



EAST ALLEN COUNTY SCHOOLS

2019 Budget Planning - July 10, 2018

- Budget Changes
- ESSA Requirements
- Capital Assets
- Bus Replacement

Budget Planning

- Budget Schedule
- Budget Changes
 - Education Fund
 - Operations Fund
- ESSA Requirements
- Capital Assets Planning
 - Capital Assets Plan
- Construction Projects
- Bus Replacement Plan

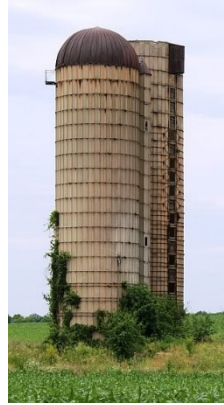
Budget Schedule

- **July 10th Meeting**
 - Budget Changes
 - Capital Projects (Assets) & Bus Replacement
- **August 21st Meeting**
 - Entire Budget Review [i.e. Education, Debt Services, & Operation Funds, Plans – Capital Projects & Budget Replacement]
 - Approval of Advertisement
- **September 18th Meeting**
 - Public Hearing
 - Capital Projects (Assets) Plan
 - Bus Replacement Plan
 - Education; Debt Services; Pension Debt; Operations
- **October 16th Meeting**
 - Budget Approval
 - Approval of Capital Projects (Assets) Plan and Bus Replacement Plan

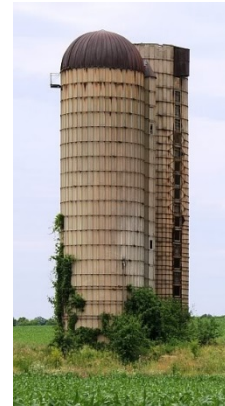
Current Primary Budget Funds



General



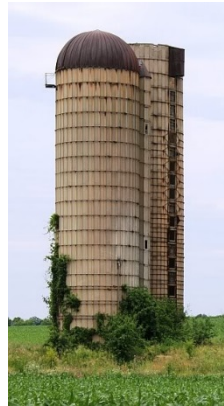
Capital Projects



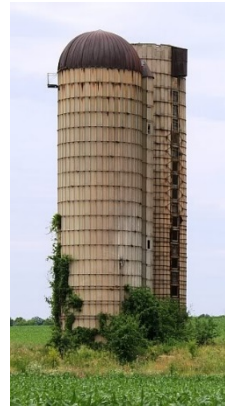
Transportation



Bus
Replacement



Debt Services



Pension Debt

Uses of Fund and Primary Source of Revenue 2018

	Primary Uses	Primary Source of Revenue
General	Salaries and benefits of most employees (except as permitted below); insurance; utilities, supplies, classroom materials	State Tuition Support based on Enrollment
Debt Service & Pension Debt	Repay corporation debt	Local Property Taxes
Capital Projects	Equipment; maintenance and repairs of buildings and equipment; portion of insurance and utilities; skilled trades, technology staff	Local Property Taxes
Transportation	Salaries and benefits of transportation staff; fuel, maintenance and repair of buses	Local Property Taxes
Bus Replacement	Purchase of new buses	Local Property Taxes

2019 Budget Funds

HEA 1009 (2017) & HEA 1167 (2018)



Education
Fund



Operations
Fund



Debt Services



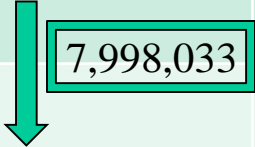
Pension Debt

Uses of Fund and Primary Source of Revenue 2019

	Primary Uses	Primary Source of Revenue
Education Fund #0101	All Category 1 (“Academic Achievement”) and 2 (“Student Support”) Expenditures from Office Management & Budget “Dollars to the Classroom” categories defined as Direct Classroom Expenditures	State Tuition Support based on Enrollment (same as 2018)
Operations Fund #0300	All previous uses of Capital Projects, Transportation, Bus Replacement, and Art Association Funds + All Category 3 (“ Non-Operational”) expenditures from former General Fund, including salaries & benefits for offices of Superintendent; Business Manager & Human Resources; Custodian; and Insurance & Utilities	Local Property Taxes (same as 2018)
Debt Service & Pension Debt	Repay corporation debt	Local Property Taxes

