

**NEW ALBANY FLOYD COUNTY CONSOLIDATED SCHOOL
CORPORATION**

2019 BUDGET



Excellence in Public Education...

January 1, 2019 to December 31, 2019

Prepared by
Christopher J. Street
Chief Business Officer / Treasurer

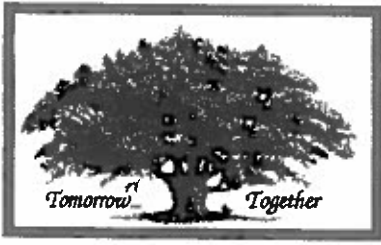


NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION

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Introductory Section

**BUDGET
OF
NEW ALBANY-FLOYD COUNTY
CONSOLIDATED SCHOOL
CORPORATION**

Calendar Year
Beginning January 1, 2019
Ending December 31, 2019

Board of School Trustees

Jenny Higbie, President

Elizabeth Galligan, Vice President

Lee Ann Wiseheart, Secretary

Jan Anderson, Member

Donna Corbett, Member

Lee Cotner, Member

Rebecca Gardenour, Member

Corporation Administration

Dr. Bradley J. Snyder, Superintendent

Bill Briscoe, Assistant to the Superintendent

Report Issued by

Christopher J. Street, Chief Business Officer/Treasurer

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION

2019 BUDGET TIMELINE:

March 2018	Initial CPF Planning Meetings
April/May/June 2018	Budget Meetings and Development
June/July 2018	Budget Drafts Prepared for 2019 Budget & Discussion with Supt. & Admin. Team
August 2018	DLGF Field Workshop
August 2018	Budget Process Overview, Board Work Session
August 31, 2018	Deliver Budget Information to Newspaper for advertising
September 5, 2018	2019 CPF and Bus Replacement Plan Publication (The News & Tribune) (At least 10 days before hearing)
September 5, 2018	Submit Online Budget Notice on Gateway (At least 10 days before hearing)
September 17, 2018	Public Hearing on 2019-2021 CPF Plan, 2019-2023 Bus Replacement Plan, & 2019 School Budgets (Must be at least 10 days before adoption)
October 22, 2018	2019 Budget, CPF Plan, and Bus Replacement Plan Adoption (November 1st is legally the last possible day to adopt the bus & CPF plans) (November 1st is legally the last possible day to adopt the school budgets)
October 23, 2018	File Adopted Budget on Gateway (Nov. 3rd last legal day or 2 days after adoption)
December 2018	Department of Local Government Finance Field Hearing/Meeting
December 2018	Final Budget Order Issued

**NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL
CORPORATION
2019 BUDGET
EXECUTIVE SUMMARY**

Management is pleased to present the 2019 Budget for the New Albany-Floyd County Consolidated School Corporation (NAFCS), New Albany, Indiana. All budgets have been placed within a single publication utilizing a pyramid approach so that readers may progress from a broad overview toward greater specificity. Management believes this report dramatically improves the NAFCS budget as a communication tool and as a reference document as the school district continues its quest toward *“providing each child with an outstanding, unsurpassed education.”*

The 2019 Budget, which is a calendar year budget for governmental funds as required by Indiana statute, is organized into five (5) major sections, i.e. I) Introductory Section, II) Organizational Section, III) Financial Section, IV) Information Section, and V) Appendix. The budget also includes a three (3) year Capital Projects Plan which represents a written plan establishing the capital priorities and proposed expenditures for the facilities and technology programs. Also included is a five (5) year School Bus Replacement Plan. The replacement plan outlines the planned purchase of new buses due to the retirement of older models at the end of their useful life. In an effort to make the budget more understandable, charts and graphs have also been utilized in appropriate places.

Budgets are customarily advertised higher than anticipated due to unknown variables such as assessed valuation (property wealth), excise tax, etc. Historically, the DLGF will reduce the advertised budget at a final hearing once the unknown variables have been determined.

Review of 2018

At the time of this publication, NAFCS is more than half-way through improvements afforded by the capital projects referendum passed by the voters in 2016. Green Valley Elementary was opened in the summer of 2018 with students starting the first day of school in the new building. Projects at Highland Hills Middle School are 100% completed. Prosser has large scale improvements that are slated to be finished in 2019. Slate Run Elementary will be a brand new building that is set to open in summer of 2019. Projects at New Albany High School, Floyds Knobs Elementary, and Greenville Elementary are all in progress.

