



# SY 2025–26 Q2 FINANCE UPDATE

Weston Young, CPA – Chief Financial Officer

February 25, 2026

- 1 SY 2025-26 YTD in Review
- 2 Supplier Diversity
- 3 Decision Points & Planning
- 4 Focus on Long-Term Planning
- 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 &amp; Strategy for SY 2025–26

## Debt Issued to Support Learning Environments

- [\\$108M Deferred Maintenance Debt](#) Closed November 13, 2025
- [\\$121M Capital Referendum Debt](#) Closed December 2, 2025
- Legislative Clarity needed for future issuances of [Deferred Maintenance Debt](#)

## Rebuilding Stronger Implementation

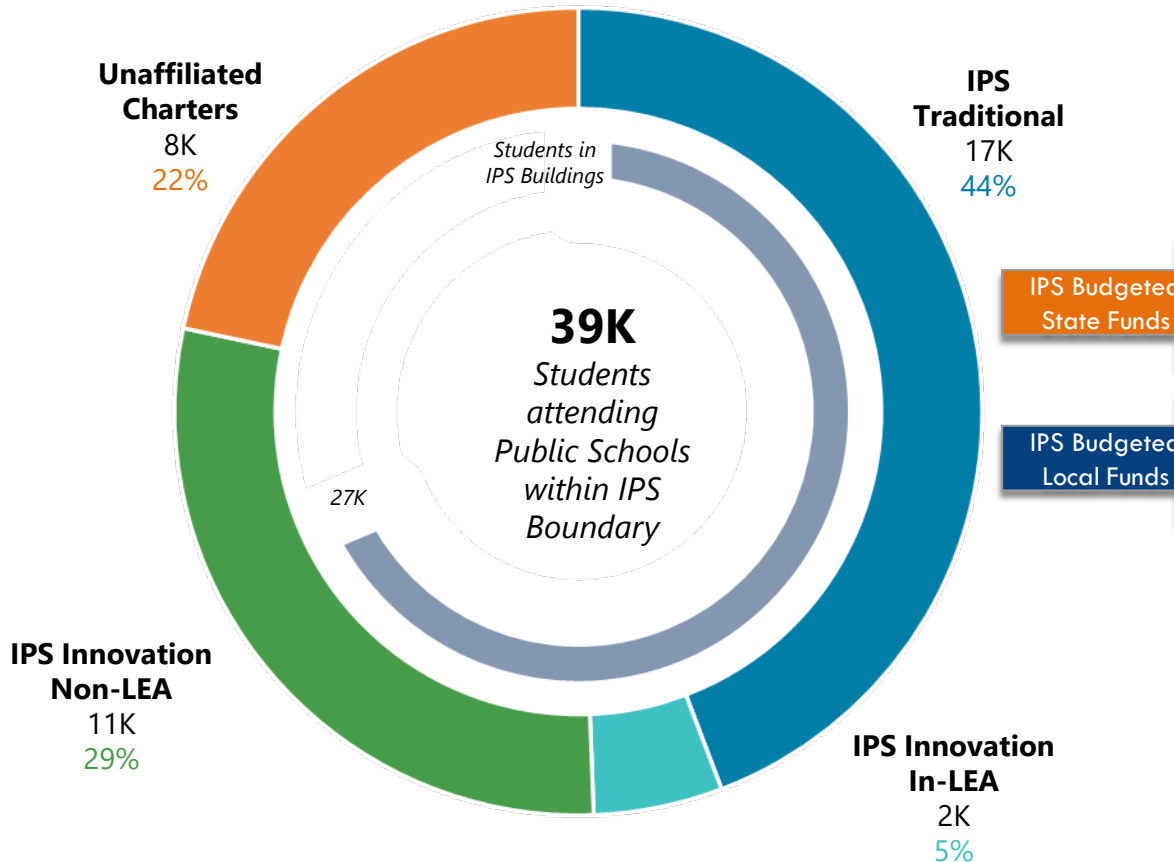
- Continue [Student Experience](#) Priorities for SY 2025-26
  - Positions & Programming

## Resource Allocation &amp; Reporting

- [2023 Capital Referendum Capital Improvement Dashboard](#)
- Support Budget Implementation for [SY 2026-27](#) & Beyond
- Finalized SY 2024-25 [Fiscal Year-End Reporting](#)
- Finalizing SY 2024-25 Financial and Federal Awards Annual [Audit](#)

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

Discussions around school funding depend on the number of students



- **“19k”** → IPS Federal and State Reporting → “IPS-LEA”

- **“27k”** → Supported by IPS Operations → “IPS Operations”

IPS Budgeted State Funds

- **“30k”** → IPS Accountability → “IPS Innovation Network”

IPS Budgeted Local Funds

- **“39k”** → 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

## SY 2021 to 2025 YTD Cash Flow Summary

	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
	Actual	Actual	Actual	Actual	Actual	Q2	Actual	Actual	Actual	Actual	Actual	Q2

### RECEIPTS

Tuition Support	251	258	268	286	289	144	49%	46%	41%	43%	43%	49%
Local Property Taxes - Operations	85	83	90	86	87	40	16%	15%	14%	13%	13%	14%
Local Property Taxes - Referendum	35	35	38	40	42	20	7%	6%	6%	6%	6%	7%
Local Property Taxes - Debt	58	54	65	86	91	44	11%	10%	10%	13%	14%	15%
Other Taxes	16	20	20	19	18	9	3%	4%	3%	3%	3%	3%
Federal Revenue	43	37	38	40	51	19	8%	7%	6%	6%	8%	6%
ESSER	2	30	88	67	30	-	0%	5%	14%	10%	5%	0%
Food Service	10	22	23	22	21	10	2%	4%	4%	3%	3%	3%
Disposal of Property	0	0	0	0	1	0	0%	0%	0%	0%	0%	0%
Other	17	17	16	21	36	9	3%	3%	3%	3%	5%	3%
<b>Total Receipts</b>	<b>516</b>	<b>557</b>	<b>646</b>	<b>668</b>	<b>666</b>	<b>294</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### EXPENDITURES

General Education	123	120	138	136	133	61	23%	22%	22%	20%	20%	19%
Special Education	47	45	49	49	56	26	9%	8%	8%	7%	8%	8%
Innovation Network	88	104	110	116	123	63	17%	19%	17%	17%	18%	20%
Educational Support	88	85	103	111	90	43	17%	16%	16%	16%	13%	14%
Administrative Operations	19	21	26	26	27	14	4%	4%	4%	4%	4%	4%
Capital Projects	51	56	66	65	67	32	10%	10%	10%	10%	10%	10%
Transportation	34	31	41	51	49	21	6%	6%	6%	8%	7%	7%
Food Service	13	20	22	22	25	11	3%	4%	3%	3%	4%	4%
Debt Payment - Principal	50	48	62	74	62	29	10%	9%	10%	11%	9%	9%
Debt Payment - Interest	13	13	15	21	31	18	2%	2%	2%	3%	5%	6%
Other	1	1	7	4	11	0	0%	0%	1%	1%	2%	0%
<b>Total Expenditures</b>	<b>526</b>	<b>544</b>	<b>639</b>	<b>675</b>	<b>675</b>	<b>319</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)	(10)	13	7	(7)	(9)	(25)	-2%	2%	1%	-1%	-1%	-8%
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### Annual Revenues

Impacted by:

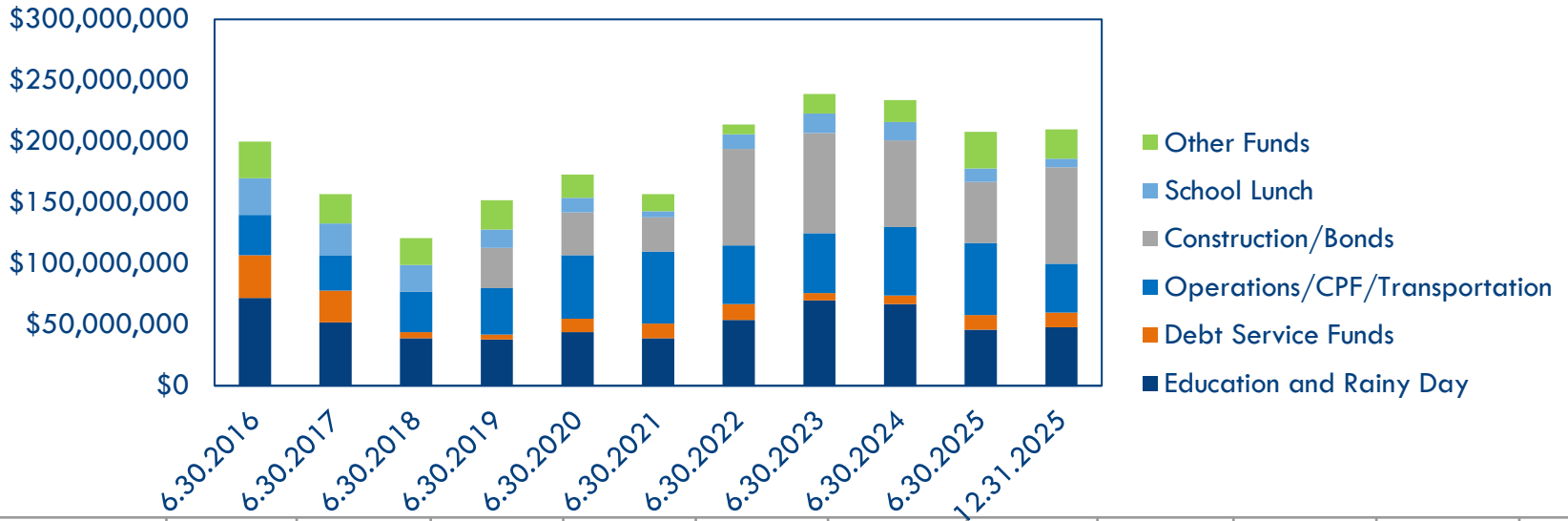
- 1) Total Enrollment across portfolio decreased YOY with additional Tuition Support per pupil
- 2) Local Property Tax Funding received semi-monthly
- 3) 2026 first full year without ESSER funding

### Annual 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	6.30.25	12.31.25
Education and Rainy Day	\$72M	\$52M	\$39M	\$38M	\$44M	\$39M	\$54M	\$70M	\$67M	\$46M	\$48M
Debt Service Funds	\$35M	\$26M	\$5M	\$4M	\$11M	\$12M	\$13M	\$6M	\$7M	\$12M	\$12M
Operations/CPF/Transportation	\$33M	\$29M	\$33M	\$38M	\$52M	\$59M	\$48M	\$49M	\$56M	\$59M	\$40M
Construction/Bonds	\$0M	\$0M	\$0M	\$33M	\$35M	\$28M	\$79M	\$82M	\$71M	\$50M	\$79M
School Lunch	\$30M	\$26M	\$22M	\$15M	\$12M	\$5M	\$12M	\$16M	\$15M	\$11M	\$7M
Other Funds	\$30M	\$24M	\$22M	\$24M	\$19M	\$14M	\$8M	\$16M	\$18M	\$29M	\$24M
<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>	<b>\$208M</b>	<b>\$210M</b>



# Board-Appropriated Funds

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## SY 2025-26 Projected Cash Flow Summary

Funds	Projected Balance 6.30.2025	Projected Annual Revenue	Transfers from Other Funds & Adjustments	Admin Fund Transfers @ <15% (1)	Projected Annual Expense	Net Cash Flow	Projected Balance 6.30.2026	Fund Balance % (2)
Education	\$29M	\$291M	\$3M	\$0M	(\$301M)	(\$7M)	\$22M	6%
Operations	\$58M	\$103M	\$0M	\$0M	(\$135M)	(\$32M)	\$26M	19%
Rainy Day	\$17M	-	\$0M		\$0M	\$0M	\$17M	0%
Operating Referendum	\$1M	\$49M	\$0M		(\$50M)	(\$1M)	\$0M	0%
<b>Total</b>	<b>\$105M</b>	<b>\$443M</b>	<b>\$3M</b>	<b>\$0M</b>	<b>(\$486M)</b>	<b>(\$40M)</b>	<b>\$65M</b>	<b>13%</b>

**Annual Deficit:** Current cash flow is negative, with operations relying on the **2018 Operating Referendum**, which expires **December 31, 2026**.

**Prepare for Rapid Shifts:** Legislative and funding uncertainty requires the district to prepare for **rapid and precise shifts** in student instruction and operational commitments to ensure post-2026 long-term stability.

**Dual Strategy for Cost Control:** We are addressing high costs by implementing internal operational **trade-offs to reduce expenses** and aggressively **advocating for sustainable funding** at all government and philanthropic levels.

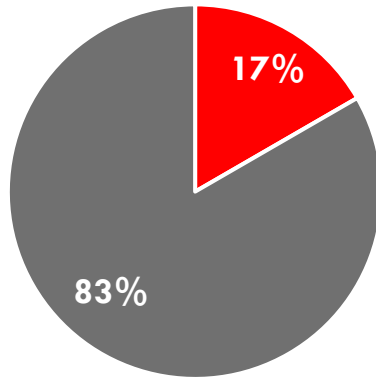
**Cash Balances** at year-end are projected above the Fund Reserve Balance Policy’s goal of 8% or 1 month of reserves. However, continued negative cash flow is expected without significant shifts in replacement revenue and service levels.

(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 **2.20.2026**

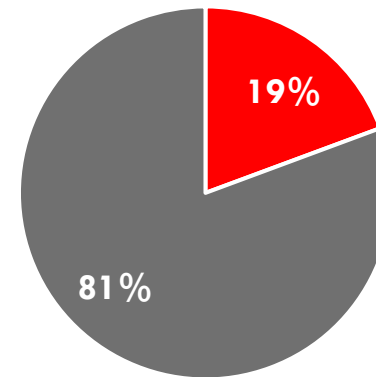
### 2025 Calendar Year



**Total Eligible Expenditures**  
\$317,000,000

■ XBE ■ Non XBE

### 2024 Calendar Year



**Total Eligible Expenditures**  
\$231,000,000

Top 5 Vendors 2025		Top 5 Vendors 2024	
POWERS-DAVIS JV, MBE	\$ 23,076,617	POWERS-DAVIS JV, MBE	\$ 14,354,527
R CHAVEZ CONSTRUCTION, MBE	\$ 3,337,551	TUTORED BY TEACHERS, MBE	\$ 6,362,032
POWERS AND SONS CONS	\$ 3,125,230	SCHMIDT ASSOCIATES, WBE	\$ 3,828,640
BUSINESS FURNITURE, WBE	\$ 2,731,532	DNO INC, MBE	\$ 2,864,813
DNO INC, MBE	\$ 2,645,783	BUSINESS FURNITURE, WBE	\$ 1,729,197
QUANTITY OF VENDORS USED 2025		QUANTITY OF VENDORS USED 2024	
XBE VENDORS USED	125	XBE VENDORS USED	149
TOTAL VENDORS USED	1060	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 → [Approved 11/13/25](#)
- Investments in student experience, technology, and early learning



### Implemented and Yielding Positive Results

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



### In Development

- Planning for revenue & authority shifts in State & Local Property Tax Policy
- [SY 2026-27 Budget Development](#) – [School-Based](#) & Central Supports
- Literacy & Post-Secondary Readiness - Mandated and Strategic Initiatives

- ❑ Governance: Establish Indianapolis Public Education Corporation (IPEC)
  - ❑ IPEC Board Composition
  - ❑ IPEC Board Oversight
- ❑ Asset and Performance Management
  - ❑ School Property
  - ❑ Building Closure & Sale Provisions
  - ❑ School Performance Framework

## ❑ Financial Impact

### ❑ Property Tax Authority

- ❑ Authority Shift from IPS to IPEC
- ❑ Future Debt Issuances
- ❑ Debt Responsibility

### ❑ Fund Flow

- ❑ Direct Distribution
- ❑ Operating Referendum
- ❑ Equitable Formula

## ❑ Charter School Authorization Restrictions

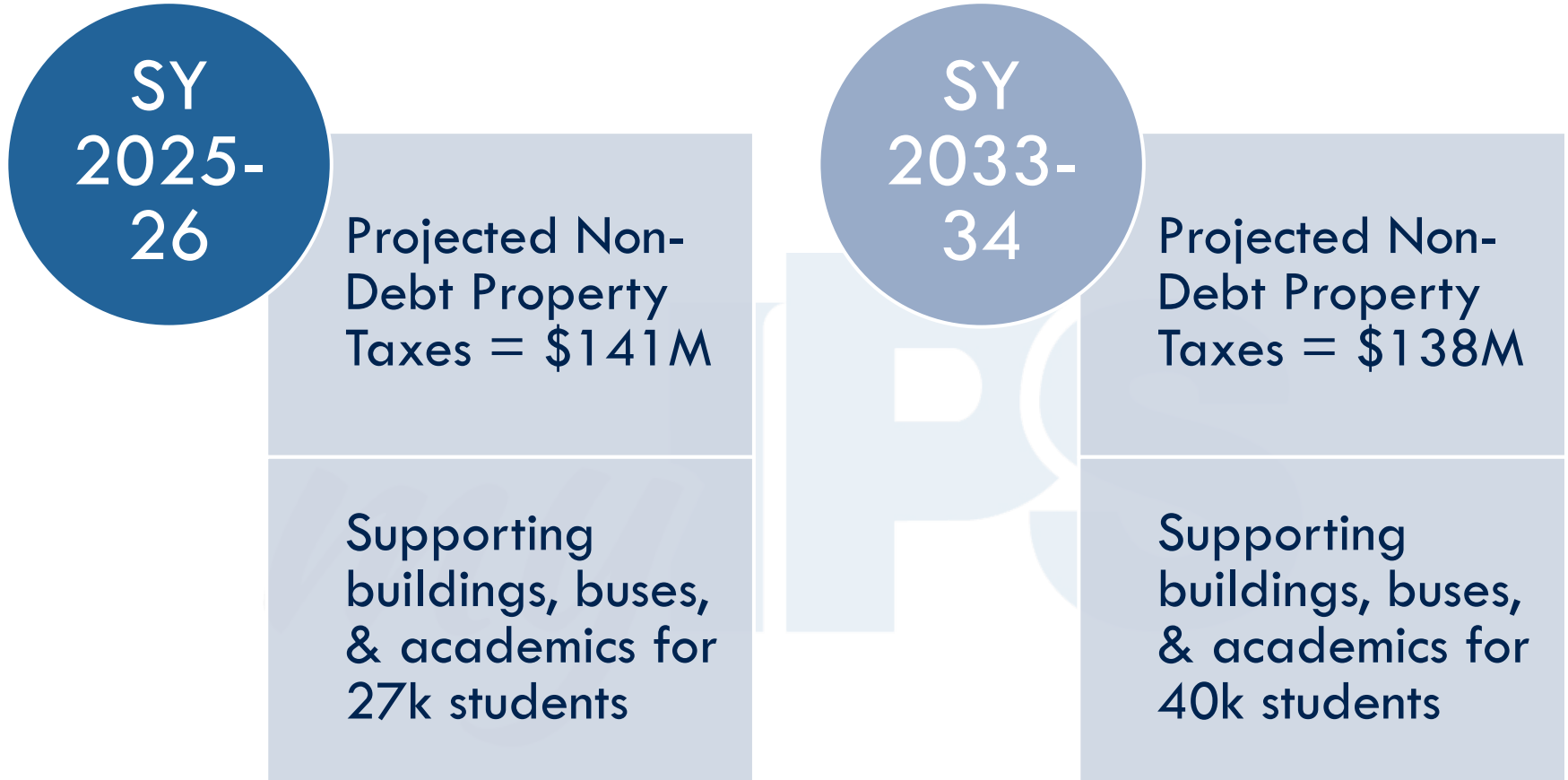
- ❑ Specific Authorizers for IPS Boundary

## ❑ Transition Timeline

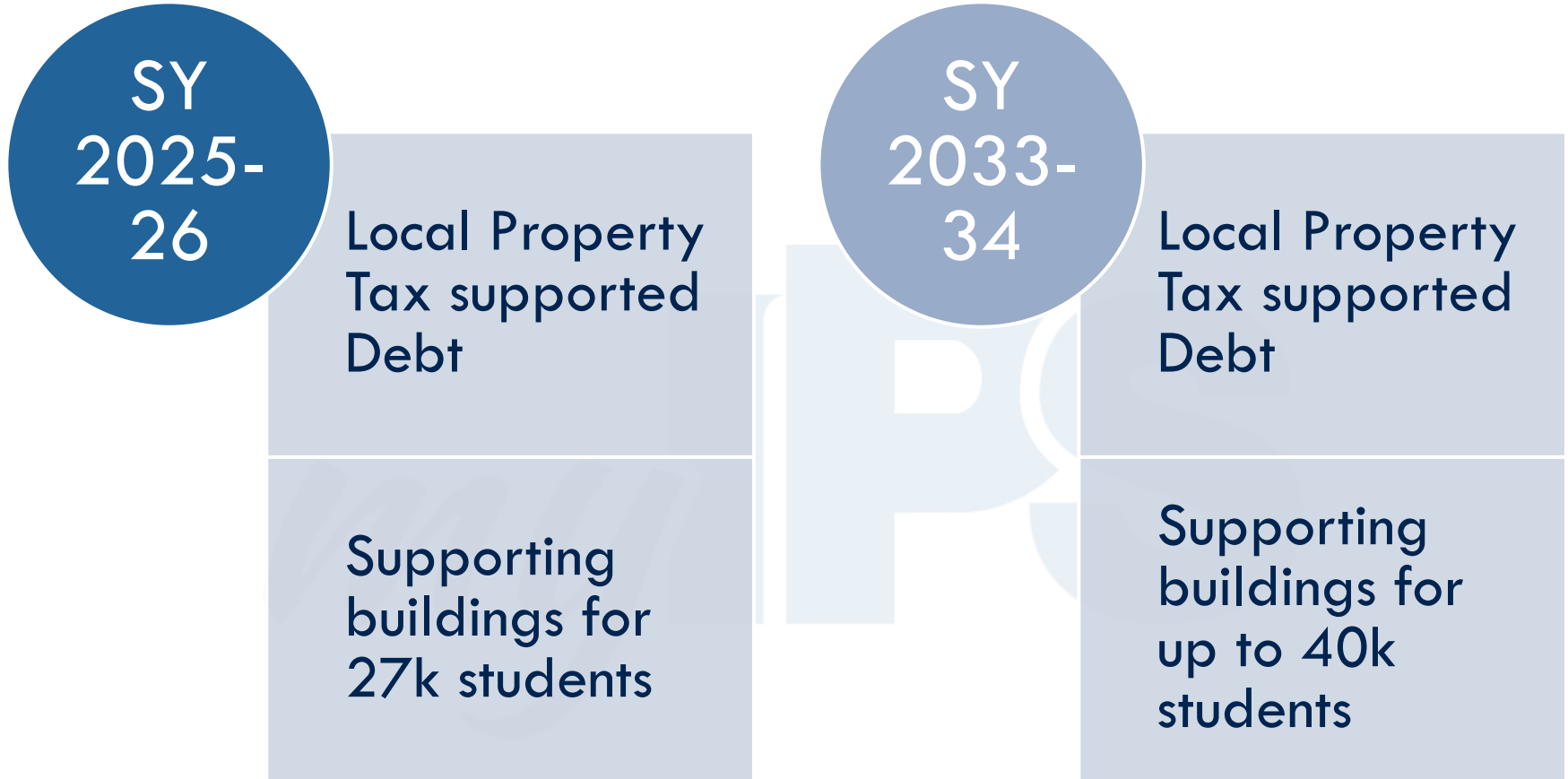
- IPS Board's Priorities for a Coherent System
  - Repeal \$1 Law
  - Mandatory Transportation Participation
  - Limit Charter Authorizing in the Future
  - Shared Facility Accountability
- IPS is closely tracking and analyzing bill throughout the legislative process

- ❑ Who has authority and is the decision-maker?
- ❑ When does shift happen?
- ❑ Key planning areas for IPS Boundary
  - ❑ Budget & Levy
  - ❑ Buildings
  - ❑ Buses
  - ❑ Schools
  - ❑ Debt Issuance
  - ❑ Contracts
  - ❑ Staffing
  - ❑ Operating Referendum
  - ❑ Financial Reporting

- ❑ **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 do not change based on enrollment** (“Pie is the Pie”)
  - ❑ IPS-LEA is a provider of operational support services, such as facilities or transportation, for 27,000 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 of instruction & operations
    - Replacement Revenue
      - Chargeback for Services
      - Increase in Local, State, or Federal Revenues
    - Reduction in Services



Over the next eight years, our schools will have less money to spend on students. The anticipated loss of charter school grants exacerbates the issue. Because of this, we have to make some very tough choices about how to serve our students.



Over the next eight years, our community will have the same amount of money to spend on more buildings. The anticipated loss of charter school grants exacerbates the issue. Because of this, we have to make some very tough choices about how to serve our students.

- ❑ In addition to spending reductions, a successful operating referendum in November 2026 will be critical in order to
  - ❑ generate additional revenue and
  - ❑ provide a level of stability for IPS students and families.
- ❑ Key Considerations for November 2026 ballot
  - ❑ Adoption of resolution to authorize referendum must occur by July
  - ❑ Must take it into account charter school participation
  - ❑ Must take into account implications of HB 1423, if signed into law

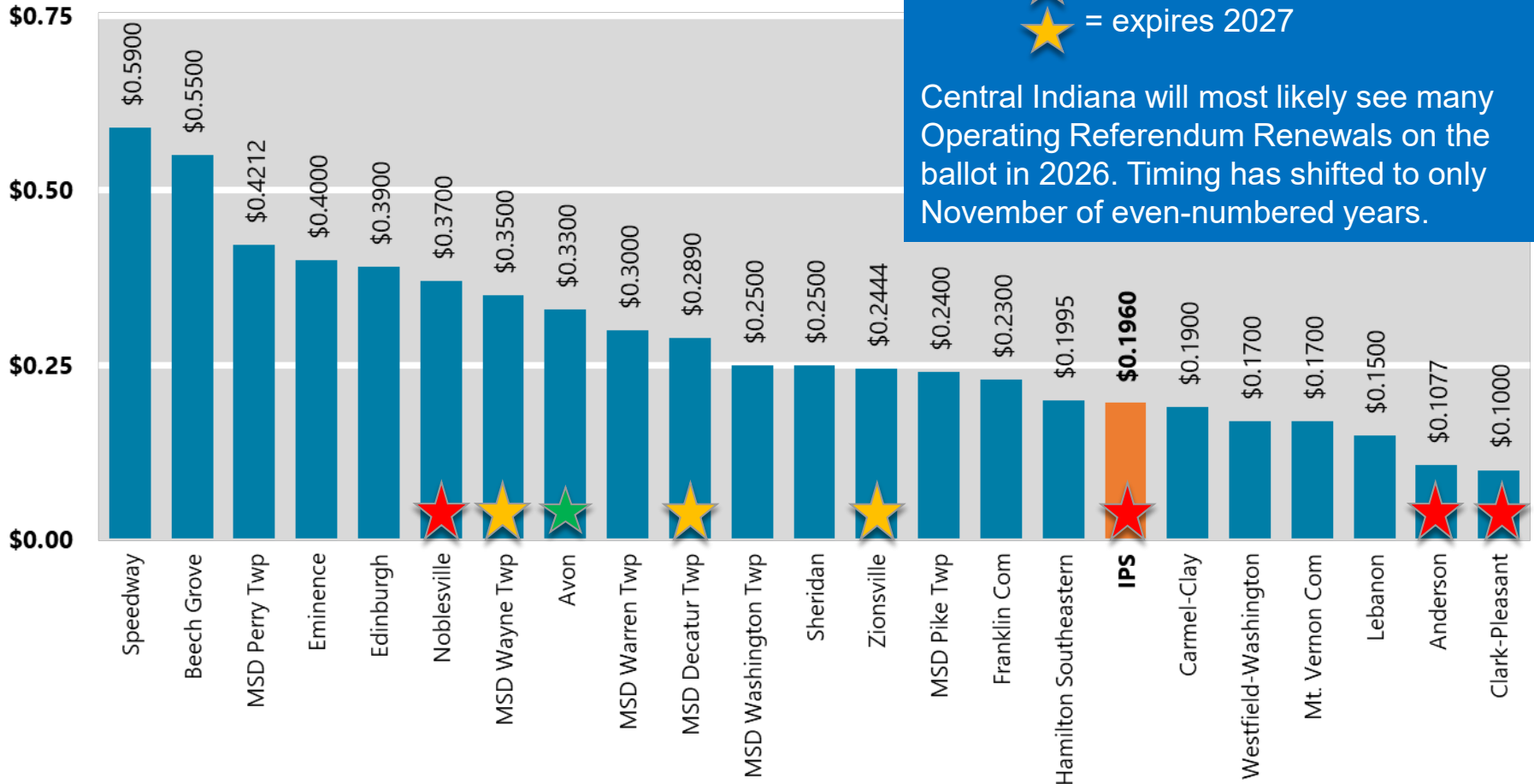


Since 2010, an operating referendum source provides stability and services for students in many school districts.

# Operating Referendum

## Operating Referendum – Comparison with Central Indiana?

Central Indiana School Operating Referendum Tax Rates



★ = renewed 2025  
★ = 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.



# Operating Referendum

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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	\$ 8,299	\$ (1,616)	-22%	30,273	\$ 300,157,160	\$ 251,235,627	\$ (48,921,533)	\$ (607,452,820)	\$ (40,496,855)
2027	\$ 10,113	\$ 8,407	\$ (1,706)	-23%	30,273	\$ 306,160,303	\$ 254,505,111	\$ (51,655,192)	\$ (659,108,012)	\$ (41,194,251)

**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.**

### Key Definitions

IPS Finance team is working with external CPA Firm Forvis Mazars to appropriately disclose the impact of HB 1423 in the SY 2024-25 audited financials.

#### Concentration

A lack of diversity related to an aspect of a significant inflow of resources or outflow of resources

#### Constraint

A limitation that is imposed by an external party or by formal action of a government's highest level of decision-making authority

## Examples

IPS Finance team is evaluating constraints on limitations of raising revenue or issuing debt due to HB 1423. In future, IPEC would have powers & duties related to approval of levy or issue debt, not IPS.

## Concentration: Composition of:

- Employers
- Industries
- Inflows of resources
- Workforce covered by collective bargaining agreements
- Providers of financial resources
- Suppliers of material, labor, or services

## Constraint

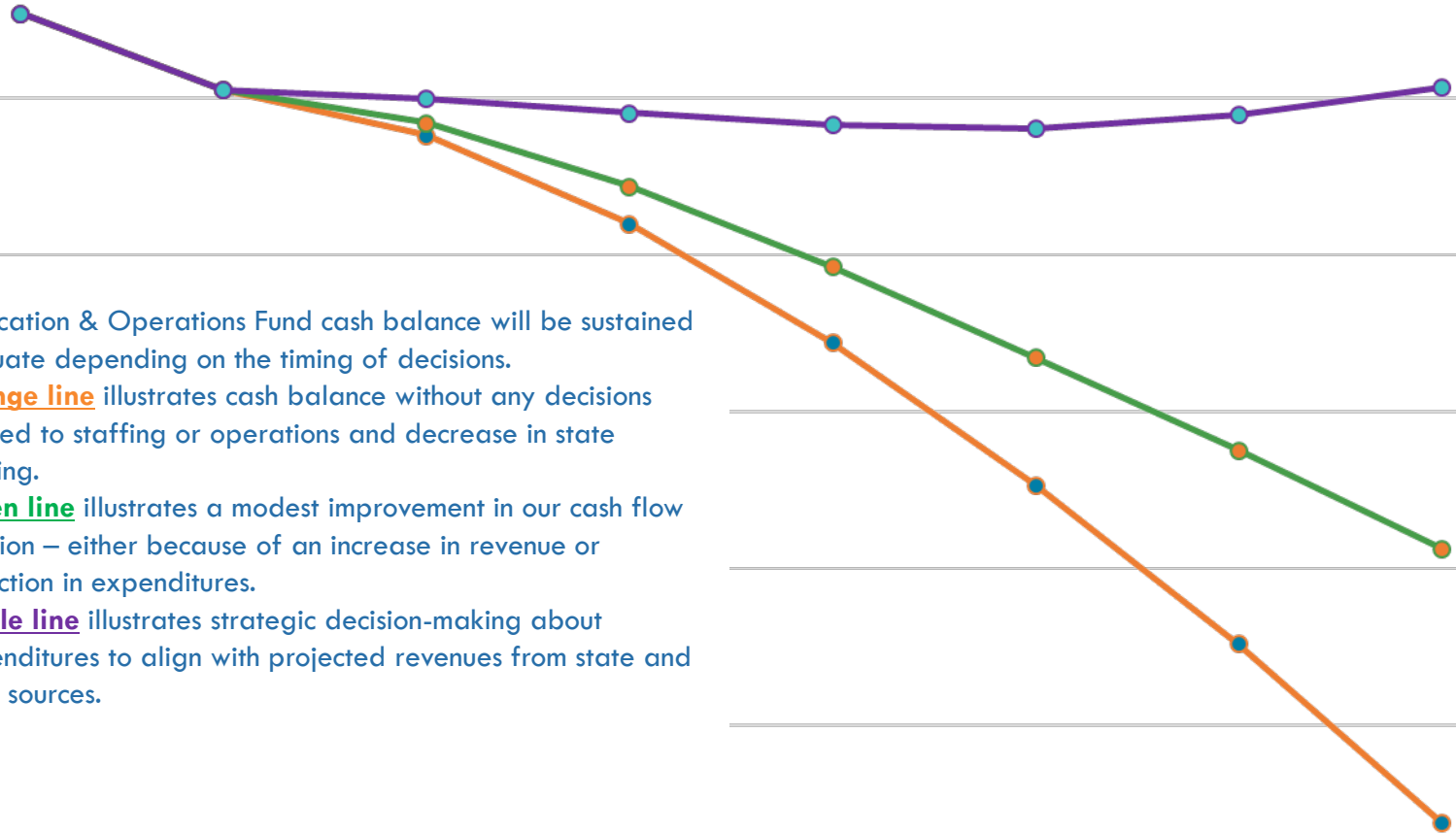
- Limitations on raising revenue
- Limitations on spending
- Limitations on the incurrence of debt
- Mandated spending

### 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.





2026 Legislative Session would shift key decision-making authority from the IPS Board to a new municipal entity. In response, reviews and recommendations will require trade-offs based on the projected available resources to support buildings, buses, and academic programming.



