

# 2020 Budget



August 12, 2019

# Business Office

- Entire Group is Excellent
- Budget
  - New Funds and Accts Challenging
  - Tremendous Help
    - Lisa Zachary
    - Vicki Roush



# Objective and Goal

- **Objective:** Maintain expenses within revenue streams provided
- **Goal:** Focus on programs and services for student achievement while providing a competitive compensation package for all employees





# Purpose of the Work Session

- Share 2020 Changes
- Review Budgets
- Discuss Next Steps



# 2020 Funds

- Education Fund
- Operation Fund
- Debt Service
- Rainy Day

# Overview

- New Funds Allow More Flexibility
- New Funds Require More Oversight
- We are Advertising High Budget
- Education Fund Similar to GF



# Education Fund

# Ed. Fund Assumptions

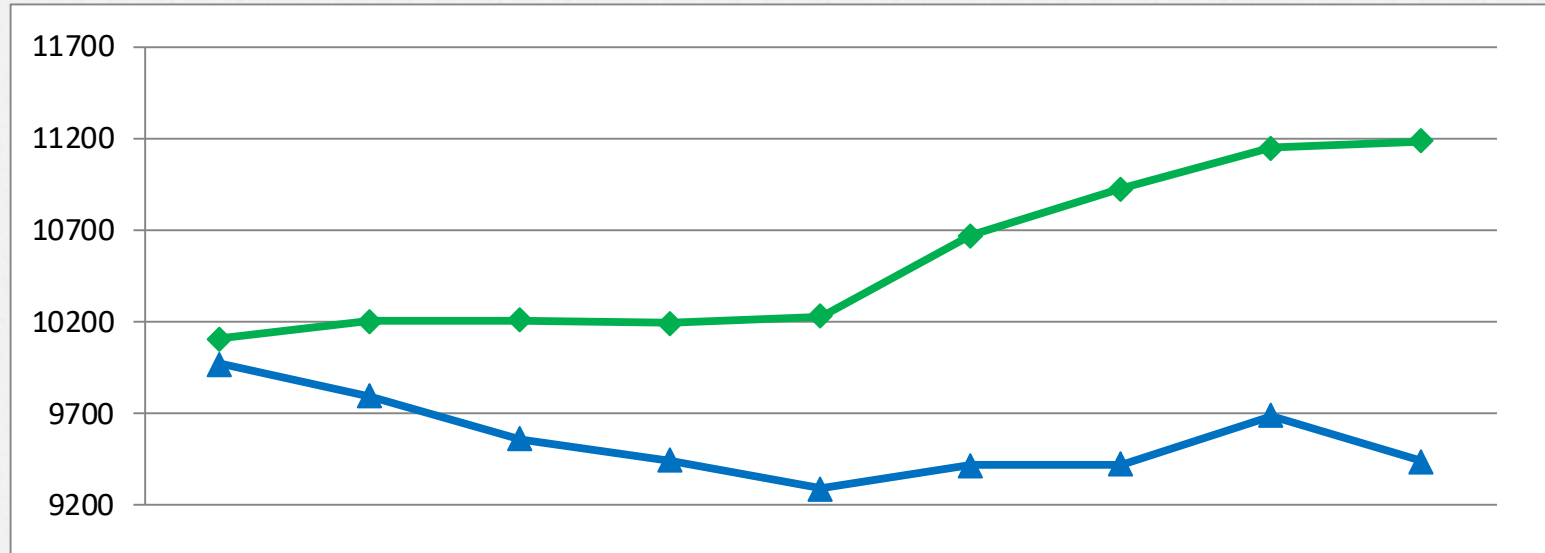
- ADM Down 40 Students
- Two Student Count Days
- Other Student Counts Constant
- Revenue for July-Dec 19 Constant
- Salary Enhancements for 2020
- Health Insurance Increase 8% +



# Teacher's Retirement Fund

- Two State “Funds”
  - Pre - 96 We Pay 3%
  - Post - 96 7.5% Reduced to 5.5%
- Estimated Savings From Teachers:  
\$457,000
- Recommend Offering All to Teachers