A review of how we spend our general fund monies compared to other school corporations across the state shows that New Albany-Floyd County Schools spends above average in the area of instruction and is below the State average in general administration and school administration. There is a comparison document located in the Financial Section of this document.

2019 Budget Highlights and Concerns

The 2019 budget process is drastically different than any previous budget created. Well known funds such as the: General Fund, Capital Projects Fund, Transportation Fund, and Bus Replacement Fund are no longer stand-alone funds. The two funds to take their place are the Education Fund and the Operations Fund. House Enrolled Act 1009 and House Enrolled Act 1167 can be referenced for a more detailed analysis.

The Education Fund is comprised of expenditures that are allocated to student instruction and learning. Most of the former General Fund, as well as the instructional technology expenditures from the former Capital Projects Fund are now part of the Education Fund. The Operations Fund is comprised of operational expenditures from the former General Fund, most of the former Capital Projects Fund, the former Transportation Fund, and the former Bus Replacement Fund.

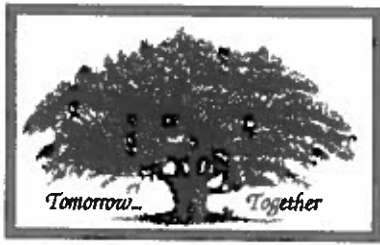
Before this legislation, funds were stand-alone. Money appropriated to a fund had to stay within that fund. The goal of the new structure is to help school corporations become more flexible to meet expenditure needs. With this flexibility also comes great responsibility. It will be important for business managers, superintendents, and school boards to maintain discipline with long-term planning to avoid creating future budget and cash flow shortages.

The Education Fund is funded through student tuition, while the Operations Fund is funded through local tax revenues. Each month, some revenue in the Education Fund will be transferred to the Operations Fund to help sustain the expenditures that were previously in the former General Fund that were moved to the Operations Fund.

NAFCS, like most school corporations, faces challenges regarding revenue and budgeting. The district will experience loss of local tax revenue due to circuit breaker losses of over \$800,000. These losses primarily affect operational programs such as transportation and facilities. Despite the constraints, through diligent oversight and planning, NAFCS maintains a positive cash flow.

In summary, whereas there will always be significant fiscal challenges that will require difficult decisions for both staff and community, the school corporation is in a better position today to deal with things to come. Management appreciates all of the provided input and support received from the community, teachers and staff during the 2019 budget process on behalf of the New Albany-Floyd County Consolidated Schools. Management firmly believes this document will provide insight for those seriously interested in generating a deeper understanding of this public policy. If you should have any questions, feel free to contact the corporation's Business Office at (812) 542-2129.

Christopher J. Street
Chief Business Officer/Treasurer



Organizational Section

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION ABOUT OUR SCHOOLS

The New Albany-Floyd County Consolidated School Corporation is a public school district and has operated as a separate governmental unit since 1956, being organized under the provisions of Indiana Code 20-4. The NA-FC CS Corporation is located in Floyd County, Indiana, directly across the scenic Ohio River from Louisville, Kentucky. The corporation serves the city of New Albany, the towns of Georgetown and Greenville, and Floyd County townships covering approximately 149 square miles. Floyd County is a multi-ethnic community of over 76,000 residents with a variety of racial and religious groups and economic levels represented in the student population.

