overview

A. Budget Philosophy
B. Budget Process
C. Student Demographics
D. Funding Sources
E. Budget Proposal SY 2017–2018
F. Timeline
budget philosophy

1. Utilize the Board’s Core Commitments and Beliefs to support budget development
2. Continue to reorganize for effectiveness and efficiency
3. Increase transparency in redirecting more resources to schools
4. Maintain the levels of staffing to support educational programming
5. Support Strategic Plan initiatives through budget redirctions and/or seek external financial support
budget process

Establish a Finance Committee

• Reviews budget accounts and advises administration
• Supports financial controls, investment opportunities and the refinancing of debt

Post materials in a user-friendly format for transparency

• District website
• Newspaper
• Social media announcements

Public hearing

• March 6, 2017
Student Demographics
student demographics

Enrollment Comparison

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnaround</th>
<th>Innovation-Non-LEA</th>
<th>Innovation-LEA</th>
<th>IPS Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2011</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>33,408</td>
</tr>
<tr>
<td>2011-2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32,595</td>
</tr>
<tr>
<td>2012-2013</td>
<td>1,986</td>
<td>-</td>
<td>-</td>
<td>32,543</td>
</tr>
<tr>
<td>2013-2014</td>
<td>1,974</td>
<td>-</td>
<td>-</td>
<td>32,470</td>
</tr>
<tr>
<td>2014-2015</td>
<td>1,903</td>
<td>-</td>
<td>-</td>
<td>31,473</td>
</tr>
<tr>
<td>2015-2016</td>
<td>1,602</td>
<td>-</td>
<td>-</td>
<td>30,979</td>
</tr>
<tr>
<td>2016-2017</td>
<td>1,616</td>
<td>850</td>
<td>-</td>
<td>30,921</td>
</tr>
<tr>
<td>2017-2018</td>
<td>1,566</td>
<td>1,398</td>
<td>1,762</td>
<td>30,763</td>
</tr>
</tbody>
</table>

Projected: 30,763
English as a Second Language Enrollment

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011–2012</td>
<td>3,864</td>
</tr>
<tr>
<td>2012–2013</td>
<td>4,009</td>
</tr>
<tr>
<td>2013–2014</td>
<td>4,457</td>
</tr>
<tr>
<td>2014–2015</td>
<td>4,706</td>
</tr>
<tr>
<td>2015–2016</td>
<td>4,338</td>
</tr>
<tr>
<td>2016–2017</td>
<td>4,145</td>
</tr>
</tbody>
</table>

**IMPORTANT CONSIDERATIONS**

- All numbers taken from IDOE Compass site
- Numbers represent a point-in-time count and consistently increase over the course of the year
student demographics

**Special Education Enrollment**

![Bar chart showing special education enrollment from 2011-2012 to 2016-2017](chart)

**IMPORTANT CONSIDERATIONS**

- All numbers taken from IDOE Compass site
- Numbers represent a point-in-time count and consistently increase over the course of the year
- SPED enrollment from Compass differs from what IPS SPED department submits to the state each year
- SPED funding is based on the 12/1 DOE-SE report, which is higher than what is reported in Compass
Funding Sources

Historical perspective and additional context
**funding sources**

**historical perspective: federal fund budget comparison**

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010–2011</td>
<td>$71,743,312</td>
</tr>
<tr>
<td>2011–2012</td>
<td>$72,333,382</td>
</tr>
<tr>
<td>2012–2013</td>
<td>$72,482,161</td>
</tr>
<tr>
<td>2013–2014</td>
<td>$54,993,403</td>
</tr>
<tr>
<td>2014–2015</td>
<td>$58,277,413</td>
</tr>
<tr>
<td>2015–2016</td>
<td>$58,165,134</td>
</tr>
<tr>
<td>2016–2017</td>
<td>$57,500,000</td>
</tr>
</tbody>
</table>