A successful operating referendum in November 2026 will be critical in order to sustain the instruction and operational services for IPS students.



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

*my*IPS



# APPENDIX

**Cash Flow Projection**  
**Board Appropriated Funds**  
**Enrollment**  
**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 – February 2026

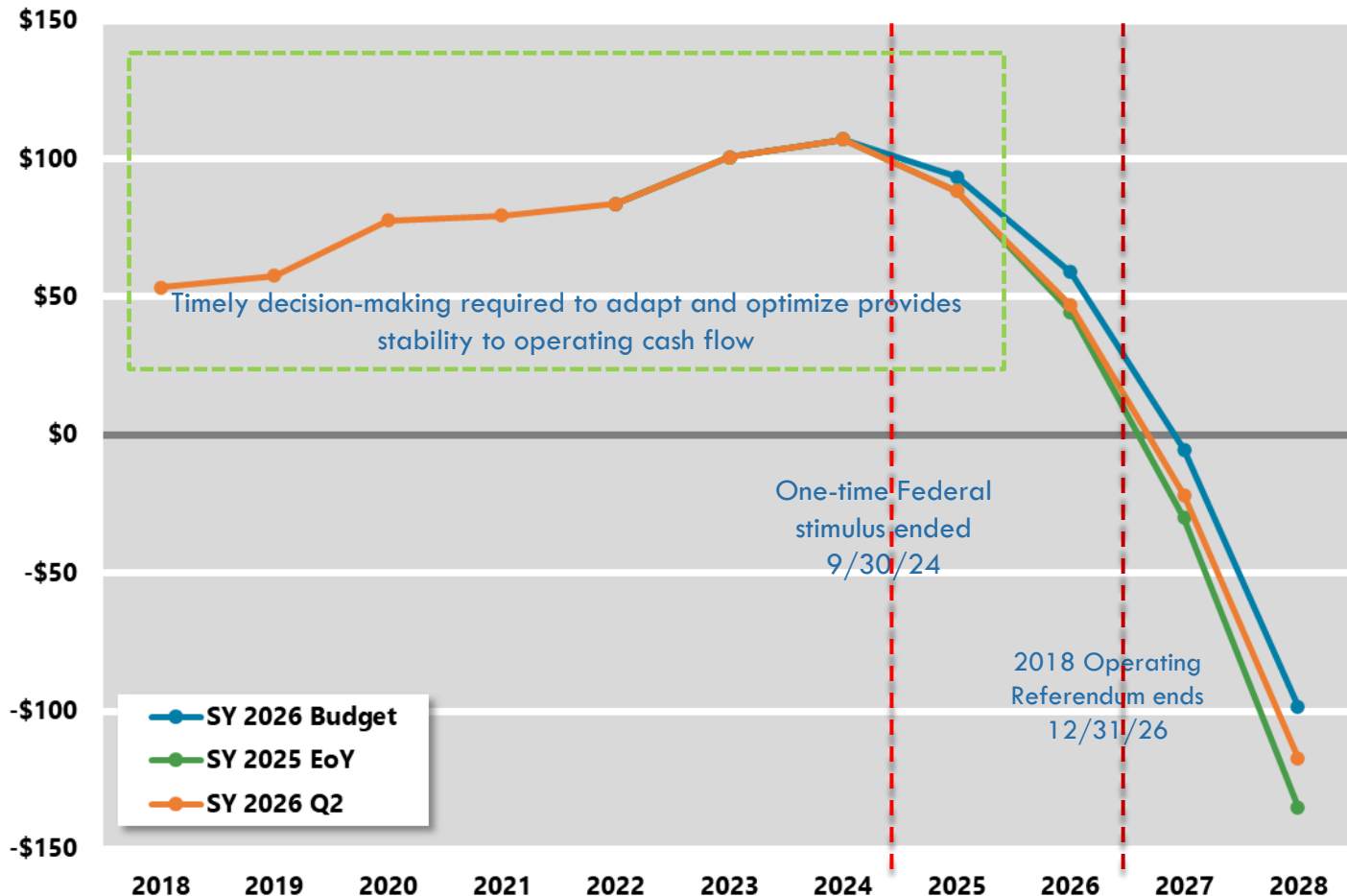
IPS Education & Operations Fund cash balance will be sustained or fluctuate depending on the timing of decisions.

- **Blue line** illustrates March 2025 Budget Projection.
- **Green line** illustrates August 2025 Year End Projection.
- **Orange line** illustrates February 2026 Q2 Projection.

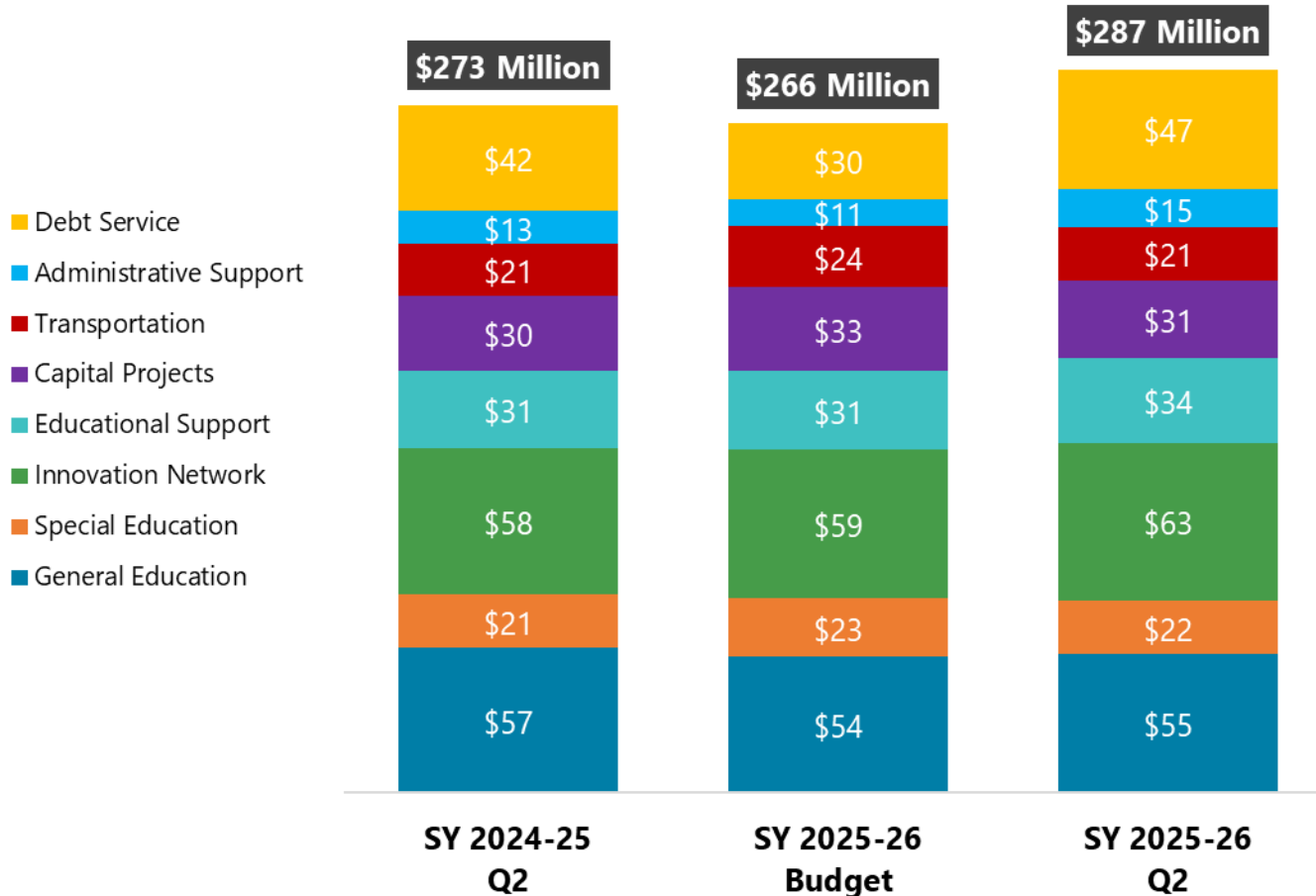
Operating cash flow has currently been supported by 2 time bound funding sources, such as

- 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



## July 2025-December 2025: Expenditures (in Millions)



### Analysis:

- 1) Total Non-Debt Expenditures in line with Prior Year and Budget
- 2) Instructional Expenses in line with Prior Year and Budget
- 3) Innovation payments increased from Prior Year and Budget due to change in State Funding & # of students
- 4) Capital Projects in line with Prior Year and Budget.
- 5) Transportation below budget due to timing contractor payments. Projected to be less than budget at end of year.

## Revenue Considerations (for SY 2025-26 & Beyond)

### State Tuition Support

### Education Fund

- ❑ Average Enrollment as of 10.1.2025 and 2.1.2026
- ❑ State Tuition Support
  - Basic Grant
  - Complexity Grant (student data as of 10.1.24)
- ❑ Special Education
- ❑ Vocational/Career Technical
- ❑ Non-English Speaking Grant
- ❑ Academic Performance Grant

### Property-Tax Support

### Operations & Debt Funds

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

**Transfer**

Less Growth due to New Rules re: Exemptions, Caps, Deductions, and Credits

Increase Tax Rate for similar Revenue

### LEGEND

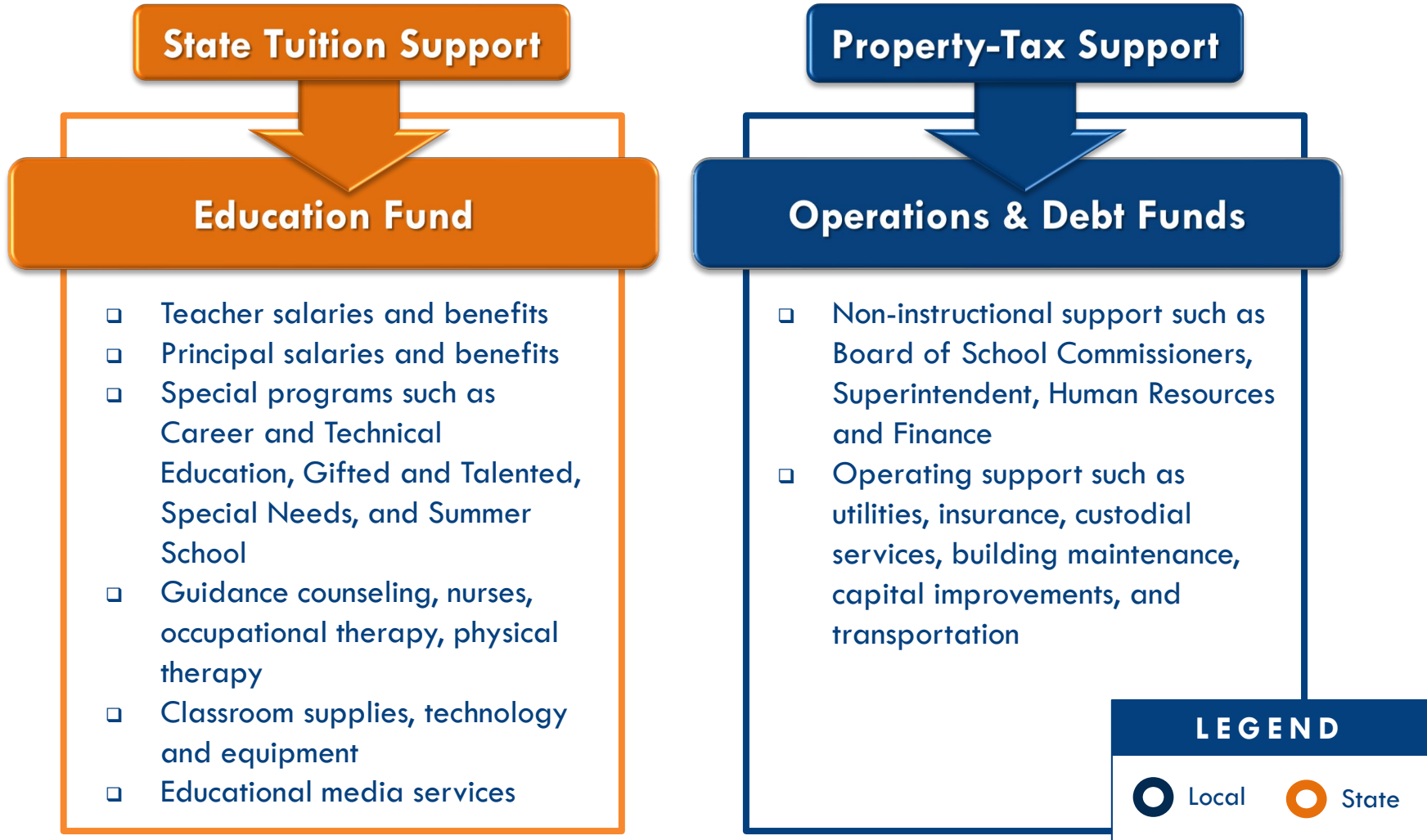
- Local
- State

Equal Funding Trend Continues

Complexity Base & Index decrease

All Categorical Fund Per Pupil Funding decreased

Curricular Materials Funding Eliminated



Content updated 2.20.2026  
Subject to change due to state, federal or local funding fluctuations

## State Tuition Support

### Education Fund

<b>Inflows =</b>	<b><u>\$294M</u></b>
<b>Expenditures</b>	
General Education =	(\$60M)
Special Education =	(\$47M)
Innovation Network =	(\$127M)
Educational Support =	(\$68M)
<b>Total Expenditures =</b>	<b><u>(\$301M)</u></b>
Ops. Transfer =	(\$0M)
<b>Total Outflows =</b>	<b><u>(\$301M)</u></b>
\$49M received and \$50M expended in Operating Referendum Fund for Education Fund related services	

## Property-Tax Support

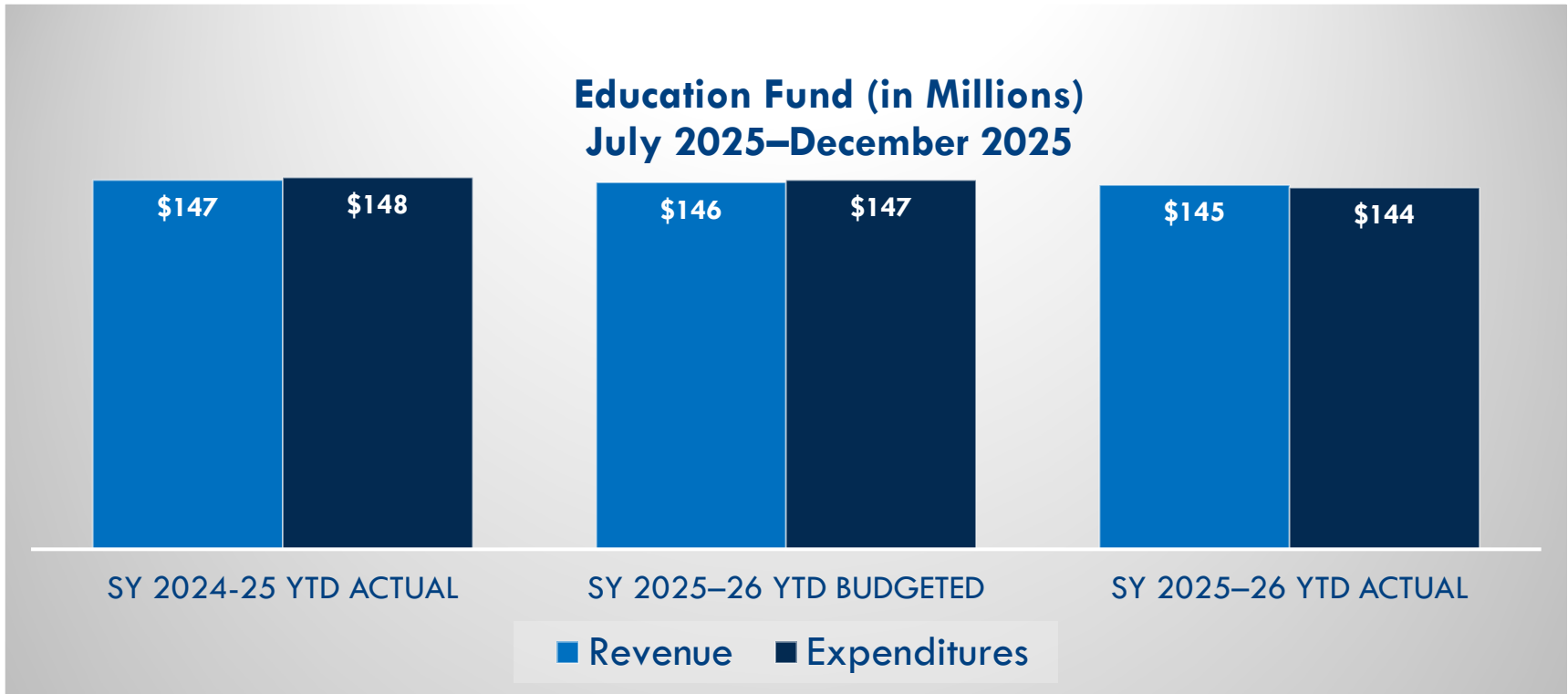
### Operations Fund

<b>Inflows</b>	
Property Tax =	\$103M
Ops. Transfer =	\$0M
Fund Transfers =	\$0M
<b>Total Inflows =</b>	<b><u>\$103M</u></b>
<b>Expenditures</b>	
Capital Projects =	(\$65M)
Transportation =	(\$41M)
Admin. Operations =	(\$29M)
<b>Total Expenditures =</b>	<b><u>(\$135M)</u></b>

\$0M Ops. Transfer

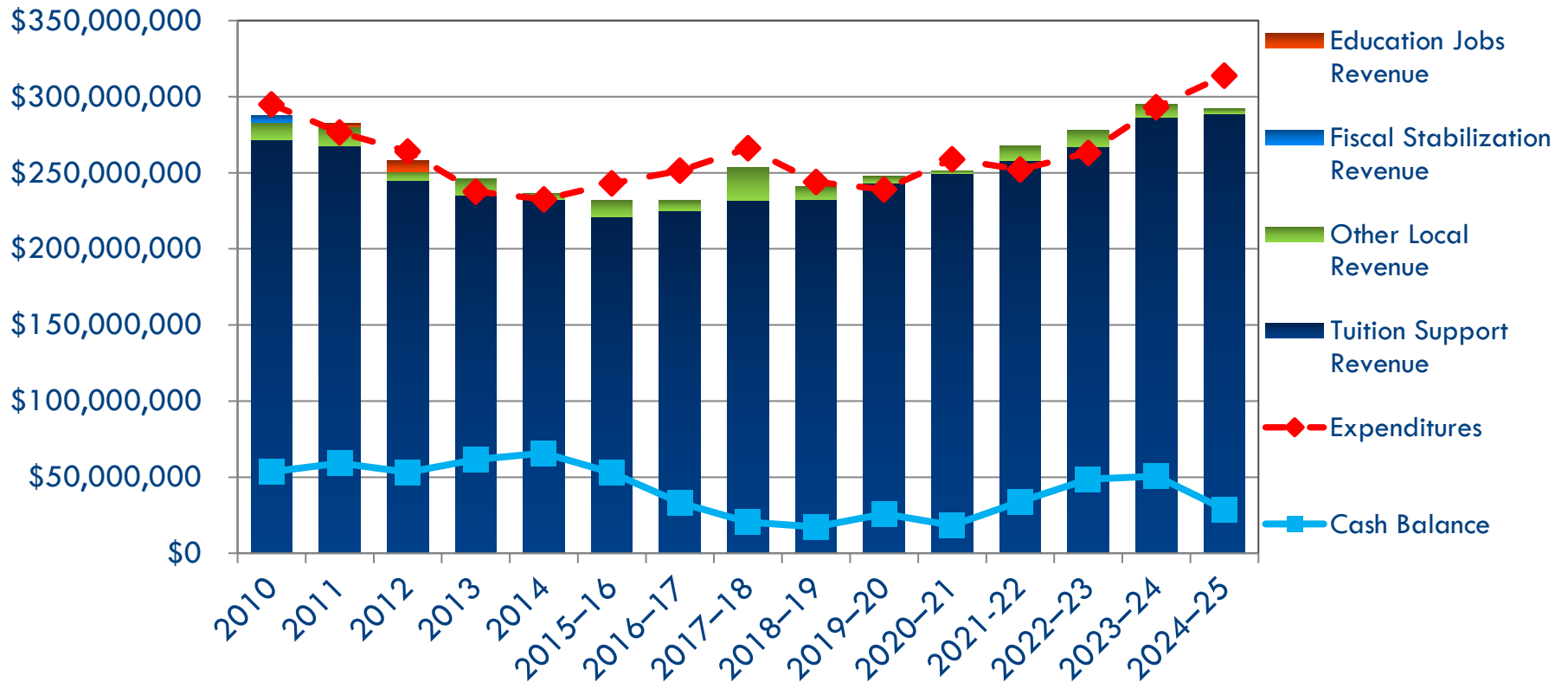
#### LEGEND

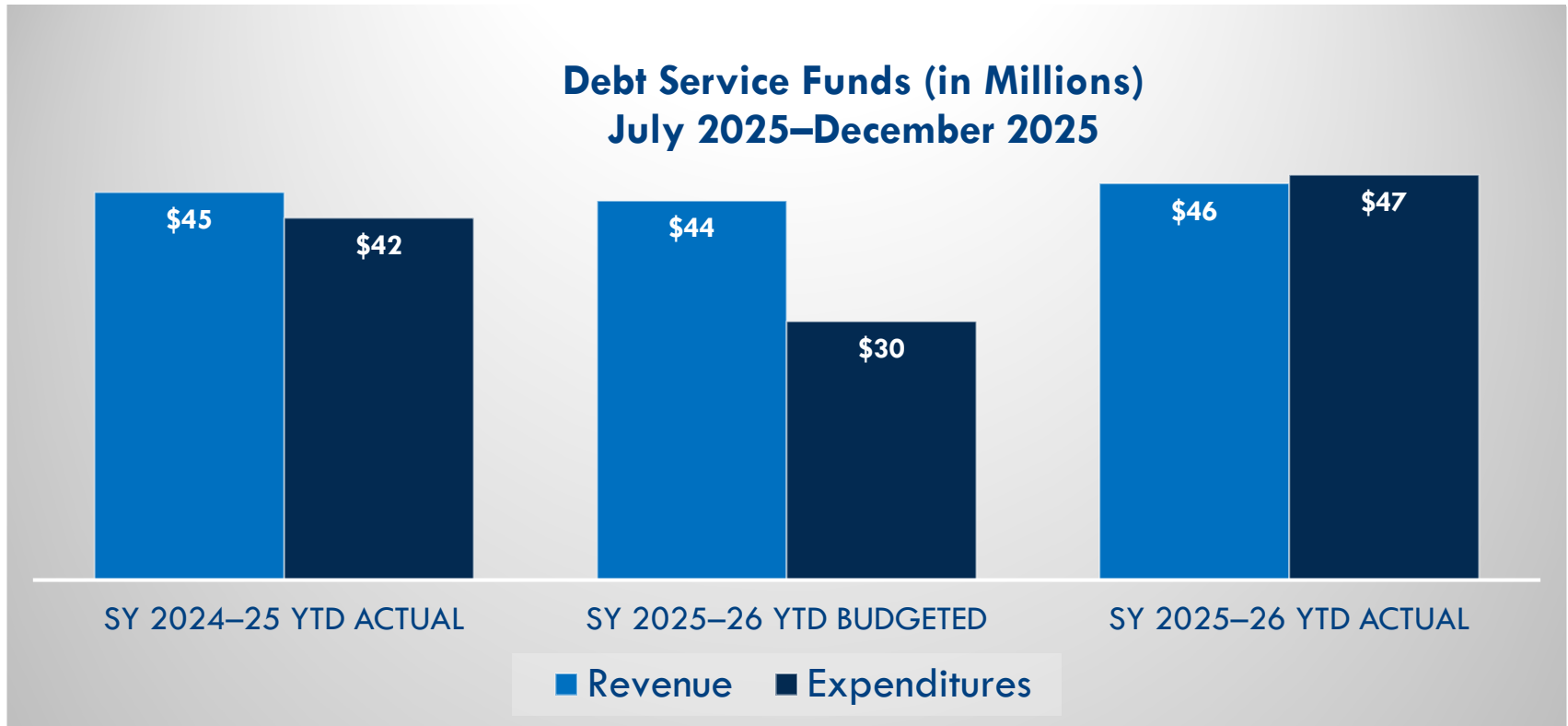
- Local
- State



- ❑ Appropriation requested from DLGF = \$318M (not including Admin Transfer)
- ❑ State tax revenue received monthly
- ❑ Effective July 1, 2019, “General Fund” converted to “Education Fund”

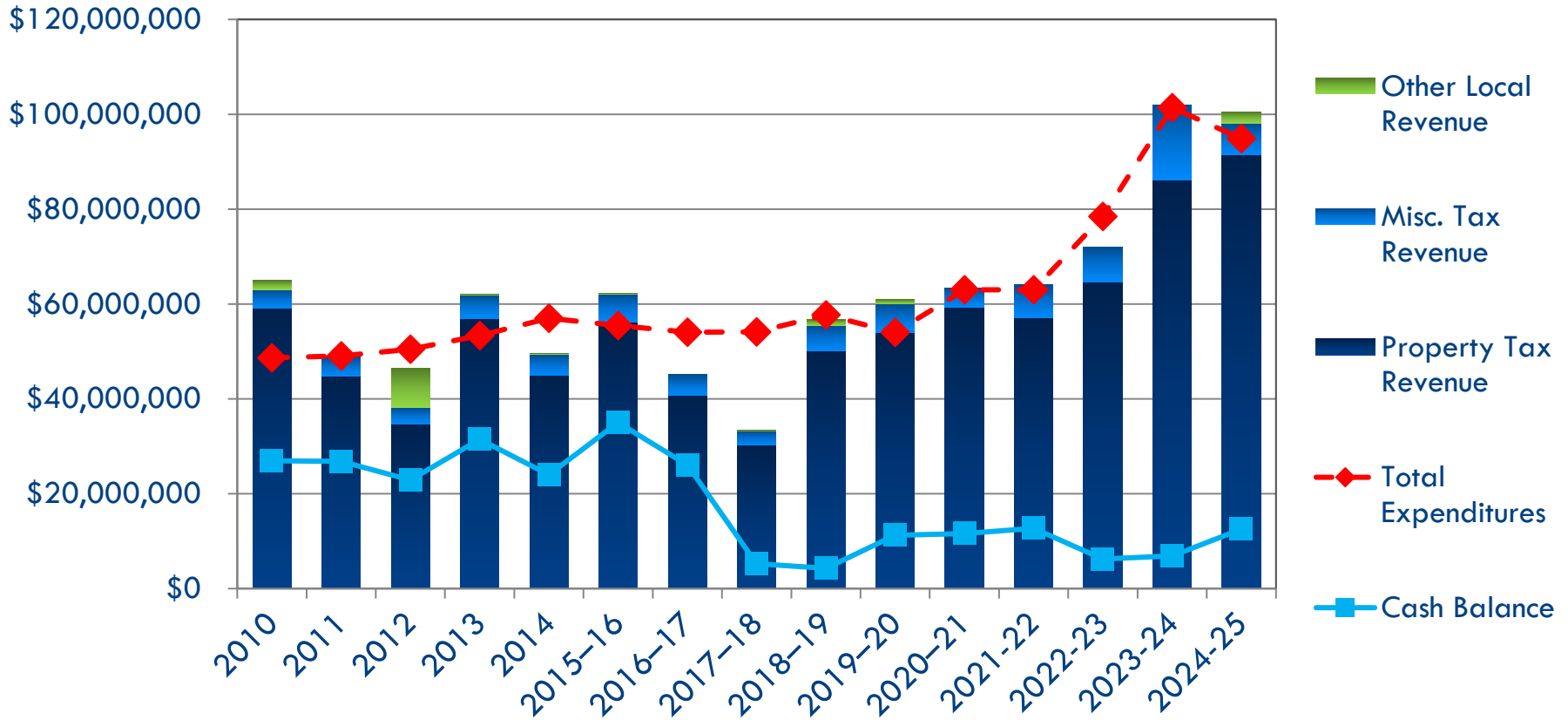
## General/Education Fund and Related Supporting Funds Calendar Year 2010 Through SY 2024–25

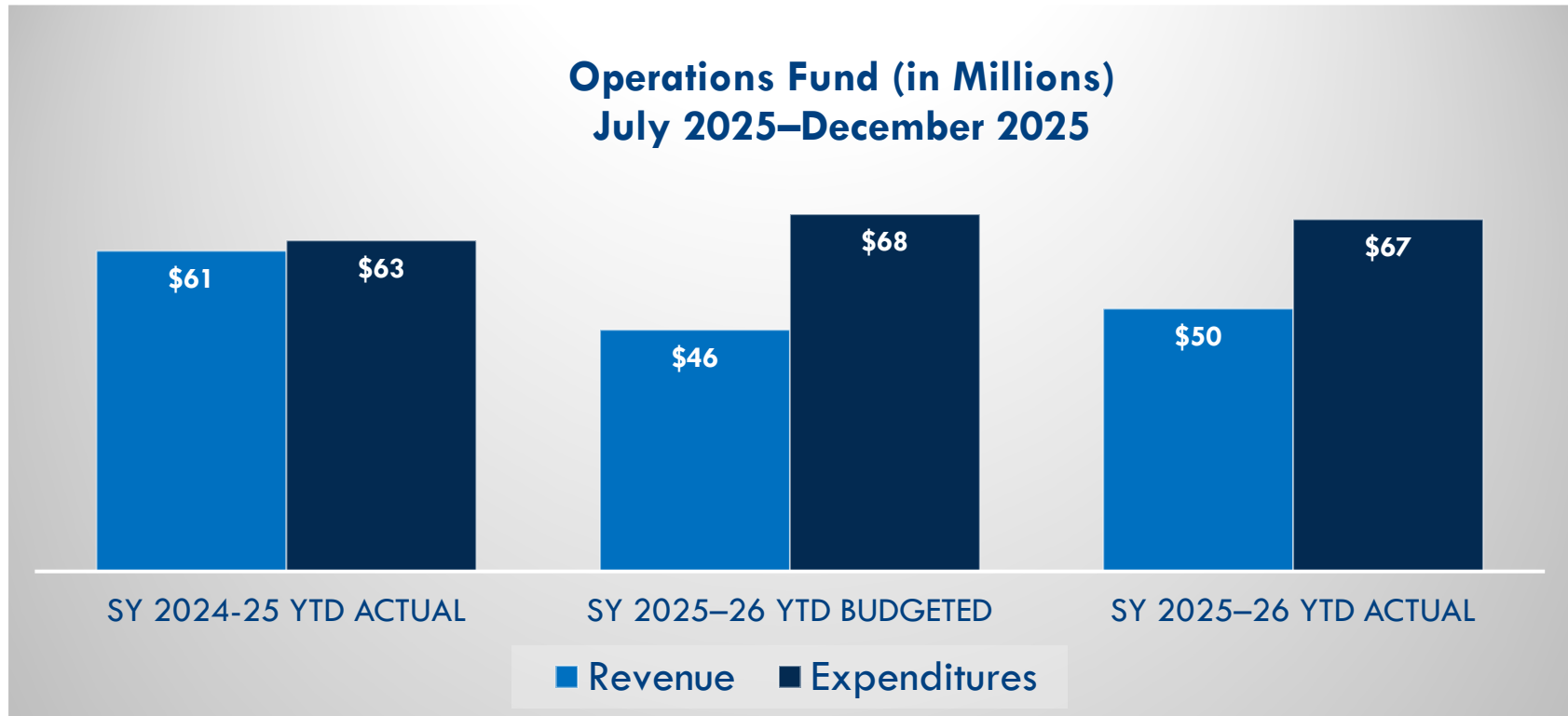




- ❑ Local property-tax revenues received semiannually
- ❑ Payments represent loan payments

