



FWCS 2007 Budget

August 14, 2006





Budget Adoption Calendar

August 14	Public presentation
August 17 & 24	Budgets advertised
August 28	Budget hearing Bus Replacement Plan hearing
September 11	Budget adoption Bus Replacement Plan adoption
Fall 2006	Budget hearing
February 15, 2007	Budget order issued



Agenda

- Legislative impacts to budget
- Review of each property tax supported budget
- Summary of all budgets
- Estimated tax rate

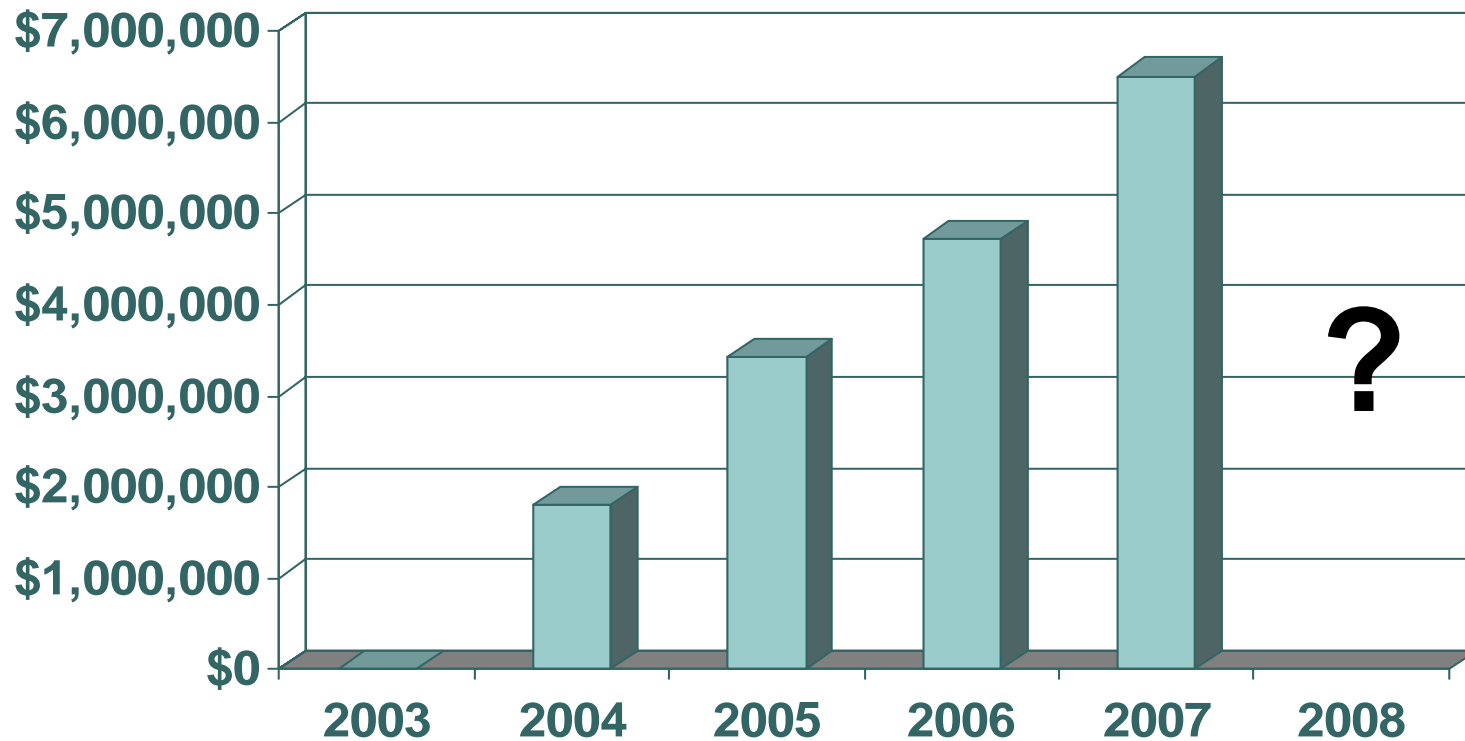


Prior Legislative Impact

- General Fund state increases less than 1% for '06 & '07
- Property tax increases:
 - CPF rate for utilities & insurance
 - Transportation rate to recoup state revenue loss
 - Debt Service rate for textbooks
- Pension Bond tax neutrality

