

FORT WAYNE COMMUNITY SCHOOLS



WE ARE YOUR SCHOOLS

KATHY FRIEND
CHIEF FINANCIAL OFFICER

2022 BUDGET
SEPTEMBER 13, 2021

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AGENDA

- Calendar
- State Budget Requirements
- COVID Federal Funding (info only)
- Revenue
- Expenditure Budgets
- Comparisons
- Expenditure Categories
- Key Take-Aways

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BUDGET ADOPTION CALENDAR



September 13 Public Budget Presentation

Budget advertised on Gateway

Capital Projects and Bus Replacement Plans notice advertised on Gateway and FWCS website

September 27 Public Hearings:

- Budget
- Bus Replacement Plan
- Capital Projects Plan

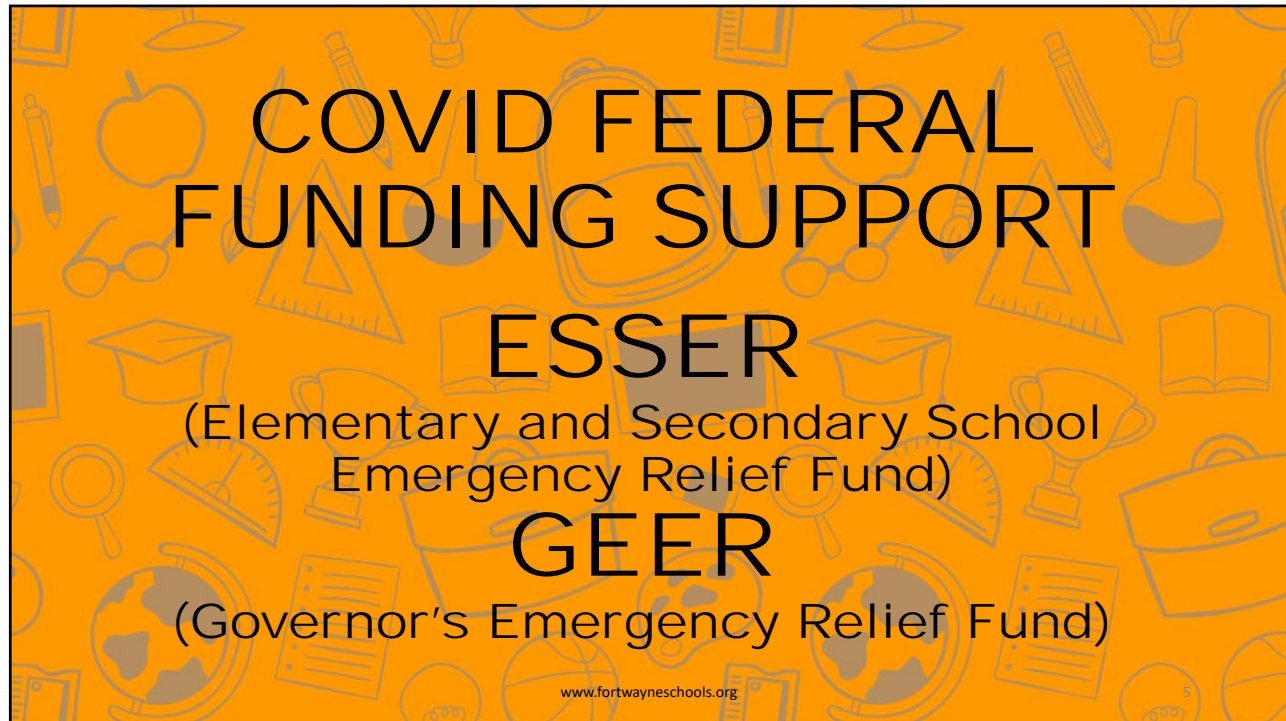
October 25 Adoption of Budget and Plans

By Jan. 1, 2022 Budget Order issued by State



BOARD APPROVAL REQUIRED

- ✓ 2022 Appropriations (budget) and 2022 Maximum Levy (property tax)
 - **Education Fund**
 - **Operations Fund**
 - **Debt Funds**
- ✓ Bus Replacement Plan – 5 years of 12
- ✓ Capital Projects Plan – 3 years
 - ✓ Only capital assets over \$10,000
- ✓ Goals for Expenditure Categories



