expand our work to eliminate opportunity gaps, align policies and talent decisions to IPS' anti-racism agenda, and build capacity for team members to persistently interrupt and address institutional bias.

### **SP3: Foster Authentic Engagement**

Equip and engage families, team members, and the community in authentic and inclusive partnerships.

### **SP4: Operate and Fund Strategically**

Strengthen the efficacy and equity of central office supports, services, and resource allocations.

## TOTAL DIVERSITY SPENDING

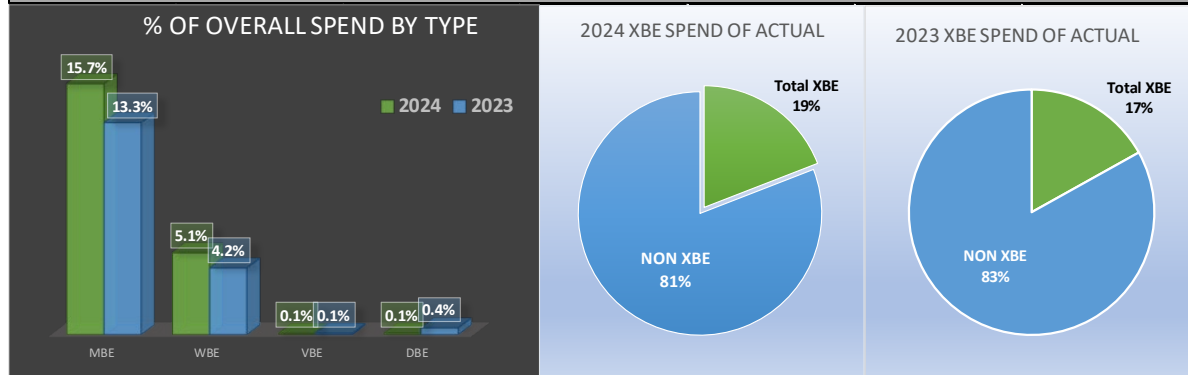
SPENDING TYPE	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024 YTD TOTAL	2023 YTD TOTAL
<b>Total XBE Actual</b>	\$ 7,460,264	\$ 11,262,861			\$ 18,723,125	\$ 24,194,904
<b>NON XBE</b>	\$ 32,898,523	\$ 46,364,467			\$ 79,262,989	\$ 118,898,675
<b>TOTAL</b>	\$ 40,358,787	\$ 57,627,328	\$ -	\$ -	\$ 97,986,115	\$ 143,093,579

## DETAIL BREAKDOWN

\*\*Breakdown is total spending by type. Numbers may not add up to Total XBE above as some vendors fall into multiple categories, so their spending is counted in each.\*\*

MINORITY TYPE	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024 YTD TOTAL	2023 YTD TOTAL
<b>MBE</b>	\$ 6,415,890	\$ 8,952,831			\$ 15,368,721	\$ 18,967,077
<b>VBE</b>	\$ 63,370	\$ 16,391			\$ 79,760	\$ 122,623
<b>WBE</b>	\$ 1,787,722	\$ 3,225,413			\$ 5,013,135	\$ 5,960,403
<b>DBE</b>	\$ 50,642	\$ 41,683			\$ 92,325	\$ 607,261

## 2024 to 2023 Comparison



Top 5 Vendors 2024 YTD		Top 5 Vendors 2023	
TUTORED BY TEACHERS, MBE	\$ 5,700,266	TUTORED BY TEACHERS, MBE	\$ 9,030,580
POWERS-DAVIS JV, MBE	\$ 3,238,394	DNO INC, MBE	\$ 2,018,340
DNO INC, MBE	\$ 1,413,807	METICULOUS DESIGN, MBE	\$ 1,841,922
SCHMIDT ASSOCIATES, WBE	\$ 1,334,339	EDUSERVICE, WBE	\$ 860,358
WDI ARCHITECTURE, MBE, WBE	\$ 1,088,338	WEBER AND ASSOCIATES, WBE	\$ 744,626

QUANTITY OF VENDORS USED 2024		QUANTITY OF VENDORS USED 2023	
XBE VENDORS USED	115	XBE VENDORS USED	131
TOTAL VENDORS USED	853	TOTAL VENDORS USED	1011

### Vendor Outreach & Engagement

- Host and Attend events to cultivate relationships and share IPS projects
- Hosted 5 outreach meetings reaching 20-100 vendors per event
- Participated in 8 External Stakeholder events

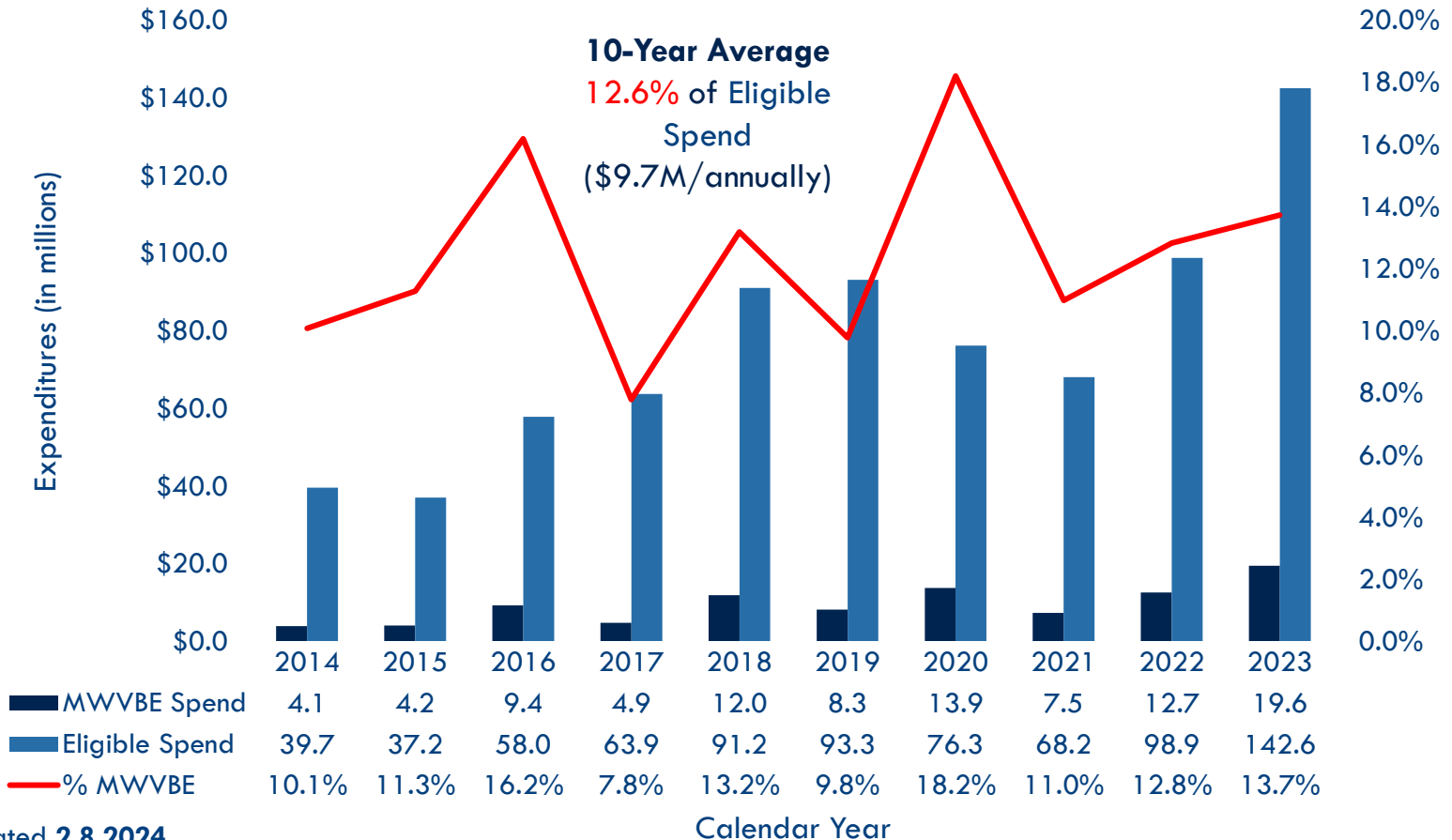
### Vendor Reporting & Disparity Study

- In partnership with [City of Indianapolis – Engaged with BBC Research & Consulting](#)
- Community Engagement, Process & Data Review, and Recommendations
- Final Report anticipated Spring 2025

### Workforce Development

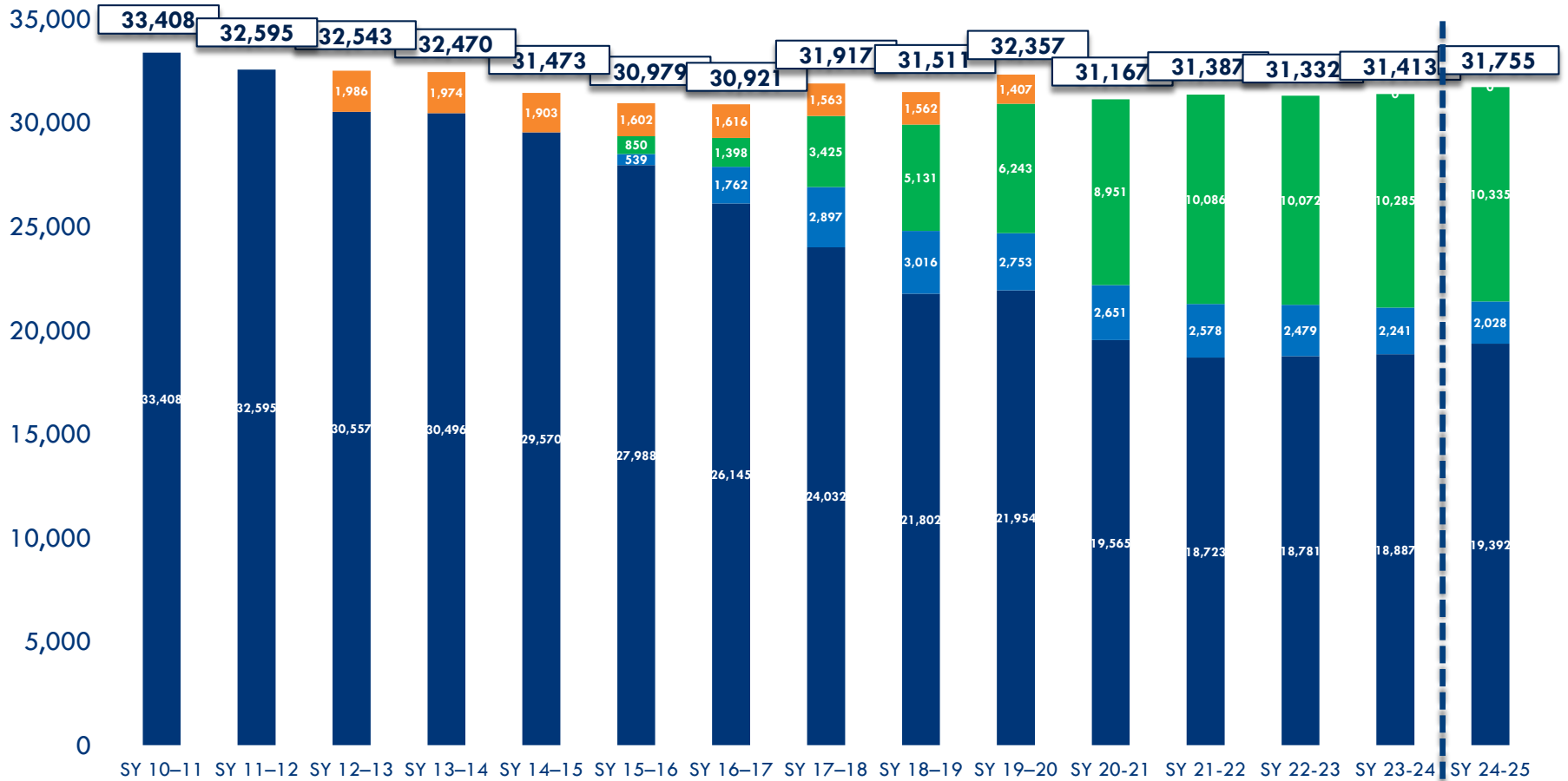
- Collaboration with Post-Secondary Readiness Team
- Cultivate opportunities with IPS Contractors for IPS students
- 80+ students expressed interested and 20+ employers engaged to determine student opportunities

**Board Policy 6321 outlines IPS' commitment to promote and enhance business and economic development which is representative of the communities the district serves.**



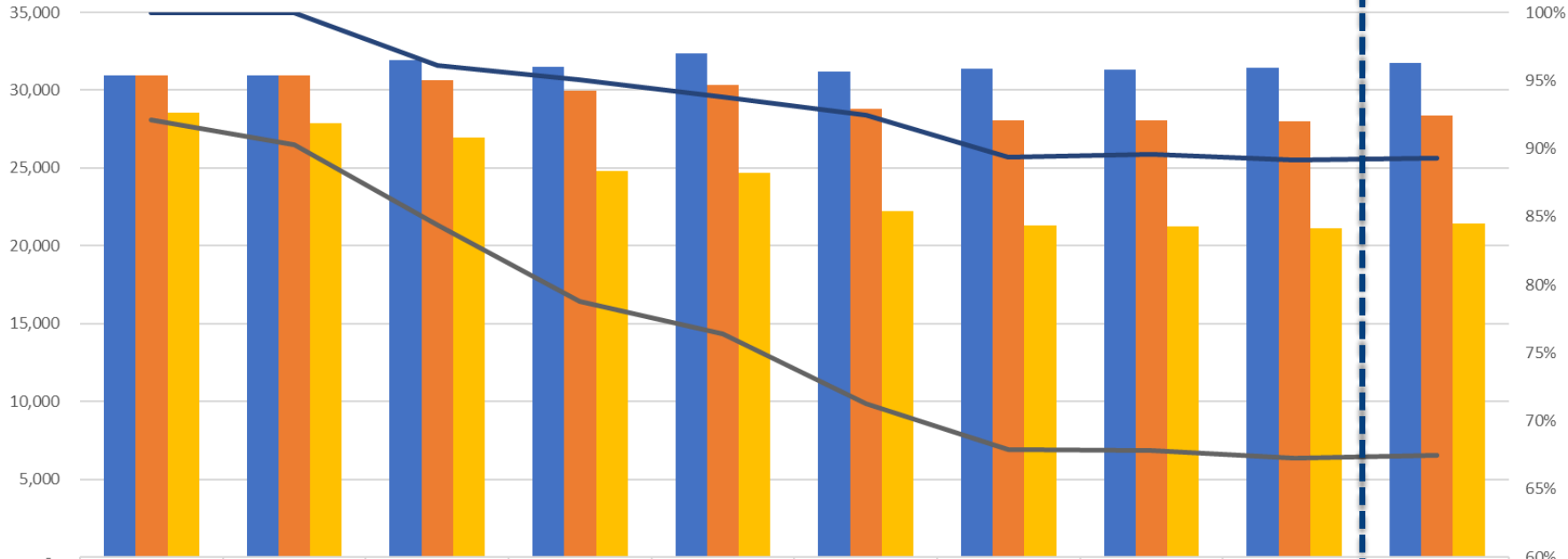
## Historical Perspective: Enrollment

Enrollment has stabilized and increased slightly in recent years amidst shifts in school types, the expansion of the Innovation Network, and the return of Turnaround Academies. Recently, COVID-19 has impacted enrollment.



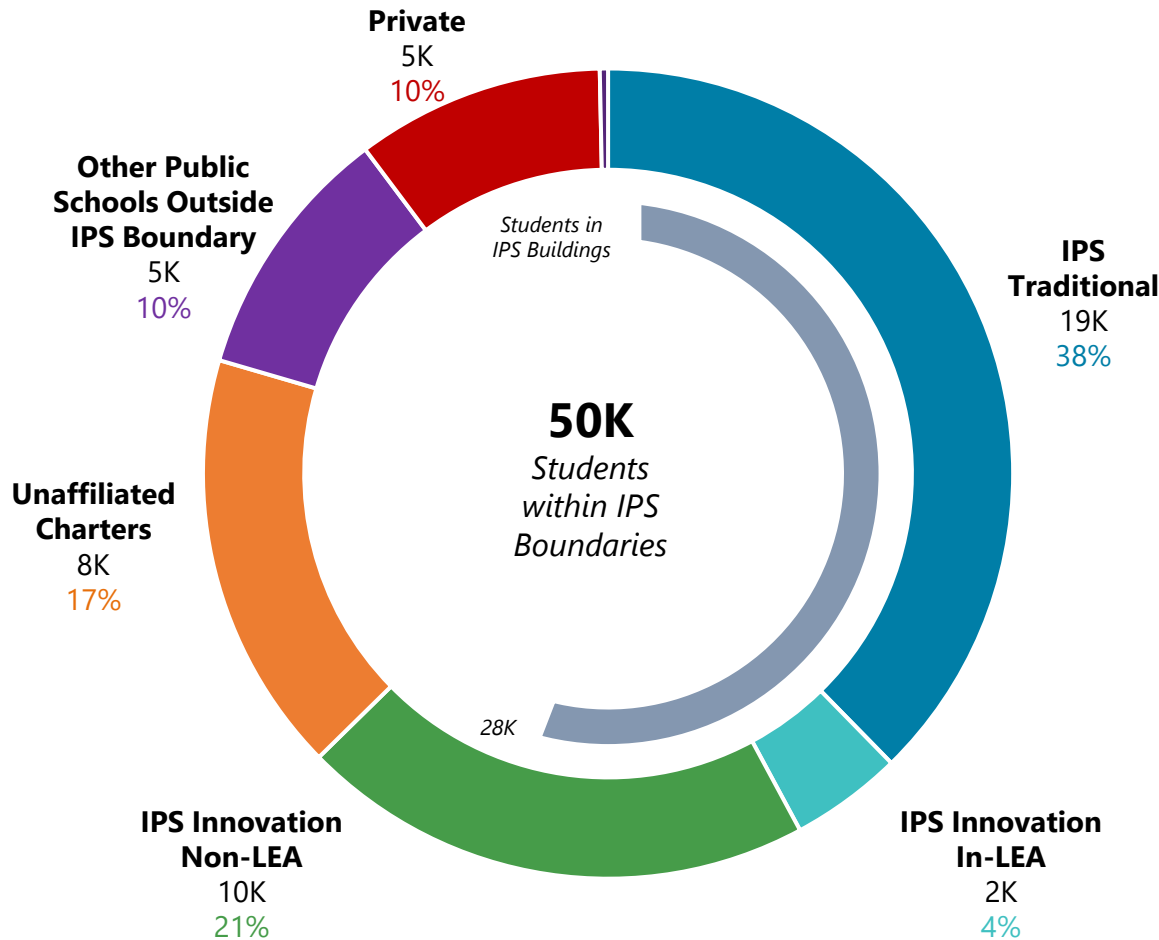
ADM for IPS Accountability has increased since SY 2015-16. Over same time period, ADM supported by operational services such as Facilities, Transportation, IT has decreased, but not as much as ADM of IPS-LEA. When IPS develops the Annual Budget for Schools, Staff, and Services, initiatives & reporting is aligned to serve students at varying service levels.

