

2019 Budget



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Objective and Goal

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



Purpose of the Work Session

- Share 2019 Changes
- Review Budgets
- Next Steps



2018 Funds

- Rainy Day
- General Fund
- Capital Projects Fund
- Transportation Operating
- Bus Replacement
- Art & Historical Funds
- Debt Services (3 funds)

2018 Funds

- Rainy Day – No Change in 2019
- General Fund
- Capital Projects Fund
- Transportation Operating
- Bus Replacement
- Art & Historical Funds
- Debt Services – No Change in 2019

2019 Changes

HEA 1009 (2017) & HEA 1167 (2018)

- Eliminate General Fund
- Establishment of two new funds
 - Education Fund
 - Operations Fund

2019 Changes

Education Fund

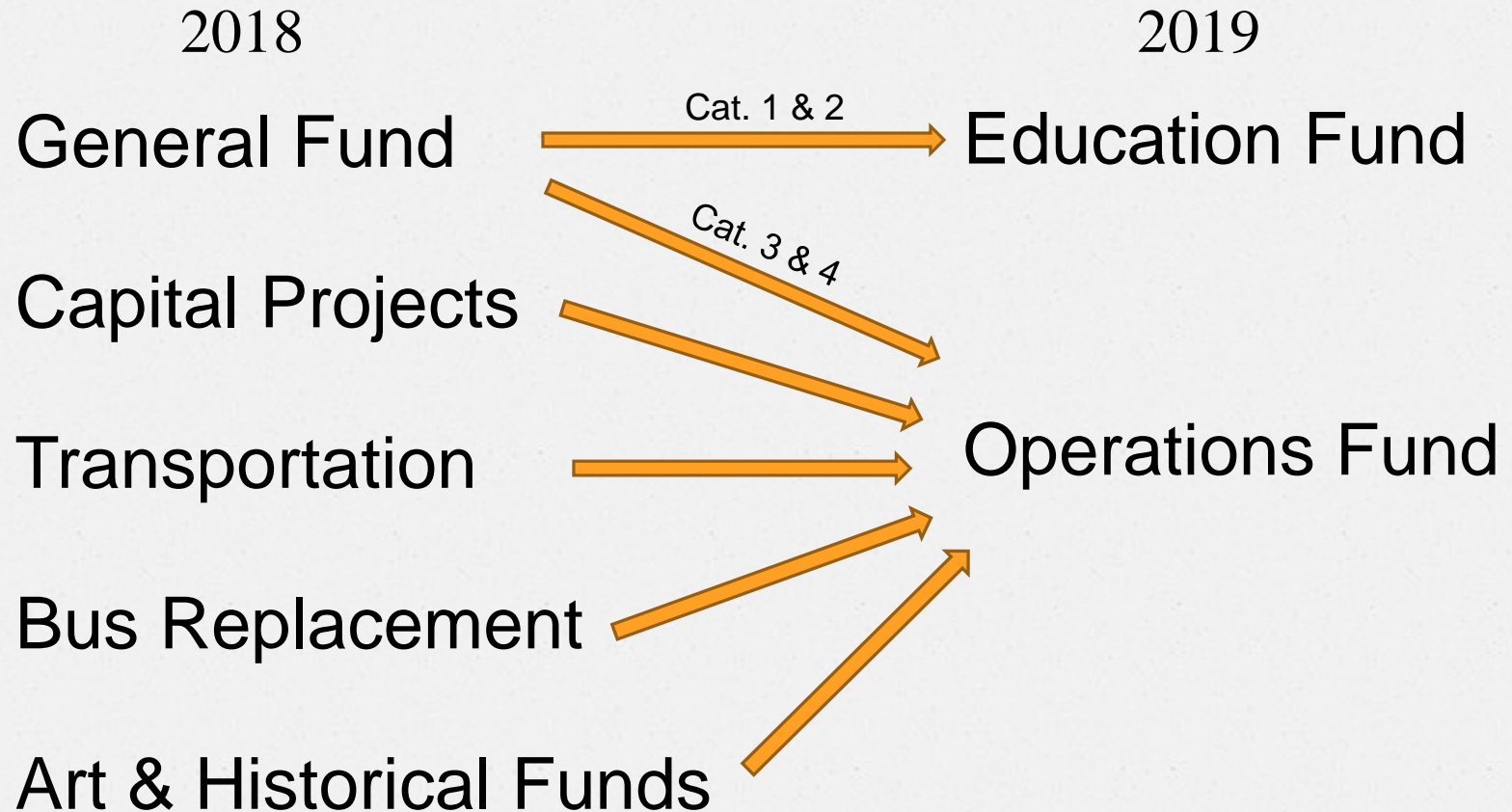
- General Fund expenditures:
 - Cat. 1 – Student Academic Achvmnt.
 - Cat. 2 – Student Instructional Support