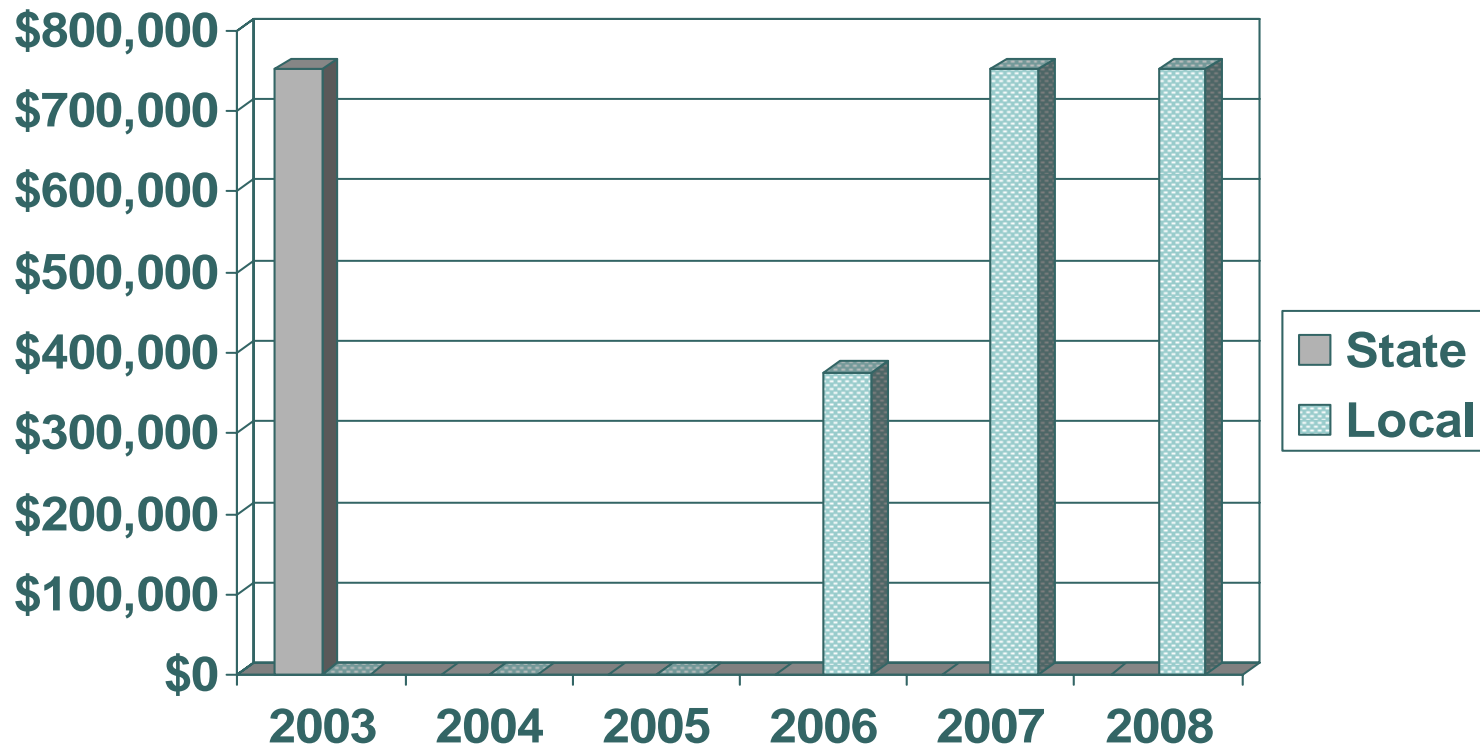


Prior Legislative Impact – State shift to property tax - **Utilities & Insurance**



