



# Recommended School Budget

Fiscal Year January 1, 2021-  
December 31, 2021

**School Board Meeting**  
**October 19, 2020**

**Kareemah Fowler**  
**Chief Financial Officer**

**Jenise Palmer**  
**Budget Director**

# Agenda

- Increasing Transparency
- Major Fund Groups
- Budget Overview
- 2021 Proposed Budget Assumptions
- Educational & Operational Deep Dives
- Referendum & Strategic Spending
- Key Takeaways



# **PRIMARY GOAL**

**To raise the maximum allowable revenue in each fund to support the educational programs in the district.**



# A Commitment to Increasing Transparency

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- Address Board and Community questions about Equity in spending-providing for greater transparency
- Evaluate budgets and spending in near real time
- Create interactive school and district profiles that help dissect our budgets to build understanding and map financial and human capital resources
- Provide a tool for school and central office budget owners to make managing finances less burdensome and more digestible
- Build thoroughly developed budget plans that link dollars to our district goals

# Corporation Budget Deliverables & Considerations

## Key Highlights

- Successfully passed Referendum
- Conducted Efficiency Study
- Development Process (Ongoing) - Using District Strategic Plan and budget tools (Allovue) to make data driven decisions
- Focus on Justification of Line Items
- Use Operating Budget Analysis Toolkit
- Create Capital Budget
- Review Large & One-Time Expenses
- Highlighting the overall impact of our budget
- Review significant changes & opportunities
- 8 Year District Financial Plan – Aligned with Strategic Plan for the District



# Corporation Budget Deliverables & Considerations Expenses

## How were we able to adjust due to COVID?

- Hazard Pay (Paid all employees that worked from home)
- PPE Materials
- eLearning (WiFi Buses)



# Corporation Budget Deliverables & Considerations

## Revenues

### Existing revenue opportunities?

- Fees, private-public partnerships, etc.
- Federal and State Funding (FEMA, GEERS, CARES)
- Partnering with Transformation Zone; Double-Down on using every available resource to upgrade Transportation



# Budget Breakdown Using the 5 W's

- ✓ Vendor Review: **Who** did we pay?
- ✓ Spending Inventory: **What** did we buy?
- ✓ **When** did we spend money?
- ✓ Cost Center Review: **Where** were funds spent?
- ✓ **Why** was the money spent?





# Major Funds Overview

## Operations

Transportation Salaries, Benefits, Professional Services, Supplies, Fuel, Parts, Maintenance, Bus Repairs, Vmf Technology

Funds For Bus Replacement On A 12 Year Cycle And Contracted Transportation Services

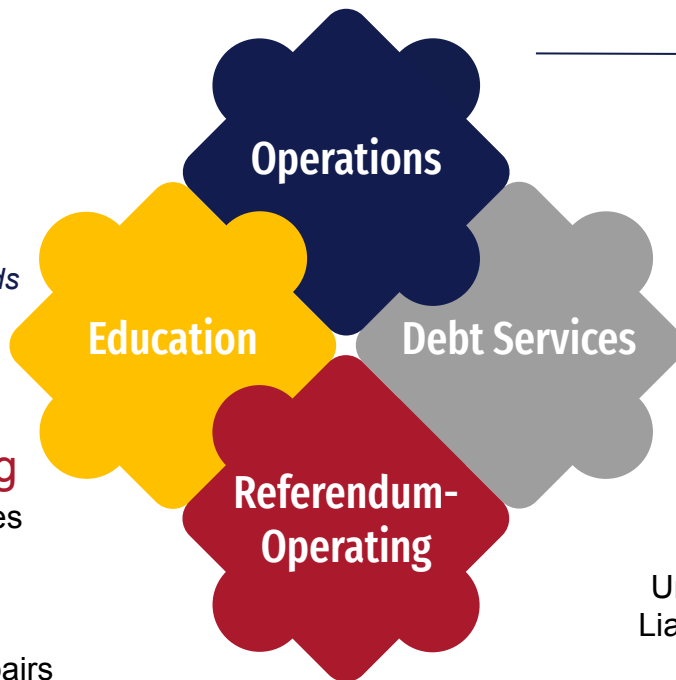
Funds To Support General Programs For The Center For History And South Bend Art Center

**Fund Method:** *St. Joe County Property Taxes ; Transfer From Education Fund*

## Debt Services

Unreimbursed Textbooks, Pension Liability, G.O. Bonds, Loans, Lease Payment, Lease Payments, Common School Fund Loan

**Fund Method:** *St. Joe County Property Taxes*



## Education

Salaries, Benefits, Professional Services, Supplies, Instruction, Technology For Students And Educational Support

**Fund Method:** *Indiana State Funds From ADM Count (Student Enrollment)*

## Referendum-Operating

Social Workers/Literacy Coaches Water Utilities, Facilities And Grounds Supplies, Building Maintenance, Construction, Improvements, Equipment, Repairs

**Fund Method:** *St. Joe County Property Taxes*

# Major Fund Groups Breakout (All Funds)

Fund Name	Purpose	FY20 Budget	Funding Method
Education and Operations	<ul style="list-style-type: none"> <li>Salaries, Professional Services, Instruction, Supplies</li> <li>Utilities, Maintenance, Improvements, General Programs for South Bend History and Art Centers</li> </ul>	\$165,005,129	<ul style="list-style-type: none"> <li>Enrollment Count</li> <li>County Property Taxes</li> </ul>
Referendum			<ul style="list-style-type: none"> <li>St. Joe County Property Taxes</li> </ul>
Other General Funds		\$39,587,699	<ul style="list-style-type: none"> <li>Food &amp; Nutrition, Debt Services, Textbooks</li> </ul>
State Funds		\$4,174,774	<ul style="list-style-type: none"> <li>Gift &amp; Talented, Early Childhood, Kaleidoscope</li> </ul>
Title I (Federal)		\$6,585,642	
Other Federal Funds		\$22,685,329	<ul style="list-style-type: none"> <li>Perkins, CTE, Titles 2,3,4</li> </ul>
Donations, Gifts, and Trusts		\$1,515,829	<ul style="list-style-type: none"> <li>Private-Public Partnerships</li> </ul>
Debt Service	<ul style="list-style-type: none"> <li>Pension Liability, G.O. Bonds, Loans, Lease Payments, Unreimbursed Textbooks</li> </ul>	\$15,512,161	<ul style="list-style-type: none"> <li>County Property Taxes</li> </ul>