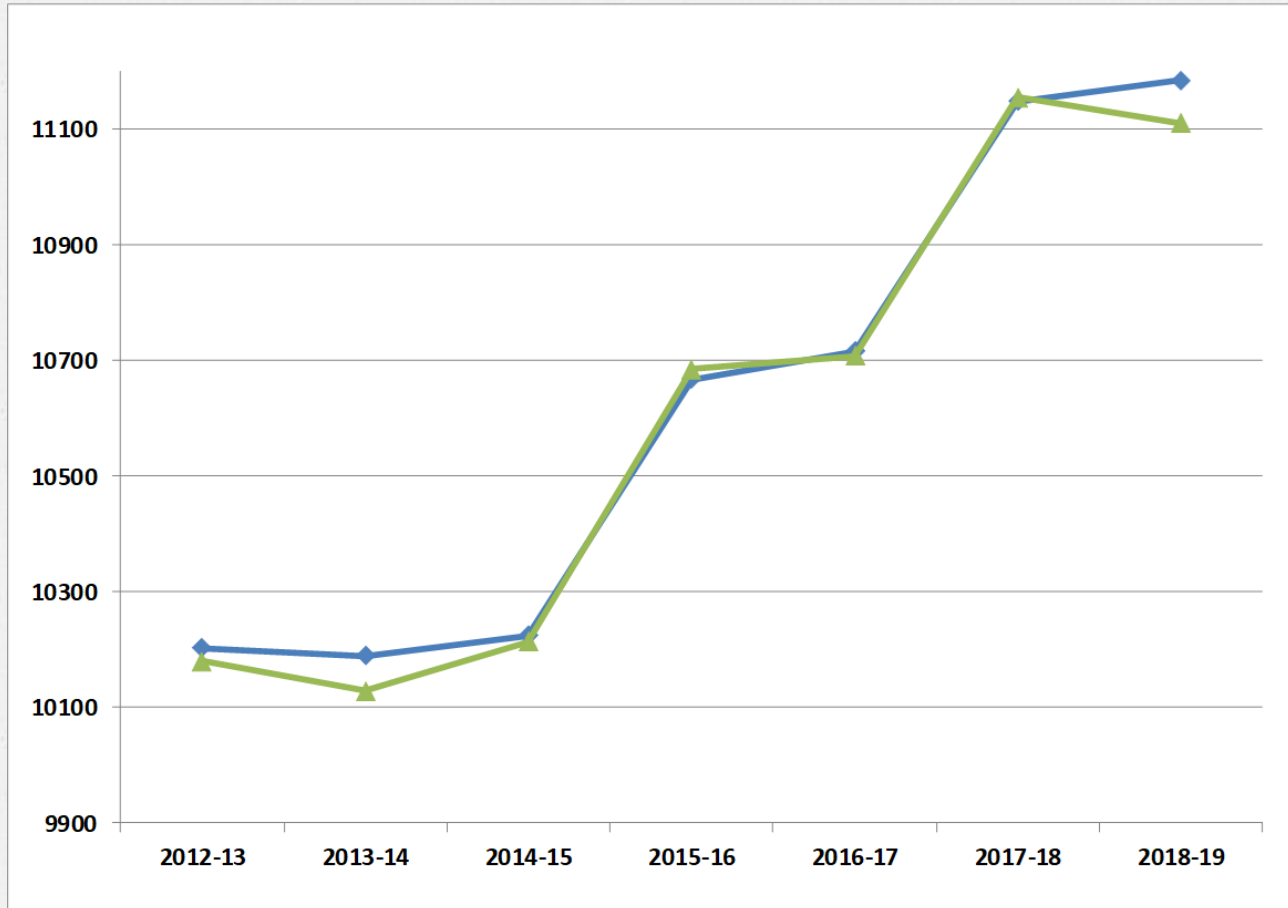
# Average Daily Membership (ADM)



	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16*	2016-17	2017-18	2018-19
<b>Resident</b>	9,967	9,794	9,558	9,441	9,288	9,417	9,420	9,685	9,435
<b>Total ADM</b>	10,105	10,199	10,204	10,189	10,224	10,667	10,716	11,148	11,185

