WLCSC 2022 BUDGET WORKSHOP

August 26, 2021

2022 Budget Review
West Lafayette Community School Corporation

BUDGET TIMELINE

BUDGET CONSIDERATIONS

EXPENSE & REVENUE BY FUND

CIRCUIT BREAKER, LEVIES, RATES

SUMMARY AND CONCLUSION

Budget Adoption Timeline

- **August 26** — **Board Review of Budgets**
- **August 27** — **Legal advertisement (Form 3) to Gateway**
- **August 27** — **Bus Replacement advertisement on website**
- **September 7** — **Public Hearing on Budgets & Bus Plan**
- **October 4** — **Adoption of Budgets**
- **October 10** — **Submit Certified Copies to DLGF**
- **December** — **Review of Budget and Certification by DLGF**

2022 Budget Considerations

- **Student Enrollment Count Days**
- **State Tuition Support**
- **Assessed Valuation**
- **Circuit Breaker/Property Tax Cap Impact**
- **Elementary and Secondary School Emergency Relief (ESSER) funding**
- **Impacts of Labor Market changes**
- **Potential impact of pandemic on school operations**

Sources of Revenue

- State tuition support
- Property taxes
- Excise, FIT, and CVET taxes
- Rental income
- Interest income
- Grants
- Miscellaneous revenue

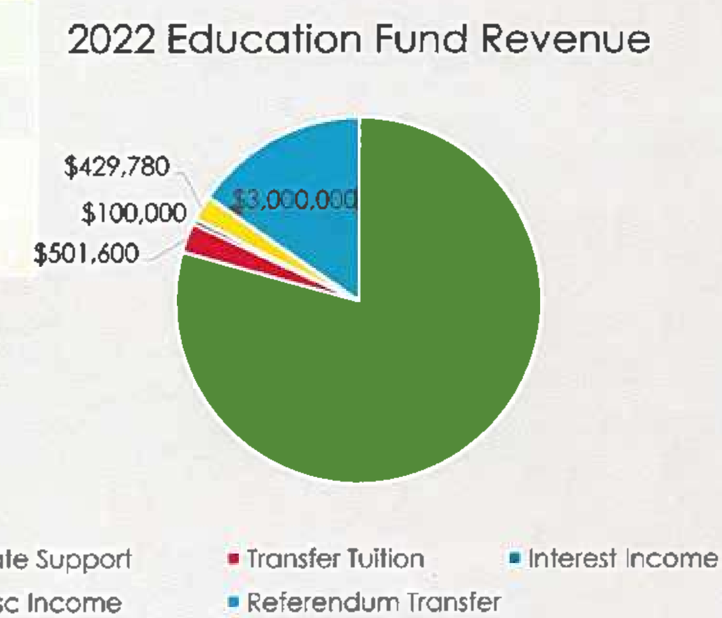
Revenue – Education Fund

State Tuition Support

Category	2021	2022 (estimate)	Change (% +/-)
Basic state tuition	$13,347,150	$14,153,051	
Special Education	$984,528	$1,049,092	
Vocational Education	$92,890	$124,378	
Honors	$138,600	$116,699	
Totals	**14,563,168**	**$15,443,220**	+6.12%
Average Daily Membership (ADM)	2258	2270 (est)	

2022 Education Fund Revenue

State support	$15,443,220
Transfer tuition	$501,600
Interest income	$100,000
Miscellaneous income	$429,780
Transfers from Referendum Fund	$3,000,000
Total	$19,474,600



State Funding Per Student

2020-2021	$5918
2021-2022	$6295

In 2009, State tuition support was $6237/student.