# 2021 Proposed Budget Assumptions

**SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SUMMARY PROJECTION BY BUDGETARY FUND  
2021 BUDGET**

	Education Fund	Debt Service Fund	Pension Debt Fund	Referendum - Debt Service	Operation Fund	Referendum - Operating
<b>Anticipated Fund Balance 01/01/21</b>	<b>\$15,226,535</b>	<b>7,286,441</b>	<b>381,836</b>	<b>\$0</b>	<b>\$6,908,964</b>	<b>\$0</b>
<b>Anticipated Revenues</b>						
From Local Sources and Misc Receipts	\$0				\$12,322,437	
From Local Excise and FIT Taxes	\$0	\$1,153,287	\$7,846	\$244,053	\$1,967,724	\$1,111,576
From Local Tax Levy	\$0	\$16,212,607	\$260,591	\$4,800,000	\$38,700,982	\$21,862,345
From State Sources	\$119,899,050				\$0	
From Federal Sources	\$100,000				\$0	
<b>Total Revenues</b>	<b>\$119,999,050</b>	<b>\$17,365,894</b>	<b>\$268,437</b>	<b>\$5,044,053</b>	<b>\$52,991,143</b>	<b>\$22,973,921</b>
Property Tax Cap Impact	\$0	\$0	\$0		\$14,107,380	
<b>Total Resources Available</b>	<b>\$135,225,585</b>	<b>\$24,652,335</b>	<b>\$650,273</b>	<b>\$5,044,053</b>	<b>\$45,792,727</b>	<b>\$22,973,921</b>
<b>Appropriations</b>						
Payroll Costs	\$88,366,757				\$19,763,798	\$14,276,321
Purchased & Contracted Services	\$5,392,782				\$8,213,620	\$3,958,820
Supplies and Materials	\$1,073,937				\$7,101,820	\$793,359
Capital Outlay	\$1,578,192				\$3,759,025	\$3,945,421
Other Objects	\$7,125	\$16,463,316	\$650,273	\$4,620,000	\$45,500	\$0
Transfer to Transformation Zone	\$12,524,780					
Transfer to Operations	\$11,055,477					
<b>Total Appropriations</b>	<b>\$119,999,050</b>	<b>\$16,463,316</b>	<b>\$650,273</b>	<b>\$4,620,000</b>	<b>\$38,883,763</b>	<b>\$22,973,921</b>
<b>Anticipated Fund Balance 12/31/21</b>	<b>\$15,226,535</b>	<b>\$8,189,019</b>	<b>\$0</b>	<b>\$424,053</b>	<b>\$6,908,964</b>	<b>\$0</b>

# Budget Assumptions: Education Fund

## Current Student Count - 15,902

- 2021 Funding Formula – Student Count February 2021 – 15,260
- 2021 Funding Formula – Student Count September 2021 – 15,169
- Basic Tuition Support - Student Count – 2021 - \$5,703
- Complexity Index – Student Count 2021 - \$1,258
- Career and Technical Grant – \$1,500,230
- Special Education Grant - \$11,391,188
- 4% Increase in Health Insurance for 2021, adjusted for current enrollment
- Transfer to Zone Schools - \$12,524,776 (District Innovation)
- Transfer to Operations Fund - \$11,055,477



# 2021 Education Fund by Object Summary

	<u>2020 Appropriations</u>	<u>2021 Appropriations</u>
Salaries	72,356,349	65,259,016
Employee Benefits	22,502,320	23,107,741
Purchased Professional Services	2,764,415	4,975,799
Purchased Property Services	1,231,250	31,250
Other Purchased Services	418,661	385,733
Supplies	1,149,098	1,073,937
Other Objects	380,401	1,585,317
Total for Education Fund	100,802,494	96,418,793

# Budget Assumptions: Operation Fund

- Presumes the Maximum Allowable Levy
- Assessed Value = \$5,172,549,415
- 2020 Circuit Breaker Impact = **\$13,393,312**
- 2021 Circuit Breaker Impact = **\$14,107,380**
- 2021 Reduction in Pension Neutrality = **\$260,591**
- All facility costs (except natural gas and electricity) moved to Referendum - Operating



# 2021 Operation Fund by Object Summary

	<u>2020 Appropriations</u>	<u>2021 Appropriations</u>
Salaries	21,048,016	13,327,352
Employee Benefits	10,080,742	6,436,446
Purchased Professional Services	829,000	2,056,871
Purchased Property Services	3,541,850	910,050
Other Purchased Services	4,656,119	5,246,699
Supplies	7,794,143	7,101,820
Equipment and Other Objects	7,144,833	3,804,525
Total for Operation Fund	<u>55,094,703</u>	<u>38,883,763</u>



# Budget Assumption: Debt Service

- **Assessed Value = \$5,172,549,415**
- **Assessed Value Referendum Debt Service = \$6,557,391,975**
- **Raise Required Debt Amount Through 6/30/2022**
- **Raises \$530,884 for Unreimbursed Textbooks**
- **New 2020 General Obligation Bond - \$5,000,000**
- **New Referendum Bond - \$9,000,000**



# 2021 DEBT SERVICE FUND BUDGET

Debt Service		Debt Service (continued)		School Pension Debt
Unreimbursed Textbooks	<b>\$530,884</b>	Lincoln (G.O.B.)	<b>\$739,938</b>	Pension Liability Bonds <b><u>\$650,273</u></b>
Temporary Loan	<b>\$400,000</b>	2000 Refunding Bonds, Series 2017	<b>\$5,515,000</b>	
Common School Fund Loans	<b>\$77,749</b> <b>\$339,610</b> <b>\$347,535*</b>	2002 Refunding Bonds, Series 2017	<b>\$7,912,000</b>	<b>Referendum Debt Service</b>
2018 G.O.B. 2019 G.O.B. 2020 G.O.B.	<b>\$109,250</b> <b>\$201,350</b> <b>\$290,000*</b>			Referendum Bond <b><u>\$4,620,000*</u></b>
			<b>\$16,463,316</b>	

# DEBT SERVICE FUND SUMMARY

		<u>20 Budget</u>	<u>21 Budget</u>
60100	Unreimbursed Textbooks	\$563,225	\$530,884
51100	Pension Liability	\$3,149,474	\$650,273
51100	General Obligation Bonds	\$1,378,288	\$5,960,538
52200	Temporary Loans	\$400,000	\$400,000
53100	Lease Rental Payments	\$13,409,000	\$13,427,000
54200	Common School Fund Loans	<u>\$425,252</u>	<u>\$764,894</u>
	Total Debt Service Fund Budget	\$19,325,239	\$21,733,589

# Budget Assumptions: Referendum Operation Fund

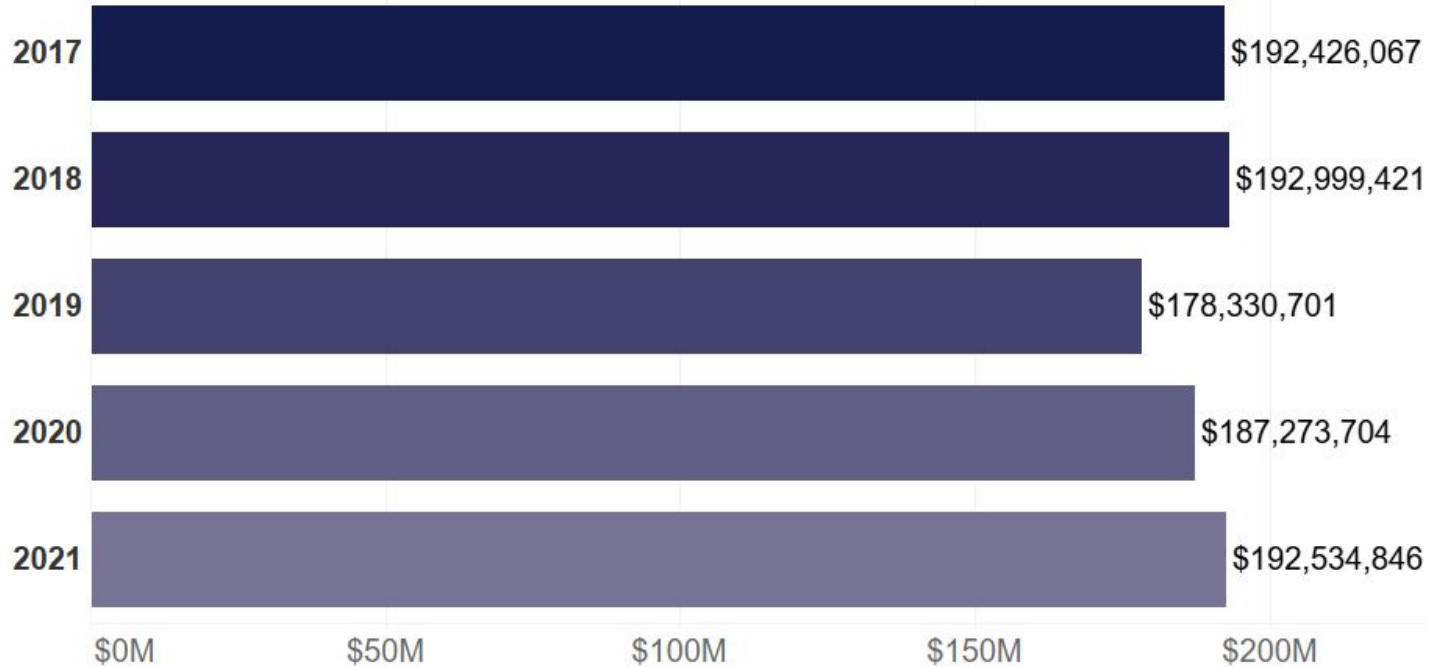
- Presumes the Maximum Allowable Levy
- Assessed Value = \$6,557,391,975
- Includes all facility costs except natural gas and electricity
- Includes two positions per school for social workers and/or literacy coaches