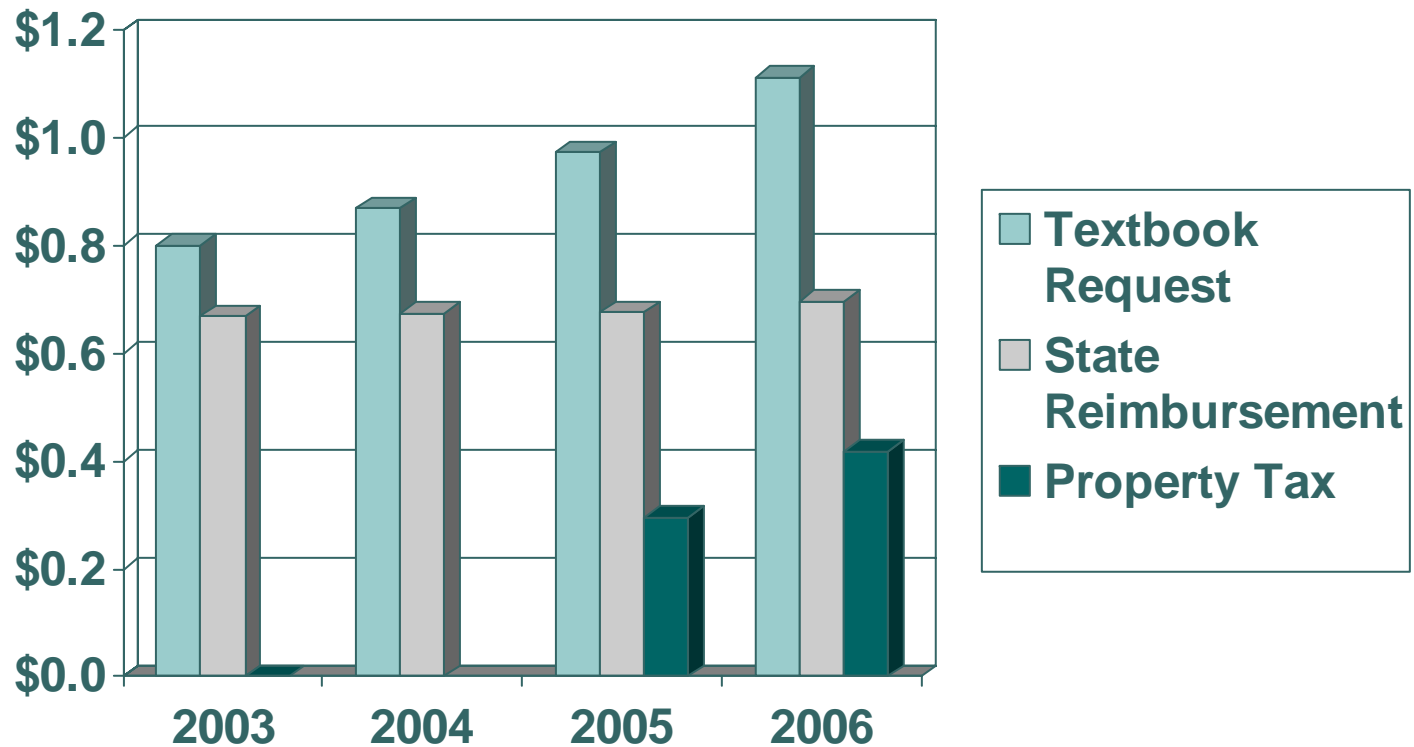


Prior Legislative Impact – State shift to property tax - Transportation





Prior Legislative Impact – State shift to property tax - **Textbooks** (in millions)





Prior Legislative Impact – **Pension Bond**

- Required that school districts actuarially fund retirement benefits
- Allowed districts the ability to bond the obligation
- **HOWEVER**, any bond issue had to be tax neutral – cuts must be made to other budgets



Prior Legislative Impact – **Pension Bond**

- Tax Neutrality 2007 (cuts)
 - Capital Projects Fund \$2.7 million
 - (since 2005 \$8.5 million)
 - Bus Replacement \$864,229
 - (since 2005 \$2.1 million)



New Legislation to Watch

2% Circuit Breaker

- Limits property tax bill to 2% of assessed value
- Estimated Impact to FWCS
 - Residential in 2008 (\$2.8 million)
 - Business in 2010 (\$11.8 million)
- Growth in assessed value could help



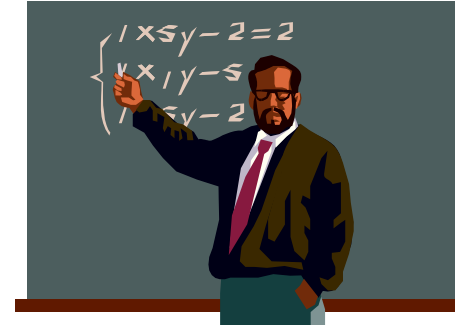
Property Tax Supported Funds

- General
- Racial Balance
- Capital Projects
- Transportation
 - Operations
 - Bus Replacement
- Debt Service
- Special Ed Pre-School
- Museum of Art





