



EAST ALLEN COUNTY SCHOOLS

2015 Budget Planning - July 15, 2014

- Capital Projects
- Bus Replacement

Capital Projects & Bus Replacement

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 - Revenue & Expenditure History
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 - Major Items
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Budget Schedule

- **July 15th Meeting**
 - Capital Projects & Bus Replacement
- **August 19th Meeting**
 - Entire Budget Review [i.e. General Fund; Debt Services; Transportation; etc.]
 - Approval of Advertisement
- **September 16th Meeting**
 - Public Hearing
 - Capital Projects Plan
 - Bus Replacement Plan
 - General; Debt Services; Pension Debt; Transportation; Art Institute
- **October 21st Meeting**
 - Budget Approval
 - Approval of Capital Projects Plan and Bus Replacement Plan

CAPITAL PROJECTS:

- Each year, a 3-year plan is developed to schedule plans for construction, repair, remodeling, repair existing equipment and purchase new equipment. This fund allows funding for future projects which have been identified within the Capital Projects Plan. An annual hearing must be held for discussion and public input on the proposed projects. Appropriations within this fund may be used for the purchase, lease or repair of equipment, computer equipment, software, and many of the technologies are to be purchased from this fund. The maximum levy rate for East Allen in CY2014 based on the formula is **\$0.3212** [**\$0.2366-Rate Cap + \$0.0846-Utility & Insurance**]. Utility & Insurance expenditures paid out of CPF can not exceed 3.5% of the school corporation's 2005 calendar year distribution.
 - School Corporations allowed to pay Utility Services and/or Property Casualty Insurance from CPF. (CY 2004 at \$523,000; CY 2005 at \$1,060,000; CY 2006 at \$1,498,310; CY 2007/2008/2009/2010/2011/2012/2013/2014 /2015 at \$1,905,171).

CAPITAL PROJECTS:

- Funding Challenges

- Revenue of approximately \$7.7 Million Per Year
- Stagnant Assessed Value with Rate Cap
- Decrease in Local Revenue (drop in Net Assessed Value in CY 2009)
 - 2007 \$9,326,159
 - 2008 \$9,448,312
 - 2009 \$7,695,883
 - 2010 \$7,881,454
 - 2011 \$7,786,270
 - 2012 \$7,778,582 (includes State Loan – CPF)
 - 2013 \$8,393,115 (includes Project/Bond Reimbursement and Monroeville Sale)
 - 2014 \$7,799,950 (estimate includes Circuit Breaker Loss and Harlan Sale)

- Circuit Breaker Affect

	CPF	Total
• 2009	\$ 40,412	[\$105,193]
• 2010	\$ 187,385	[\$481,611]
• 2011	\$ 239,567	[\$644,390]
• 2012	\$ 216,308	[\$579,403]
• 2013	\$ 256,166	[\$711,546]
• 2014	\$ 362,640	[\$719,636]

- Starting in 2014, Circuit Breaker Losses that are associated with Debt Service Funds will be prorated over the remaining funds. For EACS this equates to about \$224,000 being redistributed (prorated) over the other tax supported funds (Capital Projects-51%, Transportation-42%, Bus Replacement-7%, Art Institute-0.3%)

CAPITAL PROJECTS:

Revenue, Expenditure, & Yearend Balance History

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenue	8,313,023	8,878,510	9,326,159	9,448,312	7,695,883	7,881,454	7,786,270	7,778,582	8,593,115
Expenses	5,607,280	7,600,217	8,949,504	9,351,467	10,334,152	7,874,244	9,671,709	11,002,239	7,706,053
Difference	2,705,743	1,278,293	376,655	96,845	(2,638,269)	7,210	(1,885,439)	(3,223,657)	887,062
End of Year Balance	9,008,223	10,286,516	10,663,172	10,760,017	8,121,748	8,128,958	6,243,519	3,019,863	3,906,925

CAPITAL PROJECTS:

