



SY 2024–25 Q3 FINANCE UPDATE

Weston Young, CPA – Chief Financial Officer

March 20, 2025

- 1 Year to Date Overview
- 2 Supplier Diversity
- 3 Decision Points & Planning
- 4 Focus on Long-Term Planning & Legislative Update
- 5 Key Messages
- 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 & Strategy for SY 2024–25

Debt Issued to Support Learning Environments

- [\\$159M Capital Referendum Debt](#) Closed October 2, 2024
- [\\$95M Deferred Maintenance Debt](#) Closed October 30, 2024
- Planned Issuance of [\\$107.75M Deferred Maintenance Debt](#)

Rebuilding Stronger Implementation

- Launch [Student Experience](#) Priorities for SY 2024-25
 - Positions & Programming
- Launch [Capital Improvement Dashboard](#)

Resource Allocation & Reporting

- Winddown of [ESSER Funding](#) as of 9/30/24 End Date
- Support [Budget Implementation & Development](#) for SY 2024-25 & Beyond
- Finalized SY 2023-24 [Fiscal Year-End Reporting](#)
- Finalized SY 2023-24 Financial and Federal Awards Annual [Audit](#)

SY 2019 to 2025 YTD Cash Flow Summary

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Q3	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Q3
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RECEIPTS

Tuition Support	246	251	258	268	286	218	48%	49%	46%	41%	43%	51%
Local Property Taxes - Operations	69	85	83	90	86	42	13%	16%	15%	14%	13%	10%
Local Property Taxes - Referendum	28	35	35	38	40	19	5%	7%	6%	6%	6%	5%
Local Property Taxes - Debt	55	58	54	65	86	42	11%	11%	10%	10%	13%	10%
Other Taxes	17	16	20	20	19	7	3%	3%	4%	3%	3%	2%
Federal Revenue	51	43	37	38	40	31	10%	8%	7%	6%	6%	7%
ESSER	-	2	30	88	67	30	0%	0%	5%	14%	10%	7%
Food Service	18	10	22	23	22	17	3%	2%	4%	4%	3%	4%
Disposal of Property	6	0	0	0	0	1	1%	0%	0%	0%	0%	0%
Other	26	17	17	16	21	22	5%	3%	3%	3%	3%	5%
Total Receipts	515	516	557	646	668	428	100%	100%	100%	100%	100%	100%

EXPENDITURES

General Education	122	123	120	138	136	97	25%	23%	22%	22%	20%	21%
Special Education	44	47	45	49	49	40	9%	9%	8%	8%	7%	9%
Innovation Network	66	88	104	110	116	91	14%	17%	19%	17%	17%	19%
Educational Support	76	88	85	103	111	66	16%	17%	16%	16%	16%	14%
Administrative Operations	19	19	21	26	26	20	4%	4%	4%	4%	4%	4%
Capital Projects	44	51	56	66	65	51	9%	10%	10%	10%	10%	11%
Transportation	34	34	31	41	51	35	7%	6%	6%	6%	8%	7%
Food Service	23	13	20	22	22	18	5%	3%	4%	3%	3%	4%
Debt Payment - Principal	40	50	48	62	74	26	8%	10%	9%	10%	11%	6%
Debt Payment - Interest	15	13	13	15	21	14	3%	2%	2%	2%	3%	3%
Other	1	1	1	7	4	11	0%	0%	0%	1%	1%	2%
Total Expenditures	485	526	544	639	675	470	100%	100%	100%	100%	100%	100%

Surplus (Deficit) as % of Total Expenditures

Surplus (Deficit)	30	(10)	13	7	(7)	(42)	6%	-2%	2%	1%	-1%	-9%
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YTD Revenues

Impacted by:

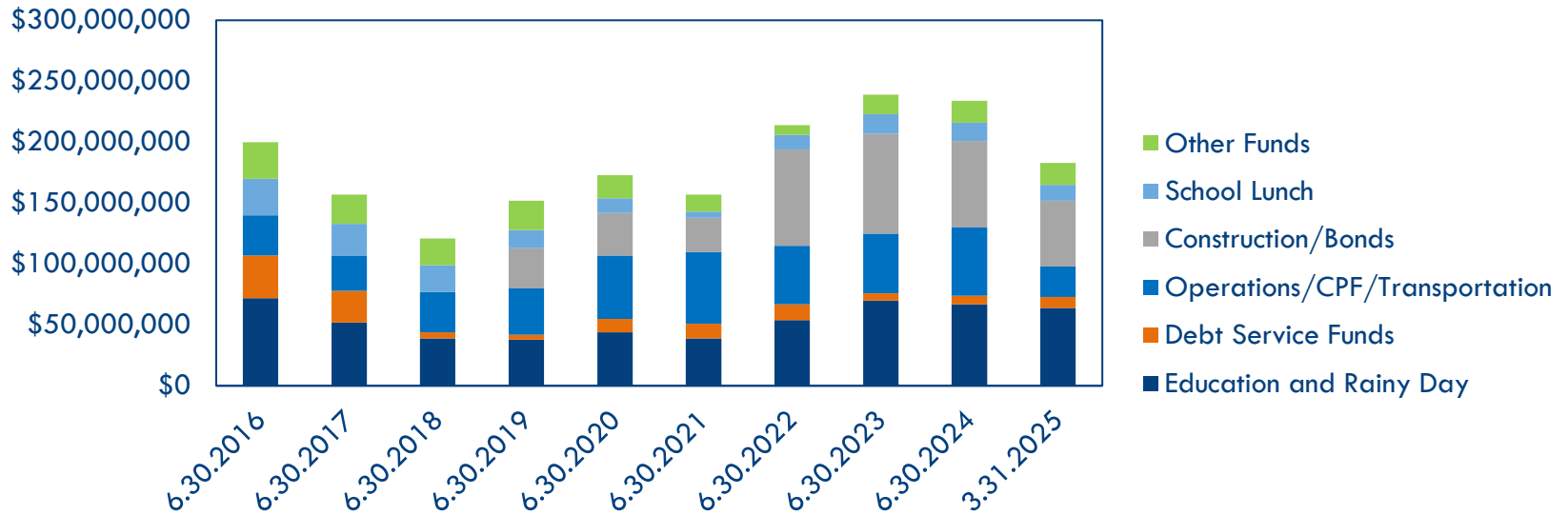
- 1) Total Enrollment across portfolio stable with additional Tuition Support per pupil
- 2) Local Property Tax Funding received semi-monthly
- 3) Timing of ESSER reimbursements

YTD Expenditures

Impacted by:

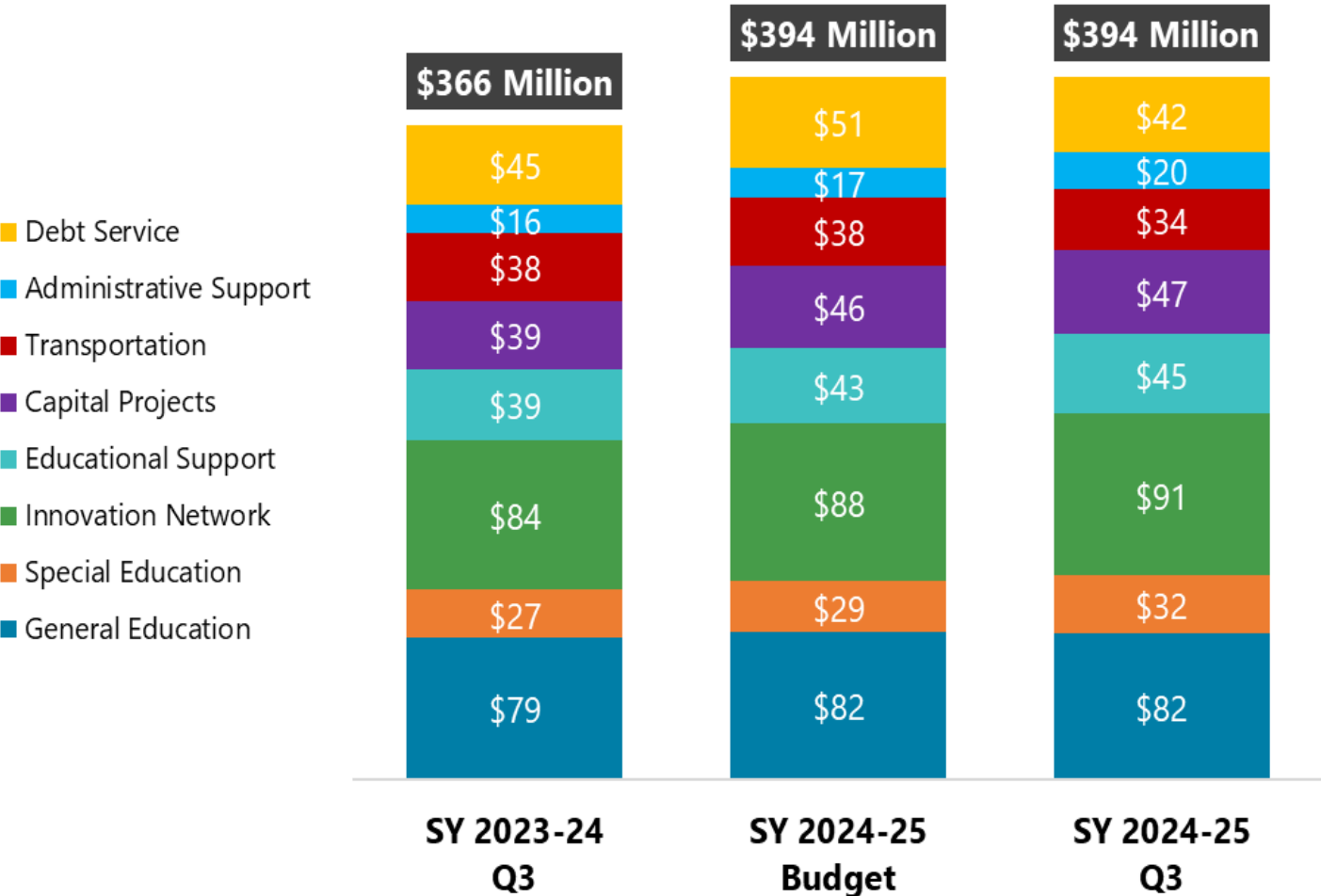
- 1) Compensation increases & Innovation Agreements
- 2) Timing of Payments for Capital Projects, Transportation, & Insurance
- 3) Semi-monthly Debt payments

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	3.31.25
Education and Rainy Day	\$72M	\$52M	\$39M	\$38M	\$44M	\$39M	\$54M	\$70M	\$67M	\$64M
Debt Service Funds	\$35M	\$26M	\$5M	\$4M	\$11M	\$12M	\$13M	\$6M	\$7M	\$9M
Operations/CPF/Transportation	\$33M	\$29M	\$33M	\$38M	\$52M	\$59M	\$48M	\$49M	\$56M	\$25M
Construction/Bonds	\$0M	\$0M	\$0M	\$33M	\$35M	\$28M	\$79M	\$82M	\$71M	\$54M
School Lunch	\$30M	\$26M	\$22M	\$15M	\$12M	\$5M	\$12M	\$16M	\$15M	\$13M
Other Funds	\$30M	\$24M	\$22M	\$24M	\$19M	\$14M	\$8M	\$16M	\$18M	\$18M
Total Funds	\$200M	\$157M	\$121M	\$152M	\$173M	\$157M	\$214M	\$239M	\$234M	\$183M

July 2024-March 2025: Expenditures (in Millions)



Analysis:

- 1) Total Expenditures ahead of Prior Year and in line with Budget
- 2) Instructional Expenses ahead of Prior Year and Budget
- 3) Innovation payments increased from Prior Year due to change in State Funding & # of students
- 4) Capital Projects & Transportation impacted by the timing of payments during summer months and start of school operations



Board-Appropriated Funds

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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	\$294M	\$2M	(22M)	(\$298M)	(\$24M)	\$27M	8%
Operations	\$56M	\$110M	\$9M	\$22M	(\$136M)	\$5M	\$61M	45%
Rainy Day	\$17M	-	\$2M		\$0M	\$2M	\$19M	0%
Operating Referendum	\$0M	\$44M	\$0M		(\$44M)	\$0M	\$0M	0%
Total	\$124M	\$448M	\$13M	\$0M	(\$478M)	(\$17M)	\$107M	22%

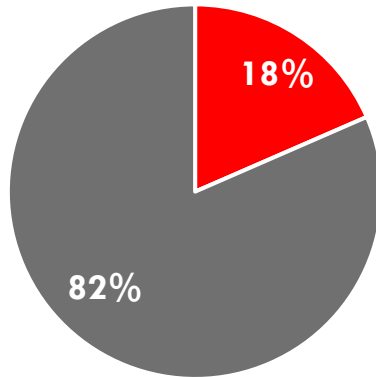
Cash Flow during the fiscal year is projected to incur more expenses than revenues. One-Time transfers from final reconciliation of ESSER stimulus assist cash flow. The district's pursuit of Strategic Plan 2025 priorities and goals is supported by planning and implementation of Rebuilding Stronger Plan 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 an 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.

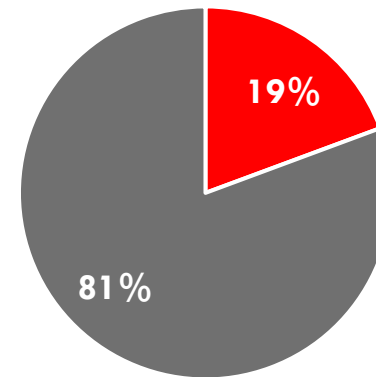
2025 Year to Date



Total Eligible Expenditures
\$73,000,000

■ XBE ■ Non XBE

2024 Calendar Year



Total Eligible Expenditures
\$231,000,000

Top 5 Vendors 2025 YTD			Top 5 Vendors 2024		
POWERS-DAVIS JV, MBE	\$	7,242,974	POWERS-DAVIS JV, MBE	\$	14,354,527
VPS ARCHITECTURE, WBE	\$	957,966	TUTORED BY TEACHERS, MBE	\$	6,362,032
DNO INC, MBE	\$	889,345	SCHMIDT ASSOCIATES, WBE	\$	3,828,640
METICULOUS DESIGN, MBE	\$	490,031	DNO INC, MBE	\$	2,864,813
TUTORED BY TEACHERS, MBE	\$	471,550	BUSINESS FURNITURE, WBE	\$	1,729,197
QUANTITY OF VENDORS USED 2025			QUANTITY OF VENDORS USED 2024		
XBE VENDORS USED		75	XBE VENDORS USED		149
TOTAL VENDORS USED		573	TOTAL VENDORS USED		1135



Macro Environmental Factors

- Legislative policy, funding formula, and SY 2025-26 & 2026-27 state budgets
- Enrollment: student mobility, supply/demand of seats, demographics
- 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
- Investments in student experience, technology, and early 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 2025-26 Budget Development](#) – [School-Based](#) & Central Supports
- Literacy & Post-Secondary Readiness - Mandated and Strategic Initiatives

State Tuition Support

Property-Tax Support

Education Fund

Operations & Debt Funds

- Equal Funding Trend Continues
- Complexity Base & Index decrease
- All Categorical Fund Per Pupil Funding decreased
- Curricular Materials Funding Eliminated

- Average Enrollment as of 10.1.2024 and 2.1.2025
- State Tuition Support
 - Basic Grant
 - Complexity Grant (student data as of 10.1.22)
- Special Education
- Vocational/Career Technical
- Non-English Speaking Grant
- Academic Performance Grant

Transfer

- Certified Net Assessed Property Value (NAV)
- Requested Levy
- Circuit Breaker
- Miscellaneous Revenue
 - Excise Tax
 - Financial Institution Tax

- Less Growth due to New Rules re: Exemptions, Caps, Deductions, and Credits
- Increase Tax Rate for similar Revenue

LEGEND

- Local
- State

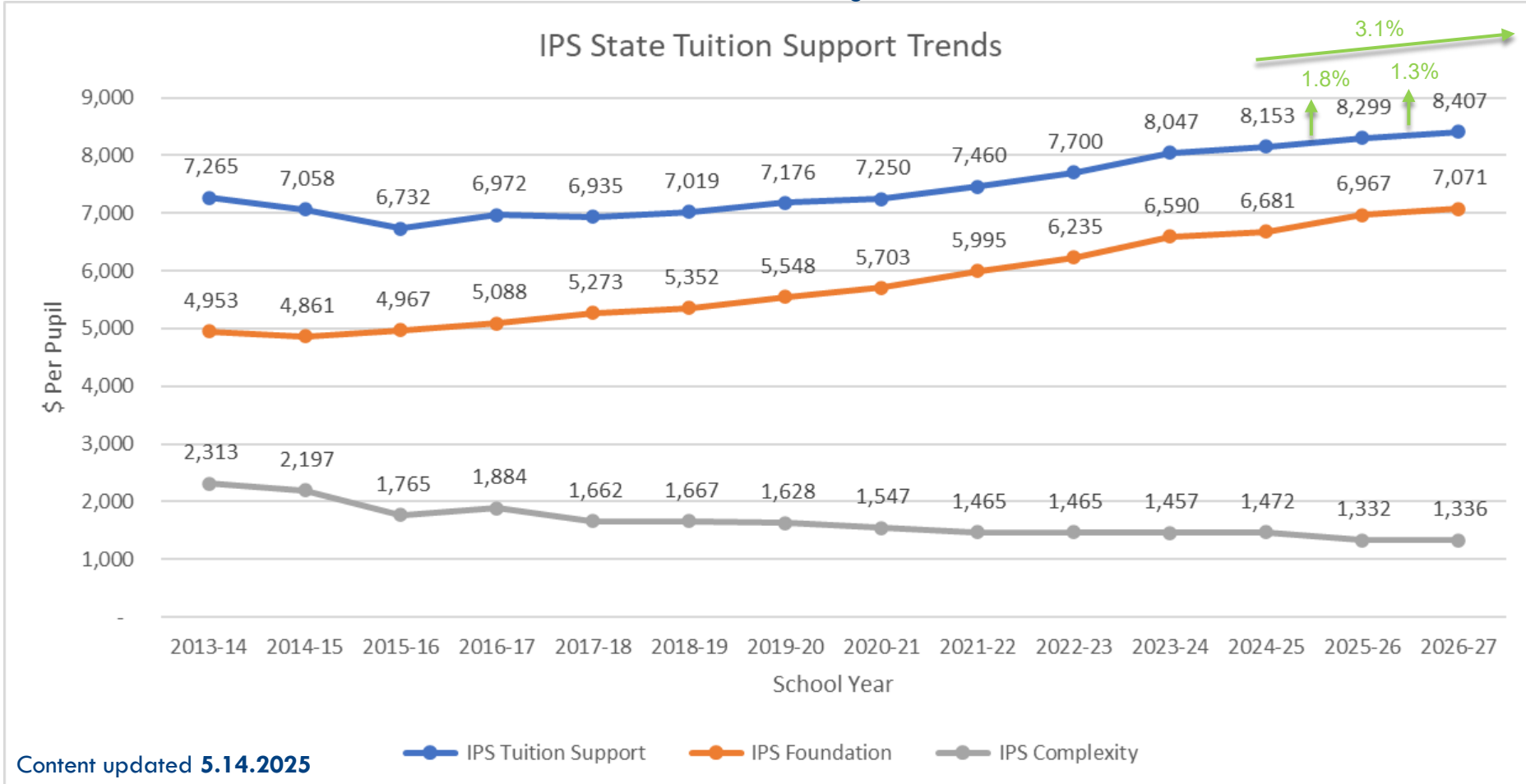


Long-Term Budget Planning

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Historical Perspective: State Fund Budget \$ Per Pupil

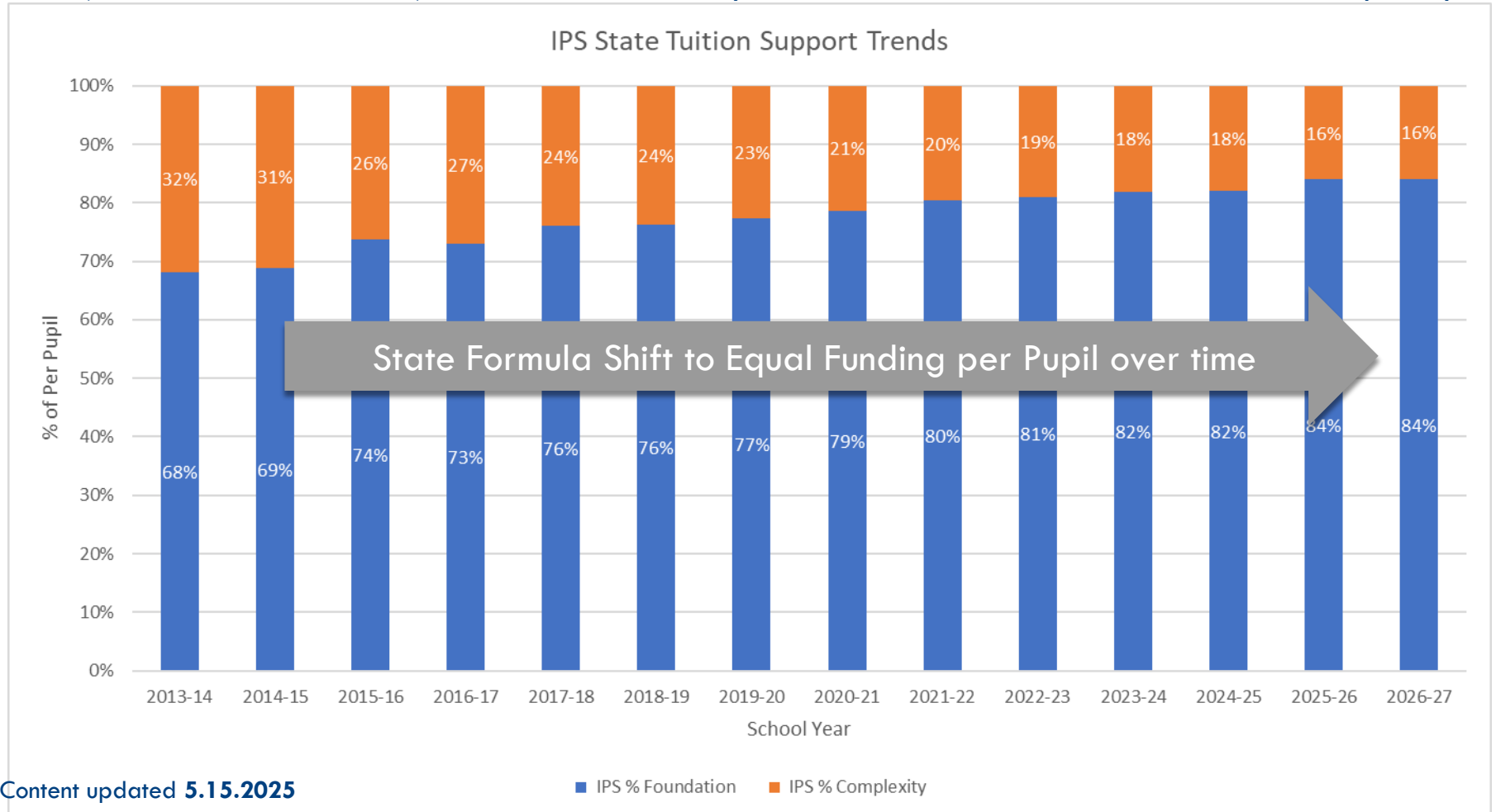
Over the past decade, IPS per pupil funding has been impacted by State Funding Formula priorities. SY 2025-26 and SY 2026-27 amounts will increase. Funding based on Student Need continues to decrease.



Note: BASED ON FY 2023 THROUGH FY 2025 Conference Committee SCHOOL FORMULA SIMULATION RELEASED 4/28/25

Historical Perspective: State Fund Budget \$ Per Pupil

The % of the Total Tuition Support made up between Foundation (same amount for all students) & Complexity (amount based on need) has shifted consistently over time to more Foundation and less Complexity.





Long-Term Budget Planning

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2025 Legislative Budget - State Fund Budget \$ Per Pupil

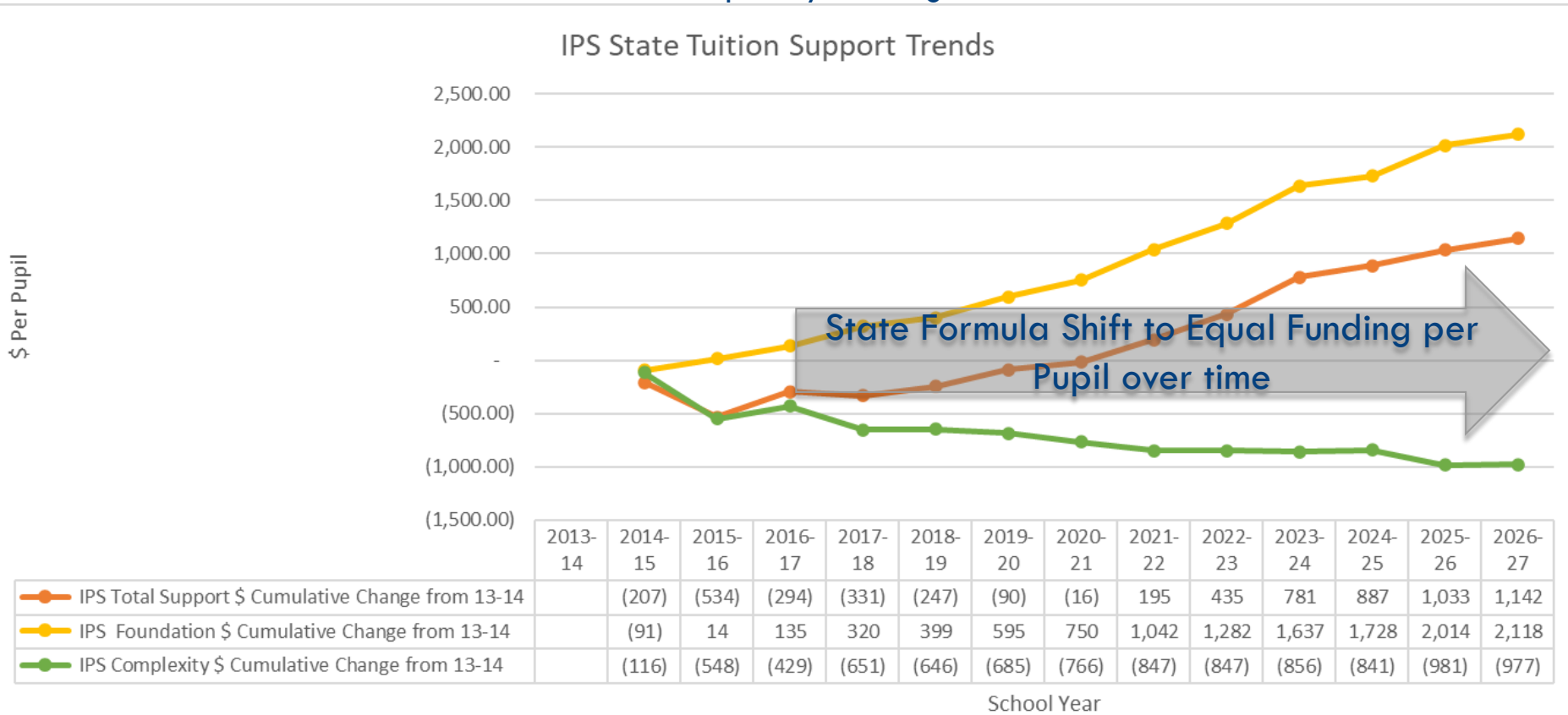
The past 3 state budgets have exhibited trends to prioritize funding Foundation funding (equal amount to all students) vs. Complexity Funding (based on need)

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

District	\$ per Pupil			Complexity Index %			\$ per Pupil % Change		
	SY 2024-25	SY 2025-26	SY 2026-27	SY 2024-25	SY 2025-26	SY 2026-27	24-25 to 25-26	25-26 to 26-27	24-25 to 26-27
Marion	8,416	8,666	8,776	43%	42%	42%	3.0%	1.3%	4.3%
South Bend	8,067	8,367	8,475	34%	35%	35%	3.7%	1.3%	5.1%
Kokomo	8,048	8,339	8,448	34%	34%	34%	3.6%	1.3%	5.0%
IPS	8,153	8,299	8,407	36%	33%	33%	1.8%	1.3%	3.2%
Richmond	8,066	8,279	8,387	34%	33%	33%	2.6%	1.3%	4.0%
MSD Warren	7,974	8,135	8,243	32%	29%	29%	2.0%	1.3%	3.4%
Beech Grove	7,830	8,087	8,195	29%	28%	28%	3.3%	1.3%	4.7%
Fort Wayne	7,802	8,020	8,127	28%	26%	26%	2.8%	1.3%	4.2%
MSD Lawrence	7,685	7,966	8,073	25%	25%	25%	3.6%	1.3%	5.0%
MSD Pike	7,679	7,928	8,035	25%	24%	24%	3.2%	1.4%	4.6%
MSD Wayne	7,750	7,907	8,014	27%	23%	23%	2.0%	1.4%	3.4%
Evansville	7,562	7,897	8,004	22%	23%	23%	4.4%	1.4%	5.8%
MSD Decatur	7,730	7,880	7,987	26%	23%	23%	1.9%	1.4%	3.3%
MSD Perry	7,650	7,856	7,963	24%	22%	22%	2.7%	1.4%	4.1%
Logansport	7,546	7,781	7,888	21%	20%	20%	3.1%	1.4%	4.5%
Crawfordsville	7,538	7,773	7,880	21%	20%	20%	3.1%	1.4%	4.5%
MSD Washington	7,521	7,739	7,845	21%	19%	19%	2.9%	1.4%	4.3%
Paoli	7,293	7,673	7,779	15%	18%	18%	5.2%	1.4%	6.7%
Washington	7,483	7,668	7,775	20%	18%	18%	2.5%	1.4%	3.9%
Martinsville	7,356	7,626	7,733	17%	16%	16%	3.7%	1.4%	5.1%
Indiana Average	7,385	7,624	7,730	18%	16%	16%	3.2%	1.4%	4.7%
Speedway	7,267	7,495	7,601	15%	13%	13%	3.1%	1.4%	4.6%
Centerville-Abington	7,176	7,493	7,599	12%	13%	13%	4.4%	1.4%	5.9%
Franklin Township	7,206	7,452	7,558	13%	12%	12%	3.4%	1.4%	4.9%
Penn Harris-Madison	6,970	7,270	7,375	7%	8%	8%	4.3%	1.4%	5.8%
Brownsburg	6,909	7,187	7,291	6%	5%	5%	4.0%	1.5%	5.5%
Danville	6,929	7,163	7,268	6%	5%	5%	3.4%	1.5%	4.9%
Hamilton Southeastern	6,839	7,121	7,226	4%	4%	4%	4.1%	1.5%	5.7%
Carmel Clay	6,774	7,047	7,151	2%	2%	2%	4.0%	1.5%	5.6%
Zionsville	6,724	7,026	7,130	1%	1%	1%	4.5%	1.5%	6.0%

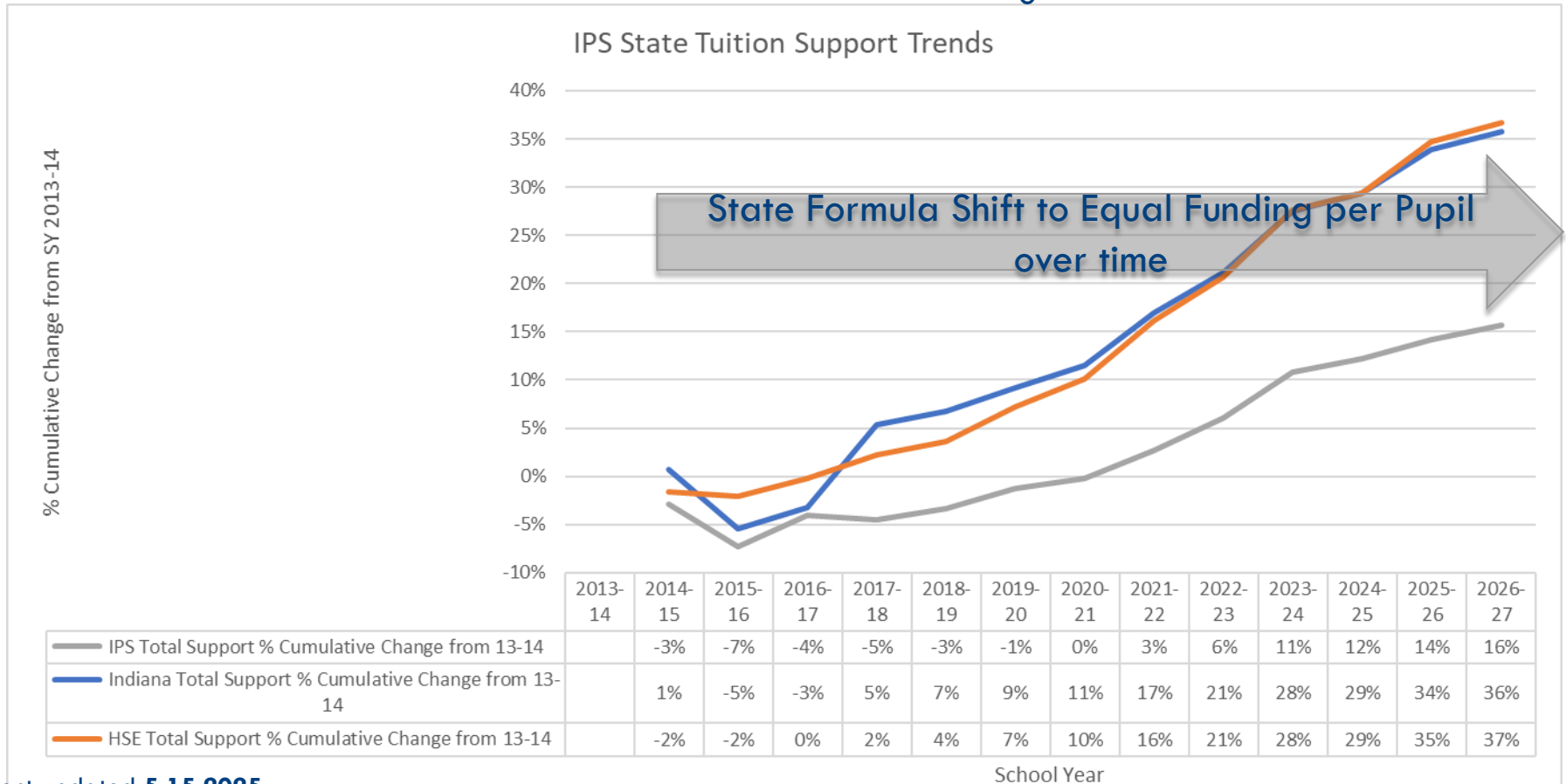
Historical Perspective: State Fund Budget \$ Per Pupil

The Total Tuition Support made up between Foundation (same amount for all students) & Complexity (amount based on need) has shifted consistently over time to \$2,118 more Foundation Funding and \$977 less Complexity Funding.