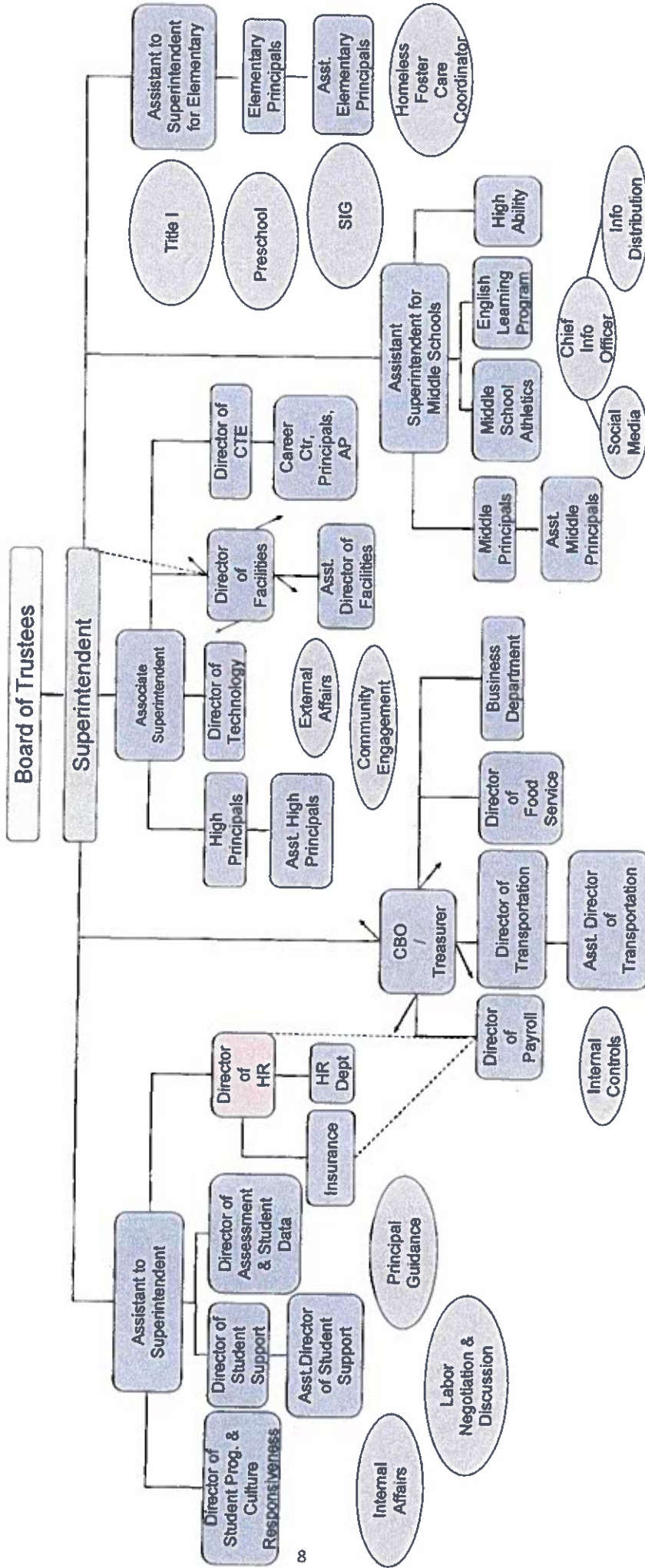
A seven-member elected board governs the corporation. New Albany-Floyd County Consolidated School Corporation provides a comprehensive educational program that encompasses nine elementary schools, three middle schools, two high schools, a pre-school center, an area vocational school, and alternative school programs. The corporation also houses centers for administration, transportation, and facilities. Of 294 public-school districts in the state, NA-FC CSC is the seventeenth largest school district in student population.