ADM Trends



	SY 2015-16	SY 2016-17	SY 2017-18	SY 2018-19	SY 2019-20	SY 2020-21	SY 2021-22	SY 2022-23	SY 2023-24	SY 2024-25
ADM	30,979	30,921	31,917	31,511	32,357	31,167	31,387	31,332	31,413	31,755
In IPS Building	30,979	30,921	30,670	29,947	30,357	28,827	28,042	28,065	28,014	28,356
IPS LEA	28,527	27,907	26,929	24,818	24,707	22,216	21,301	21,260	21,128	21,420
% in IPS Building	100%	100%	96%	95%	94%	92%	89%	90%	89%	89%
% IPS-LEA	92%	90%	84%	79%	76%	71%	68%	68%	67%	67%

### Distribution of Resident Students

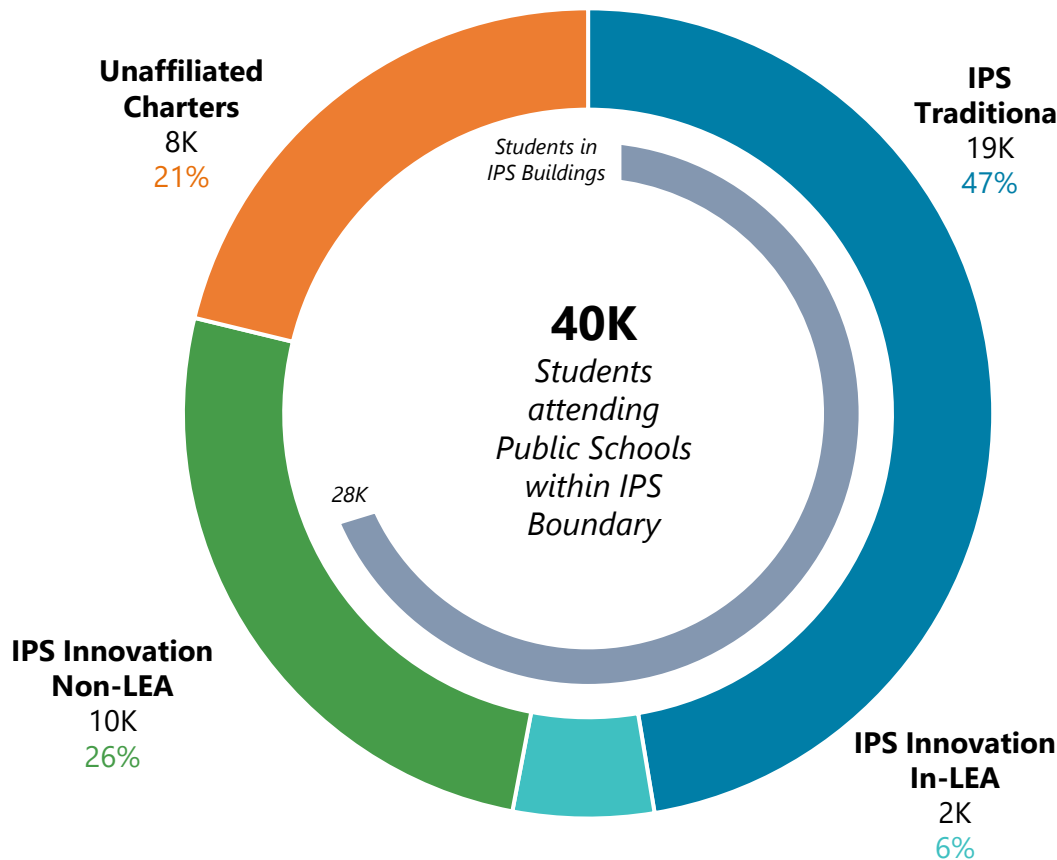


Discussions around school funding depend on the number of students

- **“20k”** → IPS Federal and State Reporting → “IPS-LEA”
- **“28k”** → Supported by IPS Operations → “IPS Operations”
- **“30k”** → IPS Accountability → “IPS Innovation Network”
- **“40k”** → IPS Boundary Public School Students → “IPS Boundary”
- **“50k”** for K-12 age students in IPS Boundary

### Distribution of Public School Enrollment of Schools within IPS Boundary

Discussions around school funding depend on the number of students



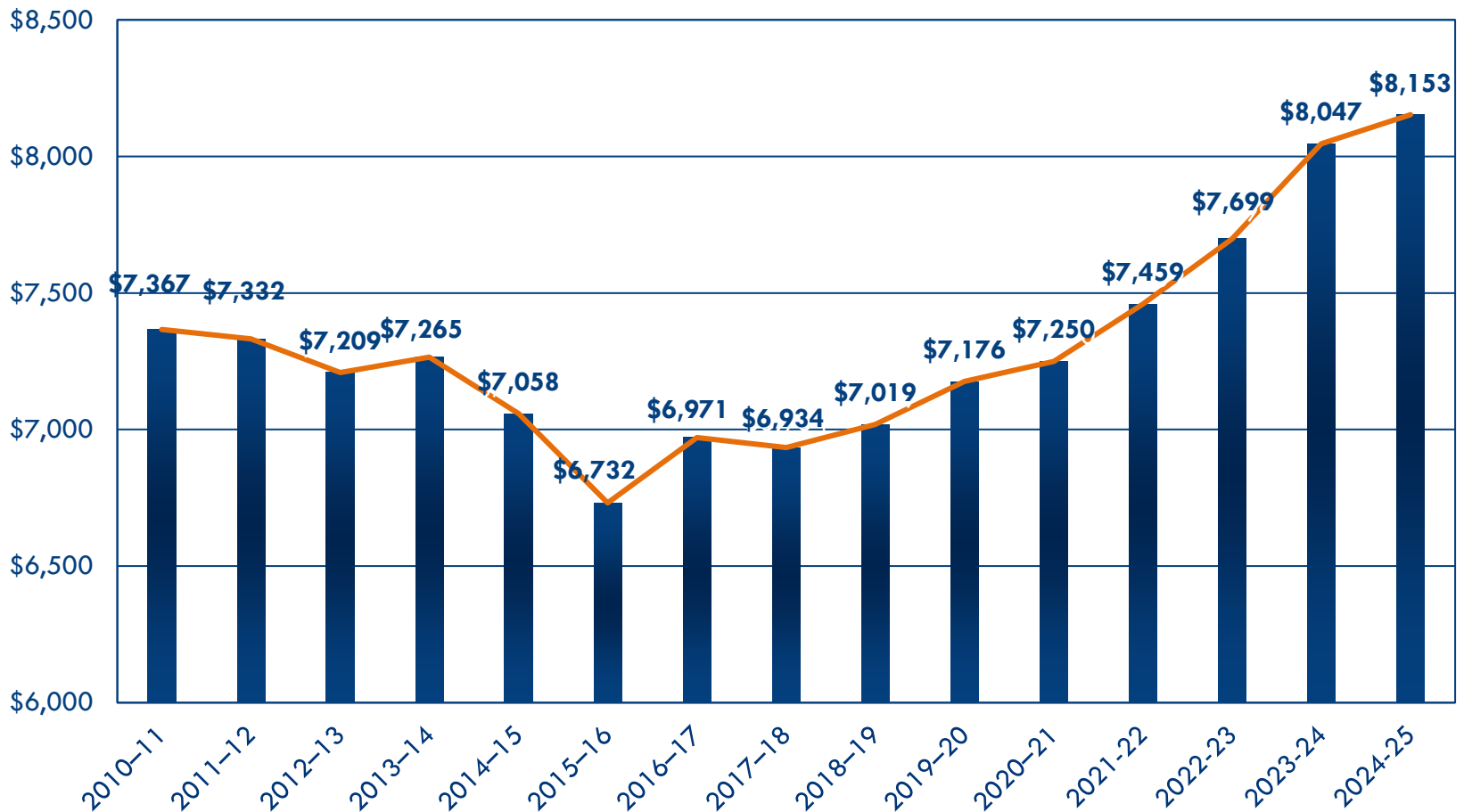
- **“20k”** → IPS Federal and State Reporting → “IPS-LEA”
- **“28k”** → Supported by IPS Operations → “IPS Operations”
- **“30k”** → IPS Accountability → “IPS Innovation Network”
- **“40k”** → IPS Boundary Public School Students → “IPS Boundary”

Graph Excludes Transfers to other public schools (5k) and non-public schools (5k)

- **“50k”** for K-12 age students in IPS Boundary

- State Revenues are dependent on enrollment (\$ per pupil)
  - State per pupil is assumed at 1.3% increase for next year & 1.4% after
  - Long-term Enrollment trends assume a decrease in students served
  - Total State Support is static in the long-term with very little growth
- Property Tax Revenues are not driven by enrollment (“Pie is the Pie”)
  - IPS-LEA is a provider of operational support services, such as facilities or transportation, for 28,000 students who are both In and Out of IPS-LEA
  - A reduction in revenues to IPS-LEA, through economic and/or policy shifts, will require trade-offs to continue as a service provider to some portion or all 31,000 students associated with IPS Budget Appropriations.
    - Replacement Revenue
      - Chargeback for Services
      - Increase in Local, State, or Federal Revenues
    - Reduction in Services

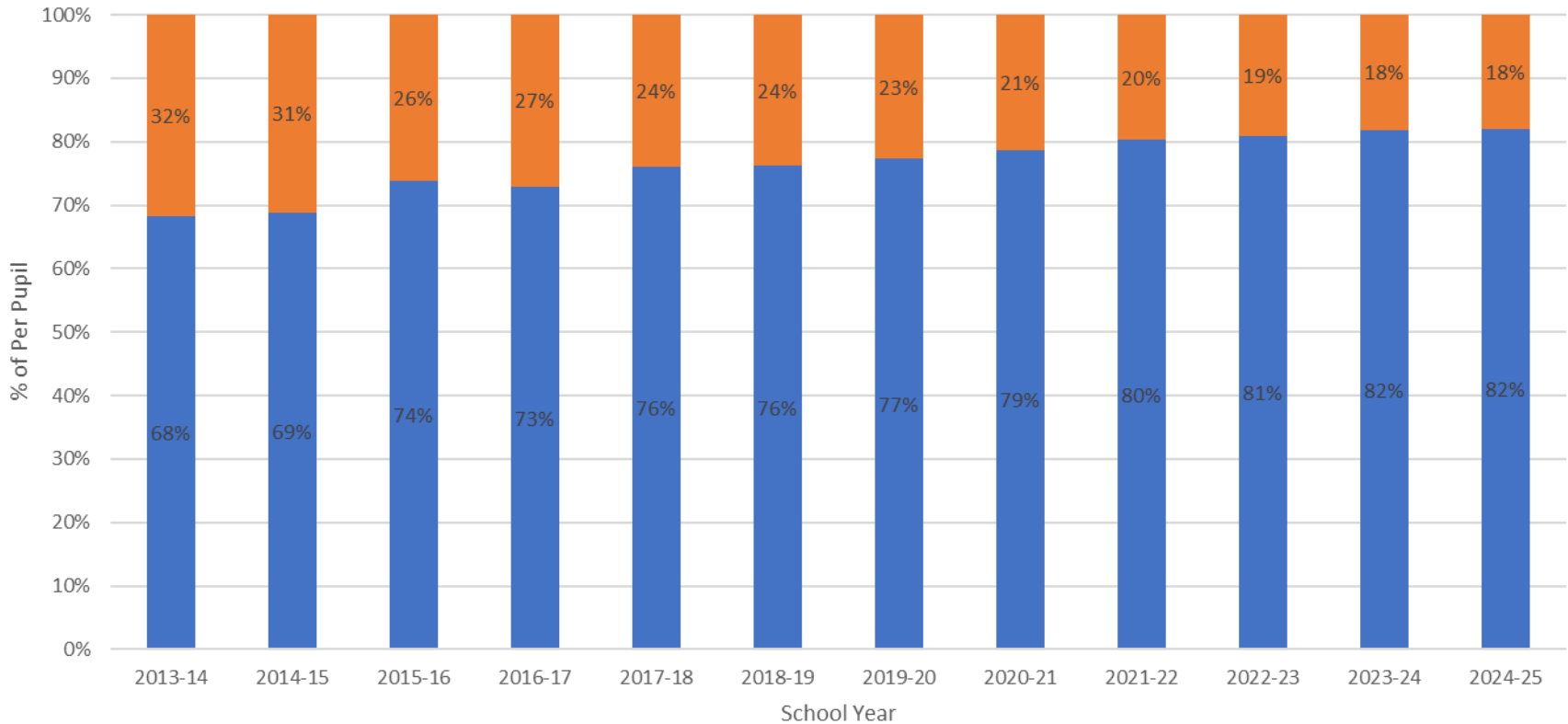
Over the past decade, IPS per pupil funding has been impacted by State Funding Formula priorities.



## Historical Perspective: State Fund Budget \$ Per Pupil

The % of the Total Tuition Support made up between Foundation & Complexity has shifted consistently over time to more Foundation and less Complexity.

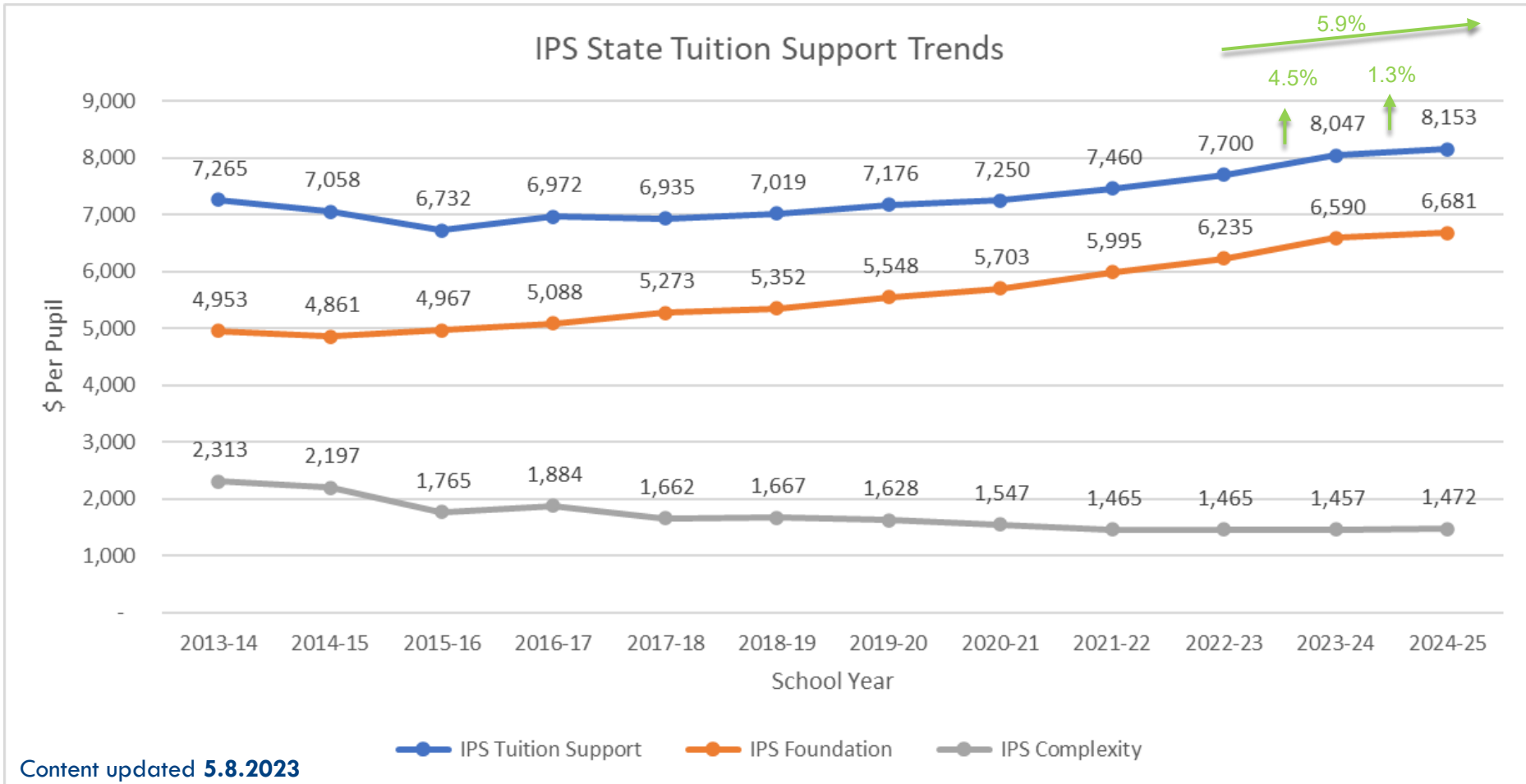
IPS State Tuition Support Trends



■ IPS % Foundation   ■ IPS % Complexity

## Historical Perspective: State Fund Budget \$ Per Pupil

IPS State Tuition Support per Pupil is projected to increase by 5.9% from SY 2022-23 to SY 2024-25



Content updated **5.8.2023**

Note: **BASED ON FY 2023 THROUGH FY 2025 Conference Committee SCHOOL FORMULA SIMULATION [RELEASED 4/28/23](#)**



# Long-Term Budget Planning

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## 2023 Legislative Budget - State Fund Budget \$ Per Pupil

The past 2 state budgets have exhibited trends to prioritize funding Foundation funding (equal amount to all students) vs. Complexity Funding (based on need)

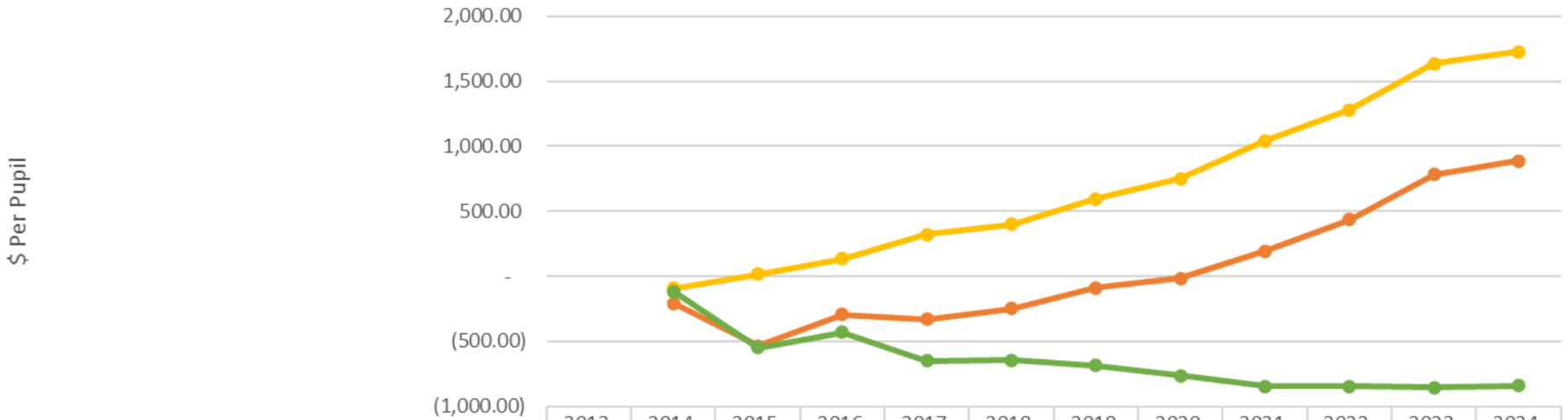
IPS will continue to advocate for equitable & adequate funding for all students