Historical Perspective: State Fund Budget \$ Per Pupil

The Total Tuition Support for IPS has increased 16% since SY 2013-14, while over the same time the Indiana Average has increased 36%. Districts with significantly less poverty than IPS have experienced increases similar to the Indiana Average.





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.

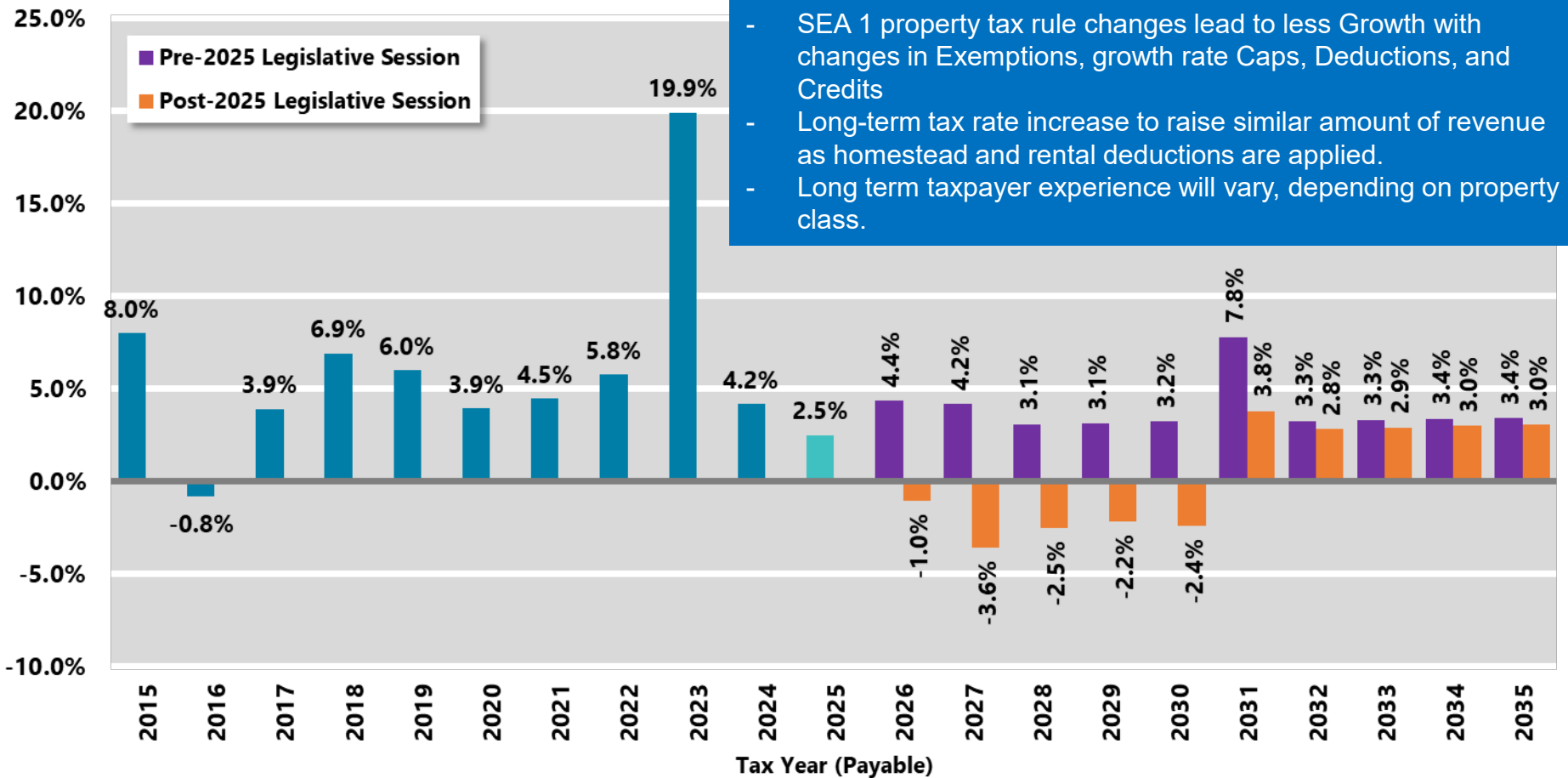
SY ending...	2011 + Inflation	Actual	Diff per pupil	Diff %	ADM	Total State Support 2011 + Inflation	Total State Support Actual	Diff per year	Diff Cumulative	Diff Annualized
2011	\$ 7,367	\$ 7,367	\$ -	-	33,408	\$ 246,116,736	\$ 246,116,736	\$ -		
2012	\$ 7,514	\$ 7,332	\$ (182)	-2%	32,595	\$ 244,929,912	\$ 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%	31,413	\$ 299,365,891	\$ 252,780,411	\$ (46,585,480)	\$ (509,473,244)	\$ (39,190,250)
2025	\$ 9,721	\$ 8,153	\$ (1,568)	-21%	31,295	\$ 304,206,178	\$ 255,148,135	\$ (49,058,043)	\$ (558,531,287)	\$ (39,895,092)
2026	\$ 9,915	\$ 8,230	\$ (1,685)	-23%	31,295	\$ 310,290,302	\$ 257,563,796	\$ (52,726,506)	\$ (611,257,793)	\$ (40,750,520)
2027	\$ 10,113	\$ 8,336	\$ (1,777)	-24%	31,295	\$ 316,496,108	\$ 260,881,066	\$ (55,615,042)	\$ (666,872,835)	\$ (41,679,552)

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.

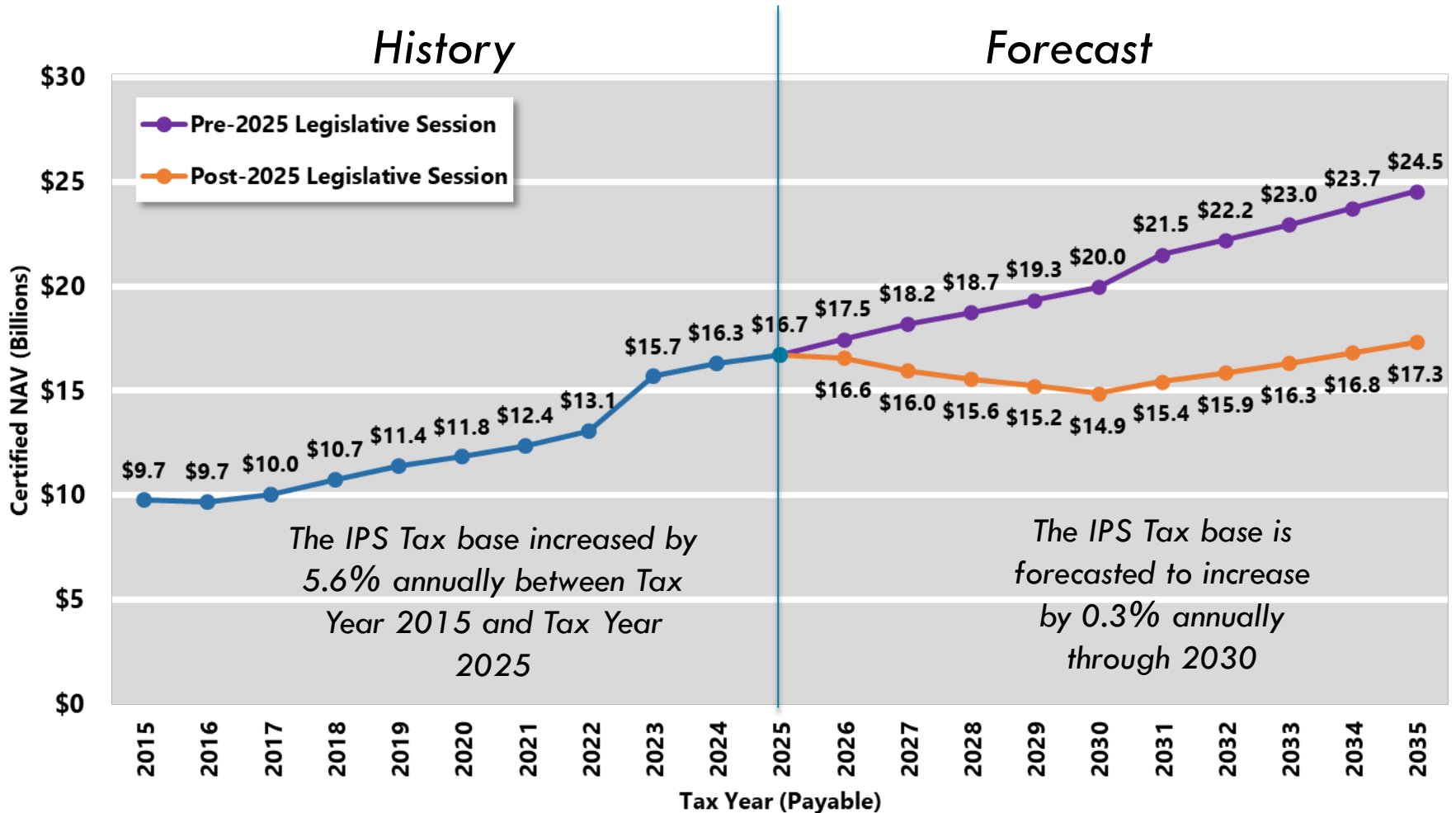
Certified NAV Growth – Historical & Projected

Annual Change in IPS Certified NAV (Historical and Projected)



- SEA 1 property tax rule changes lead to less Growth with changes in Exemptions, growth rate Caps, Deductions, and Credits
- Long-term tax rate increase to raise similar amount of revenue as homestead and rental deductions are applied.
- Long term taxpayer experience will vary, depending on property class.

IPS Certified Net Assessed Value Forecast (in billions)

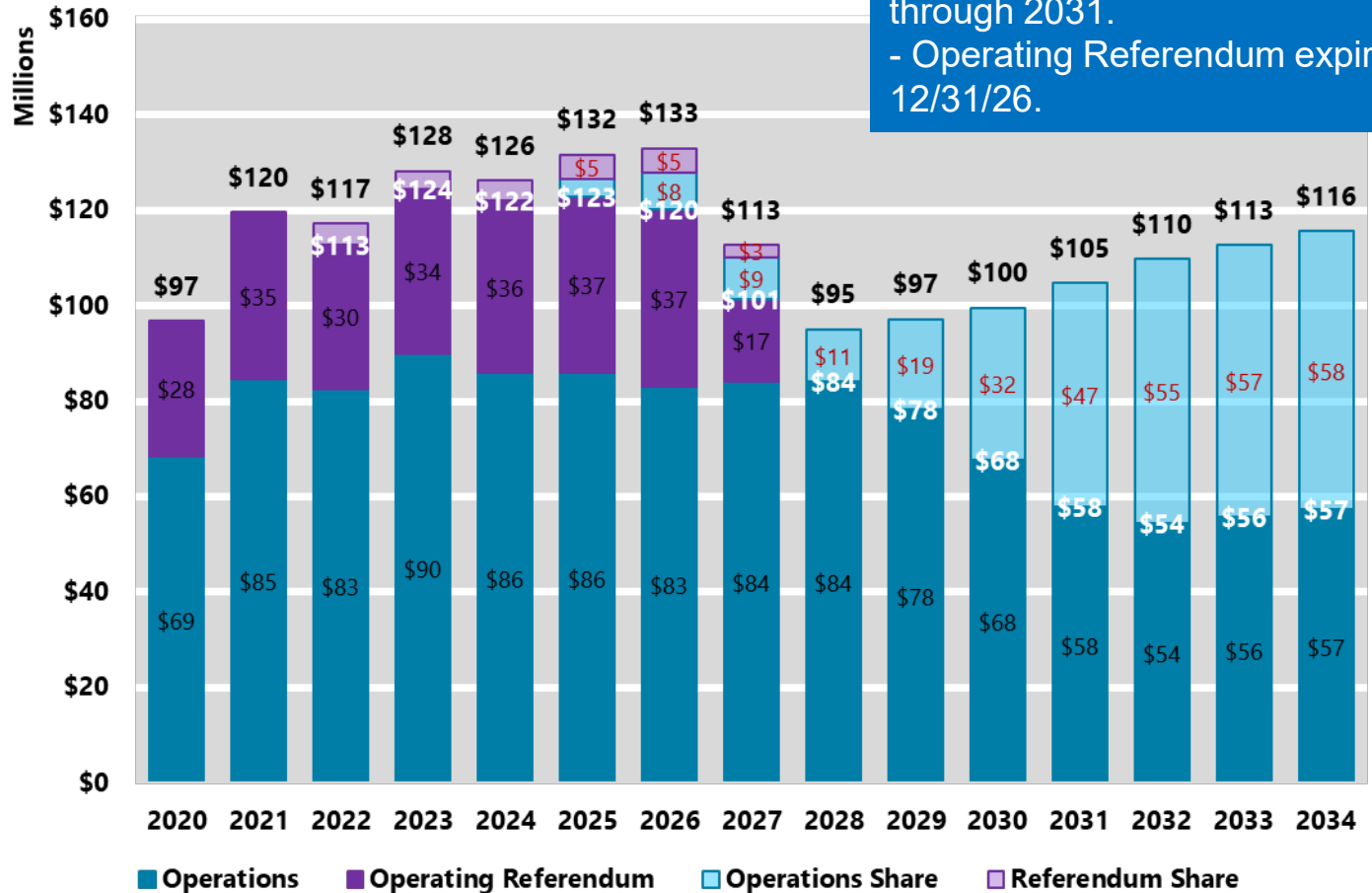


Local Property Tax Revenue

Operations and Operating Referendum Funds

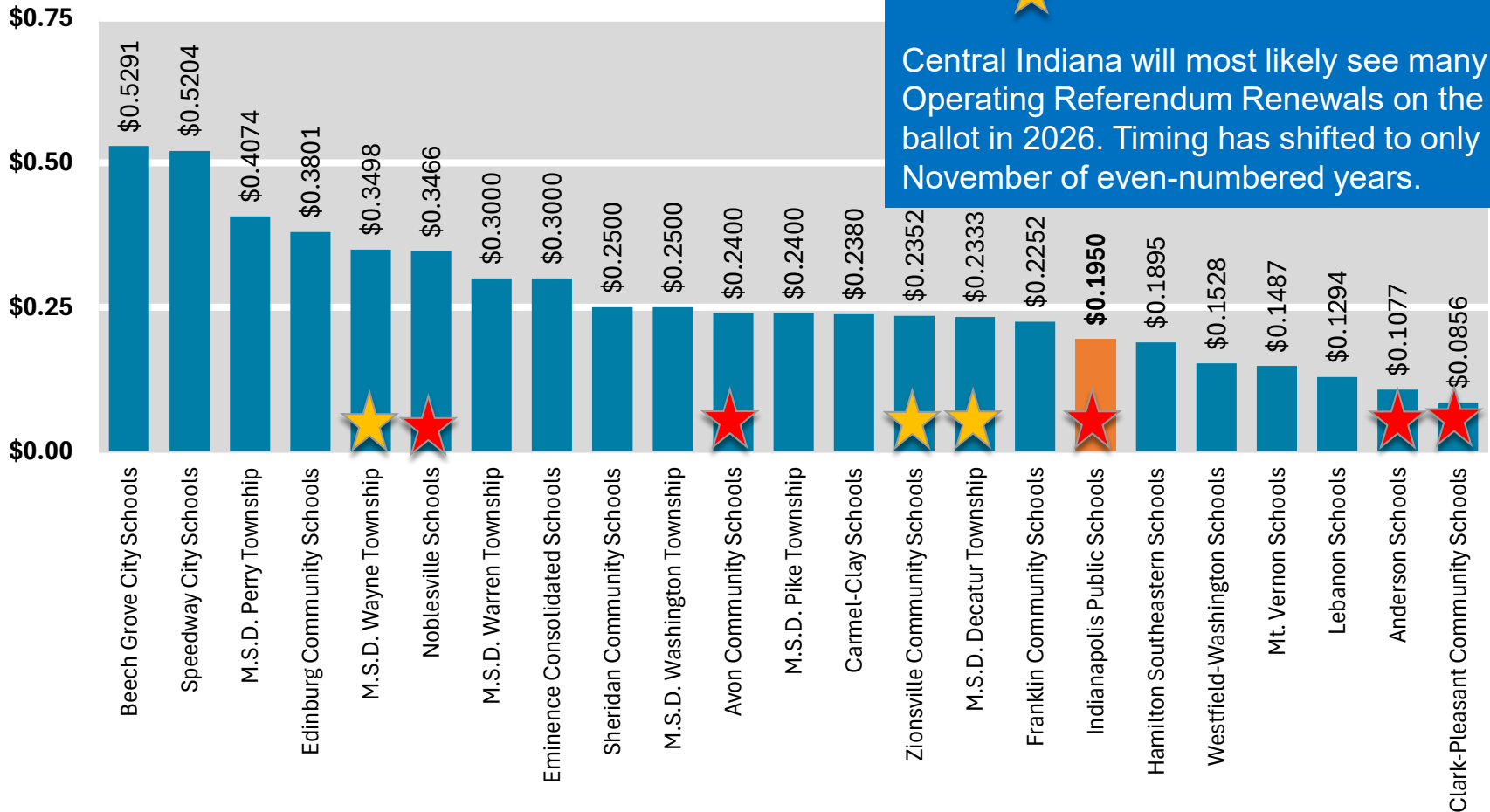
- Property tax revenue projection assumes a fixed debt service tax rate, meaning debt service capacity increases with the tax base.
- Referendum funds (both operating and capital) are able to incorporate TIF assessed value, and thus have a higher tax base.
- The IPS operating referendum expires in CY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

- SEA 1 directs distributions of Operations Fund to charters beginning 2028, and phasing in through 2031.
 - Operating Referendum expires 12/31/26.



Operating Referendum – Comparison with Central Indiana?

Central Indiana School Operating Referendum Tax Rates



★ = expires 2026
★ = expires 2027

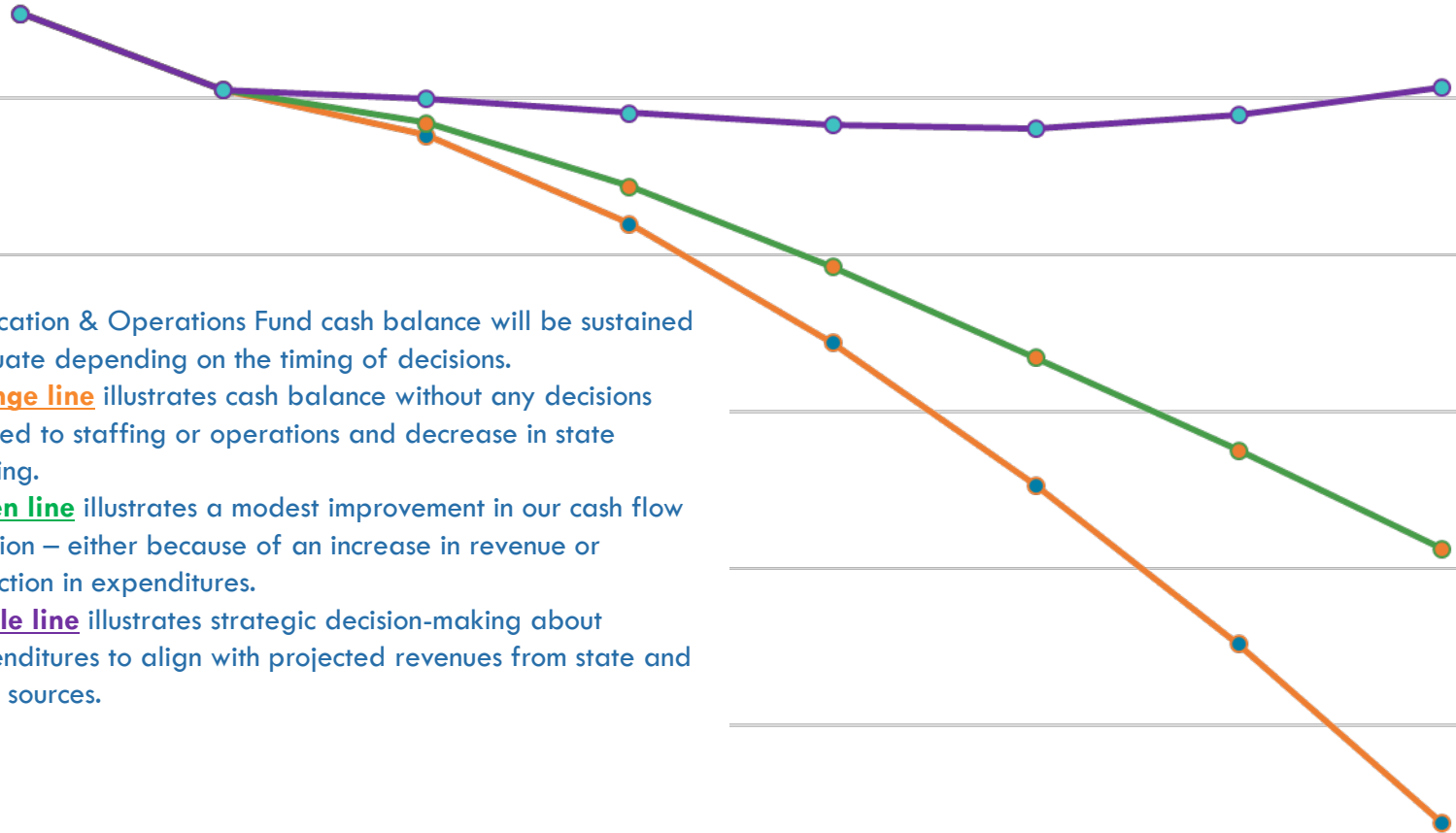
Central Indiana will most likely see many Operating Referendum Renewals on the ballot in 2026. Timing has shifted to only November of even-numbered years.

Early, continuous intervention can stabilize the financial outlook

\$0

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

- **Orange line** illustrates cash balance without any decisions related to staffing or operations and decrease in state funding.
- **Green line** illustrates a modest improvement in our cash flow position – either because of an increase in revenue or reduction in expenditures.
- **Purple line** illustrates strategic decision-making about expenditures to align with projected revenues from state and local sources.





2025 Legislative Session State Funding formula continued to shift funding equally for all students and less based on student need.



2025 Legislative Session impacted projected Local Property Tax Revenue. Policies enacted are projected to reduce Property Tax Revenue Growth, distribute funds to charters, and change Referendum timing.



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
Resource Allocation & Example Allotments
Vision & Strategic Plan
Supplier Diversity
Federal Title Programs
Long-Term Budget Planning
Make Every Dollar Count
Financial Reporting

Strategic Priority 4: Operate and Fund Strategically

Cash Flow Projection – May 2025

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

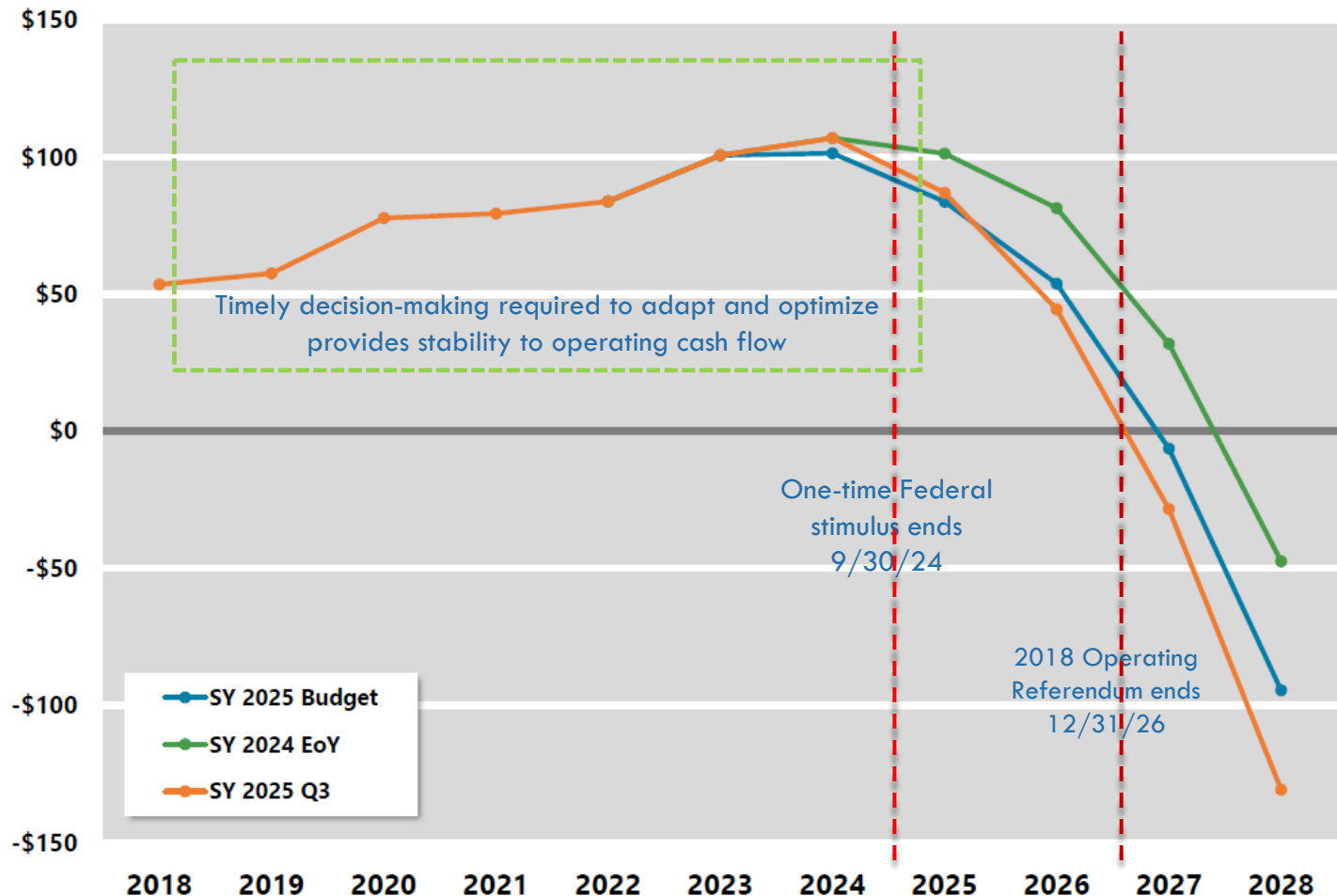
- **Blue line** illustrates March 2024 Budget Projection.
- **Green line** illustrates August 2024 Year End Projection.
- **Orange line** illustrates May 2025 Projection.

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

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

Ending Cash Flow Balance

Education, Operations, & Operating Referendum Funds



SY 2024–25 YTD Cash Flow Summary

Funds	Actual Balance 6.30.2024	Actual Revenue	Transfers from Other Funds & Adjustments	Actual Admin Fund Transfers @ <15% (1)	Actual Expense	Net Cash Flow	Actual Balance 3.31.2025	Fund Balance % (2)
Education	\$51M	\$222M	\$2M	\$0M	(\$229M)	(\$5M)	\$46M	13%
Operations	\$56M	\$62M	\$9M	\$0M	(\$102M)	(\$31M)	\$25M	18%
Rainy Day	\$17M	-	\$2M		\$0M	\$2M	\$19M	0%
Operating Referendum	\$0M	\$20M	\$0M		(\$20M)	\$0M	\$0M	0%
Total	\$124M	\$304M	\$13M	\$0M	(\$351M)	(\$34M)	\$90M	19%

Cash Flow during the first 3 quarters of the fiscal year show more expenditures than revenues, impacted by the district’s implementation of Rebuilding Stronger Plan, enrollment shifts, and timing of Semi-annual property tax revenue.

Competitive compensation is supported by the time-bound funding source of 2018 operating referendum proceeds which expires 12/31/26. The district retains a continued focus of managing operational trade-offs to reduce and control costs in a rising cost economic environment and advocating for sustainable funding at the Local, State, and Federal levels.

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.