General Fund



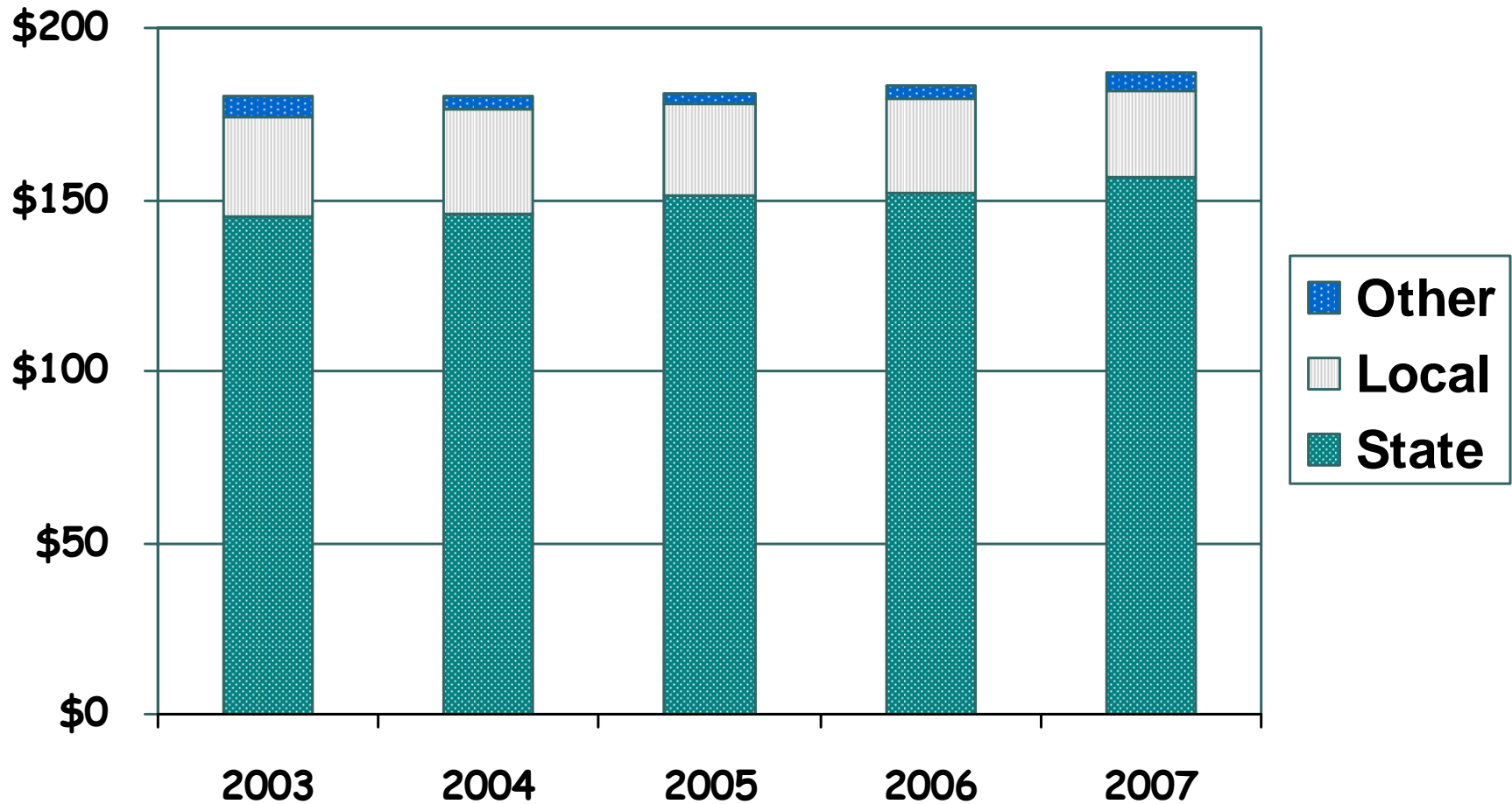
- Salaries & fringe benefits
 - Teachers, administrators, custodial, clerical
- Operating costs
 - Utilities, insurance, legal
- School materials & supplies



General Fund Revenue Overview (in millions)

	2006 Revenue Estimate	2007 Revenue Budget
Local	\$22.7	\$24.8
'04 & '05 shortfall	2.6	
State	156.3	156.8
Other	4.2	5.7
Total	\$185.8	\$187.3 .8%

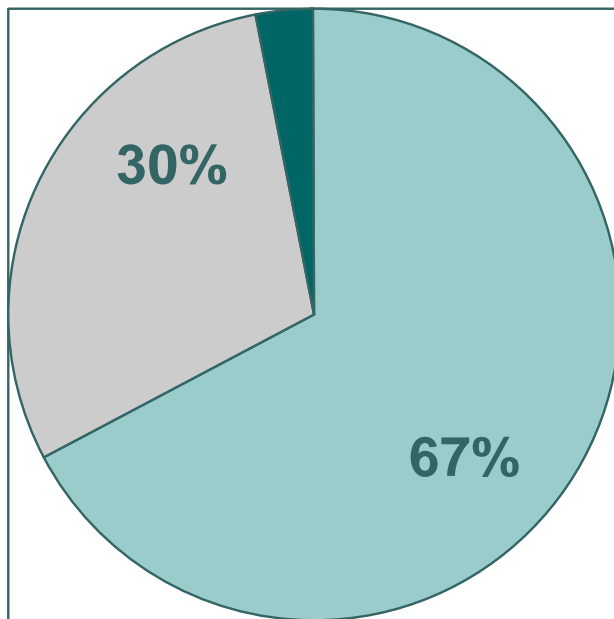
General Fund Revenue Components (in millions)