Education Fund Budget

Salaries	67.2%
Benefits	25.3%
Prof Services	0.56%
Tuition (GLASS/GLCA)	3.20%
Supplies	0.86%
Technology	2.20%
Miscellaneous	0.68%

Revenue – Tax Fund History

Fund	2020 Levy	Taxes Collected	% collected
Referendum	$5,409,770	$5,385,410	99.55%
Debt Service	$5,202,204	$4,686,588	90.09%
Operations	$3,562,663	$3,067,621	86.10%
Total	$14,174,637	$13,139,620	92.70%

Under-collection due to appeals, non-payment, and circuit breaker caps

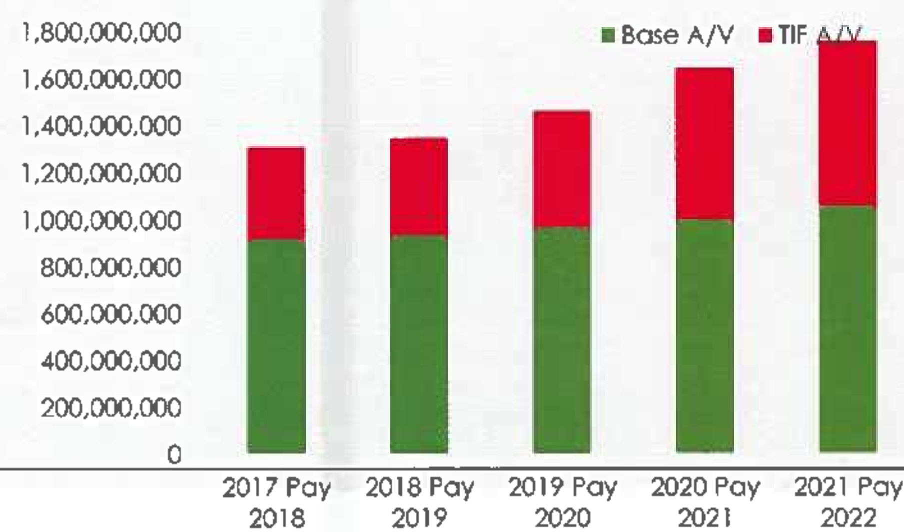
Circuit Breaker Impact

2017 = $662,000
2018 = $995,000
2019 = $1,064,420
2020 = $1,054,438
2021 = $1,202,217
2022 = $1,300,620 (DLGF estimate)

Assessed Valuation (CNAV)

Year	Base A/V	TIF A/V (Referendum)	Base/TIF % +/-	
2017 Pay 2018	$918,241,624	$390,103,357		
2018 Pay 2019	$933,608,045	$412,898,141	+1.7%	+5.8%
2019 Pay 2020	$967,851,887	$494,248,049	+3.7%	+19.7%
2020 Pay 2021	$1,000,059,468	$647,199,910	+3.3%	+30.9%
2021 Pay 2022	$1,060,745,758	$700,320,639	+6.1%	+8.2%

History of Assessed Valuation



Assessed Valuation Impact

- **Referendum Fund**
  - Referendum Fund collections are based on the base A/V + TIF A/V at a rate of .3700. Circuit breaker tax caps do not apply to the Referendum Fund.
- **Debt Service Fund**
  - Increased A/V results in more revenue for the Debt Service Fund without increasing the tax rate.
- **Operations Fund**
  - The maximum levy amount raised for the Operations Fund is fixed independently of A/V. Therefore, its collections do not increase proportionally to Assessed Valuation. Changes in A/V may result in the Operations Fund tax **rate** adjusting up or down to result in collecting the maximum levy amount less circuit breaker.

Budget Assumptions - Revenue

- A/V for advertising – Approximately 80% of current A/V
- A/V for Tax Rate Projections = Amount provided by the Auditor
- 2021 Certified Excise, FIT, and CVET amounts used for 2022
- ADM Increase of 12 students from September 2021 count.
- Consideration of use of Excess Funds from 2017 Bond proceeds for Debt Service

Budget Assumptions - Expenses

- Wage increases for non-certified staff in response to changes in the labor market
- Addition of staff for elementary Essential Skills classroom and Director of Diversity Initiatives
- Allowance for negotiated salary increases
- Possible increase in utility and fuel costs
- Possible increases in health insurance rates