# 2021 Referendum Operation Fund by Object Summary

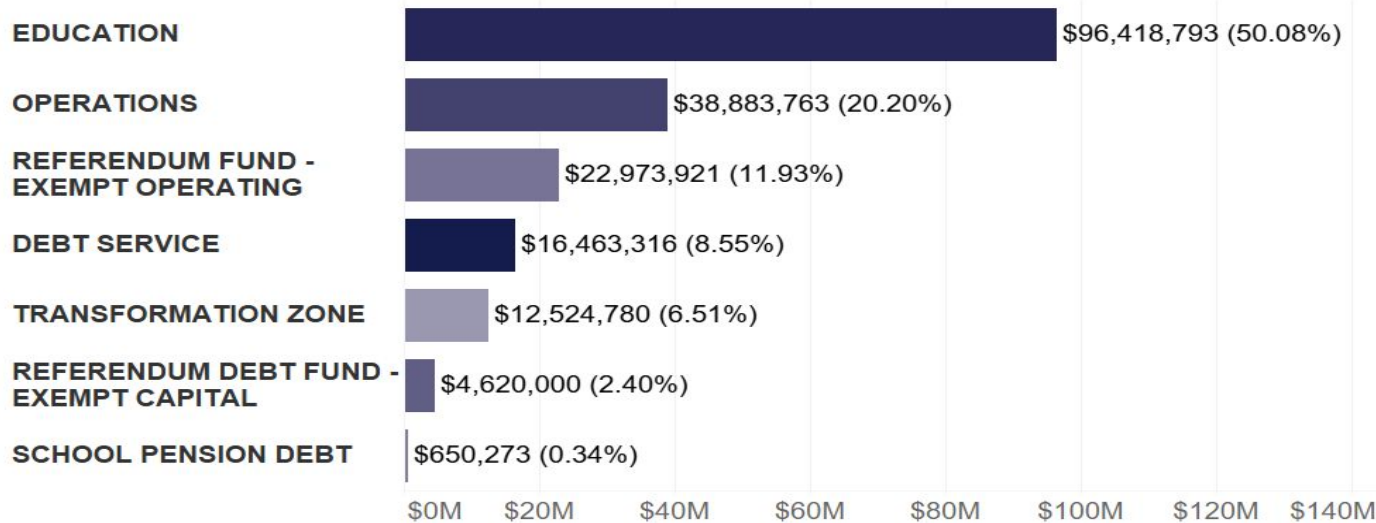
	<u>2020 Appropriations</u>	<u>2021 Appropriations</u>
Salaries		9,844,875
Employee Benefits		4,431,446
Purchased Professional Services		86,500
Purchased Property Services		3,870,520
Other Purchased Services		1,800
Supplies		793,359
Equipment and Other Objects		3,945,421
Total for Referendum Operation Fund		22,973,921