District	\$ per Pupil			Complexity Index %			\$ per Pupil % Change		
	SY 2022-23	SY 2023-24	SY 2024-25	SY 2022-23	SY 2023-24	SY 2024-25	22-23 to 23-24	23-24 to 24-25	22-23 to 24-25
Marion	7,841	8,307	8,416	43%	43%	43%	5.9%	1.3%	7.3%
IPS	7,699	8,047	8,153	39%	37%	37%	4.5%	1.3%	5.9%
South Bend	7,619	7,962	8,067	37%	34%	34%	4.5%	1.3%	5.9%
Richmond	7,511	7,961	8,066	34%	34%	34%	6.0%	1.3%	7.4%
Kokomo	7,482	7,943	8,048	33%	34%	34%	6.2%	1.3%	7.6%
MSD Warren	7,522	7,870	7,974	34%	32%	32%	4.6%	1.3%	6.0%
Beech Grove	7,302	7,727	7,830	28%	29%	29%	5.8%	1.3%	7.2%
Fort Wayne	7,332	7,699	7,802	29%	28%	28%	5.0%	1.3%	6.4%
MSD Wayne	7,195	7,648	7,750	25%	27%	27%	6.3%	1.3%	7.7%
MSD Decatur	7,204	7,629	7,730	26%	26%	26%	5.9%	1.3%	7.3%
MSD Lawrence	7,160	7,584	7,685	25%	25%	25%	5.9%	1.3%	7.3%
MSD Pike	7,174	7,578	7,679	25%	25%	25%	5.6%	1.3%	7.1%
MSD Perry	7,174	7,549	7,650	25%	24%	24%	5.2%	1.3%	6.6%
Evansville	7,147	7,462	7,562	24%	22%	22%	4.4%	1.3%	5.8%
Logansport	6,947	7,446	7,546	19%	21%	21%	7.2%	1.3%	8.6%
Crawfordsville	7,105	7,438	7,538	23%	21%	21%	4.7%	1.3%	6.1%
MSD Washington	7,035	7,421	7,521	21%	21%	21%	5.5%	1.3%	6.9%
Washington	7,067	7,384	7,483	22%	20%	20%	4.5%	1.3%	5.9%
Indiana Average	6,923	7,289	7,385	18%	18%	18%	5.3%	1.3%	6.7%
Martinsville	6,865	7,258	7,356	17%	17%	17%	5.7%	1.3%	7.2%
Paoli	6,975	7,196	7,293	20%	15%	15%	3.2%	1.4%	4.6%
Speedway	6,848	7,170	7,267	16%	15%	15%	4.7%	1.4%	6.1%
Franklin Township	6,698	7,110	7,206	12%	13%	13%	6.1%	1.4%	7.6%
Centerville-Abington	6,753	7,080	7,176	14%	12%	12%	4.8%	1.4%	6.3%
Penn Harris-Madison	6,535	6,876	6,970	8%	7%	7%	5.2%	1.4%	6.7%
Danville	6,522	6,836	6,929	8%	6%	6%	4.8%	1.4%	6.2%
Brownsburg	6,453	6,816	6,909	6%	6%	6%	5.6%	1.4%	7.1%
Hamilton Southeastern	6,377	6,747	6,839	4%	4%	4%	5.8%	1.4%	7.3%
Carmel Clay	6,334	6,682	6,774	3%	2%	2%	5.5%	1.4%	6.9%
Zionsville	6,279	6,632	6,724	1%	1%	1%	5.6%	1.4%	7.1%

## Historical Perspective: State Fund Budget \$ Per Pupil

The Total Tuition Support made up between Foundation (same amount for all students) & Complexity (amount based on need) has shifted consistently over time to \$1,728 more Foundation Funding and \$841 less Complexity Funding.

IPS State Tuition Support Trends



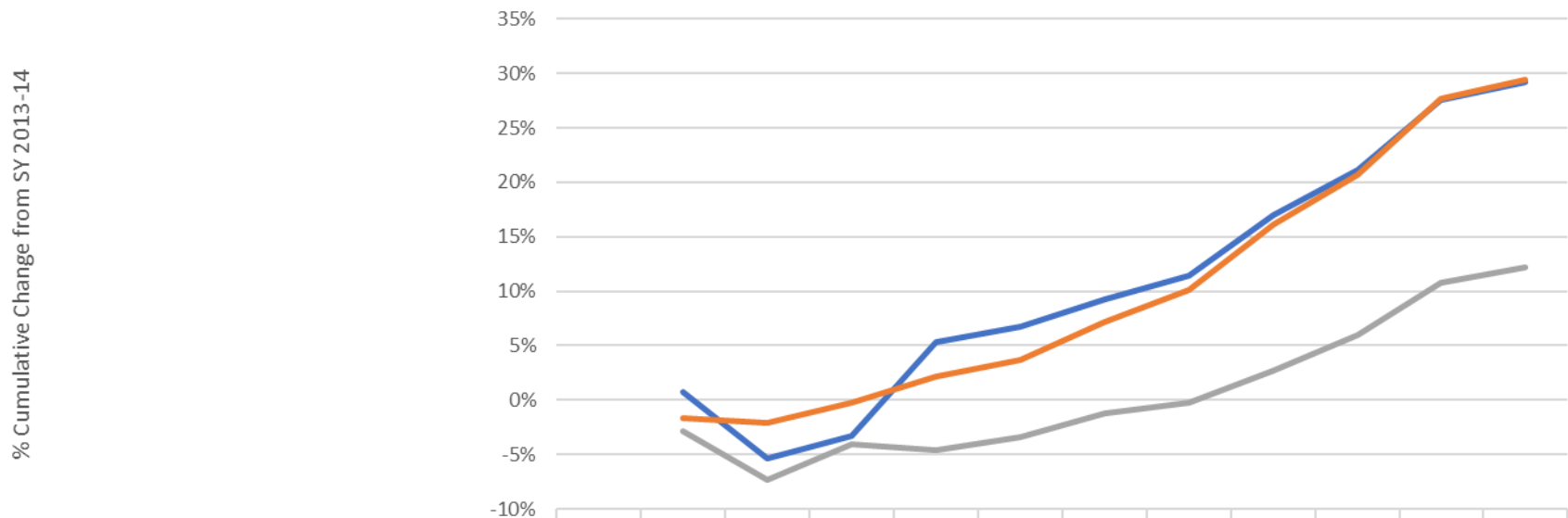
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
IPS Total Support \$ Cumulative Change from 13-14		(207)	(534)	(294)	(331)	(247)	(90)	(16)	195	435	781	887
IPS Foundation \$ Cumulative Change from 13-14		(91)	14	135	320	399	595	750	1,042	1,282	1,637	1,728
IPS Complexity \$ Cumulative Change from 13-14		(116)	(548)	(429)	(651)	(646)	(685)	(766)	(847)	(847)	(856)	(841)

School Year

## Historical Perspective: State Fund Budget \$ Per Pupil

The Total Tuition Support for IPS has increased 12% since SY 2013-14, while over the same time the Indiana Average has increased 29%. Districts with significantly less poverty than IPS have experienced increases similar to the Indiana Average.

IPS State Tuition Support Trends



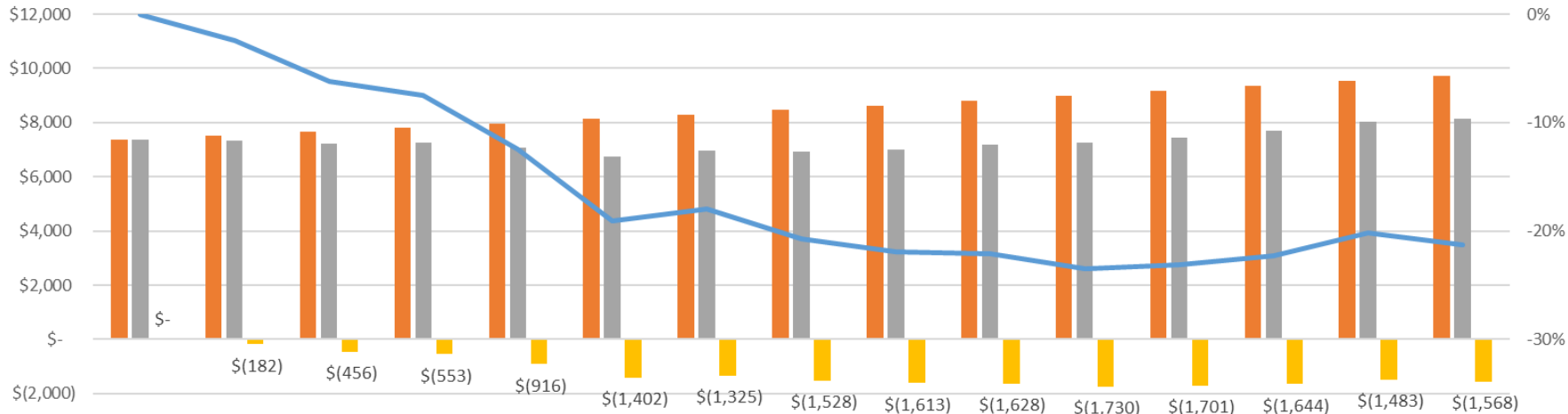
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
— IPS Total Support % Cumulative Change from 13-14		-3%	-7%	-4%	-5%	-3%	-1%	0%	3%	6%	11%	12%
— Indiana Total Support % Cumulative Change from 13-14		1%	-5%	-3%	5%	7%	9%	11%	17%	21%	28%	29%
— HSE Total Support % Cumulative Change from 13-14		-2%	-2%	0%	2%	4%	7%	10%	16%	21%	28%	29%

School Year

## Historical Perspective: State Fund Budget \$ Per Pupil

**If IPS funding in SY 2010-11 had experienced 2% inflationary growth through SY 2024-25, IPS would be receiving around \$1,600 per pupil more than the past few years.**

IPS State Per Pupil Funding  
2% Inflation Adjusted SY 2010-11 vs Actual

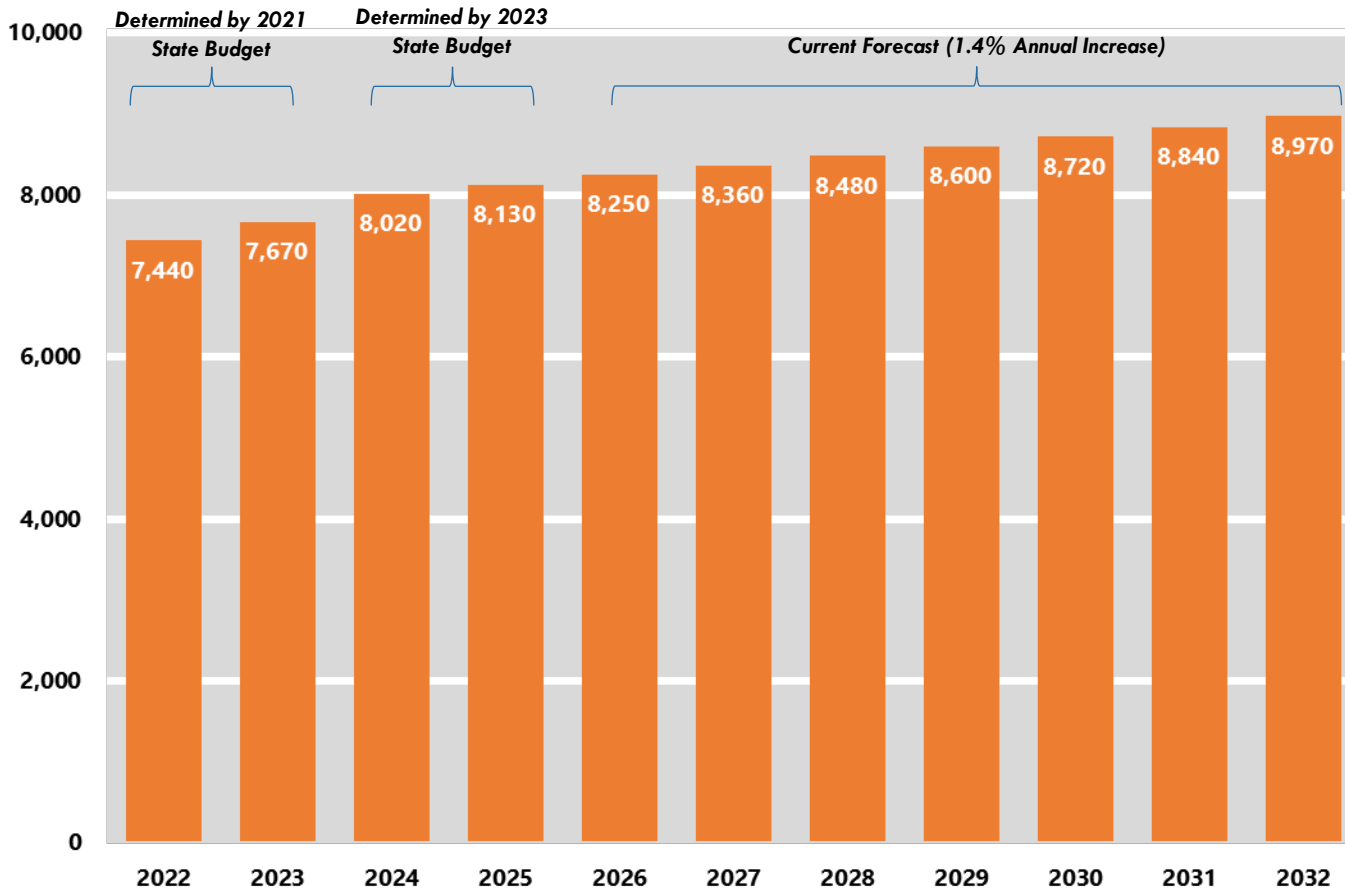


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2011 + Inflation	\$7,367	\$7,514	\$7,665	\$7,818	\$7,974	\$8,134	\$8,296	\$8,462	\$8,632	\$8,804	\$8,980	\$9,160	\$9,343	\$9,530	\$9,721
Actual	\$7,367	\$7,332	\$7,209	\$7,265	\$7,058	\$6,732	\$6,971	\$6,934	\$7,019	\$7,176	\$7,250	\$7,459	\$7,699	\$8,047	\$8,153
Diff per pupil	\$-	\$(182)	\$(456)	\$(553)	\$(916)	\$(1,402)	\$(1,325)	\$(1,528)	\$(1,613)	\$(1,628)	\$(1,730)	\$(1,701)	\$(1,644)	\$(1,483)	\$(1,568)
Diff %	-	-2%	-6%	-8%	-12%	-19%	-18%	-21%	-22%	-22%	-23%	-23%	-22%	-20%	-21%

■ 2011 + Inflation   
 ■ Actual   
 ■ Diff per pupil   
 — Diff %

### Tuition Support Forecast: Per Student Funding

Total Foundation Grant plus Complexity



- State tuition support funding is comprised of the Foundation Grant, which is uniform for all students, and the Complexity Grant, which directs more funding to at-need students.
- In recent years, the General Assembly has prioritized increasing the Foundation Grant over the Complexity Grant.
- The 2023 State Budget included per student funding increases for IPS: 4.6% in 2024 and 1.4% in 2025.
- Tuition Support growth is conservatively projected at 1.4% annually going forward.



# Long-Term Budget Planning

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## Historical Perspective: State Fund Budget \$ Per Pupil

**IPS state per pupil funding has accumulated an inflation adjusted annualized loss of \$40 million since SY 2010-11. Reductions in services, lagging competitive wages until recently, and reliance on local taxpayers have been the unfortunate reality in which IPS has persisted and sustained educational services for students the past decade.**

SY ending...	2011 + Inflation	Actual	Diff per pupil	Diff %	ADM	Total State Support 2011 + Inflation	Total State Support Actual	Diff per year	Diff Cumulative	Diff Annualized
2011	\$ 7,367	\$ 7,367	\$ -	-	33,408	\$ 246,116,736	\$ 246,116,736	\$ -		
2012	\$ 7,514	\$ 7,332	\$ (182)	-2%	32,595	\$ 244,929,912	\$ 238,986,540	\$ (5,943,372)	\$ (5,943,372)	\$ (5,943,372)
2013	\$ 7,665	\$ 7,209	\$ (456)	-6%	32,543	\$ 249,429,950	\$ 234,602,487	\$ (14,827,463)	\$ (20,770,835)	\$ (10,385,418)
2014	\$ 7,818	\$ 7,265	\$ (553)	-8%	32,470	\$ 253,847,841	\$ 235,894,550	\$ (17,953,291)	\$ (38,724,126)	\$ (12,908,042)
2015	\$ 7,974	\$ 7,058	\$ (916)	-12%	31,473	\$ 250,974,443	\$ 222,136,434	\$ (28,838,009)	\$ (67,562,135)	\$ (16,890,534)
2016	\$ 8,134	\$ 6,732	\$ (1,402)	-19%	30,979	\$ 251,975,853	\$ 208,550,628	\$ (43,425,225)	\$ (110,987,359)	\$ (22,197,472)
2017	\$ 8,296	\$ 6,971	\$ (1,325)	-18%	30,921	\$ 256,534,176	\$ 215,550,291	\$ (40,983,885)	\$ (151,971,245)	\$ (25,328,541)
2018	\$ 8,462	\$ 6,934	\$ (1,528)	-21%	31,917	\$ 270,093,378	\$ 221,312,478	\$ (48,780,900)	\$ (200,752,144)	\$ (28,678,878)
2019	\$ 8,632	\$ 7,019	\$ (1,613)	-22%	31,511	\$ 271,990,810	\$ 221,175,709	\$ (50,815,101)	\$ (251,567,245)	\$ (31,445,906)
2020	\$ 8,804	\$ 7,176	\$ (1,628)	-22%	32,237	\$ 283,822,509	\$ 231,332,712	\$ (52,489,797)	\$ (304,057,042)	\$ (33,784,116)
2021	\$ 8,980	\$ 7,250	\$ (1,730)	-23%	31,167	\$ 279,890,004	\$ 225,960,750	\$ (53,929,254)	\$ (357,986,296)	\$ (35,798,630)
2022	\$ 9,160	\$ 7,459	\$ (1,701)	-23%	31,387	\$ 287,502,991	\$ 234,115,633	\$ (53,387,358)	\$ (411,373,653)	\$ (37,397,605)
2023	\$ 9,343	\$ 7,699	\$ (1,644)	-22%	31,332	\$ 292,739,178	\$ 241,225,068	\$ (51,514,110)	\$ (462,887,763)	\$ (38,573,980)
2024	\$ 9,530	\$ 8,047	\$ (1,483)	-20%	31,415	\$ 299,384,951	\$ 252,796,505	\$ (46,588,446)	\$ (509,476,210)	\$ (39,190,478)
2025	\$ 9,721	\$ 8,153	\$ (1,568)	-21%	31,415	\$ 305,372,650	\$ 256,126,495	\$ (49,246,155)	\$ (558,722,365)	\$ (39,908,740)