Elementary and Secondary School Emergency Relief (ESSER) funding

- ESSER I (2020) - $154,000 – Already expended
  - Cleaning, sanitation, technology supplies for COVID mitigation for 2020 – 2021 SY.
- ESSER II (2020 – 2021) – $633,938 – Pending reimbursement
  - $598,135 – Salary costs for e-learning, permanent subs, other staffing for 2020-21 SY.
  - $12,000 – Summer School state funding shortfall
  - $23,803 – Custodial and HVAC equipment
- ESSER III (2021 – 2023) – $1,434,840
  - $286,968 - Learning Loss (20% of total) – Summer school, tutoring programs, etc.
  - $150,000 - Special Education initiatives
  - $125,000 – Mental Health Services
  - $75,000 – Director of Diversity Initiatives
  - $250,000 – Startup of Staff Health Clinic participation
  - $185,000 – HVAC improvements
  - $362,872 – COVID work compensation, stipends.

Comparison of Advertised Budgets

2021 Certified	
Education	$20,400,000
Referendum	$7,000,000
Debt Service	$7,000,236
Operations	$7,961,000
Rainy Day	$1,038,135
Total	**$43,399,371**

2022 Advertised	
Education	$21,450,000
Referendum	$7,000,000
Debt Service	$6,582,514
Operations	$8,331,185
Rainy Day	$1,375,000
Total	**$44,738,699**

3.09% increase

Comparison of Advertised Tax Levies

2021 Advertised		2022 Advertised	
Education	N/A	N/A	Education Fund
Referendum	$6,961,532	$7,000,000	Referendum
Debt Service	$6,461,859	$6,789,160	Debt Service
Operations	$4,743,821	$5,383,900	Operations
Total	$18,167,212	$19,173,060	Total

Comparison of Tax Rates

2021 Actual		2022 Projected Actual	
Education	N/A	N/A	Education Fund
Referendum	.3700	.3700	Referendum
Debt Service	.5375	.5375	Debt Service
Operations	.3712	.3651	Operations
Total	1.2787	1.2726	Total

-0.48%

2022 Referendum Fund Revenue

Property tax =	$6,519,078
License Excise tax =	$170,000
Commercial Vehicle Excise tax	$ 1,900
Financial Institutions Tax	$ 72,000
Total	$6,762,978

Referendum Fund Budget

- Advertised budget of $7,000,000
- Consists of transfers to Education and Operations Funds
- Final tax rate will be $0.3700
- Estimated revenue of $6.5 million
- A/V increase of 6.91% increases the revenue.

Debt Service Fund Budget

Building lease payments	$5,804,000
Common school loan payments	$255,714
Bank Fees	$5,000
Temporary loan interest	$500,000
Non-reimbursed textbooks	$17,800
Total	$6,582,514

Debt Service Fund Revenue

Property Tax	$5,701,160
Excise Tax	$ 170,000
Financial Institutions Tax	$ 72,000
Commercial Vehicles Tax	$ 1,900
Other revenue	$ 973,000
	$6,918,060

Debt service fund projections: 2022-2028 (0% A/V growth estimate)

Budget Year	Assessed Valuation	Debt Obligations	Property Tax Revenue(gross)	Tax Rate	Circuit Breaker Losses/under collection	Excise/CVET FIT Tax	Debt Payment Shortfall/Surplus	Happy Hollow Lease Revenue	Bond Fund Surplus	Annual Shortfall/Surplus
2019	933,608,045	5,413,997	5,018,143	0.5375	(632,000)	290,181	(737,673)	500,000	300,000	62,327
2020	967,851,887	5,551,681	5,202,204	0.5375	(540,000)	310,056	(579,421)	750,000		170,579
2021	1,000,059,468	5,944,704	5,375,320	0.5375	(710,000)	313,157	(966,228)	250,000	725,000	8,772
2022	1,060,745,758	6,019,295	5,701,508	0.5375	(720,000)	316,288	(721,498)		725,000	3,502
2023	1,060,745,758	6,083,197	5,701,508	0.5375	(725,000)	319,451	(787,238)		790,000	2,762
2024	1,060,745,758	6,055,471	5,701,508	0.5375		322,646	(31,317)		35,000	3,683
2025	1,060,745,758	6,092,798	5,701,508	0.5375		325,872	(65,418)		70,000	4,582
2026	1,060,745,758	6,087,000	5,701,508	0.5375		329,131	(56,361)		60,000	3,639
2027	1,060,745,758	6,317,000	5,701,508	0.5375		332,422	(283,070)		285,000	1,930
2028	1,060,745,758	6,390,000	5,701,508	0.5375		335,746	(352,745)		355,000	2,255