# Budget Overview



# 2021 Fund Allocation

## Budget 2021: Fund Allocation

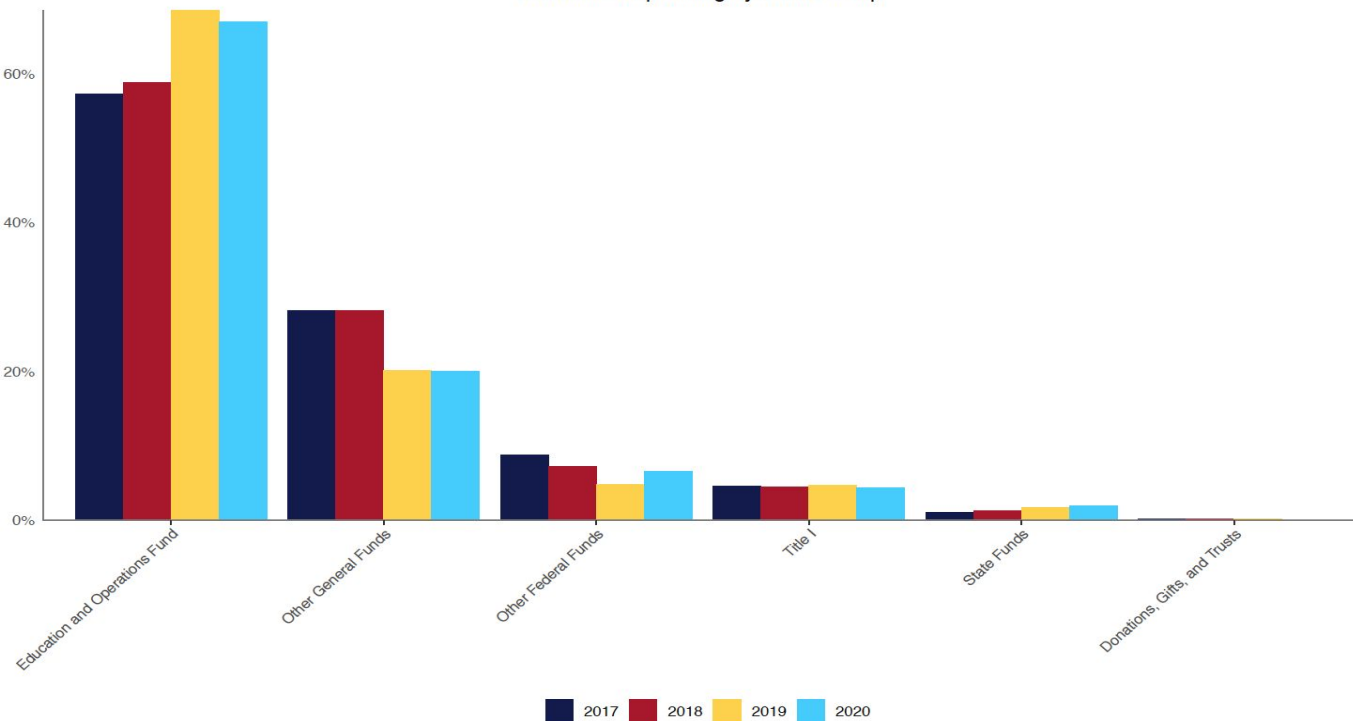


Total Budget: **\$192,534,846**



# Educational & Operational spending is down; while Federal Funding spending is up vs. YA

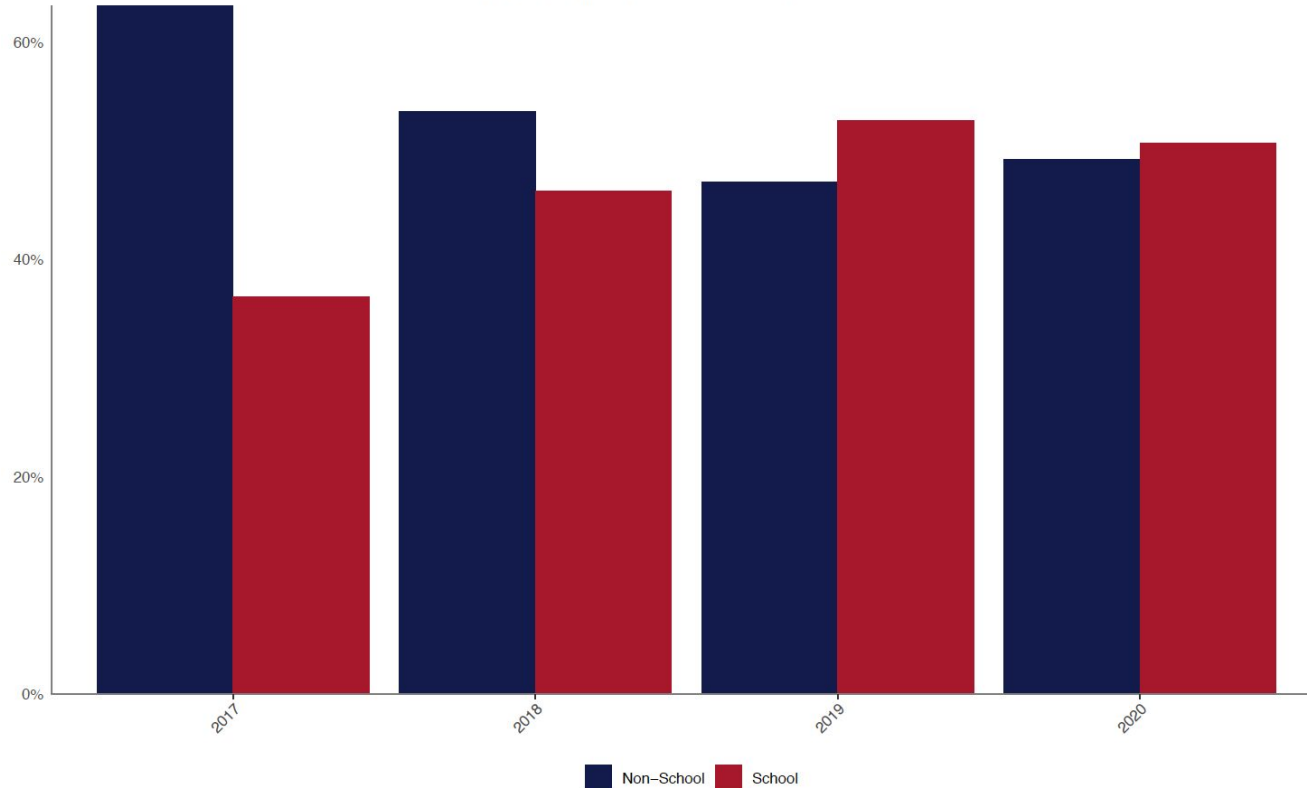
Percent of Spending by Fund Group





# We prioritize spending at the school level and continue to shift spending accordingly

Percent of Budget: School vs Non-School Locations



## School vs. Non-School Location Budget

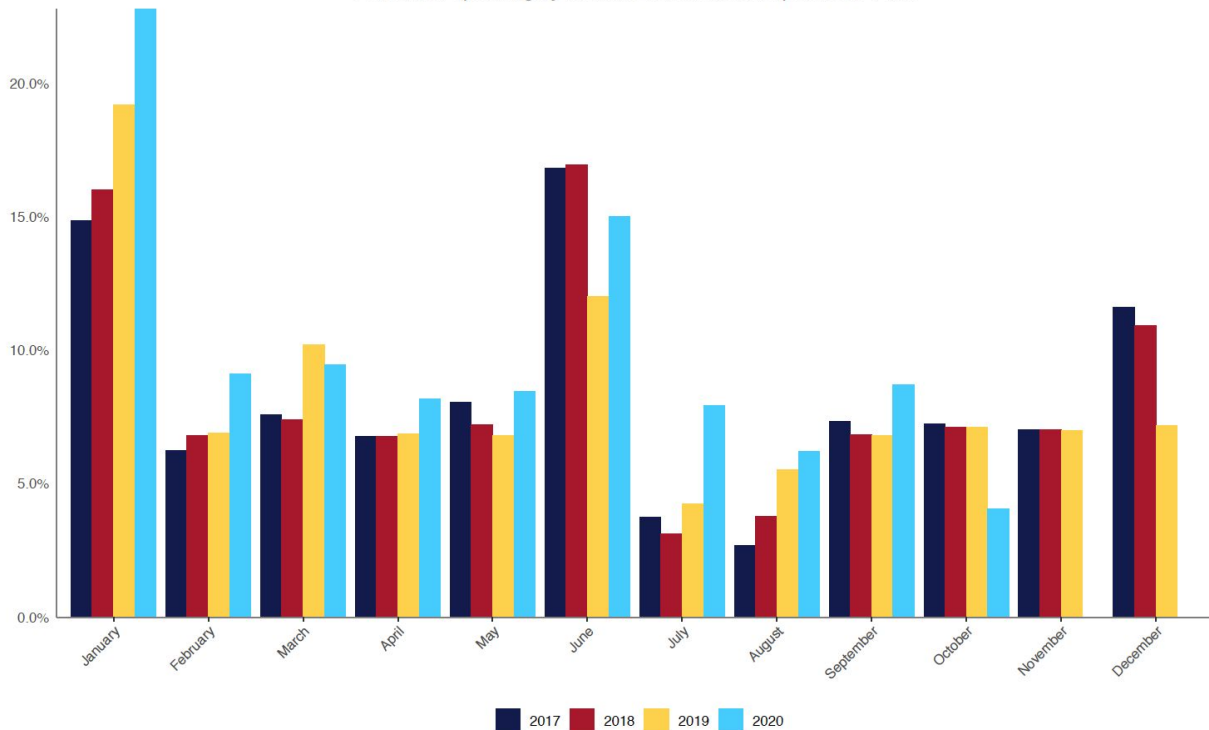




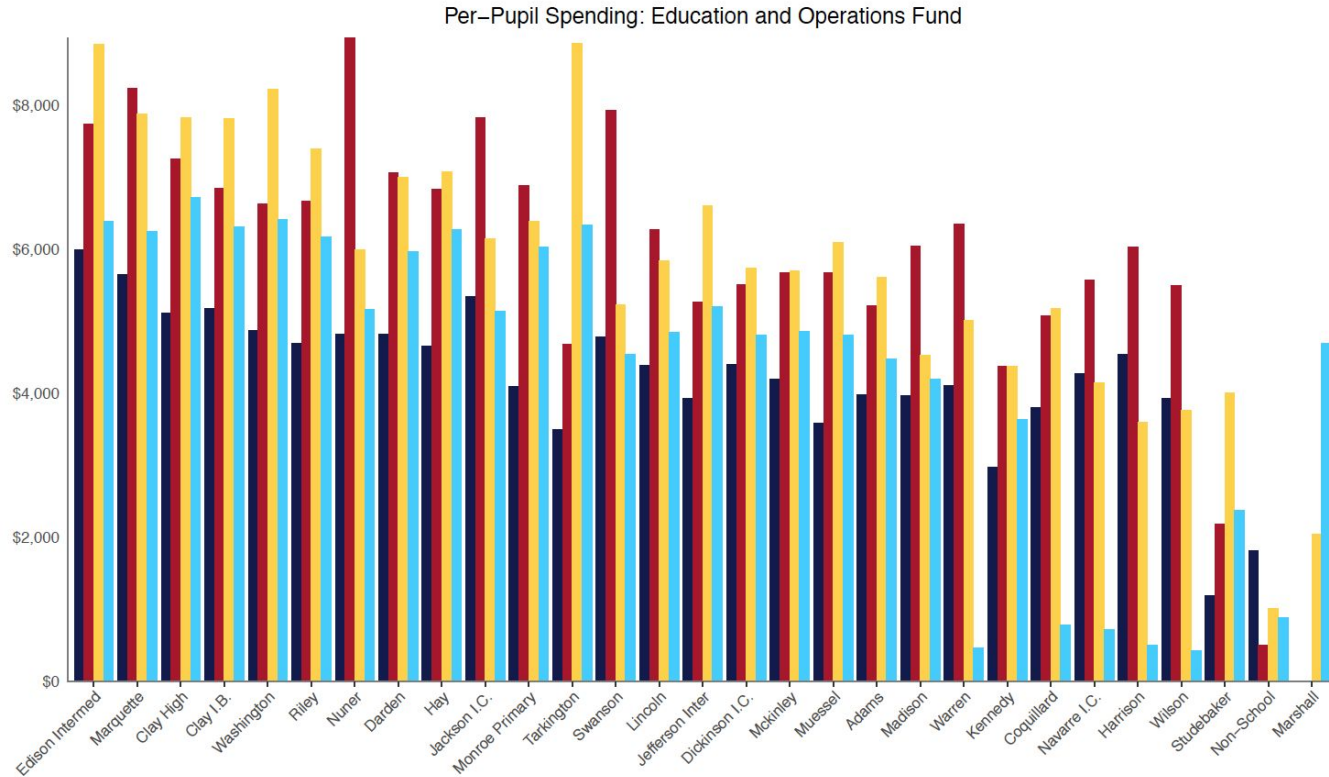
# Deep Dive: Education & Operations Fund

# Proactive Spending happens in January with new fiscal year; Spending in June is higher with payouts during the end of the school year

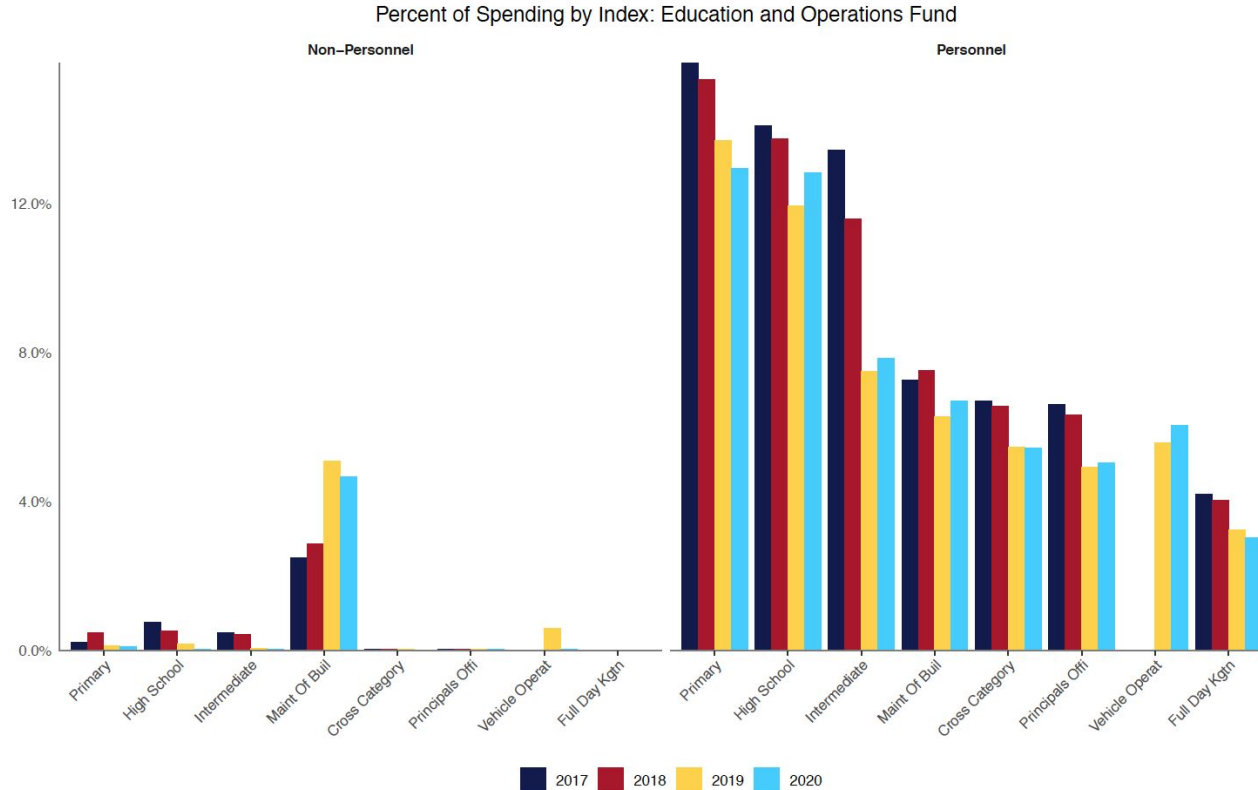
Percent of Spending by Month: Education and Operations Fund



# Significant outliers are decreasing compared to prior years (i.e. Tarkington) per pupil spending



# High Schools spending has increased vs YA (CTE - new aviation program, etc.)





# Education Fund

# 2021 Education Fund by Object Summary

Salaries	2020	\$72,356,349																		
	2021	\$65,259,016																		
Employee Benefits	2020	\$22,502,320																		
	2021	\$23,107,741																		
Purchased Professional Services	2020	\$2,764,415																		
	2021	\$4,975,799																		
Supplies	2020	\$1,149,098																		
	2021	\$1,073,937																		
Other Objects	2020	\$380,401																		
	2021	\$1,585,317																		
Purchased Property Services	2020	\$1,231,250																		
	2021	\$31,250																		
Other Purchased Services	2020	\$418,661																		