\*2015-16 Kindergarten count changed from .5 to 1 ADM

## September / February ADM Comparison by Year



<b>September</b>	10,203	10,189	10,225	10,668	10,716	11,148	11,185
<b>February</b>	10,180	10,129	10,215	10,685	10,708	11,155	11,111
Loss/Gain	-23	-60	-10	17	-8	7	-74
							<b>Average</b>
							<b>-22</b>

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# Education Fund Revenue

## State Funding Formula

- Basic Tuition Support W/Complexity
  - FY20 \$5,804 (+\$128)
- Honors Diploma
- Special Education (Exceptional Education)
- Career & Technical Education (Vocational)

# Funding Formula Comparison

	<u>2017-2018</u>	<u>2018-2019</u>	<u>Estimated</u> <u>2019-2020</u>	<u>Increase</u>
Basic Tuition Support	58,785,355	59,860,675	64,688,143	4,827,468
Complexity Grant	3,606,052	3,617,813	-	(3,617,813)
Honors Diploma	428,600	493,200	493,200	-
Special Education	5,228,360	5,165,230	5,182,855	17,625
Career and Technical	1,892,750	1,569,690	1,569,690	-
<b>Total Tuition Support</b>	<b>69,941,117</b>	<b>70,706,608</b>	<b>71,933,888</b>	<b>1,227,280</b>
ADM	11,148	11,185	11,145	(40.00)
\$/ADM	6,273.87	6,321.56	6,454.36	132.81

# School Funding

2019/20

	<u>State</u>	<u>South Bend</u>	<u>Mishawaka</u>	<u>PHM</u>
ADM	1,066,826	16,265	5,270	11,324
Basic w/Compl	6,581,929,835	111,677,189	34,385,570	65,726,868
<b>\$/ADM</b>	<b>6,169.64</b>	<b>6,866.10</b>	<b>6,524.78</b>	<b>5,804.21</b>

Estimates Based on Legislative Services



# Education Fund Comparison

<u>2018</u>		<u>2019</u>	<u>2020</u>
Budget	Expend	Budget	Advertised
66,036,423	65,942,464	68,503,871	72,542,924

# Operation Fund

# Oper. Fund Assumptions

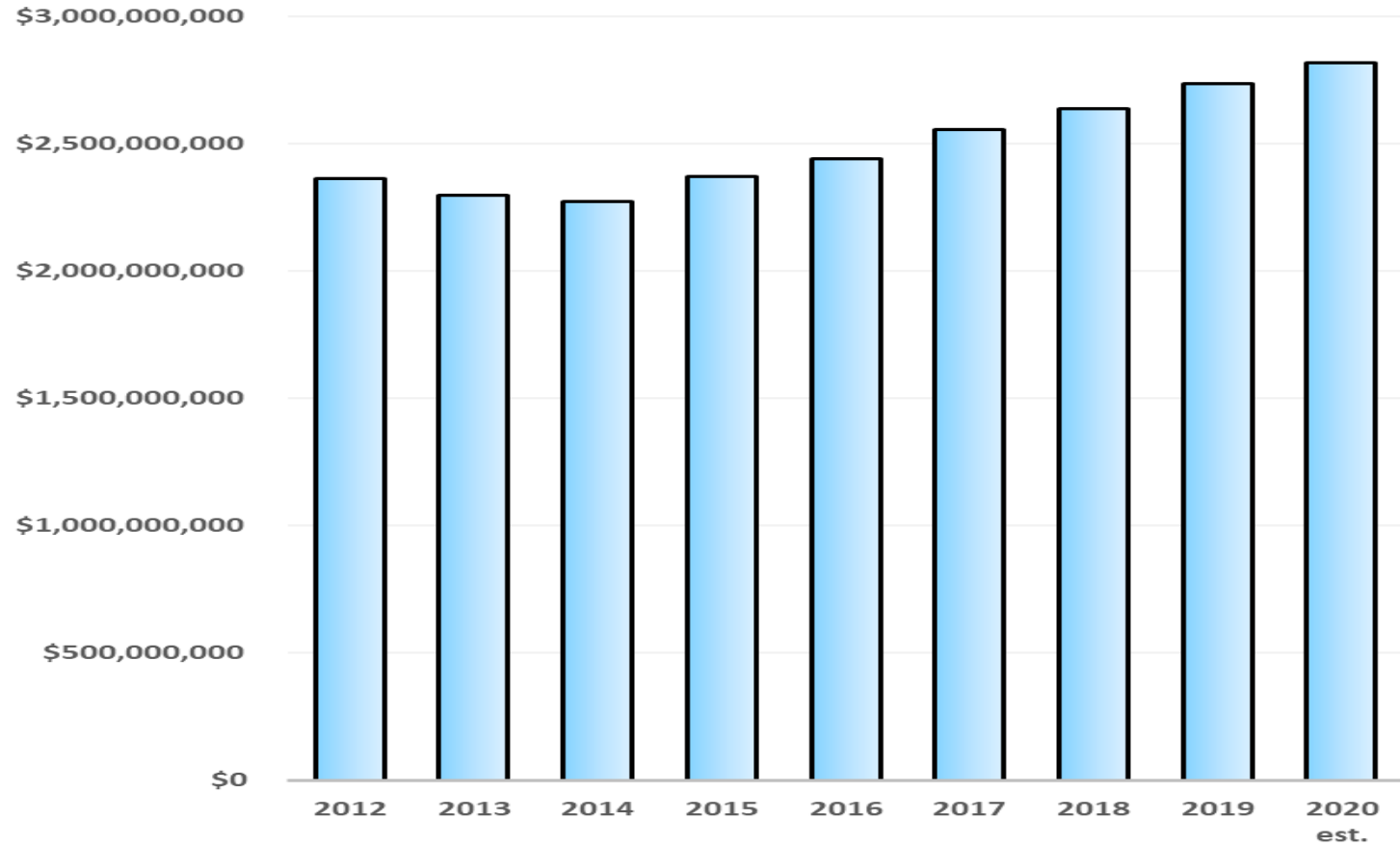
- Salary Enhancements for 2020
- Health Insurance Increase 8% +
- Assessed Value Constant
- Tax Cap Impact Increase