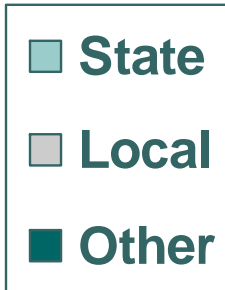
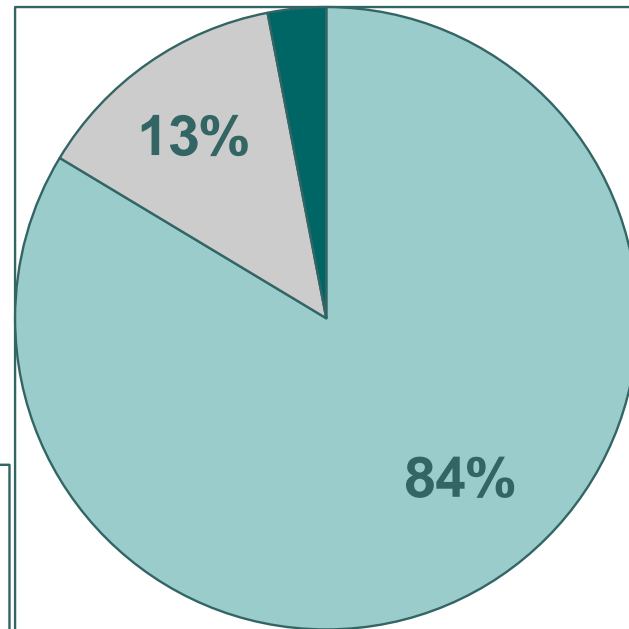