Content updated 5.15.2025
Subject to change due to state, federal or local funding fluctuations

State Tuition Support

Education Fund

Inflows =	<u>\$296M</u>
Expenditures	
General Education =	(\$74M)
Special Education =	(\$44M)
Innovation Network =	(\$119M)
Educational Support =	(\$61M)
Total Expenditures =	<u>(\$298M)</u>
Ops. Transfer =	(\$22M)
Total Outflows =	<u>(\$320M)</u>
<p>\$44M received and expended in Operating Referendum Fund for Education Fund related services</p>	

Property-Tax Support

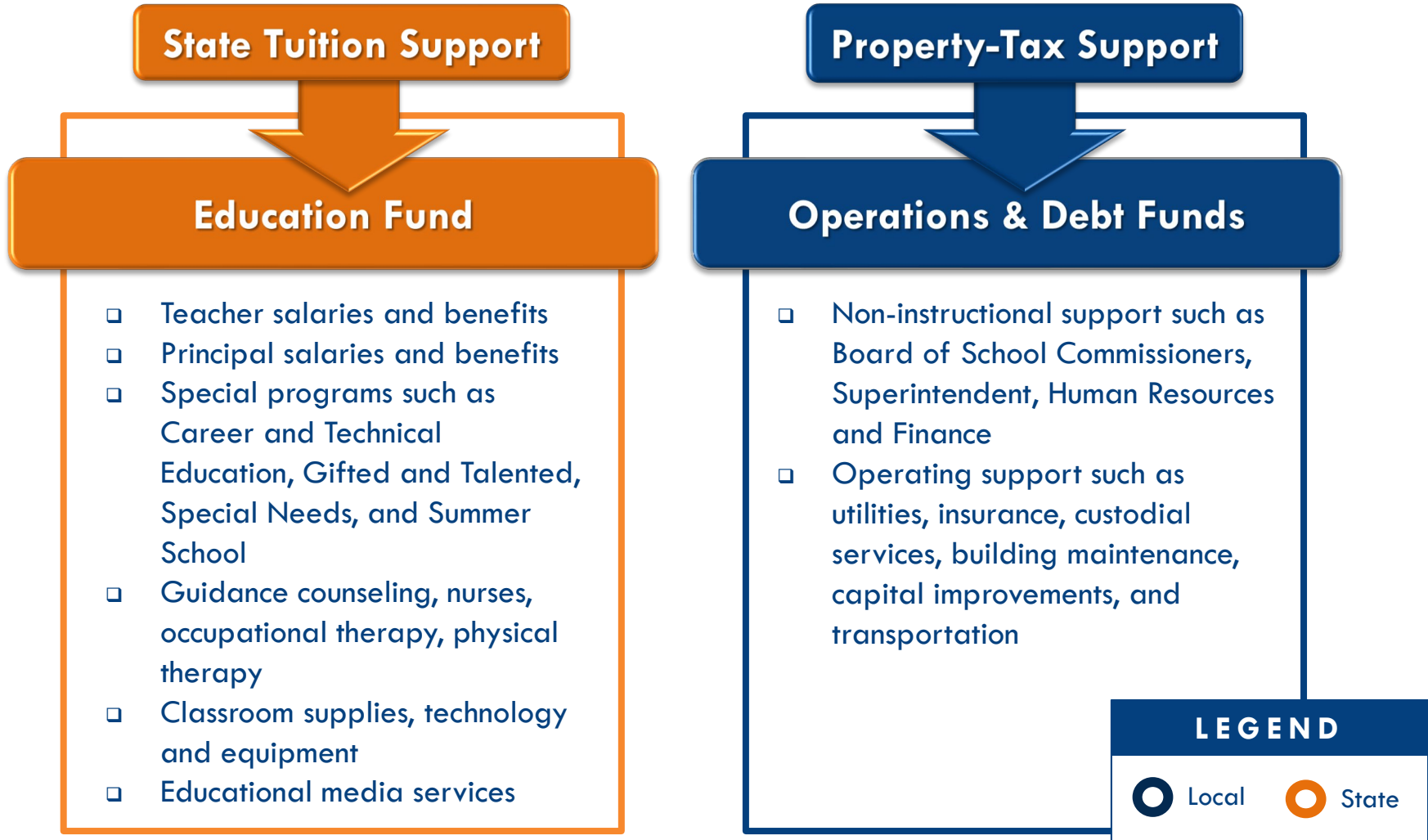
Operations Fund

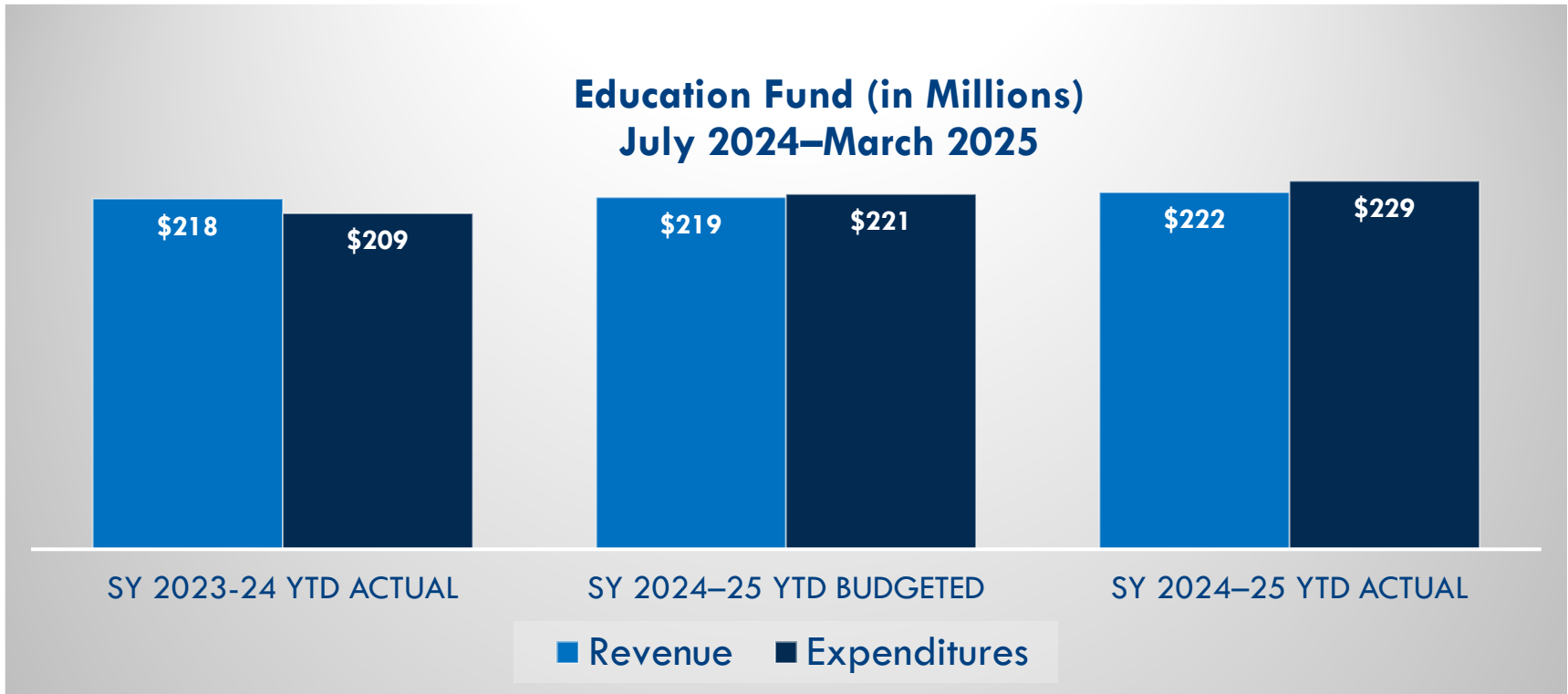
Inflows	
Property Tax =	\$110M
Ops. Transfer =	\$22M
Fund Transfers =	\$9M
Total Inflows =	<u>\$141M</u>
Expenditures	
Capital Projects =	(\$62M)
Transportation =	(\$47M)
Admin. Operations =	(\$27M)
Total Expenditures =	<u>(\$136M)</u>

\$22M Ops. Transfer

LEGEND

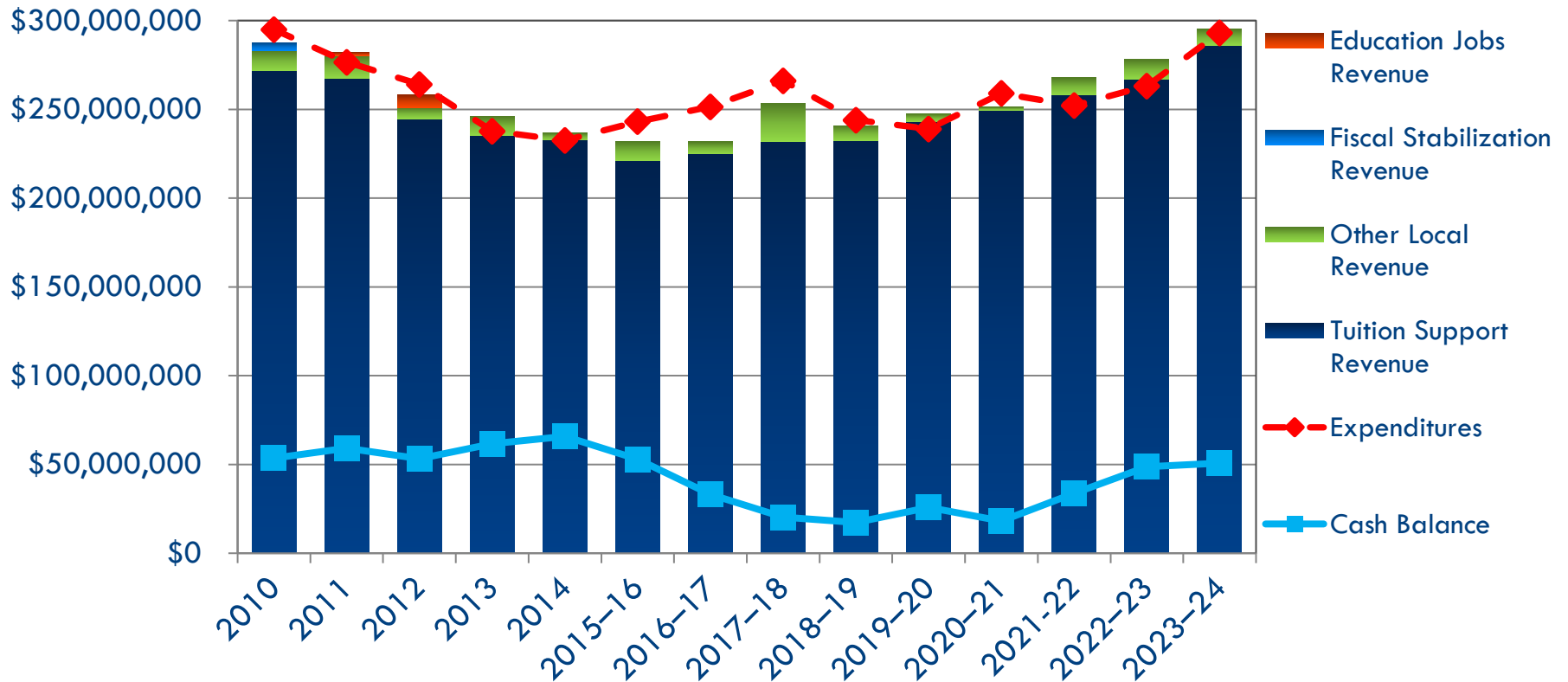
- Local
- State

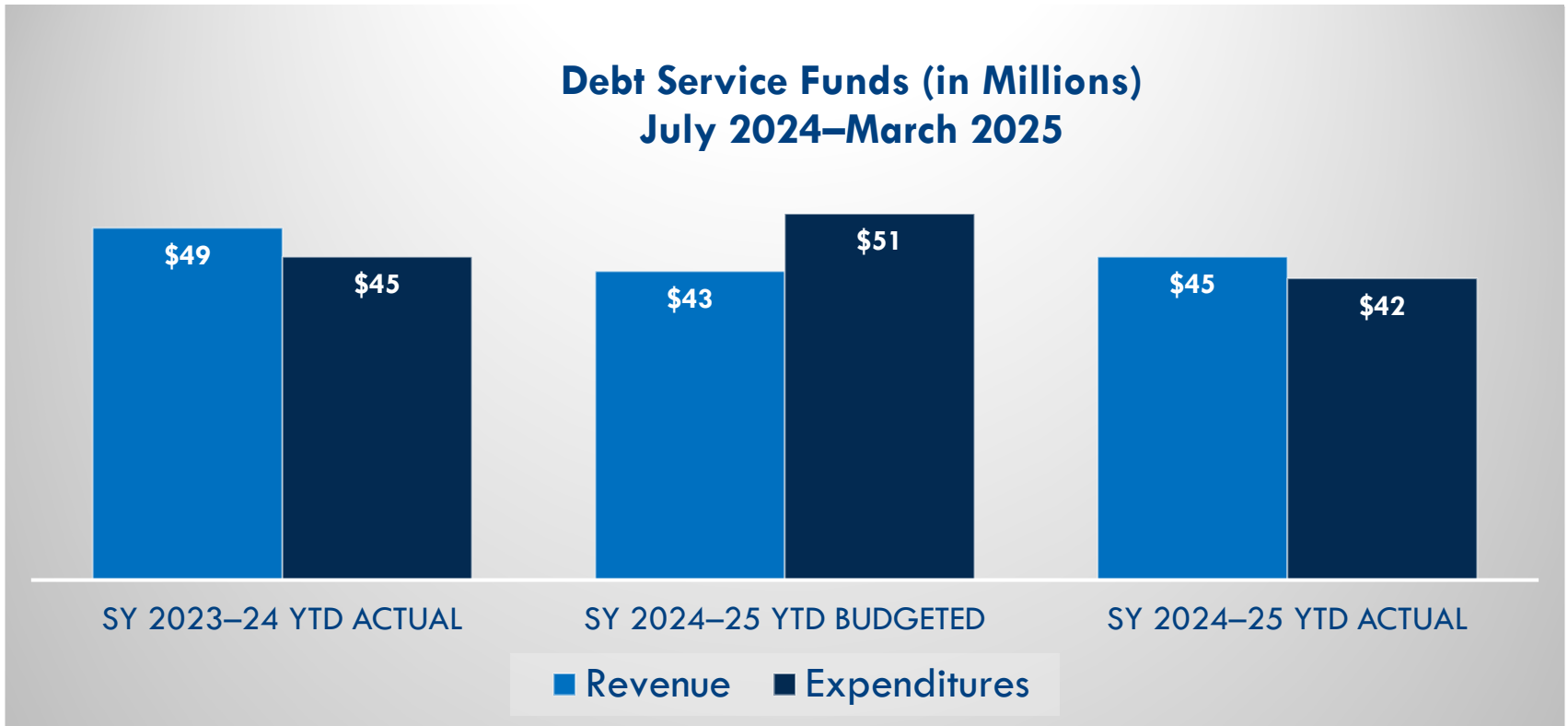




- ❑ Appropriation requested from DLGF = \$306M (not including Admin Transfer)
- ❑ State tax revenue received monthly
- ❑ Effective July 1, 2019, “General Fund” converted to “Education Fund”

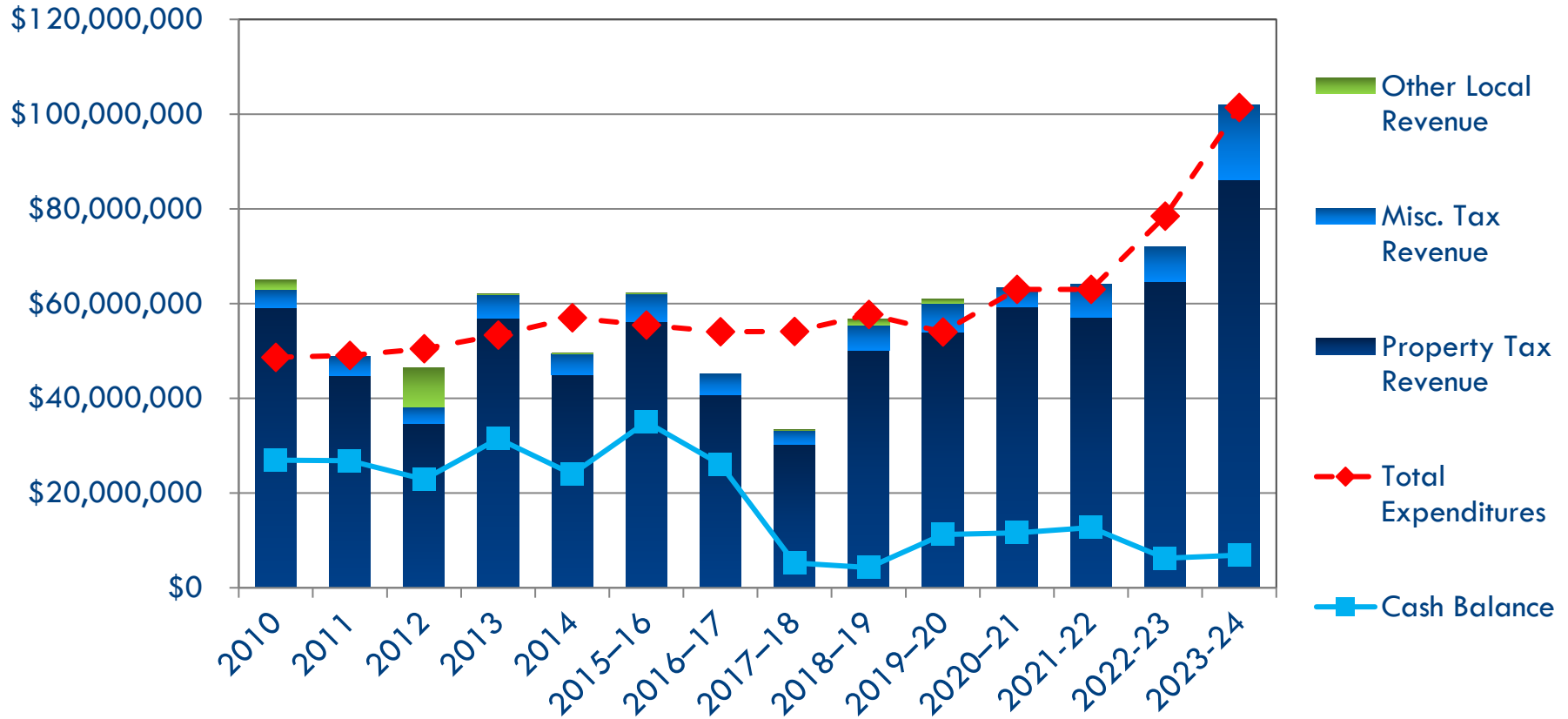
General/Education Fund and Related Supporting Funds Calendar Year 2010 Through SY 2023–24

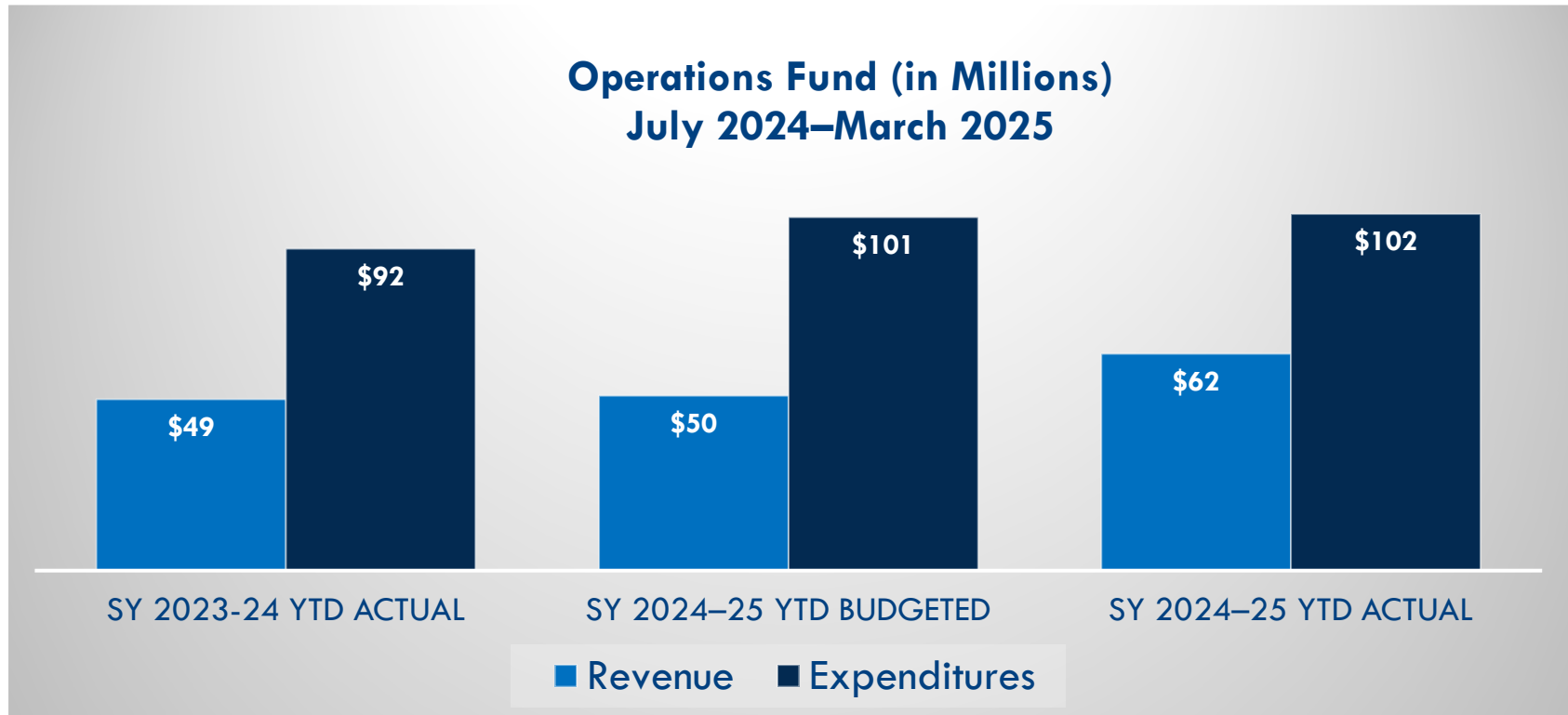




- ❑ Local property-tax revenues received semiannually
- ❑ Payments represent loan payments

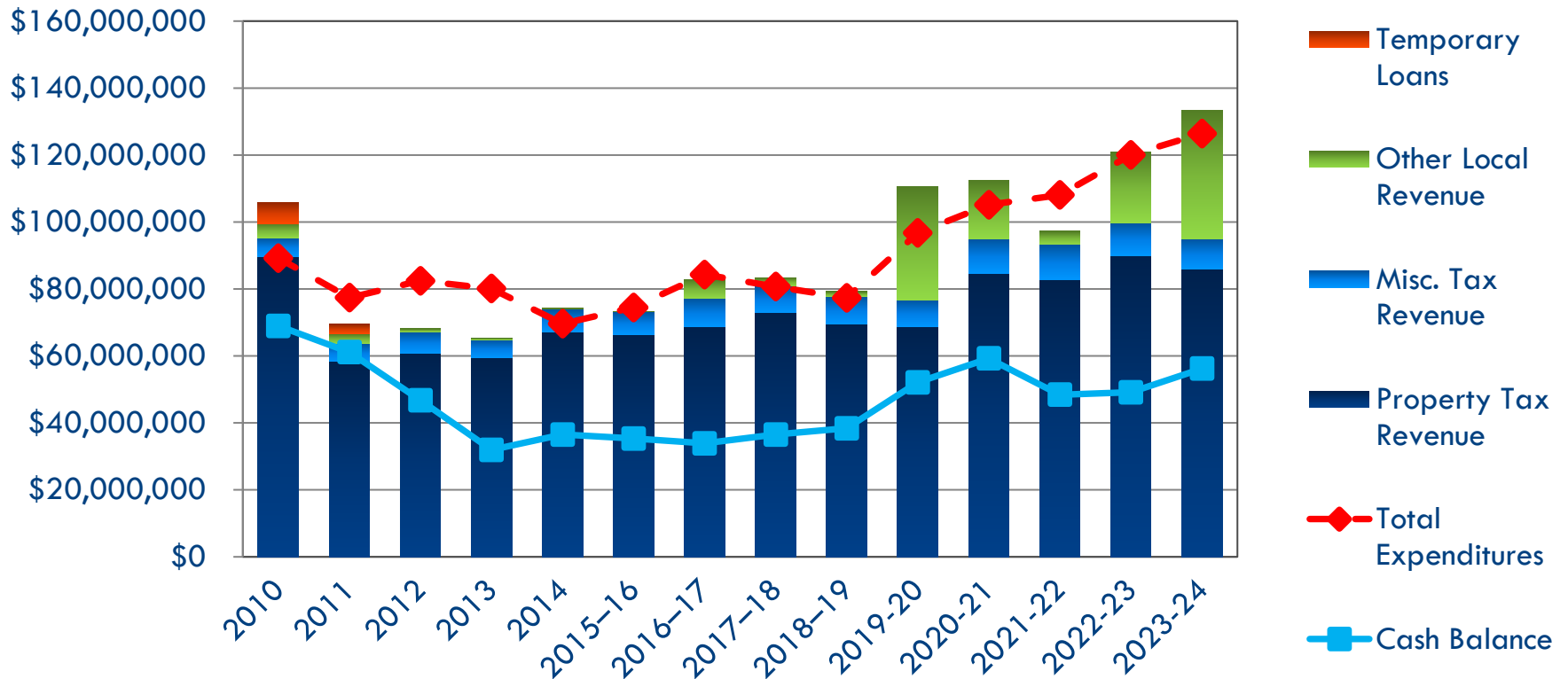
Debt Service Funds Calendar Year 2010 Through SY 2023–24



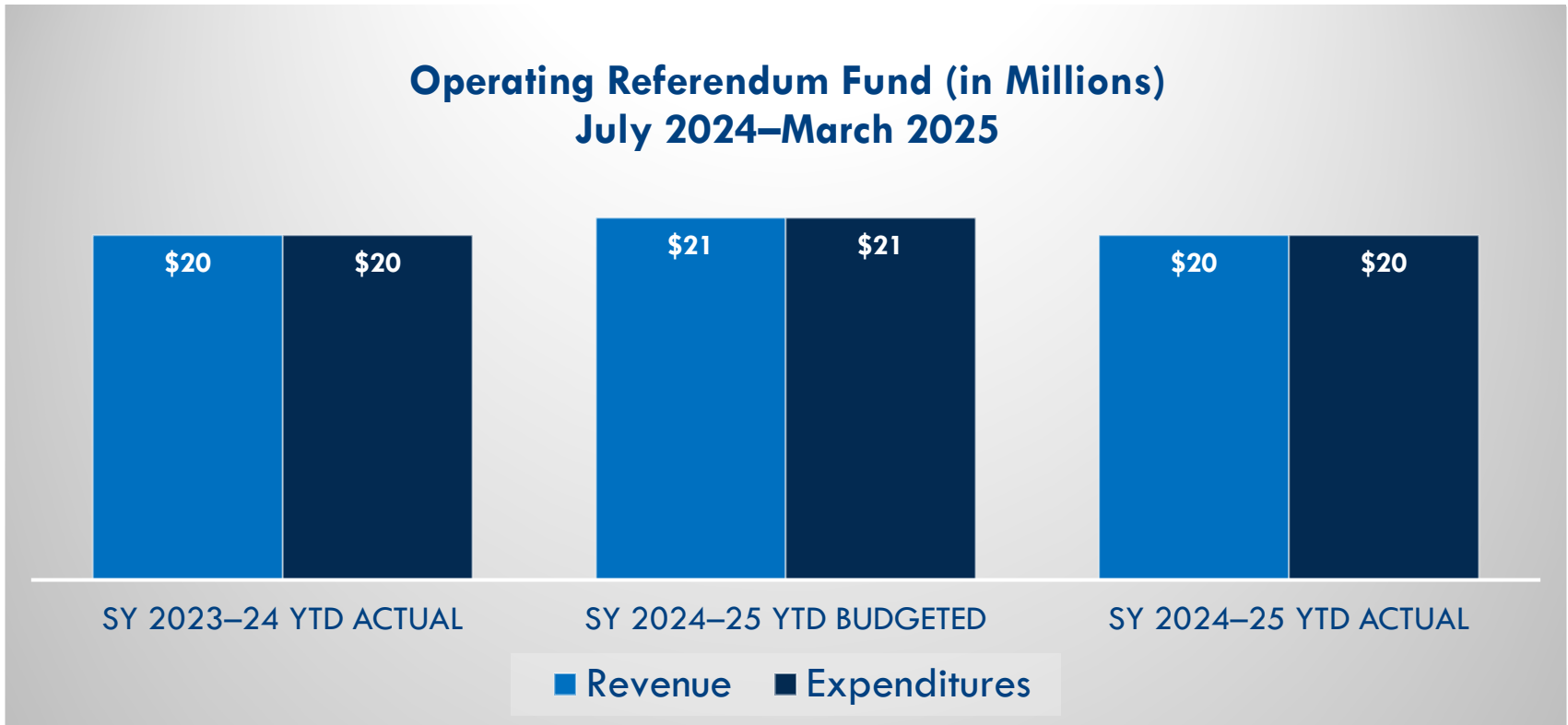


- ❑ Appropriation requested from DLGF = \$158M
- ❑ Local property-tax revenues received semiannually
- ❑ Property-tax caps decrease receipts, reducing revenue received
- ❑ Includes administrative operations, utilities, facilities maintenance projects, and transportation

Operations Fund Calendar Year 2010 Through SY 2023–24

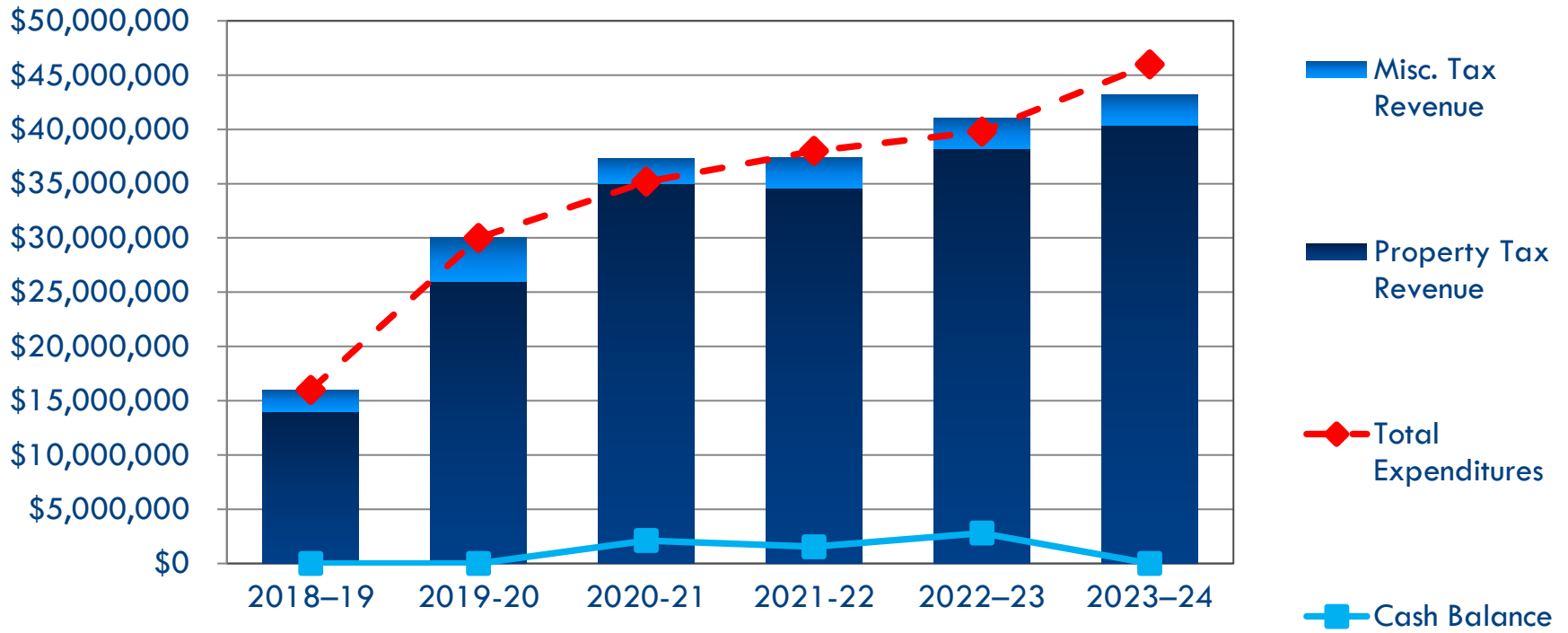


Effective July 1, 2019, "Capital Projects Fund," "Transportation Operating," and "Bus Replacement" consolidated into "Operations Fund"

