

**NEW ALBANY FLOYD COUNTY CONSOLIDATED SCHOOL
CORPORATION**

2014 BUDGET

A⁺ Results Matter!
NAFC SCHOOLS
www.nafcs.org

Excellence in Public Education...

January 1, 2014 to December 31, 2014

Prepared by
Fred McWhorter II
Chief Business Officer / Treasurer



NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION

Table of Contents

| | Page |
|---|-----------|
| I. INTRODUCTORY SECTION | 1 |
| Board of School Trustees and Executive Administration | 3 |
| Executive Summary | 5 |
| Budget Calendar | 9 |
| II. ORGANIZATIONAL SECTION | 11 |
| About Our Schools | 13 |
| Administrative Flowchart | 15 |
| Map of School Building Locations | 17 |
| Strategic Plan/Thematic Goals | 19 |
| III. FINANCIAL SECTION | 25 |
| The General Fund | 27 |
| Financial Summary- Beginning Cash, Revenue, Expenses, Ending Cash | 29 |
| How do we spend our money by program | 31 |
| How do we spend our money by object | 33 |
| Detail of Expenditures by Function and Object | 35 |
| The Debt Service Fund | 53 |
| Detail of Expenditures by Function and Object | 55 |
| The Capital Projects Fund | 57 |
| Detail of Expenditures by Function and Object | 59 |
| 2014, 2015, 2016 Capital Projects Plan | 63 |
| CPF Graph of Expenditures by Area | 123 |
| CPF Graph of Expenditures by Category | 125 |
| The Transportation Fund | 127 |
| Detail of Expenditures by Function and Object | 129 |
| Graph of Transportation Expenditures | 131 |
| The School Bus Replacement Fund | 133 |
| Detail of Expenditures by Function and Object | 135 |
| School Bus Replacement Plan for the Years 2014 through 2025 | 137 |
| The Rainy Day Fund | 141 |
| Detail of Expenditures by Function and Object | 143 |

| | | |
|------------|--|------------|
| IV. | INFORMATIONAL SECTION | 145 |
| | Budget Forms and Notices | 147 |
| | Current Year Financial Worksheet | 149 |
| | Debt Worksheet | 157 |
| | Form 1 – School Corporation Budget Estimate | 159 |
| | Form 2 – Estimate of Miscellaneous Revenues | 179 |
| | Form 3 – Notice to Taxpayers of Tax Levies | 181 |
| | Notice to Taxpayers of the School Bus Replacement Plan | 183 |
| | Notice to Taxpayers for the establishment of a Capital Projects Plan | 185 |
| | County Council Property Tax Budget Review Form | 187 |
| | Form 4 – Resolution of Appropriation | 189 |
| | Form 4a – Budget Report | 191 |
| | Form 4b – Budget Estimate – Financial Statement- Proposed Tax Rate | 205 |
| | Resolution to Adopt the Year 2014 Bus Replacement Plan | 213 |
| | Resolution to Adopt the Year 2014 Capital Projects Plan | 215 |
| | CPF Notice of Adoption | 217 |
| | State of Indiana Statistical Information | 219 |
| | Overview –Enrollment- Teacher Count-ISTEP passing-Graduation Rate | 221 |
| | Enrollment by Ethnicity, Free/Reduced | 223 |
| | Attendance Overview | 225 |
| | Teacher Count and Years of Experience | 227 |
| | Four Year Cohort Status | 229 |
| | Advanced Placement (AP) | 231 |
| | IREAD Accountability Overview | 233 |
| | DOE Report Card – Letter Grade A | 235 |
| V. | APPENDIX | 239 |
| | Glossary of Terms | 241 |