COVID FEDERAL FUNDING SUPPORT


ESSER

(Elementary and Secondary School
Emergency Relief Fund)

GEER

(Governor's Emergency Relief Fund)

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COVID FEDERAL FUNDING SUPPORT

- **Not for:**
 - Current expenditures
 - Temporarily stabilizing cash balance
- **Funds go to special programs outlined in grant requirements**
 - Student learning gaps
 - Technology
 - Facilities
 - Allowed indirect cost supports operational funds and additional school supports

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COVID FEDERAL FUNDING SUPPORT

		FWCS Share	Non-Public Share	Total Administered by FWCS	FWCS Uses
ESSER I (CARES)	to 9/22	8,994,493	1,300,000	10,294,493	Technology for remote learning, COVID cleaning, PPE, health services
ESSER II	to 9/23	44,883,919	*	44,883,919	Stipends for COVID work, facilities, technology
ESSER III	to 9/24	100,800,000	*	100,800,000	Summer school, class size reduction in elementary, additional academic support, facilities
GEER	complete	1,710,523	539,477	2,250,000	Technology for remote learning
		156,388,935	1,839,477	158,228,412	

*Emergency Assistance for Nonpublic Schools (EANS) provided separately





TOTAL REVENUE

	Known	Unknown
Education Fund State Revenue	State budget approved effective 7-1-21 Per pupil revenue known through 6-30-23	Impact of enrollment changes in future years
Operations Fund Property Tax	Levy allowed 2022	Impact of State income growth factor applied to future years Impact of circuit breaker losses Impact of additional legislative changes

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TOTAL REVENUE (non-debt)

	<u>2021 Estimate</u>	<u>Education Fund</u>	<u>Operations Fund</u>	<u>2022</u>	<u>Change</u>
State Tuition Support	\$214,800,434	\$225,202,232		\$225,202,232	
Net Property Taxes	48,720,170		\$53,722,454	53,722,454	
Excise and FIT	5,154,336		5,009,948	5,009,948	
Interest Income	1,200,000		1,200,000	1,200,000	
Indirect Cost	5,625,063		5,100,000	5,100,000	
Miscellaneous Revenue	593,171	793,718	400,000	1,193,718	
Total	\$276,093,173	\$225,995,950	\$65,432,402	\$291,428,352	5.6%
Estimated Transfer		(\$10,000,000)	\$10,000,000	<< 5% of State Support	
Available Revenue		\$215,995,950	\$75,432,402		

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EDUCATION FUND REVENUE Tuition Support - Basic Grant Formula

- **Foundation**
 - To provide basic level of support to all students
 - All districts get the same per pupil
 - 2021-22 = \$5,995, 2022-23 = \$6,235

- **Complexity**
 - To provide additional support to students with additional needs
 - Formula:
 - % of district's students that are direct certified by the State for benefits
 - X a standard factor

- **Virtual students will only be funded at 85%**
 - \$1,064 less per student, about \$300,000 less



EDUCATION FUND REVENUE Tuition Support Basic Grant - Complexity

Year	Free/Reduced Meals Free Textbooks	Direct Certified	State Poverty For Formula
2015-16	64.7%	41.4%	38.5%
2016-17	65.1%	38.2%	38.5%
2017-18	67.9%	49.2%	34.1%
2018-19	65.7%	50.0%	34.1%
2019-20	64.5%	56.0%	28.6%
2020-21	63.2%	59.2%	28.6%

State Fiscal Year		Poverty Measurement Basis*	Change	Complexity Index after adjustments	Change	Complexity Index Multiplier	Change	FWCS Amount Per Pupil	Change
2015	2016	0.3849		0.3736		\$3,489		\$1,303	
2016	2017	0.3849	0.0000	0.3793	0.0057	\$3,539	\$50	\$1,342	\$39
2017	2018	0.3405	-0.0444	0.3405	-0.0388	\$3,539	\$0	\$1,205	-\$137
2018	2019	0.3405	0.0000	0.3405	0.0000	\$3,539	\$0	\$1,205	\$0
2019	2020	0.2857	-0.0548	0.3155	-0.0250	\$3,650	\$111	\$1,152	-\$53
2020	2021	0.2857	0.0000	0.2905	-0.0250	\$3,675	\$25	\$1,068	-\$84
2021	2022	0.2908	0.0051	0.2908	0.0003	\$3,675	\$0	\$1,069	\$1
2022	2023	0.2908	0.0000	0.2908	0.0000	\$3,675	\$0	\$1,069	\$0
			-0.0941		-0.0828		\$186		-\$234
Percent change since 15-16			-24%		-22%		5%		-18%