Debt service fund projections: 2022-2028 (0% A/V growth estimate) Bond surplus balances

Year	USED	BALANCE	Year	USED	BALANCE
2019	300,000	3,300,000	2023	790,000	1,060,000
2020	-	3,300,000	2024	35,000	1,025,000
2021	725,000	2,575,000	2025	70,000	955,000
2022	725,000	1,850,000	2026	60,000	895,000
			2027	285,000	610,000
			2028	355,000	255,000
			2029	-	255,000

Debt service fund projections: 2022-2039 (2% A/V growth estimate)

Budget Year	Assessed Valuation	Debt Obligations	Property Tax Revenue(gross)	Tax Rate	Circuit Breaker Losses/under collection	Excise/CVET FIT Tax	Debt Payment Shortfall/Surplus	Happy Hollow Lease Revenue	Bond Fund Surplus	Annual Shortfall/Surplus
2019	933,608,045	5,413,997	5,018,143	0.5375	(632,000)	290,181	(737,673)	500,000	300,000	62,327
2020	967,851,887	5,551,681	5,202,204	0.5375	(540,000)	310,056	(579,421)	750,000		170,579
2021	1,000,059,468	5,944,704	5,375,320	0.5375	(710,000)	313,157	(966,228)	250,000	725,000	8,772
2022	1,060,745,758	6,019,295	5,701,508	0.5375	(720,000)	316,288	(721,498)		725,000	3,502
2023	1,081,960,673	6,083,197	5,815,539	0.5375	(725,000)	319,451	(673,207)		685,000	11,793
2024	1,103,599,887	6,055,471	5,732,825	0.5195		322,646	-			
2025	1,125,671,884	6,092,798	5,766,926	0.5123		325,872	-			
2026	1,148,185,322	6,087,000	5,757,869	0.5015		329,131	-			
2027	1,171,149,028	6,317,000	5,984,578	0.5110		332,422	-			
2028	1,194,572,009	6,390,000	6,054,254	0.5068		335,746	-			

Debt service fund projections: 2022-2039 (2% A/V growth estimate, con't.)

Budget Year	Assessed Valuation	Debt Obligations	Property Tax Revenue(gross)	Tax Rate	Circuit Breaker Losses/under collection	Excise/CVET FIT Tax	Debt Payment Shortfall/Surplus	Happy Hollow Lease Revenue	Bond Fund Surplus	Annual Shortfall/Surplus
2029	1,218,463,449	6,465,000	6,125,896	0.5028		339,104	-			
2030	1,242,832,718	6,542,000	6,199,505	0.4988		342,495	-			
2031	1,267,689,373	6,620,000	6,274,080	0.4949		345,920	-			
2032	1,293,043,160	6,706,000	6,356,621	0.4916		349,379	-			
2033	1,318,904,023	6,791,000	6,438,127	0.4881		352,873	-			
2034	1,345,282,104	6,890,000	6,533,599	0.4857		356,401	-			
2035	1,372,187,746	6,960,000	6,600,035	0.4810		359,965	-			
2036	1,399,631,501	6,964,000	6,600,435	0.4716		363,565	-			
2037	1,427,624,131	6,975,000	6,607,799	0.4629		367,201	-			
2038	1,456,176,613	6,967,000	6,596,127	0.4530		370,873	-			
2039	1,485,300,146	5,656,000	5,281,419	0.3556		374,581	-			

Debt service fund projections: 2022-2039
(2% A/V growth estimate
Bond surplus balances