2019 Changes

Operations Fund

- General Fund Expenditures:
 - Cat. 3 - Overhead and Operational
 - Cat. 4 - Non-operational
- Capital Projects Fund
- Transportation Operating
- School Bus Replacement
- Art Association & Historical Society

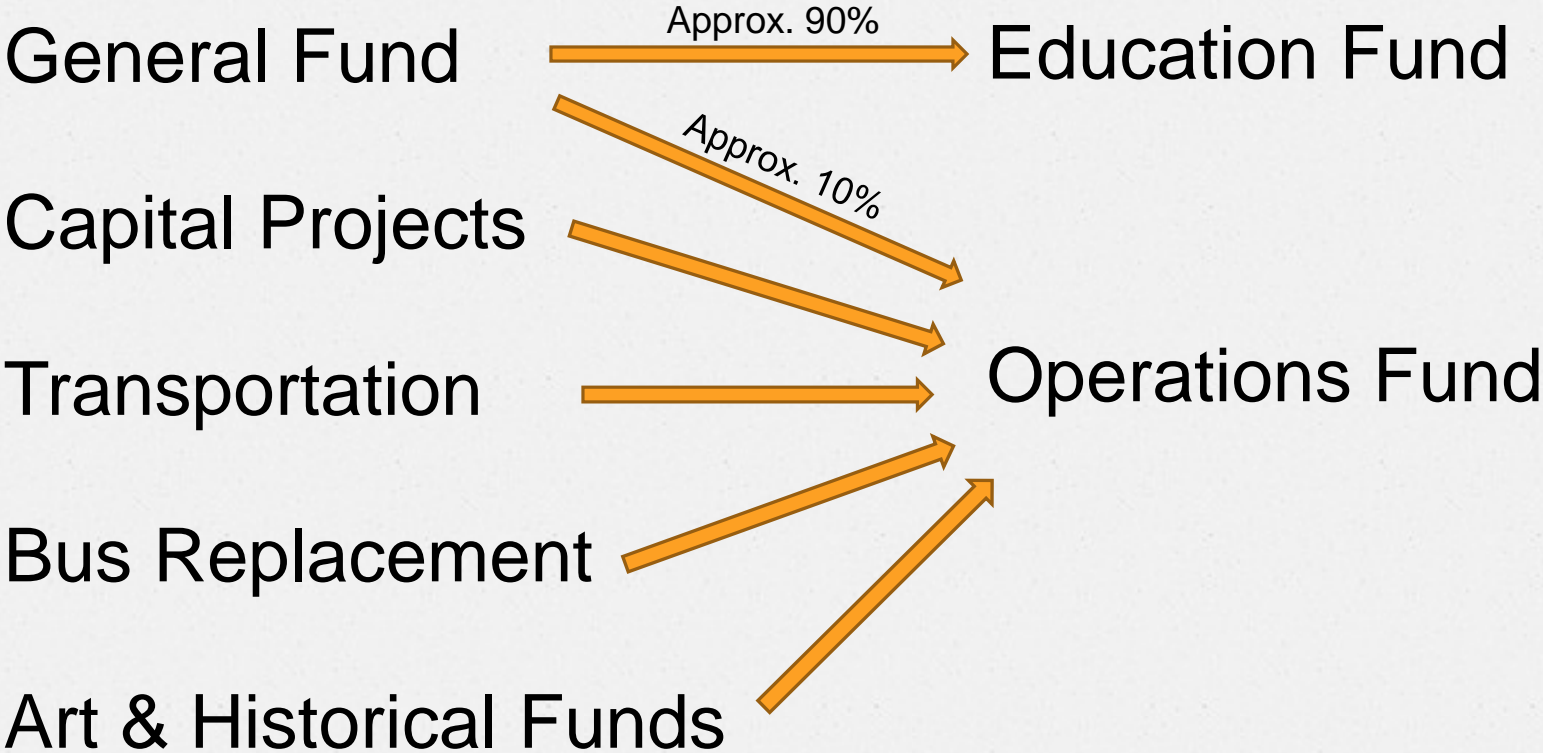
Funds



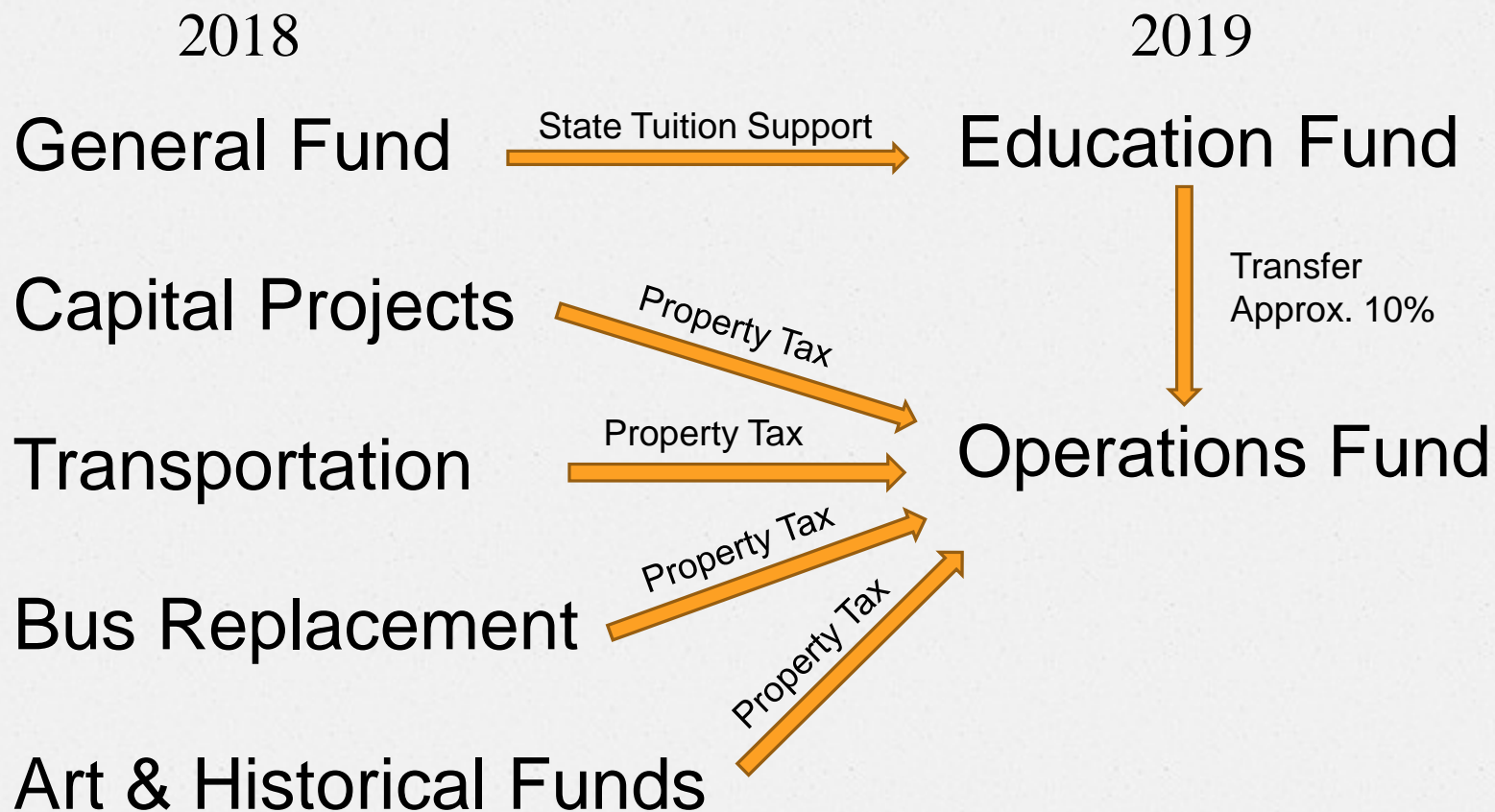
Expenditures

2018

2019



Revenue



Overview

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

Education Fund

Education Fund Assumptions

- ADM Down 125 Students
- Other Student Counts Constant
- Revenue for July-Dec 19 Constant
- Small Salary Enhancements
- Health Insurance 5% +