	2021	\$385,733																		
		\$0M	\$10M	\$20M	\$30M	\$40M	\$50M	\$60M	\$70M	\$80M	\$90M									



# Education Spending – Operating Overview



01

2020 Funding Formula – Student Count was higher than projected by 60 students.

02

Transfer to the Zone Schools – \$12,524,776 comes out of the Education Fund. The Zone bases its numbers on what is actually owed. We would owe the Zone from Aug – Dec. Standard amount moved out of the Education Fund is 15% to Operation Fund.







# Operation Fund

# 2021 Operation Fund by Object Summary

Salaries	2020	\$21,048,016					
	2021	\$13,277,352					
Employee Benefits	2020	\$10,080,742					
	2021	\$6,486,446					
Supplies	2020	\$7,794,143					
	2021	\$7,101,820					
Equipment and Other Objects	2020	\$7,144,833					
	2021	\$3,804,525					
Other Purchased Services	2020	\$4,656,119					
	2021	\$5,246,699					
Purchased Property Services	2020	\$3,541,850					
	2021	\$910,050					
Purchased Professional Services	2020	\$829,000					
	2021	\$2,056,871					
		\$0M	\$5M	\$10M	\$15M	\$20M	\$25M



# Operating Funds Overview



01

By moving Building & Ground expenses to the referendum operating fund, the operating fund can now operate within the limits imposed by the increased tax cap amount.

02

It also requires a smaller transfer into the operating account from the education fund, which allows room in the education fund for teachers' raises.

03

Transportation payroll expenses were cut by 10%

04

The bus replacement cost rose by \$1,000,000 due to a larger number of buses to be replaced this year.





# Debt Service Funds



# Debt Service Overview



01

Contains estimates for both the new rolling G.O. bond and the Common School Fund loan.