General Fund Revenue Components

2002



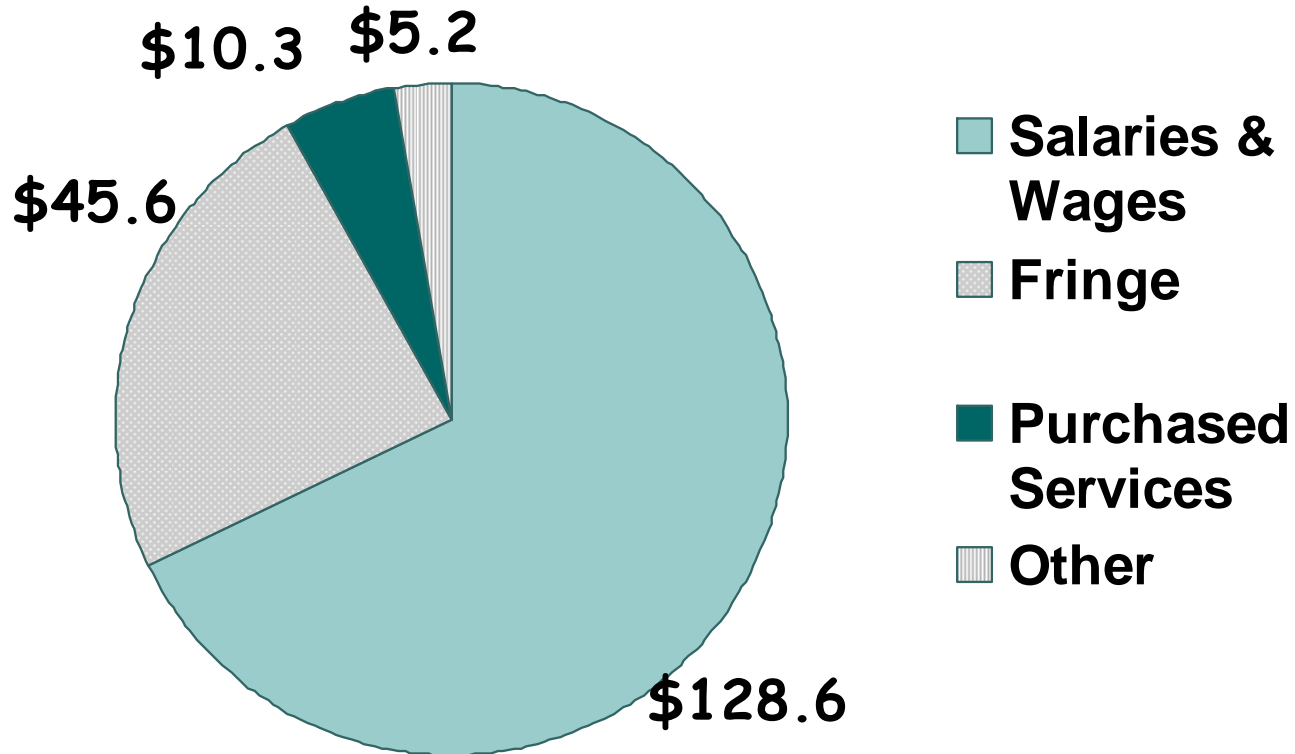
2007





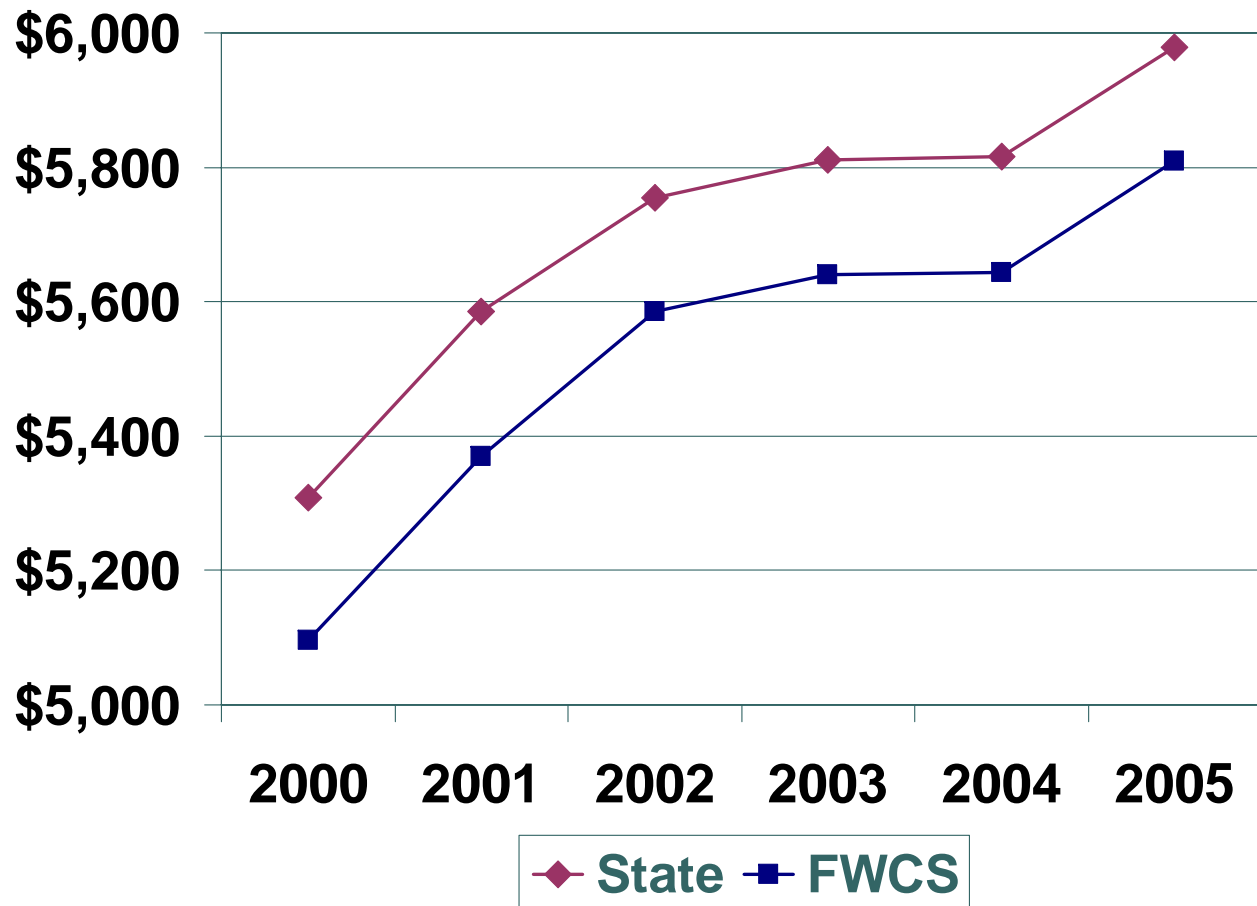
General Fund Expenditures

2007 Budget \$189.7 Million



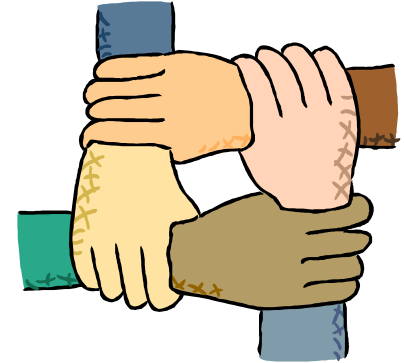


General Fund Per Pupil Expenditures





Racial Balance Fund



- Established in 1989
- Funding provided by a reduction in CPF
- Provides resources that encourage racial balance in a school
 - Magnet schools
 - Reading Recovery
 - ESL support
 - Conflict Mediators & Case Managers



Racial Balance Fund Budget Overview

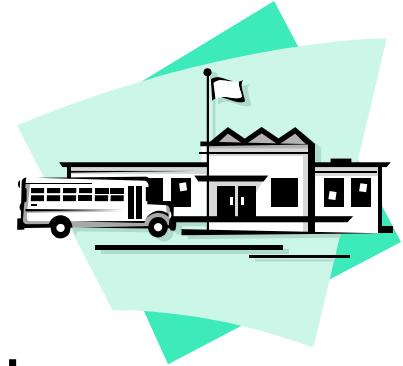
2006	\$9,565,000
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2007	\$9,574,000
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Difference	\$ 9,000
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Capital Projects Fund (CPF)