Revenue History

Revenue	2005	2006	2007	2008	2009	2010	2011	2012	2013
Property Taxes	7,447,420	7,999,494	8,321,760	8,519,873	6,901,009	7,130,992	7,016,173	6,638,761	6,863,171
Excise Taxes	730,103	739,092	762,630	738,809	619,262	599,603	596,598	578,263	569,761
CVET	89,894	96,358	104,762	108,632	89,050	90,445	87,806	88,432	85,432
FIT	40,520	38,344	40,725	40,224	39,298	40,515	38,697	39,014	52,891
Refunds/Reimbursements	5,086	5,222	10,282	40,774	45,850	14,899	46,996	105,303	1,021,860
Fund Transfers	-	-	86,000	-	1,414	5,000	-	-	-
2013 State Loan								328,809	-
Subtotal	8,313,023	8,878,510	9,326,159	9,448,312	7,695,883	7,881,454	7,786,270	7,778,582	8,593,115
Levy Loss (Collections/Circuit)	-	-	-	-	(276,891)	(182,609)	(213,230)	(260,265)	(256,166)
CPF Allowance for Utilities & Insurance	2005	2006	2007	2008	2009	2010	2011	2012	2013
Amount	1,048,561	1,498,310	1,905,171	1,905,171	1,905,171	1,905,171	1,905,171	1,905,171	1,905,171
Percentage	2.0%	2.75%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Indiana Code specifies percentage of CY2005 Basic Grant State Support available calculation for Utility & Insurance Allowance.									

2015 Budget Planning
[071514]

CAPITAL PROJECTS:

Expenditure by Summary Classification Type

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenditures									
Buildings	896,647	2,191,642	2,672,261	2,631,094	3,797,673	1,481,330	2,523,877	3,817,583	1,062,317
Technology	1,344,539	1,681,054	1,958,382	2,146,572	2,242,942	1,903,927	2,620,113	2,902,672	2,328,372
Equipment	572,486	558,583	708,932	787,023	649,938	605,631	674,690	457,653	527,254
Salaries	1,311,823	1,251,982	1,323,254	1,364,806	1,367,558	1,328,021	1,430,473	1,442,067	1,357,611
Benefits	421,785	418,647	452,747	444,632	500,087	493,924	520,316	550,801	500,283
Utilities/Insurance	1,060,000	1,498,310	1,748,177	1,977,340	1,775,955	2,061,410	1,902,240	1,831,463	1,930,216
Total	5,607,280	7,600,217	8,863,755	9,351,467	10,334,152	7,874,244	9,671,709	11,002,239	7,706,053

Capital Project Fund - Plan Summary				
The following is a general outline of the plan:	Account No.	2015	2016	2017
CURRENT EXPENDITURES				
(1) Land Acquisition and Development	41000	-	-	-
(2) Professional Services	43000	60,000	60,000	60,000
(3) Education Specifications Development	44000	-	-	-
(4) Building Acquisition, Construction, and Improvements	45100	2,414,500	2,298,650	2,663,800
(5) Rental of Buildings, Grounds and Equipment	45500	24,000	24,000	24,000
(6) Purchase of Mobile or Fixed Equipment	47000	354,000	354,000	354,000
(7) Emergency Allocations	49000	200,000	200,000	200,000
(8) Utilities (Maintenance of Buildings)	26200	1,760,000	1,760,000	1,760,000
(9) Maintenance of Equipment	26400	464,500	464,500	464,500
(10) Sports Facilities	45400	-	-	-
(11) Property or Casualty Insurance	26700	150,000	150,000	150,000
(12) Other Operation and Maintenance of Plant	26800	-	-	-
(13) Technology	22300/25800	2,977,442	2,538,546	2,572,146
SUBTOTAL CURRENT EXPENDITURES		8,404,442	7,849,696	8,248,446
(14) Allocation for Future Projects (Cumulative Totals)		2,000,000	2,000,000	2,000,000
(15) Transfer From One Fund to Another	60100	-	-	-
TOTAL EXPENDITURES AND ALLOCATIONS		\$ 10,404,442	\$ 9,849,696	\$ 10,248,446

Capital Projects Planning

- GO Bond:
 - Approximately \$815,643 not appropriated
 - Buildings where GO Bond can be used: New Haven Primary, New Haven Intermediate, New Haven Middle, New Haven High, New Haven Elementary, Southwick, Cedarville, Leo Jr./Sr. High, Park Hill, Service Center
 - Priority of Projects

Capital Projects Planning

- Heritage & Woodlan Construction Projects:
 - Use of Contingencies after Project Completion
 - Priority of Projects