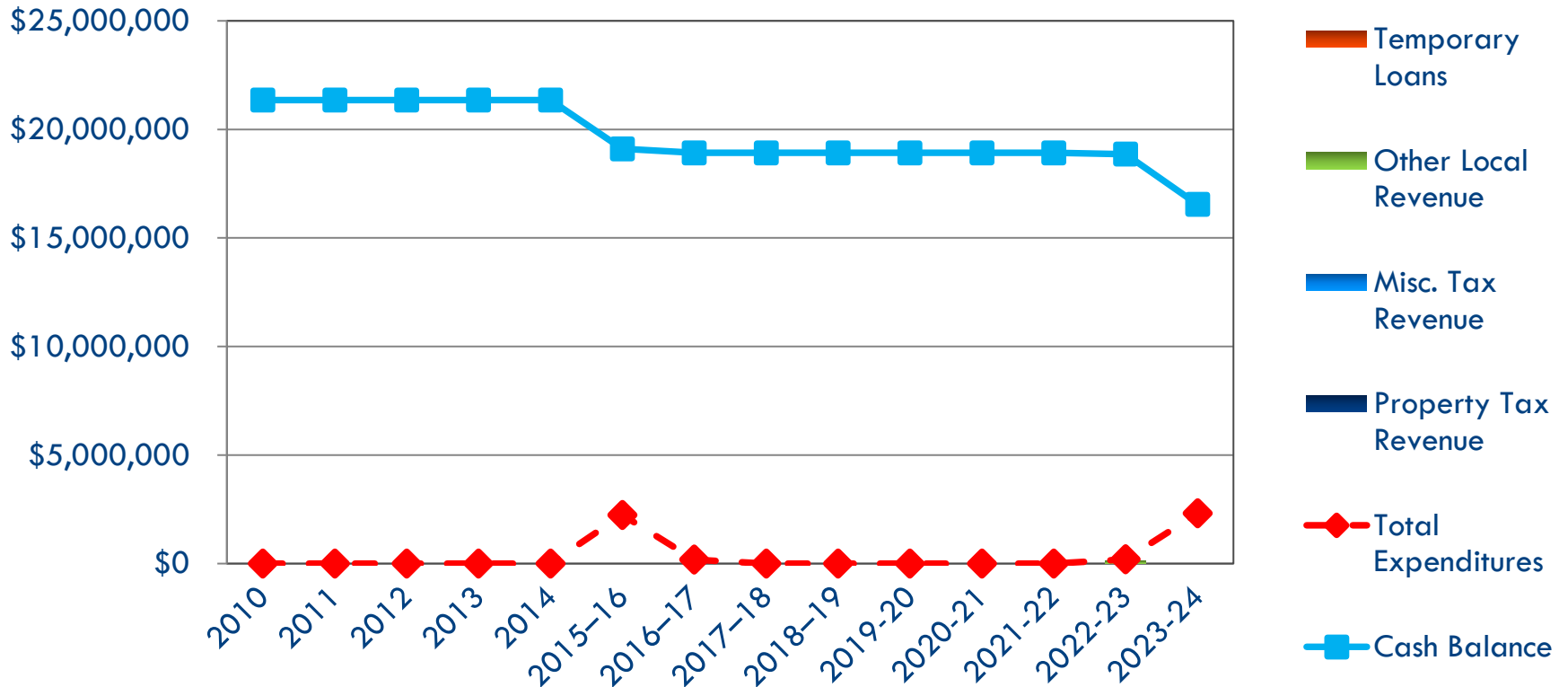


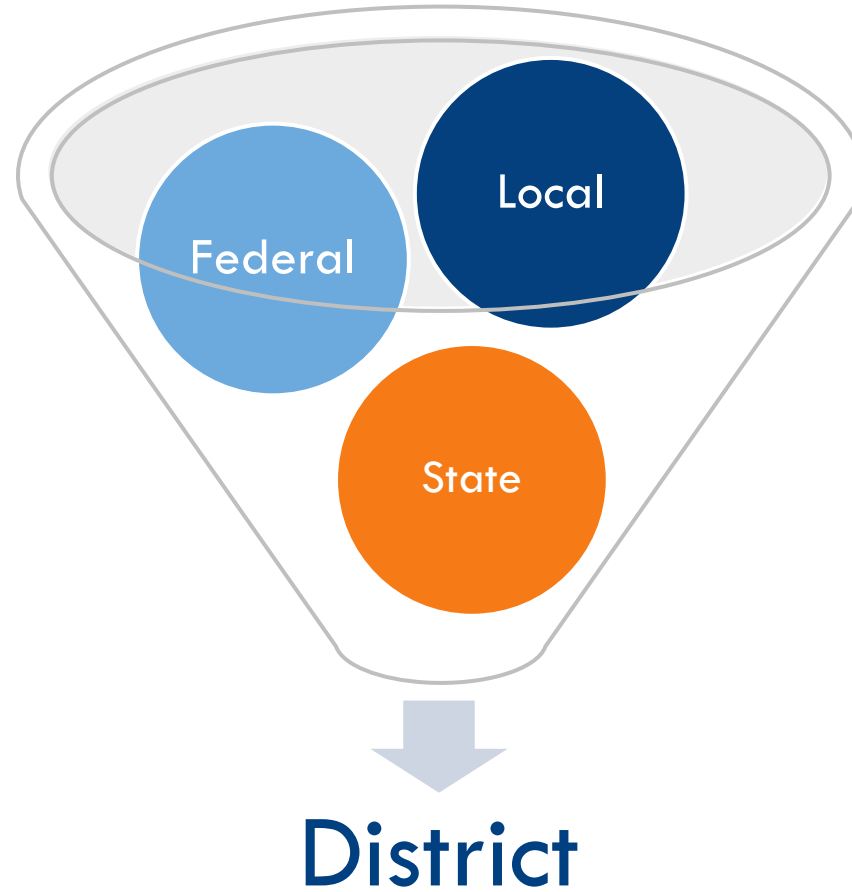
- ❑ Local property-tax revenues received semiannually
- ❑ Operating Referendum passed by voters November 2018

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



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



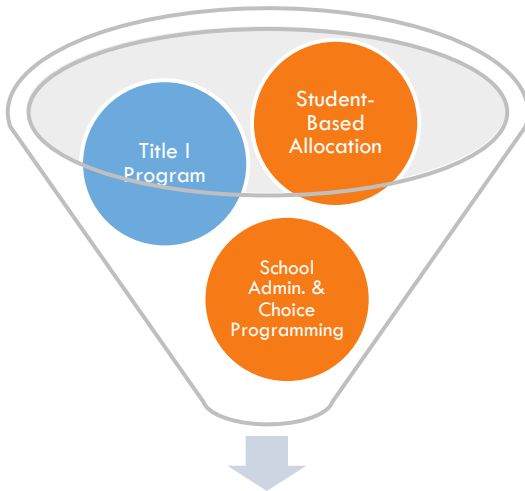


Example: Traditional & Innovation LEA School Funding

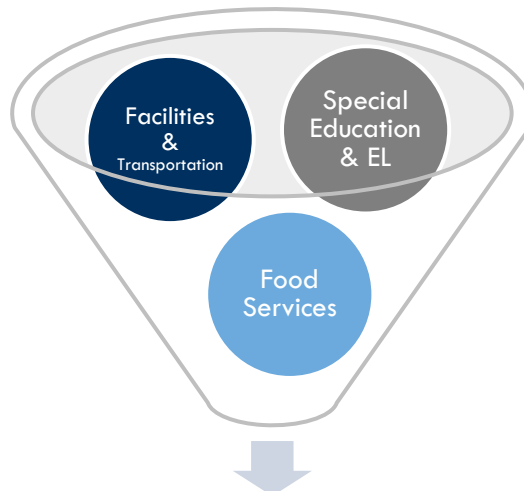
IPS Boundary



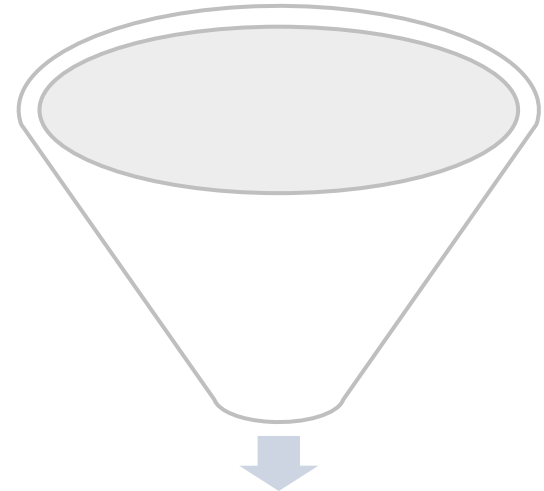
Local • State • Federal
Combination



Funds Distributed to School Through IPS



In-Kind Benefits & Services Provided By IPS to School



Funds Distributed Directly to School



Example Allotments for SY 2024–25

40

Example: Traditional & Innovation-LEA School Funding

Allocation Source (Under SBA)	\$ PP	Students	Dollars
Base Allocation	\$2,600	349	\$907,400
English Language Learner Weight	\$260/\$520/\$780/\$1,040	30/15/10/15	\$39,000
Poverty Weight	\$780	302	\$235,560
Grade Band Weight	\$2,000	349	\$698,000
Baseline Supplement			\$45,000
Strategic Support			-
Total:			\$1,924,960

Through SBA

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

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
Total:	\$1,915,000

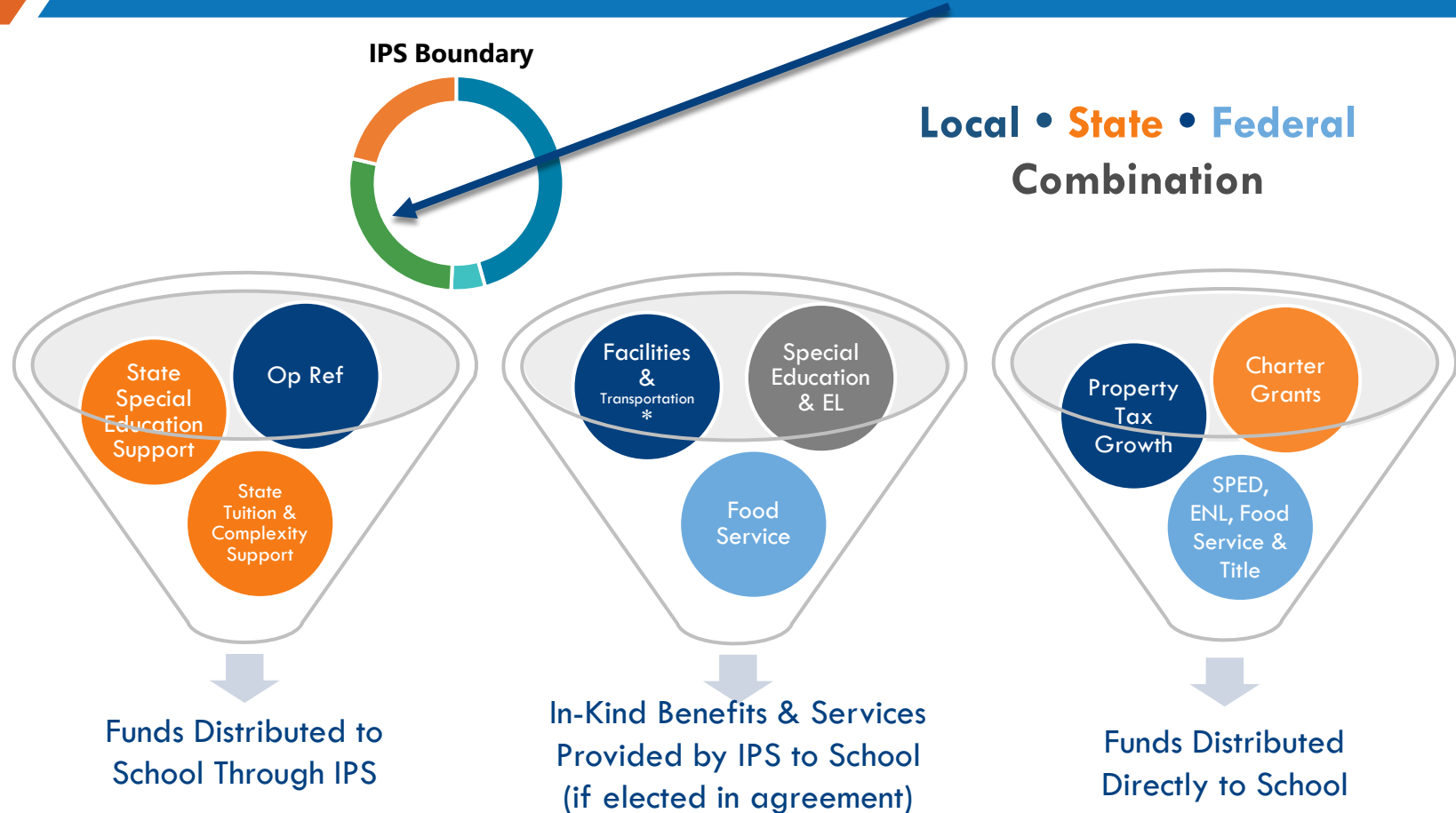
Outside SBA

**Local • State • Federal
Combination**

Content updated 11.11.2024

School allocations posted to myips.org

Example: Innovation-Non-LEA School Funding



*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.

Example: Innovation-Non-LEA School Funding

Allocation Source	\$ PP	Students	Dollars
Tuition Support	\$8,153	349	\$2,845,397
Special Education Support – Level 1	\$551	10	\$5,510
Special Education Support – Level 2	\$2,930	3	\$8,790
Special Education Support – Level 3	\$11,659	1	\$11,659
Operating Referendum Share	\$500	349	\$174,500
Total:			\$3,045,856

Per-Pupil Agreement

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

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
Total:	\$1,893,961

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	
Students First	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.
Racial Equity	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.
Continuous Improvement	We endeavor to get better and achieve more through hard work and continuous learning, both as individuals and as a system.
Integrity	We hold ourselves to the highest possible standards of professionalism and service and communicate with candor and care.
Community	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 2025	Q2 2025	Q3 2025	Q4 2025	2025 YTD TOTAL	2024 YTD TOTAL
Total XBE Actual	\$ 13,484,177	\$ -	\$ -	\$ -	\$ 13,484,177	\$ 44,657,434
NON XBE	\$ 59,538,850	\$ -	\$ -	\$ -	\$ 59,538,850	\$ 186,093,369
TOTAL	\$ 73,023,027	\$ -	\$ -	\$ -	\$ 73,023,027	\$ 230,750,802

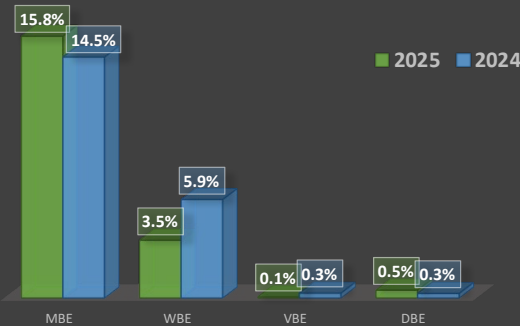
DETAIL BREAKDOWN

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.

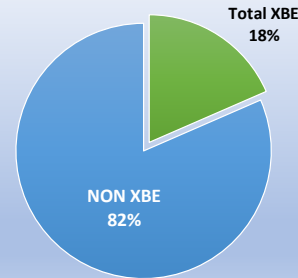
MINORITY TYPE	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025 YTD TOTAL	2024 YTD TOTAL
MBE	\$ 11,521,192	\$ -	\$ -	\$ -	\$ 11,521,192	\$ 33,508,948
VBE	\$ 56,141	\$ -	\$ -	\$ -	\$ 56,141	\$ 687,168
WBE	\$ 2,541,950	\$ -	\$ -	\$ -	\$ 2,541,950	\$ 13,704,874
DBE	\$ 348,408	\$ -	\$ -	\$ -	\$ 348,408	\$ 644,035

2025 to 2024 Comparison

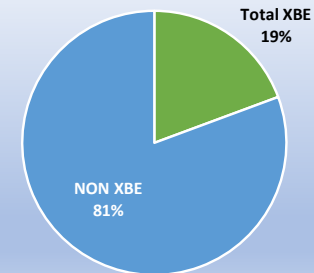
% OF OVERALL SPEND BY TYPE



2025 XBE SPEND OF ACTUAL



2024 XBE SPEND OF ACTUAL



Top 5 Vendors 2025 YTD

POWERS-DAVIS JV, MBE	\$ 7,242,974
VPS ARCHITECTURE, WBE	\$ 957,966
DNO INC, MBE	\$ 889,345
METICULOUS DESIGN, MBE	\$ 490,031
TUTORED BY TEACHERS, MBE	\$ 471,550

Top 5 Vendors 2024

POWERS-DAVIS JV, MBE	\$ 14,354,527
TUTORED BY TEACHERS, MBE	\$ 6,362,032
SCHMIDT ASSOCIATES, WBE	\$ 3,828,640
DNO INC, MBE	\$ 2,864,813
BUSINESS FURNITURE, WBE	\$ 1,729,197

QUANTITY OF VENDORS USED 2025

XBE VENDORS USED	75
TOTAL VENDORS USED	573

QUANTITY OF VENDORS USED 2024

XBE VENDORS USED	149
TOTAL VENDORS USED	1135

Vendor Outreach & Engagement

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

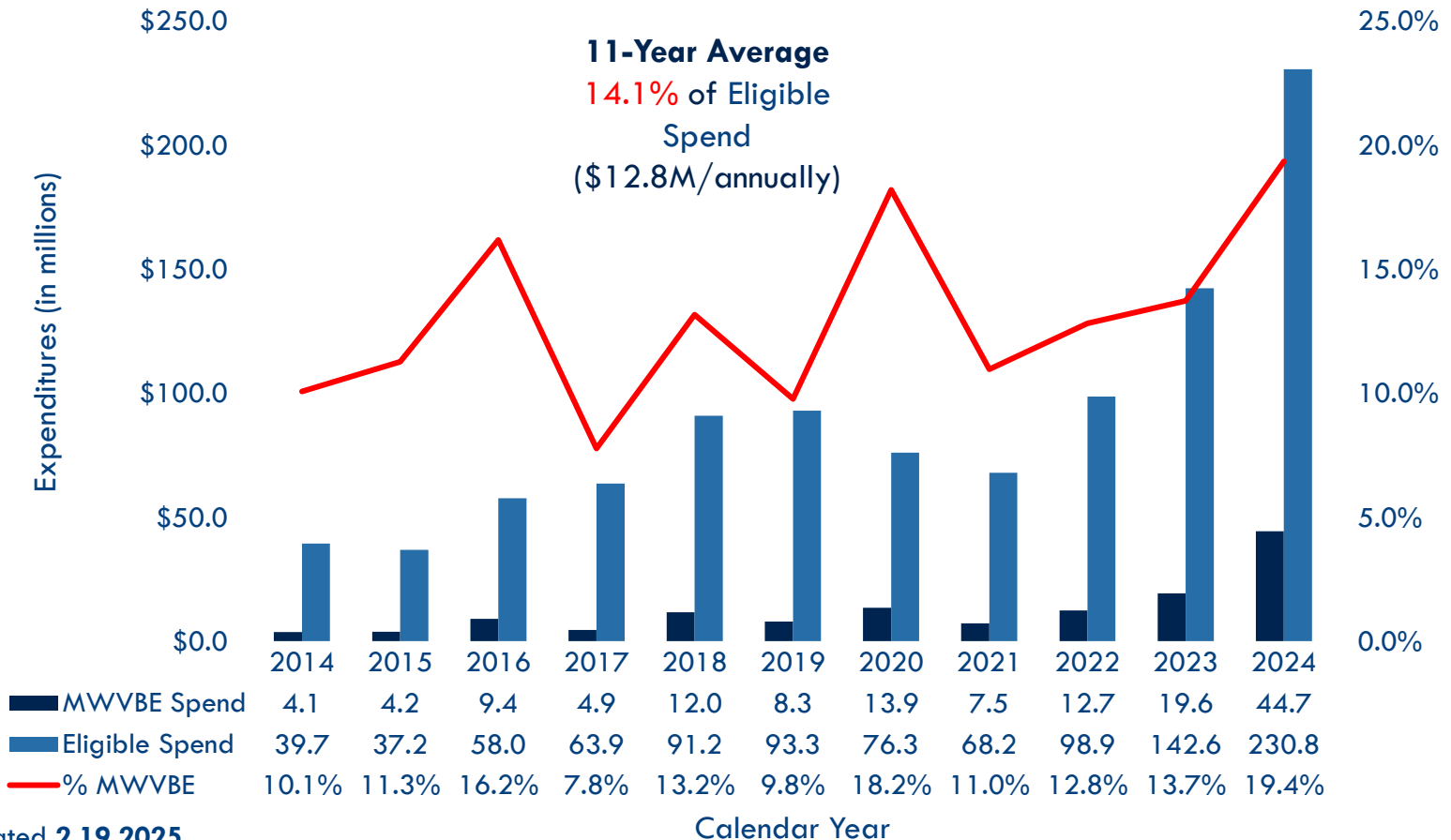
Vendor Reporting & Disparity Study

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

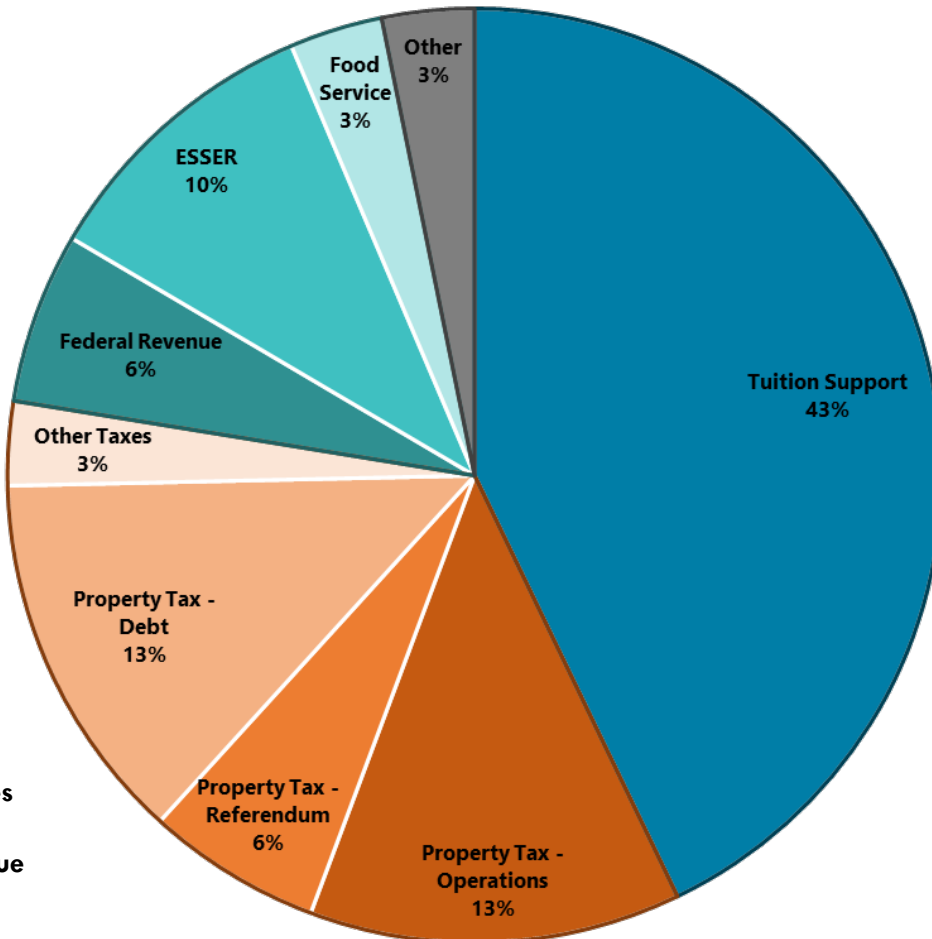
Workforce Development

- 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 for job shadowing, internships, apprenticeships, and jobs

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



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.

Title I

\$20M

Additional Supports for Students

Reduce achievement gap between students

Title II

\$1.5M

Support Teacher Training

Support School Leader Training

Title III

\$700k

Support students learning English

Support Teacher Training and Family Engagement

Title IV

\$1.2M

Supports Student Well-being

Health & Safety of Students

Special Education

Staffing and Resources for Students with Disabilities ages 3 to 21

Pre-K Staffing and Resources for Students with Disabilities ages 3 to 5

Immigrant and Refugee

Supports for Immigrant Students

Supports for Afghan Refugees

Homeless (“McKinney-Vento”)

Support Prek to 12th grade students experiencing Homelessness

Support Clothing and Transportation Needs

Career & Vocational Education (“Perkins”)

Supports High School Career Pathway Strategy

Supports Staffing, Equipment, and Resources

Title I

Funding provides schools additional supports for students to achieve academic goals.

The main goals are:

1. To help close achievement gaps between students
2. To ensure all students receive a quality education, regardless of their family's income

Title III

Supports students learning English must take a test called WIDA ACCESS every year. Students who score between 1.0 and 4.9 are considered English learners.

These students receive supports:

1. Helps students improve their English and improve in core subjects
2. Provides training for school staff and assists with engaging English learners' families with their school

Title II

Supports schools and student achievement by funding programs which enhance teacher and principal effectiveness. Schools may use the funds for various purposes, including:

- Training new teachers
- Supporting new teachers when they start
- Providing ongoing professional development
- Developing stronger school leaders (principals and assistant principals)

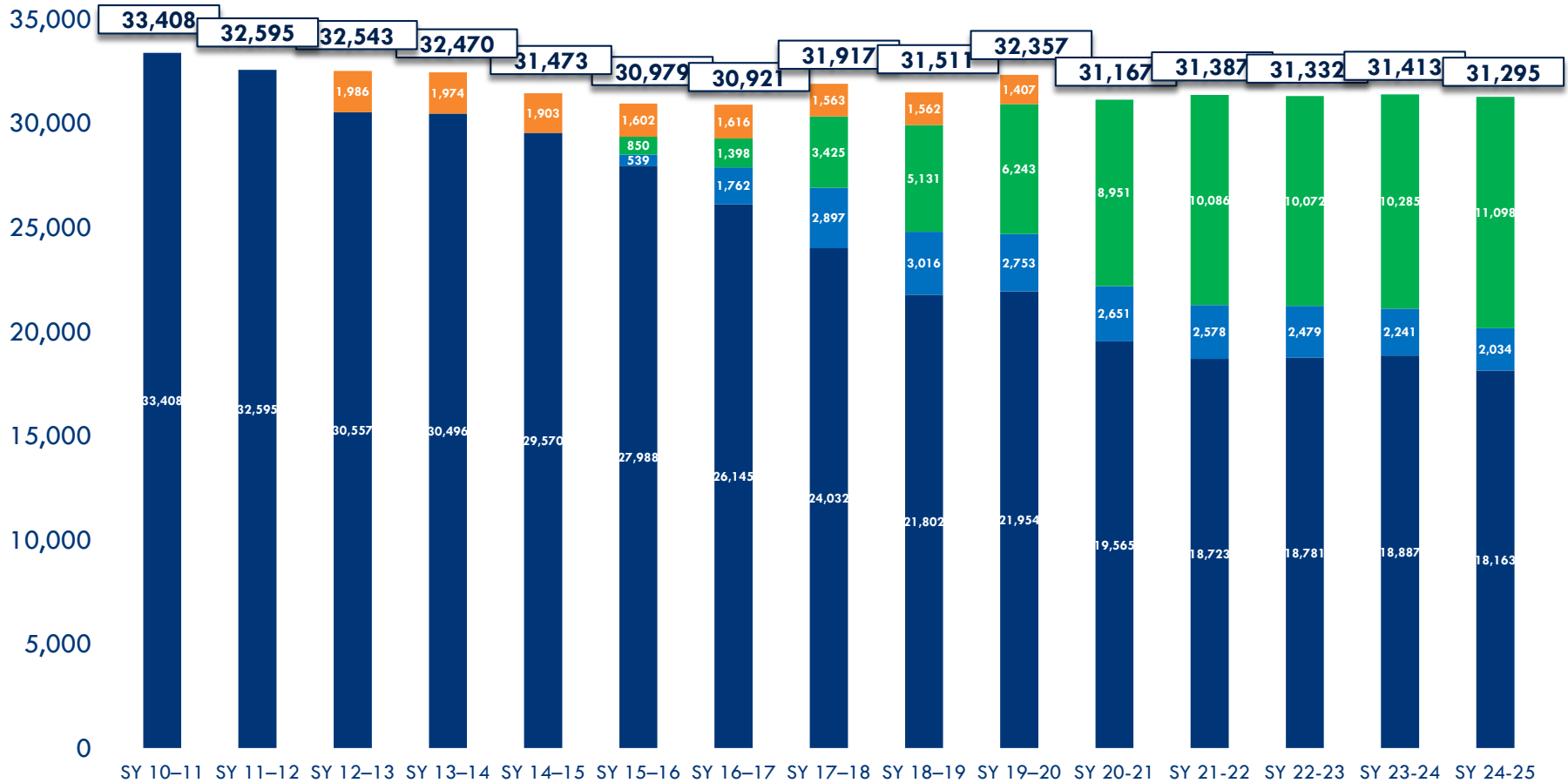
Title IV

Focus areas impacting student wellbeing:

1. Well-Rounded Education
2. Safe & Healthy Students
3. Social Emotional Learning
4. Technology Support

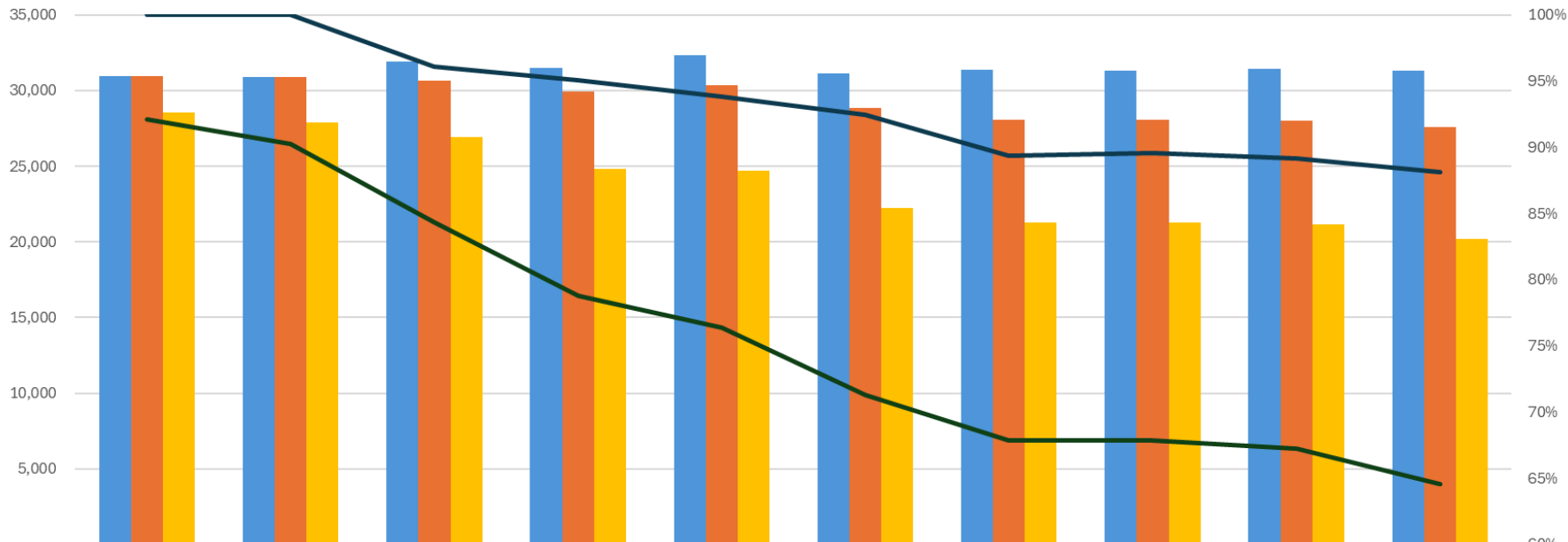
Historical Perspective: Enrollment

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.