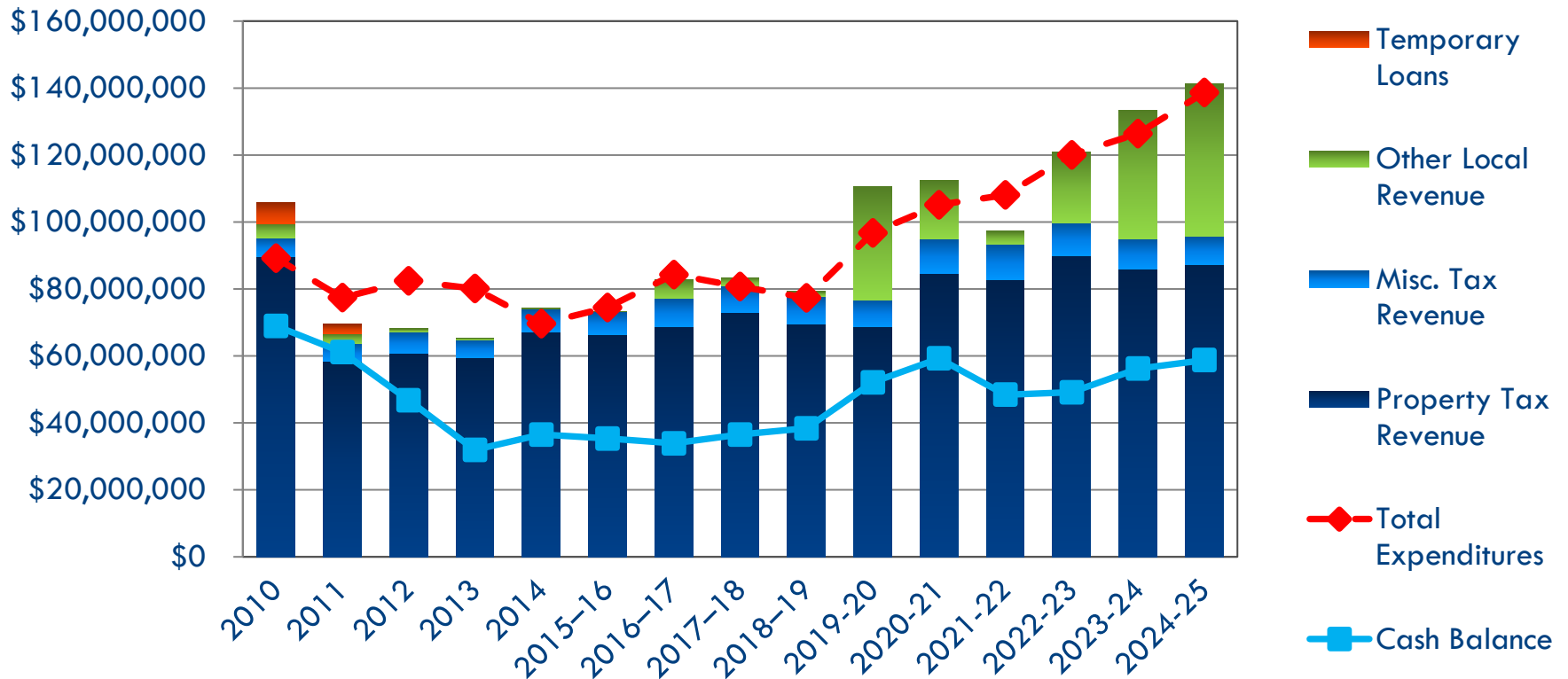
## Debt Service Funds Calendar Year 2010 Through SY 2024-25



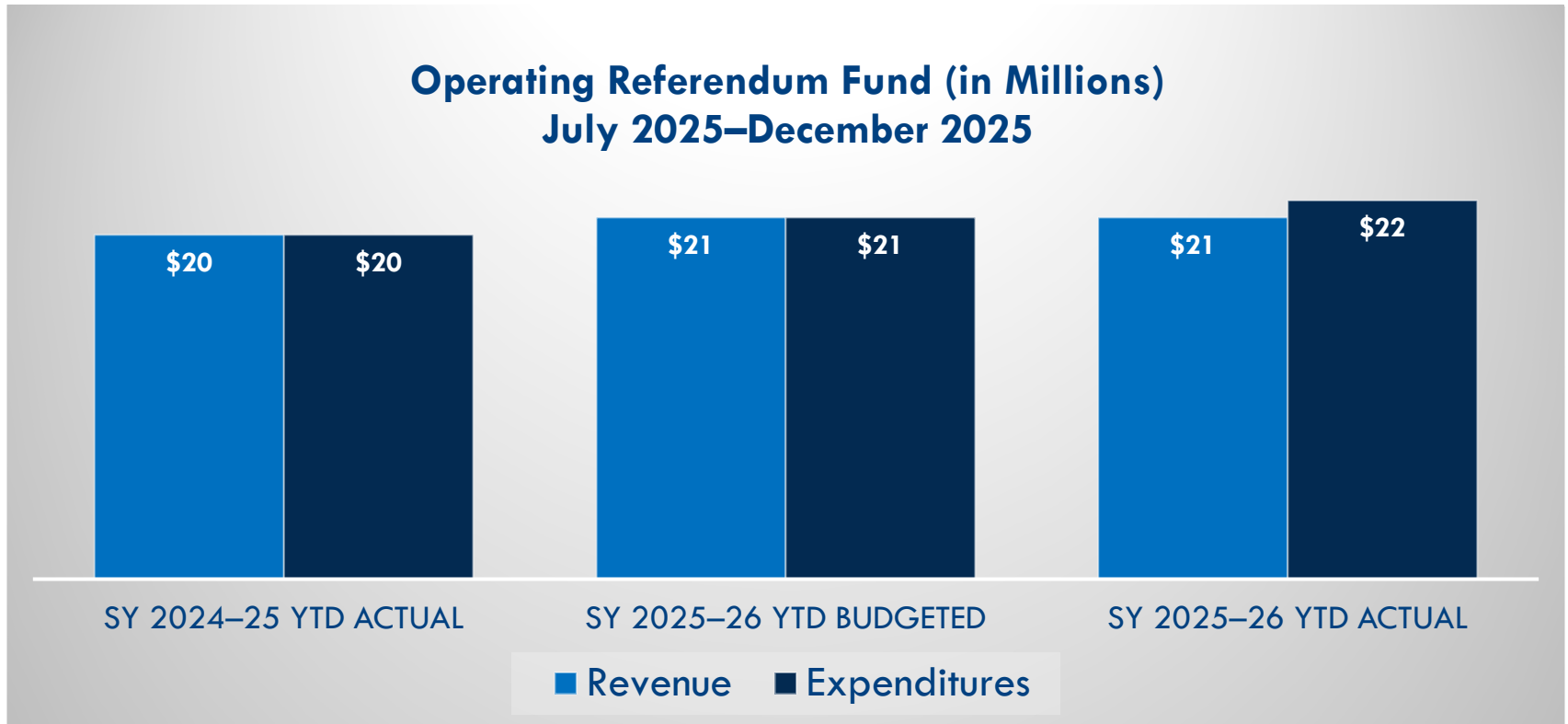


- ❑ Appropriation requested from DLGF = \$146M
- ❑ Local property-tax revenues received semiannually
- ❑ Property-tax caps decrease receipts, reducing revenue received
- ❑ Includes administrative operations, utilities, facilities maintenance projects, and transportation

## Operations Fund Calendar Year 2010 Through SY 2024–25

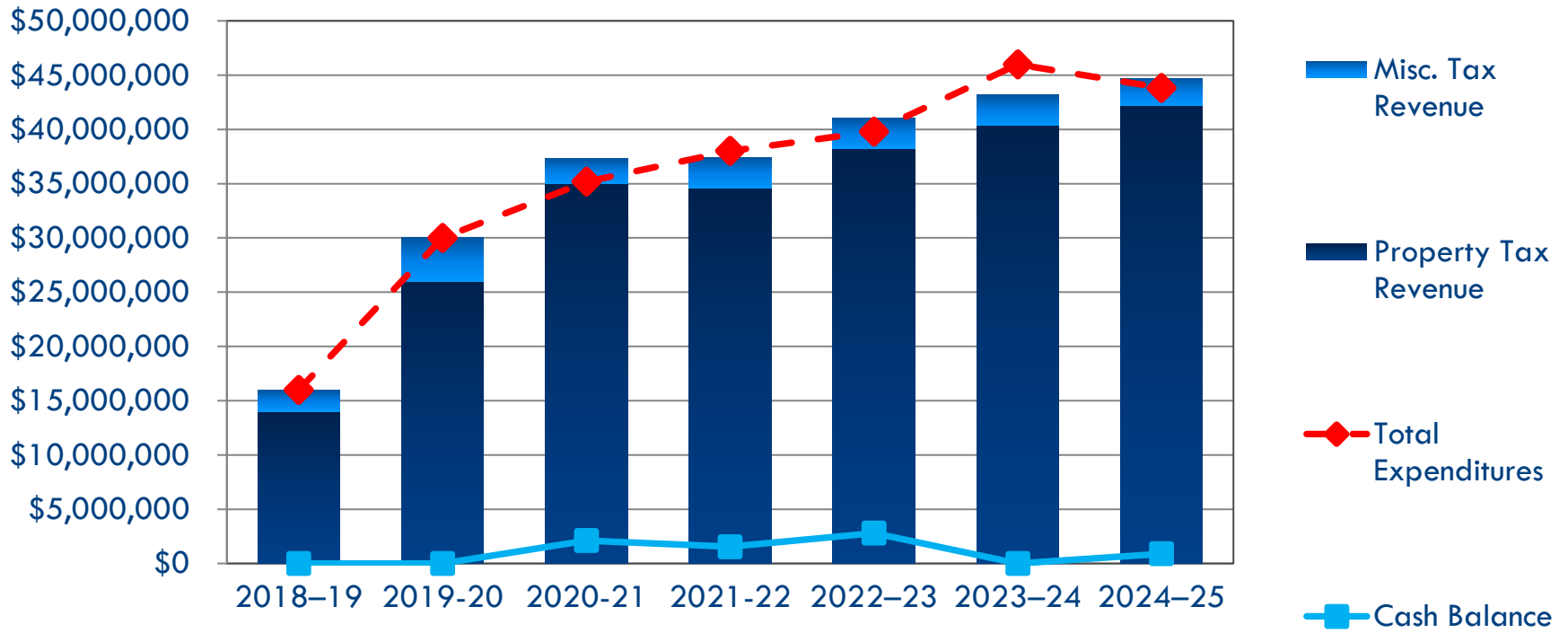


Effective July 1, 2019, "Capital Projects Fund," "Transportation Operating," and "Bus Replacement" consolidated into "Operations Fund"

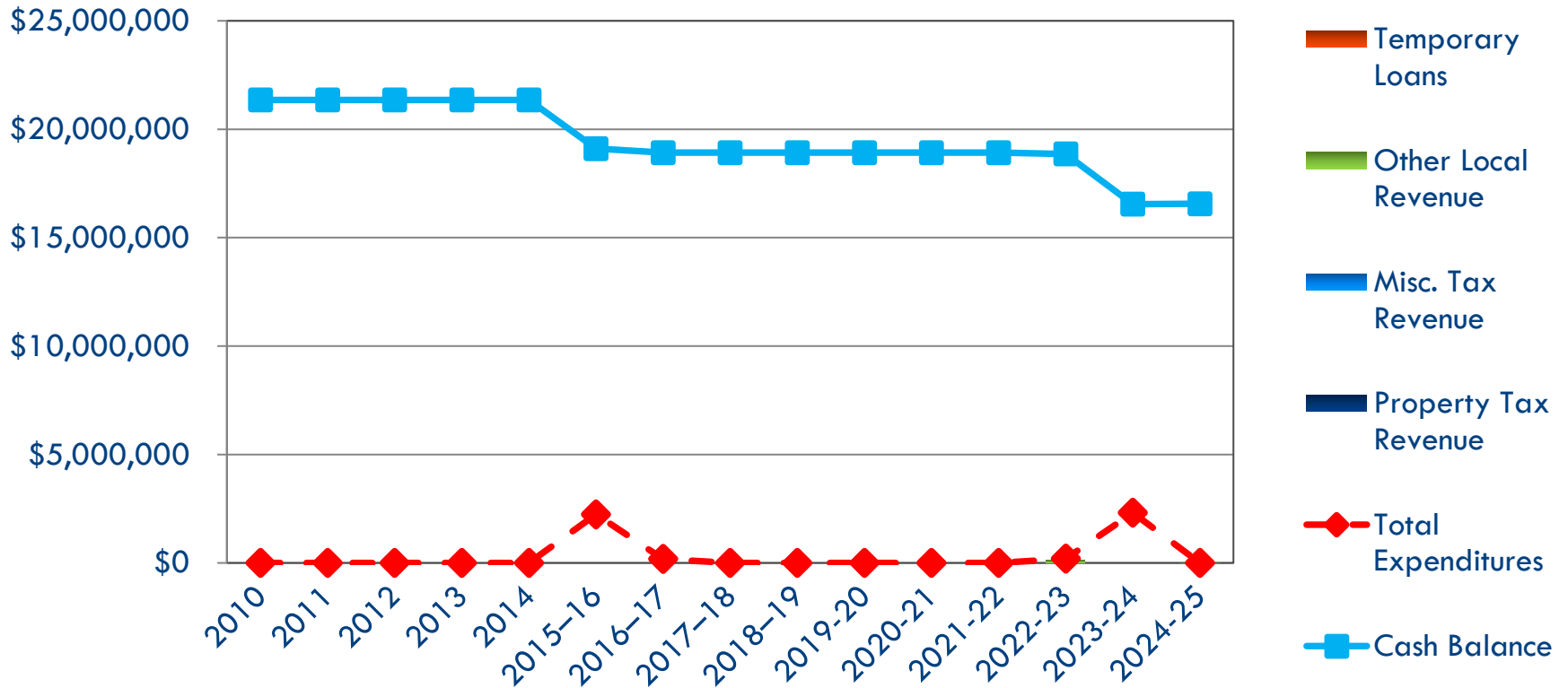


- ❑ Local property-tax revenues received semiannually
- ❑ Operating Referendum passed by voters November 2018

## Operating Referendum Fund SY 2018–19 Through SY 2024–25

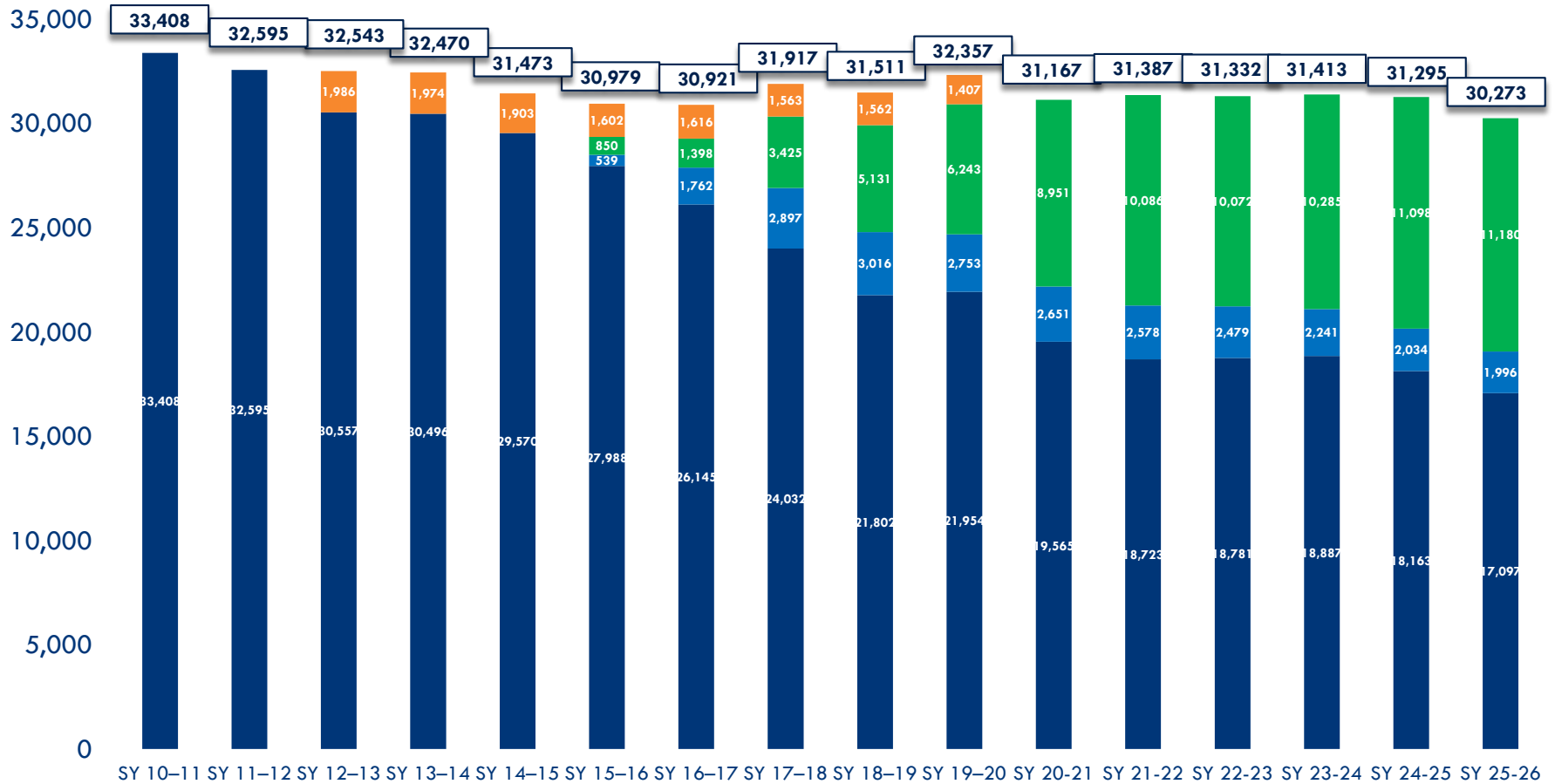


## Rainy-Day Fund Calendar Year 2010 Through SY 2024–25



## Historical Perspective: Enrollment

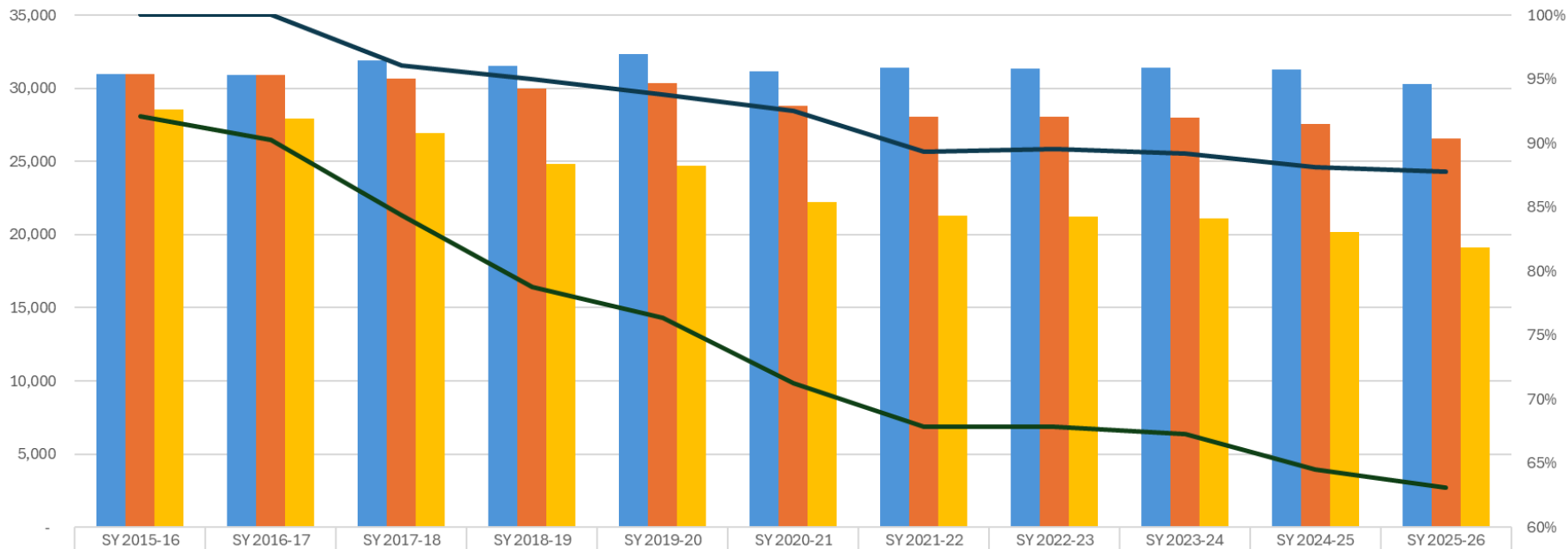
Enrollment since 2010 has shifted school types, the expansion of the Innovation Network, and the return of Turnaround Academies. Throughout COVID-19 and recovery, enrollment stabilized. In recent years, enrollment has decreased all types.



## Students Served (ADM)

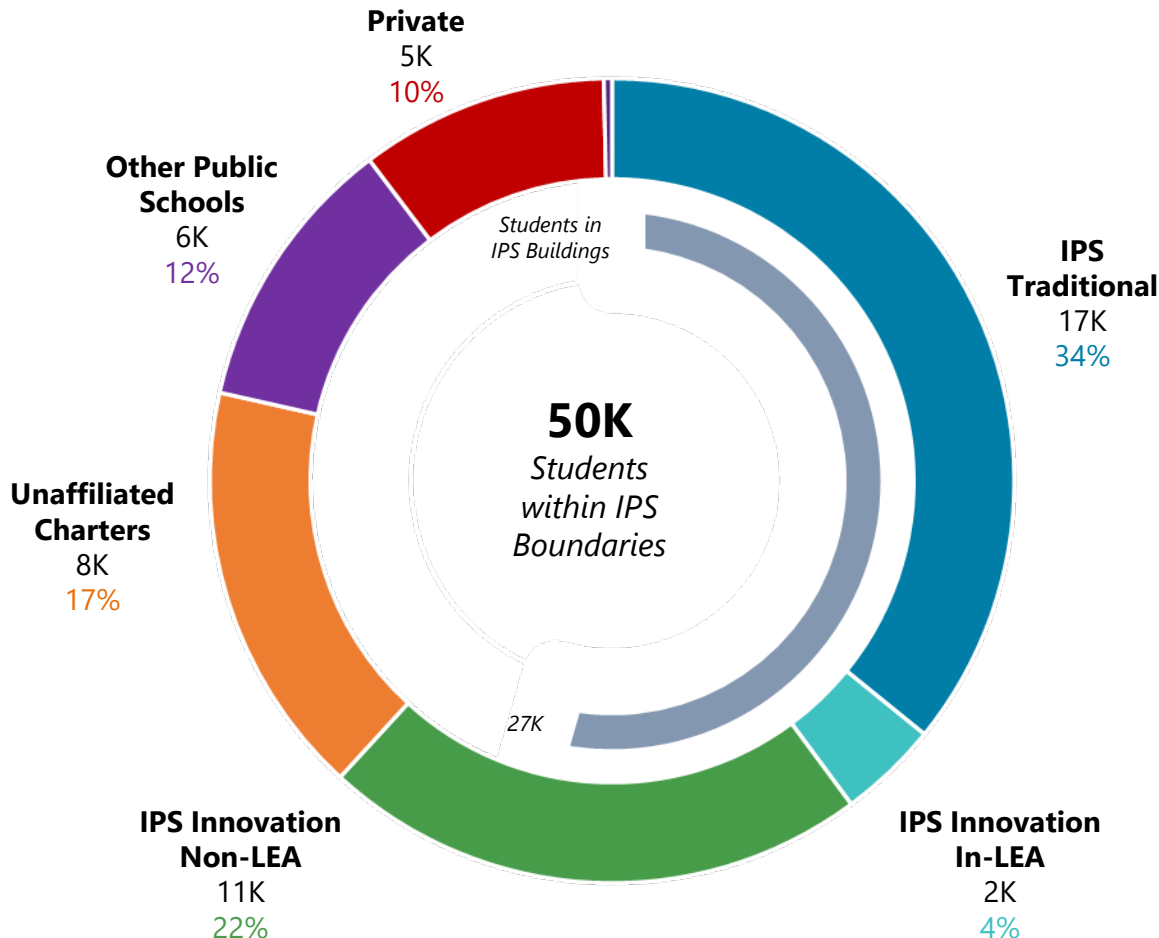
**ADM for IPS Accountability** has increased since SY 2015-16. Over same time period, **ADM supported by operational services** such as Facilities, Transportation, IT has decreased, but not as much as **ADM of IPS-LEA**. When IPS develops the Annual Budget for Schools, Staff, and Services, initiatives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

ADM Trends



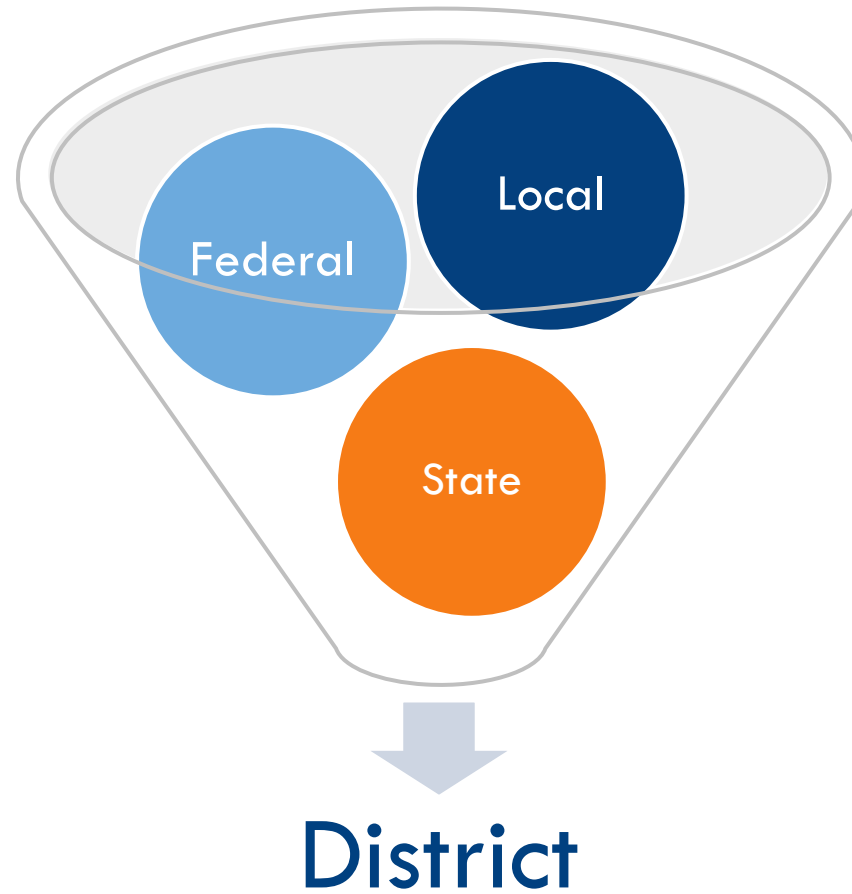
	SY 2015-16	SY 2016-17	SY 2017-18	SY 2018-19	SY 2019-20	SY 2020-21	SY 2021-22	SY 2022-23	SY 2023-24	SY 2024-25	SY 2025-26
ADM	30,979	30,921	31,917	31,511	32,357	31,167	31,387	31,332	31,413	31,295	30,273
In IPS Building	30,979	30,921	30,670	29,947	30,357	28,827	28,042	28,065	28,014	27,572	26,569
IPS LEA	28,527	27,907	26,929	24,818	24,707	22,216	21,301	21,260	21,128	20,197	19,093
% in IPS Building	100%	100%	96%	95%	94%	92%	89%	90%	89%	88%	88%
% IPS-LEA	92%	90%	84%	79%	76%	71%	68%	68%	67%	65%	63%

### Distribution of Resident Students



Discussions around school funding depend on the number of students

- **“19k”** → IPS Federal and State Reporting → “IPS-LEA”
- **“27k”** → Supported by IPS Operations → “IPS Operations”
- **“30k”** → IPS Accountability → “IPS Innovation Network”
- **“39k”** → IPS Boundary Public School Students → “IPS Boundary”
- **“50k”** for K-12 age students in IPS Boundary

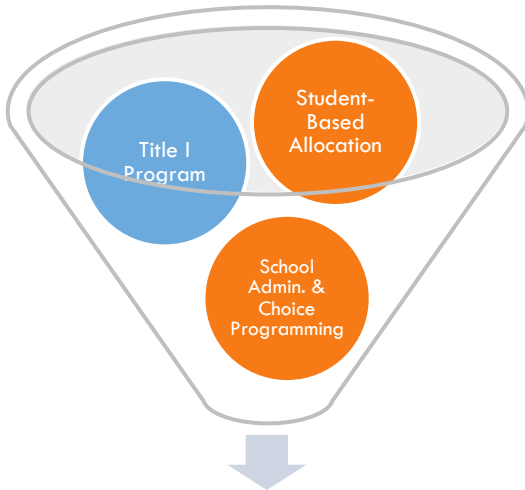


## Example: Traditional & Innovation LEA School Funding

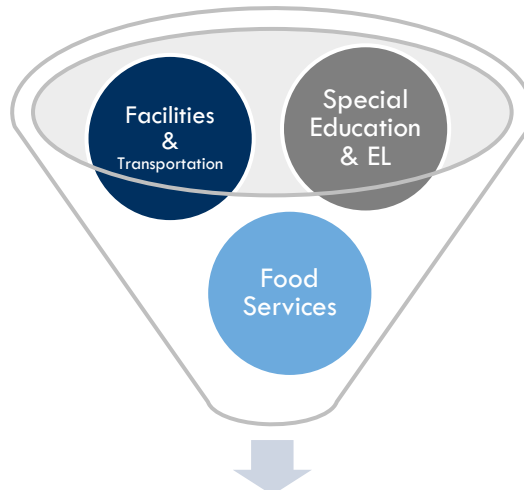
IPS Boundary



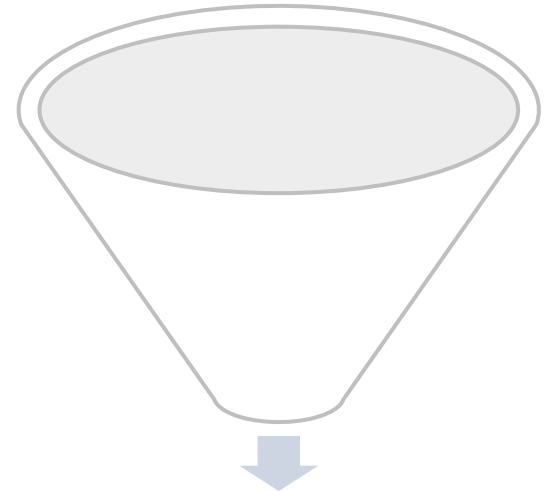
Local • State • Federal  
Combination



Funds Distributed to School Through IPS



In-Kind Benefits & Services Provided By IPS to School



Funds Distributed Directly to School



# Example Allotments for SY 2025–26

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## Example: Traditional & Innovation-LEA School Funding

Allocation Source (Under SBA)	\$ PP	Students	Dollars
Base Allocation	\$2,500	349	\$872,500
English Language Learner Weight	\$250/\$500/\$750/\$1,000	30/15/10/15	\$37,500
Poverty Weight	\$750	302	\$226,500
Grade Band Weight	\$2,000	349	\$698,000
Baseline Supplement			\$45,000
Strategic Support			-
<b>Total:</b>			<b>\$1,879,500</b>

Through SBA

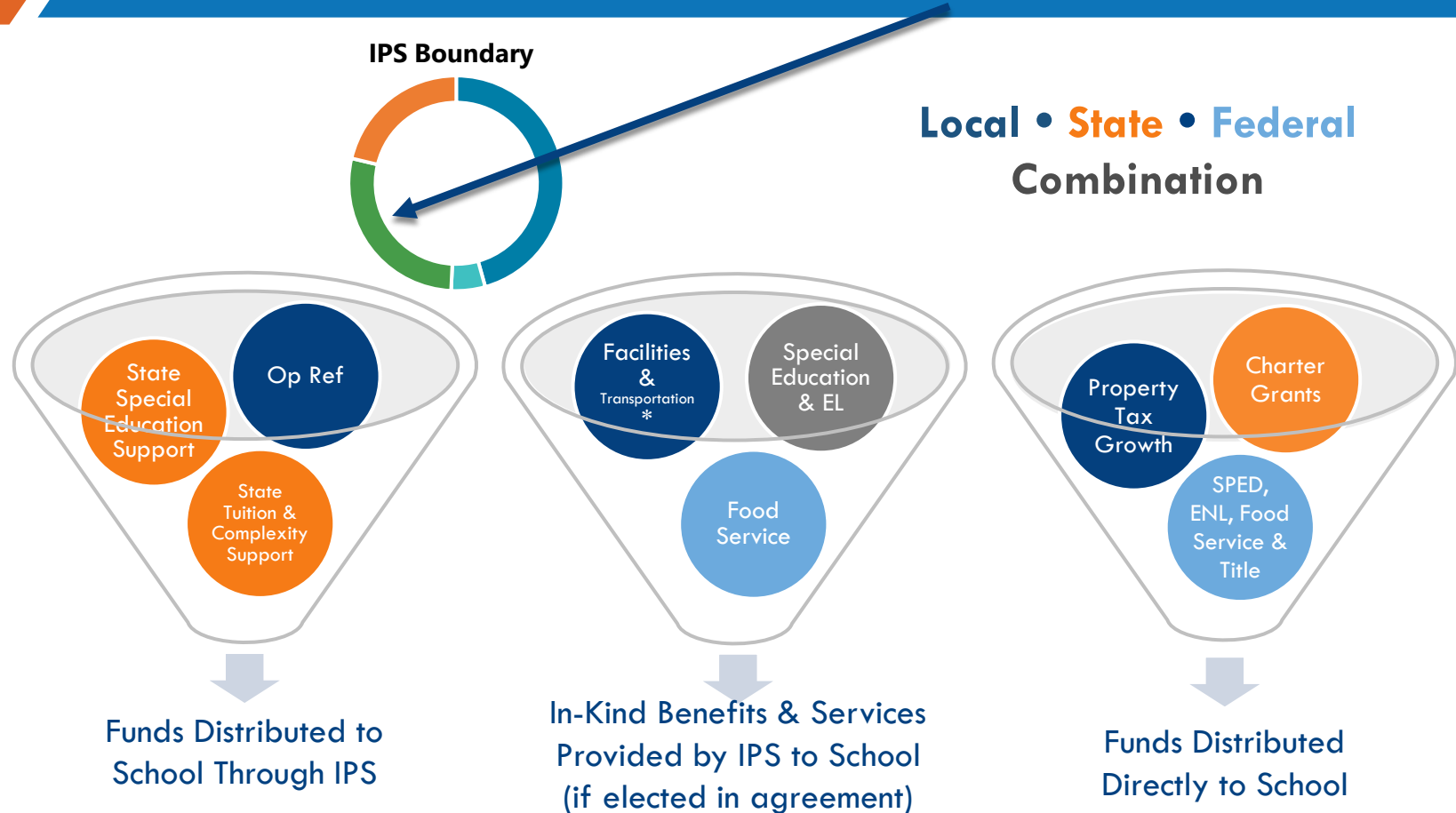
Restricted Funds (not comprehensive)	
Title I Allocation	\$124,238
Title II/III Allocation	\$16,799
<b>Total:</b>	<b>\$141,000</b>