02

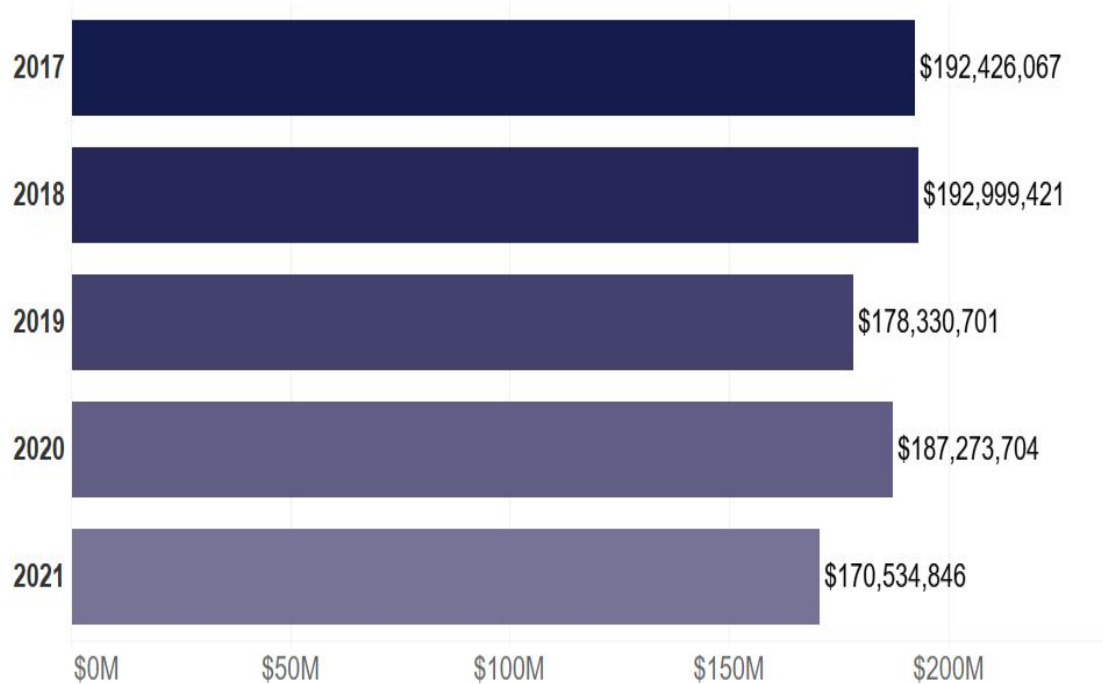
DLGF will change the estimates to actual before approving the 2021 budget.





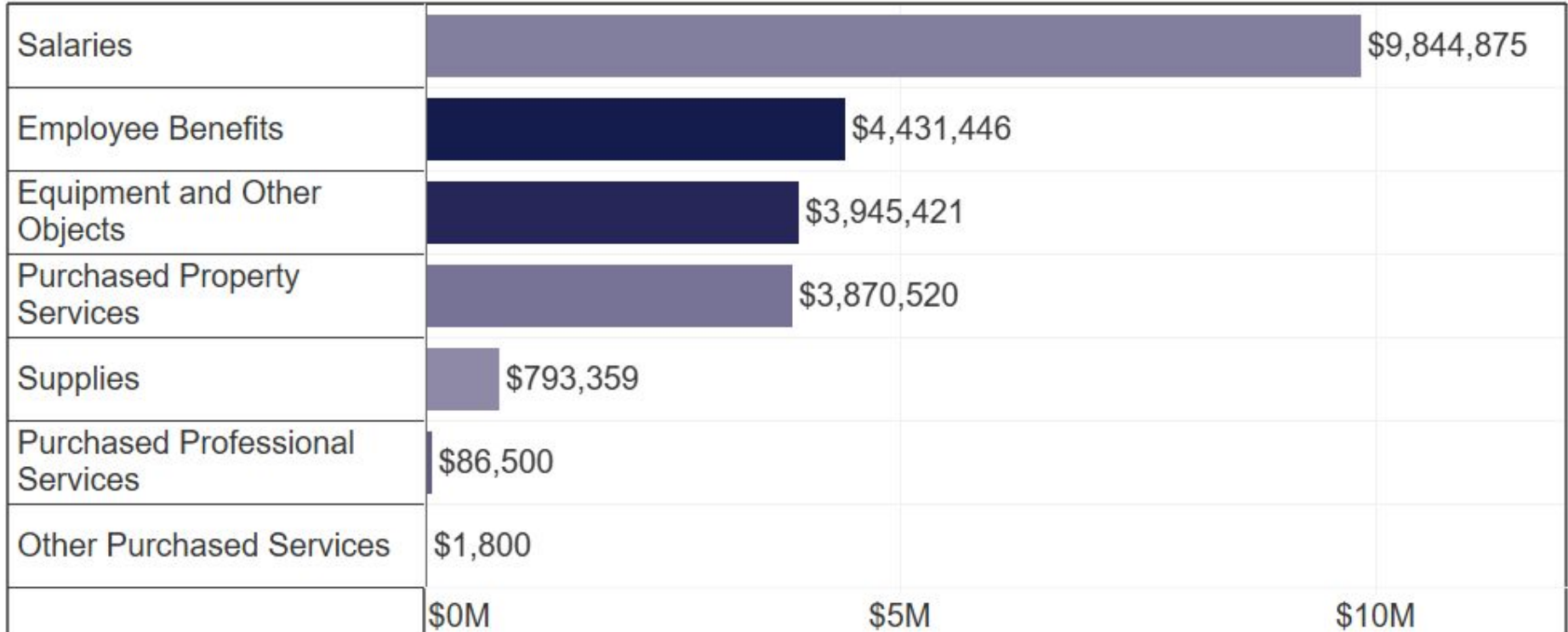
# Referendum Operating Fund & Strategic Spending

# Budget Overview

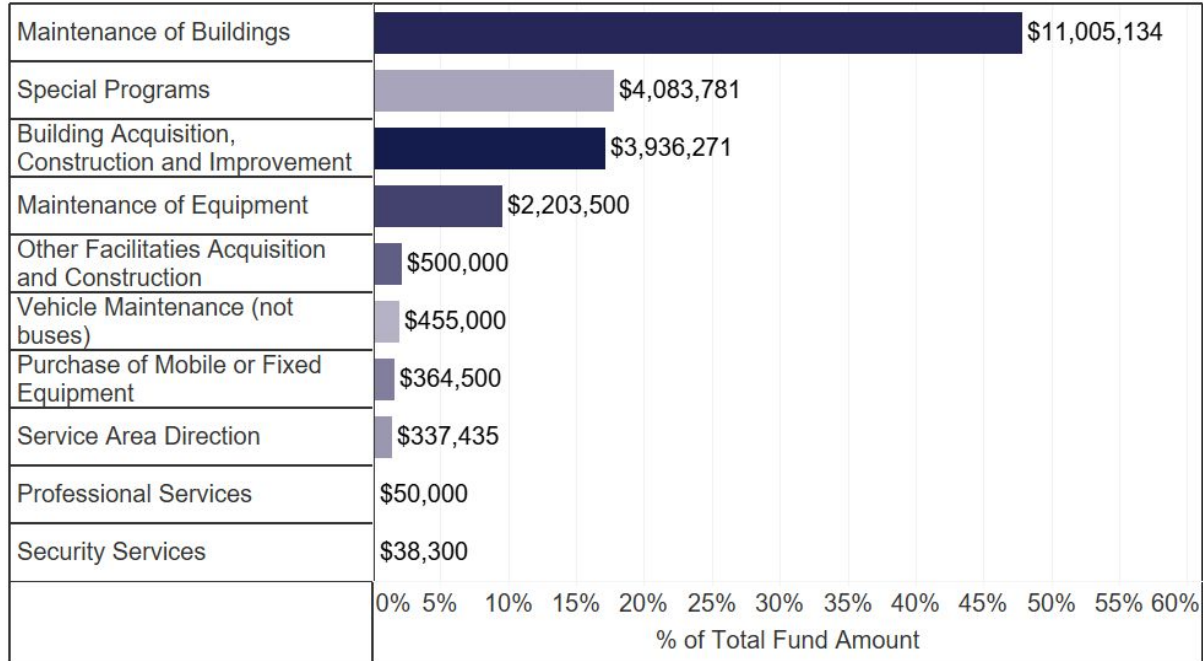




# 2021 Referendum Operation Fund by Object Summary



# 2021 Referendum Operation Fund by Department Summary



Total Fund Amount:

**\$22,973,921**



# Strategic Priorities

## Academic Excellence

Ensure access to exceptional literacy instruction for all students.