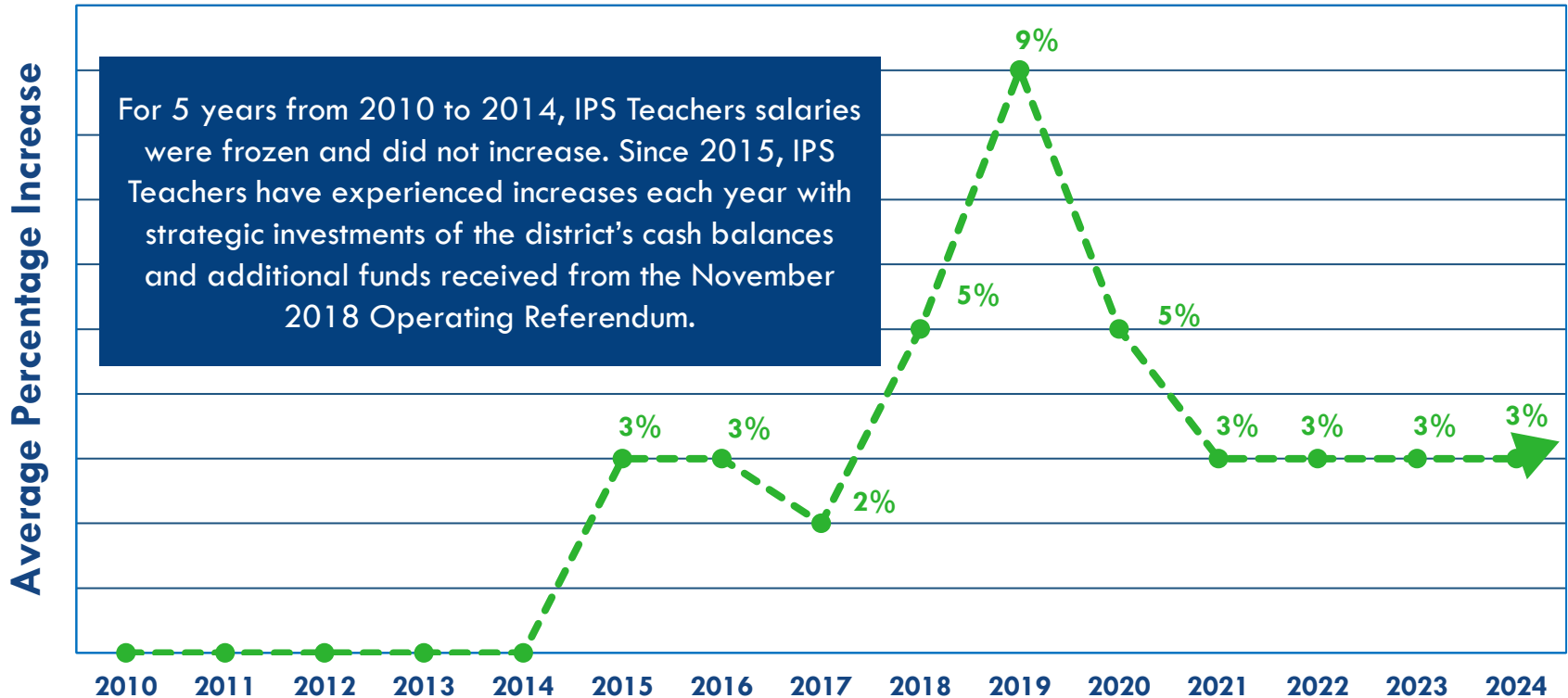
**IPS students deserve better treatment from Indiana's School Funding Formulas.**

**If the state will not prioritize IPS students, then local property tax funding and charity remains a potential source to ensure adequate funding for basic and necessary supports for students.**

**Expenditures for special education and English language learners encroach on General/Education Fund budget allocations, capturing around 16% of state tuition support or 94% of complexity index funding.**

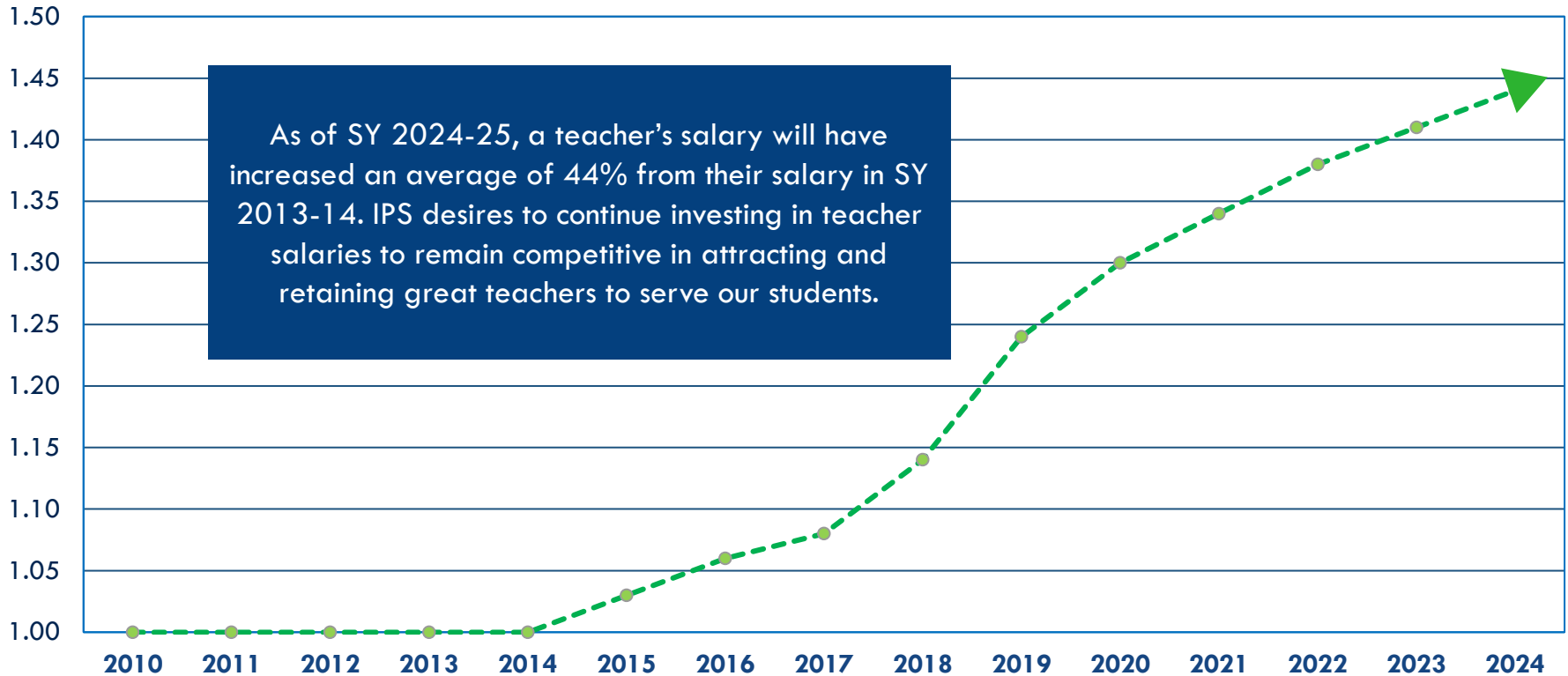
<b>SY 2023–24</b>	<b>Special Education</b>	<b>English Language Learners</b>	<b>Total</b>
Federal Funds	\$7,618,680	\$745,254	\$8,363,934
State Funds	\$23,395,299	\$4,418,642	\$27,813,941
<b>Total Revenue</b>	<b>\$31,013,979</b>	<b>\$5,163,896</b>	<b>\$36,177,875</b>
<b>Total Cost</b>	<b>(\$53,496,483)</b>	<b>(\$10,331,803)</b>	<b>(\$63,828,286)</b>
<b>Total Gap Paid by Education Fund</b>	<b>(\$22,482,504)</b>	<b>(\$5,167,907)</b>	<b>(\$27,650,411)</b>

### Teacher Compensation



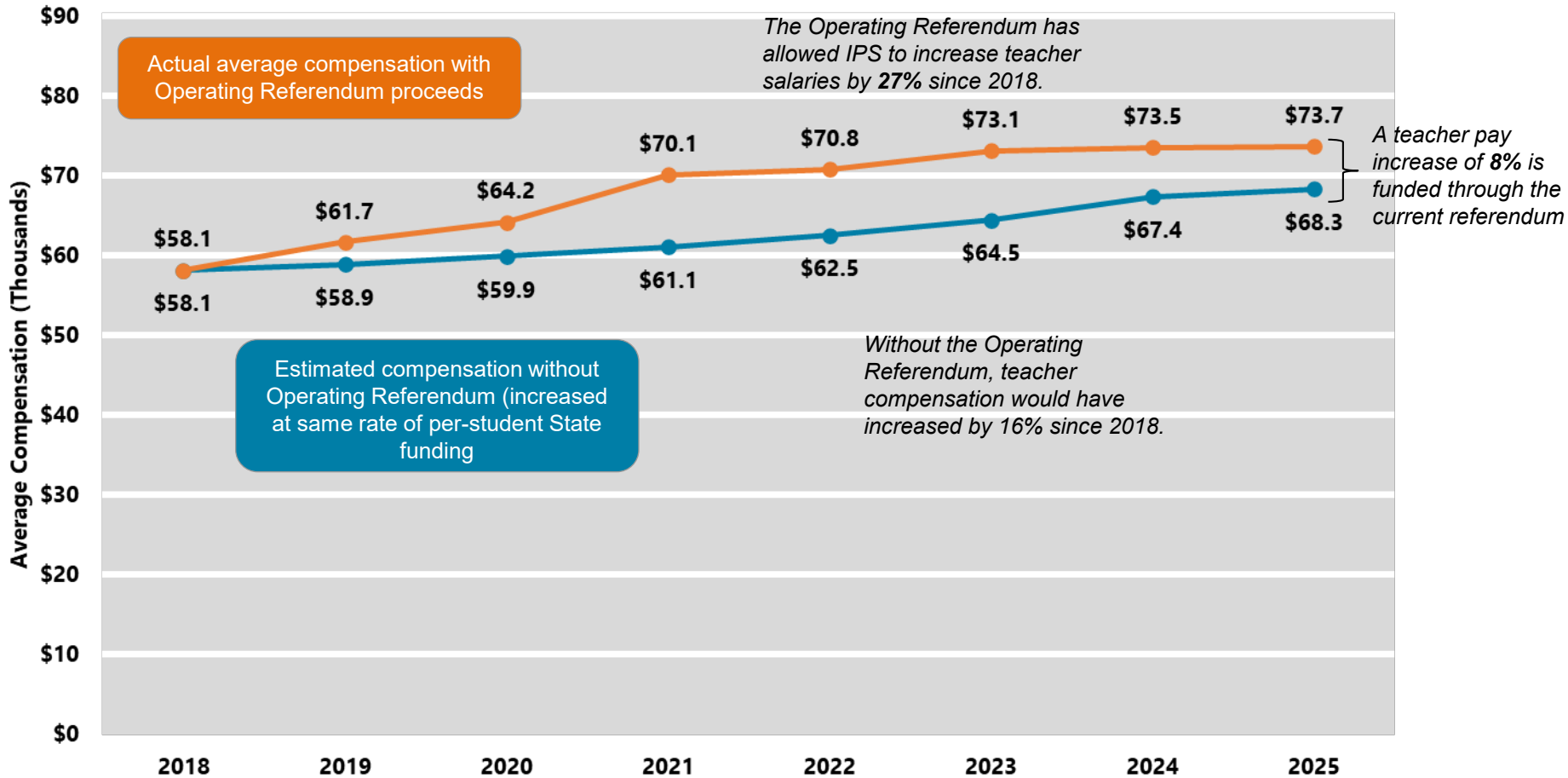
### Year of Collective Bargaining Agreement

### Teacher Compensation – Indexed Growth



Year of Collective Bargaining

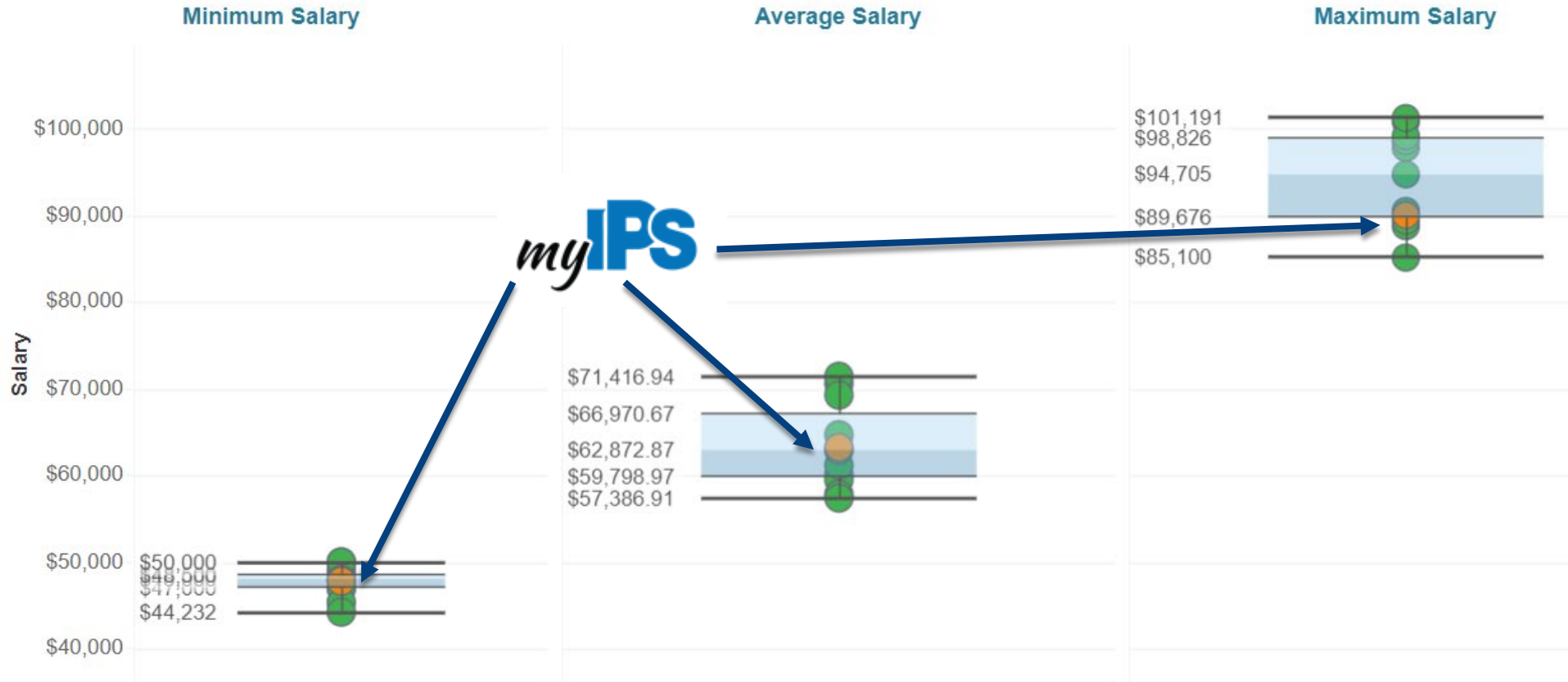
### Average Compensation for IPS Teachers



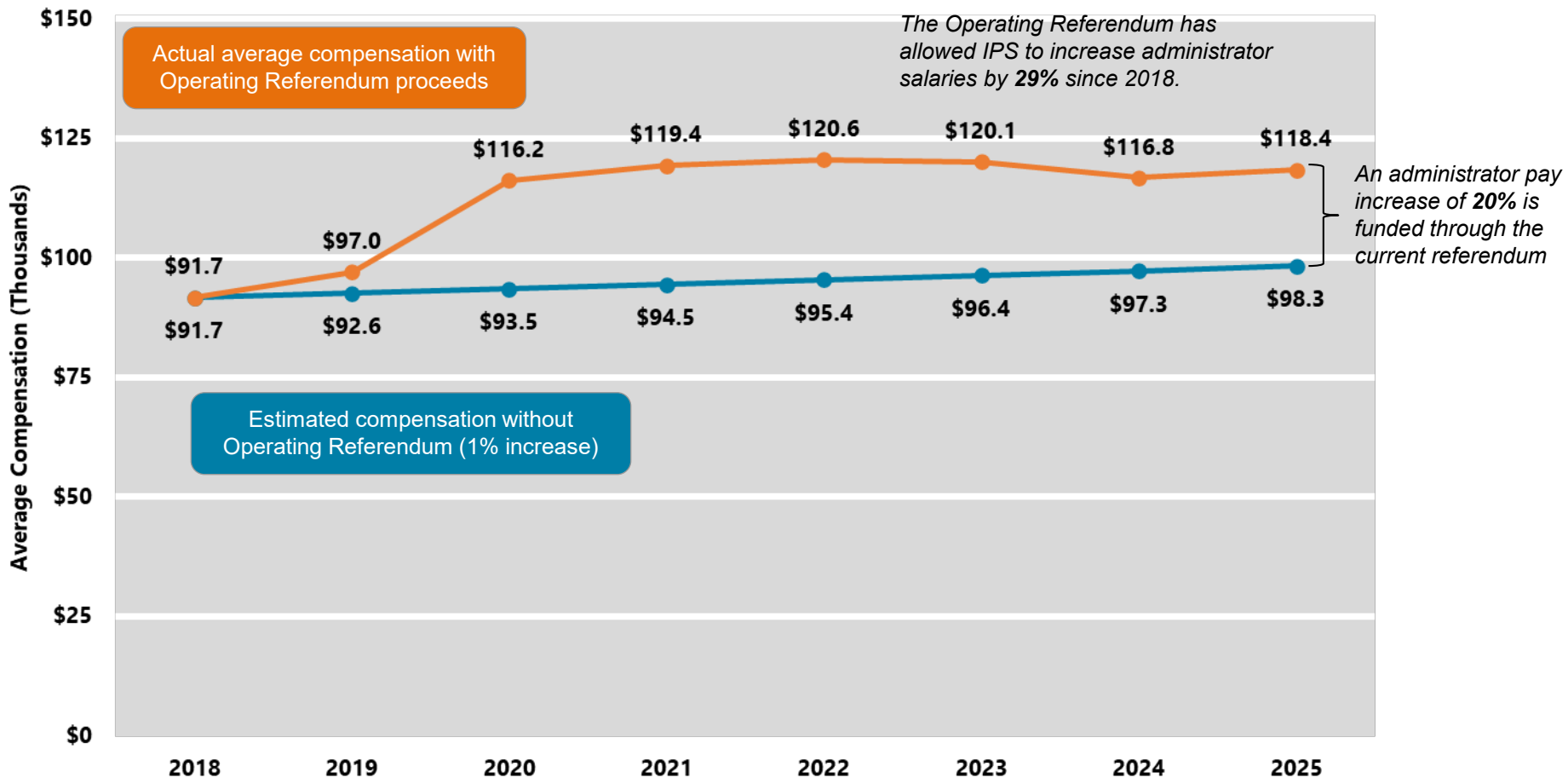
In 2015, IPS was lagging nearly all other Marion County School Districts at all levels on the pay scale - Minimum (Starting) Salary, Average Salary, and Maximum Salary



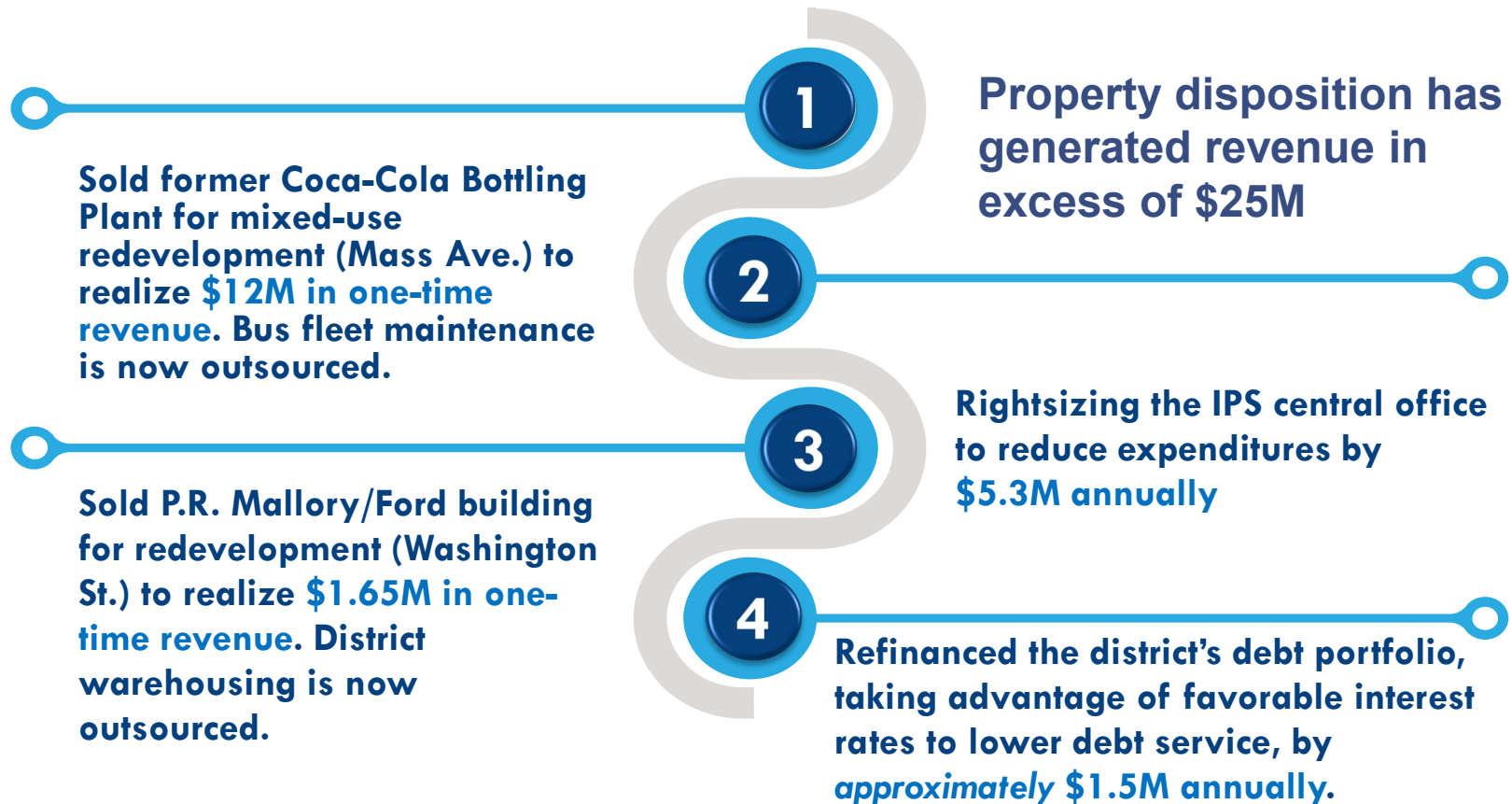
In 2023, IPS is now in the “middle of the pack” among Marion County School Districts when it comes to Minimum (Starting) Salary for Average and Maximum Salary



### Average Compensation for IPS Certified Administrators



## Ways IPS administration has reduced expenses without altering academic programs & service quality:



## Ways IPS administration has reduced expenses without altering academic programs & service quality:



We have made decisions to stabilize.