Introductory Section

BUDGET
OF
NEW ALBANY-FLOYD COUNTY
CONSOLIDATED SCHOOL
CORPORATION

Calendar Year
Beginning January 1, 2014
Ending December 31, 2014

Board of School Trustees

D.J Hines, President

Roger Whaley, Vice President

Jan Anderson, Secretary

Mark Boone, Member

Rebecca Gardenour, Member

George Gauntt, Member

Jessica Knable, Member

Corporation Administration

Dr. Bruce Hibbard, Superintendent

Dr. Bradley J. Snyder, Deputy Superintendent

Bill Briscoe, Assistant to the Superintendent

Report Issued by

Fred McWhorter II, Chief Business Officer/Treasurer

**NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL
CORPORATION
2014 BUDGET
EXECUTIVE SUMMARY**

Management is pleased to present the 2014 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 2014 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 Fund Plan which represents a written plan establishing the capital priorities and proposed expenditures for the facilities and technology programs. Also included is a twelve-year School Bus Replacement Plan, which provides for the planned retirement of replacing school buses 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.

NAFCS is required to publish budget forms for their community to inspect (see Informational Section). 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.

Management Concerns:

There has been wide media coverage about the cuts to public education not only in Indiana but across the United States. Unfortunately, the New Albany-Floyd County Schools did not escape these funding cuts. The 2014 budget year will continue to present significant challenges for the New Albany-Floyd County Schools. However, we believe 2014 represents the beginning of a movement toward the balancing of the General Fund budget which hasn't happened in the last 5 years.

The New Albany-Floyd County Schools General Fund which is used for our daily operating expenses such as teacher salaries and benefits had been operating at a deficit since 2009 when the economy went into a recession and significant State cuts to public education were made. However, significant management expenditure reductions over the past several years has been able to bring revenue more in line with expenses. It is anticipated that the 2014 budget will be balanced. This is contingent upon how future teacher bargaining impacts the budget and changes in student enrollment. NAFCS has experienced enrollment declines over the past 5 years which has negatively affected revenue. We are optimistic that this pattern has or is near bottoming out.

Labor and benefit costs make up approximately 90% of the general fund expenditures. Health insurance costs, beyond wages, continue to be the number one cost for the district. However, bargaining concessions were obtained in 2013 that will help mitigate any major corporation increases in 2014, although the potential financial impact of the Affordable Care Act is still unknown.

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.

Retirement costs are another general fund expense that has created a major budget concern. The school corporation currently contributes, 2.5% of salary on behalf of teachers to a local retirement plan, 401(a), and an additional 10.5% to the state teacher's retirement plan. The Corporation also contributes 14.2% toward the Public Employers Retirement Fund for eligible classified employees. Bargaining concessions were obtained in 2013 which cap the retirement health benefit that was previously in place. These changes have reduced the unfunded teacher retirement health liability so that it will be phased out in ten years.

Another budget concern for the district is our student transportation costs. These costs are accounted for separately in our Transportation Operating Fund. The rising cost of health insurance and diesel fuel is causing this fund to spend more than available revenue. Whereas, the transportation fund has cash on hand, the continued expenditure of funds in excess of revenue will cause this cash balance to decline in the near future. In addition, changes to the circuit breaker law have a potential to substantially negatively affect the Transportation Fund in the years to come.

The School Corporation does have approximately \$4 million in a Rainy Day Fund. This represents only approximately 1 month of operating expenses. Emphasis will be made to maintain and/or increase this balance.

Budget Highlights:

Whereas New Albany-Floyd County Schools has experienced financial difficulties in the past, we do not expect our operations to materially change from this point forward provided that expenses can continue to be kept under control. Cost containment measures that management has and is putting into place are having a positive effect on the budget.

In addition, in late 2013 the School Corporation is issuing \$2 million in General Obligation Bonds to invest in improving safety and technology infrastructure of the organization. Even with this investment we believe the overall 2014 property tax rate will be substantially similar to the 2013 rate. Indiana law does not grant local school corporations easy access to raising taxes for operating expenses. Statutory limits such as

levy caps, rate caps and property tax circuit breaker provisions limit what funds can be generated locally.