- Building construction, renovation, repair, maintenance
 - 63 buildings, average age 49 years
- Equipment purchases
- Lower than other districts due to Racial Balance Fund



Capital Projects Fund Budget Overview

	2007
Total to approve	\$30,980,000
<u>Required reduction:</u>	
Pension Bond tax neutrality	2,700,000
<u>Potential reduction:</u>	
Assessed value adjustment	<u>2,800,000</u>
	\$5,500,000
Total	\$25,480,000



Capital Projects Fund Budget Overview

	2006	2007
Improvements & Replacements	\$20,383,672	\$18,980,000
Utilities & Insurance	4,715,000	6,500,000
Total expected budget	\$25,098,672	\$25,480,000



Capital Projects Detail

	2006	2007
Major School Projects	\$2,275,000	\$1,300,000
Improvements & Replacements:		
Equipment Purchases	2,016,000	1,705,000
Technology	2,335,000	2,330,000
Physical Plant Improvement	7,240,000	6,880,000
General Facilities & Equipment Repair & Rental	3,907,000	4,500,000
Other	2,610,672	2,265,000
	\$20,383,672	\$18,980,000



Transportation Fund



- Operations
 - Annual budget determined by state formula, supported by property taxes
 - Increase allowed for 06 & 07 to recover state funding loss
- Bus Replacement
 - Annual budget determined by 10 year replacement plan
 - Pension bond tax neutrality increases to 12 year replacement plan



Transportation Operations Budget Overview

2006	\$ 17,120,575
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2007	\$ 17,140,000
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Difference	\$ 19,425
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Bus Replacement Budget Overview

	2006 Expenditure Budget	2007 Expenditure Budget	Change
Bus Replacement to approve 10 yr. = 33 buses	\$2,877,969	\$3,380,000	\$425,000
As Reduced (for pension bond tax neutrality)	877,248	864,229	-90,050
Total – As Reduced 28 buses	\$2,000,721	\$2,515,771	\$515,050



Debt Service Fund



South Side addition & renovation	Through 2012	\$3,738,947
North Side addition & renovation	Through 2018	3,730,000
Food Service Center	Through 2018	1,280,100
State Technology loans (CSF & STAA)		3,155,465
Interest on tax anticipation warrants		700,000
Unfunded textbooks		476,767
Total		\$13,081,279



Debt Service Funds Budget Overview

	2006 Expenditure Budget	2007 Expenditure Budget	Change
Debt Service-Regular	\$13,398,350	\$13,081,279	-\$317,071
Debt Service- Pension Bond <i>(tax neutral with cuts to CPF & Bus Replacement)</i>	3,883,671	3,885,677	2,006
Total	\$17,282,021	\$16,966,956	-\$315,065



Special Education Preschool Fund



- Indiana mandate
 - State support fixed at \$2,750 per student since 1991
- General Fund support about \$124,000
- Serve about 490 students



Special Education Preschool Fund Budget Overview

2006	\$1,368,135
2007	\$1,377,000
Difference	\$ 8,865



Museum of Art Fund



- Pass through to Fort Wayne Museum of Art
- To provide ongoing programs for our students



Museum of Art Fund Budget Overview

2006	\$180,153
2007	\$185,500
Difference	\$ 5,347



2007 Budget to Approve

	2007 Budget To Approve
General	\$189,700,000
Racial Balance	9,574,000
Capital Projects	30,980,000
Transportation & Bus	20,520,000
Debt Service	16,966,956
Special Education Preschool	1,377,000
Museum of Art	185,500
Total	\$269,303,456

2007 Expected Budget

	2007 Budget To Approve	Tax Neutrality Reduction	2007 Budget Expected
General	\$189,700,000		\$189,700,000
Racial Balance	9,574,000		9,574,000
Capital Projects	30,980,000	2,700,000	28,280,000
Transportation	20,520,000	864,229	19,655,771
Debt-Regular	13,081,279		13,081,279
Debt-Pension	3,885,677		3,885,677
Special Ed PS	1,377,000		1,377,000
Museum of Art	185,500		185,500
Total	\$269,303,456	\$3,564,229	\$265,739,227



2006 & 2007 Budgets Summary

	2006 Budget	2007 Budget Expected	Percentage Change
General	\$186,100,000	\$189,700,000	1.9%
Racial Balance	9,565,000	9,574,000	0.1%
Capital Projects	25,098,672	28,280,000	12.7%
Transportation	19,121,296	19,655,771	2.8%
Debt Service	17,282,021	16,966,956	-1.8%
Special Ed PS	1,368,135	1,377,000	0.6%
Museum of Art	180,153	185,500	3.0%
Total	\$258,715,277	\$265,739,227	2.7%