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



\*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	\$8,299	349	\$2,896,351
Special Education Support – Level 1	\$548	10	\$5,480
Special Education Support – Level 2	\$2,913	3	\$8,739
Special Education Support – Level 3	\$11,592	1	\$11,592
Operating Referendum Share	\$500	349	\$174,500
<b>Total:</b>			<b>\$3,096,662</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 2025	Q2 2025	Q3 2025	Q4 2025	2025 YTD TOTAL	2024 YTD TOTAL
<b>Total XBE Actual</b>	\$ 13,484,177	\$ 12,813,364	\$ 16,442,722	\$ 10,108,482	\$ 52,848,746	\$ 44,657,434
<b>NON XBE</b>	\$ 59,538,850	\$ 57,863,737	\$ 82,347,253	\$ 64,580,475	\$ 264,330,314	\$ 186,093,369
<b>TOTAL</b>	\$ 73,023,027	\$ 70,677,101	\$ 98,789,974	\$ 74,688,958	\$ 317,179,060	\$ 230,750,802

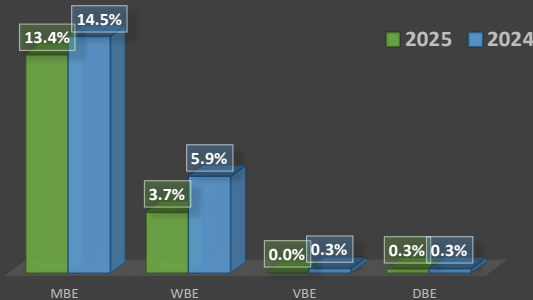
## DETAIL BREAKDOWN

\*\*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.\*\*

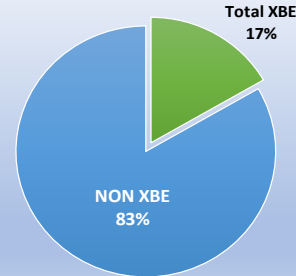
MINORITY TYPE	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025 YTD TOTAL	2024 YTD TOTAL
<b>MBE</b>	\$ 11,521,192	\$ 10,022,067	\$ 11,755,773	\$ 9,195,649	\$ 42,494,681	\$ 33,508,948
<b>VBE</b>	\$ 56,141	\$ 34,638	\$ 5,190	\$ 1,312	\$ 97,281	\$ 687,168
<b>WBE</b>	\$ 2,541,950	\$ 3,137,511	\$ 4,952,035	\$ 1,196,545	\$ 11,828,042	\$ 13,704,874
<b>DBE</b>	\$ 348,408	\$ 271,227	\$ 83,552	\$ 167,472	\$ 870,658	\$ 644,035

## 2025 to 2024 Comparison

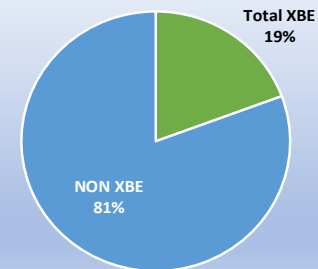
% OF OVERALL SPEND BY TYPE



2025 XBE SPEND OF ACTUAL



2024 XBE SPEND OF ACTUAL



### Top 5 Vendors 2025

POWERS-DAVIS JV, MBE	\$ 23,076,617
R CHAVEZ CONSTRUCTION, MBE	\$ 3,337,551
POWERS AND SONS CONS	\$ 3,125,230
BUSINESS FURNITURE, WBE	\$ 2,731,532
DNO INC, MBE	\$ 2,645,783

### 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	125
TOTAL VENDORS USED	1060

### 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

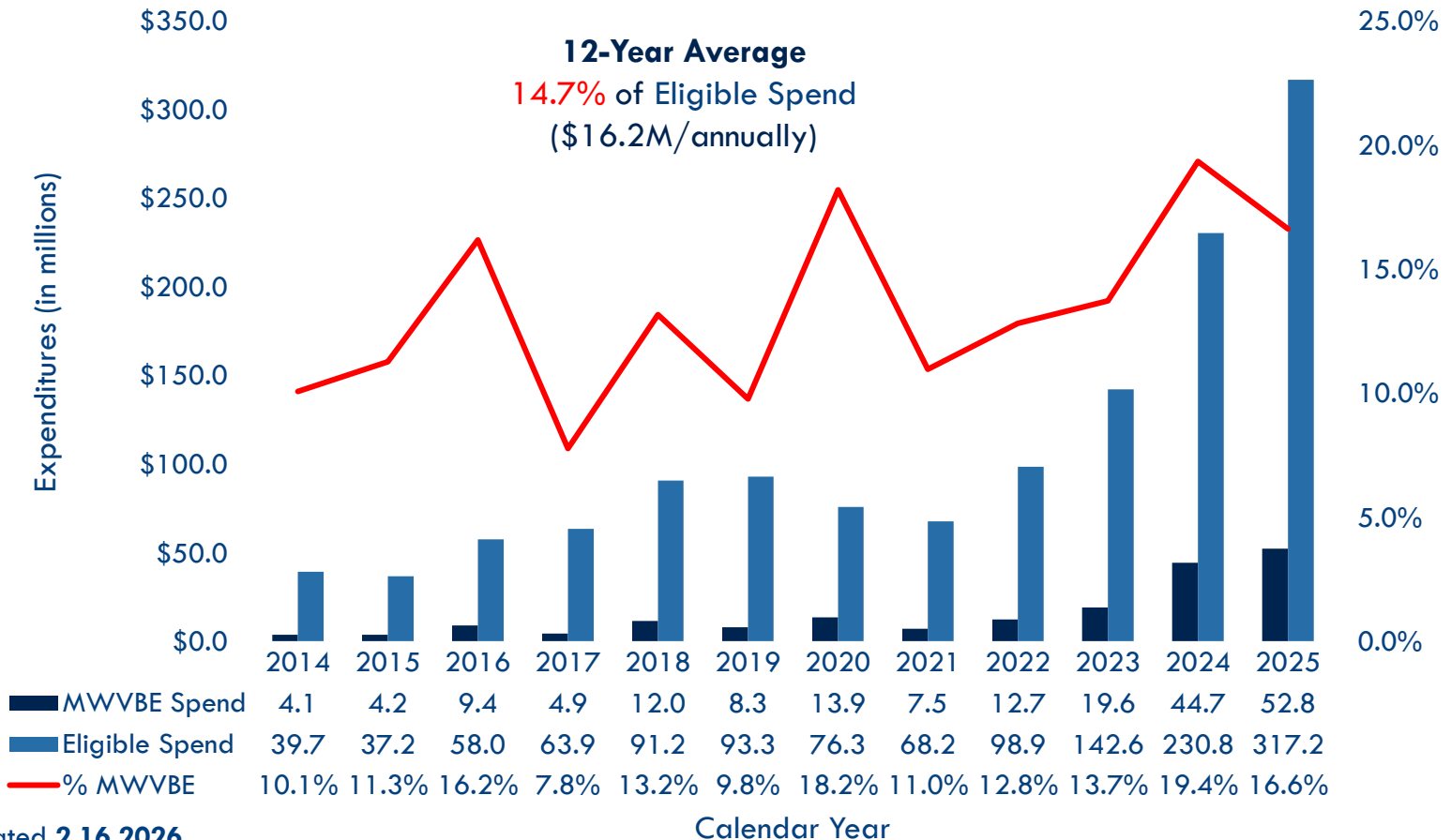
### Vendor Reporting & Disparity Study

- In partnership with [City of Indianapolis – Engaged with BBC Research & Consulting](#)
- Community Engagement, Process & Data Review, and Recommendations
- Draft Report being reviewed to develop next steps re: implementation plan

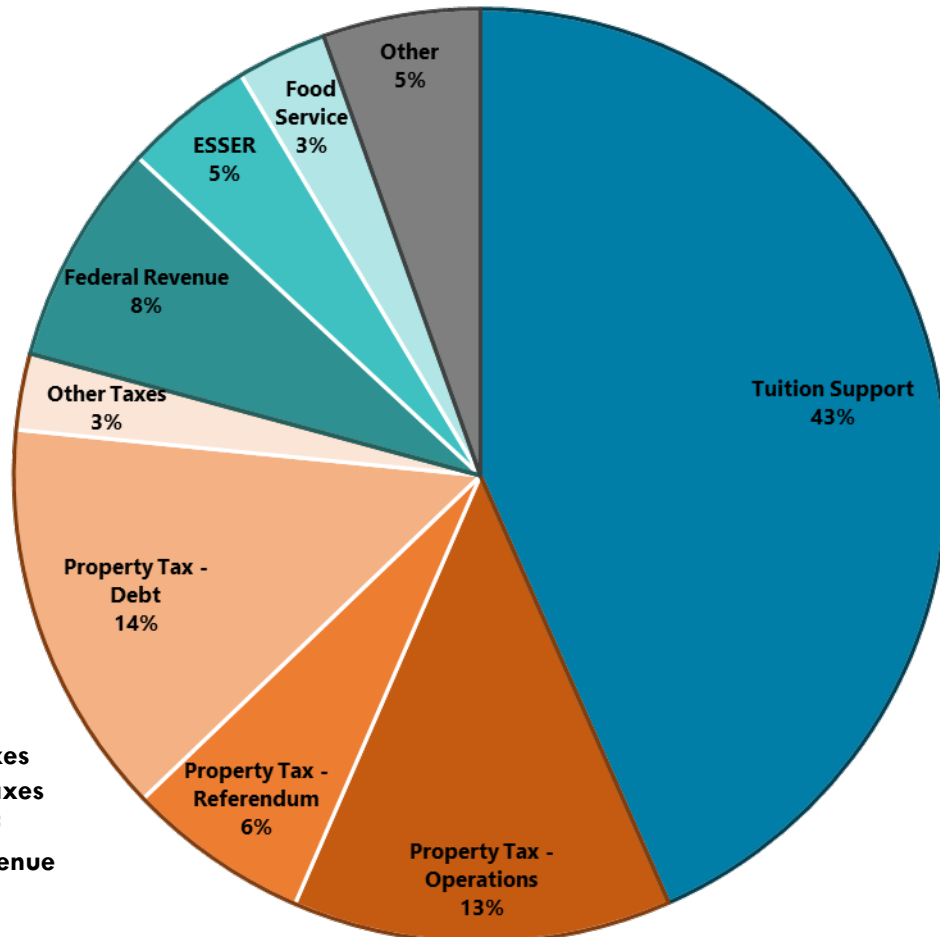
### Workforce Development

- 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 2025)



Property Taxes and Local Taxes total 36% of SY2025 Revenue

- State Tuition Support totaled 43% of IPS revenue in SY 2025.
- Property Taxes and other local taxes totaled 36% of IPS revenue in SY 2025.
- Federal Funding and other revenue sources totaled 21% of SY 2025 revenue.
- ESSER funding was a one-time grant revenue source and will not be available to support ongoing operations.

### Title I

\$16M (planning allocation)

Additional Supports for Students

Reduce achievement gap between students

### Title II

\$1.7M

Support Teacher Training

Support School Leader Training

### Title III

\$800k

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 12<sup>th</sup> 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:

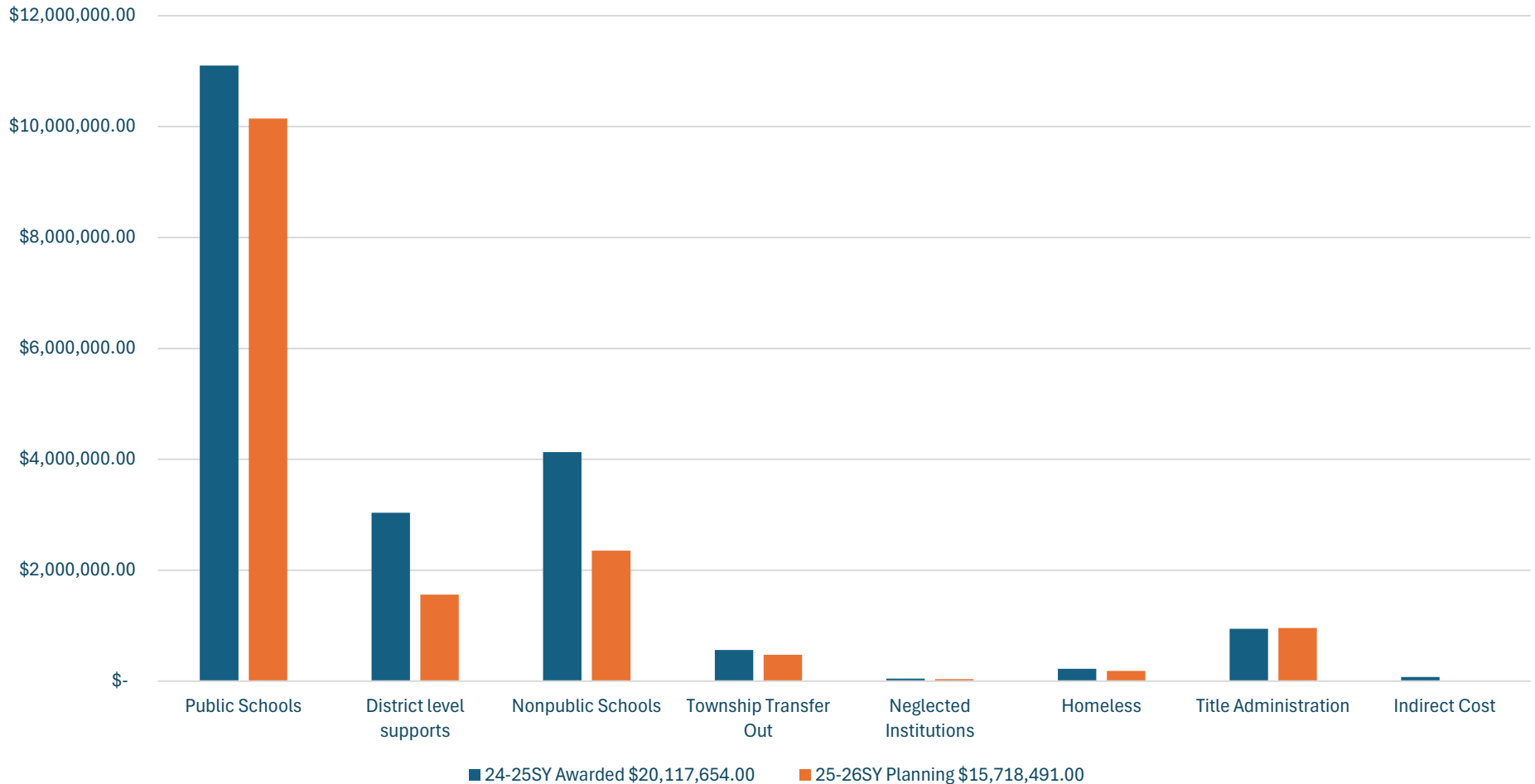
- Training new teachers
- Supporting new teachers when they start
- Providing ongoing professional development
- Developing stronger school leaders (principals and assistant principals)

## Title IV

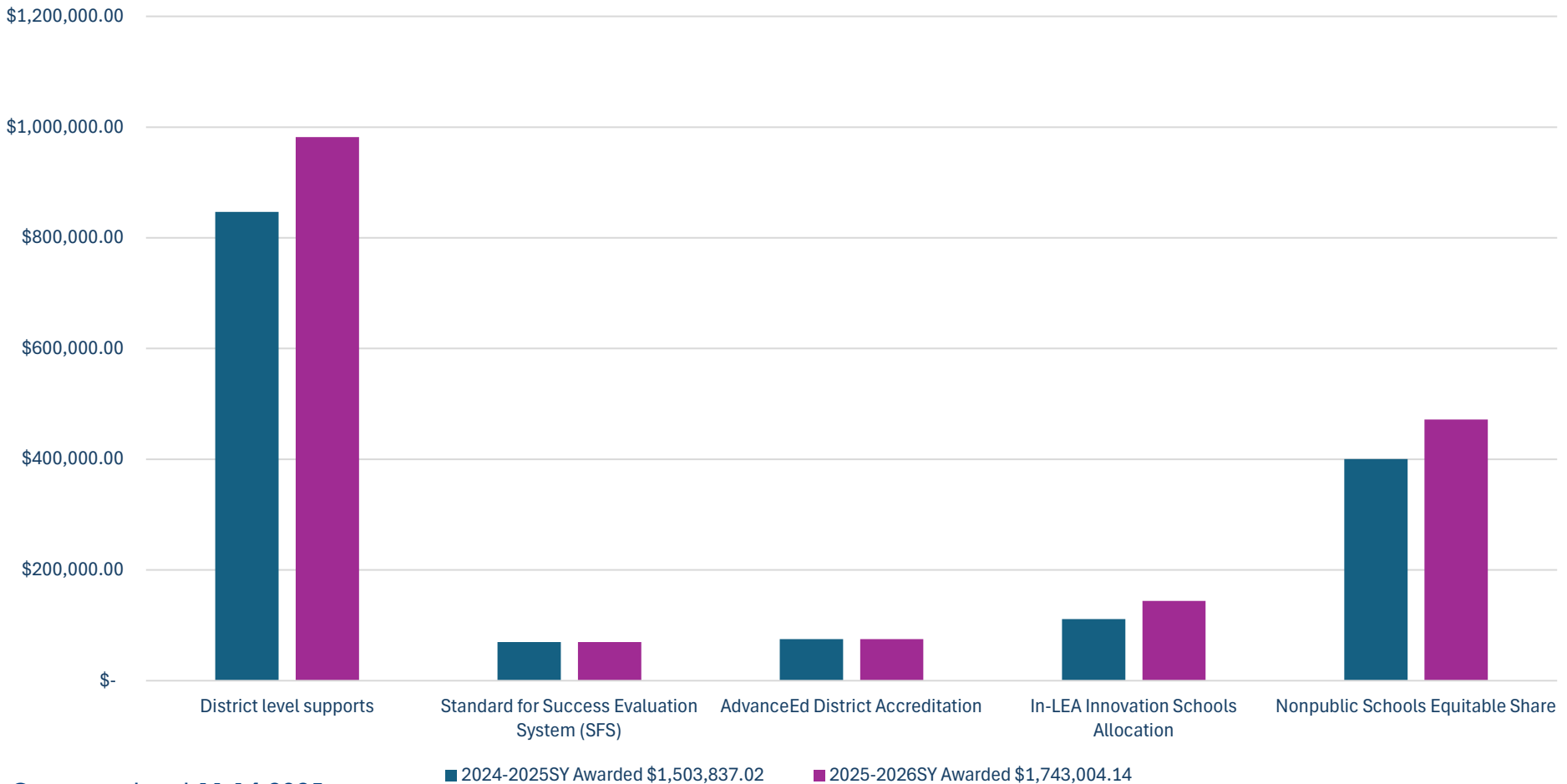
Focus areas impacting student wellbeing:

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

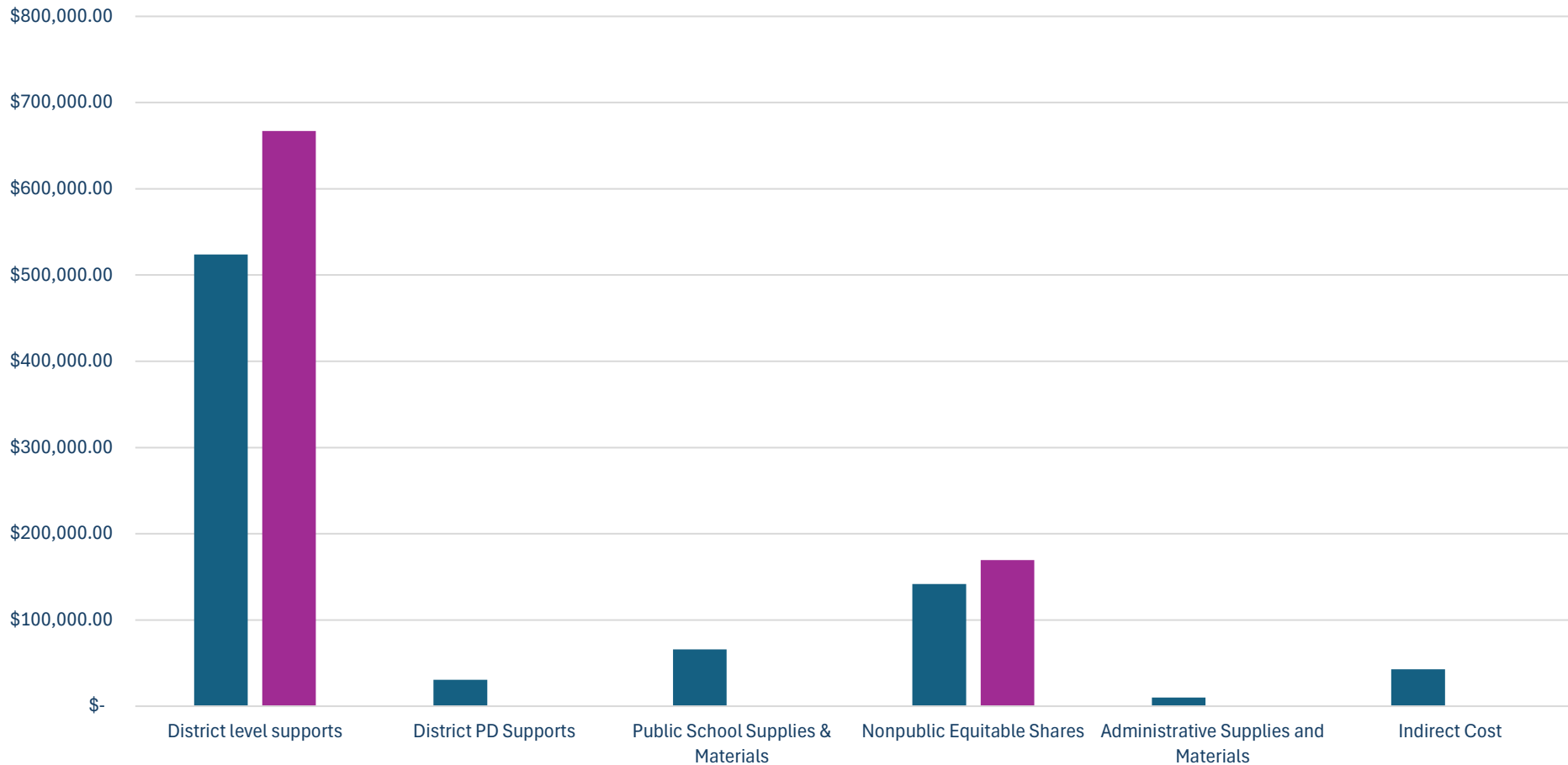
Title I Year by Year Comparison



### Title II Year by Year Comparison



### Title III Year by Year Comparison



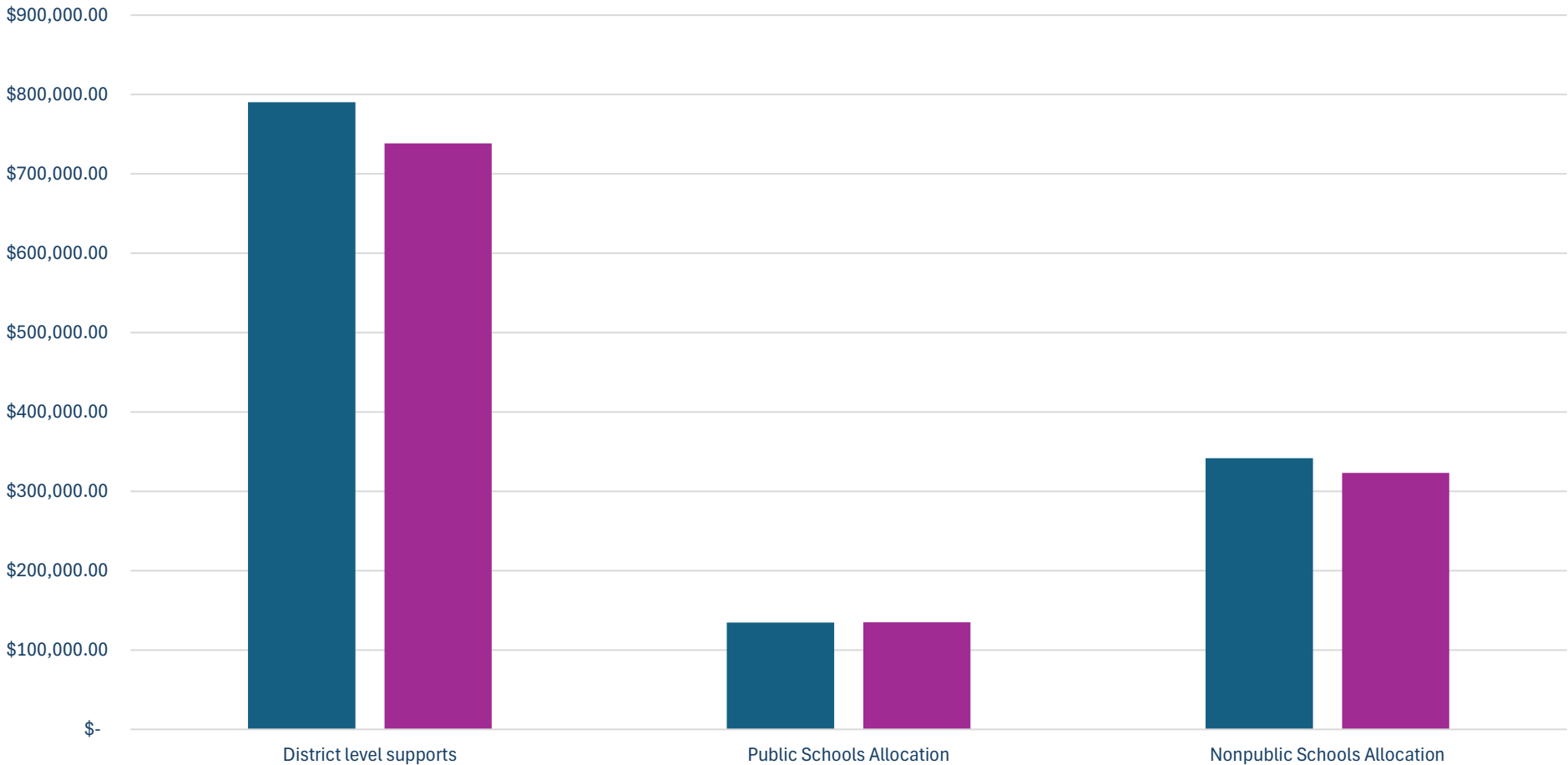


# Federal Title Programs Overview

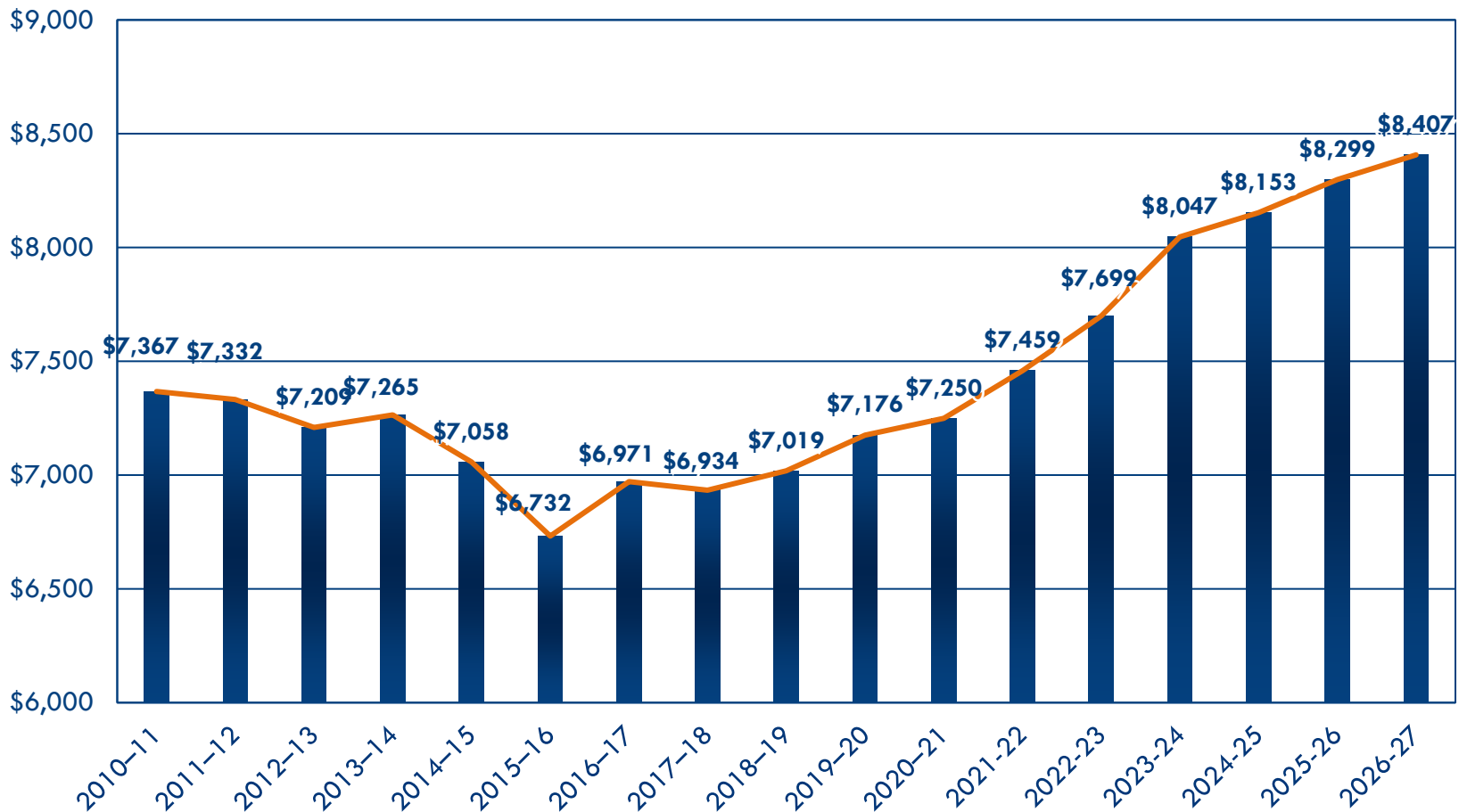
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How Title IV is distributed

## Title IV Year by Year Comparison

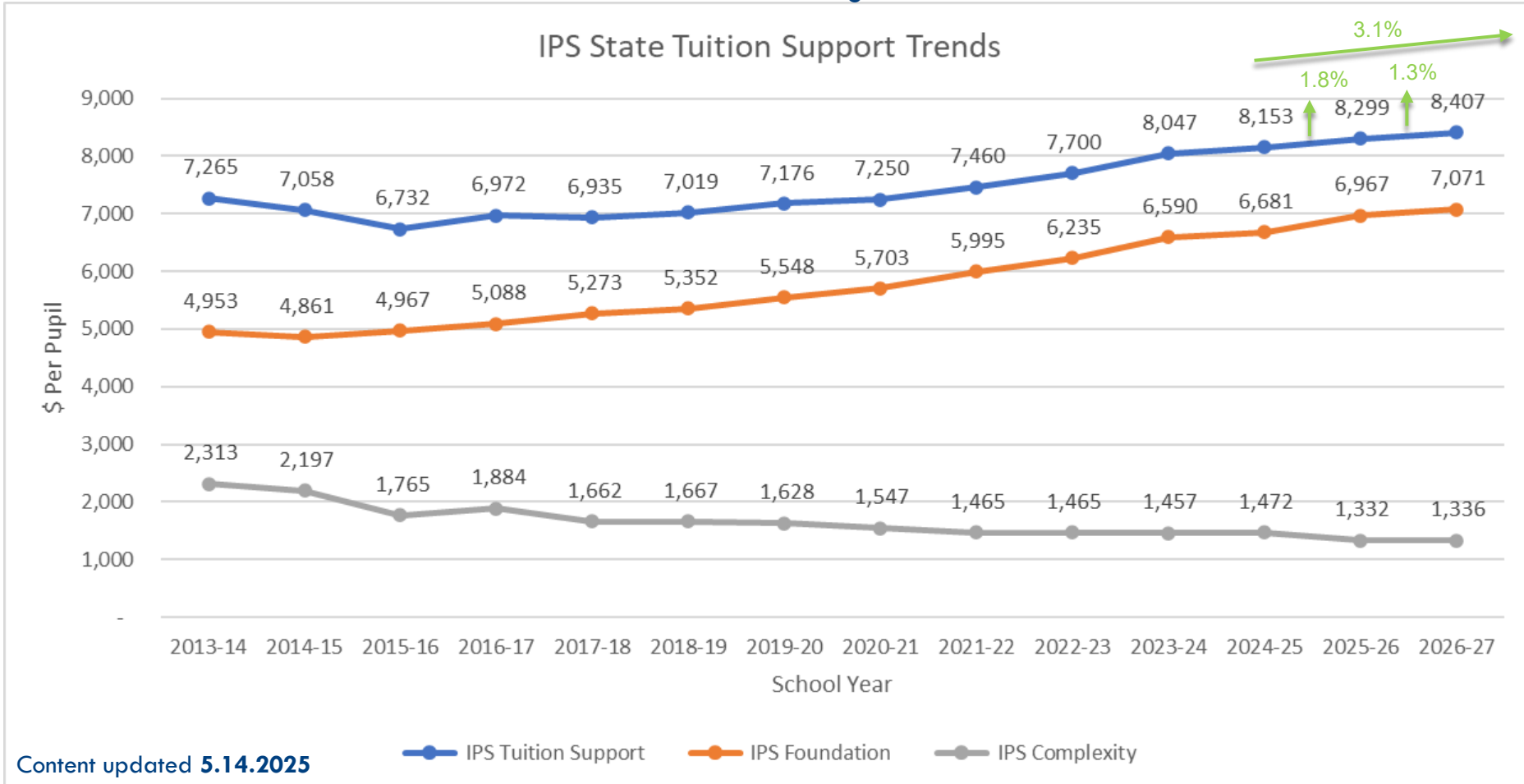


Over the past decade, IPS per pupil funding has been impacted by State Funding Formula priorities.