In summary, there are significant fiscal challenges ahead that will require difficult decisions for both the staff and community. Management appreciates all of the provided input and support received from the community, teachers and staff during the 2014 budget process on behalf of the New Albany-Floyd County Consolidated Schools. Management firmly believes this document will provide insight for those more 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.

Fred McWhorter II
Chief Business Officer/Treasurer

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION

2014 BUDGET TIMELINE:

| | |
|---------------------|---|
| March 2013 | Initial CPF Planning Meetings |
| April/May/June 2013 | Budget Meetings and Development |
| June/July 2013 | Budget Drafts Prepared for 2014 Budget & Discussion with Supt. & Admin. Team |
| July 2013 | Budget Process Overview |
| August 22, 2013 | Deliver Budget Information to Newspaper for advertising |
| August 29, 2013 | 1st 2014 Budget Publication (The News & Tribune) (At least 7 days before 2nd Publication, September 2nd is legally the last date for first publication) |
| September 1, 2013 | File County Council Review Form on Gateway |
| September 5, 2013 | 2nd 2014 Budget Publication (The News & Tribune) (At least 3 days before Public Hearing, September 9 is legally the last date for second publication) |
| September 16, 2013 | Public Hearing on 2014-2016 CPF Plan, 2014-2025 Bus Replacement Plan, & 2014 School Budgets (Must be at least 10 days before adoption) |
| October 21, 2013 | 2014 Budget, CPF Plan, and Bus Replacement Plan Adoption (September 20th 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 28, 2013 | CPF Notice of Adoption publication (The News & Tribune) (15 day remonstrance period begins) |
| November 1, 2013 | File Adopted Budget on Gateway |
| November 12, 2013 | Verify Remonstrance Status of CPF Plan with County Auditor |
| December 2013 | Department of Local Government Finance Field Hearing/Meeting |
| February 15, 2014 | Final Budget Order Issued |



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 71,000 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 9 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 11,500 students in pre-kindergarten through twelfth grade. The district employs more than 1,000 full-time personnel, which includes approximately 680 teachers, and 375 part-time personnel.

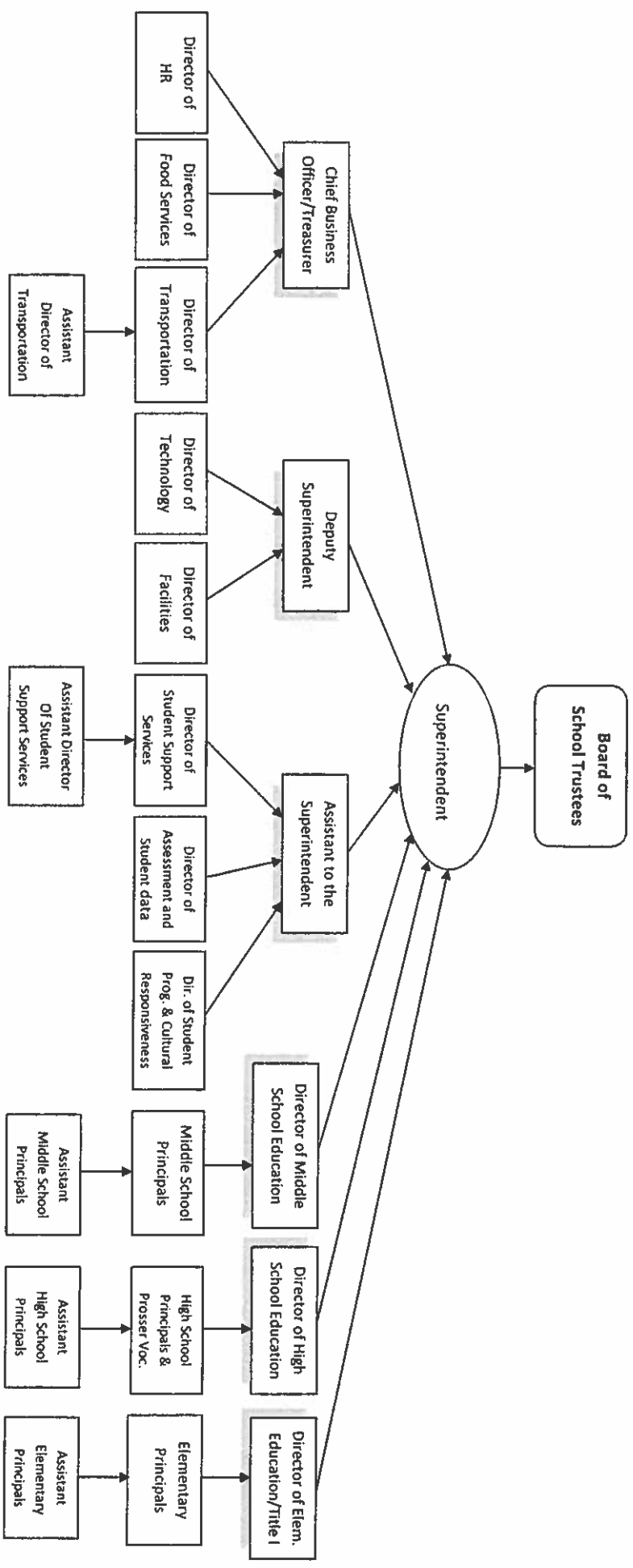
The New Albany-Floyd County Consolidated School Corporation is committed to offering a diverse curriculum designed to meet the needs of all children within the school community. Students are held accountable for acquiring a basic foundational pool of knowledge and demonstrating that knowledge through 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.