Expenditure/Revenue Comparison 2018 to 2019

	2018 - Current Structure		2019 – New Structure (for comparison only; no change in appropriated or forecasted amounts)	
Fund	Expenditures (2018 Forecast)	Revenue (2018 Forecast)	Expenditures	Revenue
2018: General	64,500,269	65,509,063	56,502,236	65,509,063
2019: Education				
2018: CPF + Transportation + Bus Replacement + Art Association	15,686,269	15,703,782	23,684,302	15,703,782
2019: Operations				



12.4% of Expenditures (\$7,998,033) in 2018 General Fund will be transferred to the new Operations Fund in 2019, with no corresponding automatic transfer in revenue

How Do We Make the Transition

1. Board Resolution to create Education and Operations Funds
2. January 1, 2019: transfer remaining cash balance of General Fund to new Education Fund
3. Before March 1, 2019; transfer portion of former General Fund cash balance attributable to operations to Operations Fund
4. Monthly transfers throughout the year from Education Fund to Operations Fund: Board Resolutions with reasons and filed with IDOE
5. Changes in Budget Preparation:
 - a. Software must be updated to shift expenditure accounts to new funds
 - b. Update of account numbers and object codes
 - c. Former Capital Projects Fund changed to Capital Assets Plan based on capital assets over \$10,000; advertise on EACS website and newspaper
 - d. Former Bus Replacement Plan changed to 5 Year Bus Replacement Plan; advertise on EACS website and newspaper
6. Operations Fund Levy becomes Levy Driven in 2019 with a Assessed Value Growth Quotient of 3.4%. Maximum levy in 2018 \$15,328,426 → 2019 \$15,849,592 (1.034x15,328,426) w/o Circuit Breaker Credit.

Critical Considerations

- How Education & Operations Funds Interact
- Balance within the Operations Funds
 - Operations
 - Capital Assets
 - Transportation
 - Bus Replacement
- Cash Flow [Local Taxes]
- Enrollment Trends (will impact revenue to both funds)
- Flexibility – Potential Danger (temptation to overspend in one area)
- Long Term Planning

ESSA – Federal Legislature

Reporting of School Building Level Expenditures

- LEA Report Card
 - Current expenditures per pupil from federal, state, and local funds for the preceding fiscal year for the LEA and each school served by the LEA. Disaggregated by source of funds (federal and state & local)
 - Current expenditures per pupil that were not included in school-level per-pupil expenditure data for public schools in the LEA
 - Web address describing the uniform methodology utilized
 - “East Allen County Schools (EACS) will utilize a combined approach to review and ensure compliance with the distribution of state/local funds. The distribution of state and local (non-Federal) resources to schools will be based on the characteristics of the students, staff, and supply needs of the schools. EACS will also utilize Form 9 to document that the average per pupil expenditure for EACS Title I-served schools is not less than the average per pupil expenditure for EACS non-Title I-served schools.”

ESSA – State Requirements

Reporting of School Building Level Expenditures

- State Board of Accounts
 - Update the Chart of Accounts to coincide with the categories of expenditures described in HEA 1009
 - Chart of Accounts must provide the ability to determine expenditures made at and for each individual school building of a school corporation
- School Corporations
 - Beginning July 1, 2018, each school corporation must record expenditures at the school building level
 - Beginning January 1, 2019, each school corporation must begin using the chart of accounts developed for HEA 1009
 - Beginning January 1, 2019, each school corporation must report Form 9 expenditure data at the school building level

ESSA – State Requirements

Reporting of School Building Level Expenditures

- Indiana Department of Education
 - IDOE will generate the federal report(s) needed to meet ESSA requirements
 - IDOE anticipates releasing first report (Form 9) in Fall of 2019
 - Four Reports are planned to be developed
 - School Building Level
 - Corporation Level
 - Statewide
 - Transfer Report (part of HEA 1009-2017 changes)
- Updated Form 9 Reports
 - Compare Building Expenditures Per Pupil
 - Compare School Corporation Expenditures Per Pupil

