

# Board Report

## 2011 Budget Update

May 9, 2011



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**2011 Legislative Session**





# FWCS

## Lobbying Results

- Firmed up relationships with legislators in leadership roles, setting foundation for future
- Charter Schools
  - Conversion charter vote not allowed for closed buildings
  - Students at charters shall be expelled not “separated”
  - Mayor of 2<sup>nd</sup> class city not allowed sponsor
  - Maintain current transportation dollars and service
- Vouchers – kindergarten not counted as one year in public school
- Formula – transition dollars received by some districts go away over 7 years instead of 9



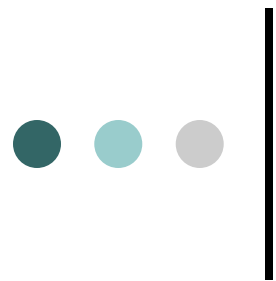
# Additional Funding for Full-Day Kindergarten

- Does not fully fund program
- Currently \$58.5 grant
  - FWCS share about \$2.5 million
- Additional funding of \$19 million provided
- Amount FWCS receives will depend on statewide participation



# New Circuit Breaker Relief

- State Replacement Grant ended 2010
- Debt payments must be made, so circuit breaker loss transfers to other funds
- Referendums are outside of circuit breaker parameters
  - Consideration should be provided to old debt that also met taxpayer approval
- New option allows debt restructuring if non-debt loss > 30%
  - Allowed to levy original payment schedule, but reduce actual payments
- FWCS estimated 2011 loss
  - \$5.9 million, or 8% of levy
  - 11% of non-debt levy
  - FWCS not eligible for relief



# Changes to Charter School Law

- Sponsorship
  - Current - public university and Mayor of Indianapolis
  - New – new charter school board, private universities
- Buildings - Allows charters to use unused school buildings after 2 years for \$1/year
- Transportation – proposal to shift district funding to charters not approved



# New Vouchers

- Provides funding for private schools after one year in a public school (not counting kindergarten)
- Maximum 7,500 vouchers 2011-12 and 15,000 2012-13
- Income level for a family of 4
  - Less than \$41,000 – 90% of state tuition support
  - \$41,000 to \$61,000 – 50% of state tuition support
- Maximum voucher value
  - \$4,500 grades 2-8
  - Nearly \$5,000 for high school

● ● ● **School Funding Formula**



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# General Fund State Revenue

- State increase
  - 2012 = .5%, foundation flat (after state \$300 million cut in 2011)
  - 2013 = 1.0%, foundation increased \$125/pupil
  - 2 year total = 1.5%
  - Special Ed & Voc Ed - flat
- FWCS increase
  - 2012 = 1.6%, \$3.1 million
  - 2013 = .8%, \$1.5 million
  - 2 year total = 2.4%



# Tuition Support - Factors

<u>Formula</u>	<u>2010 &amp; 2011</u>	<u>2012 &amp; 2013</u>	
<b>Enrollment times</b>	3 year deghoster kindergarten 1/2	current enrollment kindergarten 1/2	
<b>Foundation times</b>	2010 - \$4,550* 2011- \$4,505* *Actual reduced	2012 - \$4,280 2013 - \$4,405	
<b>Complexity Index</b>	based on Free & Reduced lunch rate	same	
<b>Equals Target Revenue</b>			
Small School Grant	yes	0-500 students 500-1000 students all others \$150,000	none \$150/pupil FWCS \$5/pupil
Restoration Grant	yes	no	transition dollars provided over 7 years for about 75%



# Property Tax Information





# Property Tax Recap

- Assessed Value – FWCS Boundaries
  - 2010 \$7.1 million
  - 2011 \$6.7 million, **5.2% decrease**
- Levy
  - 2011 \$58.4 million
  - 2012 \$60.3 million, **3.2% increase**
    - Reminder – increase due to bus replacement plan reaching 12 year replacement plan (after 10 year plan)
- Tax Rate went up from .8271 to .9000, 8.8%
- District-wide tax rate for all units also up, **results in higher circuit breaker**



# Circuit Breaker Revenue Loss History

2009 - Loss	<b>1,157,045</b>
2010 - Loss	3,967,756
State Replacement Grant	(1,275,363)
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	<b>2,692,393</b>
2011 - Original Estimate	4,154,000
2011 - Revised Estimate	<b>5,928,164</b>
<b>Total 2009-2011</b>	<b>9,777,602</b>

*Funds impacted: Racial Balance, Transportation,  
Bus Replacement, Capital Projects*



# General Fund Budget Outlook

- Expected expenditure increases greater than new revenue
- Budget cuts likely
  - \$1 million in central office through BET
- 2011-12
  - Teacher lay-off notice by July 1
    - Expect no district-wide teacher lay off, but waiting for final Title I allocation before decision.
  - Stimulus jobs continue with Federal Jobs money

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