*Projected*
funding sources

historical perspective: state fund budget comparison

Projected funding sources
funding sources

historical perspective: state fund budget $ per pupil

Projected funding sources

<table>
<thead>
<tr>
<th>Year</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010–2011</td>
<td>$7,367</td>
</tr>
<tr>
<td>2011–2012</td>
<td>$7,332</td>
</tr>
<tr>
<td>2012–2013</td>
<td>$7,209</td>
</tr>
<tr>
<td>2013–2014</td>
<td>$7,265</td>
</tr>
<tr>
<td>2014–2015</td>
<td>$7,058</td>
</tr>
<tr>
<td>2015–2016</td>
<td>$6,732</td>
</tr>
<tr>
<td>2016–2017</td>
<td>$6,971</td>
</tr>
</tbody>
</table>

Projected
funding sources

historical perspective: local fund budget comparison

![Graph showing historical local fund budget comparison from 2010-2011 to projected 2016-2017. The budget amounts are in millions and show a generally increasing trend from 2010-2011 to 2015-2016, followed by a projected decrease for 2016-2017.]
funding sources

additional context

- Sharp and steady enrollment decline prior to SY 2013–2014
  - Consistently addressed via Reduction in Force (RIF)

- State implementation of school Turnaround “takeover” Model

- Superintendent Ferebee’s tenure (2013–present)
  - “Right-sizing” the district; reorganizing for efficiency and effectiveness
  - Addressing 5-year educator compensation freeze
  - Generating revenue through sale and lease of underutilized property
funding sources

additional context

Launch of Innovation Network Schools (2014)

- New state law enabling districts to create schools with the authority to make all academic and operational decisions
- An important part of our mission of ensuring an excellent school in every neighborhood

Four pathways to become an IPS Innovation Network School:

- Launch as a new Innovation school
- Launch as an Innovation Charter school
- Restart an existing chronically underperforming school as an Innovation school
- Convert an existing high-performing school as an Innovation school
funding sources

additional context: budget priorities aligned with IPS Strategic Plan

- Continue to support school autonomy through enhanced student-based accounting implementation (2.1)
- Bolster employee recruitment and retention efforts (2.5)
- Strategically modernize school buildings (2.7)
- Continue efforts to maximize resources while maintaining high-quality service to schools (2.8)
- Enhance community engagement and parent advocacy tools and supports (3.1)
- Work to attenuate the impacts of student mobility (3.5)
funding sources

additional context: special projects aligned to IPS Strategic Plan

System upgrades - business management and student information systems (2.8)

System assessments and implementations (2.8)
- Transportation, food service, staff onboarding and document management

Financial controls and reporting (2.2)
- Increased regularity of third-party review, federal ESSA compliance and GAAP

Talent development
- Recruitment, professional development and teacher leadership
funding sources

Projected total revenue

State Grants
$5,745,000

General Fund
$254,670,000

Bus Replacement
$12,000,000

Capital Projects
$36,000,000

Debt Service
$66,500,000

Transportation
$37,000,000

State
$260,415,000

Local
$151,500,000

Federal
$58,444,000

Operating
$470,359,000

Innovation Network Schools
$25,000,000

Traditional Schools
$432,689,000

Turnaround Schools
$12,670,000

Cash Reserves

Rainy Day Fund
Projected Total Revenue $470M - What Are the Sources of Funds?

- State Grants - $5,745,000 (1%)
- General Fund - $254,670,000 (54%)
- Bus Replacement - $12,000,000 (3%)
- Capitol Projects - $36,000,000 (8%)
- Debt Service - $66,500,000 (14%)
- Transportation - $37,000,000 (8%)
- Federal Fund - $58,444,000 (12%)
budget proposal SY 2017–2018

projected total expenditures

- State Grants: $5,745,000
- General Fund: $272,670,000
- Bus Replacement: $12,945,000
- Capital Projects: $45,600,000
- Debt Service: $57,000,000
- Transportation: $39,789,000

- State: $278,415,000
- Local: $155,334,000
- Federal: $58,444,000

- Operating: $492,193,000
- Cash Reserves
- Rainy Day Fund

- Innovation Network Schools: $25,000,000
- Traditional Schools: $454,523,000
- Turnaround Schools: $12,670,000
Projected Total Expenditures $492M – Where Do the Dollars Go?