* State certified rate of SNAP, TANF, Foster Care (matching system without student number)



EDUCATION FUND REVENUE Tuition Support Basic Grant - Complexity

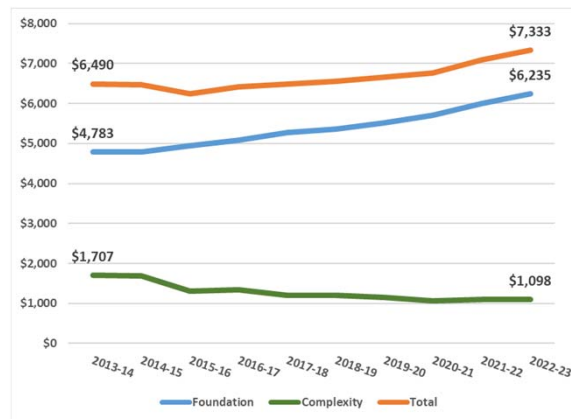
FWCS Complexity funding about \$30 million

1. Helps meet the needs of funding gaps that are not fully funded and are non-foundational expenditures
 - English Language Learners, gap of about \$5 million
 - Special Education, gap reduced to \$3 million from \$6.2 million
2. Balance is available to support other non-foundational expenditures
 - Classroom support (i.e. classroom assistants)
 - Student support (i.e. case managers, alternative programs)



EDUCATION FUND REVENUE Per Pupil Foundation & Complexity

	Foundation	Complexity	Total	Change
2013-14	\$4,783	\$1,707	\$6,490	
2014-15	\$4,785	\$1,682	\$6,467	-0.4%
2015-16	\$4,949	\$1,299	\$6,248	-3.4%
2016-17	\$5,082	\$1,341	\$6,423	2.8%
2017-18	\$5,273	\$1,205	\$6,478	0.9%
2018-19	\$5,352	\$1,205	\$6,557	1.2%
2019-20	\$5,521	\$1,146	\$6,667	1.7%
2020-21	\$5,703	\$1,068	\$6,771	1.6%
Average Year				0.6%
2021-22	\$5,995	\$1,098	\$7,093	4.8%
2022-23	\$6,235	\$1,098	\$7,333	3.4%





EDUCATION FUND REVENUE Based On Pupil Count

- **Enrollment**

- 2020-21 Actual – 28,656
- 2021-22
 - As of 9-10-21 – 29,044 (up 388, about 1.4%)
 - Official counts –September 17 and February 1

- **Funded = ADM (Average Daily Membership)** – Preschool not included or funded

- 2020-21 Actual – 27,872
- 2021-22 as of 9-10-21 – 28,048 (up 176, about .6%)



EDUCATION FUND Other Tuition Support Components

- **Special Education - \$19.7 million**

- Increase 21-22 - 5%, about \$1.2 million; Increase 22-23 - 10%, about \$2 million
- Per pupil amounts by exceptionality

	20-21	21-22	22-23
Severe	\$ 9,156	\$ 9,614	\$ 10,575
Moderate	\$ 2,300	\$ 2,415	\$ 2,657
Communication	\$ 500	\$ 500	\$ 500
Preschool	\$ 3,000	\$ 3,150	\$ 3,465



- Funding gap will be reduced to \$3 million from \$6.2 million with new increases

- **Career & Technical Education - \$2.8 million**

- No change in per pupil funding, amount varies by job value of course, \$150 to \$1,020

- **Honors Diploma - \$657,200**

- No change, \$1,500 for students approved for free textbooks, \$1,100 for all others