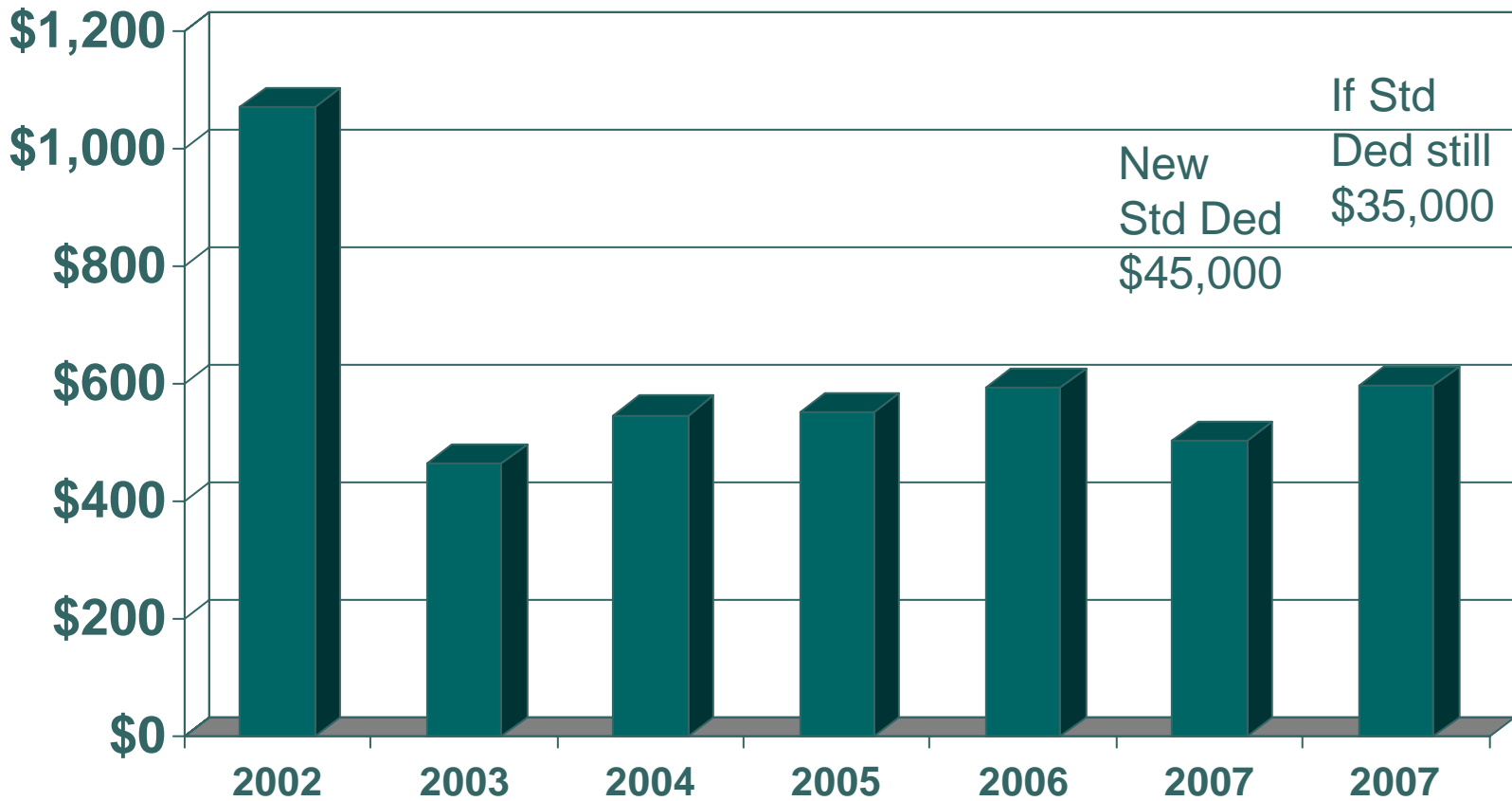
2007 Tax Rates

	2006 Tax Rate	Expected 2007 Tax Rate
General-Regular	\$.6772	\$.6534
General-Charter Schools	.0034	.0040
Racial Balance	.0890	.0890
Capital Projects	.2725	.2962
Transportation	.2114	.2255
Debt Service-Regular	.1685	.1532
Debt Service-Pension Bond	.0476	.0475
Special Education Preschool	.0025	.0025
Museum of Art	.0022	.0022
Total (Advertise for 2007 \$1.9156)	\$1.4743	\$1.4735
Percentage change		(.1%)



FWCS Property Tax Example

\$100,000 Home





2007 Budget Summary

- No cuts to service
- Tax rate flat
- Homeowner bill to go down about 15% with higher standard deduction



Next Steps

- o Public hearing August 28
- o Budget adoption September 11