Education Fund Revenue

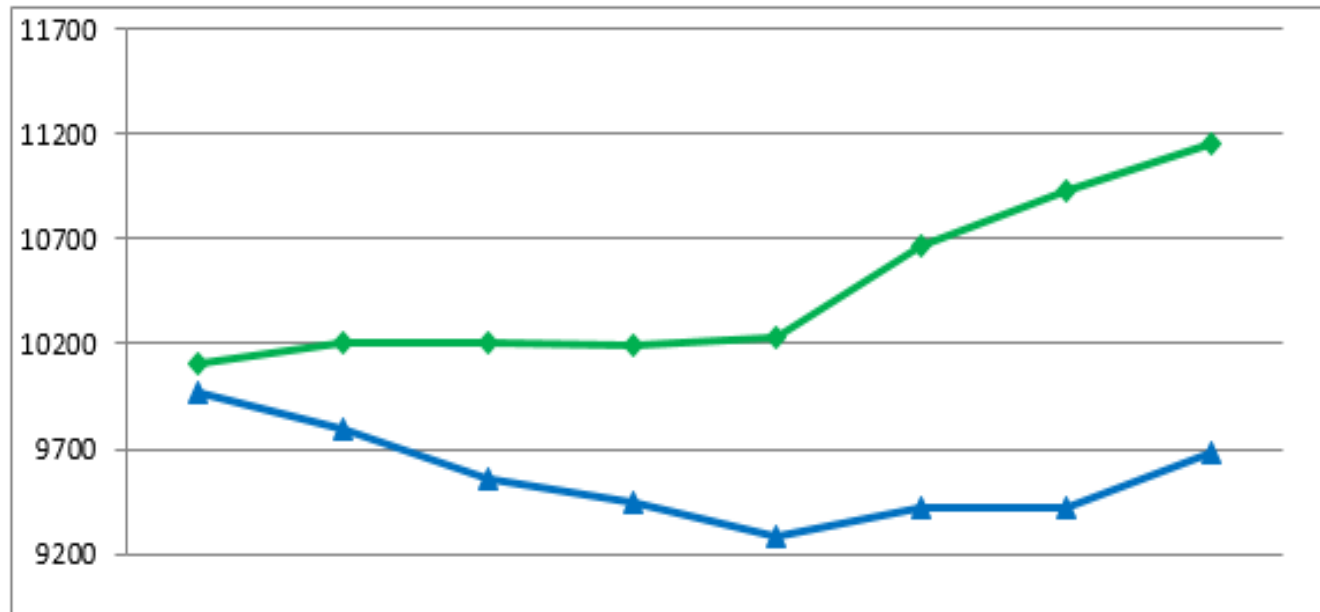
State Funding Formula

- Basic Tuition Support - FY19 \$5,352 (+\$79)
- Honors Diploma
- Special Education (Exceptional Education)
- Career & Technical Education (Vocational)
- Complexity (SNAP, TANF, Foster Care)

Funding Formula Comparison

	<u>2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Increase</u>
Basic Tuition Support	\$58,785,355	\$58,995,096	\$209,741
Honors Diploma	\$428,600	\$439,600	\$11,000
Special Education	\$5,228,360	\$5,279,660	\$51,300
Career and Technical	\$1,892,750	\$1,687,950	-\$204,800
Complexity Grant	\$3,606,052	\$3,565,500	-\$40,552
Total Tuition Support	\$69,941,117	\$69,967,806	\$26,689
ADM	11,148	11,023	
\$/ADM	\$6,274	\$6,347	

Average Daily Membership (ADM)