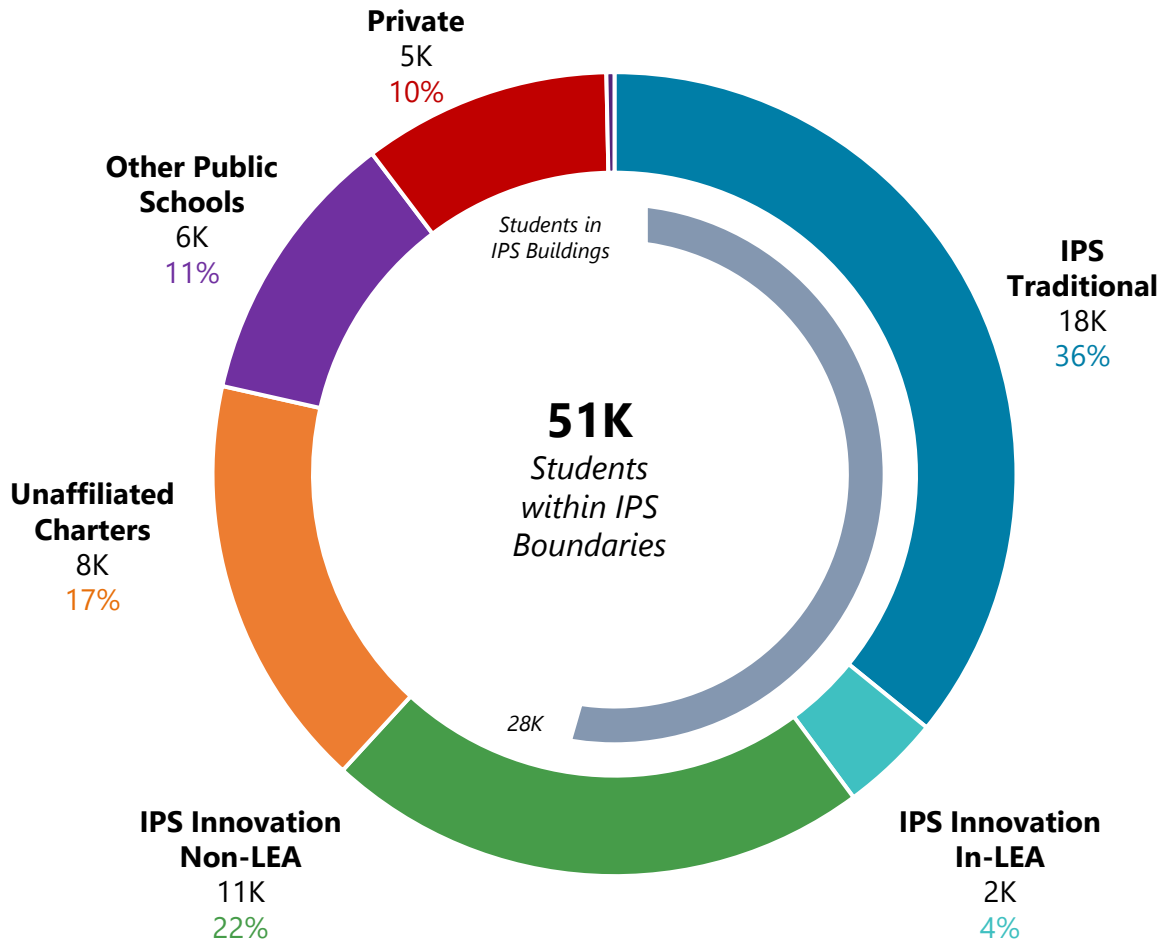


ADM for IPS Accountability has increased since SY 2015-16. Over same time period, **ADM supported by operational services** such as Facilities, Transportation, IT has decreased, but not as much as **ADM of IPS-LEA**. When IPS develops the Annual Budget for Schools, Staff, and Services, initiatives &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

ADM Trends



Distribution of Resident Students



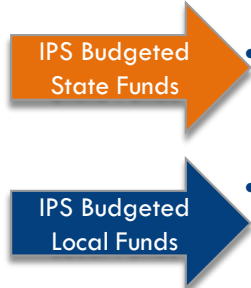
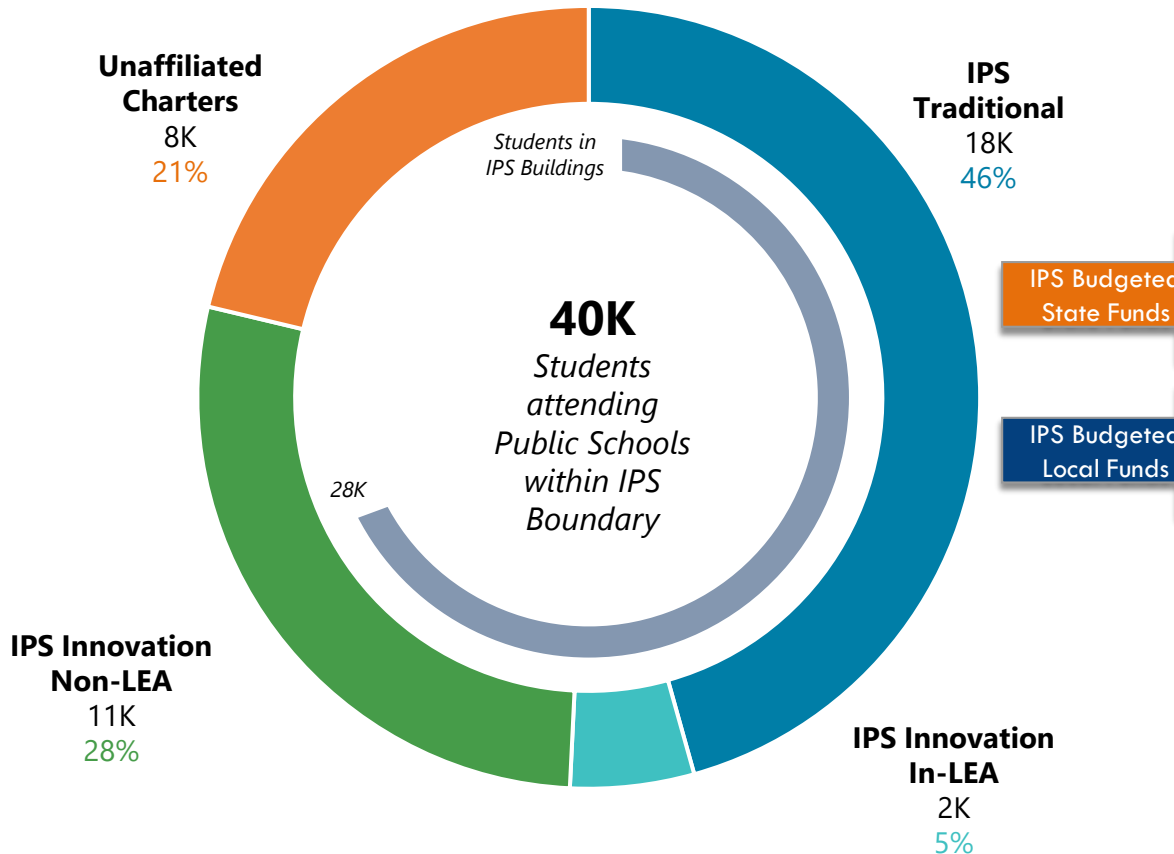
Discussions around school funding depend on the number of students

- **“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

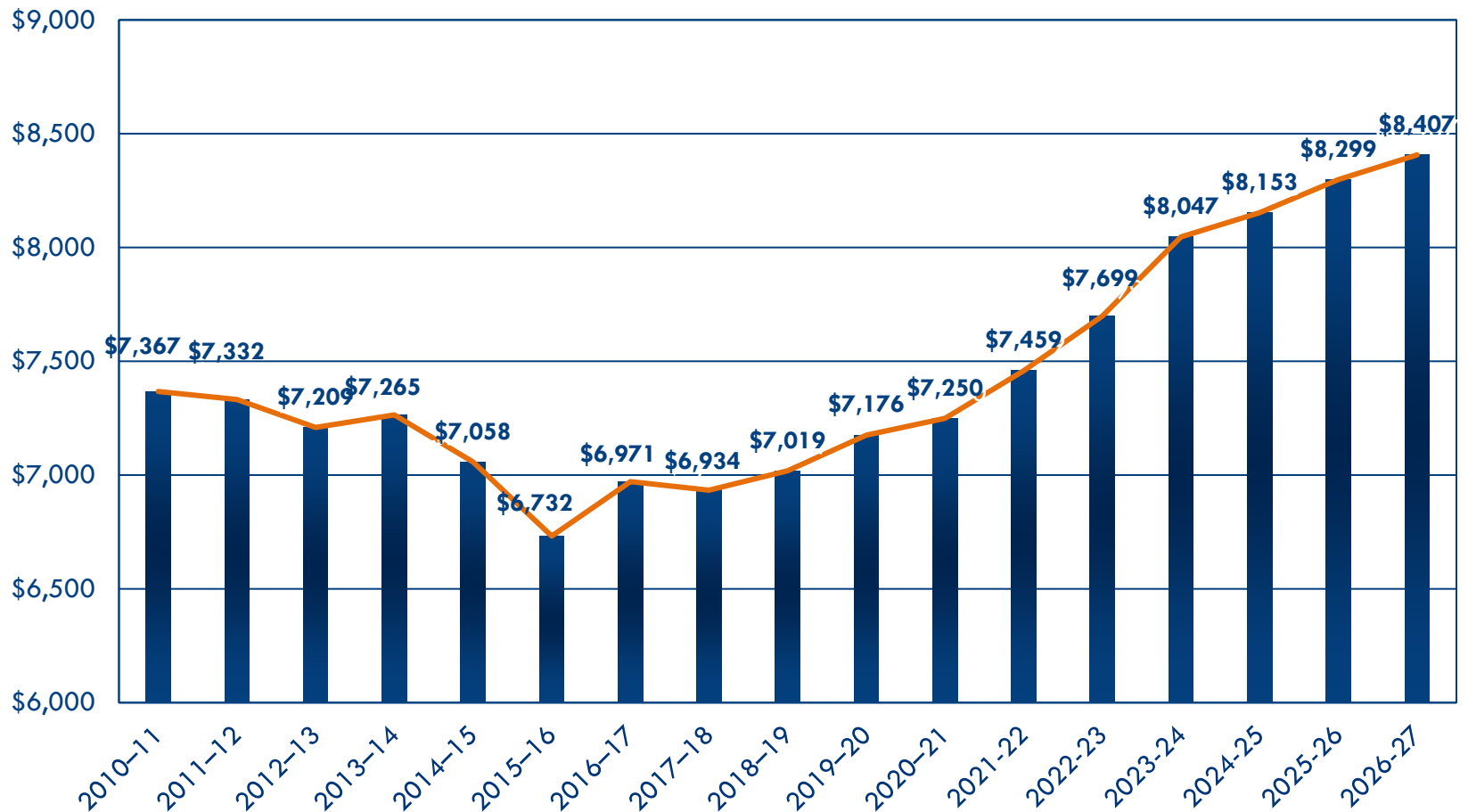
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- **“28k”** → Supported by IPS Operations → “IPS Operations”
- **“30k”** → IPS Accountability → “IPS Innovation Network”
- **“40k”** → IPS Boundary Public School Students → “IPS Boundary”



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

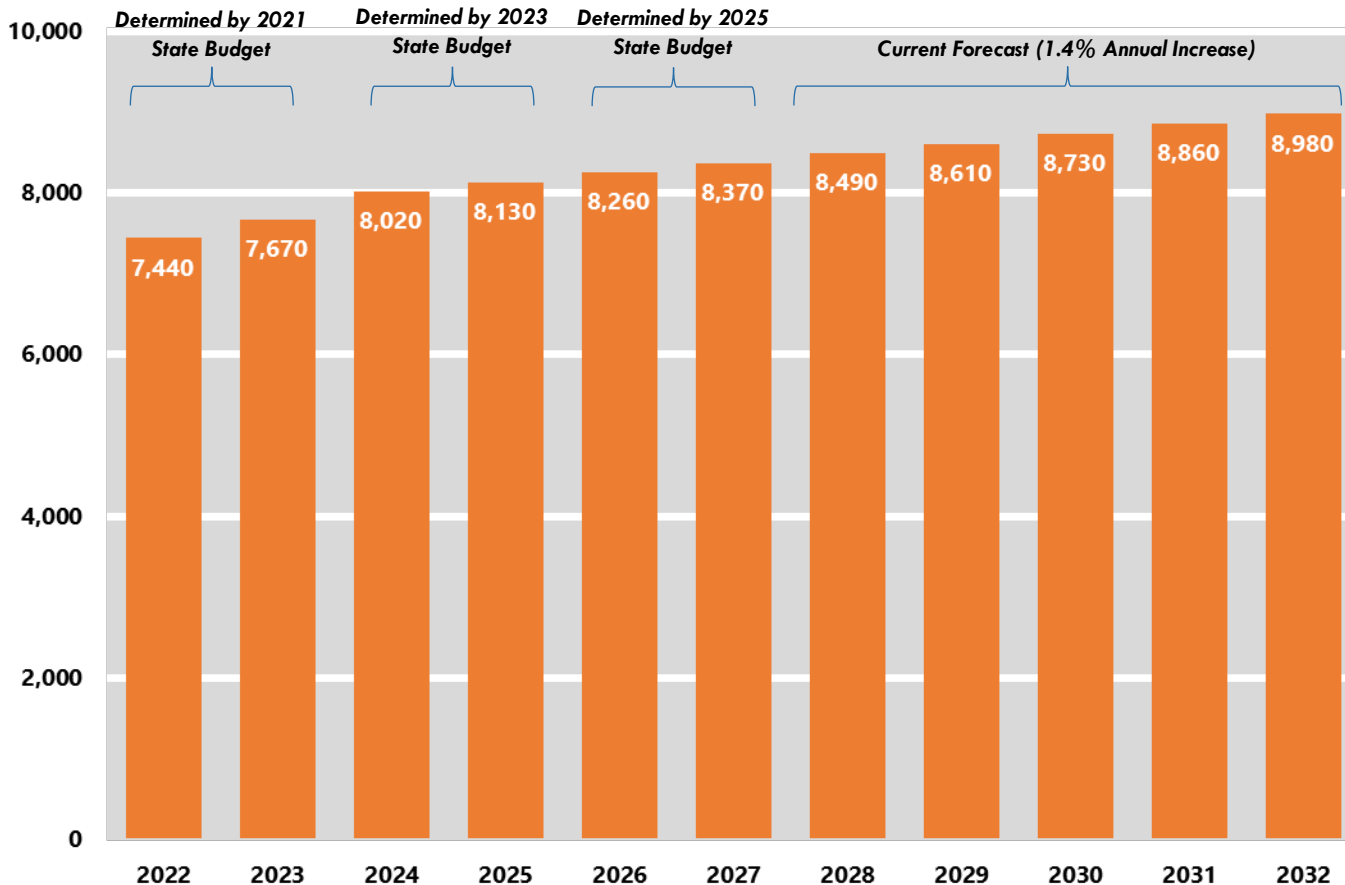
- **“50k”** for K-12 age students in IPS Boundary

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



Tuition Support Forecast: Per Student Funding

Total Foundation Grant plus Complexity



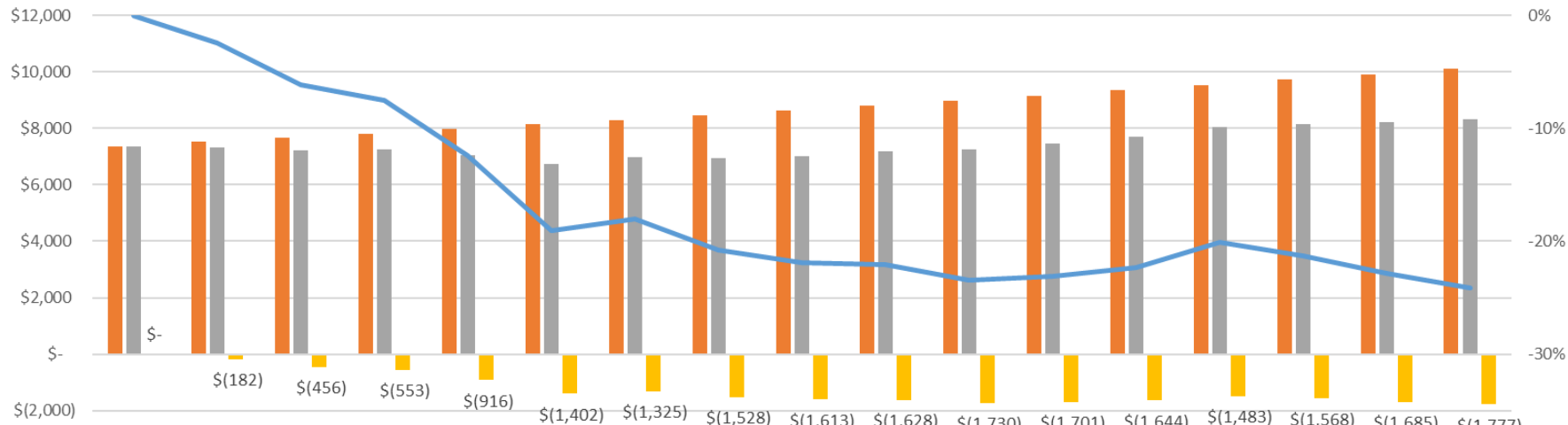
- State tuition support funding is comprised of the Foundation Grant, which is uniform for all students, and the Complexity Grant, which directs more funding to at-need students.
- In recent years, the General Assembly has prioritized increasing the Foundation Grant over the Complexity Grant.
- The 2025 State Budget included per student funding increases for IPS: 1.6% in 2026 and 1.3% in 2027.
- Tuition Support growth is conservatively projected at 1.4% annually going forward.

- ❑ State Revenues are dependent on enrollment (\$ per pupil)
 - ❑ State per pupil is assumed at 1.4% increase for future years
 - ❑ 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

Historical Perspective: State Fund Budget \$ Per Pupil

If IPS funding in SY 2010-11 had experienced 2% inflationary growth through SY 2026-27, IPS would be receive around \$1,700 per pupil more than actually allocated in state funding formula.

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



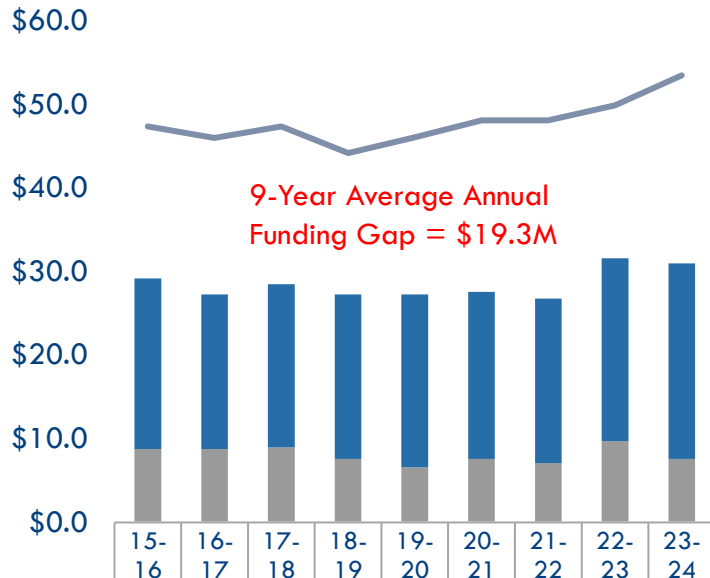
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2011 + Inflation	\$7,367	\$7,514	\$7,665	\$7,818	\$7,974	\$8,134	\$8,296	\$8,462	\$8,632	\$8,804	\$8,980	\$9,160	\$9,343	\$9,530	\$9,721	\$9,915	\$10,113
Actual	\$7,367	\$7,332	\$7,209	\$7,265	\$7,058	\$6,732	\$6,971	\$6,934	\$7,019	\$7,176	\$7,250	\$7,459	\$7,699	\$8,047	\$8,153	\$8,230	\$8,336
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)	\$(1,685)	\$(1,777)
Diff %	-	-2%	-6%	-8%	-12%	-19%	-18%	-21%	-22%	-22%	-23%	-23%	-22%	-20%	-21%	-23%	-24%

2011 + Inflation Actual Diff per pupil Diff %

Funding Gap For Students With Special Needs

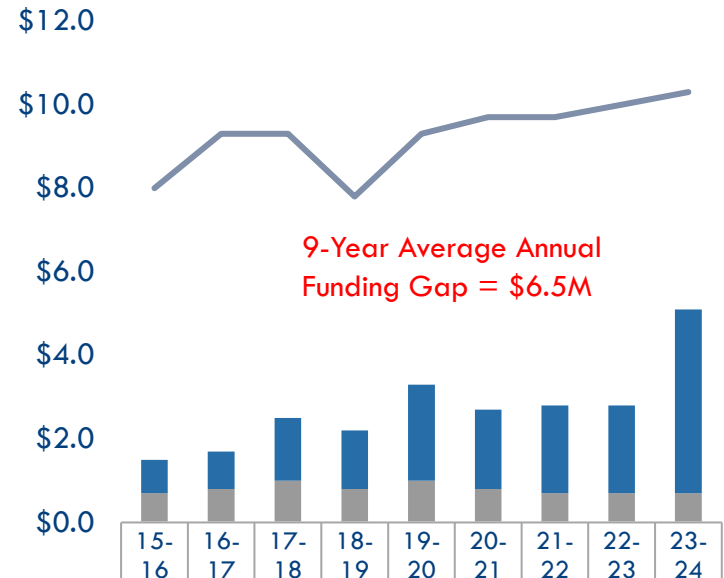
Expenditures for special education (SpEd) and English language learners (ELL) encroach on General/Education Fund budget allocations, capturing around 16% of state tuition support or 94% of complexity index funding.

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)

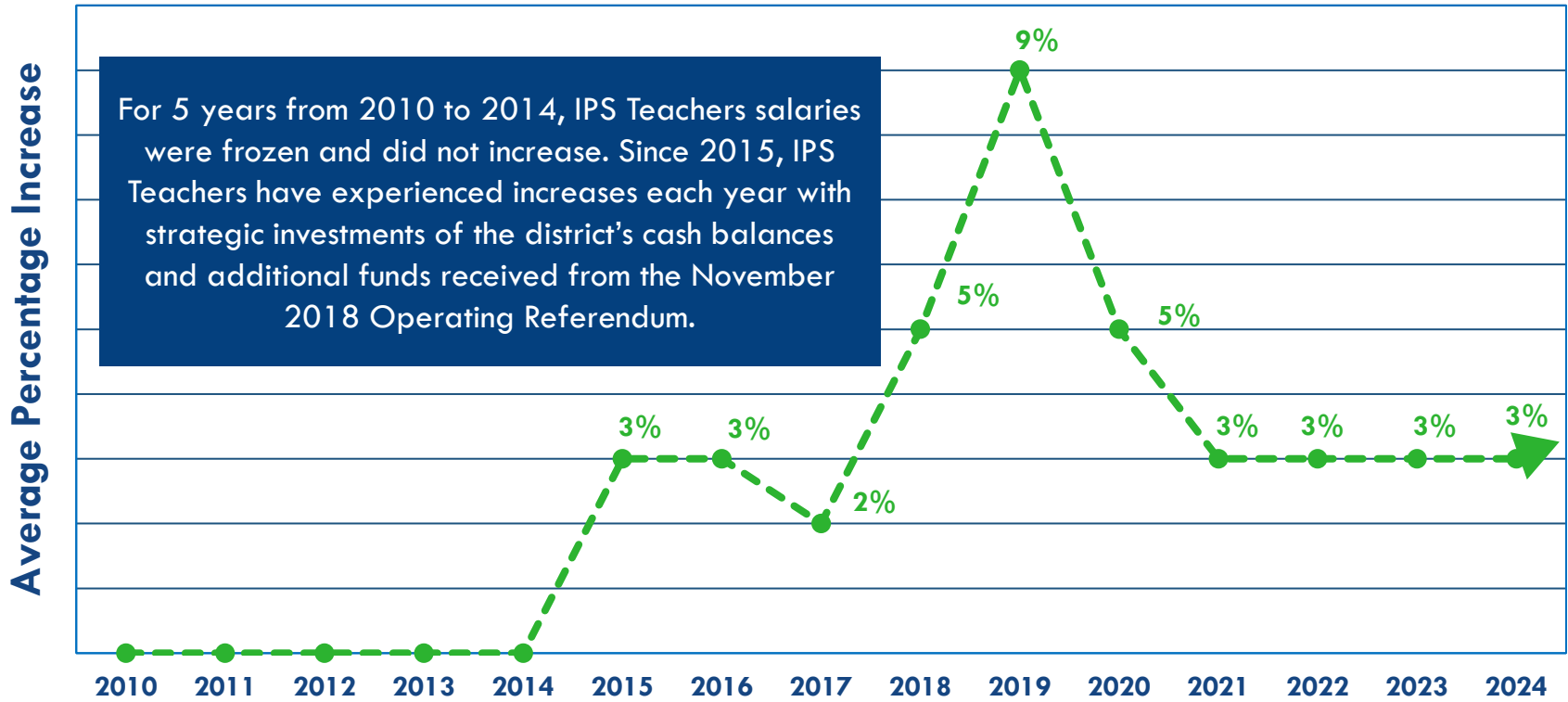


State Revenue	0.8	0.9	1.5	1.4	2.3	1.9	2.1	2.1	4.4
Federal Revenue	0.7	0.8	1.0	0.8	1.0	0.8	0.7	0.7	0.7
Cost	8.0	9.3	9.3	7.8	9.3	9.7	9.7	10.0	10.3

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.

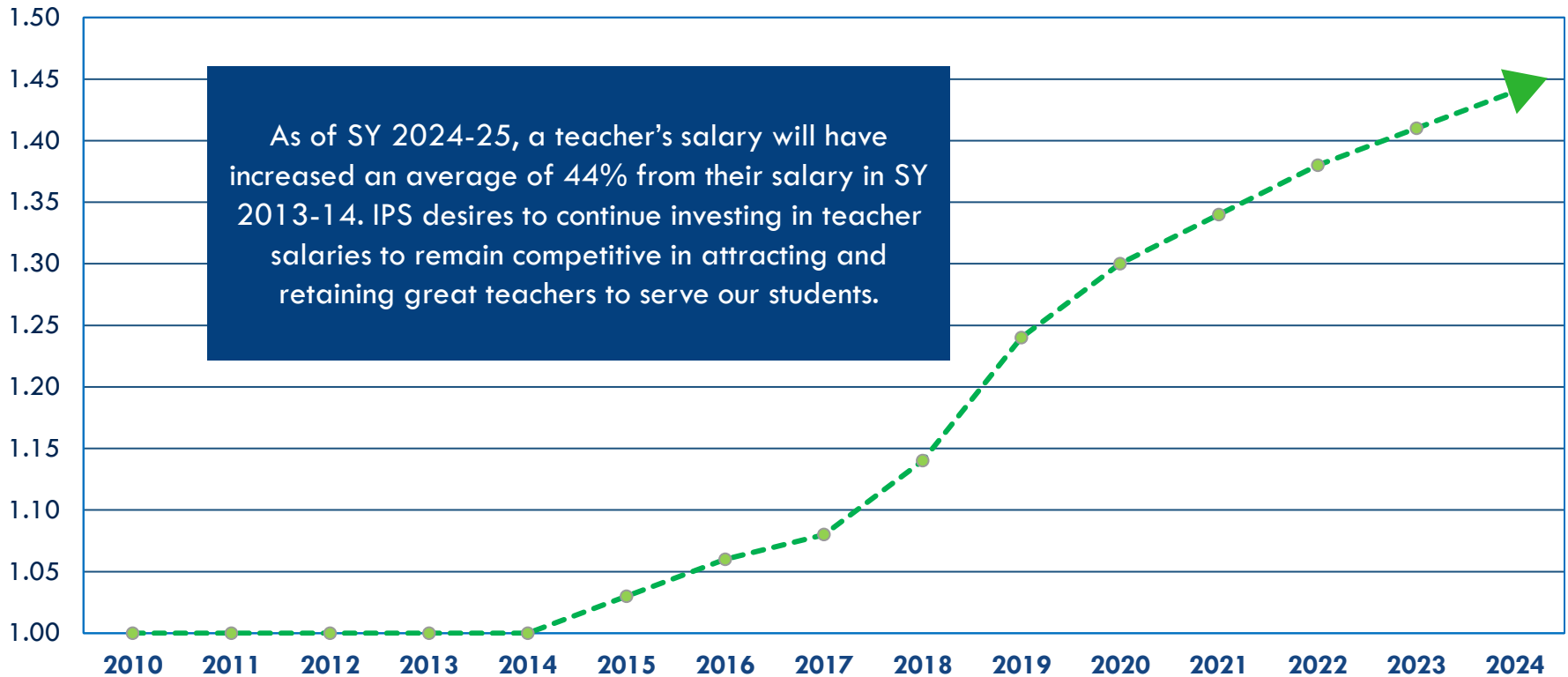
SY 2023–24	Special Education	English Language Learners	Total
Federal Funds	\$7,618,680	\$745,254	\$8,363,934
State Funds	\$23,395,299	\$4,418,642	\$27,813,941
Total Revenue	\$31,013,979	\$5,163,896	\$36,177,875
Total Cost	(\$53,496,483)	(\$10,331,803)	(\$63,828,286)
Total Gap Paid by Education Fund	(\$22,482,504)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