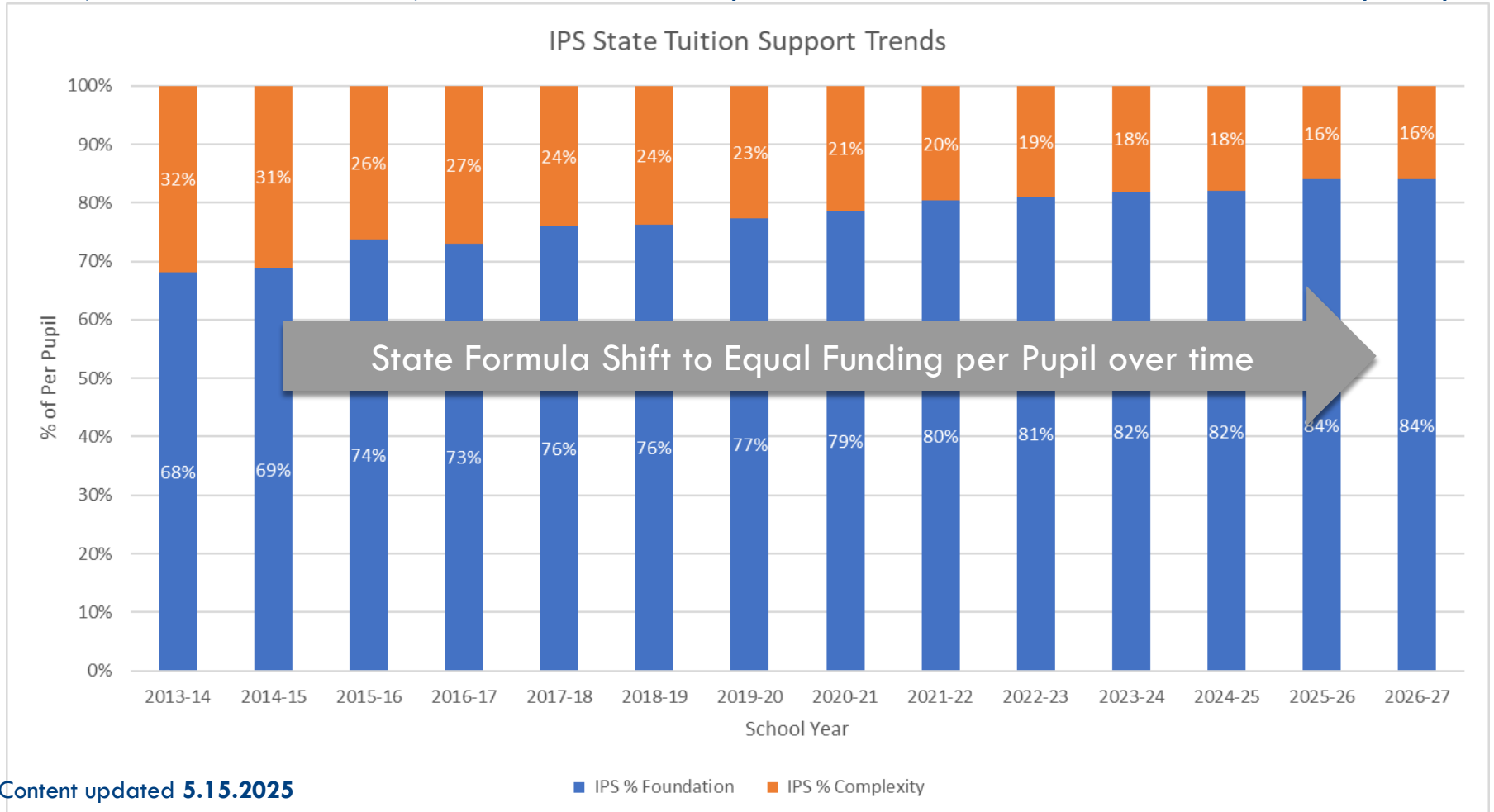
## Historical Perspective: State Fund Budget \$ Per Pupil

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.



## 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

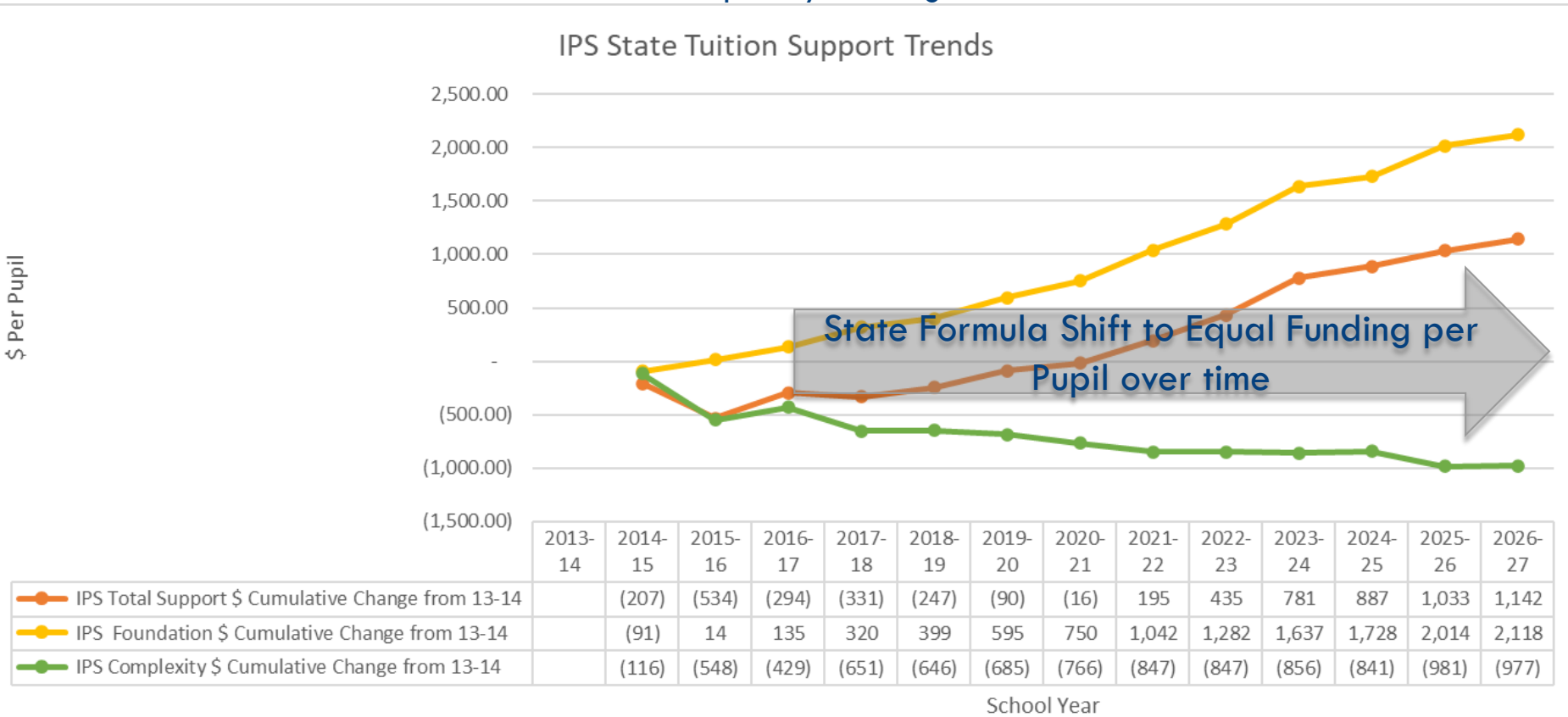
The past 3 state budgets have exhibited trends to prioritize funding Foundation funding (equal amount to all students) vs. Complexity Funding (based on need)

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%

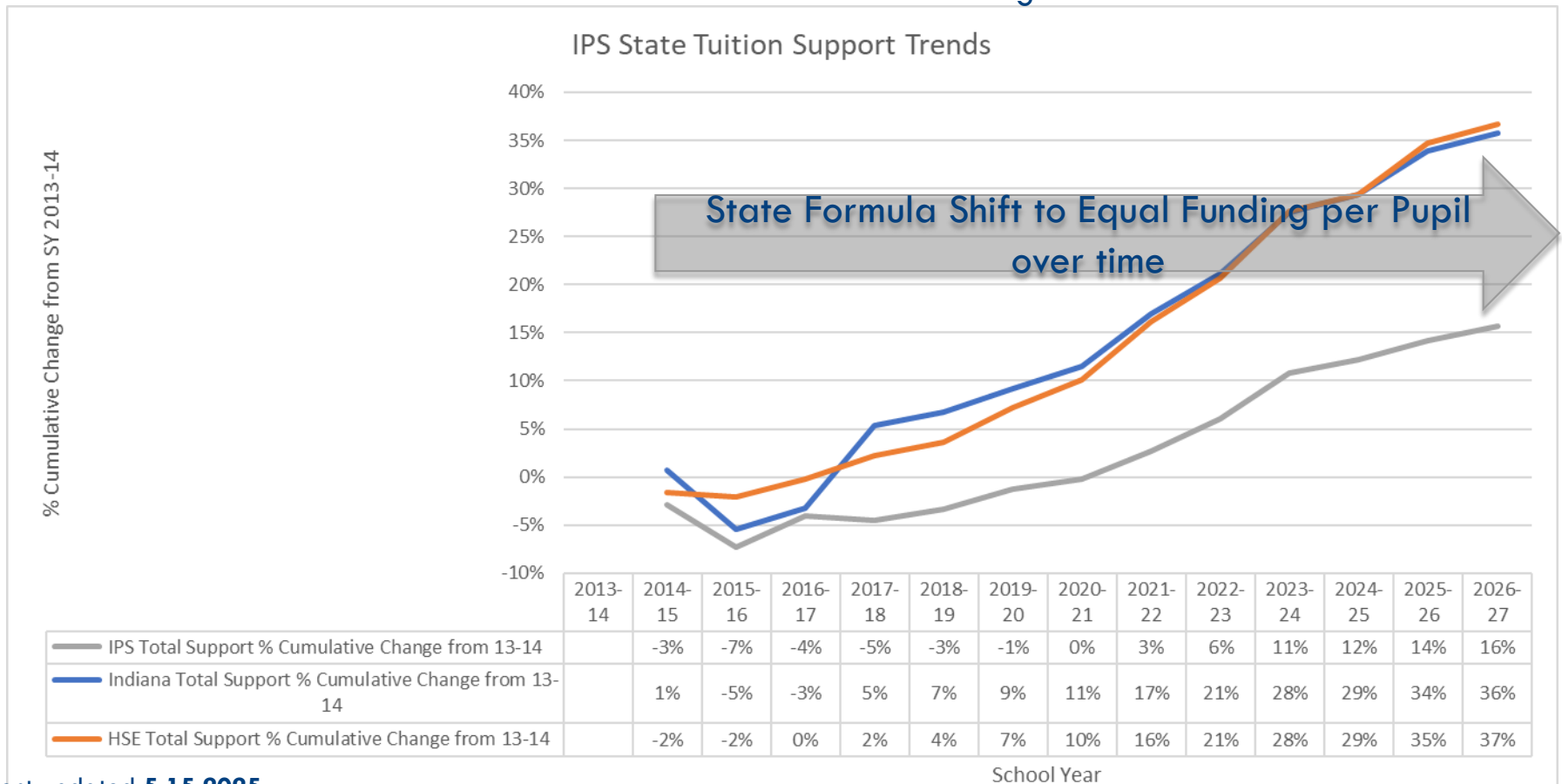
## Historical Perspective: State Fund Budget \$ Per Pupil

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.



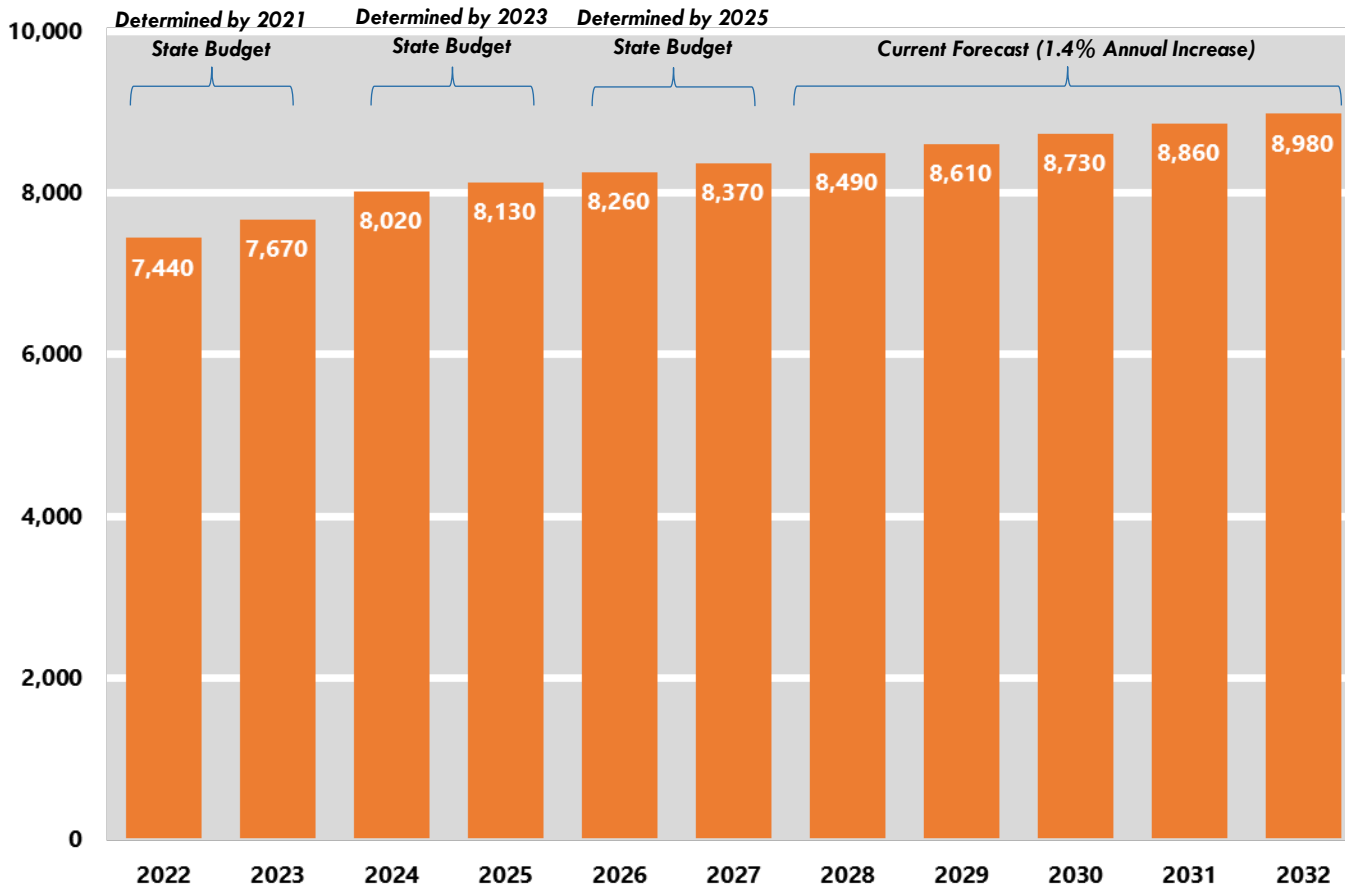
## Historical Perspective: State Fund Budget \$ Per Pupil

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.



### Tuition Support Forecast: Per Student Funding

Total Foundation Grant plus Complexity

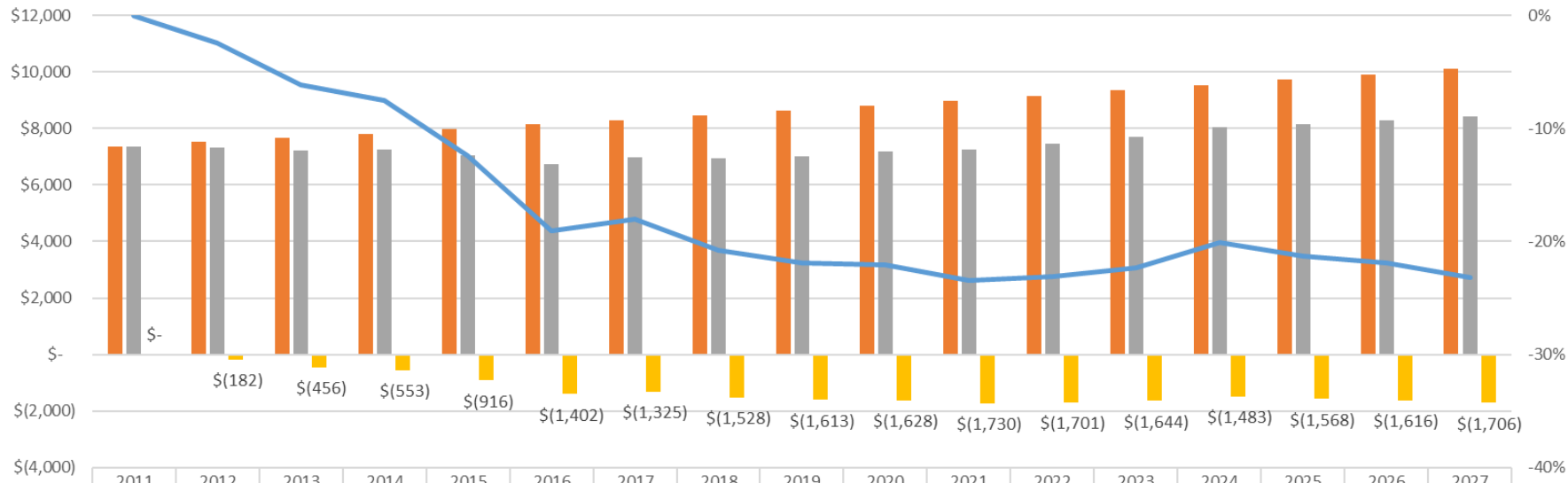


- State tuition support funding is comprised of the Foundation Grant, which is uniform for all students, and the Complexity Grant, which directs more funding to at-need students.
- In recent years, the General Assembly has prioritized increasing the Foundation Grant over the Complexity Grant.
- The 2025 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.

## 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.**

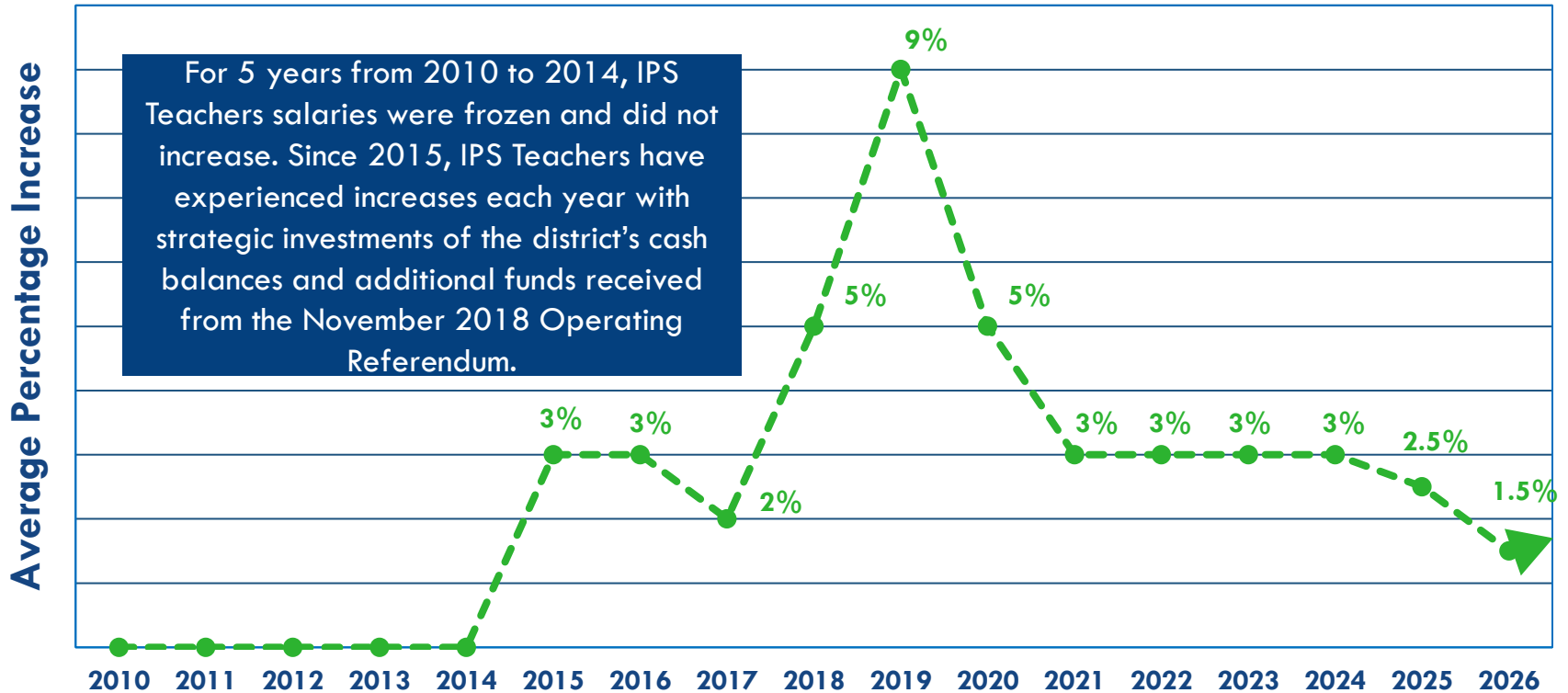
IPS State Per Pupil Funding  
2% Inflation Adjusted SY 2010-11 vs Actual



2011 + 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	\$8,299	\$8,407
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)	\$(1,616)	\$(1,706)
Diff %	-	-2%	-6%	-8%	-12%	-19%	-18%	-21%	-22%	-22%	-23%	-23%	-22%	-20%	-21%	-22%	-23%

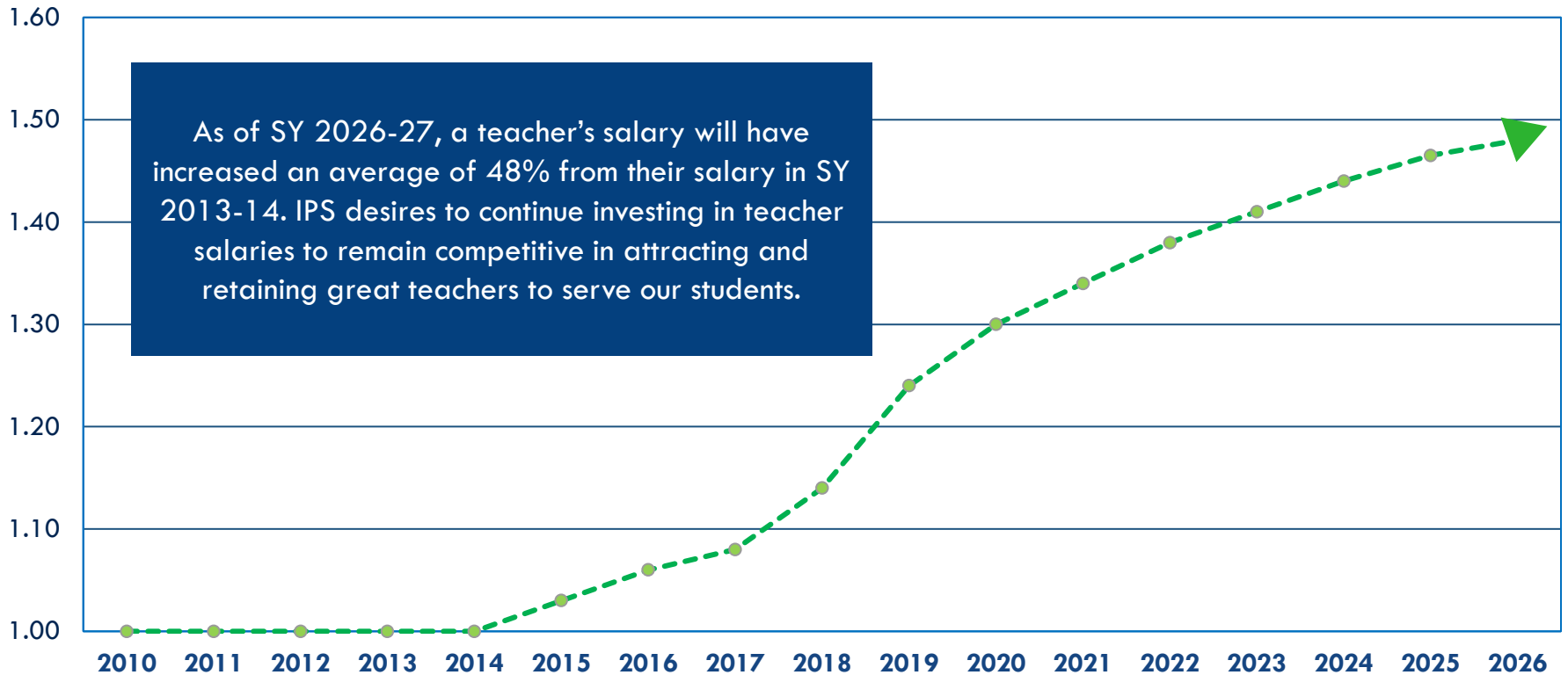
2011 + Inflation    Actual    Diff per pupil    Diff %

### Teacher Compensation



### Year of Collective Bargaining Agreement

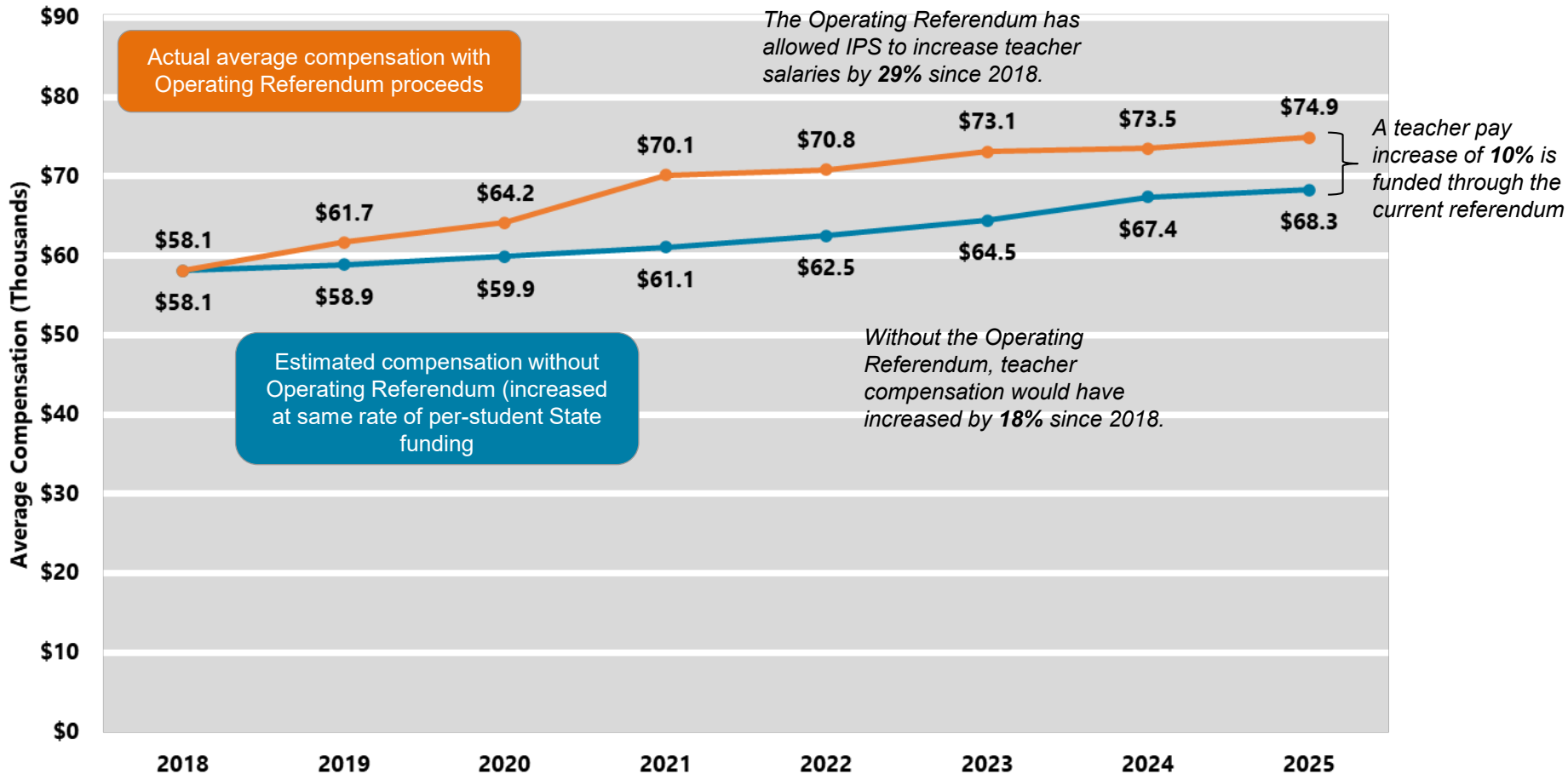
### Teacher Compensation – Indexed Growth



As of SY 2026-27, a teacher's salary will have increased an average of 48% from their salary in SY 2013-14. IPS desires to continue investing in teacher salaries to remain competitive in attracting and retaining great teachers to serve our students.

### Year of Collective Bargaining

### Average Compensation for IPS Teachers



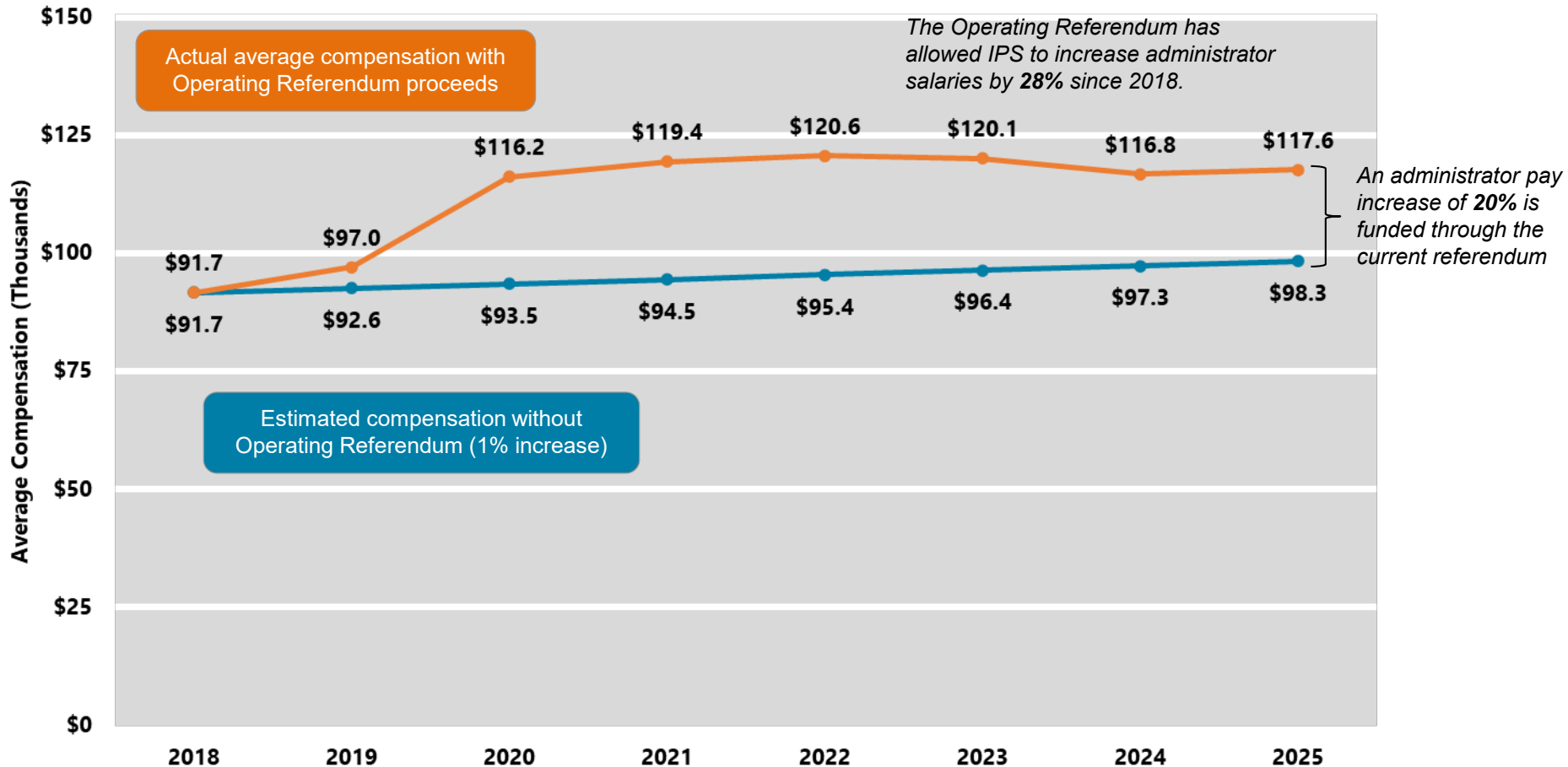
In 2015, IPS was lagging nearly all other Marion County School Districts at all levels on the pay scale - Minimum (Starting) Salary, Average Salary, and Maximum Salary



In 2024, IPS is now in the “lead pack” among Marion County School Districts when it comes to Minimum (Starting) Salary and continues to lag 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:

- 1** Property disposition has generated revenue in excess of \$25M
- 2** Sold former Coca-Cola Bottling Plant for mixed-use redevelopment (Mass Ave.) to realize \$12M in one-time revenue. Bus fleet maintenance is now outsourced.
- 3** Rightsizing the IPS central office to reduce expenditures by \$5.3M annually
- 4** Sold P.R. Mallory/Ford building for redevelopment (Washington St.) to realize \$1.65M in one-time revenue. District warehousing is now outsourced.
- 4** Refinanced the district's debt portfolio, taking advantage of favorable interest rates to lower debt service, by approximately \$1.5M annually.