Bond surplus balances

	USED	BALANCE		USED	BALANCE
2019	300,000	3,300,000	2023	685,000	1,165,000
2020	-	3,300,000	2024	-	1,165,000
2021	725,000	2,575,000	2025	-	1,165,000
2022	725,000	1,850,000	2026	-	1,165,000
			2027	-	1,165,000
			2028	-	1,165,000

Operations Fund Revenue

Property Tax	$3,871,847
Excise, Financial Institutions, Commercial Vehicle Taxes	$183,000
Miscellaneous Revenue	$65,620
Transfer from Referendum Fund	$3,500,000
TOTAL	$7,620,467

Operations Fund Expense

- Budget of $8,331,185
- Combines Capital Projects Fund, Transportation, Bus Replacement, and Non-Instructional Amounts
- Replacement of one bus
- Bus driver salaries, fuel, parts, GLASS payment, City Bus, & Transportation Director salary
- Includes CPF repair accounts, and equipment purchases
- Utilities and insurance premiums
- Wages for business office and maintenance/custodial
- Additional expense for 2 GLASS bus drivers, 2 bus aides, 1 GLCA driver, and additional fuel and repair costs for the additional routes

Bus replacement plan 2022 - 2026

SCHOOL BUS REPLACEMENT PLAN
FOR THE YEARS 2022 - 2026

Pursuant to IC 20-40-18, West Lafayette Community School Corporation does hereby submit to the Department of Local Government Finance the following School Bus

Replacement Plan for the five (5) year period 2022 through 2026. This plan is based upon the presumption that the minimum useful life of a school bus is not less than twelve (12) years.

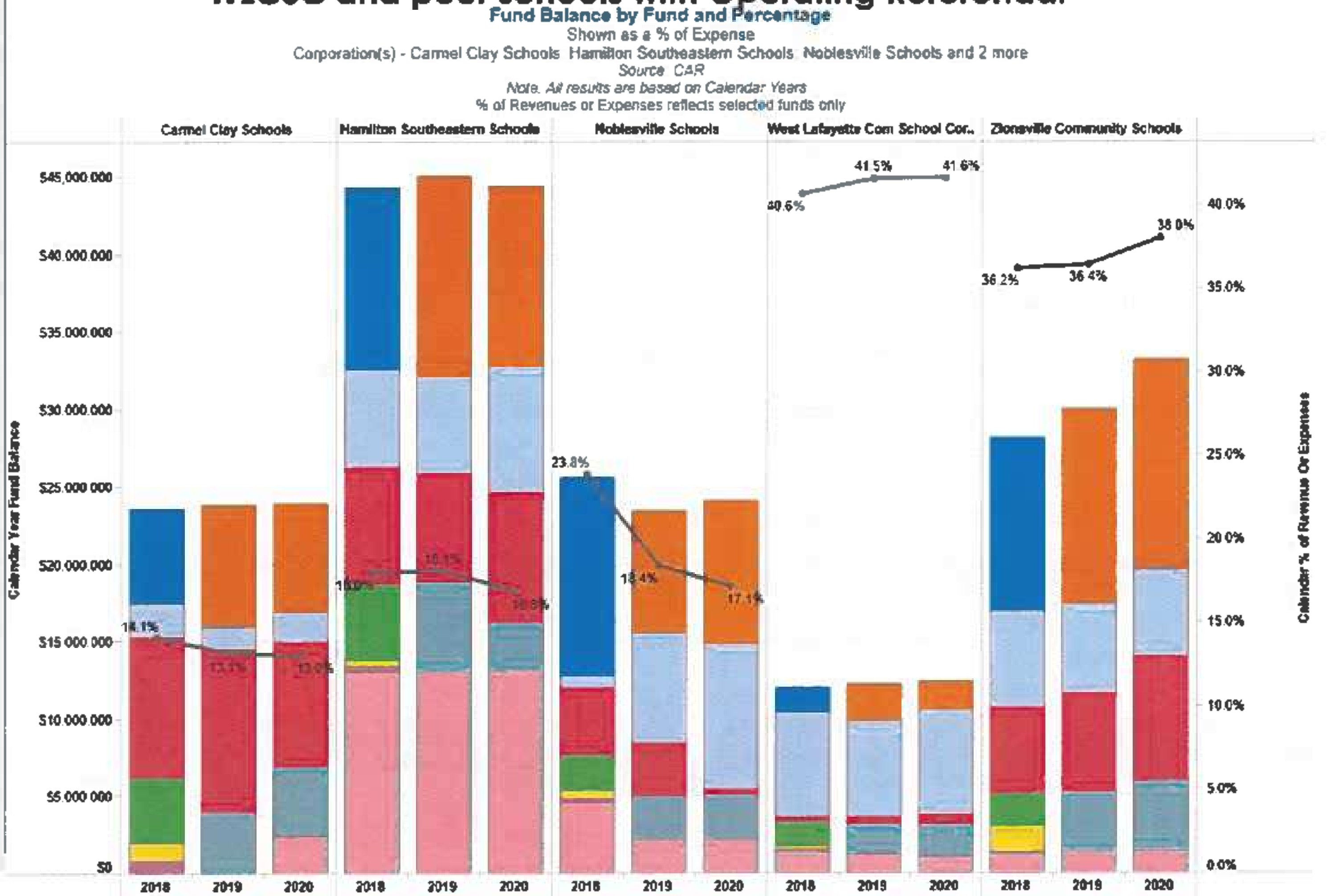
SECTION I
Replacement Cost of Bus/Vehicle During Specific Year