- **Schools** - $233,428,000 (47%)
- **Debt** - $57,000,000 (12%)
- **Transportation** - $52,734,000 (11%)
- **Operations & Support** - $52,139,000 (11%)
- **Innovation** - $25,000,000 (5%)
- **School Lunch** - $20,814,000 (4%)
- **School Construction/Renovation** - $19,782,000 (4%)
- **Central Services** - $18,626,000 (4%)
- **Turnaround** - $12,670,000 (2%)
budget proposal SY 2017–2018

projected total operating budget: $470,359,000

Projected State Funds: $260,415,000

State Public School Fund Uses

Staff and Resources
Teachers, School Based Administrators, Guidance, Psychologist, Nurses, Interpreters, Teacher Assistants, Resource Officers, Administrators, Business Services, Custodians, Supplies and Materials, and Contracted Services

Innovation Network School Contractual Payments

Turnaround School Contractual Payments
budget proposal SY 2017–2018

projected total operating budget: $470,359,000

Projected Local Funds: $151,500,000

Local Funds Uses
Utilities and Maintenance, Insurance, Information Technology Support, IT Hardware, Furniture and Equipment, Transportation, Debt Payments, and Building Construction and Renovation

Projected Federal Funds: $58,444,000

Federal Funds and Grants
(program specific and cannot be used to supplant)
Teachers, Teacher Assistants, Administrators, Supplies and Materials, and Contracted Services
## budget proposal SY 2017–2018

### proposed deficit solutions

<table>
<thead>
<tr>
<th>Funds</th>
<th>Revenues</th>
<th>Expenditures</th>
<th>Gap</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$254,670,000</td>
<td>$272,670,000</td>
<td>$18,000,000</td>
<td>Cash Reserves; Sale of Real Property; Operating Referendum</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>$36,000,000</td>
<td>$45,600,000</td>
<td>$9,600,000</td>
<td>Cash Reserves; Defer Maintenance and Projects; Capital Referendum</td>
</tr>
<tr>
<td>Transportation</td>
<td>$37,000,000</td>
<td>$39,789,000</td>
<td>$2,789,000</td>
<td>Cash Reserves; 3-Tier Transportation, New Bus Efficiencies</td>
</tr>
<tr>
<td>Bus Replacement</td>
<td>$12,000,000</td>
<td>$12,945,000</td>
<td>$945,000</td>
<td>Cash Reserves; 3-Tier Transportation, New Bus Efficiencies</td>
</tr>
<tr>
<td><strong>Total Gap</strong></td>
<td></td>
<td></td>
<td><strong>$31,334,000</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Less Debt Fund</strong></td>
<td></td>
<td></td>
<td>($9,500,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Gap</strong></td>
<td></td>
<td></td>
<td><strong>$21,834,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Subject to change due to state, federal or county funding fluctuations.*
## Reserve Cash Balance

<table>
<thead>
<tr>
<th>Funds</th>
<th>Projected Balance (6.30.17)</th>
<th>Projected Expenditures</th>
<th>Projected Remaining Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$35,000,000</td>
<td>$18,000,000</td>
<td>$17,000,000</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>$16,800,000</td>
<td>$9,600,000</td>
<td>$7,200,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$1,250,000</td>
<td>$2,789,000</td>
<td>($1,539,000)</td>
</tr>
<tr>
<td>Bus Replacement</td>
<td>$4,400,000</td>
<td>$945,000</td>
<td>$3,455,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$57,450,000</td>
<td>$31,334,000</td>
<td>$26,116,000</td>
</tr>
<tr>
<td>Debt Fund</td>
<td>($700,000)</td>
<td>NA</td>
<td>$8,800,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$34,916,000</td>
</tr>
</tbody>
</table>

Subject to change due to state, federal or county funding fluctuations.
### Timeline of Milestones

<table>
<thead>
<tr>
<th>When</th>
<th>Who</th>
<th>What</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2017</td>
<td>Administration &amp; Staff</td>
<td>School-level and districtwide budget development</td>
</tr>
<tr>
<td>February 2017</td>
<td>Administration &amp; Board</td>
<td>Board reviews initial proposal and provides feedback</td>
</tr>
<tr>
<td>March 6, 2017</td>
<td>Administration &amp; Board</td>
<td>Public Hearing</td>
</tr>
<tr>
<td>March 16, 2017</td>
<td></td>
<td>Board of School Commissioners adopts SY 2017–2018 Budget</td>
</tr>
</tbody>
</table>