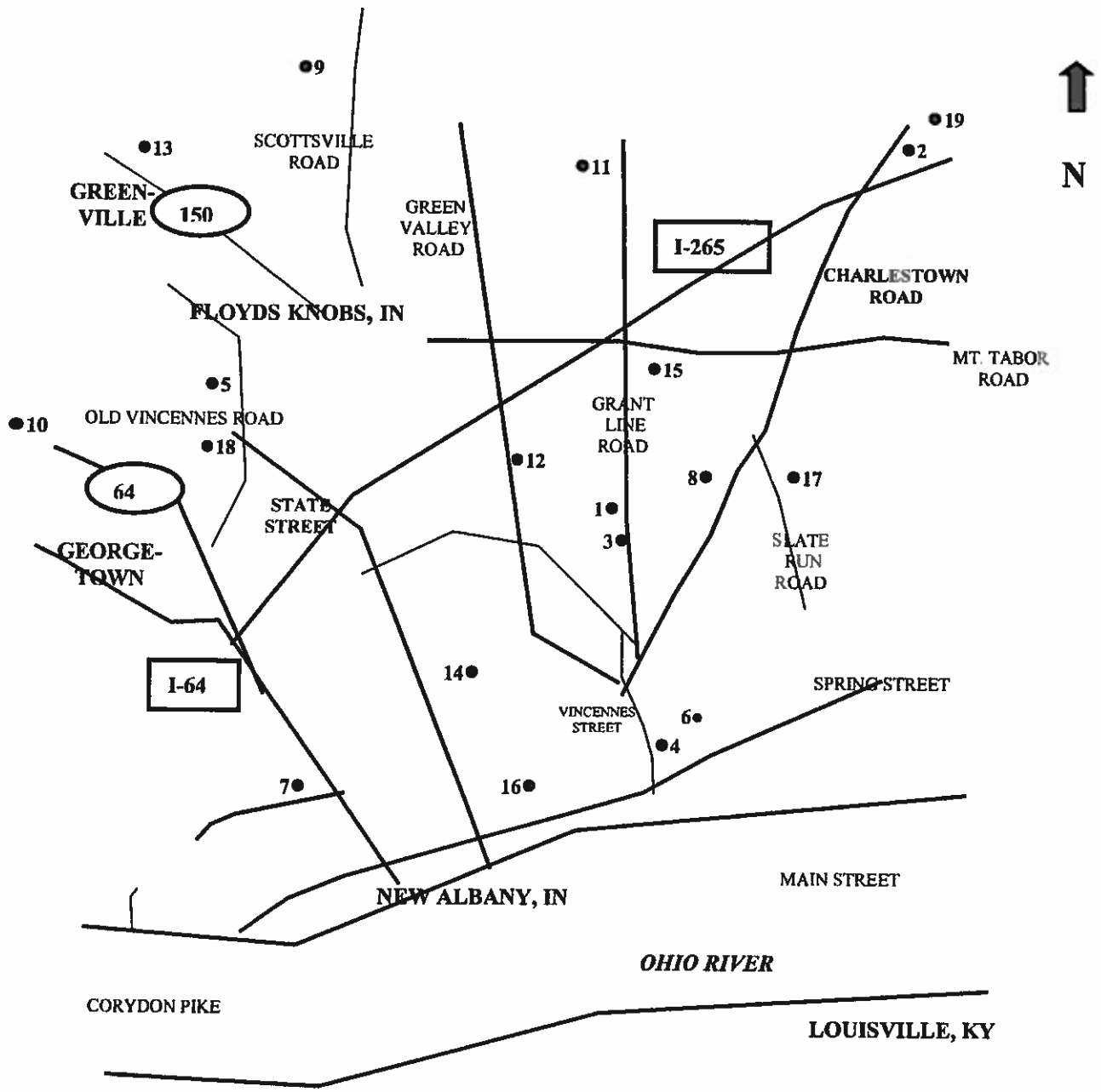
The district's enrollment totals more than 11,450 students in pre-kindergarten through twelfth grade. The district employs more than 1,400 personnel, which includes approximately 700 teachers and 700 support staff. The New Albany-Floyd County Consolidated School Corporation is committed to offering a diverse curriculum designed to meet the needs of all children within the school community. Students are held accountable for acquiring a basic foundational pool of knowledge and demonstrating that knowledge through classroom opportunities as well as through a wide variety of assessment tools and application-based strategies. Instructional staff members are trained in the best practice research and emerging national trends in curriculum, teaching strategies and assessment.

The NA-FC CS Corporation recognizes the parents and community as important members of the educational system. Interested citizens may become involved as volunteers in the schools, as members of special advisory boards, and may serve on strategic planning committees. Parents are welcome in the school buildings, and appointments with teachers, counselors or administrators may be scheduled by calling the school. In addition, each school has an active parent organization that works closely with teachers, administrators and students to enhance the quality of education.

The NA-FC CS Corporation communicates with the community in a number of ways. Each school has a newsletter or social media account to keep parents informed. In addition, the School Corporation has a Facebook page as well as a Website (www.nafcs.k12.in.us) that links individual building Websites and provides such information as calendars, budgets, lunch menus and more.

NAFCS Organizational Chart - 2018





- New Albany-Floyd County Consolidated School Building Locations**
- | | |
|--|--------------------------------------|
| 1. Administration/Facilities Buildings | 11. Grant Line Elementary School |
| 2. C.A. Prosser School of Technology | 12. Green Valley Elementary School |
| 3. Education Support Center | 13. Greenville Elementary |
| 4. New Albany High School | 14. Children's Academy of New Albany |
| 5. Floyd Central Junior/Senior High School | 15. Mt. Tabor Elementary |
| 6. Hazelwood Middle School | 16. S. Ellen Jones Elementary |
| 7. Scribner Middle School | 17. Slate Run Elementary |
| 8. Fairmont Elementary School | 18. Highland Hills Middle School |
| 9. Floyds Knobs Elementary School | 19. Transportation Center |
| 10. Georgetown Elementary | |