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

Green = Enrollment with non-resident transfer students beginning in 2010-11

Blue = Enrollment with P-H-M resident students only

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

Education Fund Comparison

	<u>2017</u>		<u>2018</u>	<u>2019</u>
Education	Budget	Expend	Budget	Advertised
	63,577,461	62,190,604	66,036,423	68,503,871

Operations Fund

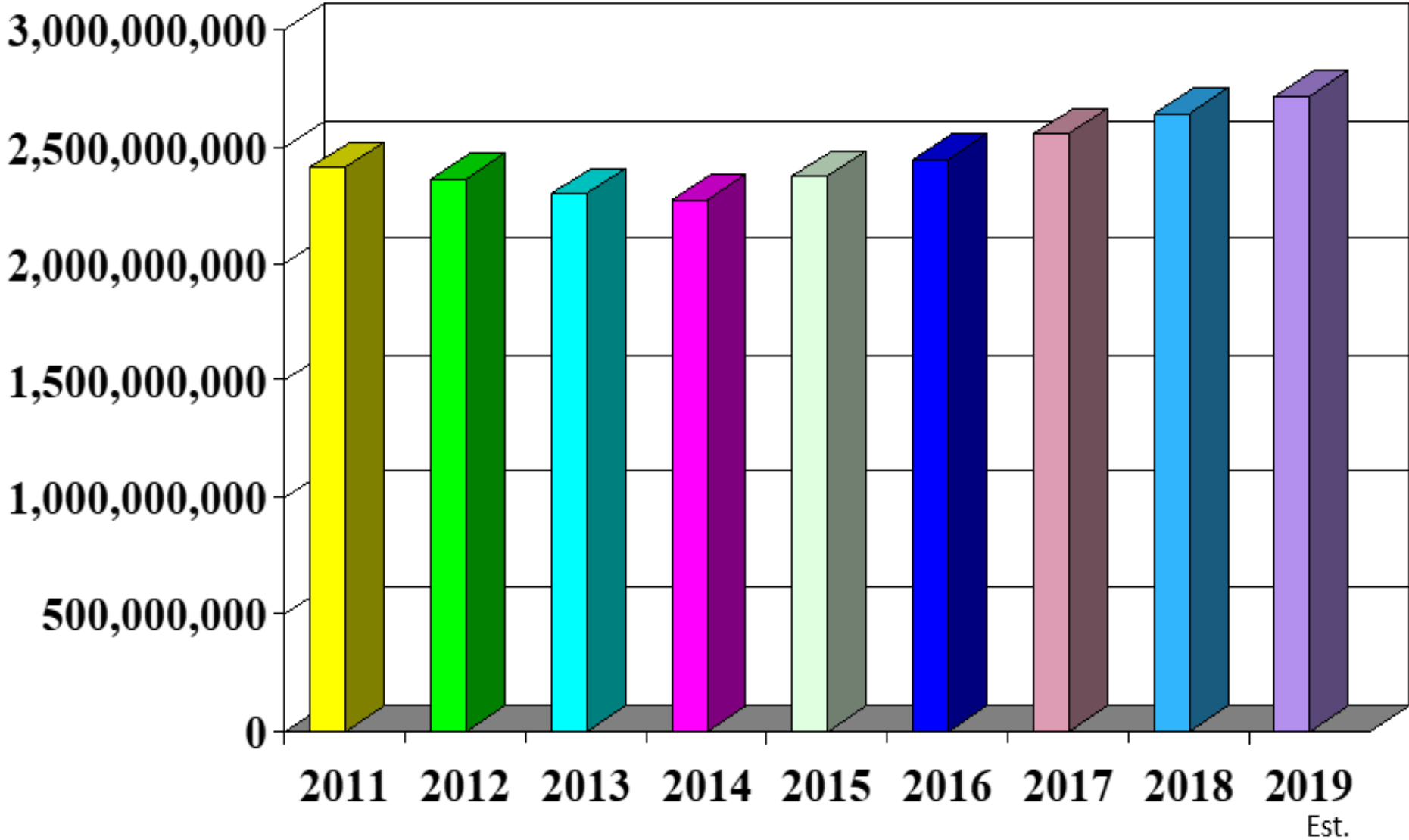
Operations Fund Assumptions

- Small Salary Enhancements
- Health Insurance 5% +
- Assessed Value Constant
- Tax Cap Impact Slight Increase