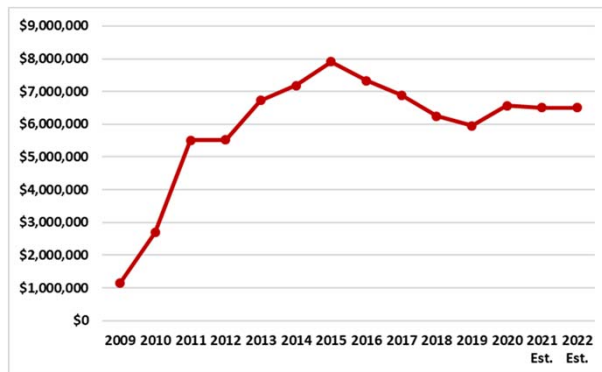
OPERATIONS FUND REVENUE Property Tax

	2020 Actual	2021 Budget	2022 Budget
Maximum Allowed Levy (prior year)	\$53,301,464	\$55,167,015	\$57,484,030
Times Growth Factor (per State)	<u>1.035</u>	<u>1.042</u>	<u>1.04416</u>
Maximum Allowed Levy	55,167,015	57,484,030 <small>per DLGF</small>	60,022,454
Less Pension Bond Neutrality	(3,594,332)	(2,463,860)	-
Allowed Levy	51,572,683	55,020,170	60,022,454
Less Tax Cap Loss (% of allowed levy)	(6,561,396) <small>12.7%</small>	(6,300,000) <small>11.5%</small>	(6,300,000) <small>10.5%</small>
Net Property Taxes	\$45,011,287	\$48,720,170	\$53,722,454
Change		<small>8.2%</small>	<small>10.3%</small>

NOTE: Pension Bond payments end in 2021. Operations Fund levy allowed to go up to statutory calculation. Net zero impact to taxpayers.



OPERATIONS FUND REVENUE Tax Cap Loss (Circuit Breaker)



Cumulative loss since 2009 about \$83 million



EXPENDITURE CATEGORIES

- Based on Indiana Office of Management & Budget definitions
 - **Education Fund**
 - Academic Achievement
 - Student Support
 - **Operations Fund**
 - Overhead
 - Non-operations



EXPENDITURE CATEGORIES

Academic Achievement

- Direct expenditures related to instruction. Includes teachers, teacher aides, media services and instructional technology.

Student Instructional Support

- Services that support student academic achievement within the school building. Includes attendance, social work, guidance, health, psychology, speech pathology, audiology and school administration.

Overhead and Operational

- Non-instructional operating costs. Includes corporation administration, fiscal services (budgeting, payroll, purchasing, accounting), operation and maintenance of facilities, security, pupil transportation and administrative technology.

Non-Operational

- Expenditures not related to the day-to-day operations. Includes construction and purchase of non-instructional equipment.



EXPENDITURE CATEGORIES ALL EXPENDITURES 2018-19*

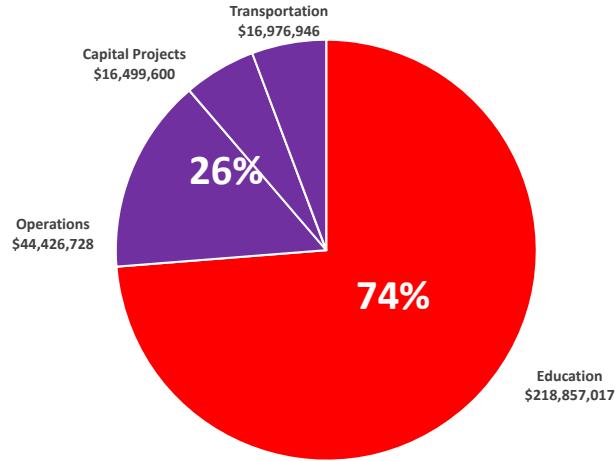
	All Funds		Excluding Non-Operation Funds	
	State	FWCS	State	FWCS
Student Instructional Expenditures	58.1%	63.1%	72.1%	76.7%
Overhead and Operational	22.5%	19.2%	27.9%	23.3%
Non-Operational	19.4%	17.7%		