Capital Projects Planning

- Capital Projects Fund:
 - Major Items Included in CPF Plan
 - Wages and Benefits – Skilled Trades & Technology
 - Utility Services & Insurance
 - Final Payment of iPad Lease
 - Capital Outlay - increased to support school needs
 - Copier Contract
 - Equipment Maintenance – increased at high schools
 - Contracted Repairs & Internal Repair Parts/Supplies
 - LEHS Locker Room
 - Removal of Underground Tanks

BUS REPLACEMENT FUND:

- Is used to cover the purchase of all buses, and requires the establishment of a 12-year replacement plan. As only the first year of the plan is firm, there is opportunity to make necessary adjustments to the proposed number of buses to be purchased in ensuing years. Hearings must be held annually for review and public input on the 12-year purchase plan.

BUS REPLACEMENT FUND:

A Major Change in Available Funding:

- The 2011 Legislative Session changed the local tax levy from being a needs based fund to a maximum levy to be determined by the Local Department of Government Finance (DLGF).
- Amended IC 20-46-5-4 on how much each school corporation may levy for a calendar year property tax for the school bus replacement fund. The levy may not exceed the amount approved by the department of local government finance. The local department of government finance shall evaluate whether the levy proposed by a school corporation exceeds the reasonable needs of the school corporation to carry out the purposes of the fund and approve a levy that does not exceed the reasonable needs of the school corporation to carry out the purposes of this chapter. In making its determination, the department of local government finance may consider whether a school corporation has in a previous year transferred money from the fund to the school corporation's rainy day fund or a fund other than the school bus replacement fund.
- The DLGF's Calculation would be an average of 13 buses per year and a maximum levy of \$1,393,227 per year for 2015.

BUS REPLACEMENT FUND:

Current Types and Years Purchased

- Type of Buses**

Type A: 9 Buses
 Type B: 0 Buses
 Type C: 74 Buses
 Type D: 75 Buses
 Total 158 Buses

- Bus Purchase Year:**

Year Received	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Type A (9)	3	2	-	-	-	2	1	-	-	-	-	-	1	-	-
Type B (0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type C (72)	-	9	3	-	6	5	3	3	3	-	13	6	11	6	12
Type D (77)	-	3	10	16	10	9	11	8	8	-	-	-	-	-	-
Subtotal	3	14	13	16	16	16	15	11	11	-	13	6	12	6	12

Bus Replacement Plan:

Issue: DLGF Maximum Levy is \$1,356,599 (1.027 x \$1,356,599)

A	B	C	D
No. of buses owned	No. of buses to be replaced	Year	Total of Replacement Cost
158	17	2015	\$ 1,695,500
158	28	2016	\$ 3,255,600
158	16	2017	\$ 1,815,200
158	15	2018	\$ 1,794,600
158	11	2019	\$ 1,389,900
158	11	2020	\$ 1,422,900
158	13	2021	\$ 1,558,300
158	6	2022	\$ 716,400
158	12	2023	\$ 1,486,700
158	6	2024	\$ 753,000
158	12	2025	\$ 1,575,600
158	11	2026	\$ 1,483,220

PENSION DEBT – LEVY NEUTRALIZATION:

- Indiana code 20-48-1-2 provides that each year that a debt service levy is needed for the purposes of funding retirement or severance liabilities, a school corporation must reduce the total property tax levy for the school corporation’s capital projects, transportation, bus replacement, art association, and historical society funds, as appropriate, in an amount equal to the property tax levy needed for the debt service multiplied by the adjustment percentage set forth in subsection (1) or (2) below, as applicable:
 - (1) if the governing body of the school corporation adopts a resolution specifying that the adjustment percentages below apply to the school corporation, the adjustment percentage will be the following:
 - A) for property taxes first due and payable in 2013, 25%
 - B) for property taxes first due and payable in 2014, 50%
 - C) for property taxes first due and payable in 2015, 75%; and
 - D) for property taxes first due and payable after 2015, 100%; or
 - (2) if the governing body of the school corporation does not adopt a resolution specifying that the adjustment percentages above apply to the school corporation, the adjustment percentage is 100%.
- For example if EACS re-adopts the resolution described in subsection (1) above and the annual pension debt levy for EACS is \$750,000, it must reduce its levies in other funds by \$187,183 in 2013, \$375,000 for 2014, \$562,500 for 2015, and \$750,000 for 2016.

EACS – Budget Planning

- Questions
- Concerns
- Issues
- Action Items