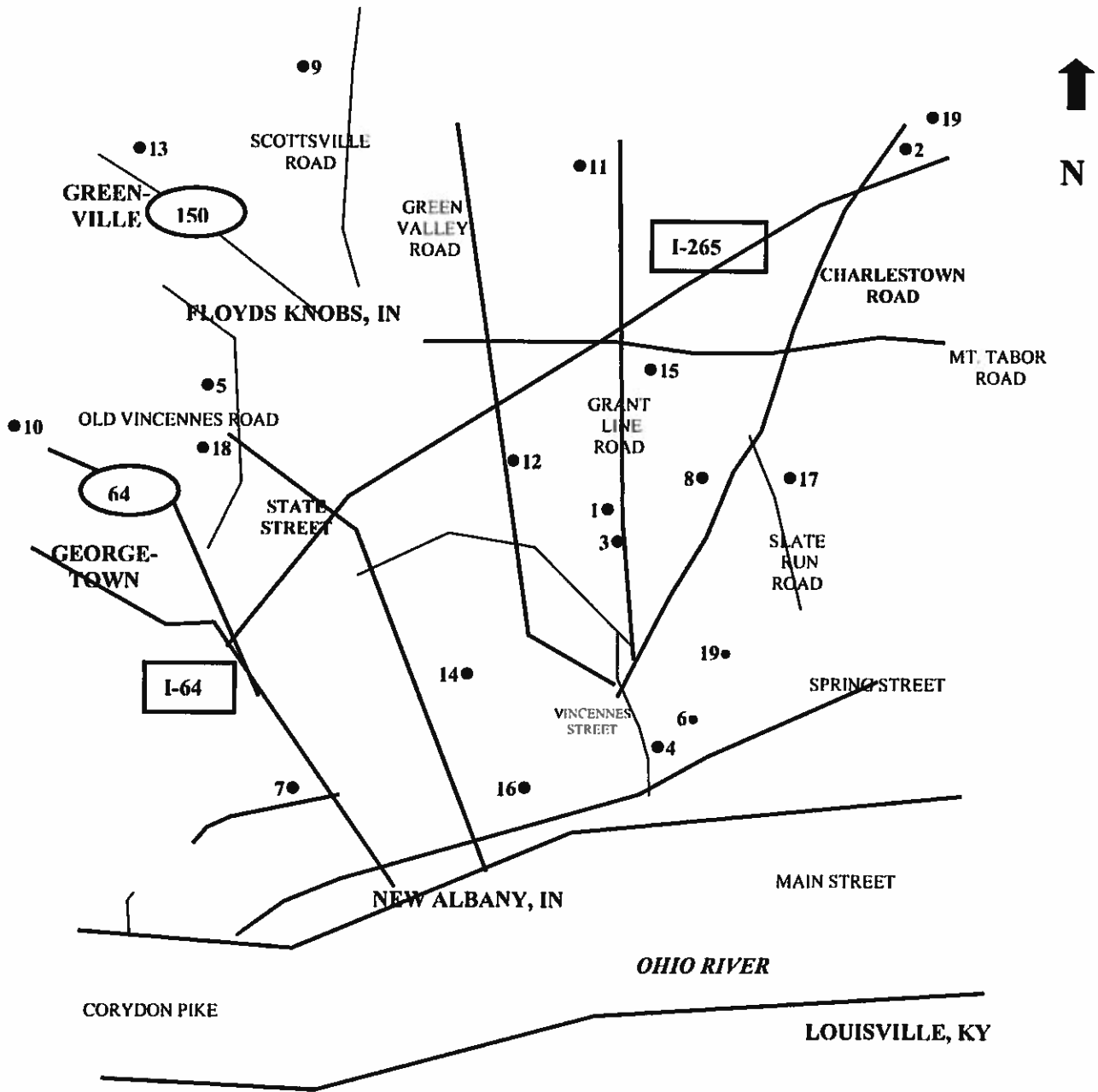
The State of Indiana requires that students take a standardized test, ISTEP+, in grades three through ten. At the tenth-grade level, students must pass the Graduation Qualifying Exam (GQE) in order to be eligible to receive a high school diploma. The school district has a number of programs in place to ensure local curriculum alignment with state expectations and proficiencies. These include in-service teacher training, identifying at-risk students, tutorial and remediation opportunities and summer school programs.