*State published November 2020



EDUCATION AND OPERATIONS FUNDS

Budget = \$296,760,291





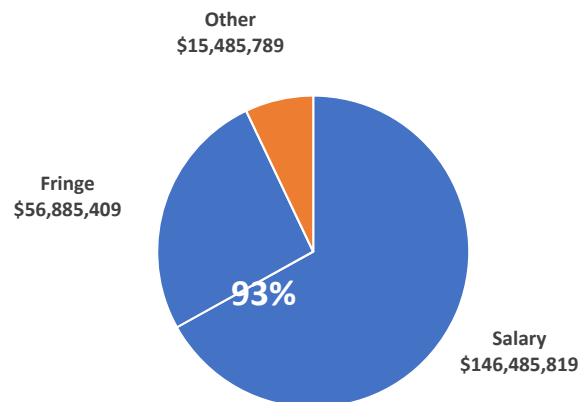
EDUCATION FUND COMPONENTS

- Teachers
- Classroom assistants
- School administration
- Magnet programs
- Career Academy
- Classroom materials and supplies
- Curriculum and assessments



EDUCATION FUND

Total = \$218,857,017





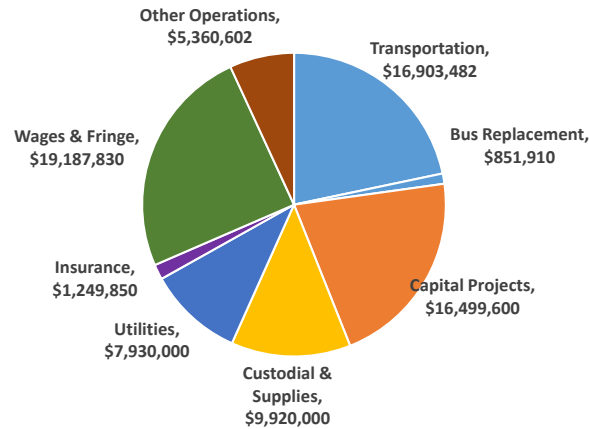
OPERATIONS FUND COMPONENTS

- District Operations
- Capital Projects
- Transportation
- Bus Replacement



OPERATIONS FUND

Total = \$77,903,274



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OPERATIONS FUND

Capital Projects

- 62 buildings (50 schools)
- Average age 60 years
- 3-year plan required by State
 - Only capital projects individually over \$10,000



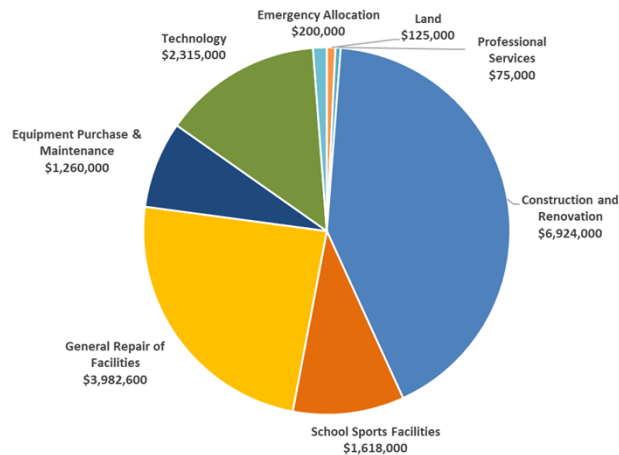
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OPERATIONS FUND

Capital Projects = \$16,499,600



OPERATIONS FUND

Capital Projects: State 3-Year Plan

- **State requirement to identify and advertise items that exceed \$10,000**
 - **Projects that are considered capital in nature**
 - Site acquisition and development
 - Building construction, replacement, renovation, remodeling, improvement
 - To repair and replace buildings and building fixtures
 - Construction, repair, replacement, remodeling or maintenance of a school sports facility
 - Budget limited to 2.7% of the Operations Fund property tax revenue
 - Plan includes adding turf at Wayne (2022), South Side (2023), North Side (2024)
 - **Capital Assets**
 - Building acquisition
 - Purchase of playgrounds, equipment, maintenance vehicles to be used by the school corporation
 - Technology



OPERATIONS FUND

Required 3-Year Capital Projects Plan

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Projects Capital in Nature	\$ 7,710,550	\$ 7,655,000	\$ 7,456,000
Capital Acquisitions	<u>294,300</u>	<u>132,000</u>	<u>244,000</u>
	\$ 8,004,850	\$ 7,787,000	\$ 7,700,000