Operations Fund Revenue

<u>Source</u>	<u>2018 Budget Order</u>	<u>2019 Advertised</u>
Property Tax	\$14,120,405	\$15,559,698
Excise	\$1,072,781	\$1,080,000
CVET	\$78,319	\$76,200
FIT	\$28,422	\$29,100
Miscellaneous	\$204,000	\$198,000
TOTAL	<u>\$15,503,927</u>	<u>\$16,942,998</u>

Assessed Valuation

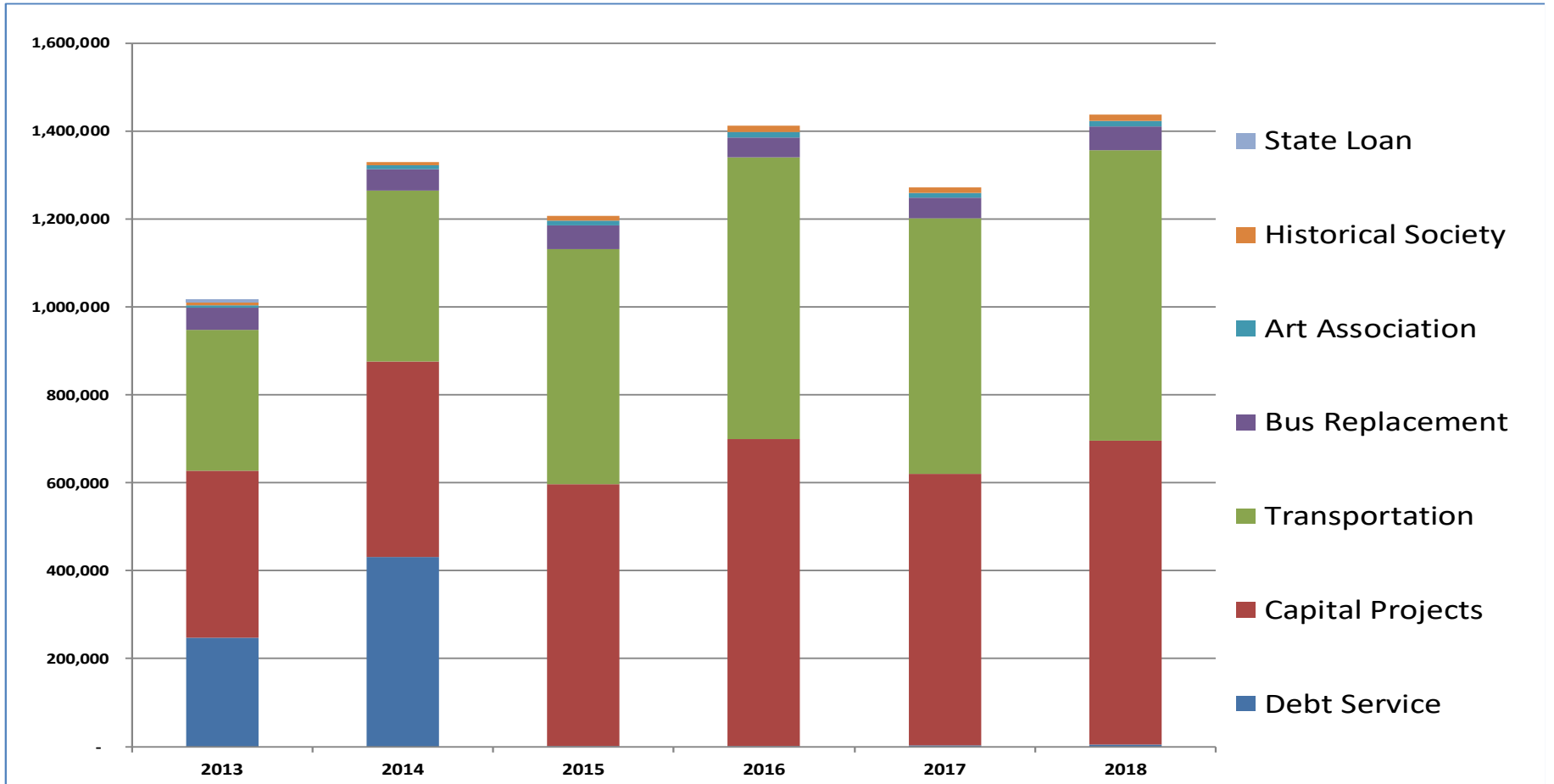


Tax Caps

- Loss of revenue in our taxable funds due to property tax caps.
- “Protected Taxes”
 - Doesn’t allow TC Losses offset in Debt Service
- Waiver applies if Transportation Operating loss $>10\%$