CAPITAL Projects (Assets) Plan:

- Each year, a 3-year plan is developed to schedule plans for building construction/repair/remodeling, equipment repair and purchase new equipment.
- The plan must be adopted before any expenditures can be made from the Operations Plan.
- Plans must contain a listing of all proposed expenditures that exceed \$10,000 and are for:
 - Capital Assets; or
 - Projects that are considered capital in nature including technology related projects
- The Capital Projects Plan is **only** to include expenditures from the Operations Fund
- The Capital Projects Plan **must** contain the following:
 - List of Assets exceeding \$10,000 to be purchased along with their estimated cost
 - List of Projects exceeding \$10,000 along with their estimated start date, end date and cost

CAPITAL PROJECTS:

- Funding Challenges

- Revenue of approximately \$7.7 Million Per Year
- 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 Sale of Monroeville Elementary)
 - 2014 \$7,867,076 (includes Sale of Harlan Elementary)
 - 2015 \$8,016,603 (includes Sale of Village Elementary)
 - 2016 \$8,132,339 (includes Sale of Woodburn Elementary)
 - 2017 \$9,119,153 (includes Reimbursement from Bond)

- Circuit Breaker Affect

	CPF	Total
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- Started in 2014, Circuit Breaker Losses that are associated with Debt Service Funds are prorated over the remaining funds. For EACS this equates to about \$250,000 being redistributed (prorated) over the other tax supported funds (Capital Projects-51%, Transportation-43%, Bus Replacement-6%, Art Institute-0.3%)

CAPITAL PROJECTS:

Revenue, Expenditure, & Yearend Balance History

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue	9,448,312	7,695,883	7,881,454	7,786,270	7,778,582	8,593,115	7,867,076	8,016,603	8,132,339	9,119,153
Expenses	9,351,467	10,334,152	7,874,244	9,671,709	11,002,239	7,706,053	7,890,857	7,313,668	7,291,529	8,511,920
Difference	96,845	(2,638,269)	7,210	(1,885,439)	(3,223,657)	887,062	(23,781)	702,935	840,810	607,233
End of Year Balance	10,760,017	8,121,748	8,128,958	6,243,519	3,019,863	3,906,925	3,883,144	4,586,079	5,426,890	6,034,123

CAPITAL PROJECTS:

Revenue History

Revenue	2009	2010	2011	2012	2013	2014	2015	2016	2017
Property Taxes	6,901,009	7,130,992	7,016,173	6,638,761	6,863,171	6,892,619	6,999,079	7,088,196	7,181,567
Excise Taxes	619,262	599,603	596,598	578,263	569,761	556,504	556,723	579,082	589,097
CVET	89,050	90,445	87,806	88,432	85,432	76,687	87,928	79,271	72,394
FIT	39,298	40,515	38,697	39,014	52,891	63,532	68,780	76,040	63,599
Refunds/Reimbursements	45,850	14,899	46,996	105,303	1,021,860	277,733	304,084	310,750	1,212,496
Fund Transfers	1,414	5,000	-	-	-	-	-	-	-
2013 State Loan				328,809	-	-	-	-	-
Subtotal	7,695,883	7,881,454	7,786,270	7,778,582	8,593,115	7,867,076	8,016,603	8,132,339	9,119,153
Levy Loss (Collections/Circuit)	(276,891)	(182,609)	(213,230)	(260,265)	(256,166)	(362,640)	(350,390)	(340,391)	(383,249)
CPF Allowance for Utilities & Insurance	2009	2010	2011	2012	2013	2014	2015	2016	2017
Amount	1,905,171	1,905,171	1,905,171	1,905,171	1,905,171	1,905,171	1,905,171	1,905,171	1,905,171
Percentage	3.5%	3.5%	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.									