# Operation Fund Revenue

	2019		2020
	Advertised	Budget Order	Advertised
<b>Prop. Tax</b>	15,559,698	15,000,622	16,104,287
<b>Lic. Excise</b>	1,080,000	1,105,639	1,100,000
<b>CVET</b>	76,200	77,639	76,300
<b>FIT</b>	29,100	31,028	30,700
<b>Ed Xfer</b>	7,030,000	7,030,000	8,311,000
<b>Misc</b>	998,000	998,000	1,038,000
	<b>24,772,998</b>	<b>24,242,928</b>	<b>26,660,287</b>

# Assessed Valuation History



# Tax Cap Impact 2009-2019

	2009 to 2013	2014	2015	2016	2017	2018	2019	Fund Totals*
Debt Service	731,935	431,523	1,614	494,854	2,880	4,095	3,905	<b>1,670,806</b>
Capital Projects	1,499,132	444,955	595,462	454,191	617,998	691,710		<b>4,303,449</b>
Transportation	1,182,017	387,676	533,350	416,483	580,069	659,575		<b>3,759,171</b>
Bus Replacement	128,897	49,560	55,211	29,592	46,462	54,898		<b>364,620</b>
Art Association	26,337	7,720	10,783	8,455	11,853	13,390		<b>78,537</b>
Historical Society	26,337	7,720	10,783	8,455	11,853	13,390		<b>78,537</b>
Operation	-	-	-	-	-	-	1,638,179	<b>1,638,179</b>
<b>TOTALS</b>	<b>3,594,657</b>	<b>1,329,154</b>	<b>1,207,203</b>	<b>1,412,030</b>	<b>1,271,115</b>	<b>1,437,057</b>	<b>1,642,085</b>	<b>11,893,300</b>
<b>Certified Levy</b>	131,747,287	27,977,793	25,514,876	25,204,040	23,815,241	23,950,064	24,896,164	388,798,607
<b>As % of Levy</b>	<b>2.73%</b>	<b>4.75%</b>	<b>4.73%</b>	<b>5.60%</b>	<b>5.34%</b>	<b>6.00%</b>	<b>6.60%</b>	<b>3.06%</b>

\*Includes 2009 to Current



# Operation Fund Comparison

<u>2018</u>		<u>2019</u>	<u>2020</u>
Budget	Expend	Budget	Advertised
21,878,180	20,806,253	23,431,389	25,775,856

# Operation Fund Capital Improvements

Pursant to IC 20-40-18-6, the **Penn-Harris-Madison School Corporation** plan contains a listing of all proposed projects that are capital in nature that exceed \$10,000 that are expected to begin within the three years immediately following the year the plan was adopted.