## Transportation Initiatives

- \$93M cumulative savings since 2017
  - Fuel-efficient bus fleet
  - Routing optimization
  - Walk zones & opt-out
  - IndyGo partnership

## Facilities/Energy Management

- In a period of rising utility rates, no cumulative increase since 2017 due to utilities monitoring
- \$21M in cumulative savings since 2017 in custodial staffing costs

## System Modernization

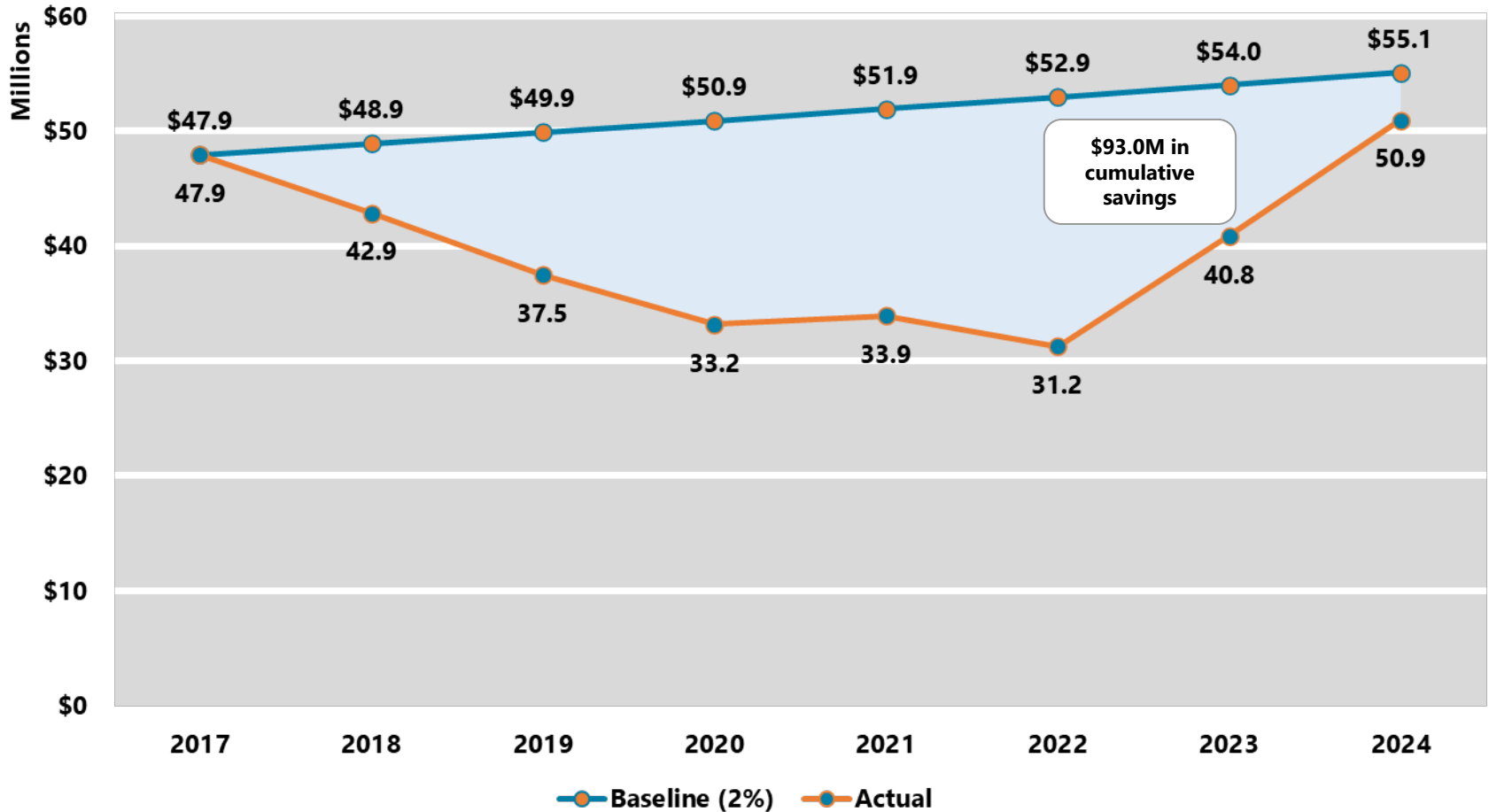
- Increasing automated systems
- Cultivating a service mindset

