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## 2026 BUDGET

MORE CHANGES TO COME!



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## WHAT IS A BUDGET?



- A governmental budget in the State of Indiana is the process by which tax levies (property taxes) and appropriations are approved for the following calendar year in certain funds (Education, Operations, Debt, Referendum)
- Appropriation—permission to spend a certain amount. Does not necessarily equal cash or what we will actually spend.
- After the public hearing and board approval process, last step is approval by the Department of Local Government Finance.
  - Approve a total appropriation for each budgeted fund and not a line item budget
  - We have the ability to move that total appropriation around in each fund to where we need to spend it

## BUDGET ADOPTION CALENDAR



- August 27, 2025—Form 3 Notice to Taxpayers, Capital Plan and Bus Replacement Plan was published on Indiana Gateway and on our school corporation web site
  - NO requirement for publishing in the newspaper
- September 8, 2025—Board Work Session to discuss budget; public hearing during regular meeting for budgeted funds and Capital Expenditure and Bus Plans
- October 6, 2025—Budget adoption, Capital Expenditures and Bus Replacement Plan adoptions, resolution adoptions
- October 7, 2025—Business Office submits all required documents to the DLGF for budget approval
- December 31, 2025—deadline for DLGF to approve budgets
- January 1, 2026—new appropriations go into effect

## REALITIES



- State funding
  - Increased only by \$79.37 per student (1.13%) for the 25-26 school year (from \$6999.70 to \$7079.07) net the curricular materials payment
  - Expected increase of \$104.89 per student (1.48%) for the 26-27 school year (from \$7079.07 to \$7183.96) net the curricular materials payment
- Net Assessed value (What we use for budget is different than actual)
  - NAV increases for our district are very small compared to other districts
  - 2025 Operations/Debt AV is \$1,278,165,060                      Referendum AV is \$2,200,947,915
  - 2026 Operations/Debt AV is \$1,298,885,086 (1.62%) Referendum AV is \$2,356,956,799 (7.09%)
  - While we are seeing an increase in certified NAV this year, we are projected to start seeing decreases after 2026 which will affect our tax rates in the Operations and Debt Service Funds
- Total teacher compensation for 2024-2025 was approximately \$15,542,564.08
- Total basic tuition support (foundation and complexity) for 2024-2025 was \$15,185,850.
- Projections due to property tax reform show that we will be dealing with decreasing Net Assessed Valuation in the near future and thus decreasing tax revenue. Financially speaking, we are moving into a cash conservation mode.

## EDUCATION FUND (101)



- Mainly funded by state tuition support (ADM funding), other state payments and other miscellaneous revenue
  - Transfer tuition from TSC
  - Interest
  - Reimbursements
- State code allows for transfers up to 15% from the Education Fund to the Operations Fund
- Expenses are related to educational programs
  - Salaries and benefits for teachers, school building administration, paraprofessionals, special education, library, guidance and nursing staff
  - Supplies, fees and contracted services for the classroom
  - Special education supplies and contracted services
  - Instructional technology—salaries and benefits for informational technology staff, instructional software and maintenance
  - Curricular materials—was NEW in 2025

## EDUCATION FUND REVENUE BUDGET



Revenue Code	Amount
1300 Transfer Tuition and Other Payments	\$1,200,000
1500 Investment Income (Interest)	450,000
1700 School Corporation Activities—ECA Reimb.	200,000
1900 Other Revenue from Local Sources	104,000
3000 Revenue from State Sources	17,042,822
<b>Total Revenue Budget</b>	<b>\$18,996,822</b>

## EDUCATION FUND BUDGETED EXPENSES



### By Program

Program	Amount
10000 Educational Programs	\$12,416,370
20000 Support Services	6,468,140
30000 Athletic Coaches	615,490
<b>Total Expenses</b>	<b>\$19,500,000</b>

Salaries, wages and benefits make up 88.7% of total budget

### By Object

Object	Amount
100 Salaries and Wages	\$12,922,120
200 Benefits	4,381,480
300-500 Purchased Services	1,136,900
600 Supplies	997,500
700 Equipment	0
800-999 Other	62,000
<b>Total Expenses</b>	<b>\$19,500,000</b>

## DEBT SERVICE FUND (200)



- Revenue mainly from property taxes
- The levy (tax amount) is equal to the amount we need to pay in bond and lease payments plus carryover for the next year's payments
- Carryover is 15% of total payments for the subsequent budget year or the first payment (whichever is less).
- Expenses are purely for the payments that need to be made during the budget year
- General Obligation Bonds
- Lease Rental Agreements
- Interest on Short-Term Debt (ie: Tax Anticipation Warrant for cash flow purposes). State code requiring a Board resolution to do this.
- Common School Fund Loan repayments

## DEBT SERVICE REVENUE AND EXPENSES



### Revenue

Revenue Code	Amount
1000 Property Taxes***	\$7,200,000
1200 Local Taxes	187,625
<b>Total Revenue</b>	<b>\$7,387,625</b>

\*\*\*Advertised high for budgeted purposes. DLGF formulates the actual property tax based upon a formula involving actual expenditures plus carryover; closer to \$7.15 million.