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 building has a newsletter that it periodically sends home with students. 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.





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 | |

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

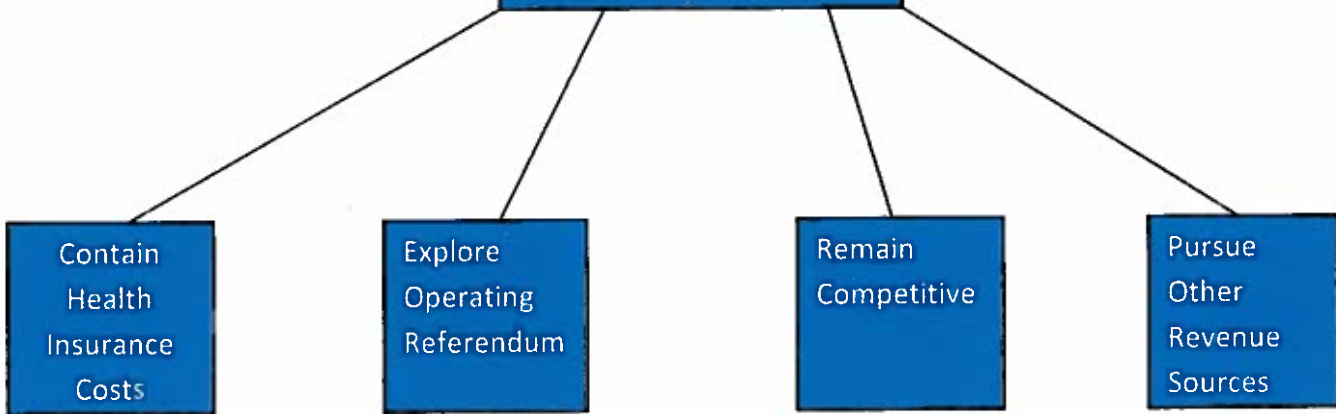
Broadening
Academic
Opportunities

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



Connecting
with the
Community

Expanding
our Digital
Outreach

Improving
our Parent
Portal

Increasing
our Alumni
Support

Establishing
a Two Year
Calendar

Enhancing
Registration
Procedures