

Tuesday, September 5, 2023

White River Valley School Corporation

Special Session and BY2024 Budget Hearing

The White River Valley Board of School Trustees will meet in special open session on Tuesday, September 5, 2023 at 6PM in the WRV High School Wolverine Center in Switz City. There is an executive session scheduled for 5:30 PM prior to the public meeting. There were 7 board members present: Mr. Brock Hostetter, Mr. Andy Davis, Mr. Joe Decker, Mr. Jason Davidson, Mr. Bruce Porter, Mrs. Cleta Shake, and Mr. Conner Hill.

I. Call to Order

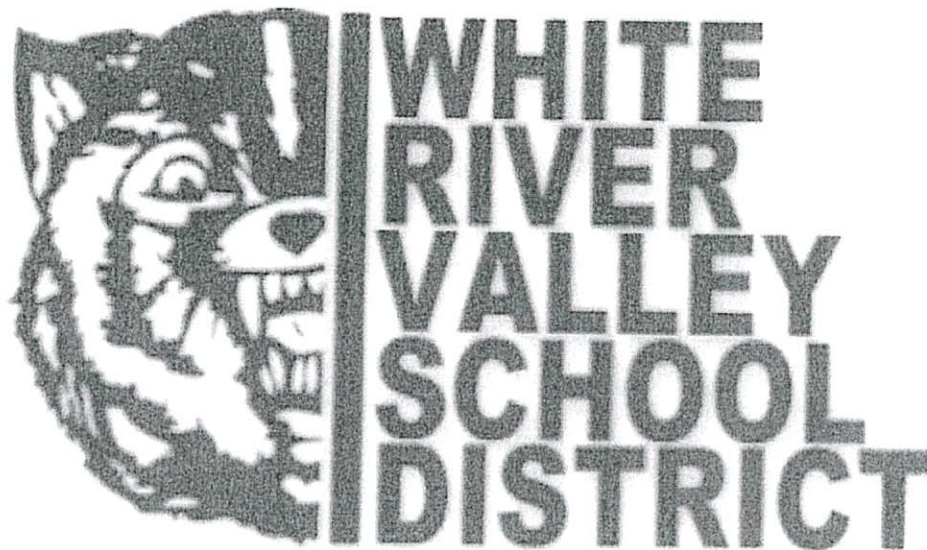
Call to Order

The meeting was called to order by superintendent Dr. Bob Hacker.

II. Budget Hearing

Budget Hearing

WHITE RIVER VALLEY SCHOOL DISTRICT



BUDGET YEAR-2024

HEARING: September 5, 2023

ADOPTION: September 18, 2023

It is my hope that the following document will serve as an outline and overview of our Fiscal Year 2024 Budget.

I want to stress that this budget makes many "assumptions" and could see many changes from now until the end of the 2024 Financial Year. These assumptions include, but are not limited to, that we will receive all revenues—for all funds—spelled out in the budget (we may not); that our expenditures will remain consistent and minimally or at the cost of inflation (unknown at this point), that student enrollment will remain steady, and that our assessed valuation of property will remain growing. This year, we know that Farmland AV will be growing again. I have to anticipate every year where I think our enrollment will be. Right now, I have to be extremely conservative in my educational guesses. I anticipated our 2023-24 enrollment to be 704 students. Currently, we are very close to that level.

I have been taught that it is best practice to put together a "defensive" budget, one that is based on some very conservative assumptions to compile our budget estimate. As it goes every year, we are building a budget that goes out 18 months—July, 2023 through December, 2024—and has to be completed prior to us having some vital information that will heavily impact how the budget works. The two PRIMARY VARIABLES THAT DETERMINE OUR REVIEW are "missing or unsure at the current time." Those variables include: 1) our assessed valuation of property in the district, and 2) conclusive information of our student enrollment for the 2023-24 and 2024-25 school years. One of those numbers has been anticipated to increase by over 11% (AV). Remember, when the AV goes up, the tax rate goes down.

Our district's assessed valuation of property will determine what our actual levies could be and what actual revenue we can or will receive from these local sources. If that number changes significantly, that would most definitely impact our tax rate on individuals in our school district. We know that after five consecutive years of falling values Farmland AV has stabilized and has been increasing the past two years. Those facts lead me to believe that our AV overall will be growing again as WRV comprises 81% farmland. Please remember that there are now many "safeguards" in place to protect the local taxpayer, so any adverse impact to the AV will most likely negatively impact our ability to raise revenue. The fact that we now know about the AV forecasted makes me rest a little easier, especially with the slight potential drop in enrollment.

Our final enrollment numbers and the actual dollar figure we will receive over the next twelve (12) months will not be officially determined until count day, which is October 2, 2023. If our student numbers change drastically, this could heavily impact our state revenue and our 2023-24 state revenue numbers.

When you build a budget, you are attempting to answer these primary questions:

- *How much revenue might we receive and from where?
- *How much will we spend and what will we spend it on?
- *What does our budget mean to our taxpayers?
- *What is our long-term fiscal outlook?
- *What happens to our budget with ESSER 2 and 3 funds?