CAPITAL PROJECTS HISTORY:

Expenditure by Summary Classification Type

Expenditures	2009	2010	2011	2012	2013	2014	2015	2016	2017
Buildings	3,797,673	1,481,330	2,523,877	3,817,583	1,062,317	1,206,672	976,153	1,549,790	2,265,105
Technology	2,242,942	1,903,927	2,620,113	2,902,672	2,328,372	2,308,052	1,900,639	1,555,465	1,425,639
Equipment	649,938	605,631	674,690	457,653	527,254	687,648	633,759	754,326	762,960
Salaries	1,367,558	1,328,021	1,430,473	1,442,067	1,357,611	1,376,444	1,381,645	1,474,215	1,487,286
Benefits	500,087	493,924	520,316	550,801	500,283	527,640	511,363	570,832	553,821
Utilities/Insurance	1,775,955	2,061,410	1,902,240	1,831,463	1,930,216	1,784,401	1,910,108	1,386,900	2,017,109
Total	10,334,152	7,874,244	9,671,709	11,002,239	7,706,053	7,890,857	7,313,668	7,291,529	8,511,920

Capital Projects Planning

- General Obligation Bonds:
 - 2013 GO Bond: Paid Off
 - 2015 GO Bond: One (1) payment remaining: July 2018 (\$357K).
 - 2016 GO Bond: Paid Off
- Bonded Construction Projects
 - Series 2011
 - Series 2017
- Use of Rainy Day Fund (\$5 Million Balance)
 - Administration Consolidation
 - Alternative School & Career Technical Education Center

Capital Projects Planning (continued)

Contracted Repairs

	Proposed	Proposed	Proposed	Proposed	Proposed
	2019	2020	2021	2022	2023
Clocks, Fire Alarms	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
Refrigeration	21,000	21,000	21,000	21,000	21,000
Temperature Control	35,000	35,000	35,000	35,000	35,000
Roof Repairs	33,000	33,000	33,000	33,000	33,000
Air Conditioning, Rooftop and Unit Vents	53,000	53,000	53,000	53,000	53,000
Fire Extinguisher and hood Inspections	15,000	15,000	15,000	15,000	15,000
Pest Control	15,000	15,000	15,000	15,000	15,000
Glass Replacement (Not Vandalism)	14,000	14,000	14,000	14,000	14,000
Well Testing	27,000	27,000	27,000	27,000	27,000
Boiler Maintenance	15,000	15,000	15,000	15,000	15,000
Kitchen Equipment Repairs	13,000	13,000	13,000	13,000	13,000
Miscellaneous	22,000	22,000	22,000	22,000	22,000
Building Equipment	22,000	22,000	22,000	22,000	22,000
Elevator Inspection and Maintenance	20,000	20,000	20,000	20,000	20,000
[035-45100-31900-0018]	\$323,000	\$323,000	\$323,000	\$323,000	\$323,000
Asphalt Repair	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Grounds Repair	10,000	10,000	10,000	10,000	10,000
Shrubs and Plantings	10,000	10,000	10,000	10,000	10,000
Fencing Repair	10,000	10,000	10,000	10,000	10,000
Miscellaneous Repair	10,000	10,000	10,000	10,000	10,000
Annual Turf Maintenance	30,000	30,000	30,000	30,000	30,000
Contracted Repair of Tractors, Mowers, and Miscellaneous Equipment	7,000	7,000	7,000	7,000	7,000
[035-45100-43000-0021]	\$97,000	\$97,000	\$97,000	\$97,000	\$97,000

Capital Projects Planning (continued)

Maintenance Supplies

Supplies Building					
	Proposed	Proposed	Proposed	Proposed	Proposed
	2019	2020	2021	2022	2023
Ceiling Tile, Floor Tile, Carpet Supplies	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
Plumbing Supplies	60,000	60,000	60,000	60,000	60,000
Electrical Supplies	70,000	70,000	70,000	70,000	70,000
Carpentry Supplies	40,000	40,000	40,000	40,000	40,000
Air Filters and Supplies	17,000	17,000	17,000	17,000	17,000
Building and Maintenance Supplies	40,000	40,000	40,000	40,000	40,000
HVAC Supplies	85,000	85,000	85,000	85,000	85,000
Exterior Supplies (021)	12,000	12,000	12,000	12,000	12,000
Paint and Supplies	53,000	53,000	53,000	53,000	53,000
	\$395,000	\$395,000	\$395,000	\$395,000	\$395,000
Supplies Outside					
Supplies (Outdoor Fields and Repair)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Tractor Parts	25,000	25,000	25,000	25,000	25,000
Total Supplies [035-45100-61100-0018]	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000