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



We have made decisions to stabilize.

## Transportation Initiatives

- \$100M 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
- \$25M in cumulative savings since 2017 in custodial staffing costs

## System Modernization

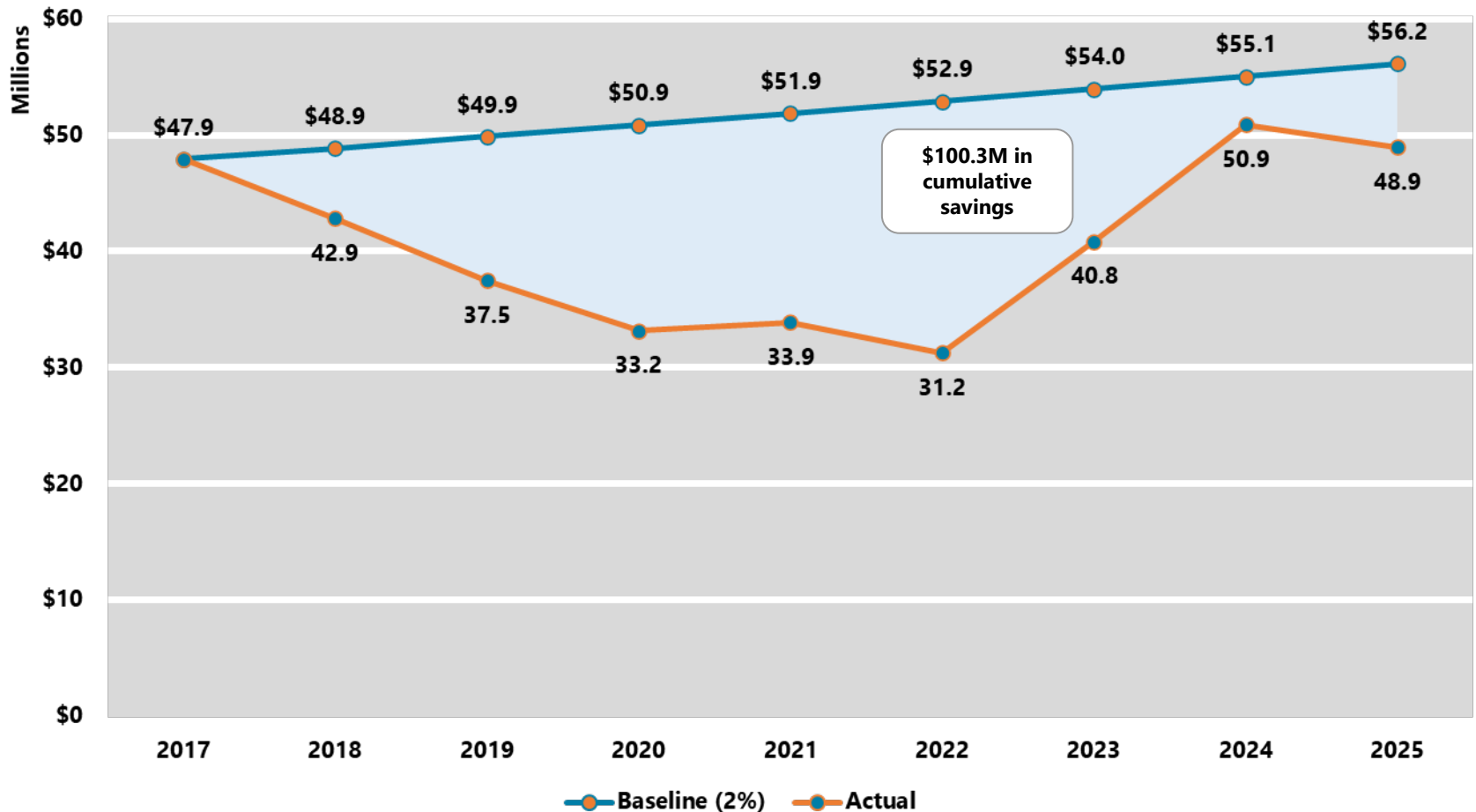
- Increasing automated systems
- Cultivating a service mindset

## Health Insurance & Wellness

- Controlled costs while increasing access to quality providers

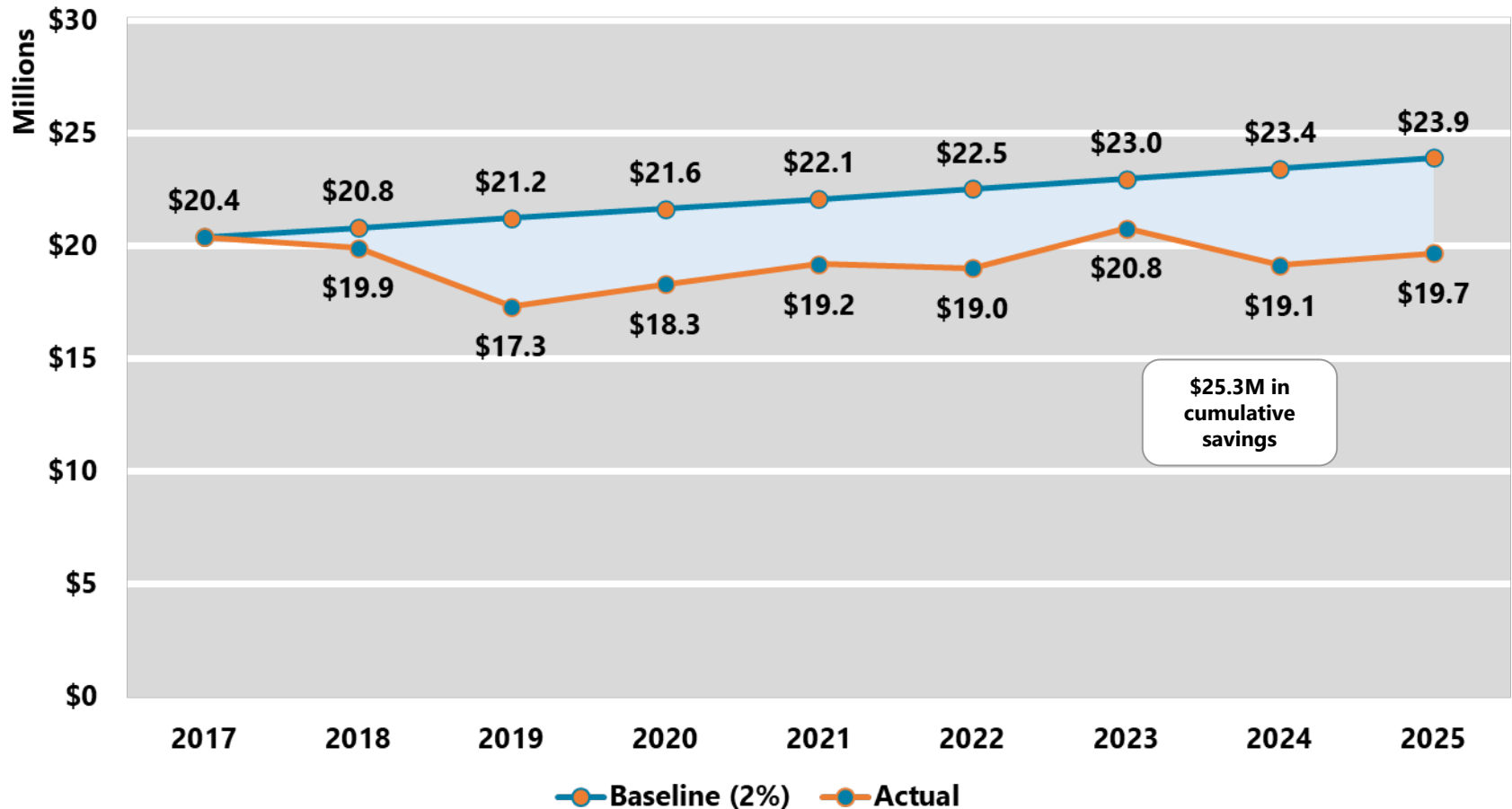
### Transportation Efficiency Savings

Compared to Pre-Referendum Projection



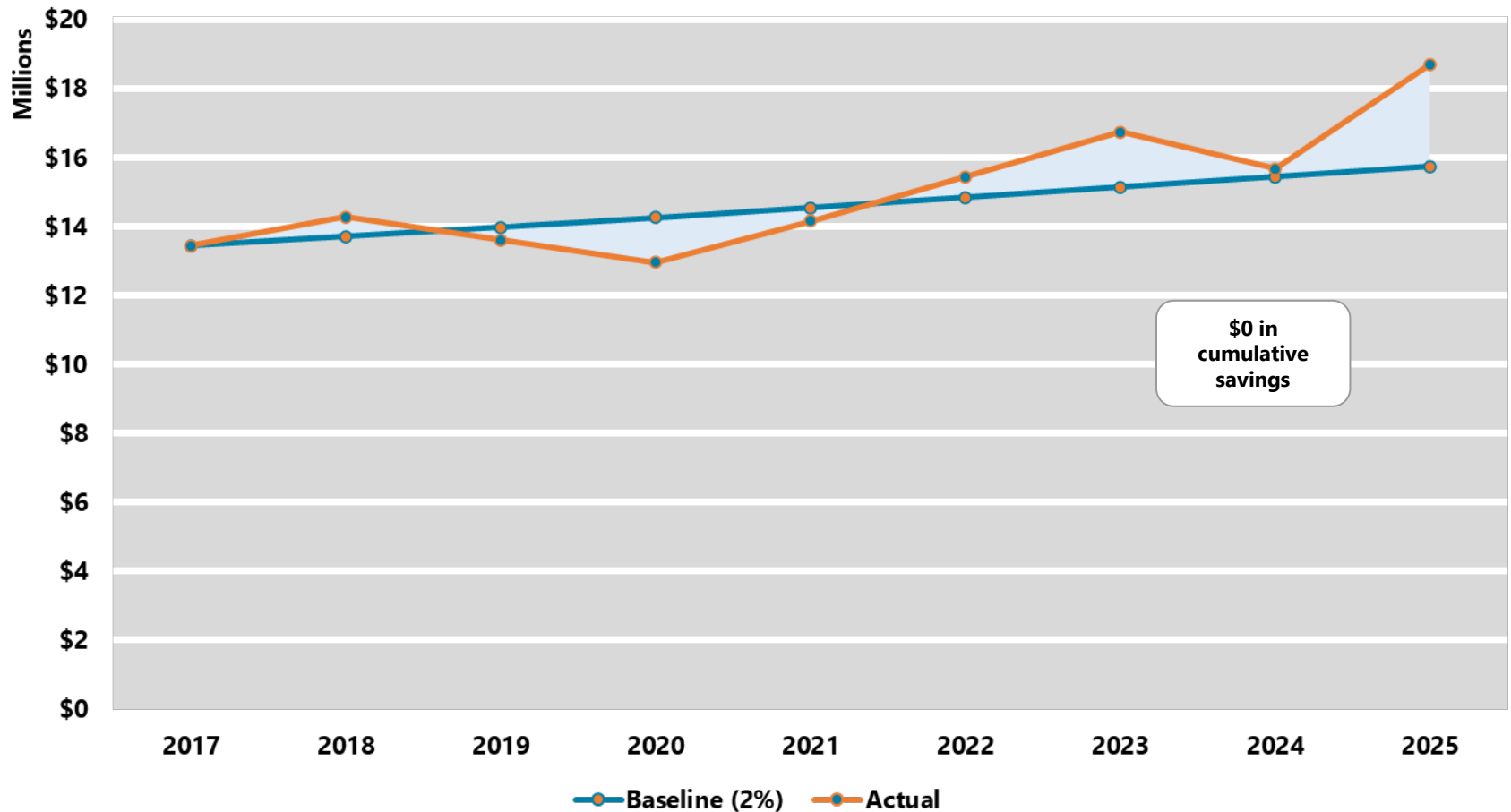
### Custodial Efficiency Savings

Compared to Pre-Referendum Projection



### Utilities Efficiency Savings

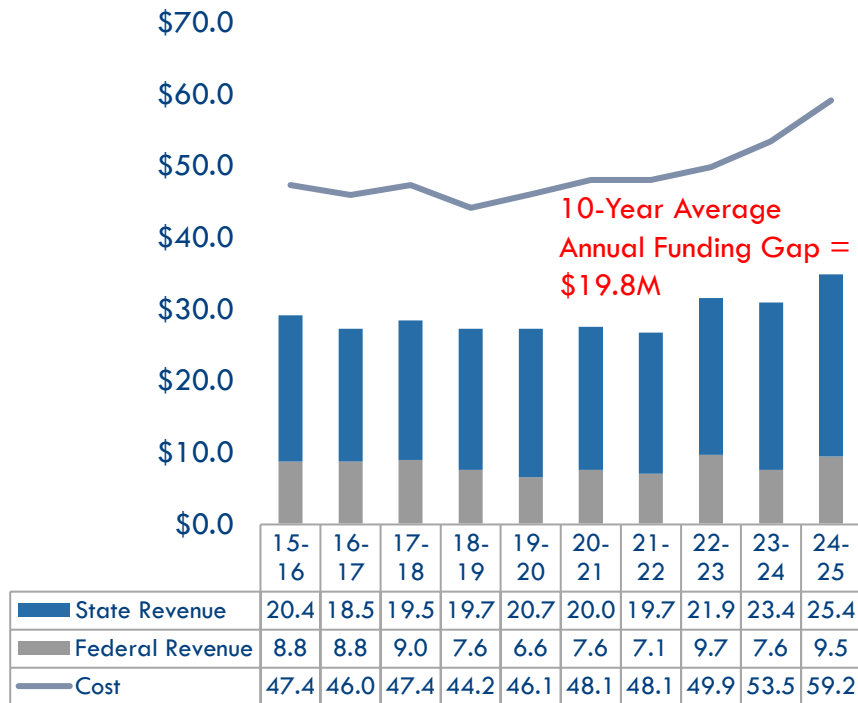
Compared to Pre-Referendum Projection



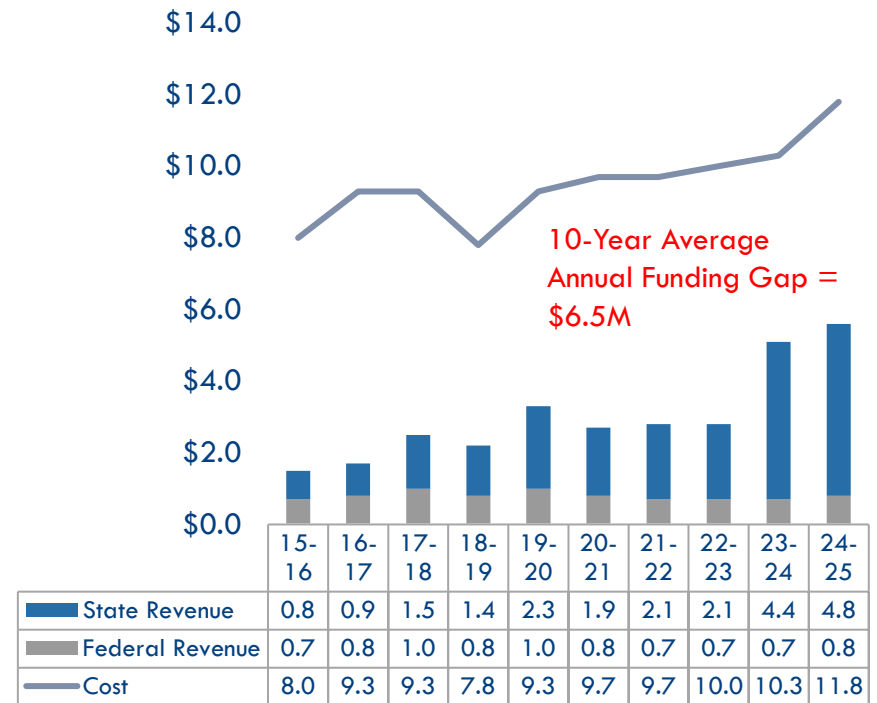
## Funding Gap For Students With Special Needs

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 **104%** of complexity index funding.

SPED Funding & Cost (in millions)



ELL Funding & Cost (in millions)



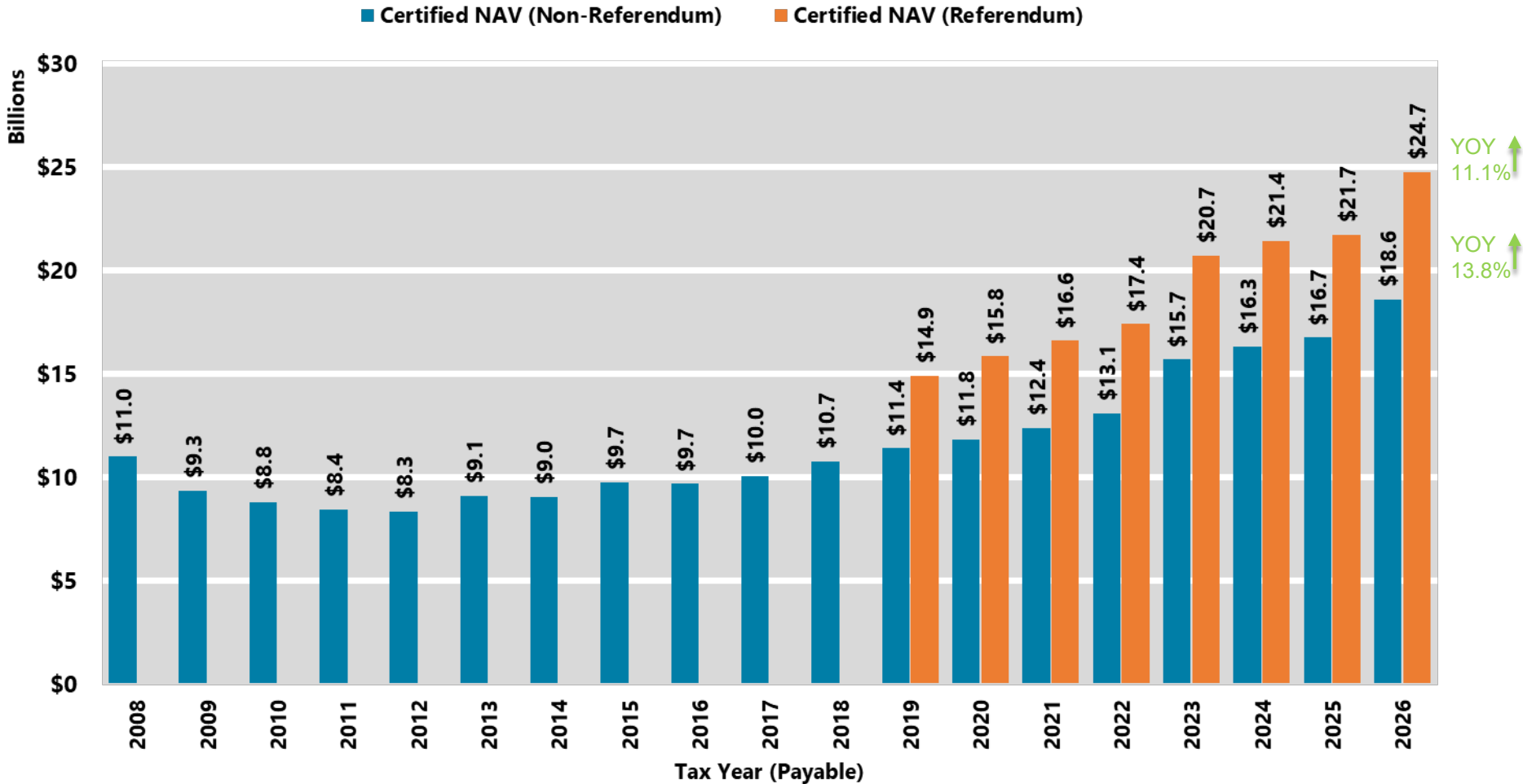
**Expenditures for special education and English language learners encroach on General/Education Fund budget allocations, capturing around 16% of state tuition support or 104% of complexity index funding.**

<b>SY 2024–25</b>	<b>Special Education</b>	<b>English Language Learners</b>	<b>Total</b>
Federal Funds	\$9,484,057	\$814,872	\$10,298,929
State Funds	\$25,422,550	\$4,820,066	\$30,242,616
<b>Total Revenue</b>	<b>\$34,906,607</b>	<b>\$5,634,938</b>	<b>\$40,541,545</b>
<b>Total Cost</b>	<b>(\$59,263,165)</b>	<b>(\$11,763,975)</b>	<b>(\$71,027,140)</b>
<b>Total Gap Paid by Education Fund</b>	<b>(\$24,356,558)</b>	<b>(\$6,129,037)</b>	<b>(\$30,485,595)</b>

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

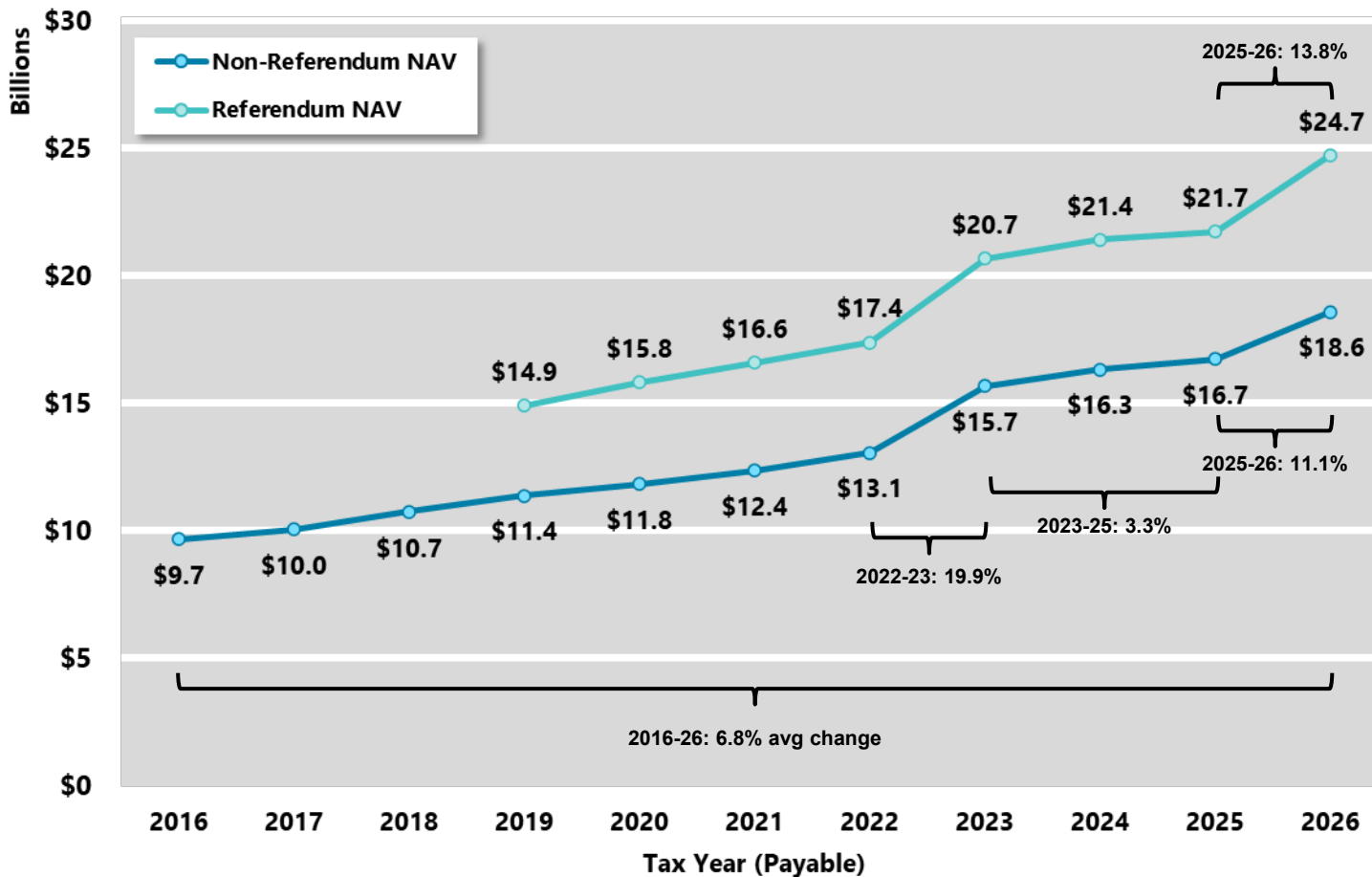
Funds	SY 15-16	SY 16-17	SY 17-18	SY 18-19	SY 19-20	SY 20-21	SY 21-22	SY 22-23	SY 23-24	SY 24-25
Interest Income	\$640K	\$1.6M	\$1.9M	\$2.5M	\$2.7M	\$1.1M	\$677K	\$3.5M	\$11.3M	\$11.2M
Textbook Rental & IDOE Reimb	\$1.7M	\$1.8M	\$2.0M	\$1.7M	\$1.8M	\$2.1M	\$1.7M	\$1.9M	\$3.3M	\$3.2M
Medicaid Reimbursement	\$674K	\$941K	\$1.9M	\$2.3M	\$1.8M	\$2.3M	\$1.4M	\$1.2M	\$1.7M	\$2.1M
Grant Contributions	\$612K	\$1.6M	\$4.1M	\$2.7M	\$2.8M	\$3.5M	\$4.6M	\$5.1M	\$5.5M	\$17.6M
Rental Income	\$938K	\$710K	\$875K	\$910K	\$127K	\$82K	\$102K	\$54K	\$257K	\$565K
<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>	<b>\$34.6M</b>
Sale of Property	\$2.3M	\$385K	\$13.4M	\$2.7M	\$5.8M	\$0	\$0	\$0	\$0	\$502K
<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>	<b>\$35.1M</b>

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



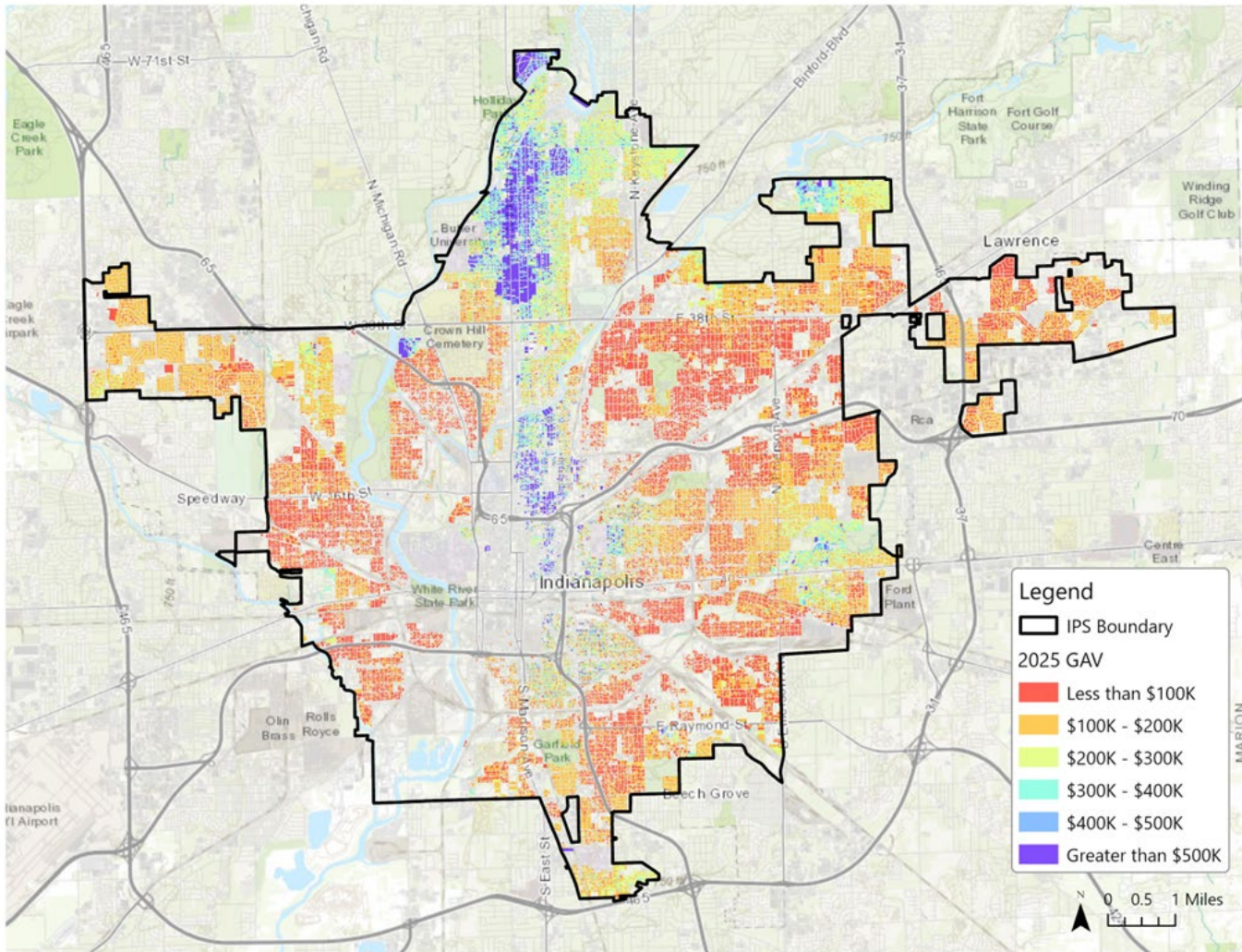
## IPS Certified Net Assessed Value Growth by Tax Year

IPS Certified Net Assessed Value Timeseries



- Marion County Net Assessed values were certified by the Auditor in August 2025.
- The Certified Net Assessed Value forms the basis of the property tax rate calculations for the 2026 calendar year.
- Referendum funds (post 2009) include assessed value from TIF (tax increment financing) districts.