### Expenses

Program Code	Amount
51000 Bond Principal	\$821,000
52000 Bond Interest	140,875
53000 Lease Rental	6,087,000
54000 Common School Loans	37,822
59000 Fees	10,000
<b>Total Expenses</b>	<b>\$7,096,697</b>

## OPERATIONS FUND (300)



- Funded mainly by property taxes and other miscellaneous taxes, facility rental
  - Commercial Vehicle Tax and Financial Institution Tax deposited fully into Operations for 2026 as the DLGF is allowing us to choose
- Expenses are mainly for operations of the school corporation that support the learning process
  - Maintenance of buildings, grounds and equipment
  - Central Office operations including Superintendent, Business Office and Human Resources
  - Utilities
  - Administrative/Operational Technology (IT infrastructure)
  - Facilities and land acquisition and improvements
  - Transportation expenses
  - Purchase of buses

## OPERATIONS FUND REVENUE BUDGET



Revenue Code	Budgeted Amount
1100 Property Taxes***	\$4,700,000
1200 Local Taxes	232,893
1900 Other Local Revenue	180,000
5320 Disposal of Personal Property	1,000
Circuit Breaker Loss	-800,000
<b>Total Revenue Budget</b>	<b>\$4,313,893</b>

**\*\*\*Advertised high for budget purposes. Actual max levy from the DLGF is \$4,573,280. Estimated circuit breaker loss is \$1,299,200 which includes loss from the new supplemental homestead credit of approximately \$250,000. We applied \$800,000 to this fund for budgeting purposes.**

## OPERATIONS FUND BUDGETED EXPENSES



### Program

Program	Amount
20000 Support Services—central office, maintenance, custodial, transportation	\$4,181,800
30000 Operation Services—lunch aides and pool personnel	190,900
40000 Building & Land Improvements	230,000
<b>Total Expenses</b>	<b>\$4,602,700</b>

### Object

Object	Amount
100 Salaries and Wages	\$936,400
200 Benefits	258,700
300-500 Purchased Services	1,779,700
600 Supplies and Utilities	1,506,900
700 Equipment	60,000
800-999 Other	61,000
<b>Total Expenses</b>	<b>\$4,602,700</b>

## OPERATING REFERENDUM FUND (160)



- Solely funded by property tax (taxes TIF district AV unlike Debt and Operations)
- Used to fund items outlined in our Revenue Spending Plan
  - Teacher compensation (salaries and benefits)
  - Operational expenditures that support learning
    - Custodial and maintenance salaries, wages and benefits
    - Student transportation-related expenditures
      - Wages, salaries and benefits of transportation personnel
      - Transportation contracted expenditures

## OPERATIONS REFERENDUM REVENUE BUDGET



Revenue Code	Budgeted Amount
1100 Property Taxes***	\$9,250,000
1200 Local Taxes	187,625
Total Revenue Budget	\$9,437,625

**\*\*\*This number is high as we advertised the AV/levy high for budget purposes. More likely number is close to \$8.72 million**

## OPERATIONS REFERENDUM FUND BUDGETED EXPENSES

### Program

Program	Amount
10000 Educational Programs	\$6,547,100
20000 Support Services	3,452,900
<b>Total Expenses</b>	<b>\$10,000,000</b>

### Object

Object	Amount
100 Salaries and Wages	\$7,098,000
200 Benefits	2,439,000
300-500 Purchased Services	206,000
600 Supplies and Utilities	257,000
700 Equipment	0
800-999 Other	0
<b>Total Expenses</b>	<b>\$10,000,000</b>

## RAINY DAY FUND (610)

- Funded by historical transfers into the fund from other funds
- Current balance is \$965,325.09
- Can be used to fund any expenditures made during the operations of a school district if an appropriation is budgeted
- Must be budgeted in order to use the funds

## RAINY DAY FUND BUDGETED EXPENSES



### Program

Program	Amount
20000 Support Services	\$300,000
40000 Facilities	500,000
<b>Total Expenses</b>	<b>\$800,000</b>

### Object

Object	Amount
100/200 Retirement/Severance	\$100,000
300-500 Purchased Services	700,000
<b>Total Expenses</b>	<b>\$800,000</b>

## FINAL COMMENTS



- We will be dealing with changes made during the most recent legislative session over the next few years including property tax reform and school funding changes.
- Not only is our funding from the state limited, our tax revenue is also becoming more limited due to a number of factors including limited growth in housing and the large amount of AV caught in TIF districts. We will be dealing with new tax deductions and tax credits that we have not dealt with previously.
- Being that we are in a city, we have a larger number of taxing units that make up the total tax rate; thus the total tax rates are higher leading to high circuit breaker loss. This means less money in our Operations Fund.
- Referendum dollars allow us to maintain our current programs and offer competitive wages and benefits to our employees.
- Any changes to student enrollment and net assessed value have large effects on the district.