## Health Insurance & Wellness

- Controlled costs while increasing access to quality providers

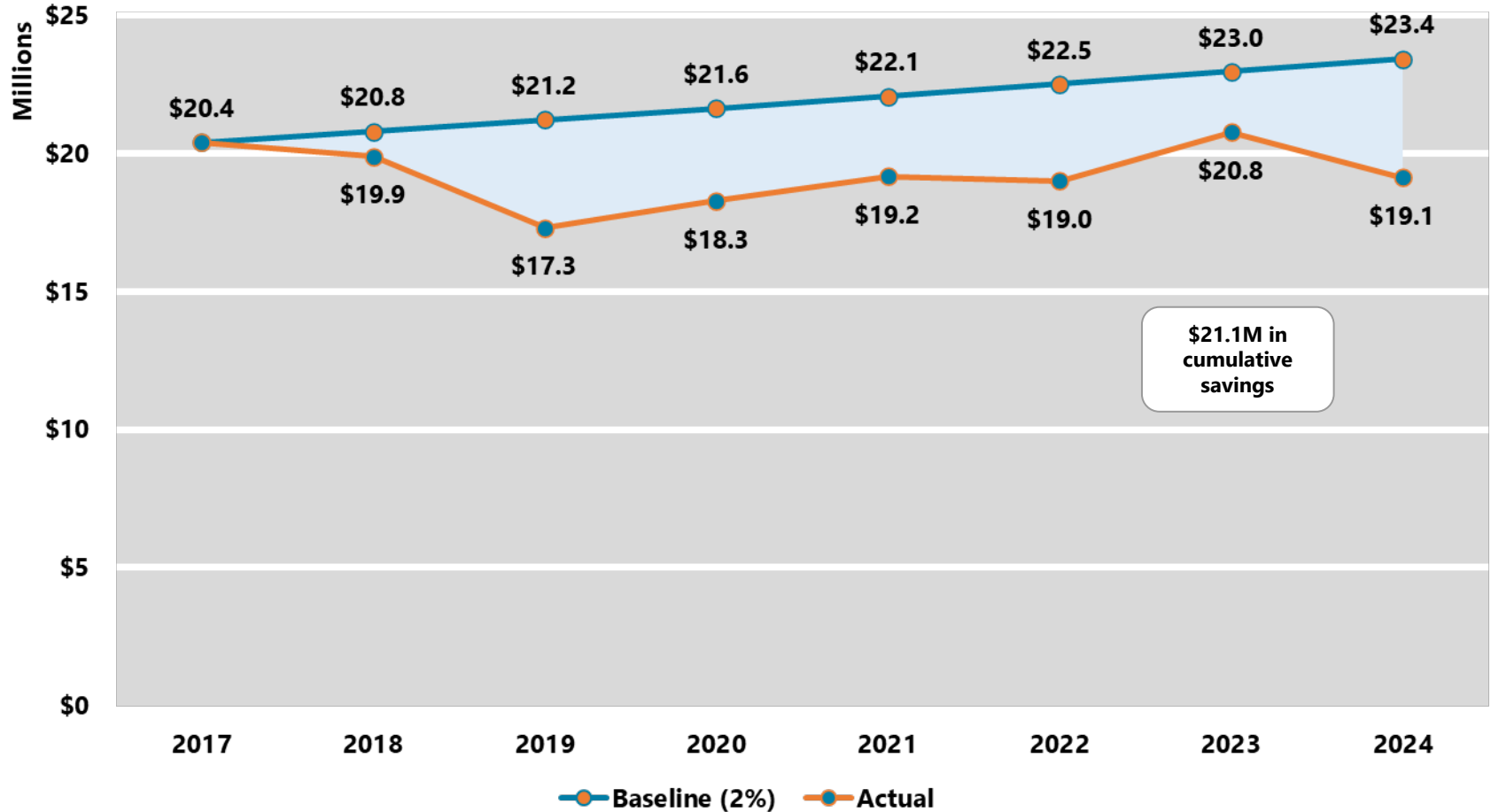
### Transportation Efficiency Savings

Compared to Pre-Referendum Projection



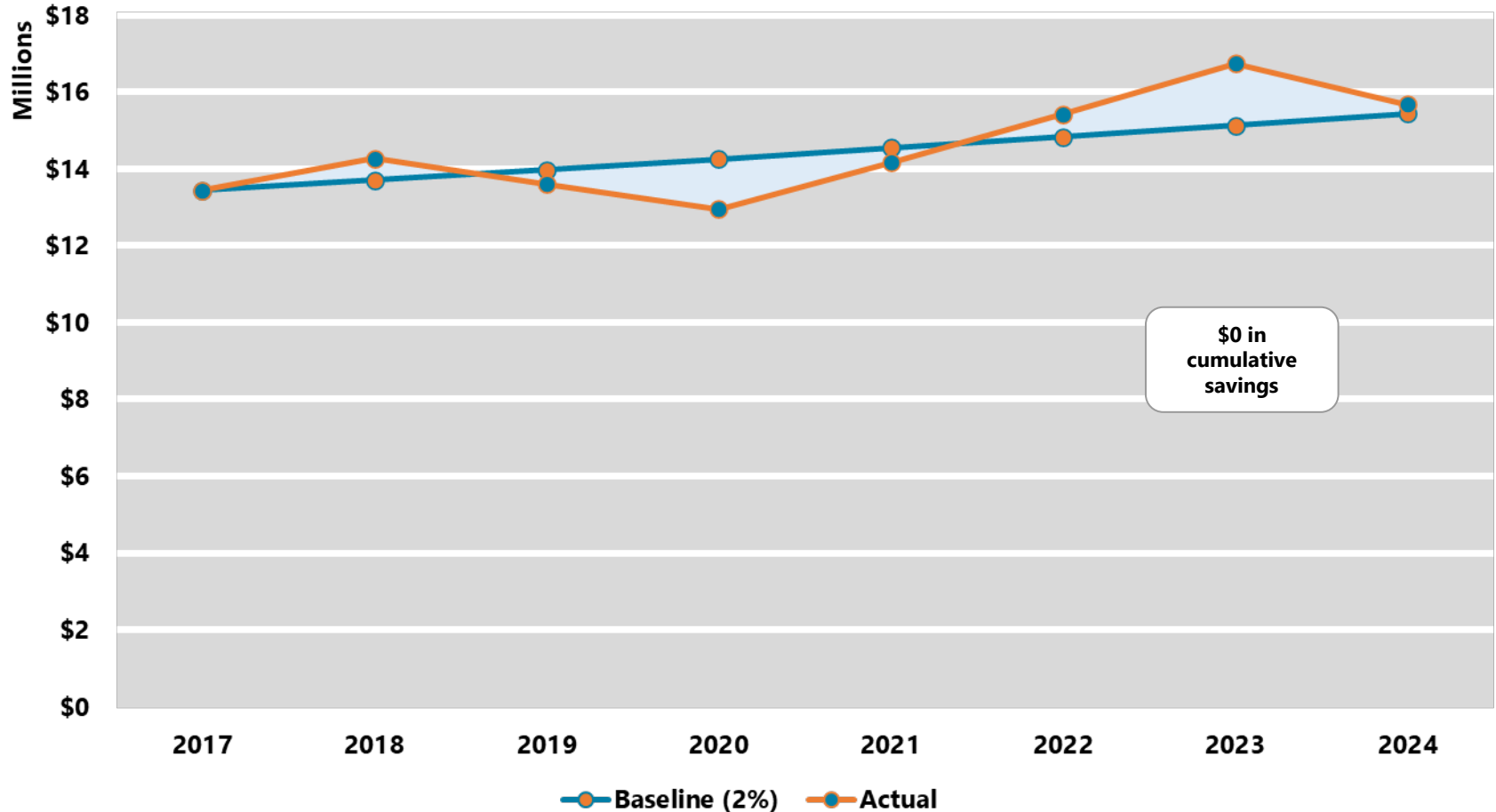
### Custodial Efficiency Savings

Compared to Pre-Referendum Projection



### Utilities Efficiency Savings

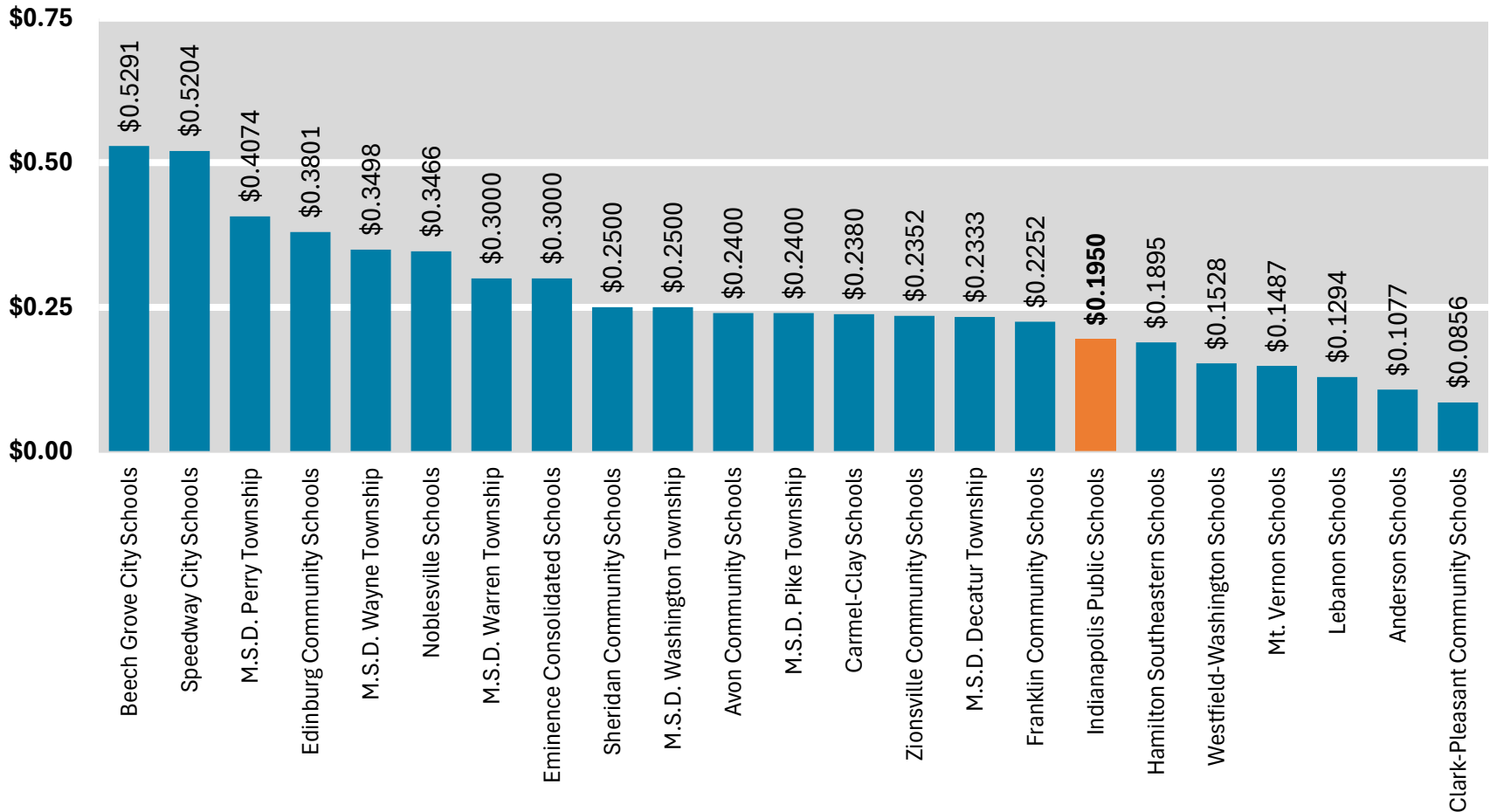
Compared to Pre-Referendum Projection



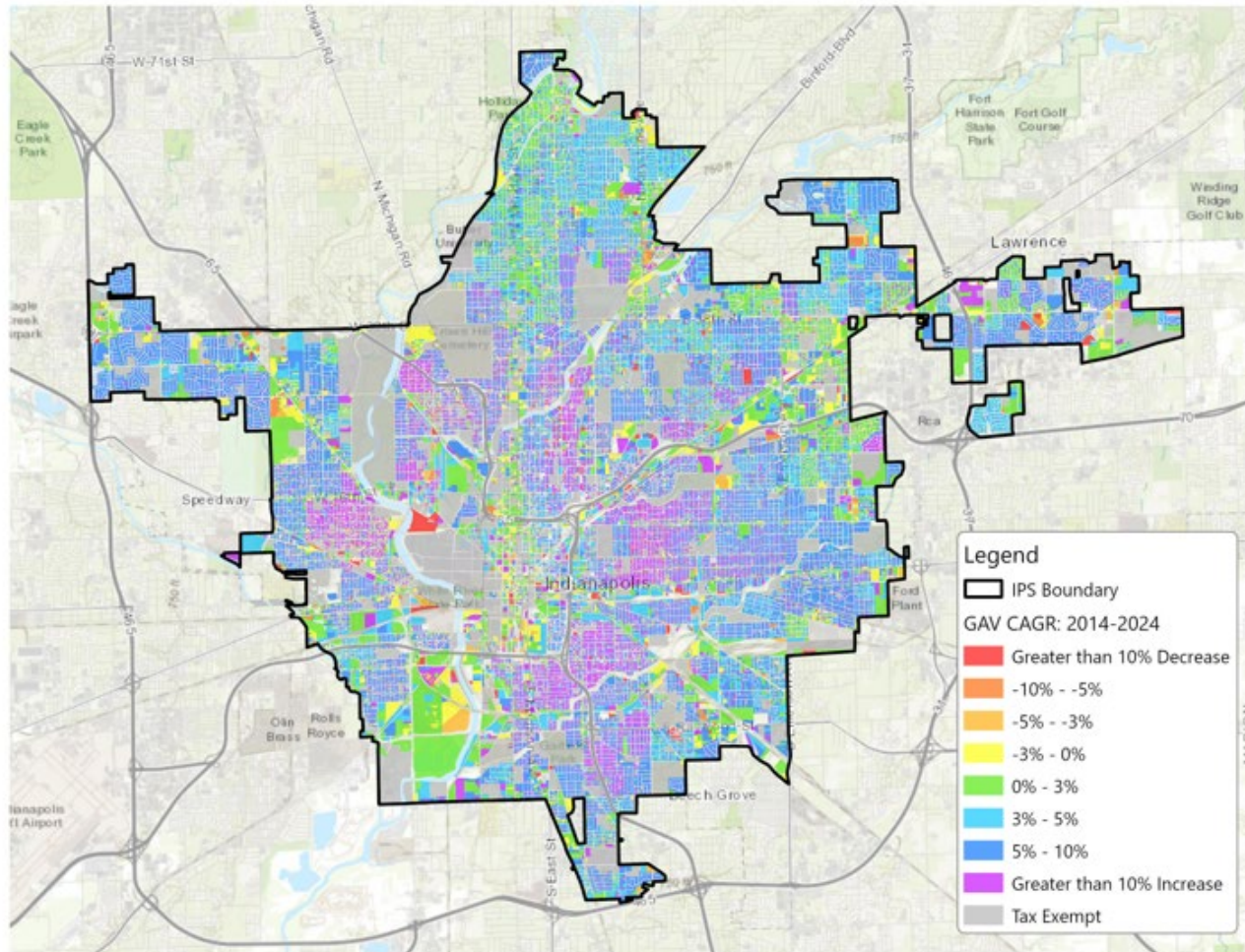


## Operating Referendum – Comparison with Central Indiana?

Central Indiana School Operating Referendum Tax Rates



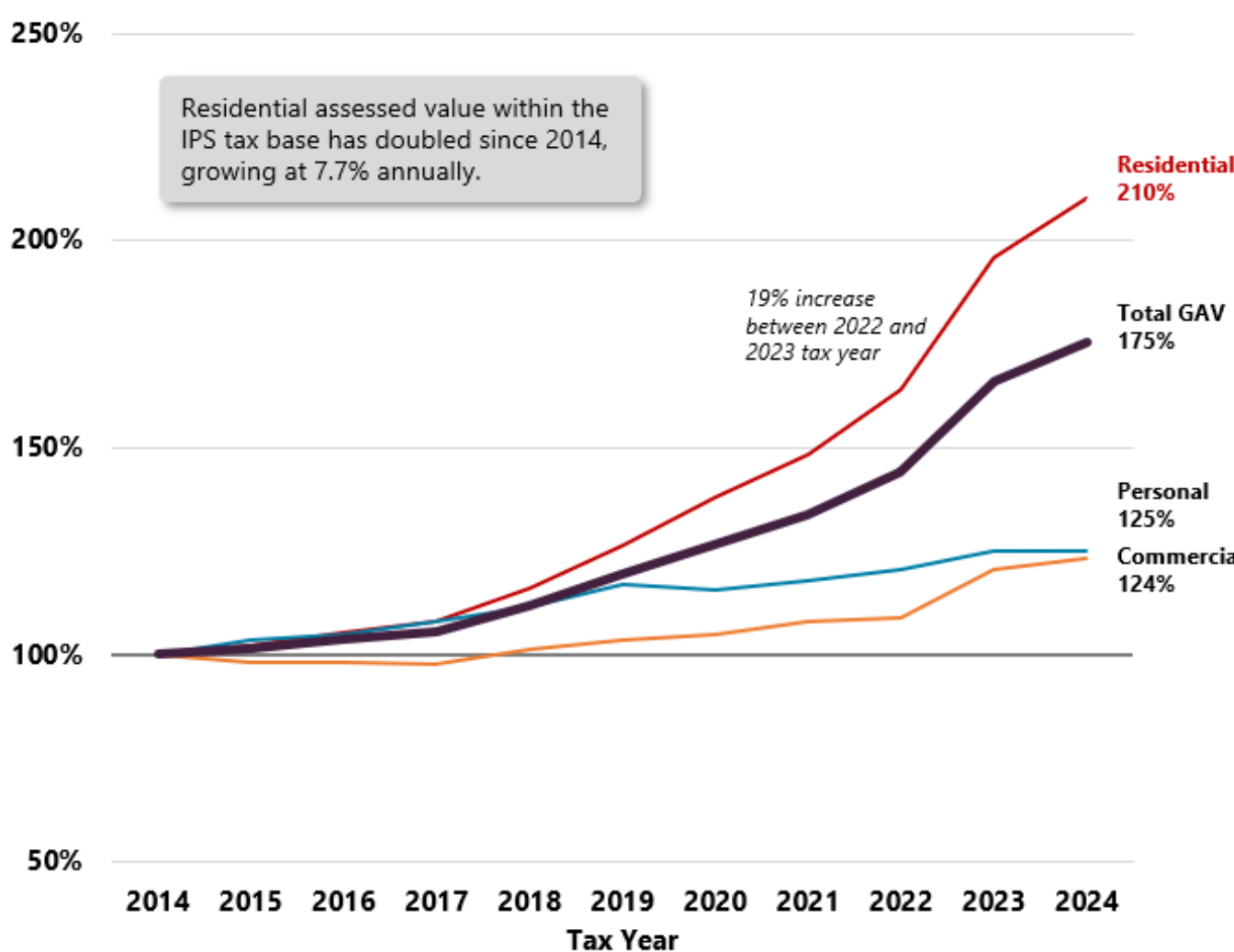
### GAV CAGR: 2014 to 2024



Over the past decade, most Real Estate Values in the IPS Boundary have increased.

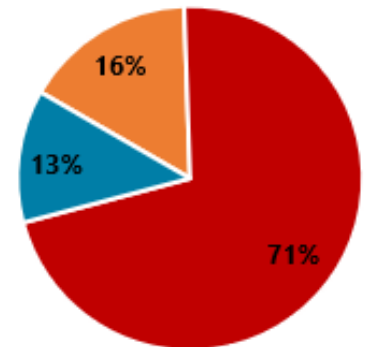
The growth in real estate values is due to many social, economic, and public policy factors.

## IPS Gross Assessed Value History by Property Class (Indexed to 2014)

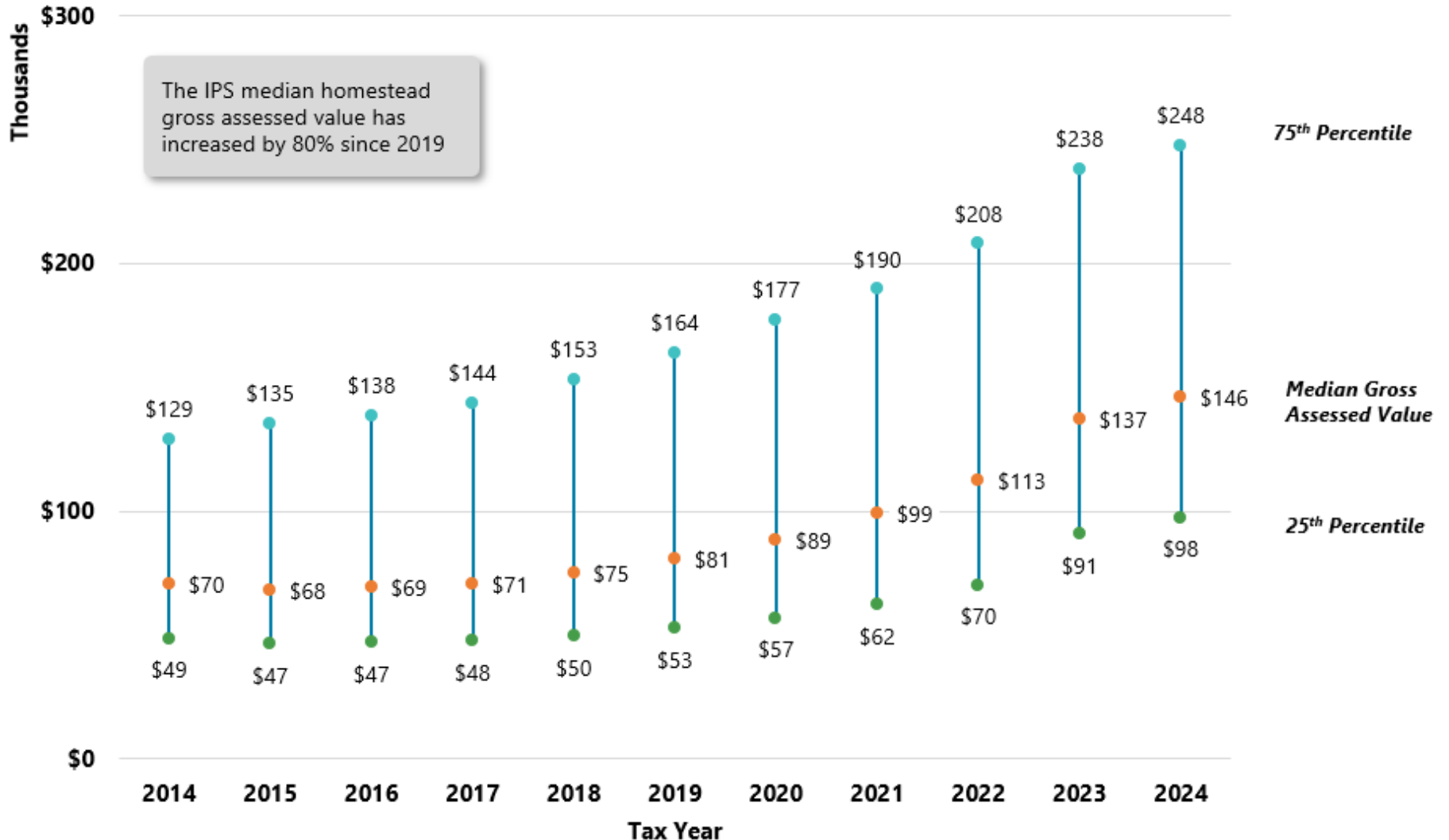


Class	Avg. Change
Residential	7.7%
Total GAV	5.8%
Personal	2.3%
Commercial	2.1%

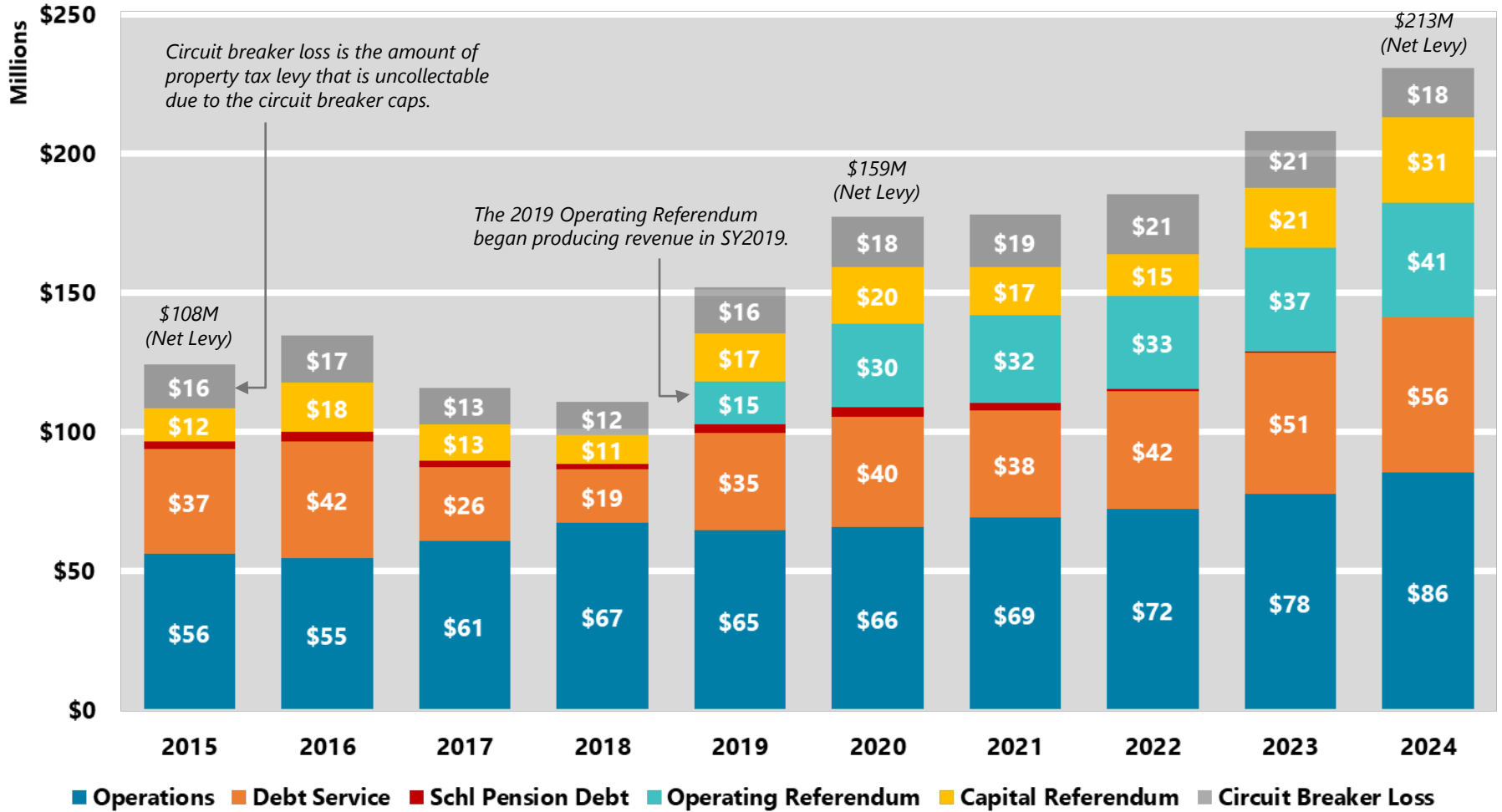
Composition of Gross AV



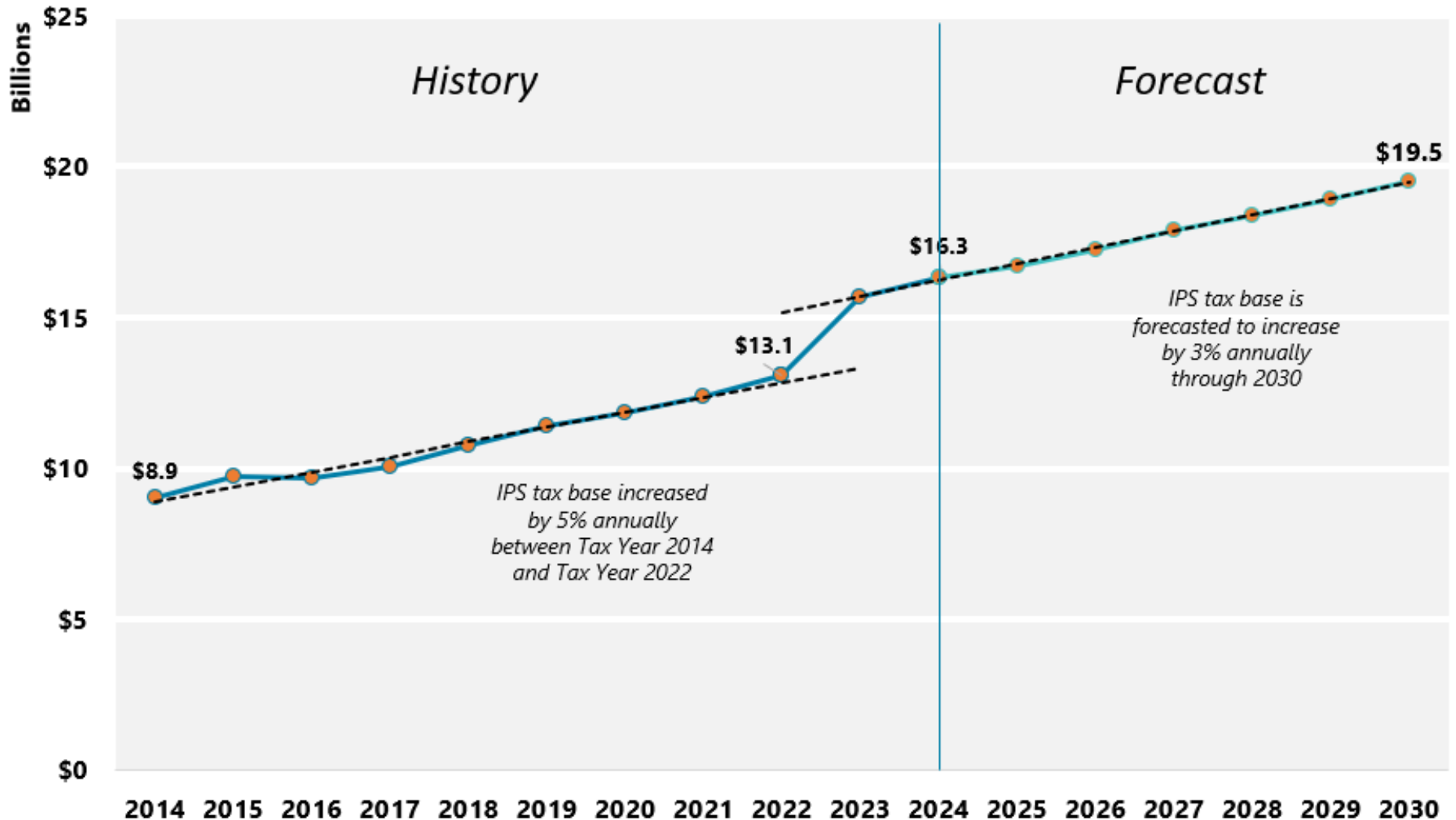
## IPS Homestead Gross Assessed Value by Tax Year