Teacher Compensation



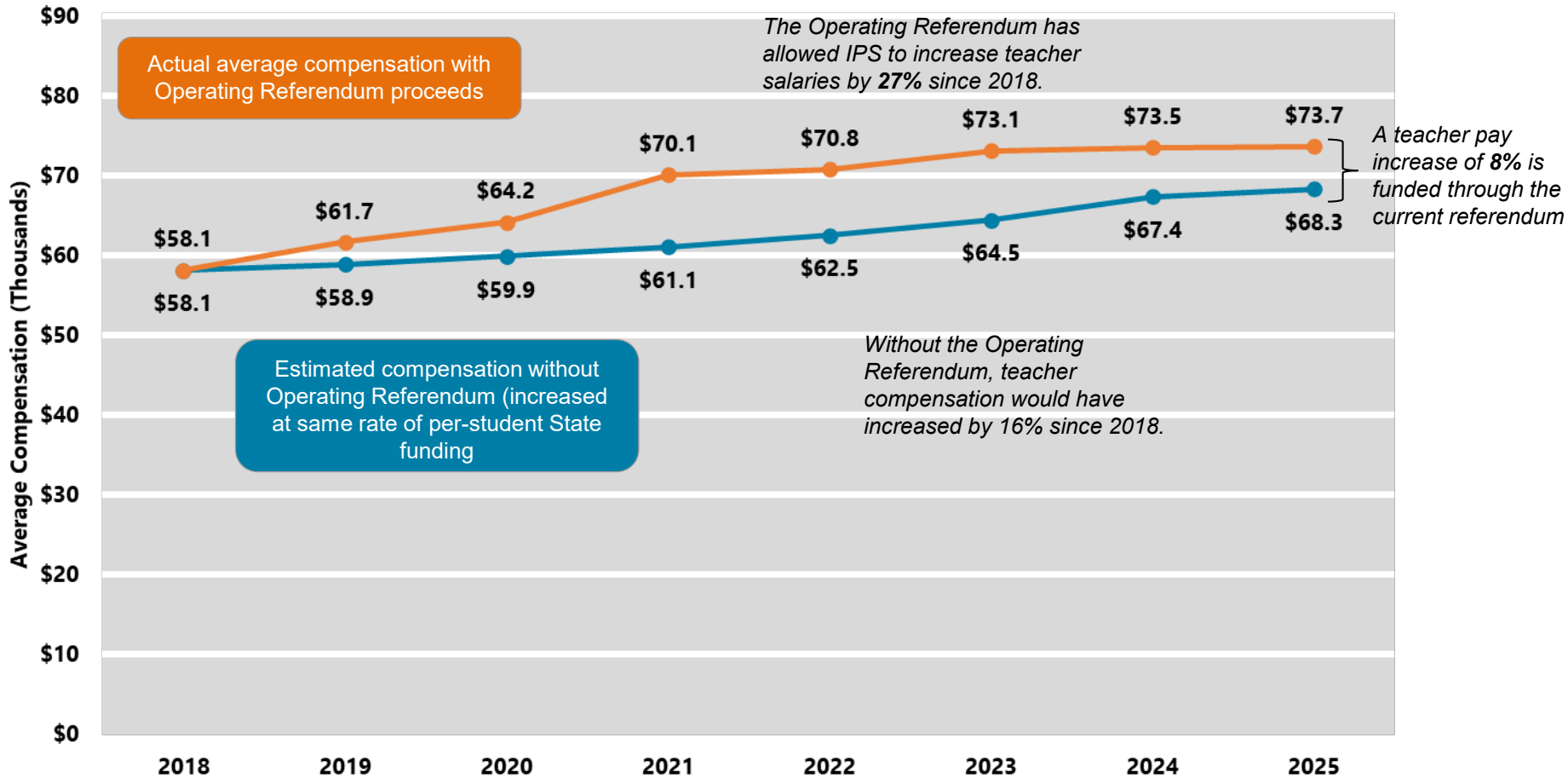
Year of Collective Bargaining Agreement

Teacher Compensation – Indexed Growth

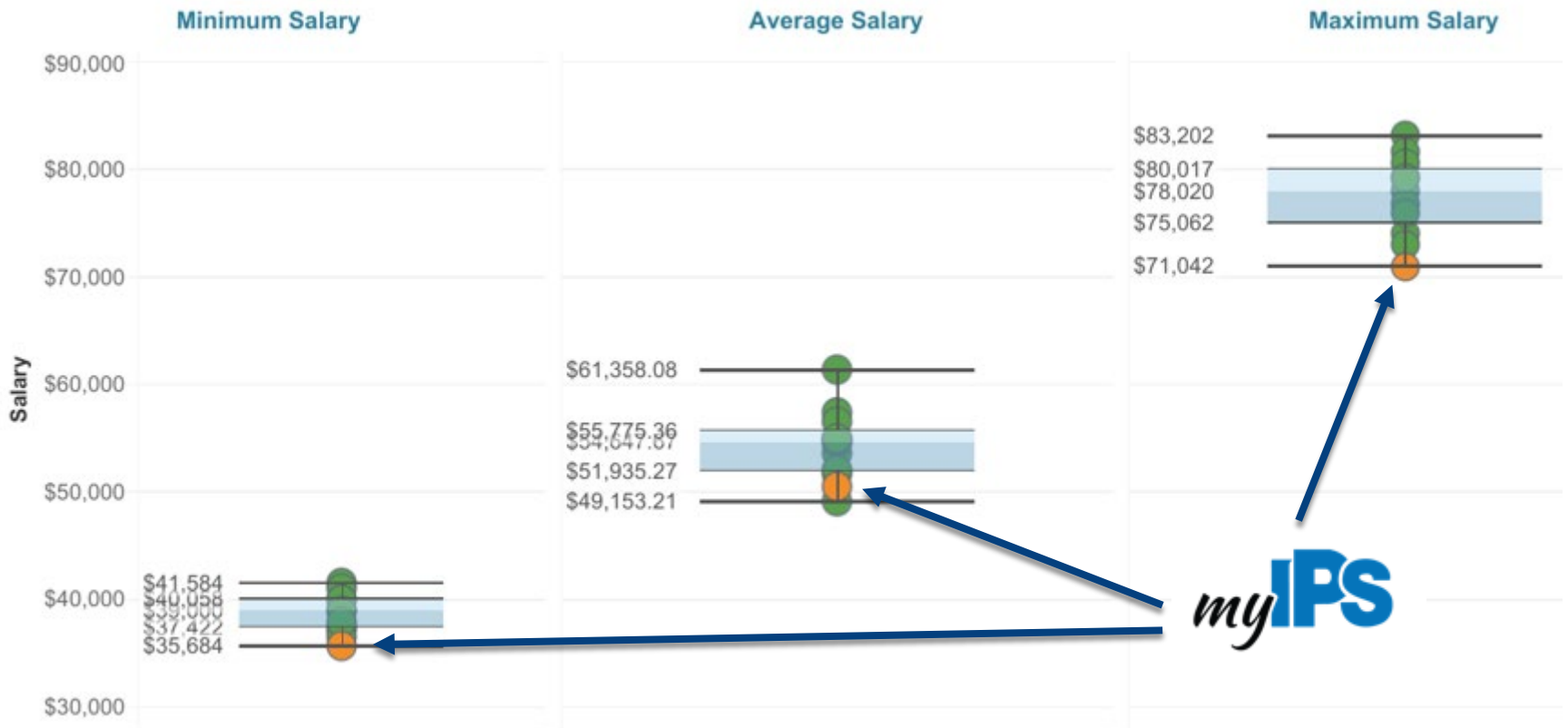


Year of Collective Bargaining

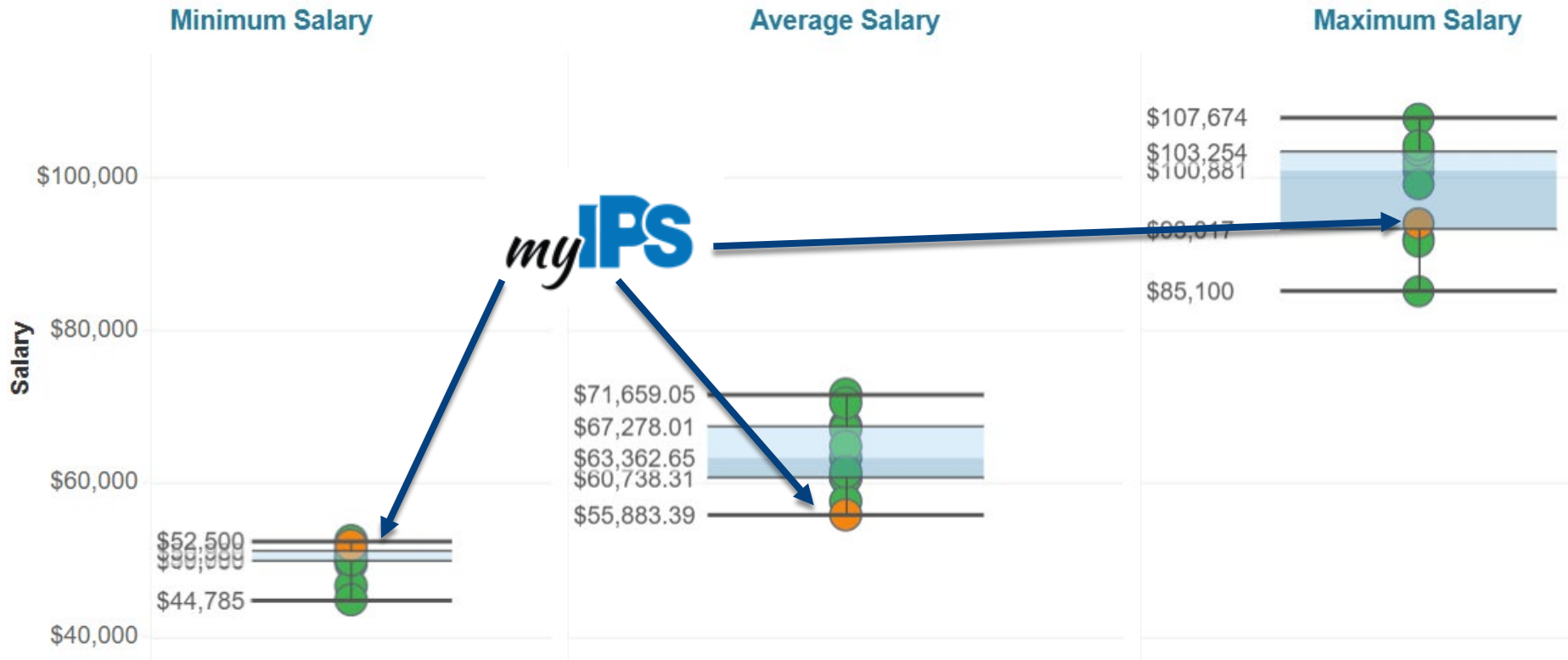
Average Compensation for IPS Teachers



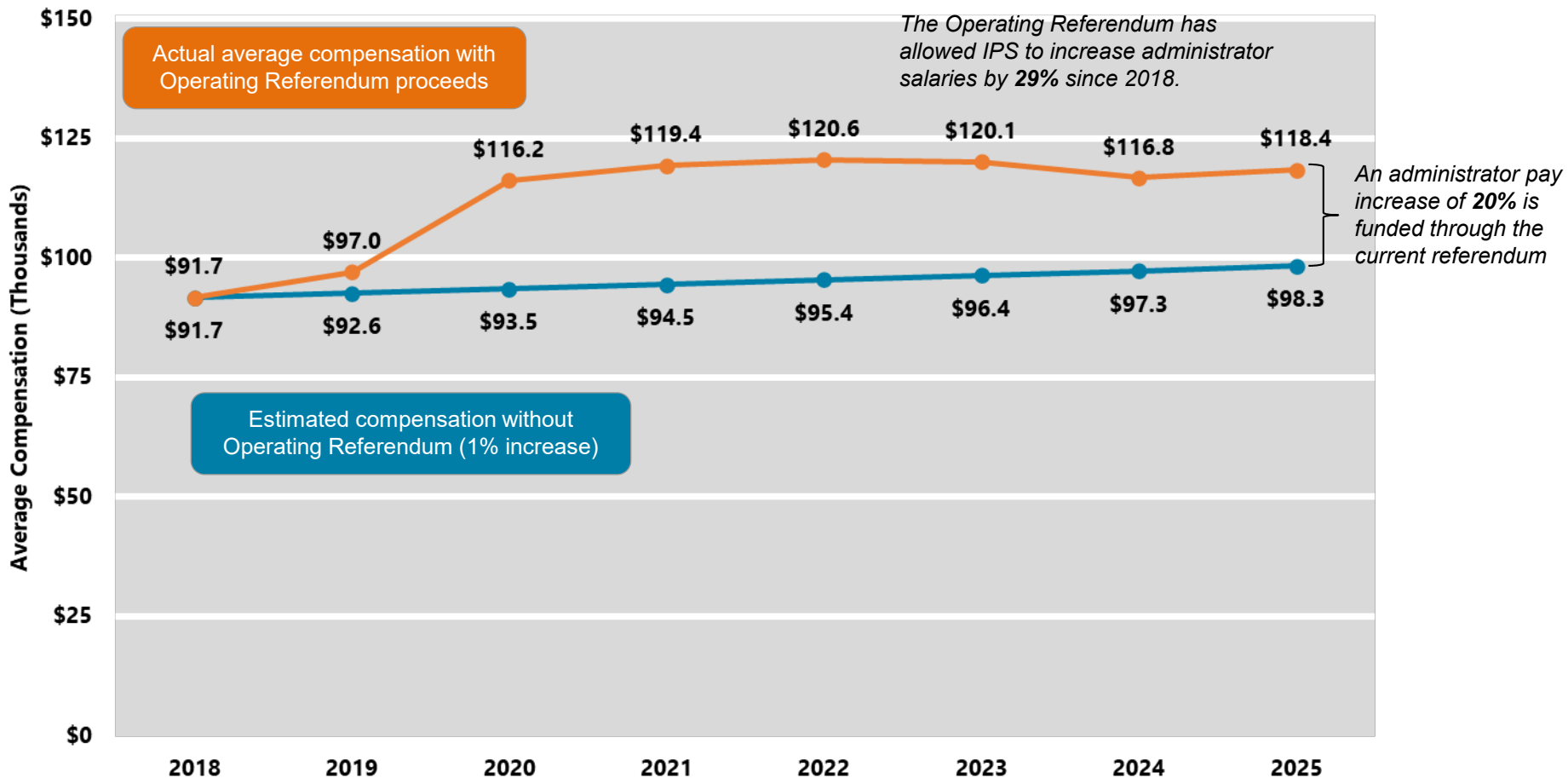
In 2015, IPS was lagging nearly all other Marion County School Districts at all levels on the pay scale - Minimum (Starting) Salary, Average Salary, and Maximum Salary



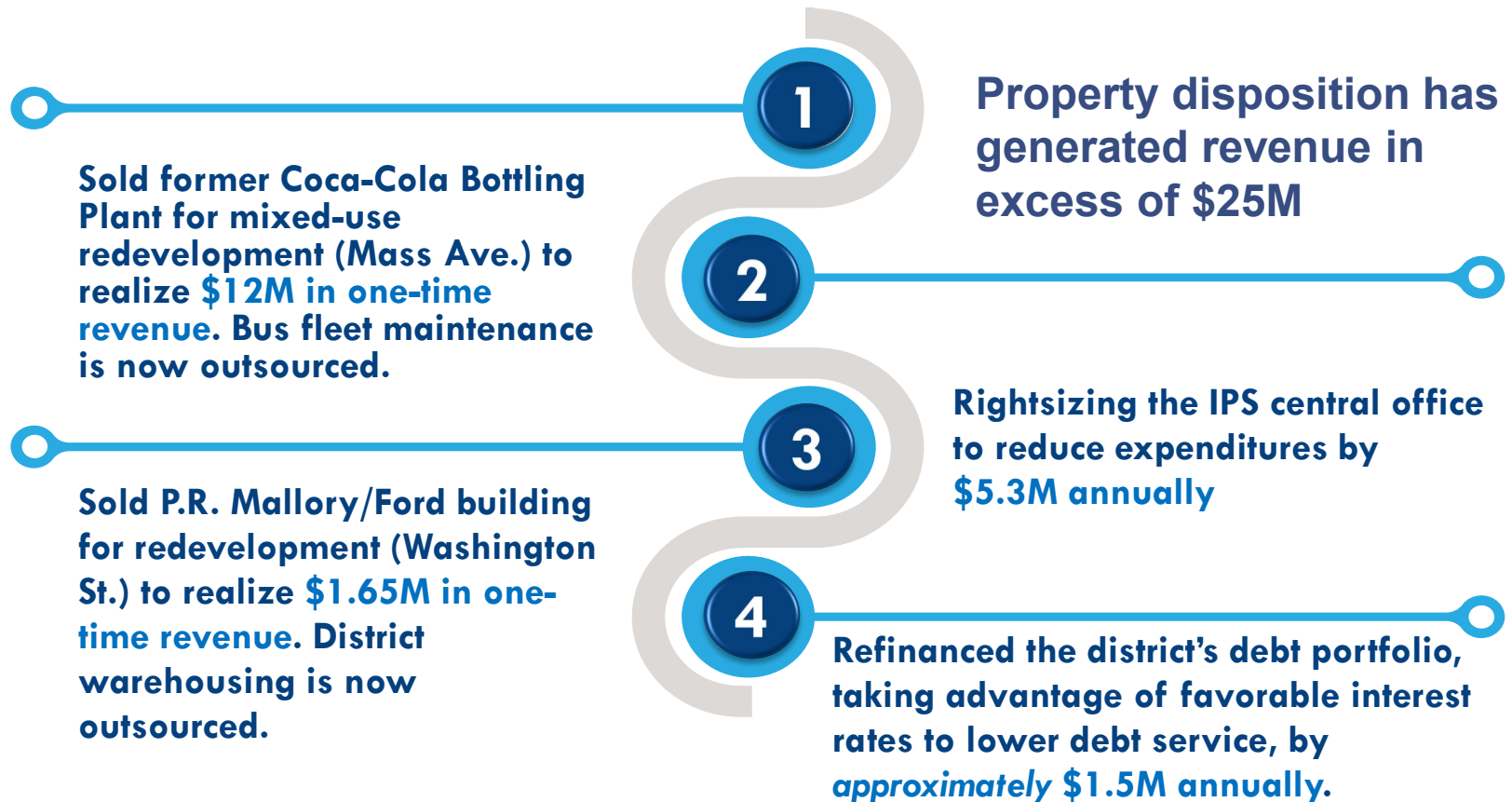
In 2024, IPS is now in the “lead pack” among Marion County School Districts when it comes to Minimum (Starting) Salary and lags other districts in Average and Maximum Salary



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

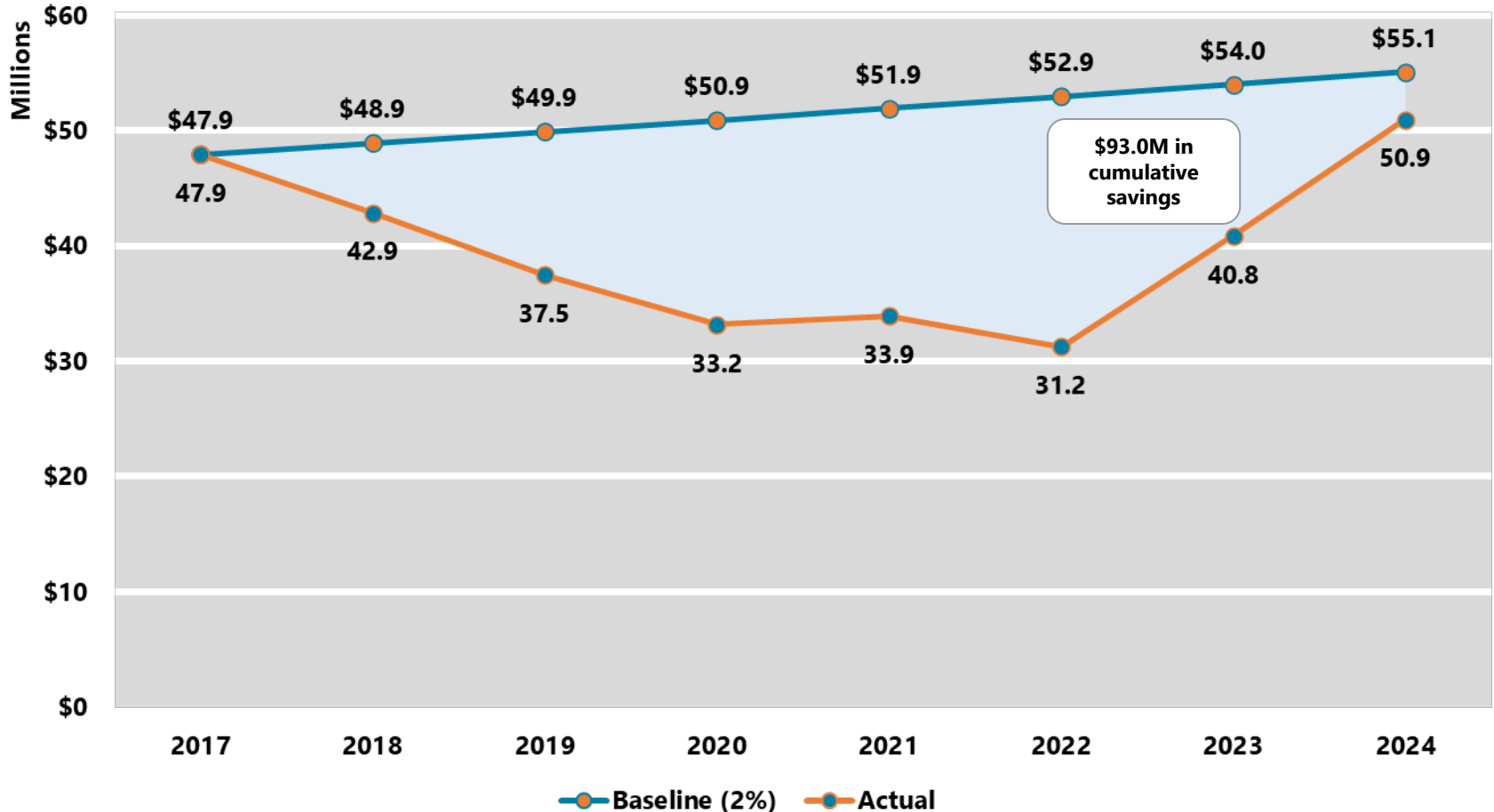
- Increasing automated systems
- Cultivating a service mindset

Health Insurance & Wellness

- Controlled costs while increasing access to quality providers

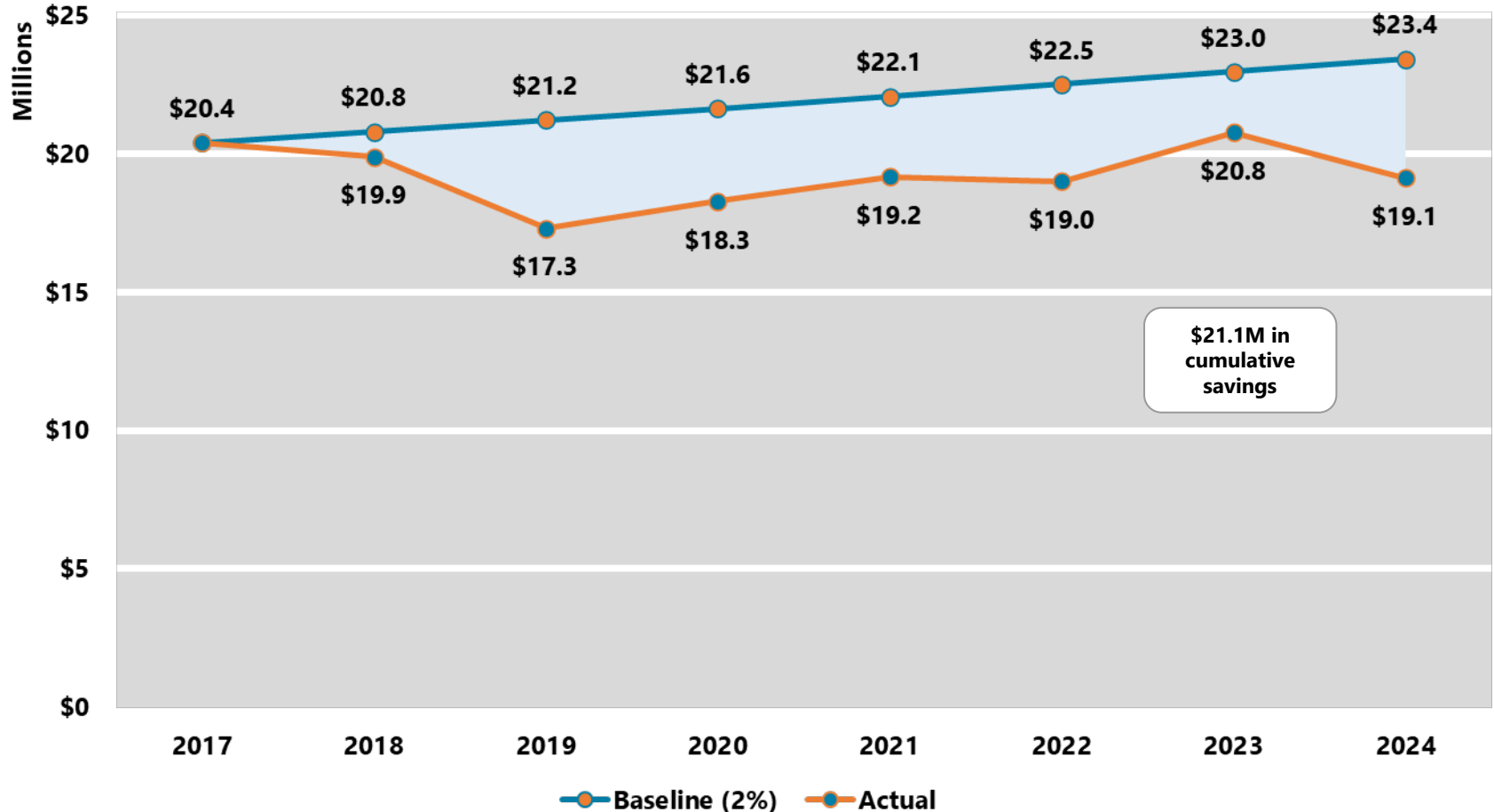
Transportation Efficiency Savings

Compared to Pre-Referendum Projection



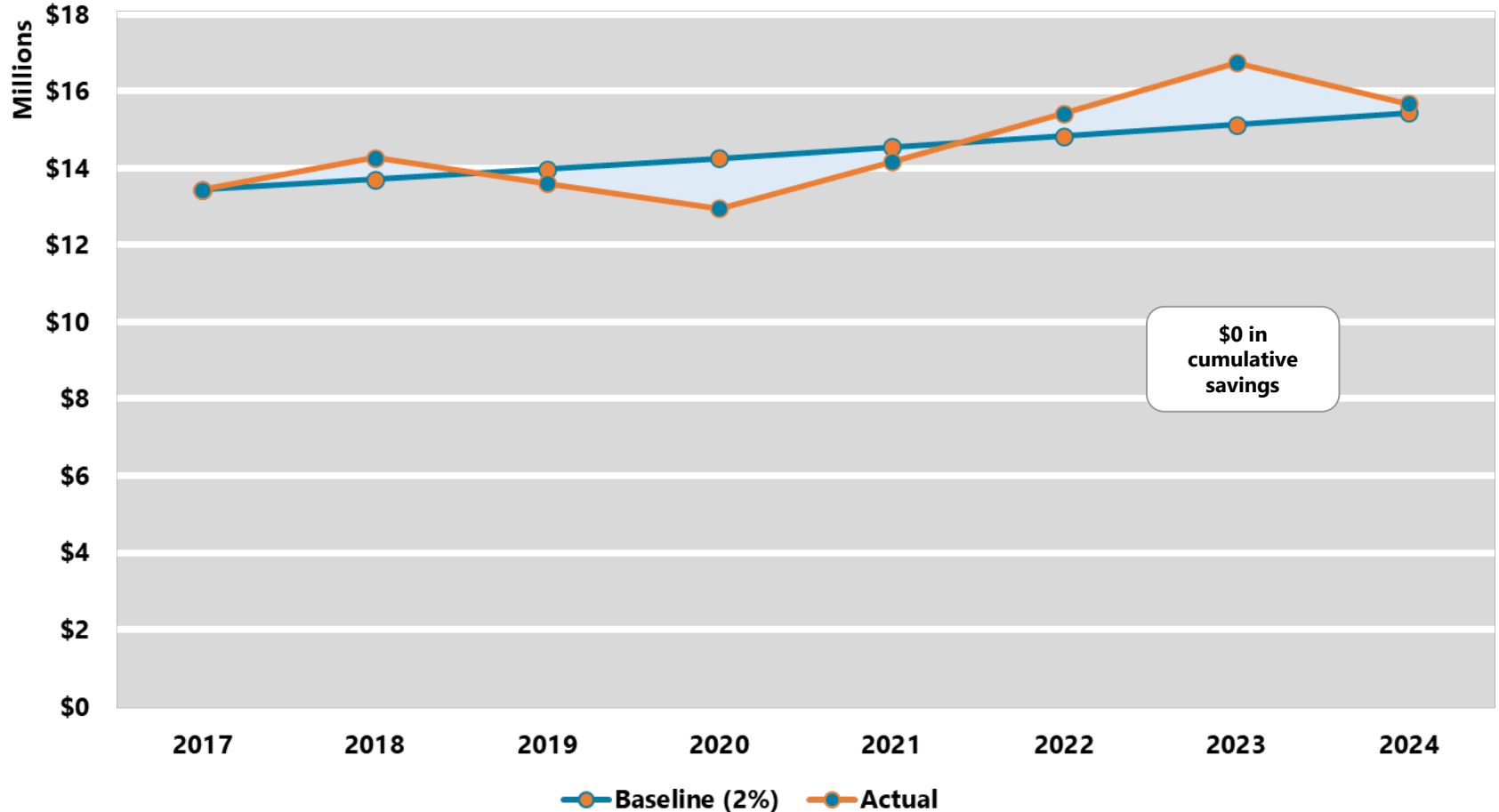
Custodial Efficiency Savings

Compared to Pre-Referendum Projection



Utilities Efficiency Savings

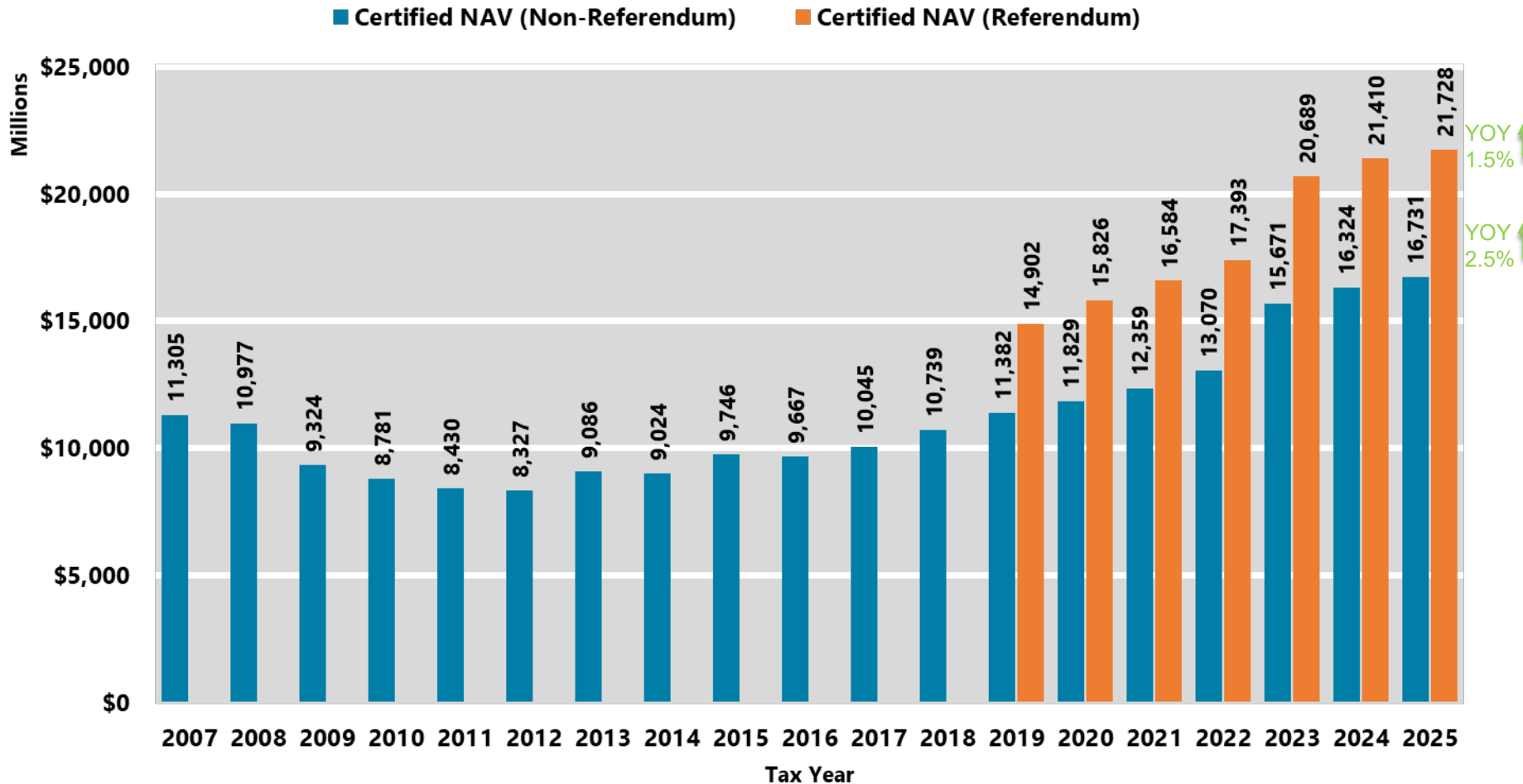
Compared to Pre-Referendum Projection



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

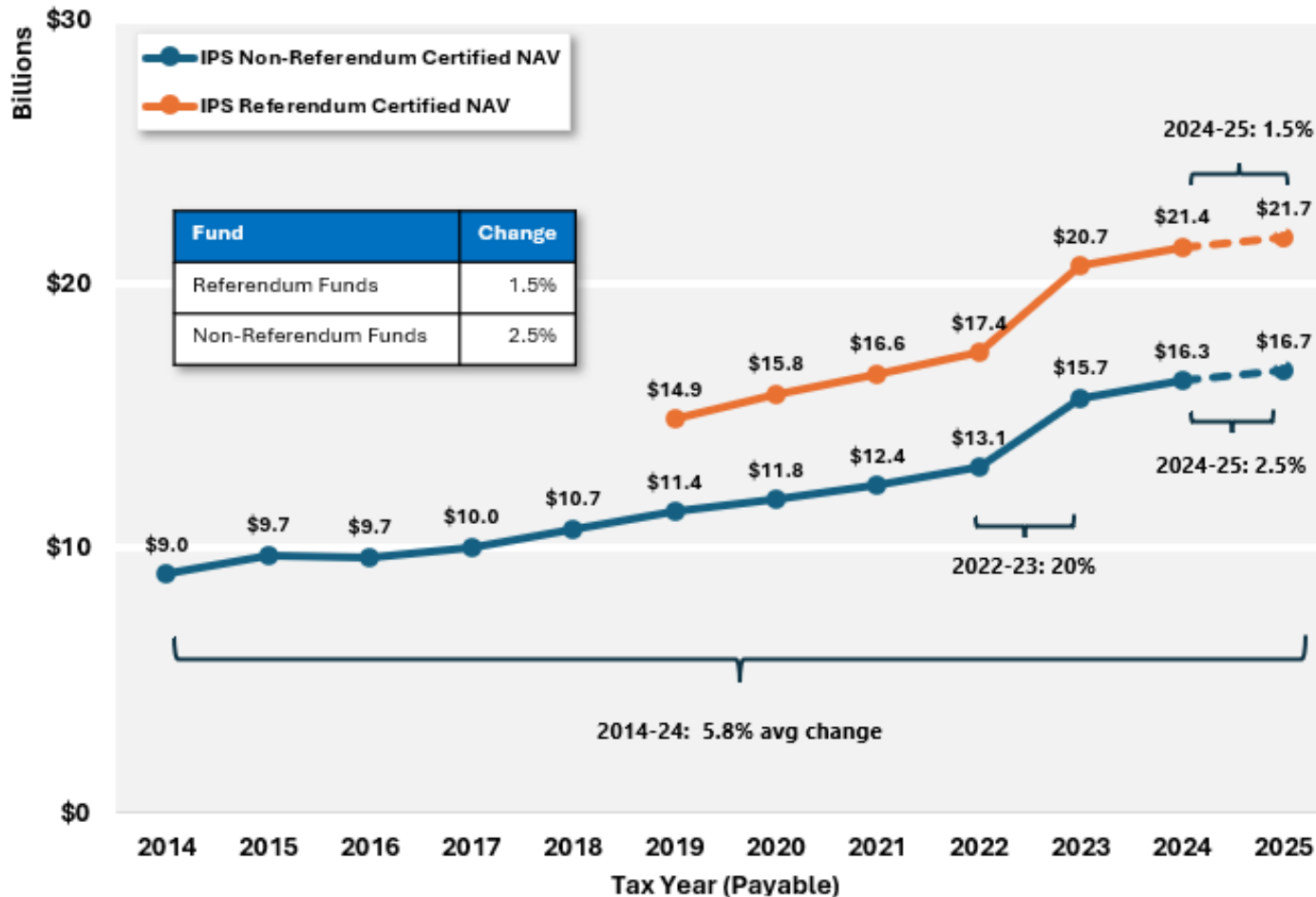
Funds	SY 15-16	SY 16-17	SY 17-18	SY 18-19	SY 19-20	SY 20-21	SY 21-22	SY 22-23	SY 23-24
Interest Income	\$640K	\$1.6M	\$1.9M	\$2.5M	\$2.7M	\$1.1M	\$677K	\$3.5M	\$11.3M
Textbook Rental & IDOE Reimb	\$1.7M	\$1.8M	\$2.0M	\$1.7M	\$1.8M	\$2.1M	\$1.7M	\$1.9M	\$3.3M
Medicaid Reimbursement	\$674K	\$941K	\$1.9M	\$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
Subtotal Annual	\$4.6M	\$6.7M	\$10.7M	\$10.1M	\$9.2M	\$9.1M	\$8.7M	\$11.8M	\$22.1M
Sale of Property	\$2.3M	\$385K	\$13.4M	\$2.7M	\$5.8M	\$0	\$0	\$0	\$0
Total Annual & One-Time	\$6.9M	\$7.1M	\$24.1M	\$12.9M	\$15.0M	\$9.1M	\$8.7M	\$11.8M	\$22.1M