Attract and retain high-quality instructional staff.

Continue focused turnaround efforts concentrated on our lowest-performing schools.

## Financial Sustainability

Reduce capital footprint while revitalizing educational facilities.

Achieve long-term reductions in administrative and operational costs.

Improve efficiency and operations of transportation services.

## Diversity, Equity & Inclusion

Establish a tiered system of support to create positive classroom environments.

Expand coursework access and supports to marginalized student populations.

Ensure corporation staff reflecting diversity of student population.

## Community Partnerships

Engage industry and post-secondary partners in the creation of high-quality 6-12 pathways.

Collaborate with community organizations to establish extra-curricular and extended time supports for student learning

Establish framework for continuous and meaningful community input into SBCSC strategic priorities



# Strategic Spending

## Academic Excellence

The Referendum Fund Budget includes two positions for social workers and/or literacy coaches per school.



## Financial Sustainability

We are right-sizing our district, investing in our buildings, and are focused on financial sustainability through responsible financial planning.



## Diversity, Equity & Inclusion

Funding is shifting from central office to building level (Student Service Department - African-American Studies, Bilingual) increasing resources to provide for the unique needs of individual school populations. (Brown Learning Center, 21st Century Scholars)



## Community Partnerships

We are utilizing the efficiency study to develop strategic partnerships for benchmarking successes.



# Budgeting to Support our Strategic Plan

## Priorities

+ Add Priority

▼ Filter

### NAME

Community Partnerships - extend, deepen, and monitor community partnerships

Equity, Inclusion, & Justice - honor our diverse community by promoting equity, inclusion, and justice

Financial Sustainability - practice stewardship by responsibly managing the fiscal and facility resources

Literacy - advance students' reading, writing, and critical media literacy skills

Strategies Non-Personnel Expenses Staffing Plan Supplemental Pay

### PRIORITY

Literacy - advance students' reading, writing, and critical media literacy skills

+ Add Strategy

### STRATEGY

Provide quality instructional materials  
Evaluate needs and update accordingly

### BUDGETING STRATEGY

#### Strategy

Provide quality instructional materials

Percentage

100%

Amount

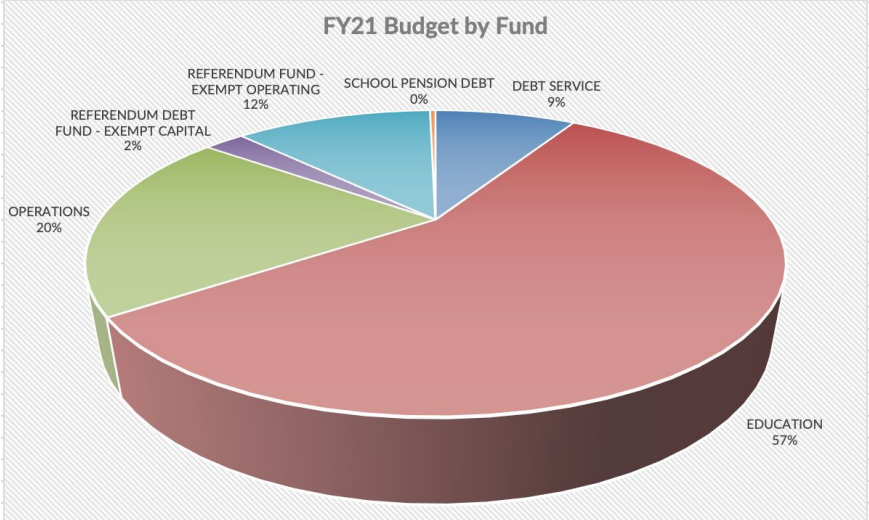
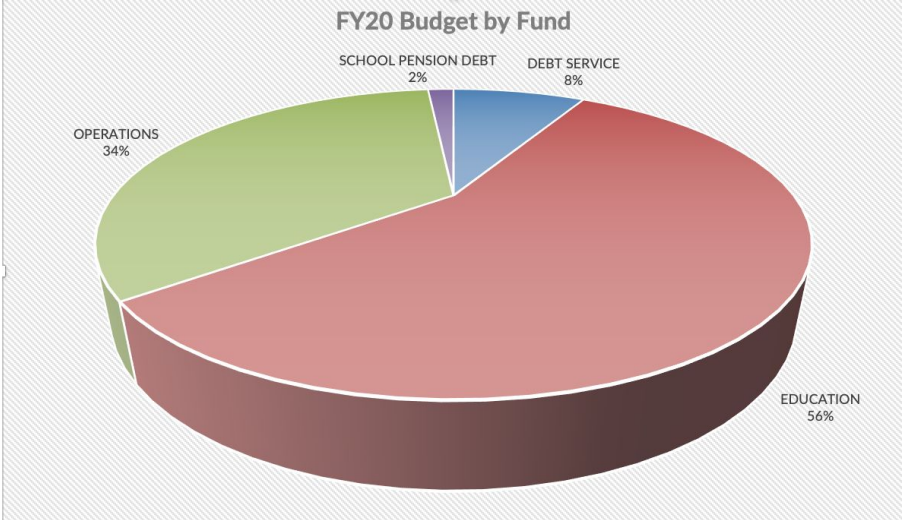
\$1,875.00