Capital Projects Planning (continued)

Building Improvements

	2019	2020	2021	2022	2023
	<u>Building Detail</u>	<u>Building Detail</u>	<u>Building Detail</u>	<u>Building Detail</u>	<u>Building Detail</u>
Cedarville [035-45100-45000-0049]					
Roofing - Gym	130,000	-	-	-	-
Flooring Replacement	-	25,000	25,000	25,000	25,000
Asphalt	-	75,000	-	-	-
Playground Drainage/Repair	20,000	-	-	-	-
Sidewalk Repairs	-	-	20,000	-	-
	150,000	100,000	45,000	25,000	25,000
New Haven Primary (Highland Terrace) [035-45100-45000-0051]					
Bathroom Updates	10,000	-	10,000	-	10,000
Ceiling Tile	-	20,000	20,000	20,000	-
Exterior Door Replacements	-	-	-	32,500	-
Window Replacements	25,000	-	25,000	-	25,000
Classroom Flooring Replacement	-	30,000	-	30,000	-
	35,000				
Former Hoagland Elementary					
TBD	-	-	-	-	-
	-	-	-	-	-
Heritage Elementary [035-45100-45000-0052]					
Interior Window	2,500	-	-	-	-
	2,500	-	-	-	-
Leo Elementary [035-45100-45000-0053]					
Flooring Replacement (\$4.5K per classroom)	28,000	-	-	-	-
Replacement of Classroom Cabinets & Plumbing	20,000	-	-	-	-
Base Boards in Hallways - Replacement	20,000	-	-	-	-
Sidewalk/Trees/Timbers Repair	-	20,000	-	-	-
Restrooms [Lobby & Faculty]	-	-	20,000	-	-
Media Center Carpet	-	-	-	-	50,000
	68,000	20,000	20,000	-	50,000

2019 Budget Planning
[07-10-18]

Capital Projects Planning (continued)

Building Improvements

	2019	2020	2021	2022	2023
	<u>Building Detail</u>	<u>Building Detail</u>	<u>Building Detail</u>	<u>Building Detail</u>	<u>Building Detail</u>
New Haven Intermediate (Meadowbrook) [035-45100-45000-0054]					
Masonry Block Window Replacement	30,000	30,000	30,000	30,000	-
	30,000	30,000	30,000	30,000	-
EA Alternative School [New Haven Elementary]					
TBD	-	-	-	-	-
	-	-	-	-	-
Southwick [035-45100-45000-0057]					
Classroom Restroom Update	10,000	10,000	10,000	10,000	10,000
Media Center Carpet	-	50,000	-	-	-
Window Replacement	12,000	12,000	-	-	-
Classroom Flooring Replacement	-	-	10,000	10,000	10,000
	22,000	72,000	20,000	20,000	20,000
Woodlan Elementary					
TBD	-	-	-	-	-
	-	-	-	-	-
Prince Chapman Academy [035-45100-45000-0064]					
Window Replacement	10,000	10,000	10,000	10,000	-
Cope Base Replacement	20,000	-	20,000	-	20,000
Office Carpet Replacement	-	20,000	-	-	-
Entry Carpet Replacement	-	3,000	3,000	3,000	3,000
Classroom Flooring Replacement	-	-	10,500	10,500	10,500
	30,000	33,000	43,500	23,500	33,500
Heritage Jr/Sr [035-45100-45000-0070]					
Lighting Replacement - Stage/Cafeteria	60,000	-	-	-	-
Sound System - Stage/Cafeteria	50,000	-	-	-	-
Repave Track	25,000	-	-	-	-
Roofing Replacement	400,000	225,000			
Courtyard Window Replacement	-	-	30,000	-	-
	535,000	225,000	30,000	-	-

Capital Projects Planning (continued)