	Bus Description	Corp ID Number	Type of Bus/Vehicle per DOE "TN"	Owned or Leased	Estimated Replacement Costs 2022	2023	2024	2025	2026
1	IC/300RE	2410	D-84/21010	Owned	$144,130				
2	IC/CE300	3211	C-66/2011	Owned		$148,454			
3	Thomas HDX transit	2512	D-84/2012	Owned			$152,907		
4	IC/CE300	3312	C-66/2012	Owned			$152,907		
5	IC/CE300	3414	C-66/2014	Owned					$162,218
6	Thomas HDX transit	2614	D-84/2014	Owned					$162,218
7	Thomas HDX transit	2717	D-84/2014	Owned					
8	IC/RE 300	2818	D-84-2017	Owned					
9	IC/RE 300	2918	D-84-2018	Owned					
10	IC/RE 300	3018	D-84-2018	Owned					
11	IC/CE 300	3520	C-66/2020	Owned					
12	IC/CE 300	3620	C-66/2020	Owned					
13	IC/CE 300	3720	D-78/2020	Owned					
14	IC/CE 300	3821	D-84-2021	Owned					
15									
16	Chev/Mid-Starcraft Prdoigy 15 Passenger	8	A-2(2016)	Owned					
17	Chev/Mid-Starcraft Prdoigy 15 Passenger	9	A-2(2016)	Owned					
18	Chev/Mid 15 Passenger	7	A-2(2020)	Owned					
19	Chev/Mid Starcraft 15 Passenger	10	A-2(2020)	Owned					

Rainy Day Fund

- There is no tax levy for this fund
- A budget amount of $1,375,000 is advertised
- Expenditures would be per board policy for this fund
- Funded by current cash balance

Fund balance by Fund and Percentage
WLCSC and peer schools with Operating Referenda.



2018 Funds:
General
Referendum
Debt Service
Capital Projects
Transportation
Bus Replacement
Rainy Day

2019 -2020 Funds:
Education
Referendum
Debt Service
Operations
Rainy Day

Summary and Conclusions

- Expect approved tax levy to increase 6.0% from 2021 levy
- Expect approved budgets to increase 3.1% from 2021
- Advertised tax rates are high and will be reduced to slightly lower than 2021
- Circuit breaker/tax caps are expected to reduce our tax collections in 2022 by $1.3 million
- State support per pupil increases, but is critical to have enrollment growth
- The Referendum Fund rate at .3700 for years 2018 through 2024 allows the district to maintain the award winning arts, music, athletic programs, and cover the cost of new staff positions as warranted.