* Only includes those items that exceed \$10,000



OPERATIONS FUND

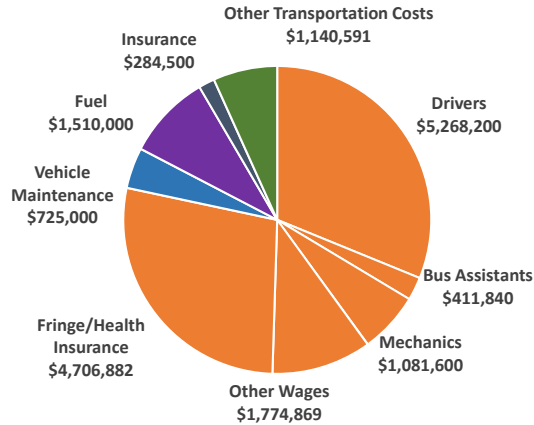
Transportation

- 254 buses and 45 activity buses
- About 15,500 students eligible for service
- 1,104 routes (includes regular, Special Ed, midday)
- Routes for activities and Study Connection TBD
- 145 square miles
- Over 3 million miles traveled



OPERATIONS FUND

Transportation Budget = \$16,903,482



OPERATIONS FUND

Bus Replacement Budget = \$851,910

2022-2033 12-Year Bus Replacement Plan

Replacement Year	Bus Inventory	Replacement Number	Replacement Cost
5-Year State Required Plan			
2022	299	7	851,910
2023	299	28	3,973,572
2024	299	30	3,283,566
2025	299	33	5,183,010
2026	299	8	1,391,752
		106	14,683,810
2027	299	16	2,835,604
2028	299	23	4,101,146
2029	299	37	6,117,511
2030	299	29	5,870,360
2031	299	34	7,474,204
2032	299	29	6,960,003
2033	299	25	5,049,481
Total 2022-2033		299	\$53,092,119



		<u>Final</u>	<u>Budget</u>	<u>Budget</u>
		<u>Payment</u>	<u>2021</u>	<u>2022</u>
New Tech - 2009	2025		\$150,360	\$147,770
New Tech - 2010	2021		527,000	-
General Obligation Bond	2021		5,129,900	-
State Technology Loans	Ongoing		4,564,382	4,581,953
Interest on tax anticipation warrants			50,000	-
Unfunded textbooks			71,636	79,297
A Debt Service			\$10,493,278	\$4,809,020
Tax Rate			\$0.1007	\$0.0492
B Referendum Debt to date	2040		\$19,042,000	\$25,956,000
Tax Rate			\$0.1882	\$0.2536
A + B - Max rate promised \$.3028			\$29,535,278	\$30,765,020
			\$0.2889	\$0.3028



DEBT FUNDS

Upcoming Debt Activity:

- 2020 referendum
 - First issue sold in 2021, first debt service in 2022
 - Issues 2 through 4 will be sold annually 2022 through 2025 with debt service beginning each of the following years
 - Last payment expected 2044
- Continue to seek annual technology loans
 - About \$4.5 million per year





2021 AND 2022 BUDGET COMPARISON

	<u>2021</u>	<u>2022</u>	<u>Change</u>	
Education	\$202,398,190	\$218,857,017	\$16,458,827	8%
Operations	73,879,329	77,903,274	4,023,945	5%
	276,277,519	296,760,291	20,482,772	7%
Debt	33,059,137	30,765,020	-2,294,117	-7%
Total	<u>\$309,336,656</u>	<u>\$327,525,311</u>	<u>\$18,188,655</u>	<u>6%</u>



KEY TAKE-AWAYS

- New federal funding is providing additional supports
- Revenue
 - Enrollment funded – over **200** more than last year
 - New State budget was beneficial to FWCS
- Expenditure Budget
 - **Education** and **Operations** Fund Combined – budget increased 7%
- Bus Replacement – 12-year plan is on target
- Debt Funds
 - Will maintain promised overall rate of \$.3028



NEXT STEPS



September 27

Public Hearings:

- Budget
- Bus Replacement Plan
- Capital Projects Plan

October 25

Adoption of Budget and Plans

By Jan. 1, 2022

Budget Order issued by State