Building Improvements

	2019	2020	2021	2022	2023
	Building Detail	Building Detail	Building Detail	Building Detail	Building Detail
Leo Jr/Sr [035-45100-45000-0071]					
Exit to SR 1	400,000	-	-	-	-
Elevator Replacement	-	120,000	-	-	-
Audio System Update - Gym	10,000	-	-	-	-
Varsity Boys Locker Room	-	95,000	-	-	-
Junior High Bleachers	105,000	-	-	-	-
Exterior Bleachers	-	16,000	16,000	-	-
Exterior Building Covering	-	25,000	-	-	-
Blinds	-	5,000	-	-	-
Office Carpet Replacement	-	-	30,000	-	-
	515,000	261,000	46,000	-	-
New Haven High School					
Exterior Fence - Football	35,000	-	-	-	-
	35,000	-	-	-	-
Paul Harding Junior High / EAU [035-45100-45000-0073]					
Roofing Replacement	-	175,000	175,000	-	-
Media Center Update	-	-	100,000	-	-
Gym Floor Refinish	32,000	-	-	-	-
Removal of Vistor Bleachers	-	-	-	50,000	-
	32,000	175,000	275,000	50,000	-
Woodlan K-12 [035-45100-45000-0074]					
Restroom Update	10,000	-	-	-	-
SPED Flooring Replacement	-	10,000	-	-	-
Fencing Replacement	-	30,000	25,000	-	-
Asphalt Repair	-	100,000	-	-	-
Home Bleachers & Pressbox	-	-	1,200,000	-	-
Vistor Bleachers	-	-	-	300,000	-
	10,000	140,000	1,225,000	300,000	-
Administrative Building					
TBD	500,000	-	-	-	-
	500,000	-	-	-	-
Maintenance/Transportation Building [035-45100-45000-0030]					
Asphalt - Bus Parking Lot	100,000	-	-	-	-
Exterior Door Replacements	6,000	-	-	-	-
Bus Wash Station Replacement	-	-	100,000	-	-
	106,000	-	100,000	-	-
Corporation Wide Projects [035-45100-45000-0018]					
Contract painting	70,000	70,000	70,000	70,000	70,000
Smoke detector inspections	19,000	19,000	19,000	19,000	19,000
ADA Requirements	50,000	50,000	50,000	50,000	50,000
Miscellaneous projects	50,000	50,000	50,000	50,000	50,000
Flooring Replacements	50,000	50,000	50,000	50,000	50,000
Asphalt projects various buildings	60,000	60,000	60,000	60,000	60,000
Seal parking lots and playgrounds	20,000	20,000	20,000	20,000	20,000
Roofing repairs	30,000	30,000	30,000	30,000	30,000
Gym bleachers to code	20,000	20,000	20,000	20,000	20,000
HVAC upgrades	25,000	25,000	25,000	25,000	25,000
Fuel Tank Remediation	20,000	20,000	20,000	20,000	20,000
Security - Camera Upgrades/Replacements	50,000	50,000	50,000	50,000	50,000
Security - Student Services	50,000	50,000	50,000	50,000	50,000
	514,000	514,000	514,000	514,000	514,000
Total Bldg. Acq./ Const./ Improve	2,584,500	1,570,000	2,348,500	962,500	642,500

BUS REPLACEMENT FUND:

- Is used to cover the purchase of all buses, and requires the establishment of a 5-Year Replacement (previously 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 5-year purchase plan.

Bus Replacement Plan:

DLGF Maximum Levy is \$1,595,587 for 2019

(1.034 x \$1,543,121)

A	B	C	D
No. of buses owned	No. of buses to be replaced	Year	Total of Replacement Cost
156	16	2019	\$ 1,843,500
156	16	2020	\$ 1,885,200
156	16	2021	\$ 2,038,900
156	14	2022	\$ 1,765,800
156	16	2023	\$ 1,913,600

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 Operations Fund (i.e. 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 pension debt:
 - Levy Neutralization is estimated at \$670,000 in 2019.

EACS – Budget Planning

- Questions
- Concerns
- Issues
- Action Items