## IPS Property Tax Revenue by School Year

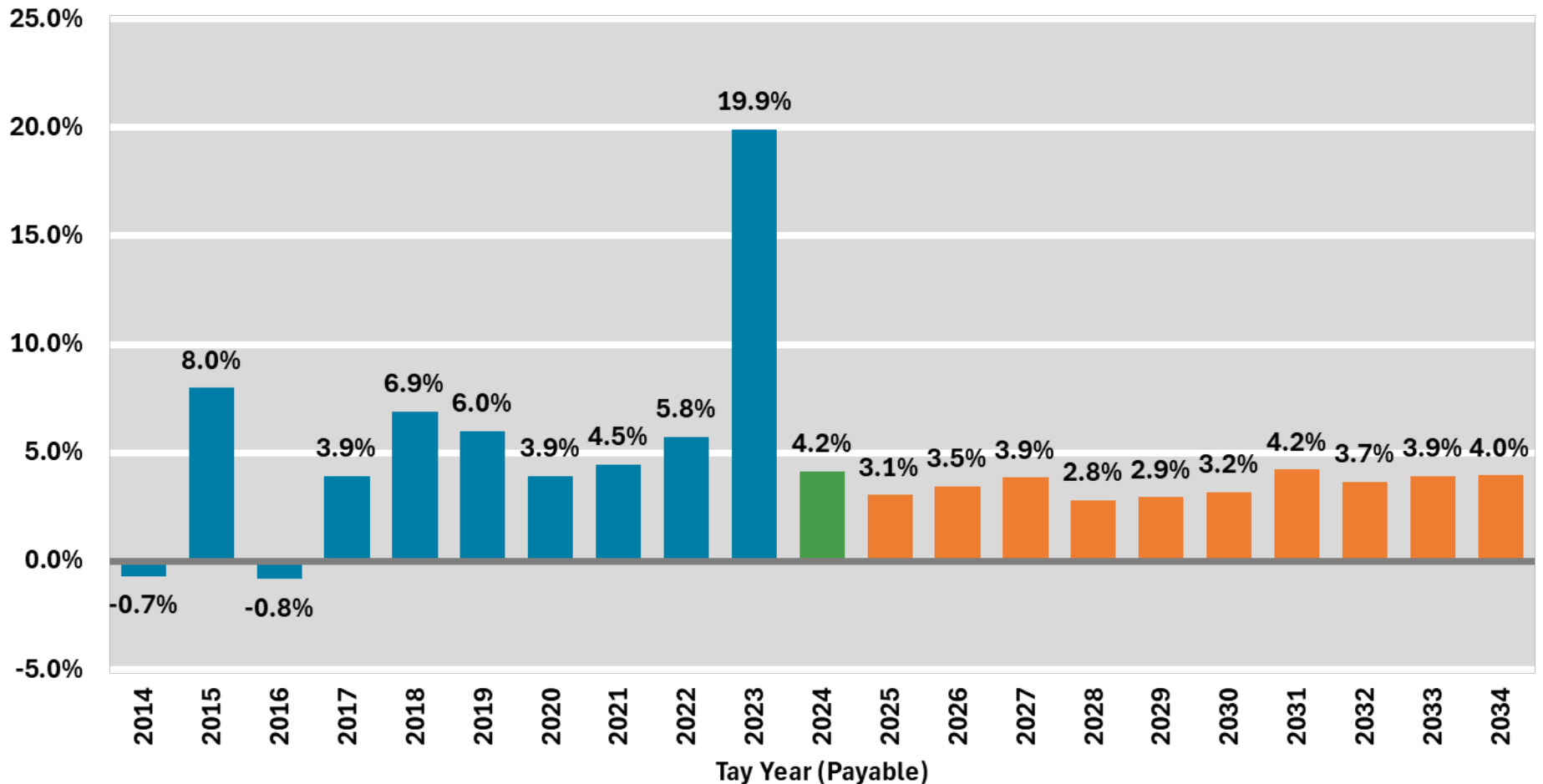


## IPS Certified Net Assessed Value Forecast (in billions)

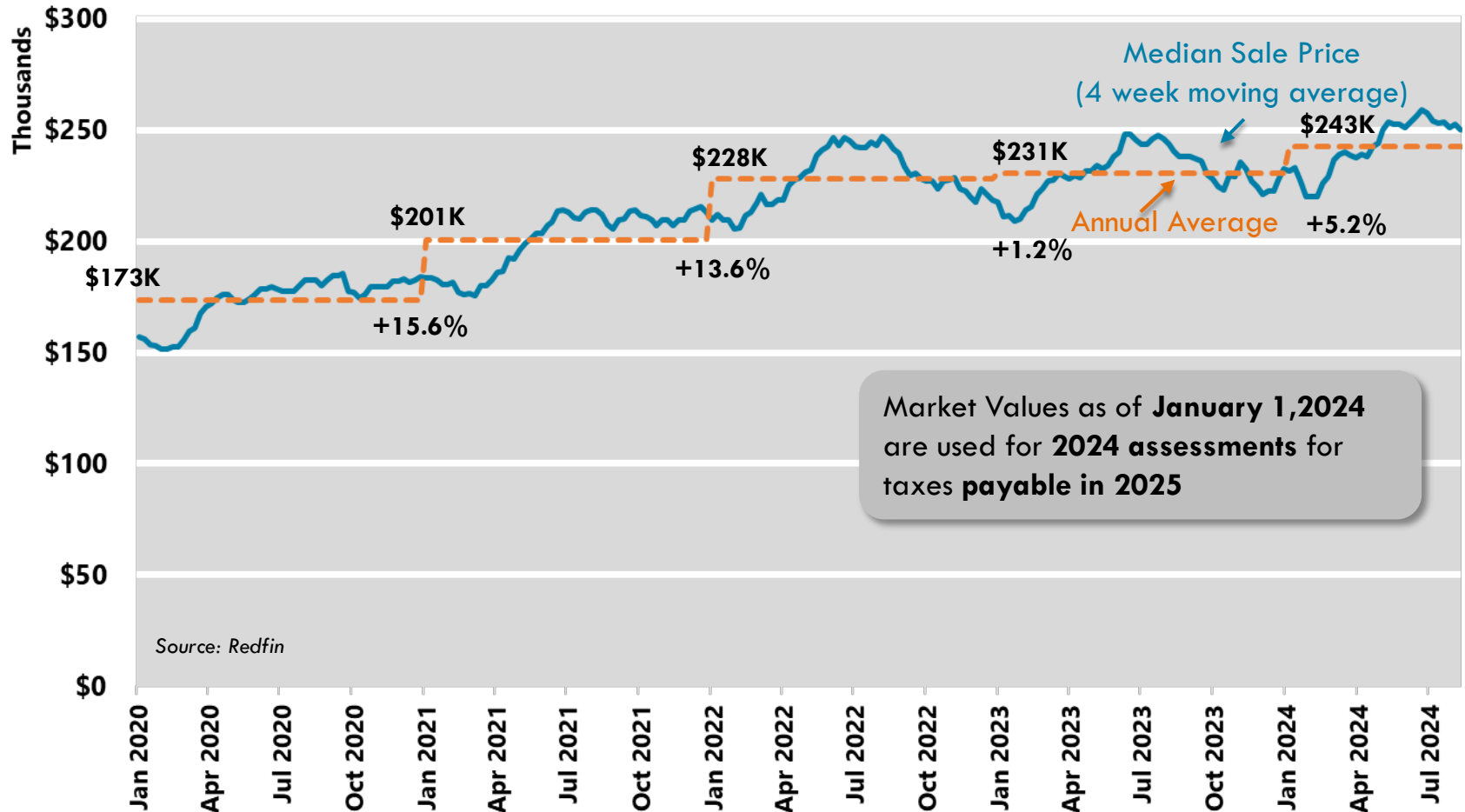


## Certified NAV Growth – Historical & Projected

Annual Change in IPS Certified NAV (Historical and Projected)



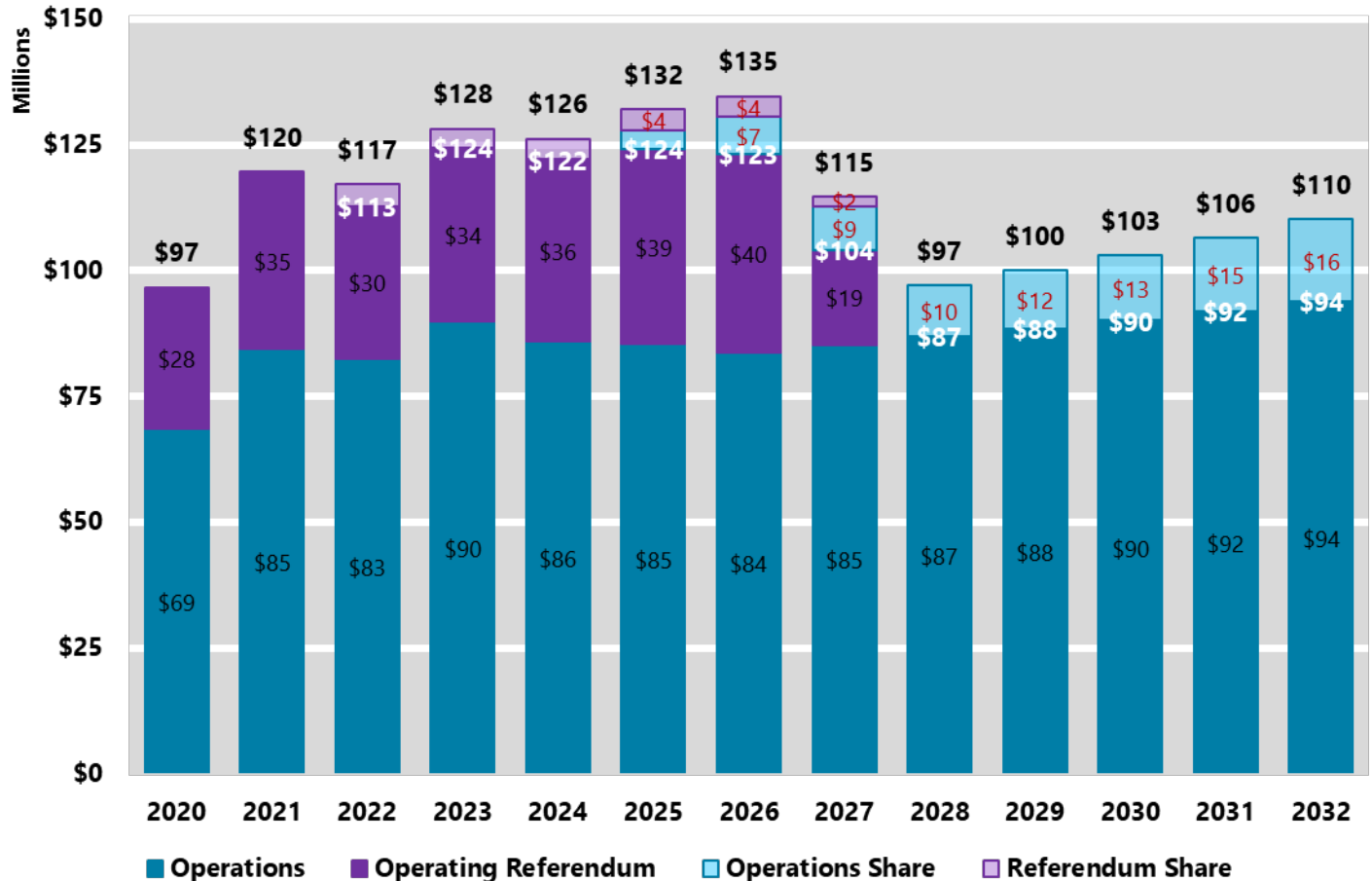
### Marion County Median Housing Sale Price



### Local Property Tax Revenue

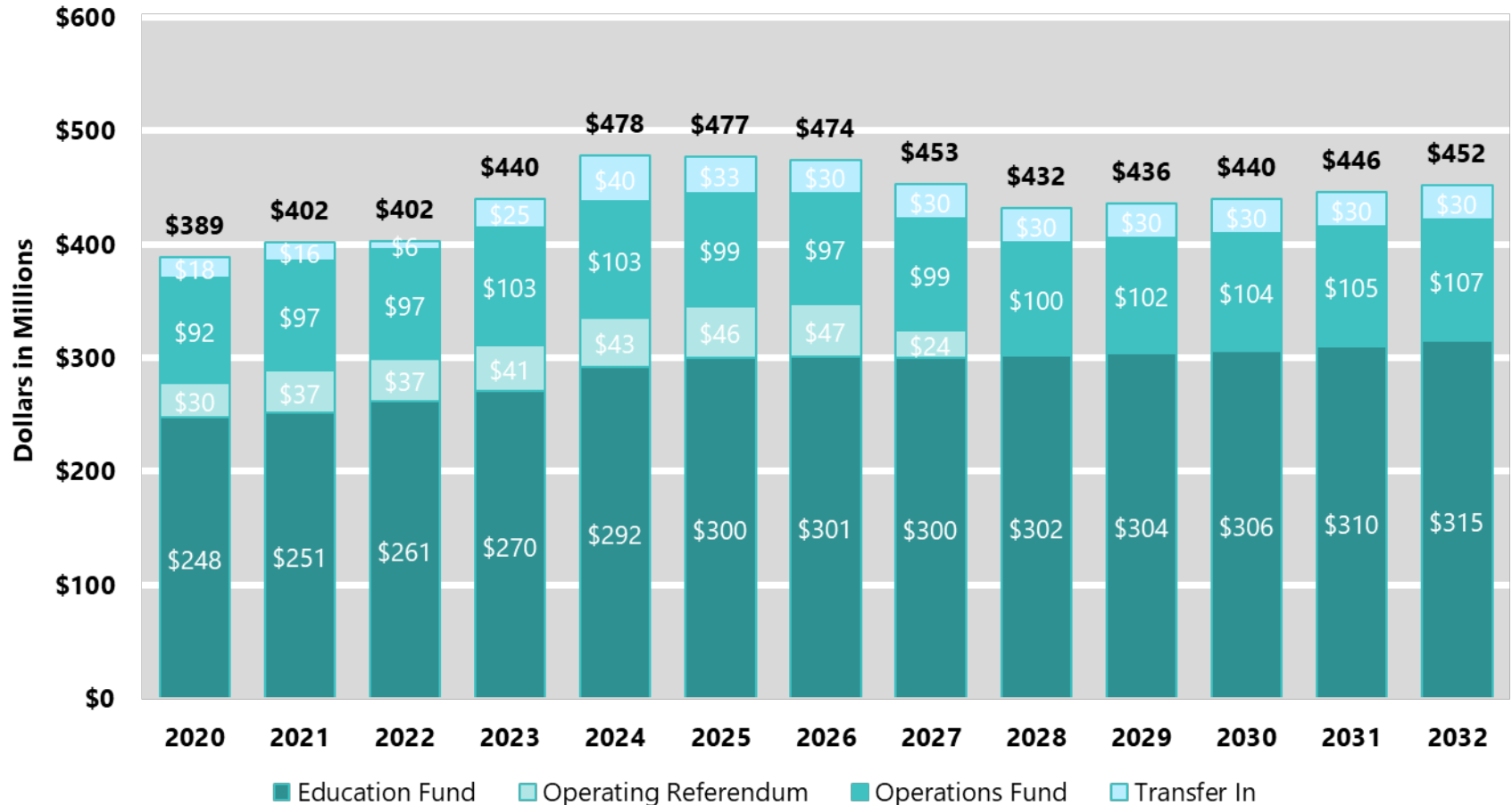
*Operations and Operating Referendum Funds*

- Property tax revenue projection assumes a fixed debt service tax rate, meaning debt service capacity increases with the tax base.
- Referendum funds (both operating and capital) are able to incorporate TIF assessed value, and thus have a higher tax base.
- The IPS operating referendum expires in CY 2026. IPS will receive a partial distribution in FY 2027.



### Revenue Projection

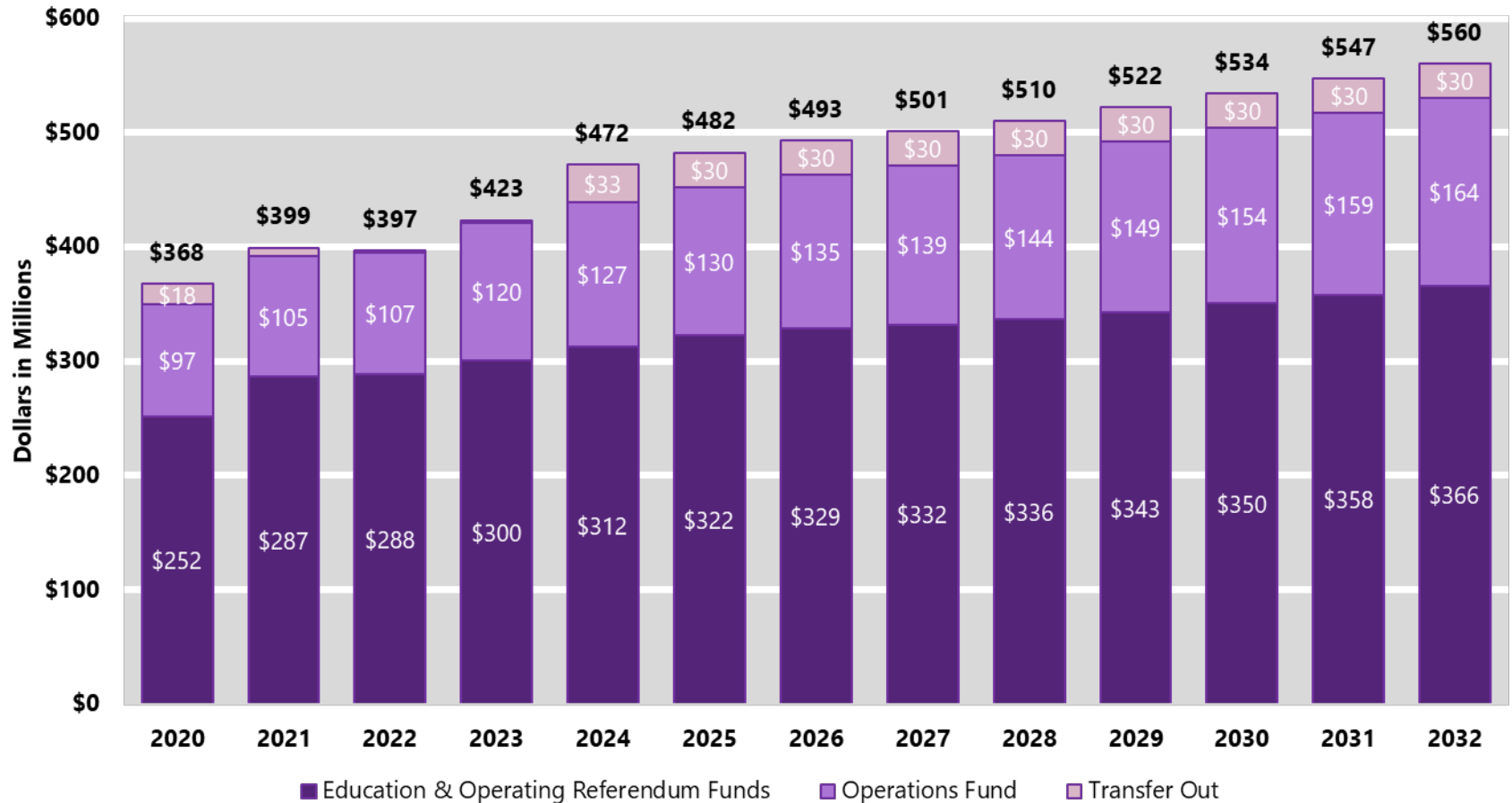
Education, Operations, and Operating Referendum Funds