Capital Project Plan Adoption Date: **Monday, September 23, 2019**

<b>Project Description*</b>	<b>Estimated Start Date</b>	<b>Estimated End Date</b>	<b>Estimated Project Cost</b>
Misc Building Improvements	1/1/2020	12/31/2022	\$ 330,000.00
Emergency Allocation	1/1/2020	12/31/2022	\$ 3,600,000.00
Total			\$ 3,930,000.00

# Five-Year Bus Replacement Plan

<u>Year</u>	<u>No. of Buses Owned</u>	<u>No. of Buses to be Replaced</u>	<u>Total Estimated Replacement Cost</u>
2020	138	12	1,332,000
2021	138	12	1,350,550
2022	138	12	1,272,000
2023	138	12	1,390,500
2024	138	12	1,446,600



# Art Association & Historical Society Funds

- **Tax Rate Driven Fund - (0.0050)**

- **Proceeds go to:**

- South Bend Regional Museum (Art)



- Northern Indiana Historical Society (Historical)



# Debt Service Funds

## Formally Three Debt Service Funds

- Debt Service (debt incurred after July 1, 08)
- Exempt Debt Service (debt before July 1, 08)
- Exempt Retirement/Severance Debt Service





# Debt Service Fund



**2020 Total - \$11,883,170**

- \$3,463,807 – General Obligation Bonds
- \$2,717,833 – Common School Loans
- \$166,030 – Unreimbursed TB Expenses
- \$5,535,500 – Lease Rental Payments



# Exempt Debt Service Fund

**2020 Total - \$0**

- One Lease Rental
- Last Payment 2020  
(last payment paid from Debt Service)