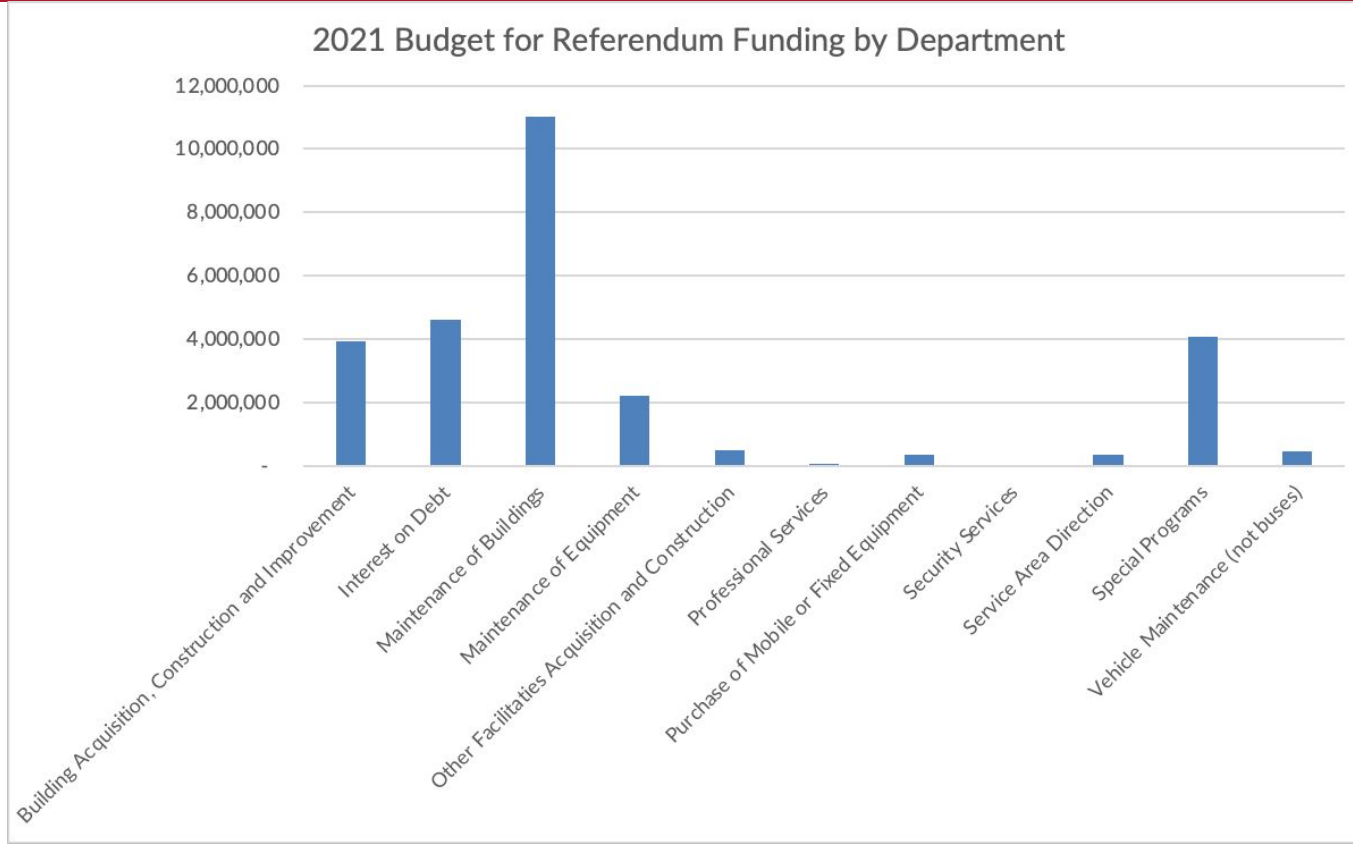
Allovue allows us to build budgets that connect spending plans with the four pillars of our strategic plan.



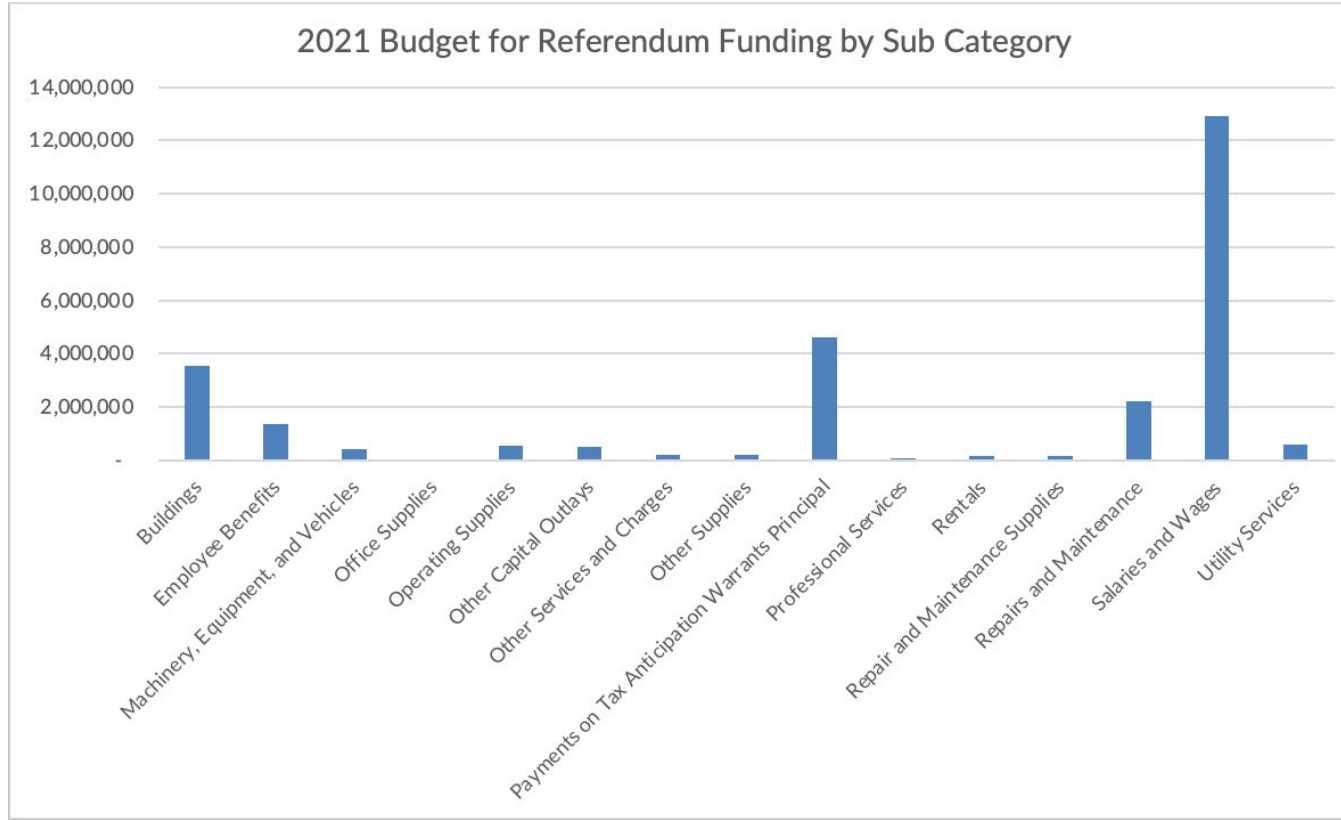
# Change in operations from 34% to 20%



# Increase in funding for maintenance of buildings due to Capital Investment from referendum



**A shift in funding of the Buildings and Facilities budget from the Operating to the Referendum budget will allow us to increase teachers wages and minimize the 15% yearly transfer to 10% in the operations fund and to cover expenses for 2021**





# Referendum Spending – Operating Overview



01

Held to tax rate of .3334 on current assessed value

02

Estimate of revenue for fund is \$22,973,921

03

Budget consists of:

- 2 positions per school for social workers and/or literacy teachers plus benefits.
- All buildings and ground department expenses except for electricity and natural gas.
- Custodial supplies were increased by 25% for ongoing cleaning supplies due to the coronavirus.



# 2021 Budget Takeaways

- The SBCSC proposed 2021 budget sets up the Corporation for financial stability in the face of funding challenges now and in the future.
- The SBCSC proposed 2021 budget focuses on aligning with the Corporation’s strategic plan through “baseline spending”, driving efficiency and moving the district forward.
- The SBCSC proposed 2021 budget focuses on strategic spending (referendum) for the district through consistent, sustainable investment, which can be repeated year after year to build the foundation for success for all SBCSC staff and students.



# 2021 Budget Adoption Timeline

<b>October 5, 2020</b>	<b>Board Approval to Advertise 2020 Budget</b>
<b>October 9, 2020</b>	<b>Advertisement of Budget</b>
<b>October 19, 2020</b>	<b>Board Meeting Budget Presentation</b>
<b>October 19, 2020</b>	<b>Public Hearing</b>
<b>November 2, 2020</b>	<b>Budget Adoption</b>



**WANT MORE  
BUDGET  
INFORMATION?**

**SBCSC BUDGET ONLINE  
@ INDIANA GATEWAY**

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Questions?