## IPS Expenditure Forecast by Fiscal Year (excludes Debt Service)

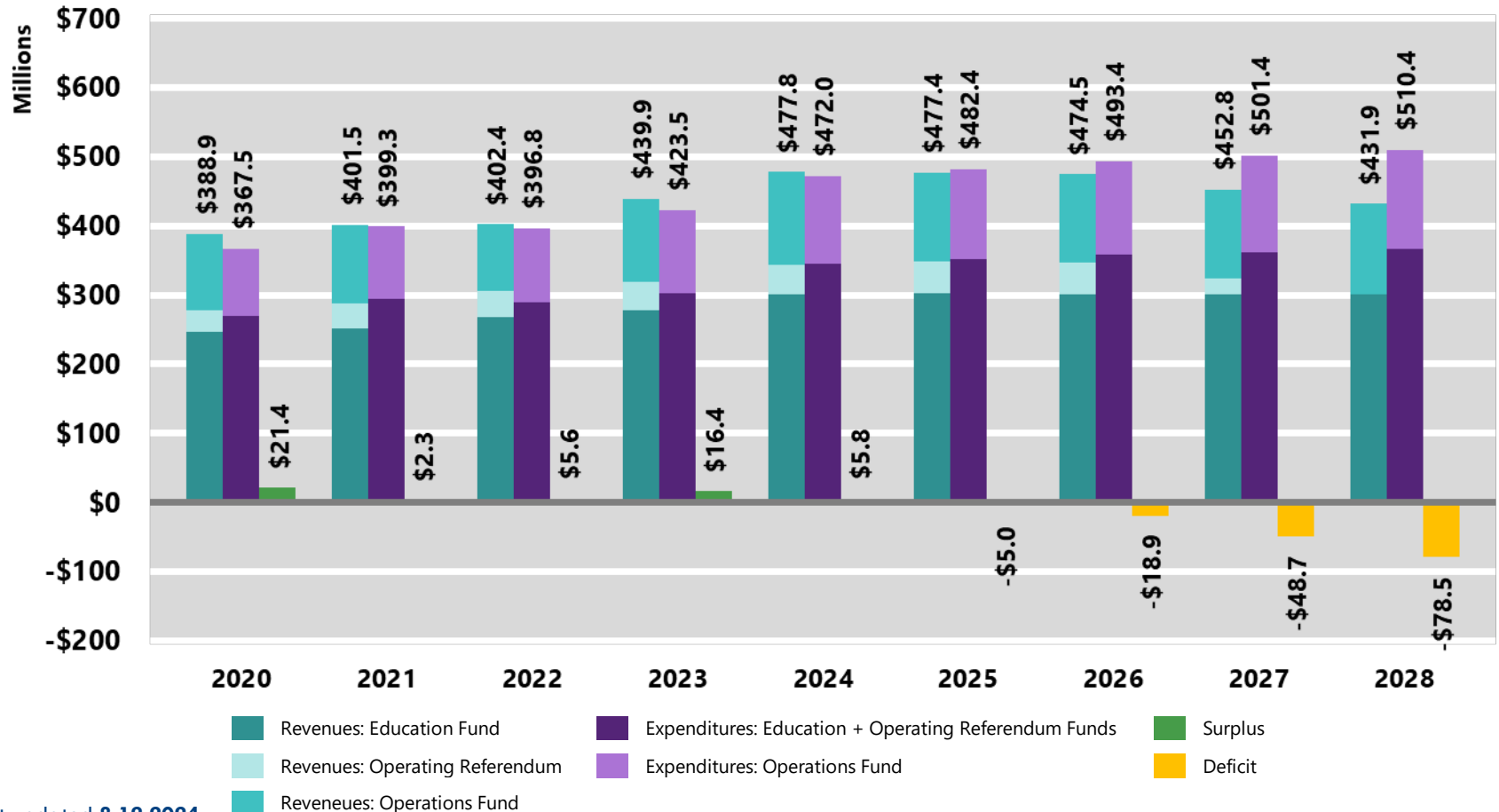
### Expenditure Projection

*Education, Operations, and Operating Referendum Funds*



### Revenue & Expenditure Projection

Education, Operations, and Operating Referendum Funds



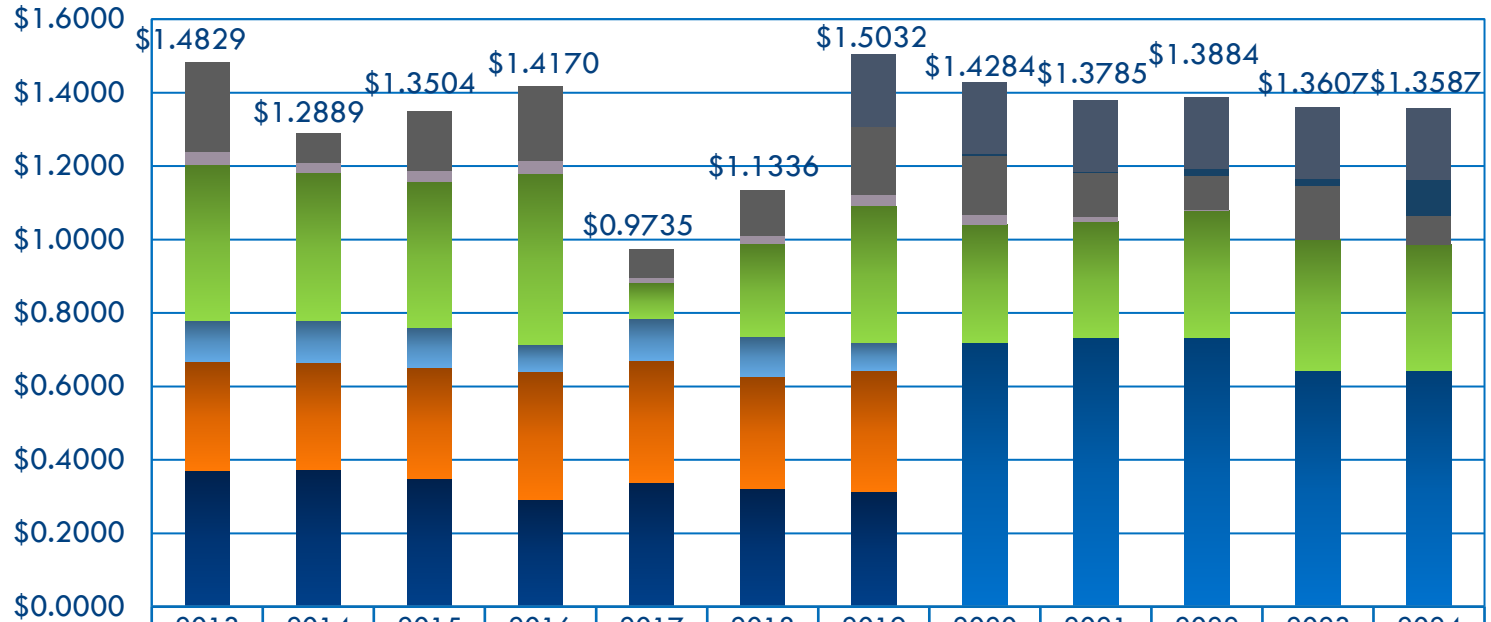


# Long-Term Budget Planning

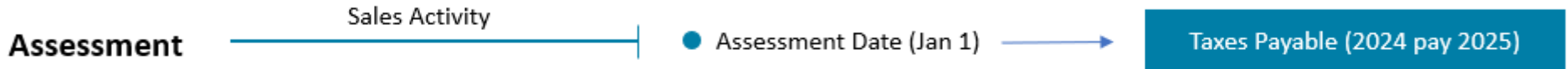
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## Certified Tax Rates

IPS portion of the Property Tax Rate has benefited from an increasing NAV to remain level even with November 2018 Referendum rates



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
■ Referendum Operating	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.1960	\$0.1960	\$0.1960	\$0.1960	\$0.1960	\$0.1950
■ Referendum Debt Post '09	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0053	\$0.0026	\$0.0193	\$0.0168	\$0.1000
■ Referendum Debt Pre '09	\$0.2433	\$0.0790	\$0.1621	\$0.2025	\$0.0777	\$0.1232	\$0.1863	\$0.1595	\$0.1171	\$0.0916	\$0.1482	\$0.0770
■ Retirement/Severance	\$0.0365	\$0.0283	\$0.0325	\$0.0362	\$0.0140	\$0.0229	\$0.0299	\$0.0273	\$0.0146	\$0.0030	\$0.0000	\$0.0000
■ Debt Service	\$0.4249	\$0.4014	\$0.3958	\$0.4654	\$0.0983	\$0.2516	\$0.3706	\$0.3193	\$0.3164	\$0.3453	\$0.3557	\$0.3430
■ Operations	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.7210	\$0.7318	\$0.7332	\$0.6440	\$0.6437
■ School Bus Replacement	\$0.1108	\$0.1145	\$0.1089	\$0.0735	\$0.1125	\$0.1094	\$0.0769	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
■ Transportation	\$0.2954	\$0.2929	\$0.3036	\$0.3478	\$0.3323	\$0.3036	\$0.3297	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
■ Capital Projects	\$0.3720	\$0.3728	\$0.3475	\$0.2916	\$0.3387	\$0.3229	\$0.3138	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000





# Long-Term Budget Planning

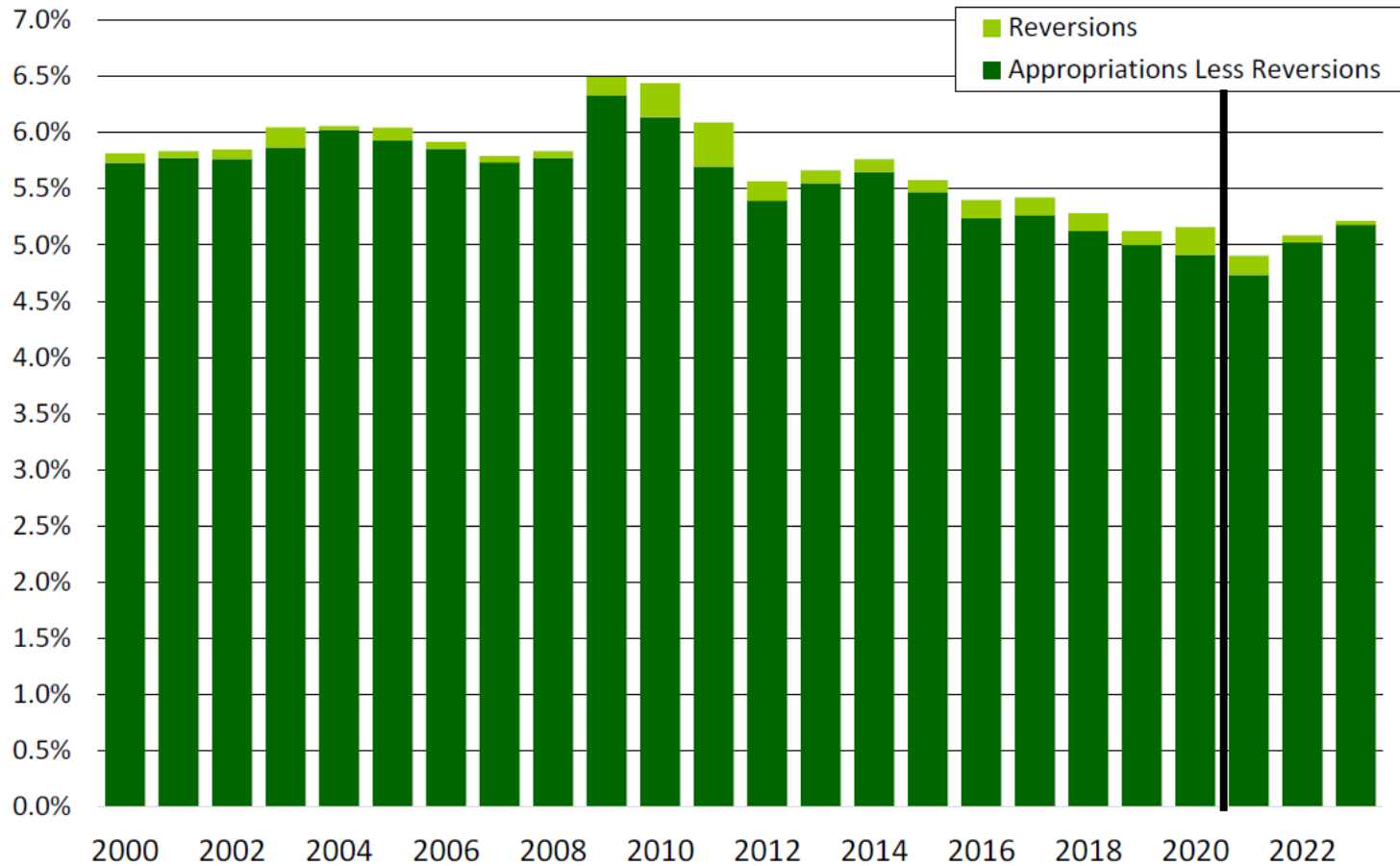
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## Indiana Forecast Revenues 2021–25 (in millions)

	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024	Forecast 2025
Revenues	19,407	21,191	21,034	21,854	22,432
Sales Tax	9,073	9,991	10,531	10,815	11,101
Indiana Income Tax	7,531	8,181	7,561	7,907	8,240
Corporate Income Tax	1,385	1,540	1,190	1,358	1,379
Gaming	409	452	487	439	438
All Other	1,009	1,027	1,265	1,335	1,274

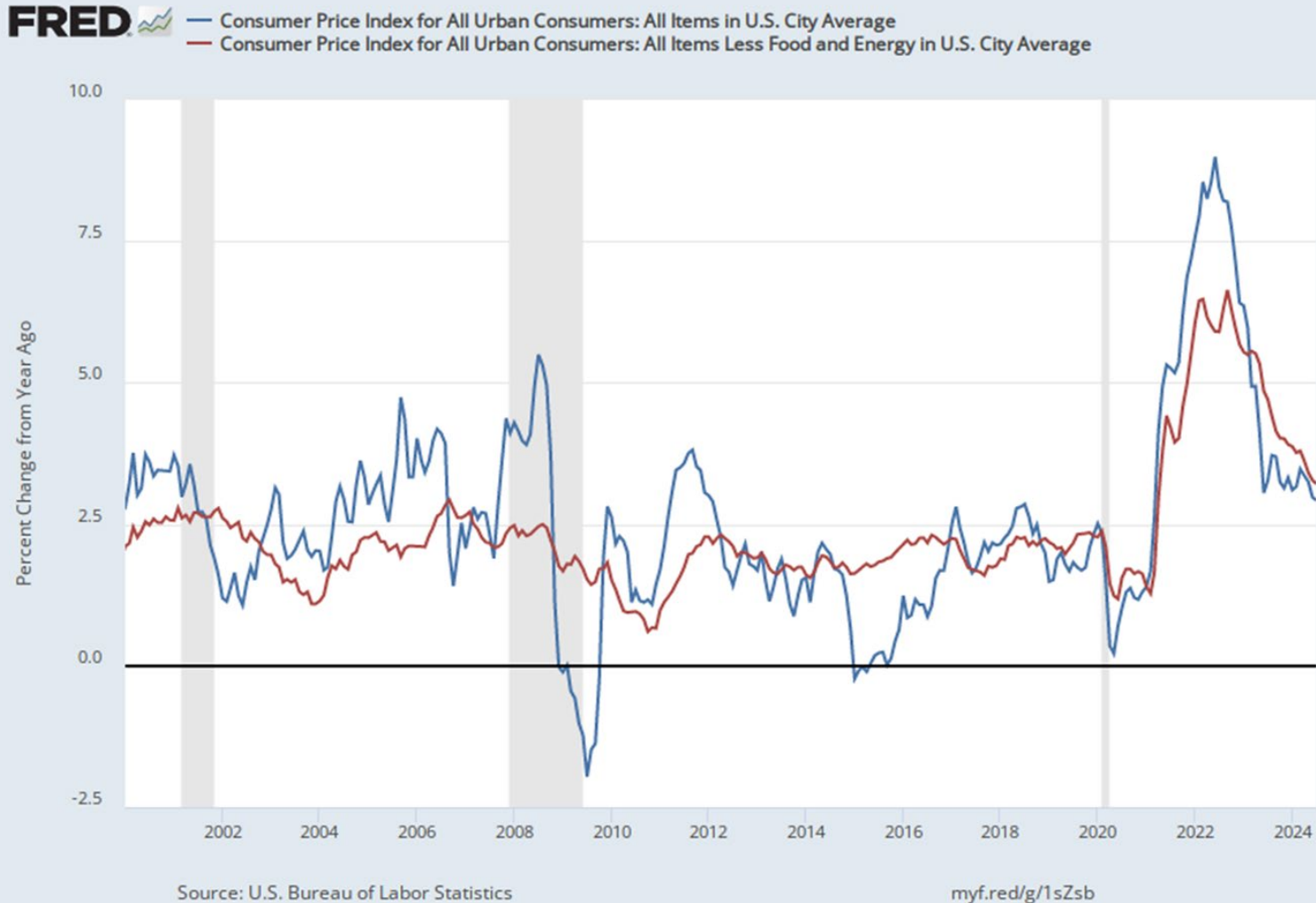
## Indiana State Appropriations as Percent of Indiana Total Personal Income (Budgeted 2021–2023)



## Indiana Budget Appropriations 2020–25 (in millions)

	Actual 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025
Appropriations	17,100	17,489	18,485	18,897	22,047	22,551
K–12 Education	8,584	8,791	9,178	9,559	10,428	10,636
Higher Education	2,005	2,067	2,047	2,068	2,169	2,189
Medicaid	2,569	2,702	2,707	3,060	3,904	4,376
Health/Social Services	1,591	1,544	1,516	1,515	1,846	1,902
Public Safety	1,076	1,080	1,142	1,151	1,382	1,391
All Others	1,276	1,307	1,895	1,544	2,318	2,057

## Inflation – Increase in Prices and Decrease in Purchasing Value



During SY 2020-21, local and national economies experienced a Recession after a decade of economic expansion.

The economic “shocks” have continued throughout the past couple years and into SY 2023-24. These impact families and organizations in ways such as employment disruption, issuance of various federal stimulus payments, labor & materials shortages, & housing instability.

IPS must manage increasing costs of goods & services while receiving lower increases in revenues.

## Inflation – Increase in Prices and Decrease in Purchasing Value

	Food Service	Energy	Construction
Inflation impact	From 2019 to present, food costs have risen sharply	Natural gas, electricity, and diesel to heat, cool, and power district operations	- Project design, materials, and supplies have risen - Interest rates on debt issuance
IPS activity to address	<ol style="list-style-type: none"> <li>1) Utilize commodity items</li> <li>2) Menu Shifts</li> <li>3) Contract pricing shifts</li> <li>4) Strategic sourcing</li> </ol>	<ol style="list-style-type: none"> <li>1) Cenergistic partnership</li> <li>2) EnergyStar building initiatives</li> <li>3) Building Access Control investments</li> <li>4) Strategic sourcing</li> </ol>	<ol style="list-style-type: none"> <li>1) Execute Bond Issuance and Reimbursement Resolutions</li> <li>2) Adjust project timelines</li> <li>3) Strategic sourcing</li> </ol>
Why it matters?	Without additional revenue sources, every dollar spent on food, energy, or buildings... is a dollar not spent to support staff who teach and provide care for students		

## Since 2015, IPS has pursued highest standards of financial reporting

- 9 □ Implemented Governance Structures
  - Established [Finance Committee](#)
  - Established [Audit Committee](#)
  - Established Policies to govern
    - [Cash Management](#)
    - [Debt Management](#)
    - [Internal Controls](#)
    - [Investment](#)
- Shifted External Reviews from State Board of Accounts to Third-Party CPA Firm
  - Voluntarily requested annual audits rather than state-wide standard of every two years ([First year SY 2016-17](#))
  - Advocated for legislative change to allow school districts to engage Third-Party CPA Firm ([First year SY 2017-18](#))
  - Increased timeliness of audit completion from start to finish
  - Decreased time internal staff devoted to external audit process
- Shifted to Generally Accepted reporting standards
  - Advocated and encouraged to report via Generally Accepted Accounting Principles
    - 1 of 9 school districts in state required to report via GAAP in order to issue Bonds, beginning 2019
  - Voluntarily completed an [Annual Comprehensive Financial Report](#) alongside standard audit report for SY 2022-23
- Implemented Student-Based Allocation to distribute funds based on need
  - Established [Policy](#)
  - Distributed funds via Weighted Student Formula since [SY 2017-18](#). (SY 2023-24 Allocations [here](#))