# Exempt Retirement/Severance Debt Service Fund

**2020 Total - \$0**

- Requires Levy Neutrality (Operation)
- Last payment in 2019





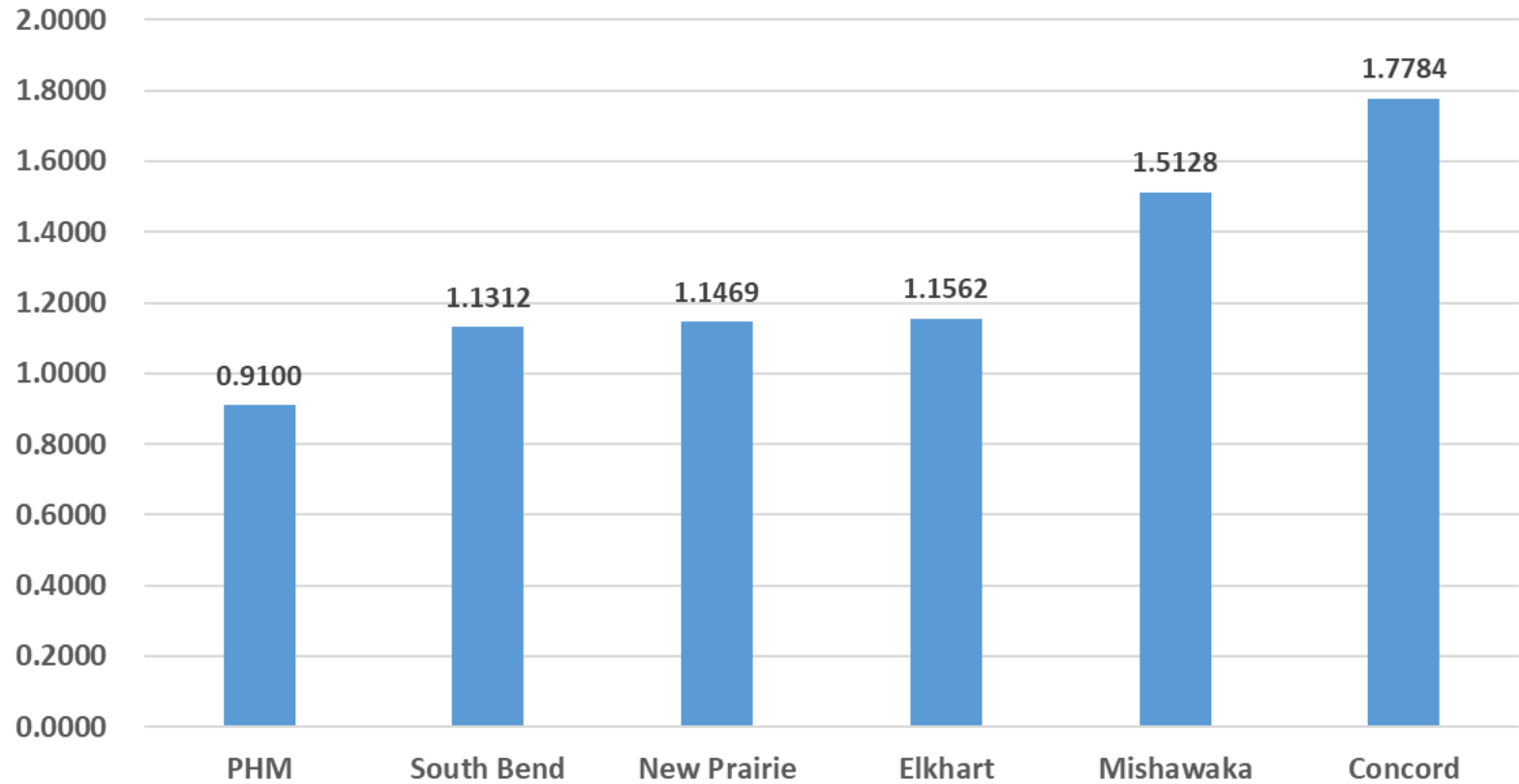
# Rainy Day Fund



- No Expenditures Budgeted for 2020
- Funding from Naming Rights



# Total Tax Rate



# Form 3

Public Hearing Date	Monday, August 26, 2019
Public Hearing Time	7:00 PM
Public Hearing Location	Educational Services Center 55900 Bittersweet Rd. Mishawaka, IN 46545

Adoption Meeting Date	Monday, September 23, 2019
Adoption Meeting Time	7:00 PM
Adoption Meeting Location	Educational Services Center 55900 Bittersweet Rd. Mishawaka, IN 46545

Est. School Operations Max Levy	\$15,907,689
Property Tax Cap Credit Estimate	\$2,876,676

1 Fund Name	2 Budget Estimate	3 Maximum Estimated Funds to be Raised (including appeals and levies exempt from maximum levy limitations)	4 Excessive Levy Appeals	5 Current Tax Levy	6 Levy Percentage Difference (Column 3 / Column 5)
0180-DEBT SERVICE	\$11,883,170	\$14,689,908	\$0	\$7,805,358	88.20%
3101-EDUCATION	\$72,416,524	\$0	\$0	\$0	
3300-OPERATIONS	\$25,775,856	\$17,104,287	\$0	\$15,000,622	14.02%
Totals	\$110,075,550	\$31,794,195	\$0	\$22,805,980	

# Budget & Levy Estimates

	<u>Budget</u>	<u>Levy</u>
Rainy Day	-	-
Debt Service	11,883,170	14,689,908
Exempt Debt	-	-
Exempt Pension	-	-
Education	72,416,524	-
Operation	25,775,856	17,104,287
	<hr/>	
	110,075,550	31,794,195



# Comparison Totals

## Education & Operation

### Advertised

<u>2019</u>	<u>2020</u>
93,368,224	98,192,380
Increase	4,824,156 5.17%

### Budget Order

<u>2019</u>	<u>2020</u> <u>est.</u>
91,935,260	94,125,380
Increase	2,190,120 2.38%

# Next Steps

- Publish Form 3 on Gateway – Aug 15
- Advertise Notice of Hearing – Aug 15
- Place CP Plan & BR Plan on Website
- Conduct Public Hearing – Aug 26
- Adopt Budget – Sept 23
- Budget Order Approval – Nov/Dec 2019

# Questions?