NA-FC CONSOLIDATED SCHOOL CORPORATION

**NEW ALBANY-FLOYD COUNTY
CONSOLIDATED SCHOOL CORPORATION
The School District Budgetary Process
2019 Annual Budget**

Administrative Overview

The New Albany-Floyd County Consolidated School Corporation is governed by a seven member elected School Board serving staggered terms of four years each. The School Board is non-partisan office. The Board of Education levies its own taxes, adopts its own resolutions having the effect of local law governing educational matters, and issues its own general obligation bonds subject to approval of the Department of Local Government Finance (DLGF). The DLGF is also the final authority over the New Albany-Floyd County Consolidated School Corporation's budget. The Board of Education has the power to control management and operations without significant influence from the city and county officials. Management believes that the preceding facts support presenting this report on an independent basis and not as a component unit of another governmental unit. Management also considers all other units of government within Floyd County to be separate from New Albany-Floyd County Consolidated School Corporation, and their annual budgets are not treated as component units within this report.

The Budgetary Process

Overview

The budget is initially prepared and approved at the local level, with subsequent final approval by the DLGF. Budget modifications are made in accordance with the laws of the State of Indiana.

Budgets for the budgetary funds of the school district are prepared in detail by functional classification. The disbursements have been converted to object classification for external reporting.

Formal budgets are required by state statute and have been adopted for the five (5) Governmental Funds: Education Fund, Debt Service Fund, Referendum Fund, Operations Fund, and Rainy Day Fund.

Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the New Albany-Floyd County Consolidated School Corporation's Board of School Trustees. Although the school district does not have a specific policy governing budget development, an established practice does exist and is presented in the following paragraphs.

Activities of the Education, Debt Service, Referendum, Operations, and Rainy Day Fund are included in the annual appropriated budget. The level of budgetary control is established by fund and major category of expense. The seven major categories of expenses are salaries, employee benefits, purchased services, supplies and materials, capital outlay, other charges, and transfers. The New Albany-Floyd County Consolidated School Corporation also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts do not lapse at year end. These carryover encumbrances are closely monitored to insure that expenditures do not exceed the original encumbrance, and in turn the carryover budget.

Process

For many school districts, budgeting is a year-round process, including the New Albany-Floyd County Consolidated School Corporation. Goals and objectives are set several months in advance of the budget year. These goals are then communicated to staff members in anticipation of budget development.

For Indiana, the budgeting goals are translated into monetary terms during the months of July and August. Inventory, equipment and supply needs for the following year are determined for each building. The Chief Business Officer first reviews budget requests. Once reviewed, the requests are put into budgetary schedules and shared with the Superintendent. Work sessions are then held with the Superintendent and administration as well as input from Board members to fine tune the budget requests.

Public hearings are held in September to communicate the details of the budget to the New Albany-Floyd County Consolidated School Corporation community. From these hearings the final touches are put on the budget to be sent to the Floyd County Auditor.

The County Auditor publishes tax rates based on current information. Late in the year, the DLGF conducts a final review at a hearing held to set the tax rates, levies and the certified assessed valuation for the subsequent year. Official Budget Orders are sent to all taxing units by December 31 of the budget year per Indiana Code.

Capital Projects Budgeting Process

A three (3) year Capital Projects Plan must be developed. This plan must be advertised, and a public hearing must be held on the plan. Finally, the Board of School Trustees must adopt the plan by resolution. Only the first year of the plan is actually approved by Budget Order while the second and third years are subject to modification as the district's needs change.

Input is solicited for the Capital Projects Plan from building principals and directors prior to budget development. The Chief Business Officer and Facilities Director then formulate a rough draft that is refined by work sessions with the Superintendent and School Board. After further review by the Board of School Trustees in a public work session, the plan is incorporated into the appropriate budget forms and then follows the same hearing and review process as the other governmental funds. Care is taken not to impact future operating budgets negatively, and every opportunity is seized to lower operating costs with improved materials and equipment during projects.

Bus Replacement Budgeting Process

For 2019, the bus replacement plan was reduced from twelve (12) years to five (5) years. The useful life of a bus is considered to be 12 years, but the plan only calls for showing the next five years in the plan. In 2018, NAFCS implemented seat-belts on twelve new buses. The corporation plans to implement seat belts moving forward.

The Chief Business Officer works closely with the Transportation Director and Maintenance Supervisor to maintain a safe and functional fleet of buses.

Management

The annual budget is an important part of overall school district planning. The school district's budget is divided into separate funds for the purpose of control and separation of various expenditure areas. Each of the different funds constitute a complete accounting entity.