Historical Perspective: Certified Assessed Value (\$)



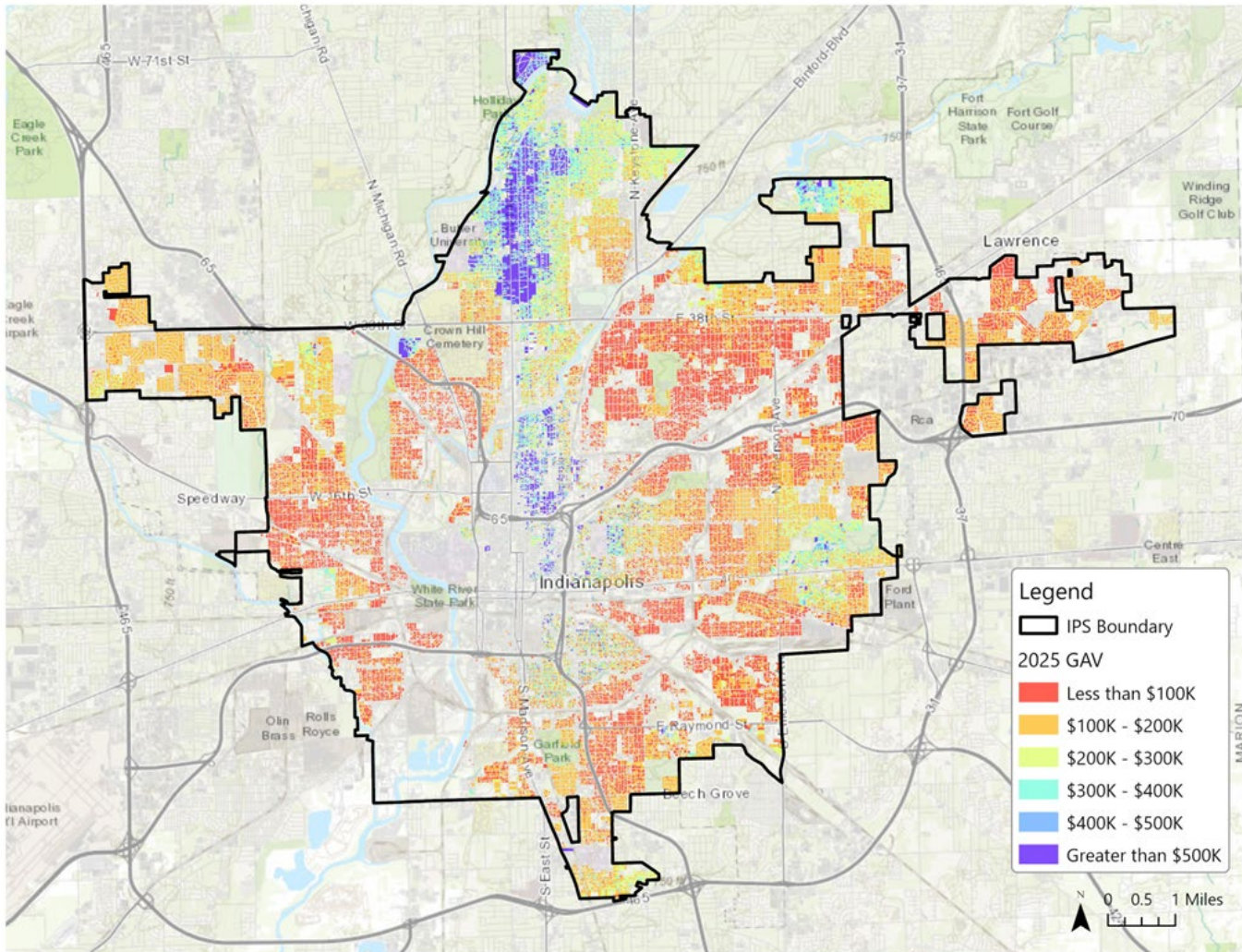
IPS Certified Net Assessed Value Growth by Tax Year

IPS Certified Net Assessed Value Timeseries



- Marion County Net Assessed values were certified by the Auditor in August, 2024.
- The Certified Net Assessed Value forms the basis of the property tax rate calculations for the 2025 calendar year.
- Referendum funds (post 2009) include assessed value from TIF (tax increment financing) districts).

Property Tax Considerations in IPS Boundary

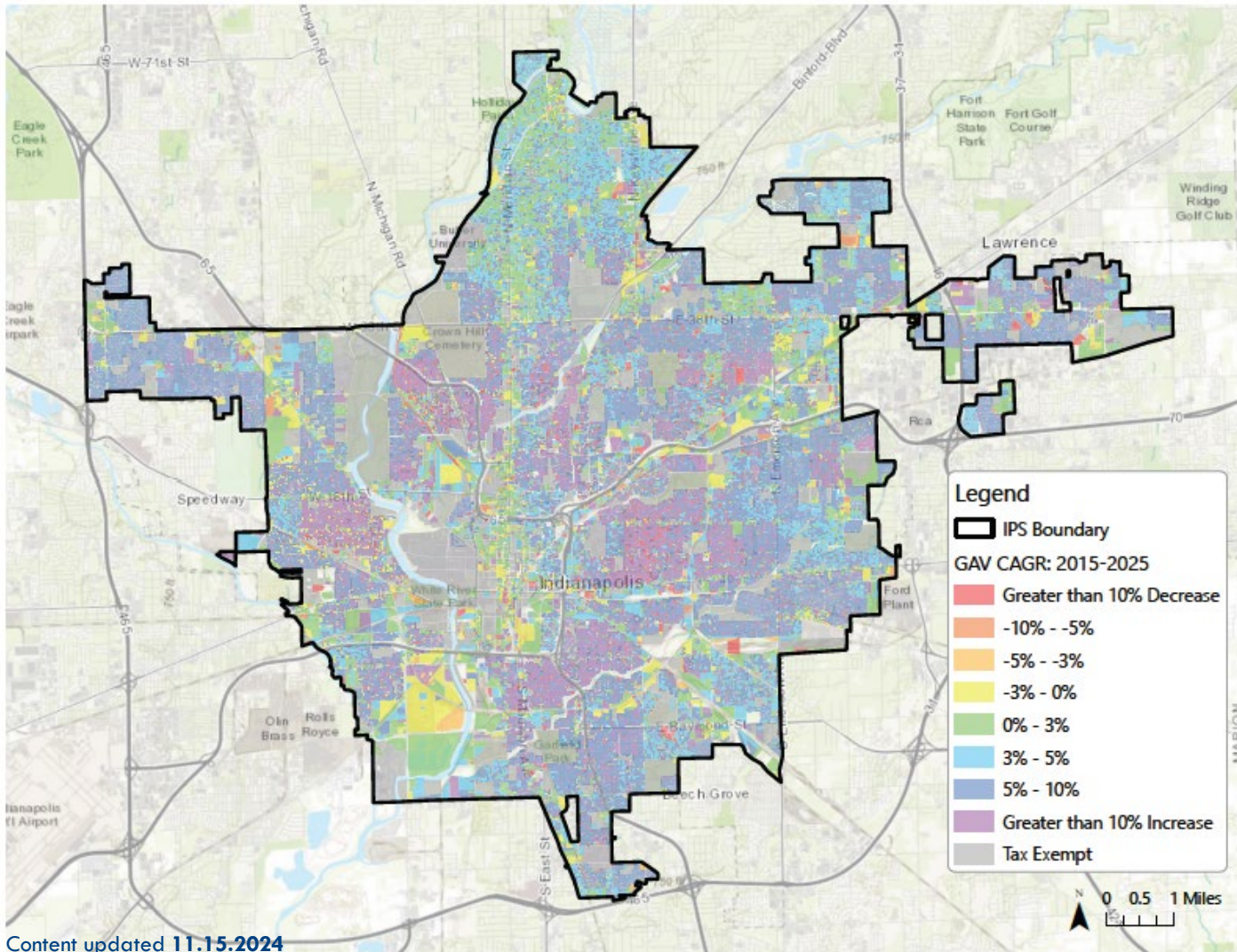


Range of Residential Gross Assessed Valuations for 2025 in IPS Boundary

Homestead properties valued greater than \$165,000 are at the 1% circuit breaker cap.

Approximately 54% of properties within IPS are at the circuit breaker cap. Those not at the cap include non-residential properties, and homesteads valued less than \$165K.

Property Tax Considerations in IPS Boundary

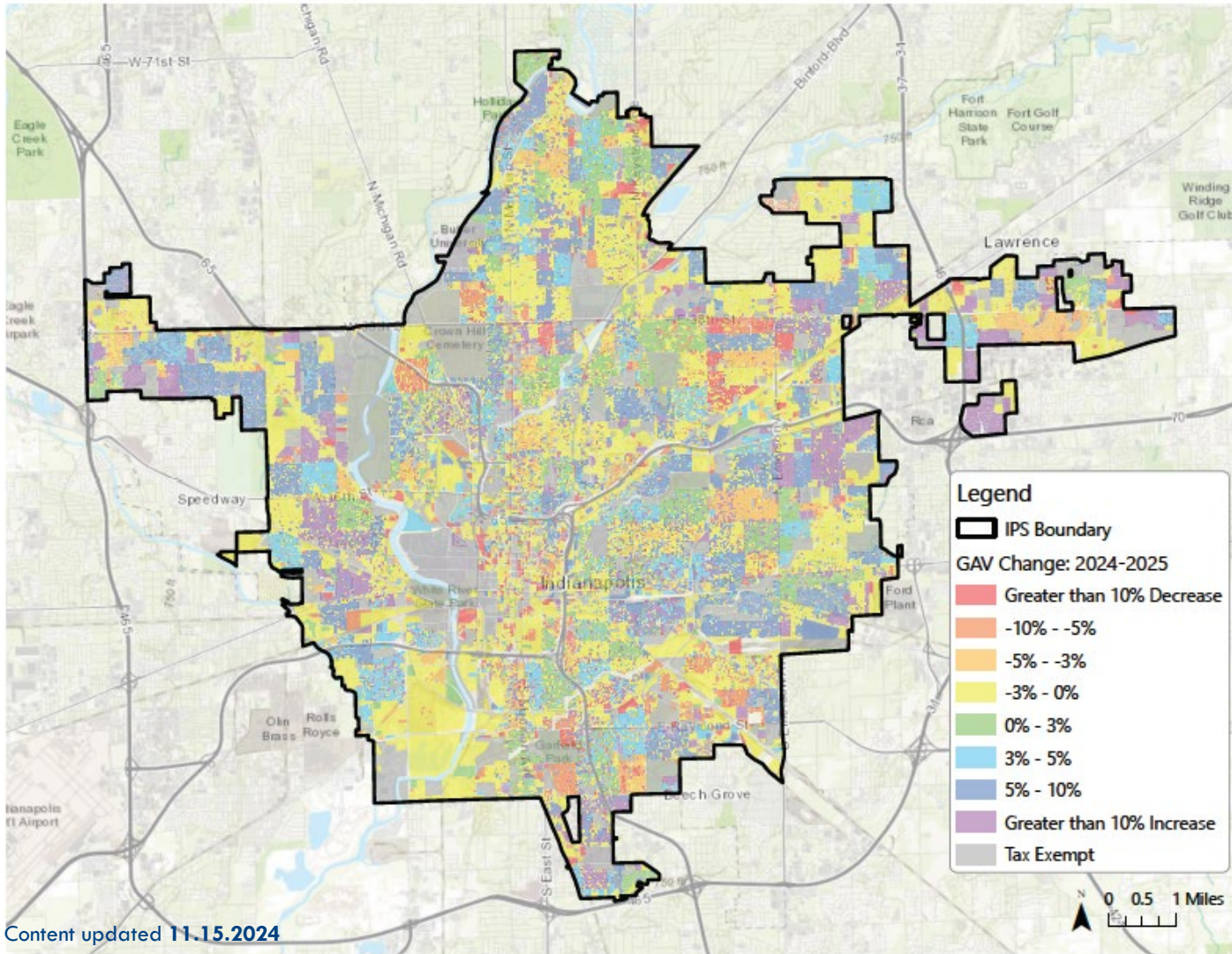


IPS Gross Assessed Value change from 2015 to 2025 in IPS Boundary

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.

Property Tax Considerations in IPS Boundary

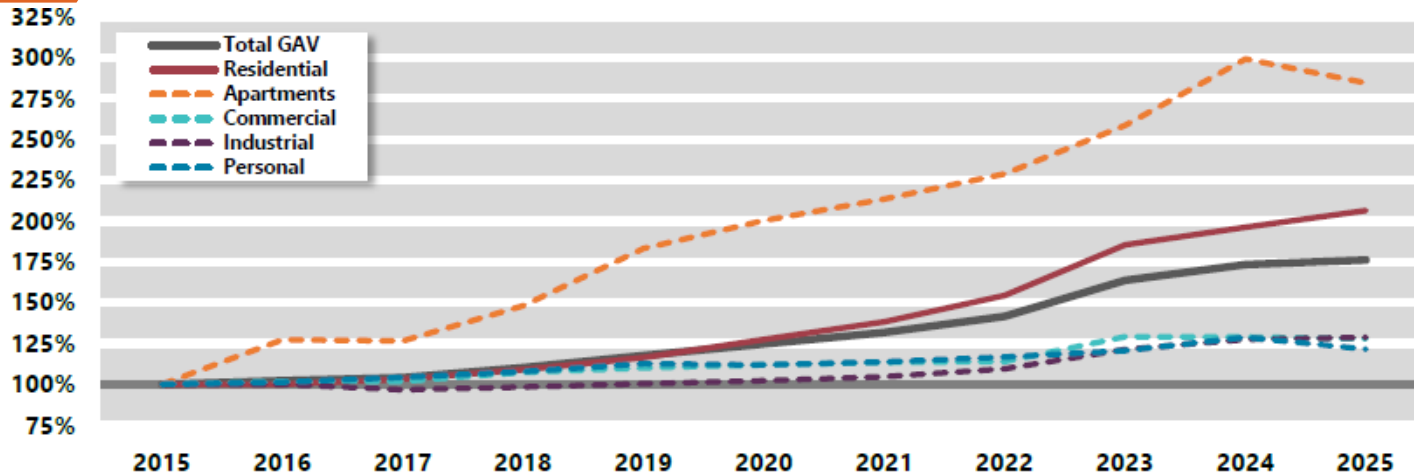


IPS Gross Assessed Value (all property types) change from 2024 to 2025 in IPS Boundary

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.

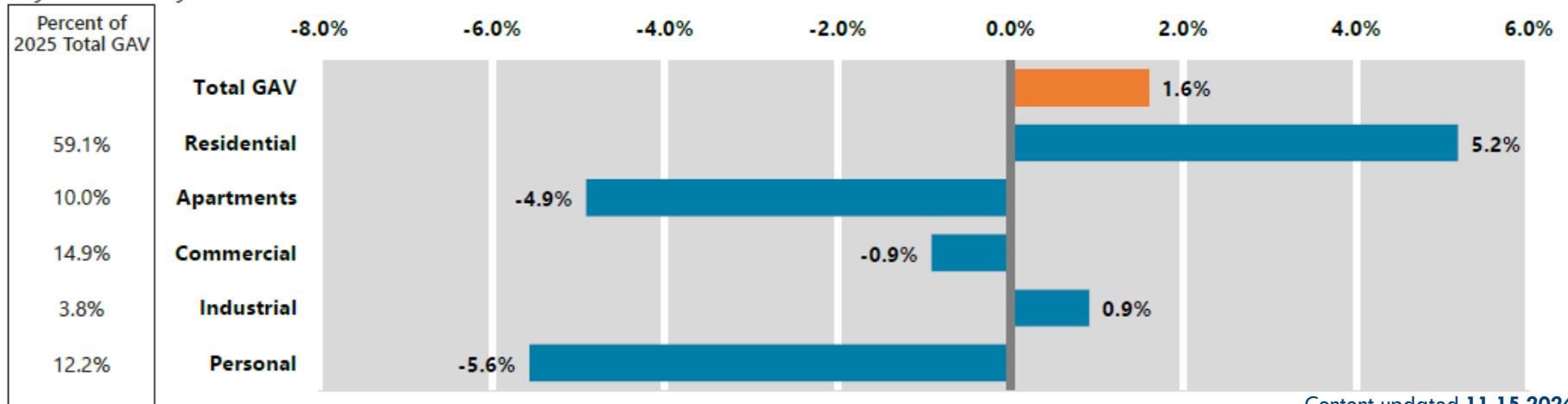
IPS Gross Assessed Value History by Property Class (Indexed to 2015)



IPS's tax base is comprised primarily of residential property, which increased by an average of 7.5% between 2015 and 2025. In total, IPS's gross assessed value has increased by 5.8% annually since 2015.

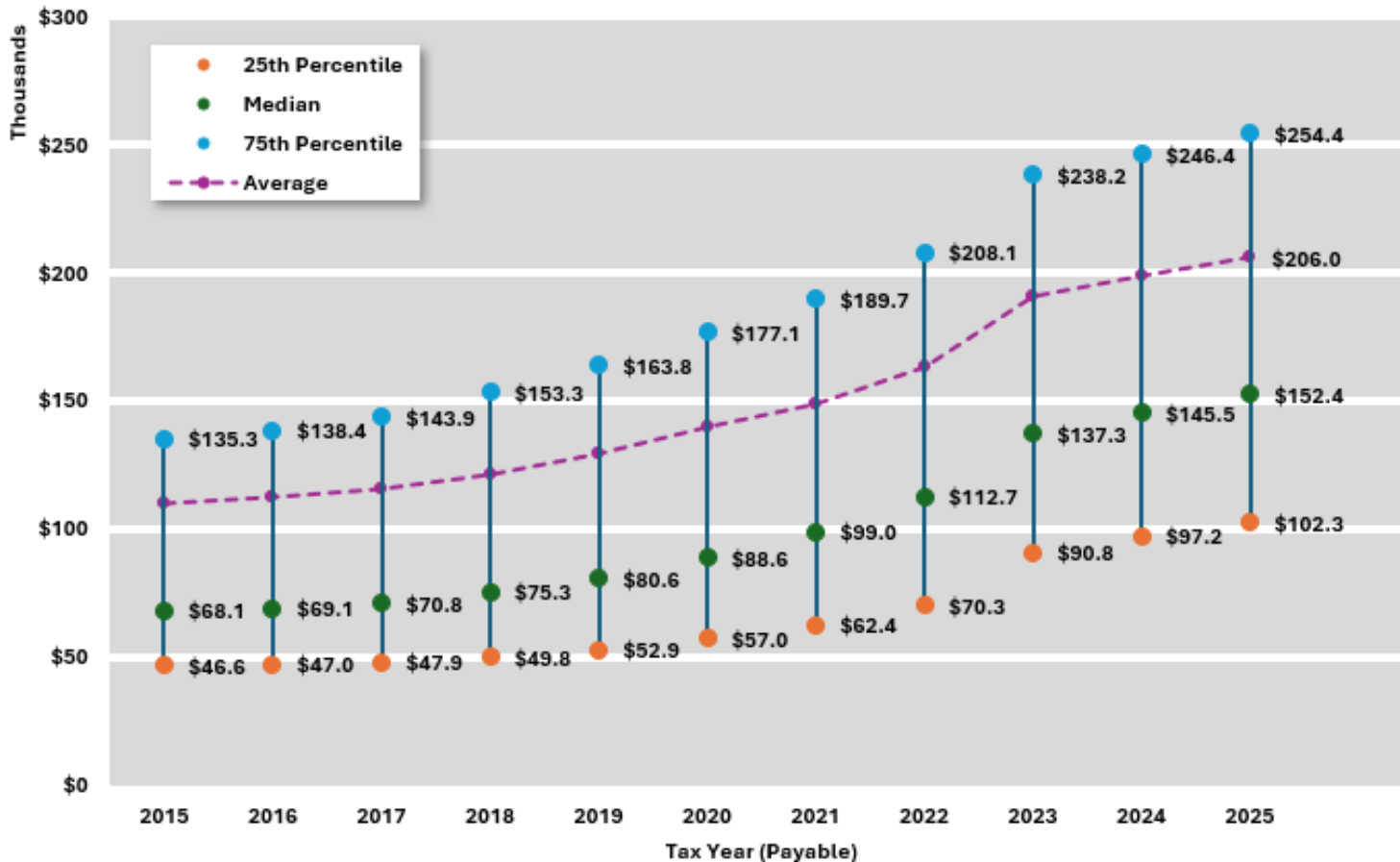
Gross Assessed Value Change by Property Class

Pay 2024 to Pay 2025 Tax Year



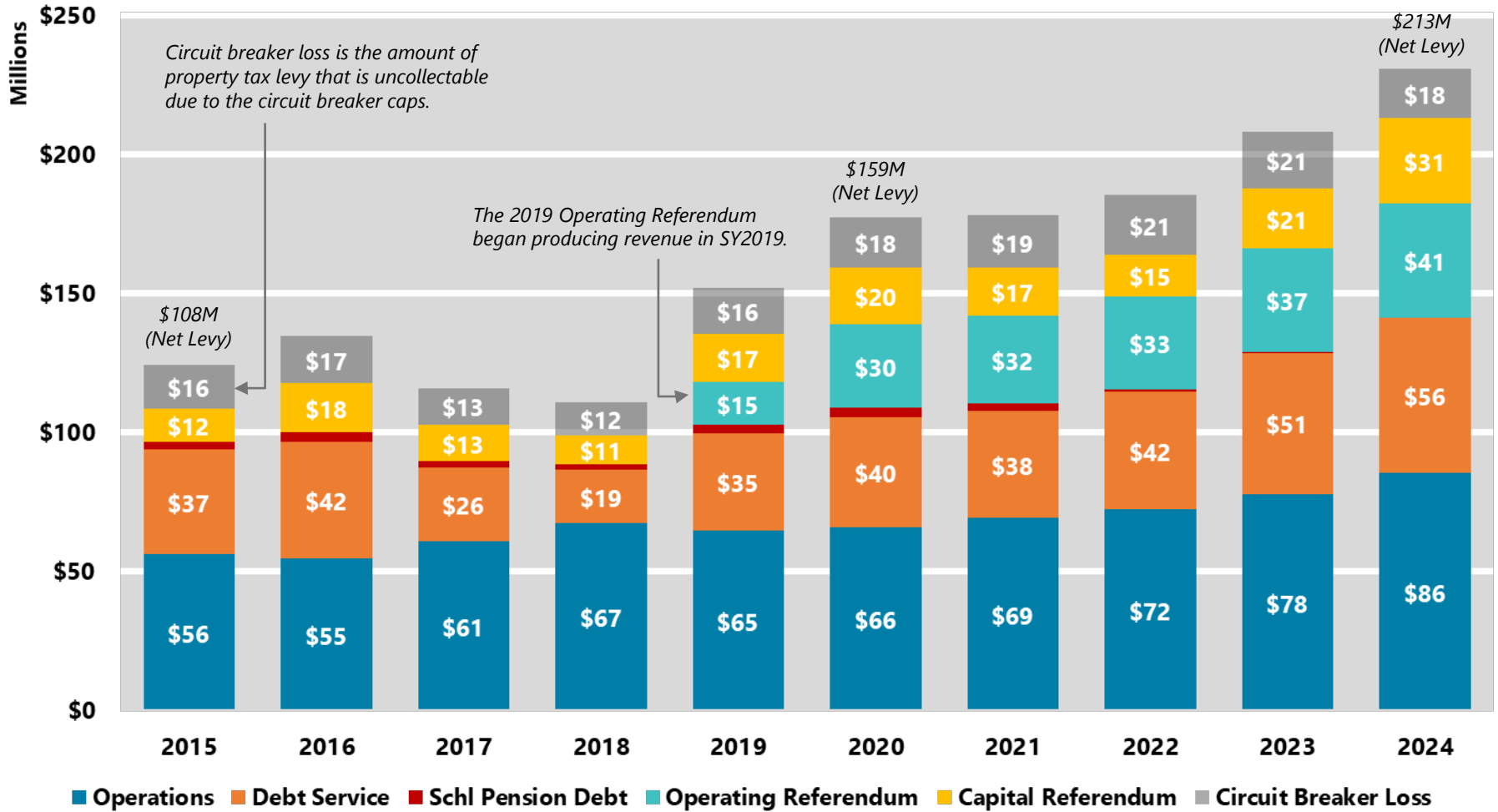
IPS Homestead Gross Assessed Value by Tax Year

Homestead Assessed Value within IPS Boundaries



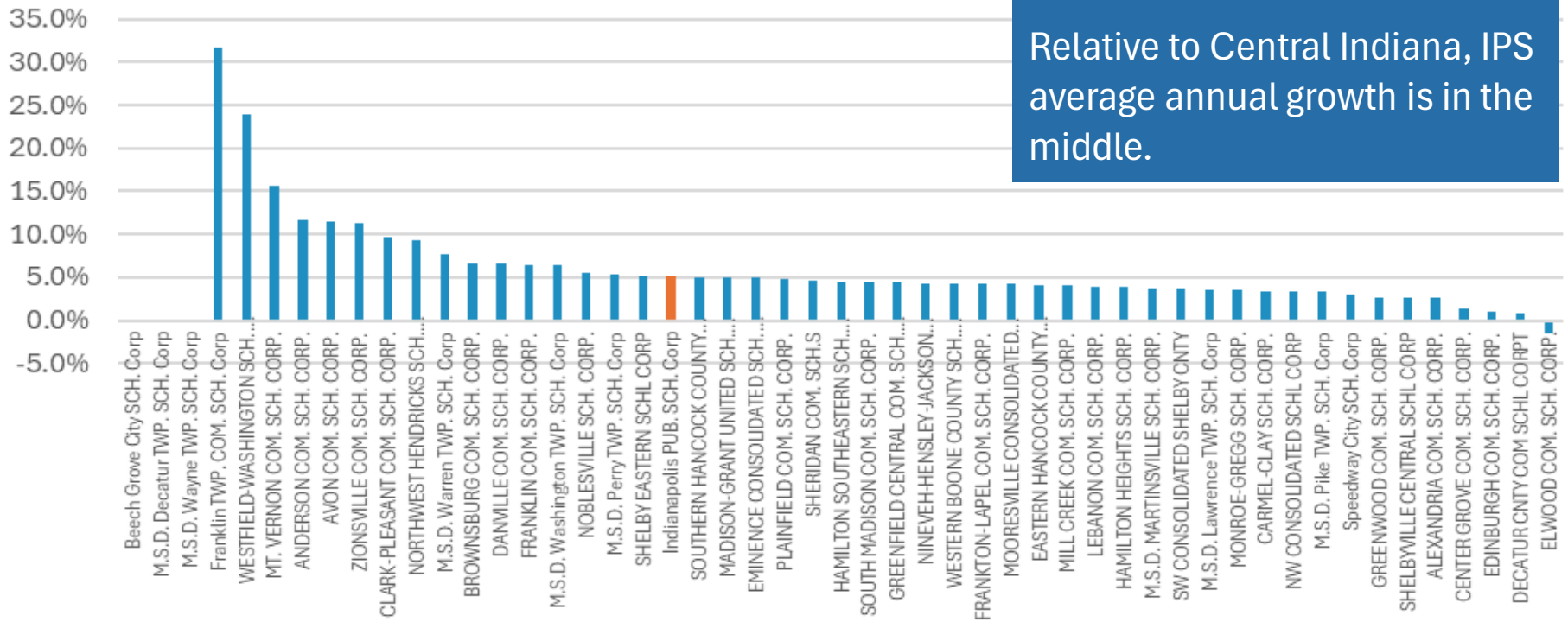
- The median homestead (owner occupied) gross assessed value within IPS boundaries is \$152,400.
- The median homestead increased by 4.7% between the Pay 2024 and Pay 2025 tax years.
- Between the 2023 and 2018 tax years, the median home value increased by 13% annually.

IPS Property Tax Revenue by School Year



Property Tax Growth – Operations Funds

Central Indiana School Districts
 % Change Net Levy
 Operations Funds
 2014 to 2024

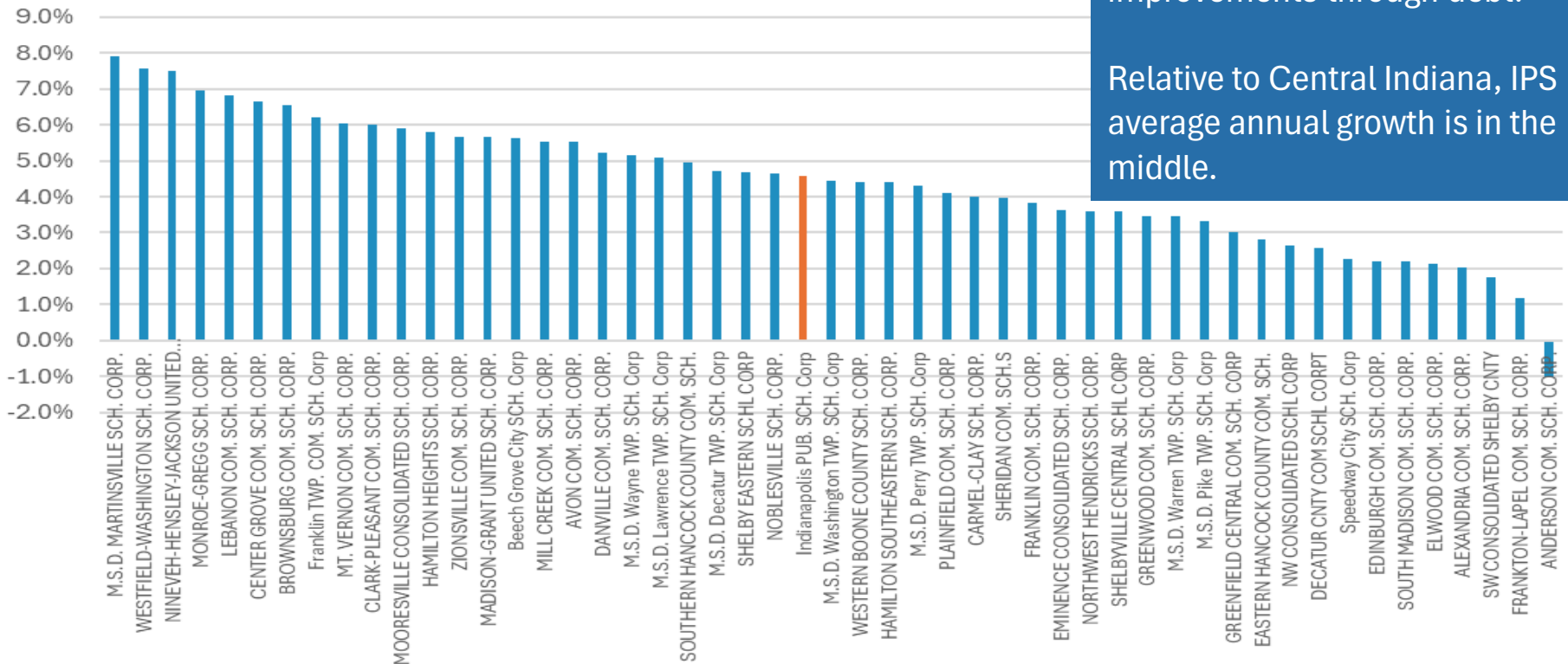


Operations fund growth is not unusual.