## Property Tax Considerations in IPS Boundary

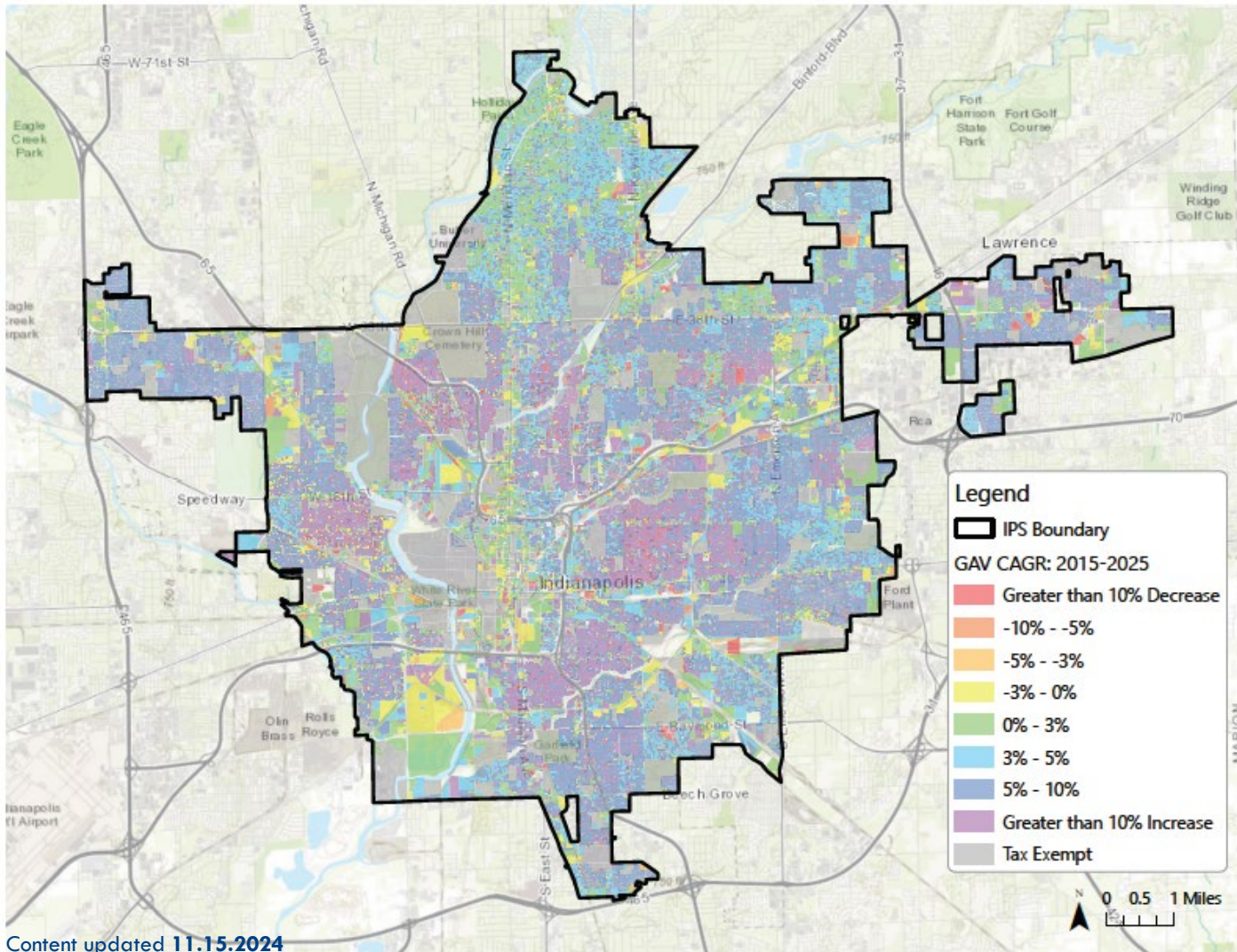


### Range of Residential Gross Assessed Valuations for 2025 in IPS Boundary

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

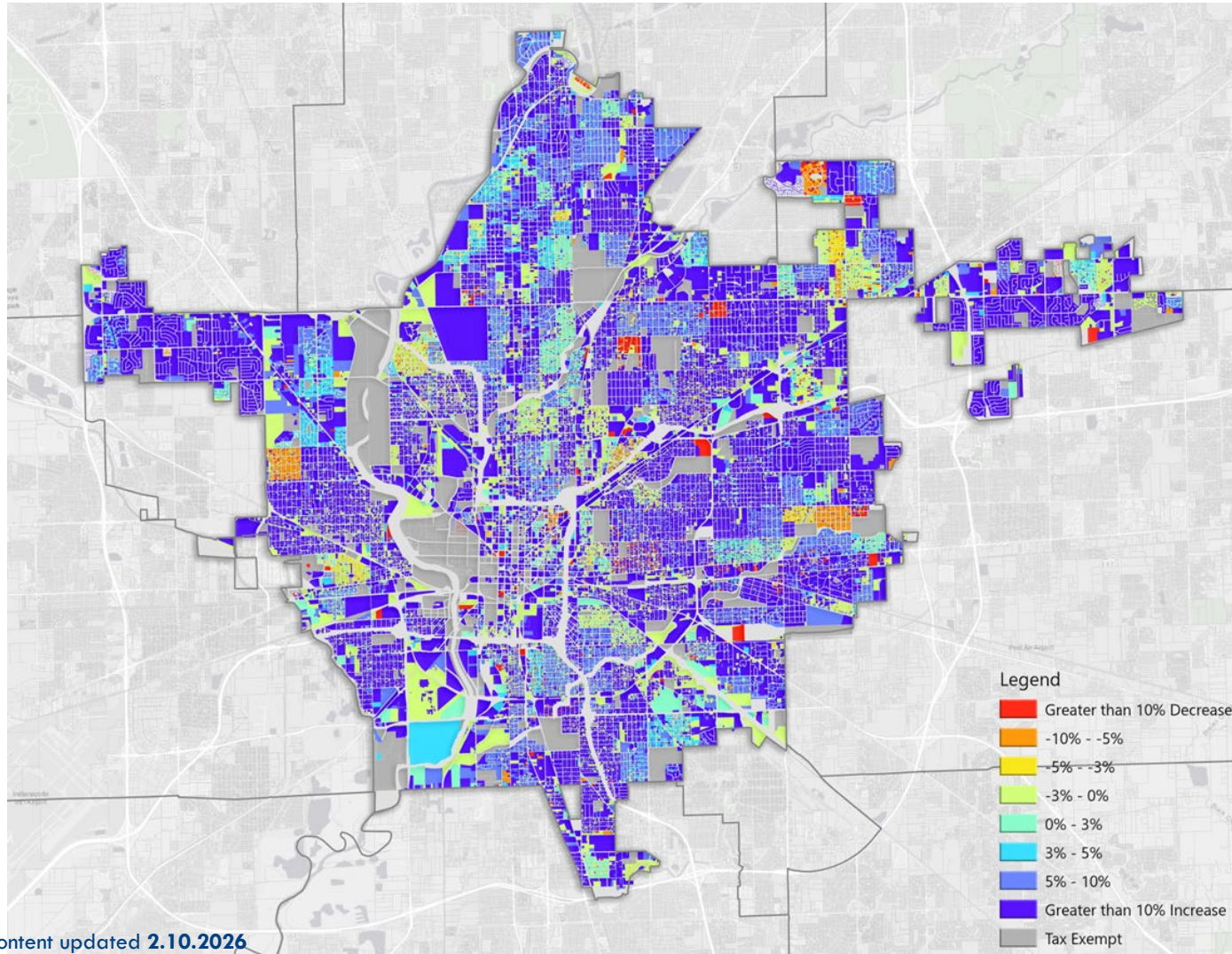


### IPS Gross Assessed Value change from 2015 to 2025 in IPS Boundary

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

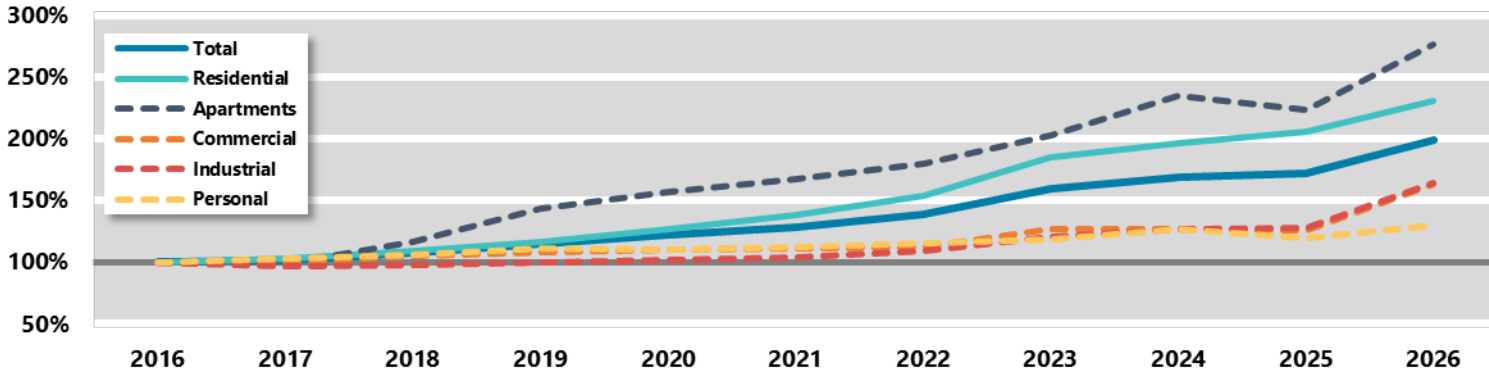


### IPS Gross Assessed Value (all property types) change from 2025 to 2026 in IPS Boundary

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

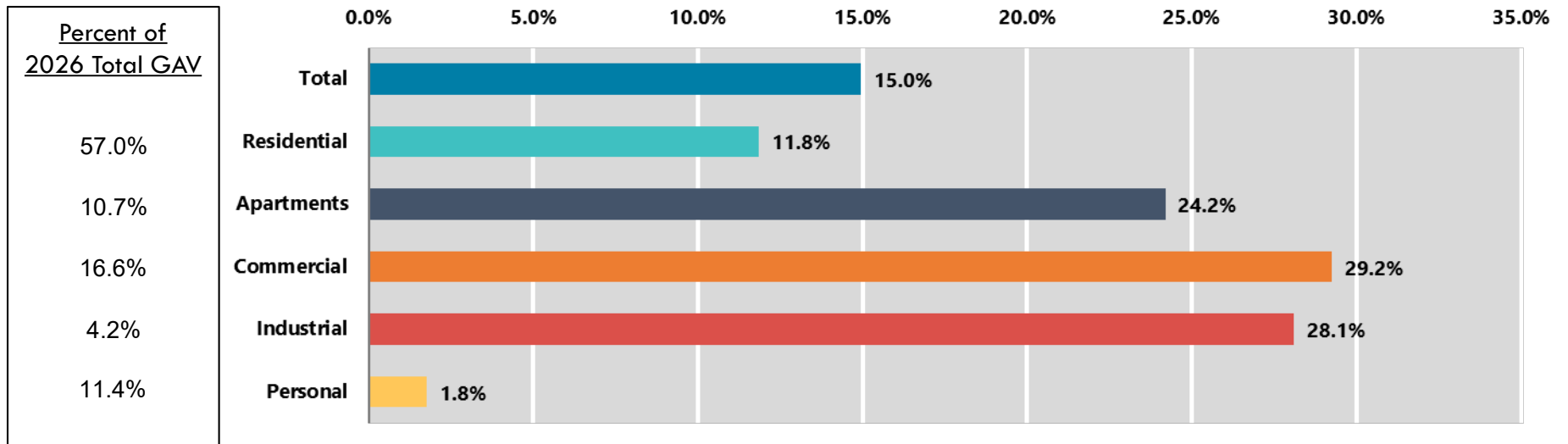
The growth in real estate values is due to many social, economic, and public policy factors.

## IPS Gross Assessed Value History by Property Class (Indexed to 2016)



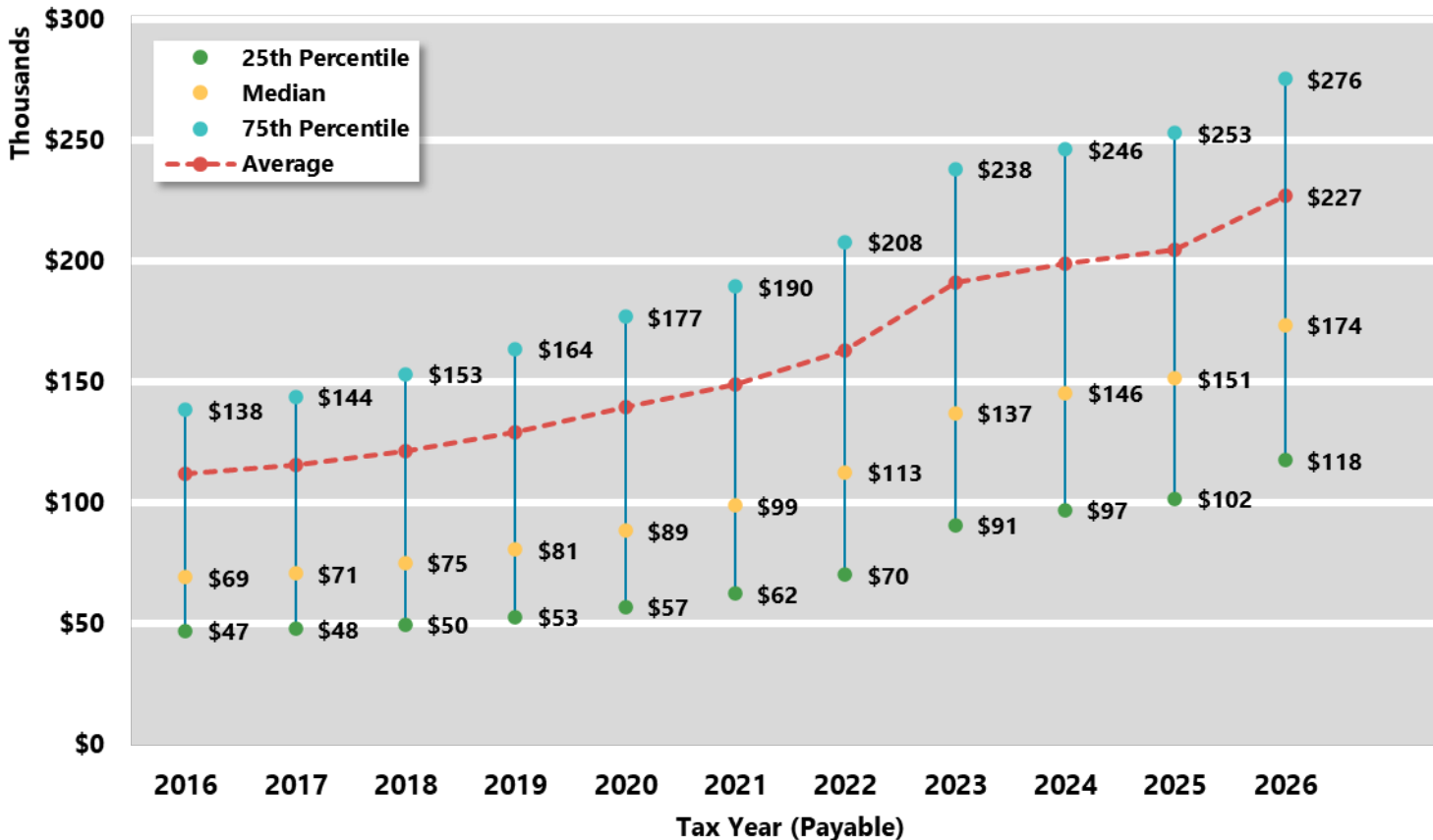
IPS's tax base is comprised primarily of residential property which increased by an average of 8.7% between 2016 and 2026. In total, IPS's GAV has increased by 7.2% annually since 2016.

### Gross Assessed Value Change by Property Class Pay 2025 to Pay 2026 Tax Year



## IPS Homestead Gross Assessed Value by Tax Year

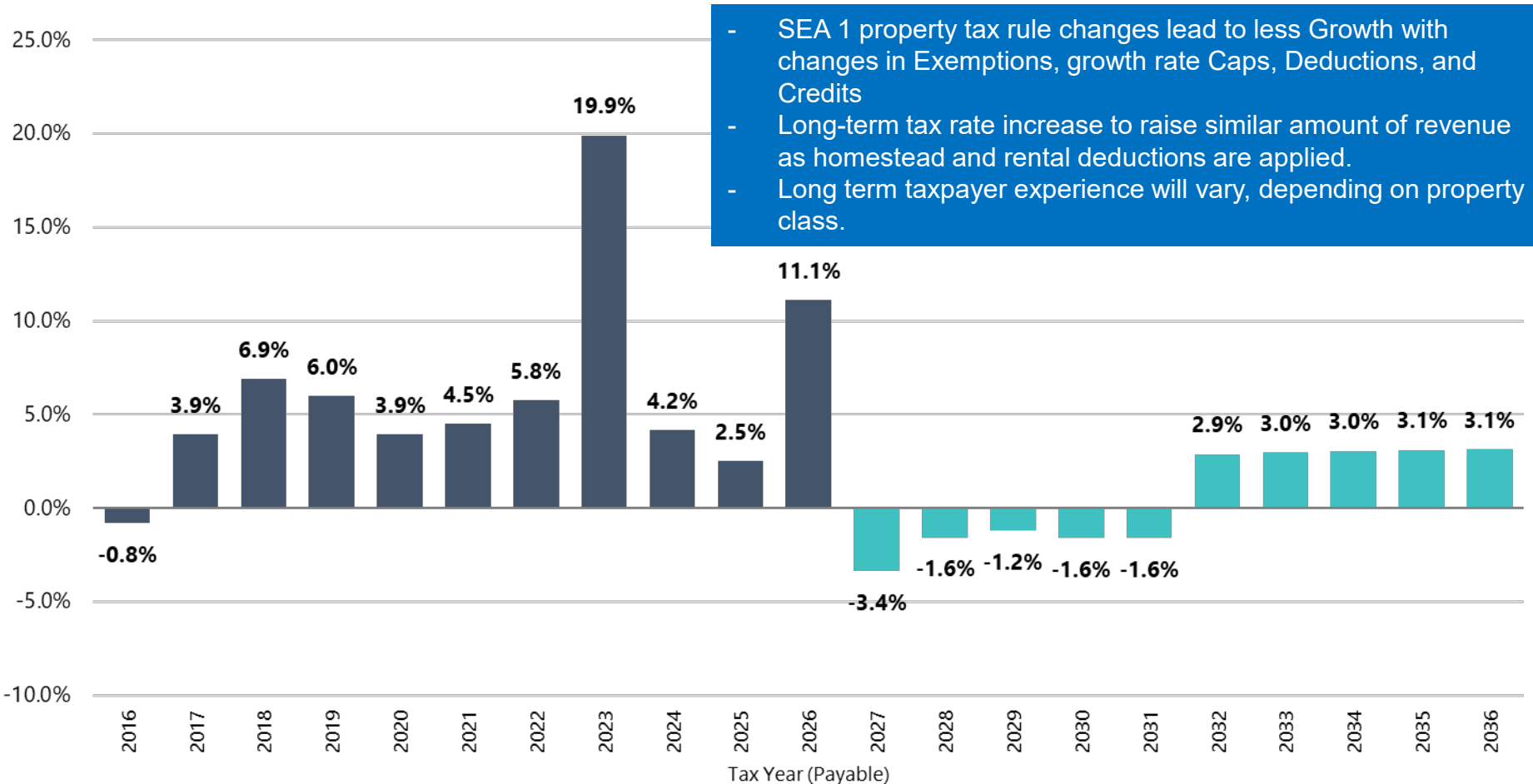
### Homestead Assessed Value within IPS Boundaries



- The median homestead (owner occupied) gross assessed value within IPS boundaries is \$173,700.
- The median homestead increased by 14.7% between the Pay 2025 and Pay 2026 tax years.
- Between the 2016 and 2026 tax years, the median home value increase by 9.7% annually.

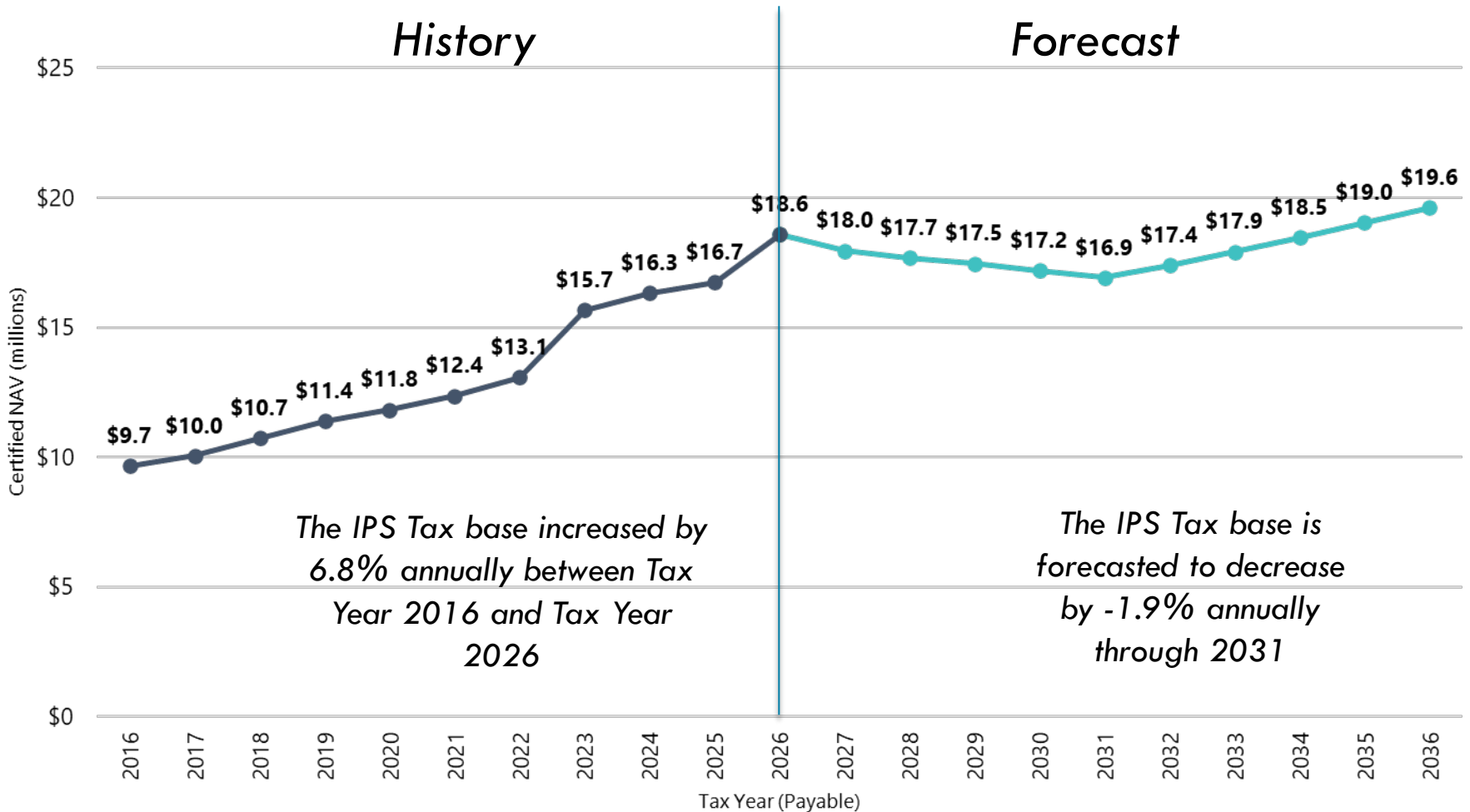
## Certified NAV Growth – Historical & Projected

### Annual Change in IPS Certified NAV (Historical and Projected)

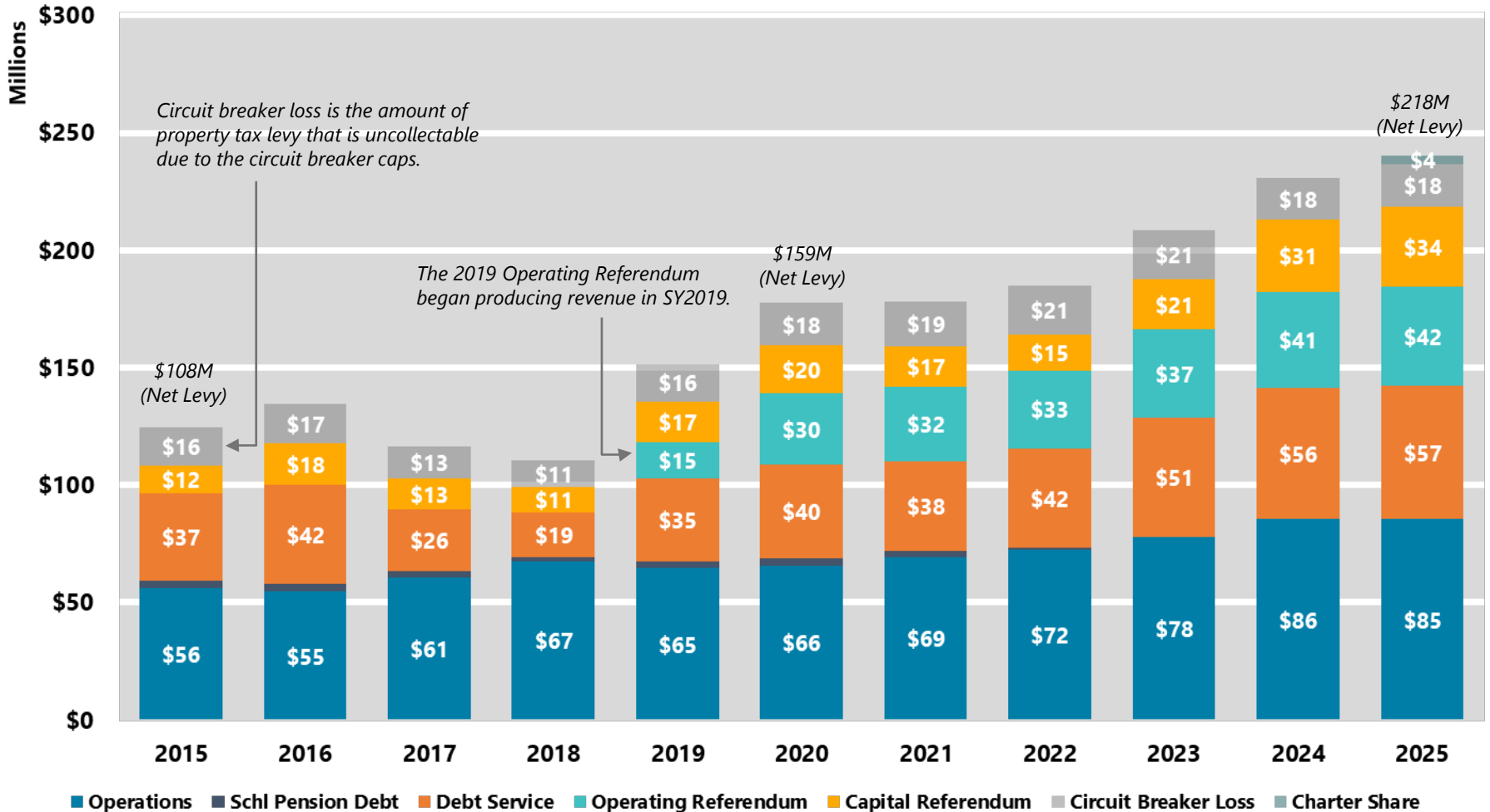


- SEA 1 property tax rule changes lead to less Growth with changes in Exemptions, growth rate Caps, Deductions, and Credits
- Long-term tax rate increase to raise similar amount of revenue as homestead and rental deductions are applied.
- Long term taxpayer experience will vary, depending on property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

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

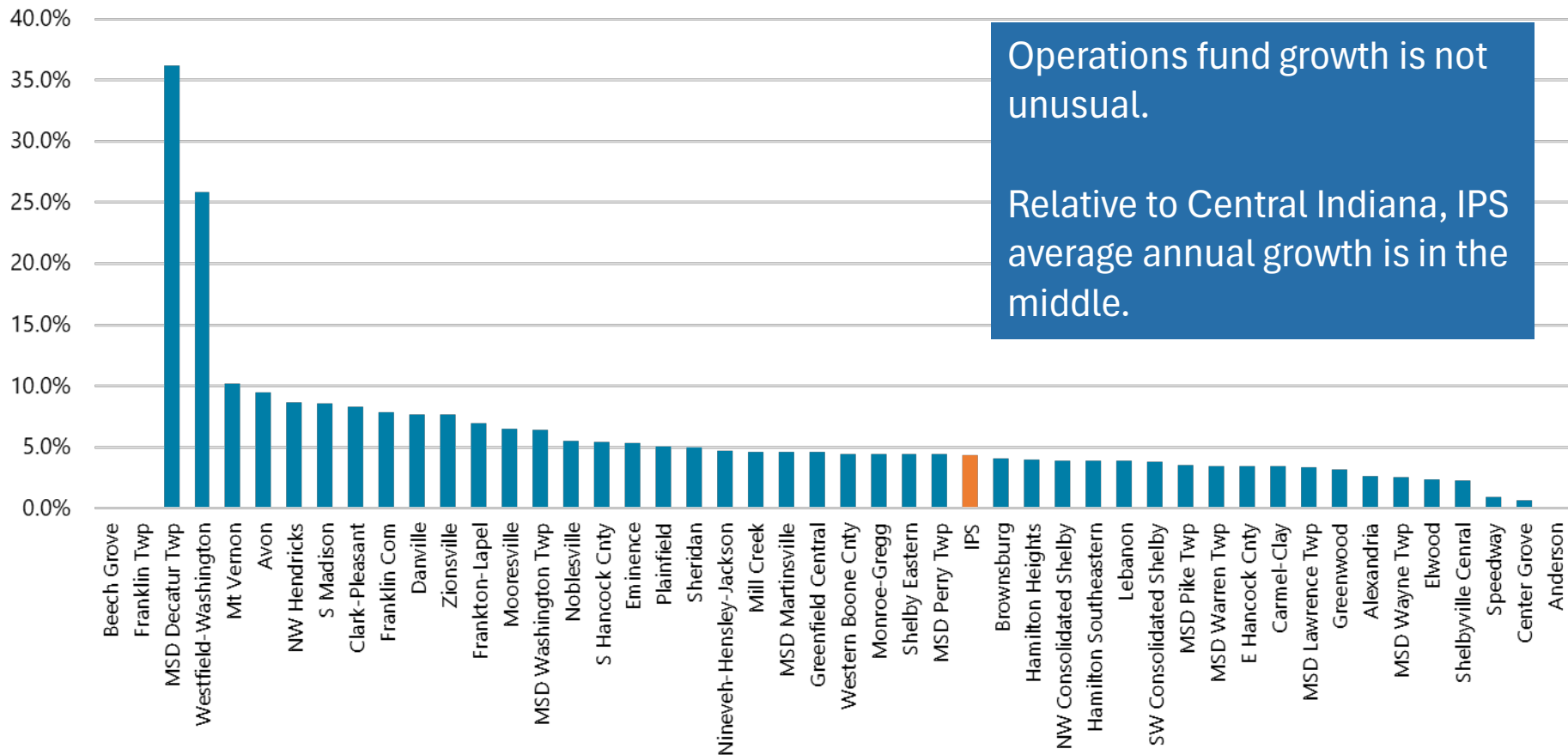


## IPS Property Tax Revenue by School Year



## Property Tax Growth – Operations Funds

Central Indiana School Districts: % Change Net Levy  
Operations Funds 2015 to 2025

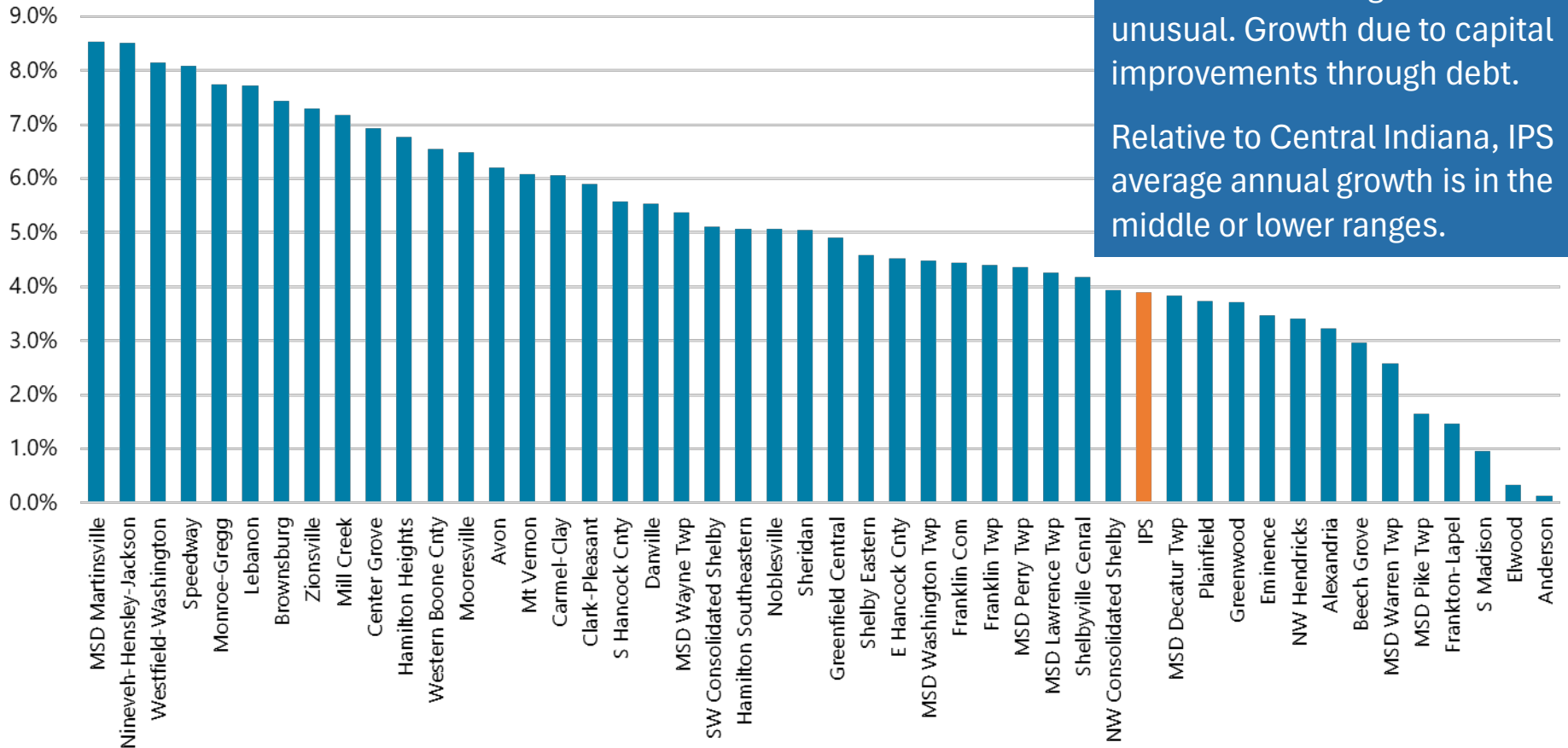


Operations fund growth is not unusual.

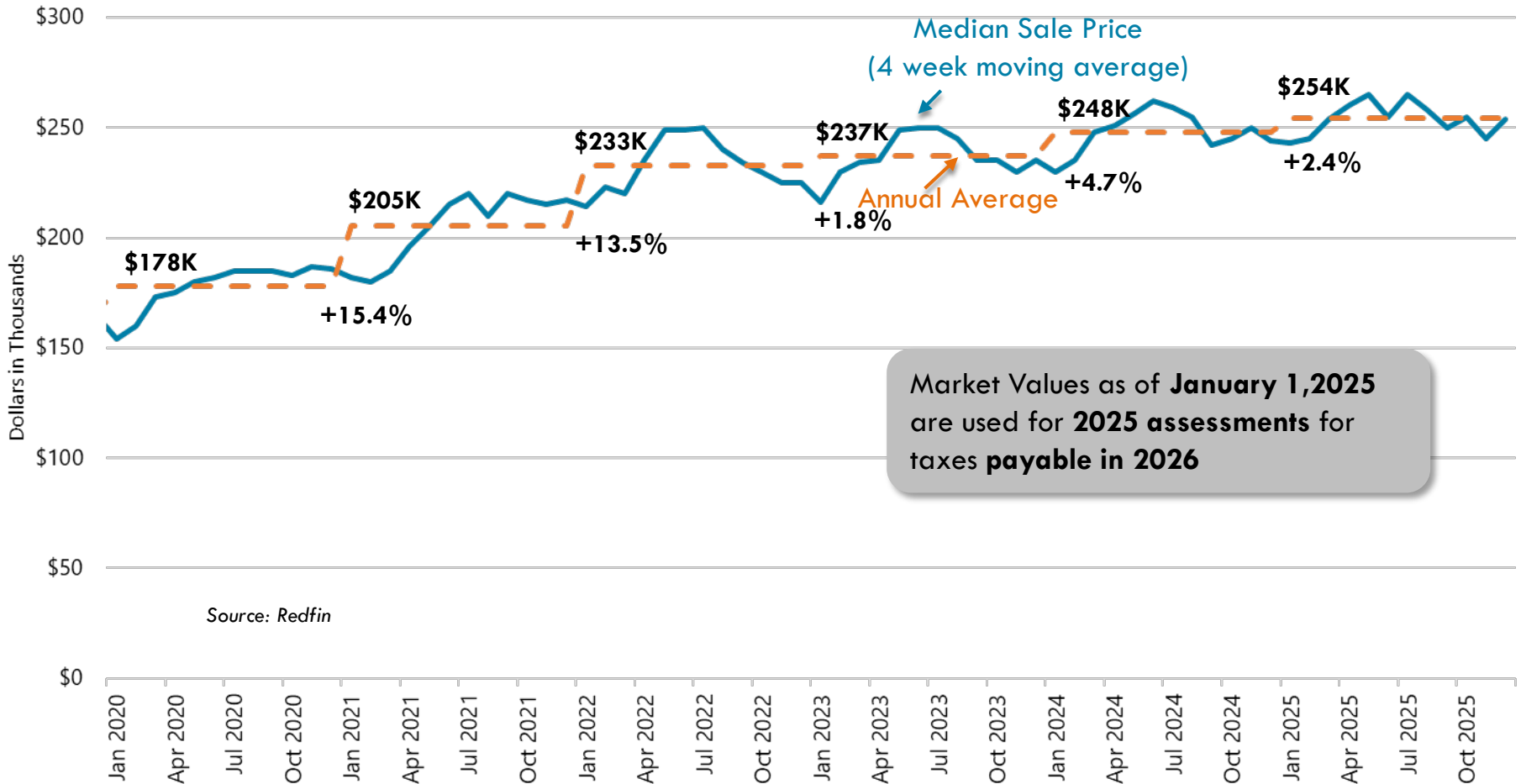
Relative to Central Indiana, IPS average annual growth is in the middle.