The Education Fund, which is the largest of all the funds, is established for controlling most of the educational expenses of the school district. Included in the Education Fund are appropriations for salaries and fringe benefits, instructional supplies, summer programs, professional development, and community service programs. Building principals are responsible for administering their instructional supply and professional development allocations.

The Debt Service Fund is used to pay debt obligations of the school district. The school district currently has debt payments for cash flow and capital improvements made at Floyd Central High School, Scribner Middle School, Hazelwood Middle School, and Highland Hills Middle School.

The Referendum Fund is used to pay for debt obligations for projects at Highland Hills Middle School, Greenville Elementary School, New Albany High School, Slate Run Elementary School, Green Valley Elementary School, Prosser Career and Technical Center, and Floyds Knobs Elementary School.

The Operations Fund is used to pay for any capital outlay expenditures. It is also used for technology, planned construction, repair, replacement, or remodeling of school facilities as well as emergency situations. Building principals are responsible for administering their instructional equipment allocations. Transportation and bus replacement expenditures are now paid from the Operations Fund.

Much discussion concerning the school district's budget centers around the appropriations made and the spending pattern that evolves from these appropriations. **It must be noted that no spending can take place until the sources of funding for the appropriations have been identified and certified by the DGLF. Deficit spending is not allowed in governmental units in the State of Indiana.** Appropriation spending is, therefore, controlled by the income and cash available. The sources of funding have been identified for each of the funds used by the school district and the appropriations in the funds have been made only after careful consideration has been given to the level of funding for each fund. Comptroller activities are performed by the Chief Business Officer who monitors expenditure reports by cost center and advises building principals and other administrators when appropriate.

STRATEGIC PLANNING

- I. ACADEMICS: RAISING THE BAR & CLOSING THE GAP**
- II. SUSTAINABLE BUDGET**
- III. HIGHEST AND BEST USE OF CAPITAL RESOURCES**
- IV. CONNECTING WITH THE COMMUNITY**

Academics:
Raising the Bar &
Closing the Gap

Developing
Effective Instructional
Staff

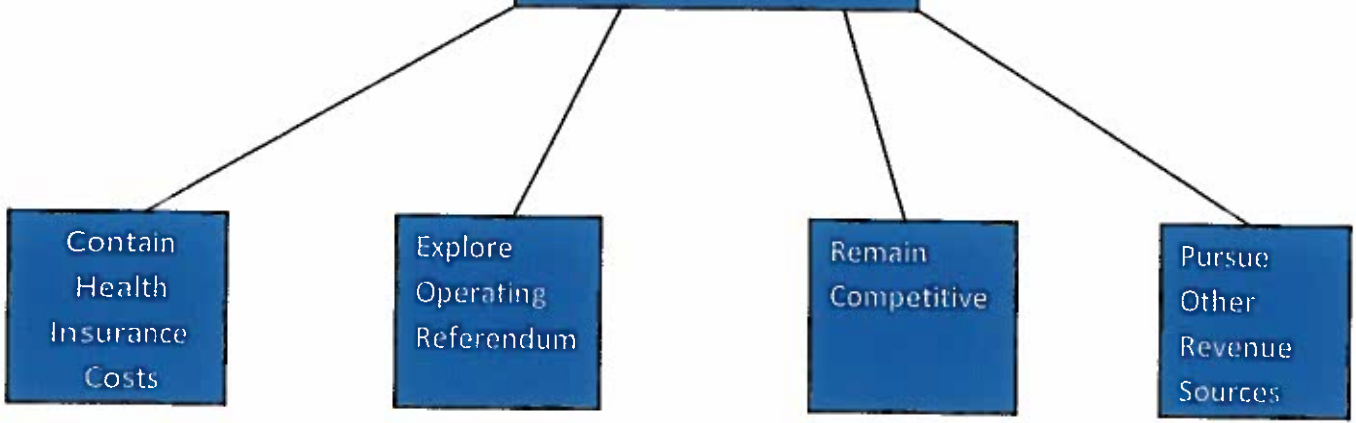
Broadening
Academic
Opportunities

Defining
The
Curriculum

Incorporating
Mentoring
Opportunities

Improving
The
Graduation Rate

Sustainable Budget



Highest and Best
Use of Capital
Resources

Safety &
Security

Equitable &
Competitive
Technology

On-going
Repair &
Maintenance

Energy
Projects

Use of
Facilities