Relative to Central Indiana, IPS average annual growth is in the middle.

Non-Referendum Property Tax Growth – Operations & Debt

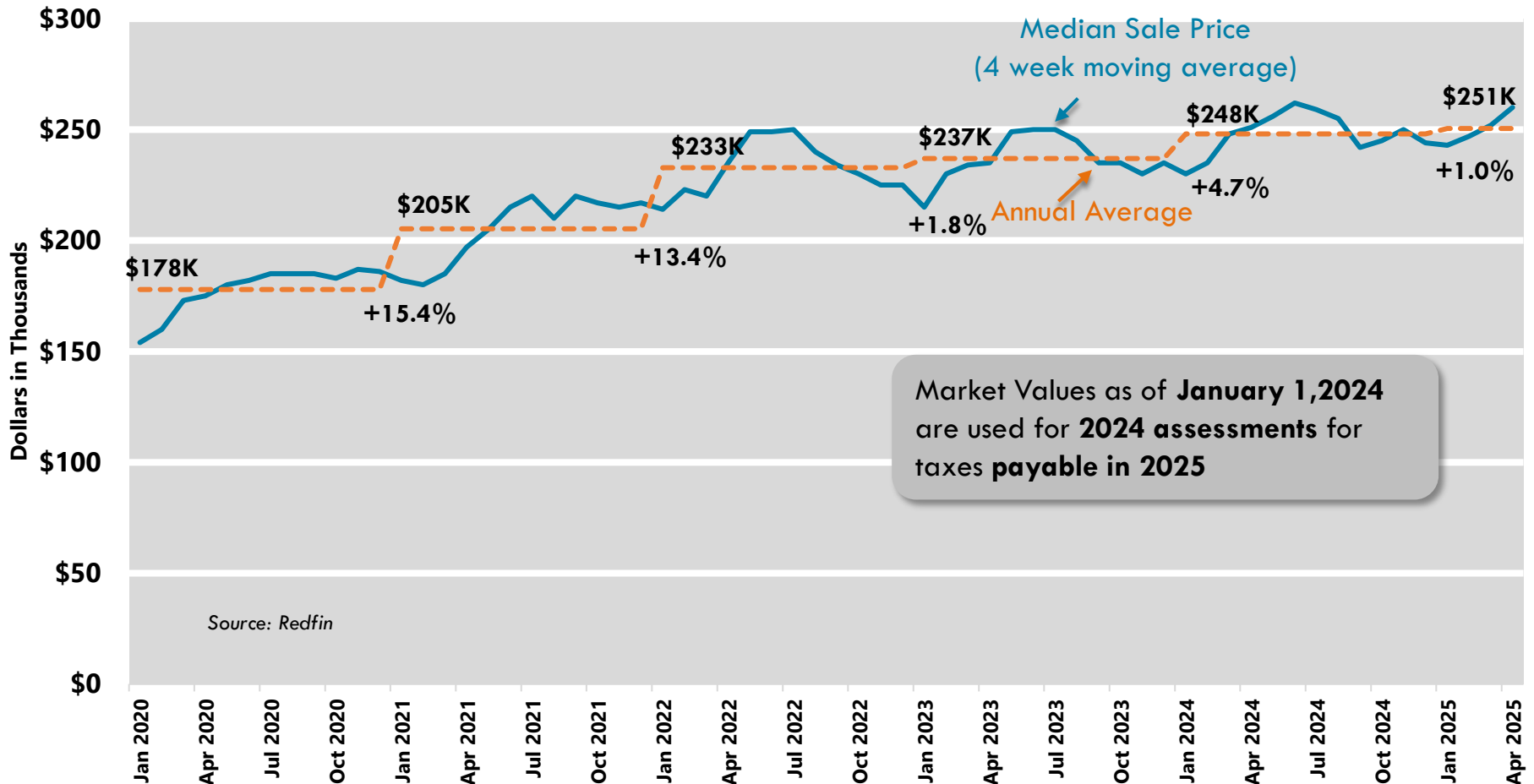
Central Indiana School Districts
 % Change Net Levy
 Non-Referendum Funds
 2014 to 2024



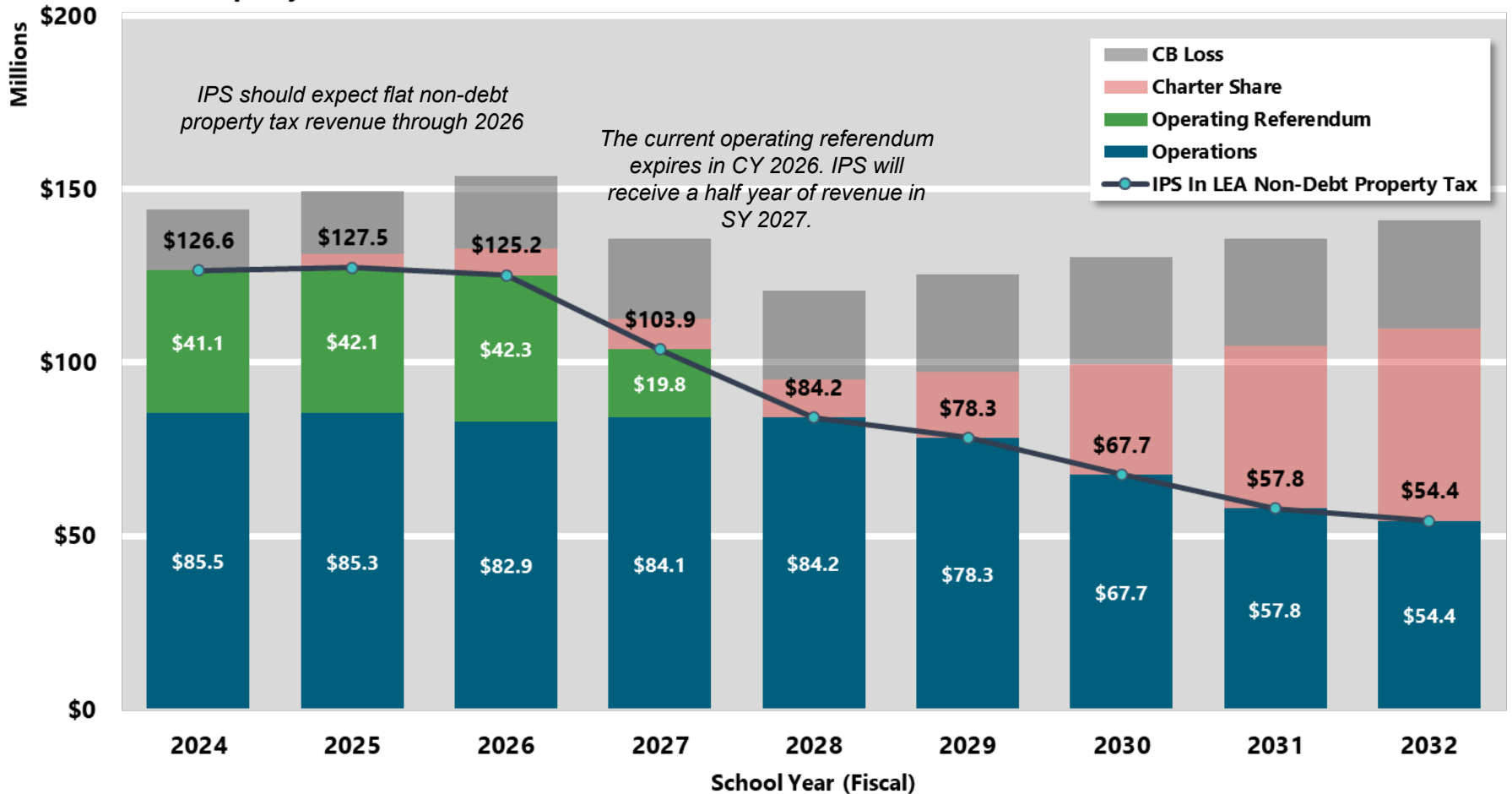
Non-Referendum growth is not unusual. Growth due to capital improvements through debt.

Relative to Central Indiana, IPS average annual growth is in the middle.

Marion County Median Housing Sale Price

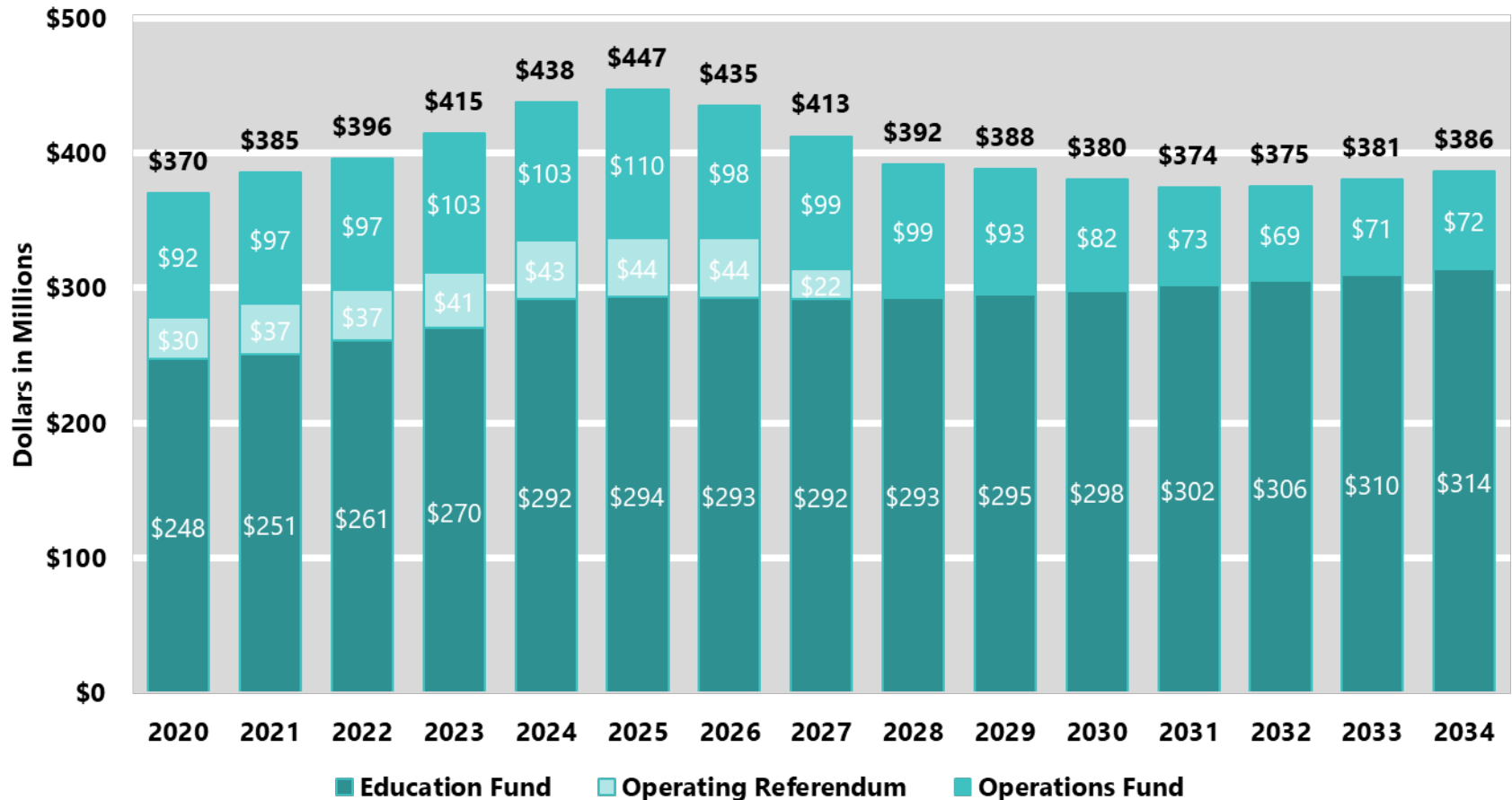


IPS Property Tax Revenue Forecast (Non-Debt Funds)



Revenue Projection

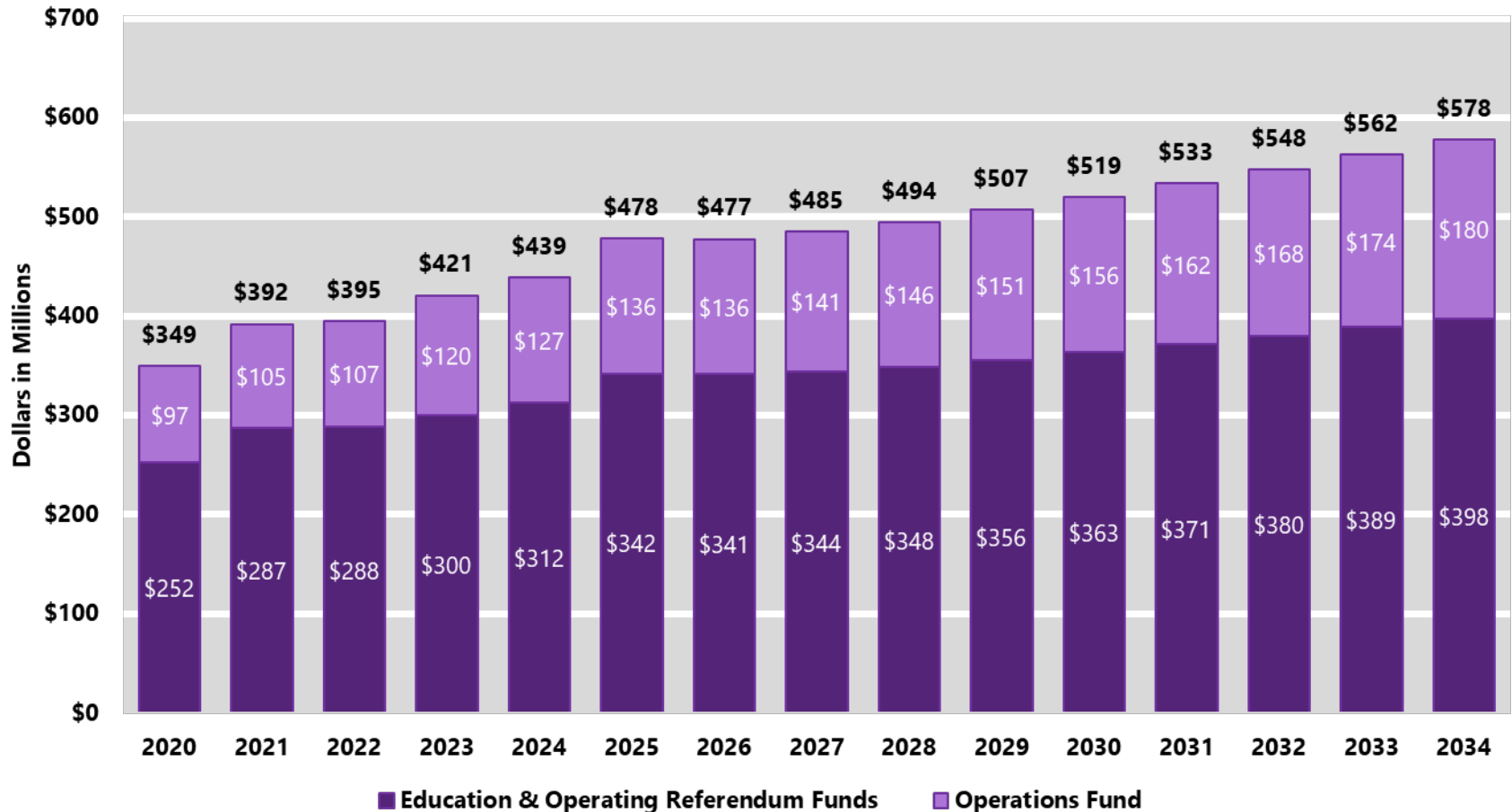
Education, Operations, and Operating Referendum Funds



IPS Expenditure Forecast by Fiscal Year (excludes Debt Service)

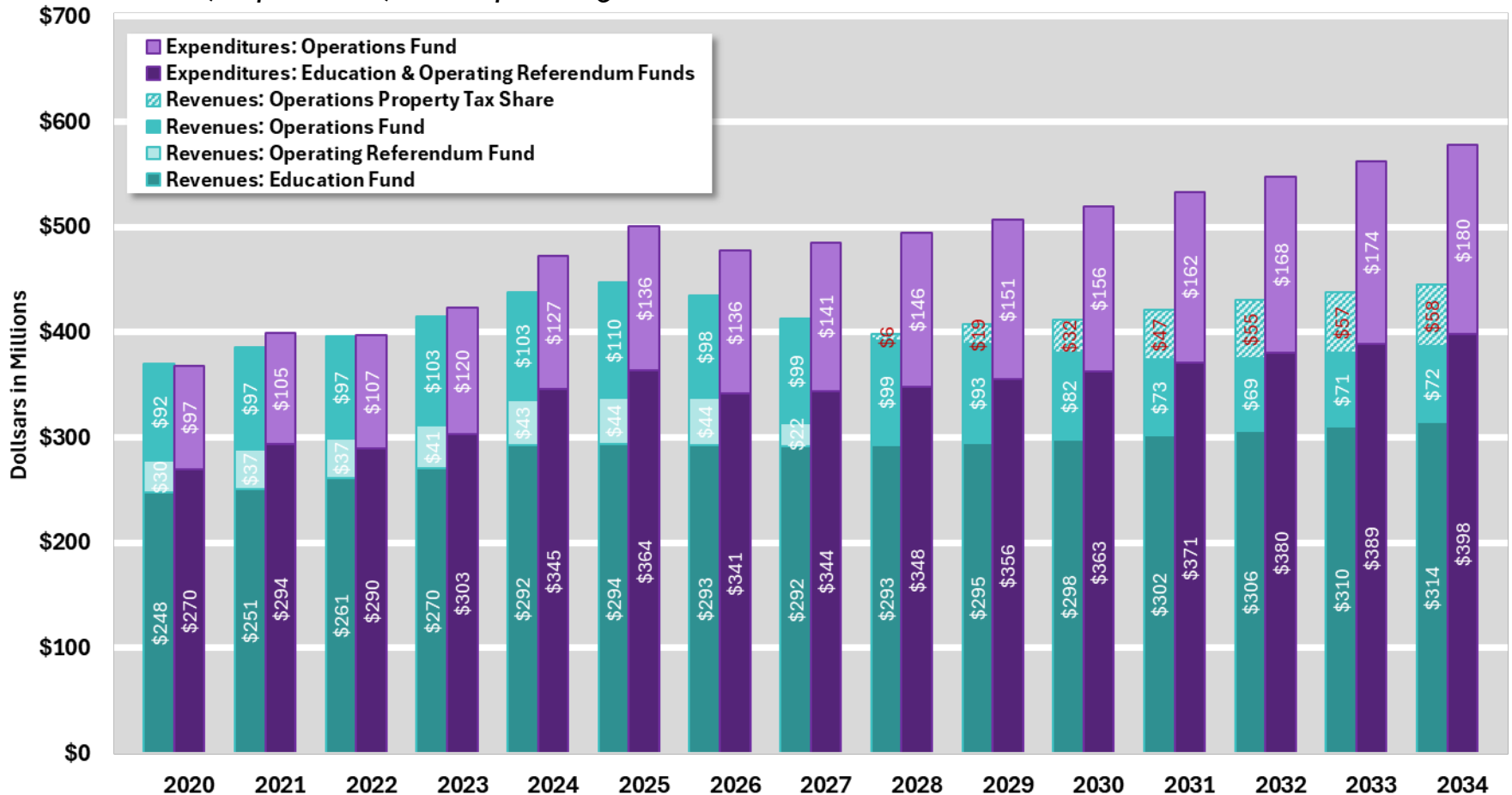
Expenditure Projection

Education, Operations, and Operating Referendum Funds

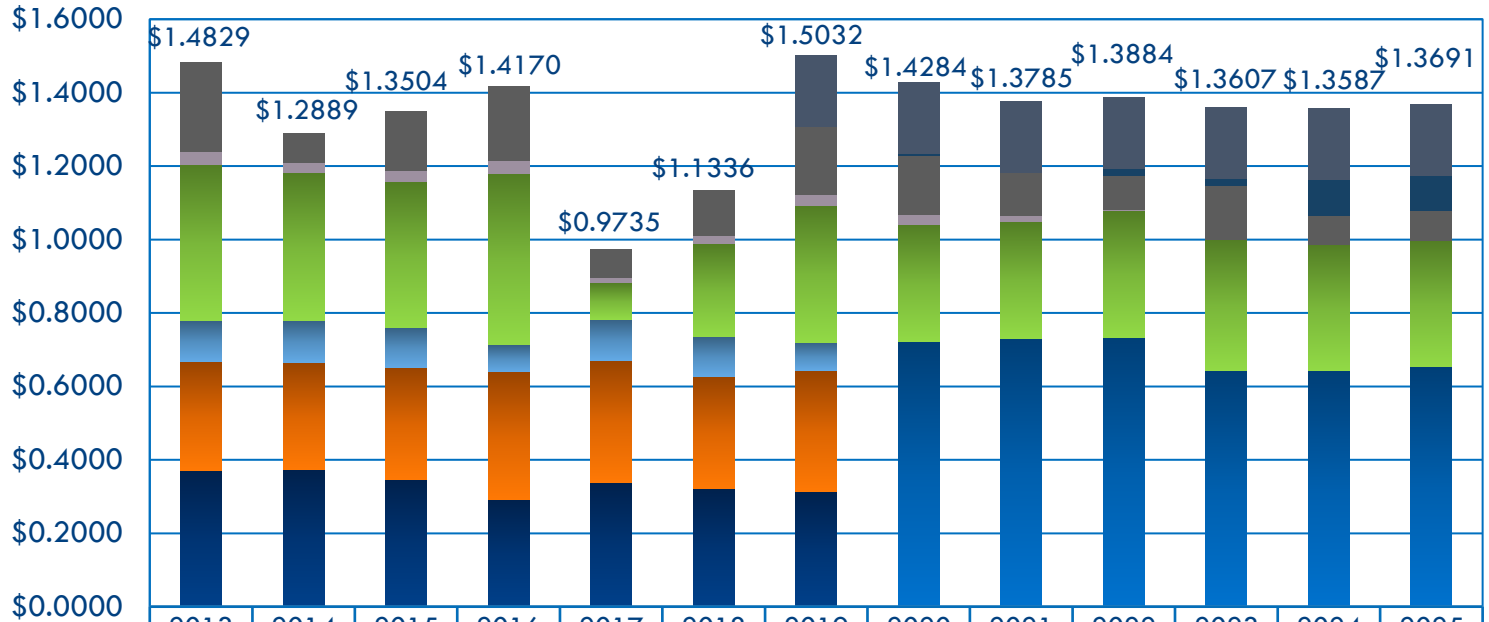


Revenue & Expenditure Projection

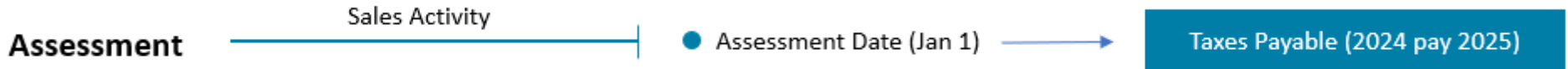
Education, Operations, and Operating Referendum Funds



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



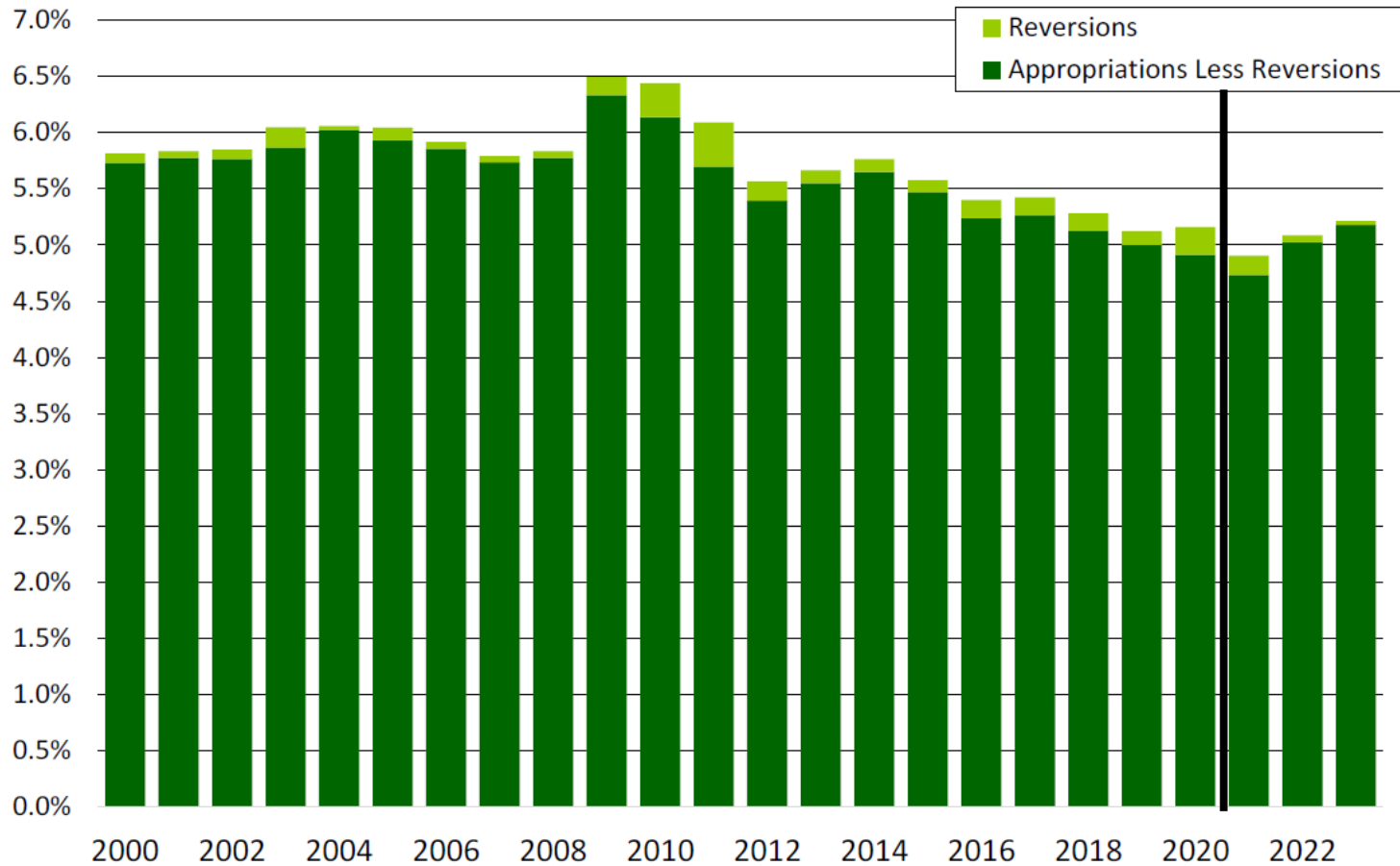
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Referendum Operating	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.1960	\$0.1960	\$0.1960	\$0.1960	\$0.1960	\$0.1950	\$0.1960
Referendum Debt Post '09	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0053	\$0.0026	\$0.0193	\$0.0168	\$0.1000	\$0.0936
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	\$0.0834
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	\$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	\$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	\$0.6531
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	\$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	\$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	\$0.0000



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

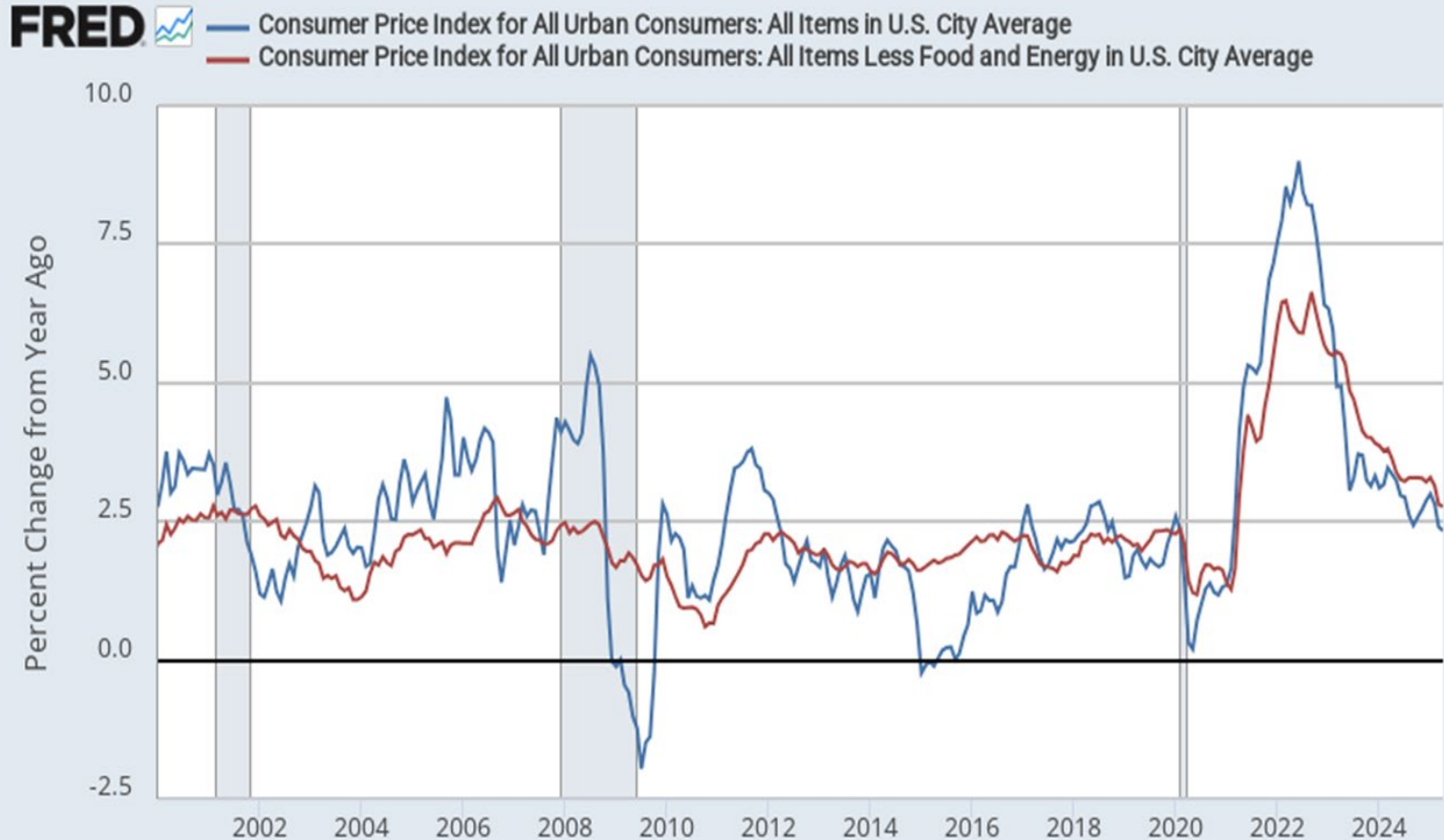
Indiana State Appropriations as Percent of Indiana Total Personal Income (Budgeted 2021–2023)



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 few years and into SY 2024-25. These impact families and organizations in ways such as employment disruption, issuance of various federal policies, labor & materials shortages, & housing instability.

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

Source: U.S. Bureau of Labor Statistics via FRED®

Shaded areas indicate U.S. recessions.

mvf red/a/1 l3ae

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"> 1) Utilize commodity items 2) Menu Shifts 3) Contract pricing shifts 4) Strategic sourcing 	<ol style="list-style-type: none"> 1) Cenergistic partnership 2) EnergyStar building initiatives 3) Building Access Control investments 4) Strategic sourcing 	<ol style="list-style-type: none"> 1) Execute Bond Issuance and Reimbursement Resolutions 2) Adjust project timelines 3) Strategic sourcing
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

- ❑ 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 2024-25 Allocations [here](#))