2024 REVENUE

The primary sources of our 2024 budget revenue are state funding (Basic Grant) for our Education Fund and local property taxes for the other major budgeted funds. Those other funds also receive some additional monies from various miscellaneous sources, including, but not limited to interest income, rental of school facilities, etc. Most of this additional income will go into our Education Fund. Remember, our Operations Fund is a combination of the old transportation, capital projects, and bus replacement funds. WRV will estimate and transfer under the state identified limit of 15% from the Education Fund to the Operations Fund. This can be done monthly, quarterly, or annually. If we go over that 15% mark, then we will be placed as a distressed unit. The distressed unit list consists of up to fifty districts. We are under no threat of being on that list at the current time.

The basic grant is our revenue from the state and is based on the biennial state budget. The state budget estimate had us gaining 3.8% new money in the 2023-24 school year and 1.4% in the 2024-25 school year. Anything positive is good; however, Governor Holcomb touted this budget as record spending on education...but not public education. School choice and charters were expanded again and got most of the government surplus funding...even though 92% of students in Indiana are public school attendees. We are for the third consecutive year taking a cut in Title One Federal funding, which finances most of our instructional assistants. (\$21,000)

The Federal ESSER 2 and 3 programs will be coming to a close: 2 in September, 2023 and 3 in September, 24. Those funds have allowed us to add some positions that will help our students and teachers. A reminder, however, that as those funds go away that we must re-evaluate all positions.

NOTE: We are currently carrying three pieces of debt: our Qualified Construction Loan that will come to conclusion in 2024 and the Series A and B Bonds that we took on two Novembers ago. We will be adding a Series C mortgage lease loan in November, 2023. As the board, we have agreed to cap our debt service fund at .33. (This number includes the addition of the Series C loan this November.)

	FY2020	FY2021	FY2022	FY2023	FY2024
Form 1 Expend.	10,726,206	10,608,220	12,237,894	12,635,486	10,410,896
Form 2 Misc.Rev.	2,175,050	1,815,100	1,306,900	1,016,000	2,050,300
Basic Grant	4,832,005	4,304,000	5,072,844	6,204,000	5,750,000
Property Tax-All Funds	4,121,953	4,353,301	3,980,654	4,615,105	4,748,149
Total Revenue	11,128,958	10,472,401	10,360,398	11,835,105	12,548,449
ESSER 2 Funds			638,000	0	
ESSER 3 Funds				1,405,000	

Referendum Tax	.38	.41	0	0	0
Misc. REV. Referendum 93,000		92,700	0	0	0
Total Ref. REV.	1,493,000	1,492,700	0	0	0
Remaining Referendum Total					\$2,009,354

Current Rainy Day Fund \$2,957,661
2023 Entry: \$200,000
Total Rainy Day Fund at end of 2023: \$3,157,661

REMEMBER, we underestimate revenue and overestimate expenditures to be able to maximize what we receive from the DLGF. They can cut our estimate, but they cannot add to our estimate.

2021 Advertised Rate: \$1.674
2021 1782 Notice Rate: \$1.191
2021 Debt Service Rate: \$0.069
Referendum Rate: \$0.41

2022 Advertised Rate: \$1.5310
2022 1782 Notice Rate: \$1.0690
2022 Debt Service Rate: \$.33
Referendum Completed.

Based on 85% AV: \$260,000,000
AV: \$302,000,000

2023 Advertised Rate: \$1.7751
2023 1782 Notice Rate: \$0.9497
2023 Debt Service Rate: \$.2427
Referendum Completed..

Based on 85% AV: \$260,000,000
AV: \$338,586,982

2024 Advertised Rate: \$1.6373
2024 1782 Notice Rate: _____
2024 Debt Service Rate: \$.33
Referendum Completed.

Based on 85% AV: \$290,000,000
AV: 377,391,448

(Difference - 38,804,466)
11% increase

III. Public School Business

A. Band Instrument Repairs

Band Instrument Repairs

Mrs. Willoughby has some band instruments in need of repair. The total cost of repairs would be around \$2,500.

Mr. Bruce Porter made a motion to approve the band department \$3,000 for instrument repairs.

The motion was seconded by Mrs. Cleta Shake. The motion passed 7-0.

B. Personnel

Personnel

1. Justin Brown- WRV ES 2nd Shift Maintenance/Custodian

Mr. Jason Davidson made a motion to approve the personnel request.

The motion was seconded by Mr. Andy Davis. The motion passed 5-2, with Mr. Bruce Porter and Mrs. Cleta Shake voting no.

SEA 390 Public Hearing- Immediately Following

I. Open SEA 390 Public Hearing of the White River Valley Teacher's Association and WRVSD

II. Joint Statement

III. Public Comment on Teacher Compensation

There was no public comment during this time.

IV. Adjournment of SEA 390 Public Hearing