Tax Cap Impact

	2013	2014	2015	2016	2017	2018	Fund Totals
Debt Service	247,090	431,523	1,614	1,121	2,880	4,095	688,323
Capital Projects	379,955	444,955	595,462	698,317	617,998	691,711	3,428,399
Transportation	319,802	387,676	533,350	640,340	580,069	659,575	3,120,813
Bus Replacement	50,766	49,560	55,211	45,497	46,462	54,898	302,394
Art Association	6,610	7,720	10,783	12,999	11,853	13,390	63,354
Historical Society	6,610	7,720	10,783	12,999	11,853	13,390	63,354
State Loan	7,536	-	-	-	-	-	7,536
Yearly Totals	\$ 1,018,370	\$ 1,329,154	\$ 1,207,203	\$ 1,411,273	\$ 1,271,115	\$ 1,437,059	\$ 7,674,174



Operations Fund Comparison

Operation	<u>2017</u>		<u>2018</u>	<u>2019</u>
	Budget	Expend	Budget	Advertised
	22,523,585	21,036,320	21,878,180	24,864,353

Operations Fund Capital Improvements

Pursuant 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.			
Project Description	Estimated Start Date	Estimated End Date	Estimated Project Cost
Misc Building Improvements	1/1/2019	12/31/2021	\$ 660,000.00
Emergency Allocation	1/1/2019	12/31/2021	\$ 3,000,000.00
Total			\$ 3,660,000.00

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>
2019	<u>138</u>	<u>12</u>	<u>1,259,538</u>
2020	<u>138</u>	<u>12</u>	<u>1,245,144</u>
2021	<u>138</u>	<u>12</u>	<u>1,328,629</u>
2022	<u>138</u>	<u>12</u>	<u>1,451,844</u>
2023	<u>138</u>	<u>12</u>	<u>1,437,049</u>

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

Three Debt Service Funds (Need Driven)

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



Debt Service Fund



2019 Total - \$8,844,859

- \$3,585,646 – General Obligation Bonds
- \$2,937,696 – Common School Loans
- \$127,517 – Unreimbursed TB Expenses
- \$2,194,000 – Lease Rental Payments

Exempt Debt Service Fund

2019 Total - \$2,570,000

- One Lease Rental
- Last Payment 2020



Exempt Retirement/Severance Debt Service Fund

2019 Total - \$800,335

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





Rainy Day Fund



- No Expenditures Budgeted for 2019
- Funding from Naming Rights

Budget & Levy Estimates

(Form 3)

	<u>Budget</u>	<u>Levy</u>
Rainy Day	-	-
Debt Service	8,844,859	10,385,754
Exempt Debt	2,570,000	2,265,173
Exempt Pension	800,335	340,035
Education	68,503,871	-
Operation	24,864,353	15,559,698
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	105,583,418	28,550,660

Comparison Totals

Rainy Day / Education / Operation

Advertised

<u>2018</u>	<u>2019</u>
91,255,404	93,368,224
Increase	2,112,820 2.32%

Budget Order

<u>2018</u>	<u>2019 est.</u>
88,114,603	89,205,260
Increase	1,090,657 1.24%

Next Steps

- Publish Form 3 on Gateway – Aug 16
- Advertise Notice of Hearing– Aug 16
- Place CP Plan & BR Plan on Website
- Conduct Public Hearing – Aug 27
- Adopt Budget – Sept 17

Next Steps

- Approve Resolutions
 - Establish Funds, Transfer G F, Transfer Other Funds, Recurring Transfer
- Budget Order approval - Dec 2018
- Adjust Financials to Budget Order

Questions?