## Non-Referendum Property Tax Growth – Operations & Debt

Central Indiana School Districts: % Change Net Levy  
Non-Referendum Funds 2015 to 2025



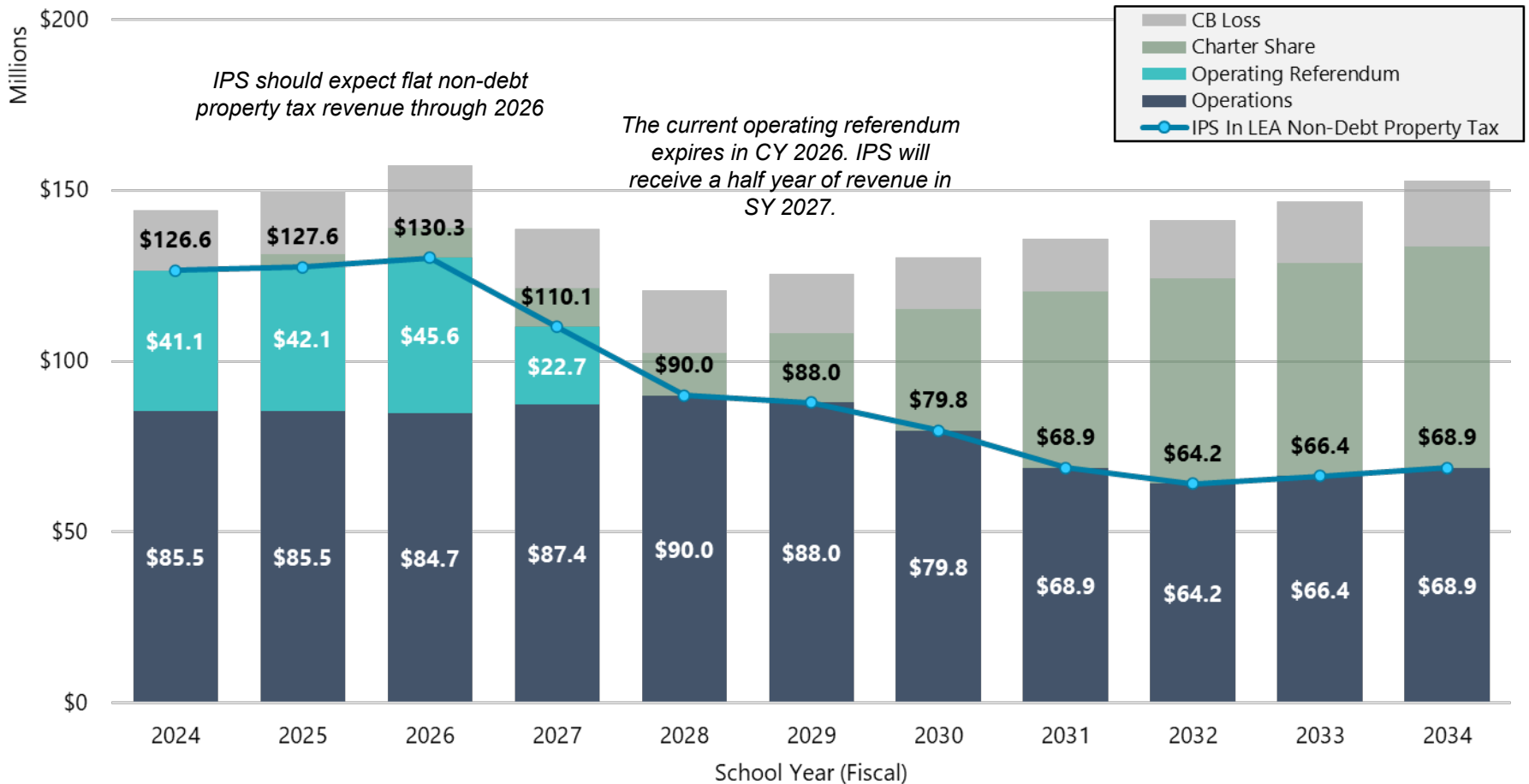
### Marion County Median Housing Sale Price



Market Values as of **January 1, 2025** are used for **2025 assessments** for taxes payable in **2026**

Source: Redfin

### IPS Property Tax Revenue Forecast (Non-Debt Funds)

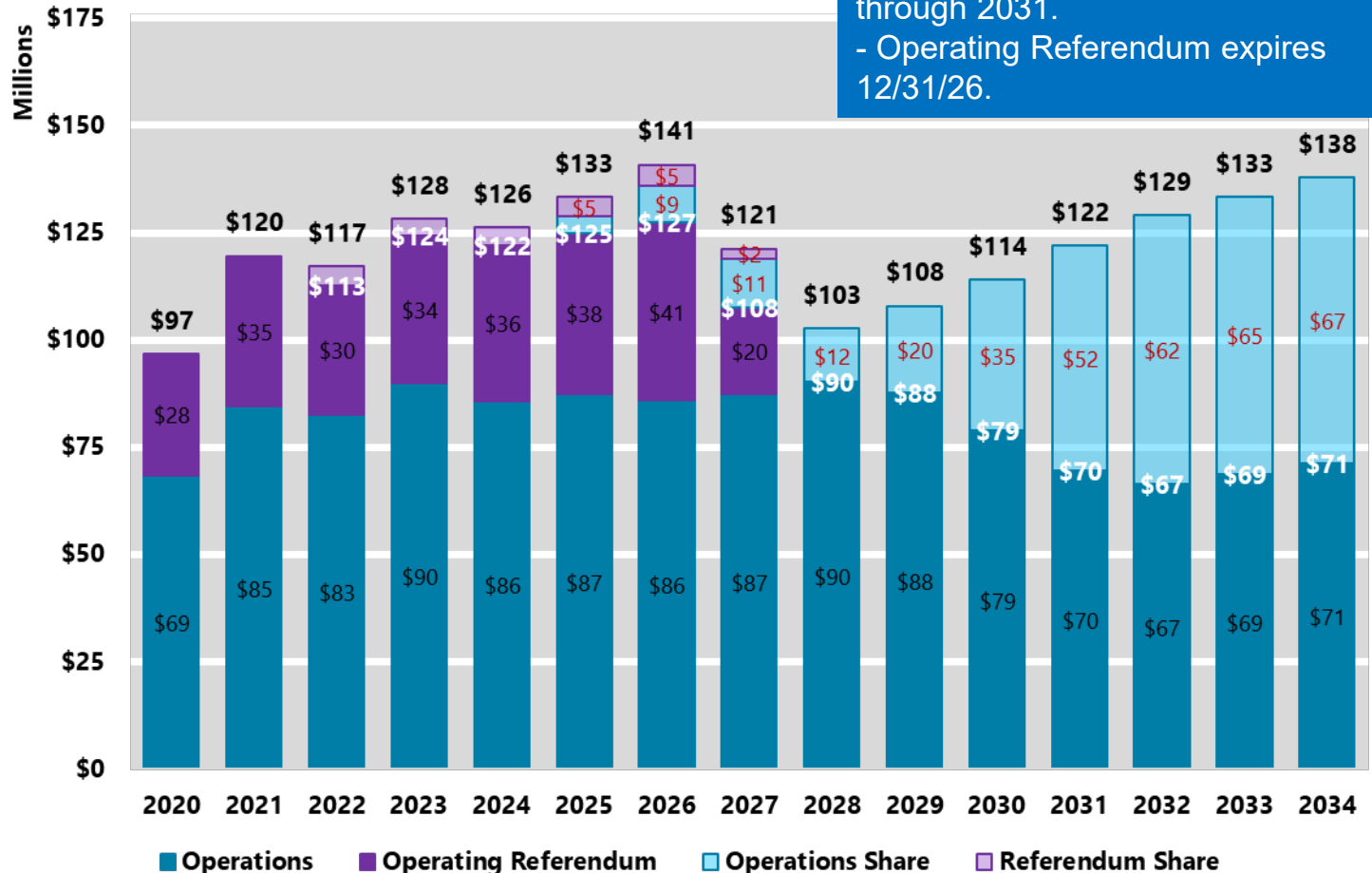


- Property tax revenue projection assumes a fixed debt service tax levy.
- Referendum funds (both operating and capital) are able to incorporate TIF assessed value, and thus have a higher tax base.
- The IPS operating referendum expires in CY 2026. IPS will receive a partial distribution in FY 2027.

### Local Property Tax Revenue

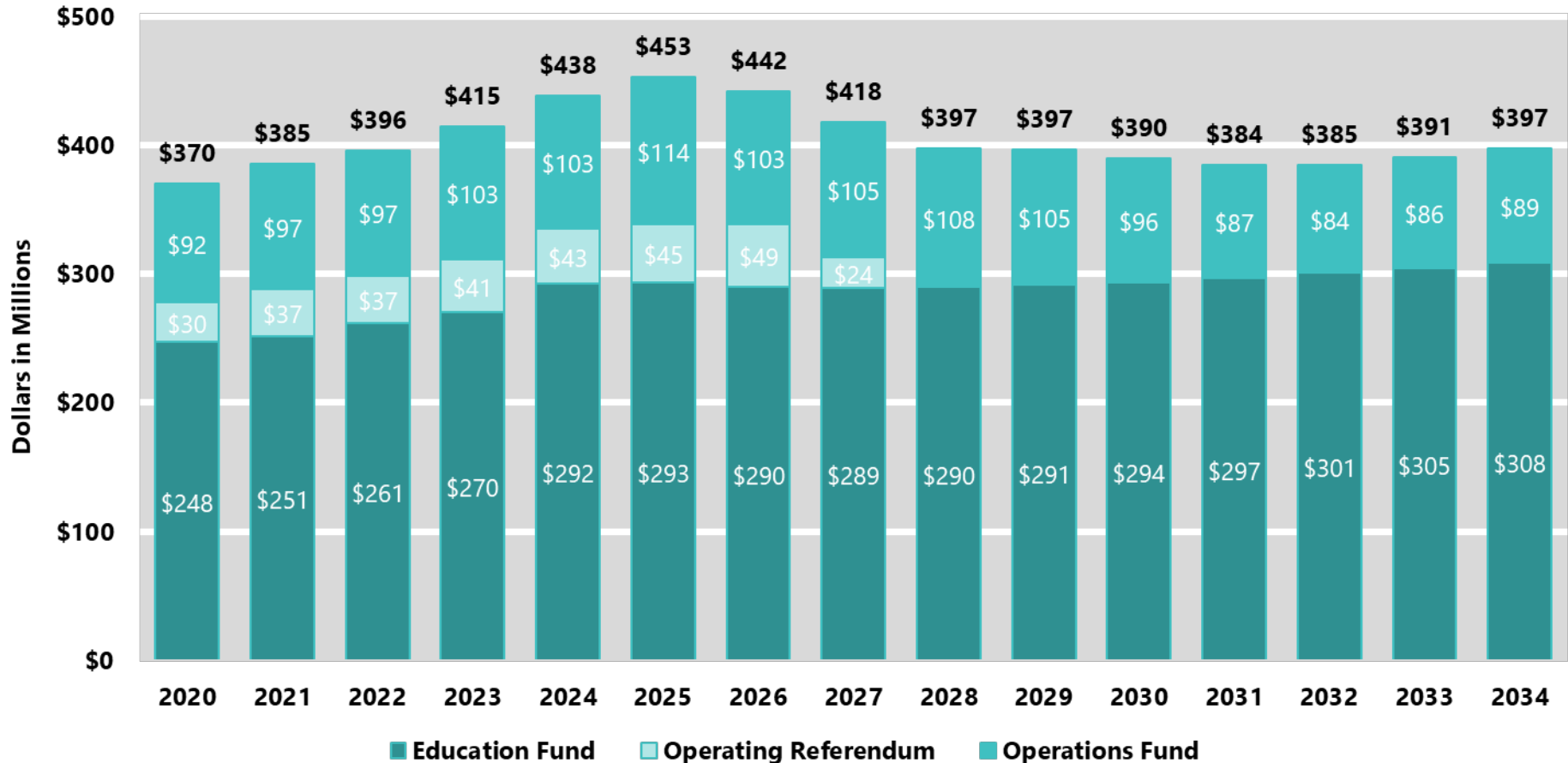
Operations and Operating Referendum Funds

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



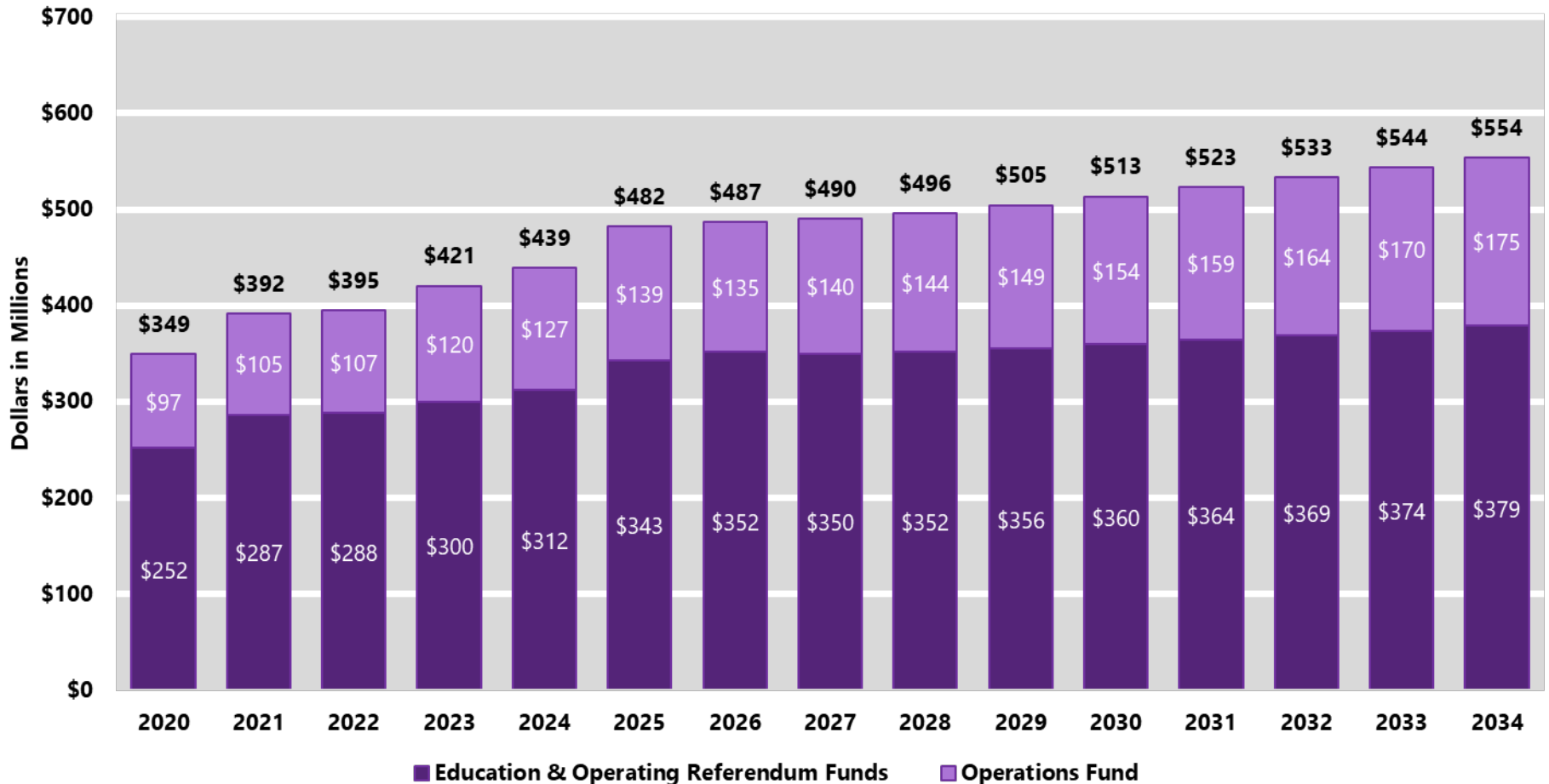
### Revenue Projection

*Education, Operations, and Operating Referendum Funds*



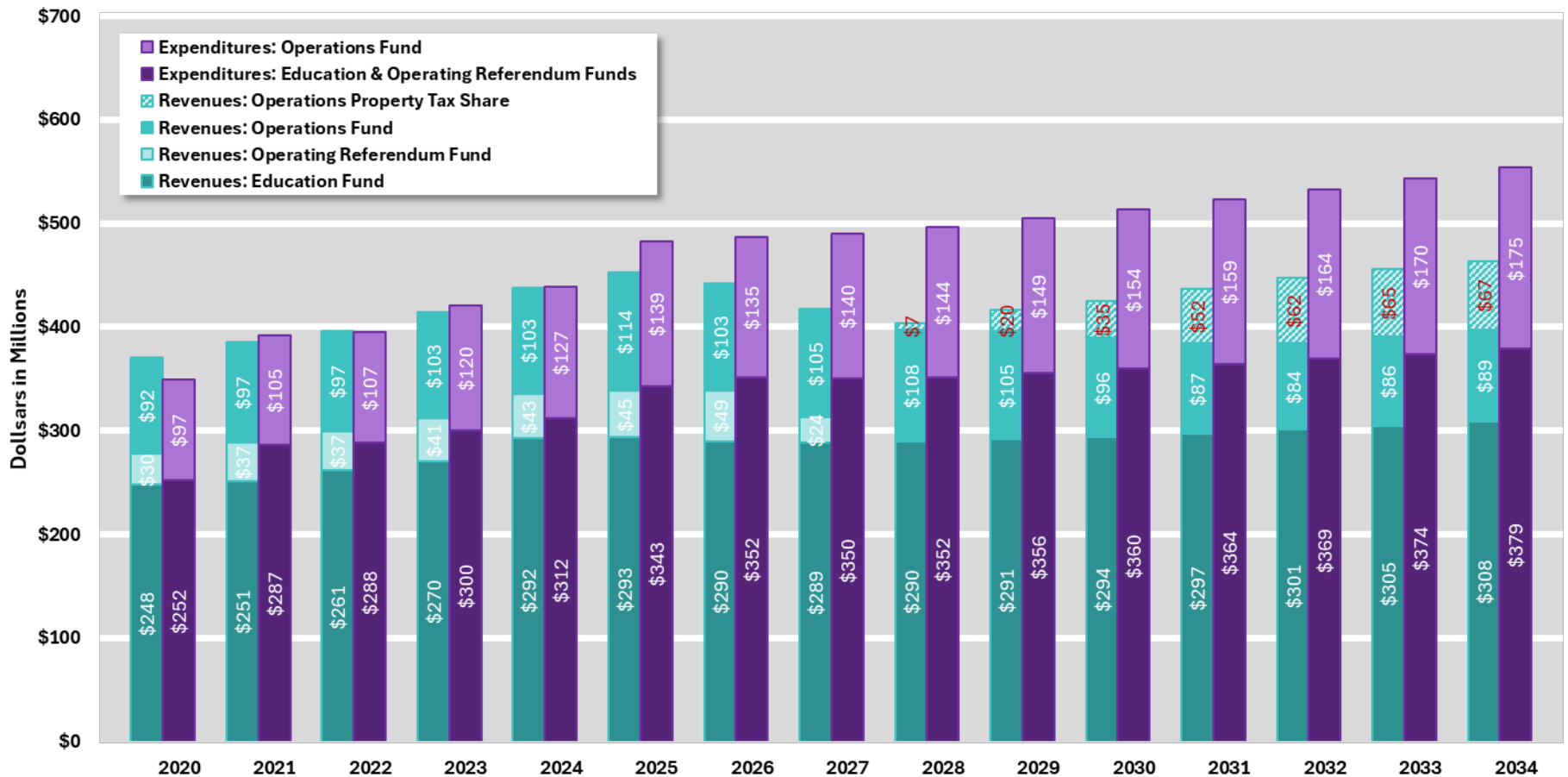
### Expenditure Projection

*Education, Operations, and Operating Referendum Funds*



### Revenue & Expenditure Projection

*Education, Operations, and Operating Referendum Funds*



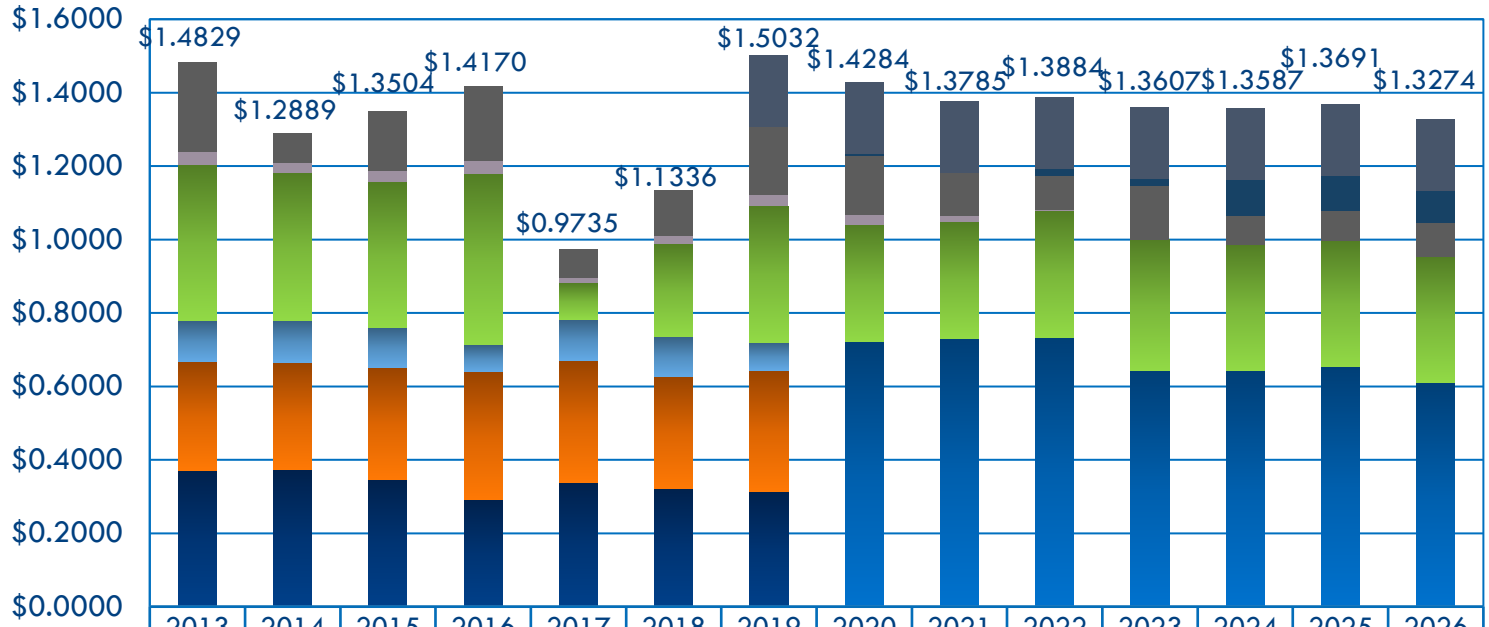


# Long-Term Budget Planning

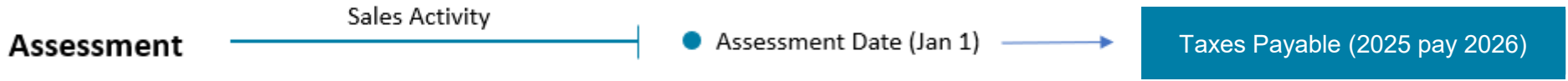
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## Certified Tax Rates

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	2025	2026
Referendum Operating	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.196	\$0.196	\$0.196	\$0.196	\$0.196	\$0.195	\$0.196	\$0.196
Referendum Debt Post '09	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.005	\$0.002	\$0.019	\$0.016	\$0.100	\$0.093	\$0.086
Referendum Debt Pre '09	\$0.243	\$0.079	\$0.162	\$0.202	\$0.077	\$0.123	\$0.186	\$0.159	\$0.117	\$0.091	\$0.148	\$0.077	\$0.083	\$0.090
Retirement/Severance	\$0.036	\$0.028	\$0.032	\$0.036	\$0.014	\$0.022	\$0.029	\$0.027	\$0.014	\$0.003	\$0.000	\$0.000	\$0.000	\$0.000
Debt Service	\$0.424	\$0.401	\$0.395	\$0.465	\$0.098	\$0.251	\$0.370	\$0.319	\$0.316	\$0.345	\$0.355	\$0.343	\$0.343	\$0.343
Operations	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.721	\$0.731	\$0.733	\$0.644	\$0.643	\$0.653	\$0.611
School Bus Replacement	\$0.110	\$0.114	\$0.108	\$0.073	\$0.112	\$0.109	\$0.076	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Transportation	\$0.295	\$0.292	\$0.303	\$0.347	\$0.332	\$0.303	\$0.329	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Capital Projects	\$0.372	\$0.372	\$0.347	\$0.291	\$0.338	\$0.322	\$0.313	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000





# Long-Term Budget Planning

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## Indiana Forecast Revenues 2021–27 (in millions)

	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Actual 2025	Forecast 2026	Forecast 2027
Revenues	19,407	21,191	21,058	21,485	22,058	22,228	22,259
Sales Tax	9,073	9,991	10,465	10,370	10,548	10,822	11,203
Indiana Income Tax	7,531	8,181	7,576	8,096	8,462	8,313	8,094
Corporate Income Tax	1,385	1,540	1,231	965	1,035	1,173	1,066
Gaming	409	452	489	450	461	463	461
All Other	1,009	1,027	1,297	1,604	1,552	1,457	1,435



# Long-Term Budget Planning

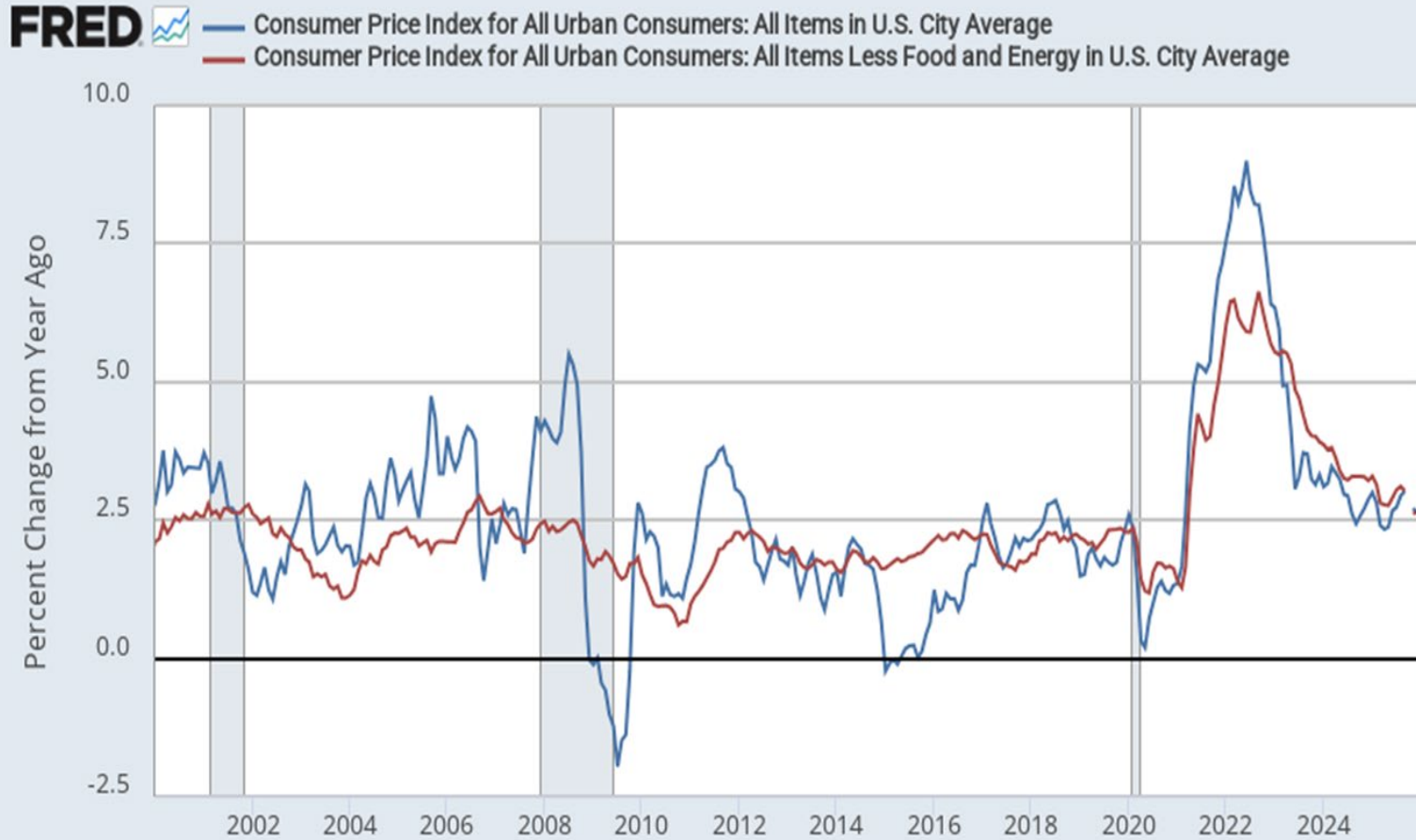
## Indiana Budget Appropriations 2020–27 (in millions)

	Actual 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027
Appropriations	17,100	17,489	18,485	18,897	22,047	22,551	23,096	23,099
K–12 Education	8,584	8,791	9,178	9,559	10,428	10,636	10,929	10,929
Higher Education	2,005	2,067	2,047	2,068	2,169	2,189	2,089	2,090
Medicaid	2,569	2,702	2,707	3,060	3,904	4,376	5,041	5,041
Health/Social Services	1,591	1,544	1,516	1,515	1,846	1,902	1,892	1,893
Public Safety	1,076	1,080	1,142	1,151	1,382	1,391	465	465
All Others	1,276	1,307	1,895	1,544	2,318	2,057	2,680	2,681

## 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) <a href="#"><u>Cenergistic partnership</u></a></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		

## 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 2025-26. 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.

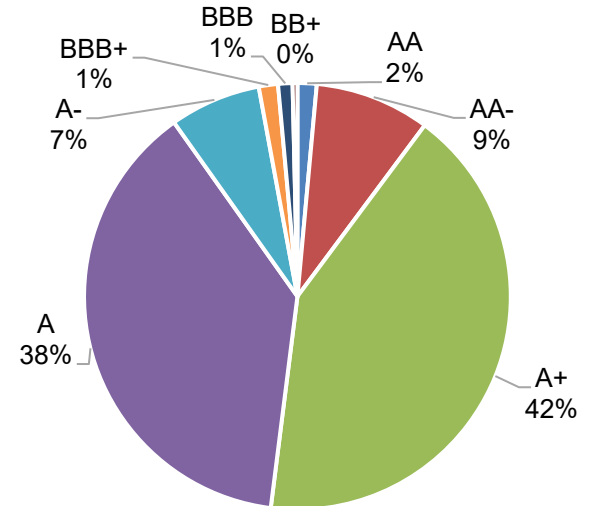
myf.red/g/1RyRA

## Comparison of Indiana School Corporation Rating Distributions

ECONOTOON

STANDARD & POOR'S RATINGS SERVICES MCGRAW HILL FINANCIAL	FitchRatings	MOODY'S	Rating Grade Description	
AAA	AAA	Aaa	Investment Grade	Highest Grade Credit
AA+	AA+	Aa1		Very High Grade Credit
AA	AA	Aa2		
AA-	AA-	Aa3		
A+	A+	A1		High Grade Credit
A	A	A2		
A-	A-	A3		
BBB+	BBB+	Baa1	Good Credit Grade	
BBB	BBB	Baa2		
BBB-	BBB-	Baa3		
BB+	BB+	Ba1	Speculative Grade Credit	
BB	BB	Ba2		
BB-	BB-	Ba3		
B+	B+	B1	Very Speculative Credit	
B	B	B2		
B-	B-	B3		
CCC+	CCC+	Caa1	Speculative Grade	Substantial Risks - In Default
CCC	CCC	Caa2		
CCC-	CCC-	Caa3		
CC	CC	Ca		
C	C			
SD	DDD	C		
D	DD			
	D			

Indiana Schools Rating Distributions



S&P RATING	# of Indiana Schools
AA+	0
AA	4
AA-	24
A+	115
A	105
A-	19
BBB+	4
BBB	3
BBB-	0
BB+	1

## 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 2023-24
- ❑ Implemented [Student-Based Allocation](#) to distribute funds based on need
  - ❑ Established [Policy](#)
  - ❑ Distributed funds via Weighted Student Formula since SY 2017-18. (SY 2025-26 Allocations [here](#))