

IAPSS-ISBA-CEEP Survey on School Corporation Financial Management Issues August 6, 2010

Introduction

The Survey on School Corporation Financial Management Issues was an online survey administered by the Center for Evaluation & Education Policy (CEEP) at Indiana University in collaboration with the Indiana Association of Public School Superintendents (IAPSS) and the Indiana School Boards Association (ISBA). The survey was distributed by Dr. John Ellis, Executive Director of IAPSS, to 292 superintendents. 204 superintendents provided usable responses (a response rate of 70%). The survey opened on June 22, 2010 and closed on July 23, 2010.

The following analysis provides aggregated data for those 204 districts. Upcoming analysis will provide disaggregated data, considering each district grouped by locale type. Seven survey questions were asked of superintendents across Indiana. These questions pertained to General Fund budget reductions and resulting reduction in force (RIF), upcoming November referenda regarding General Fund and Construction/Capital Fund and the resulting property tax increase as well as expected funds generated, projected inter-fund transfers in accordance to House Enrolled Act (HEA) 1367, and possible trends in the start and end dates of school calendars across the state.



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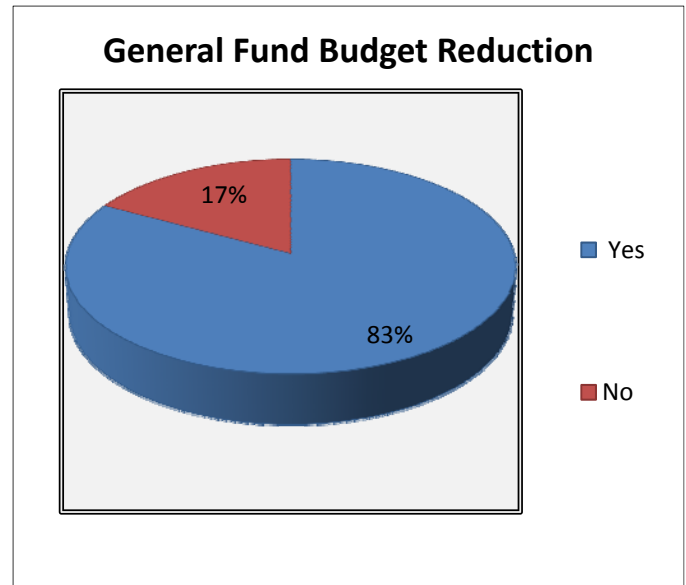
General Fund Budget Reduction (survey question 1)

1. Have there been General Fund budget reductions adopted by your school corporation and approved by the corporation's governing body this year?

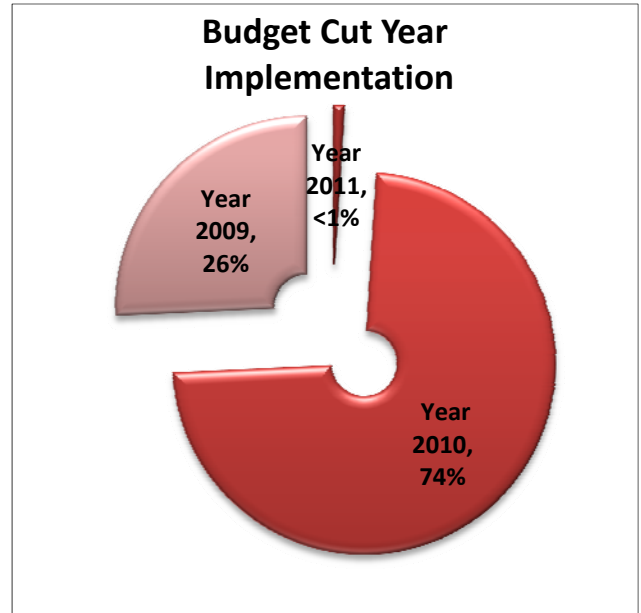
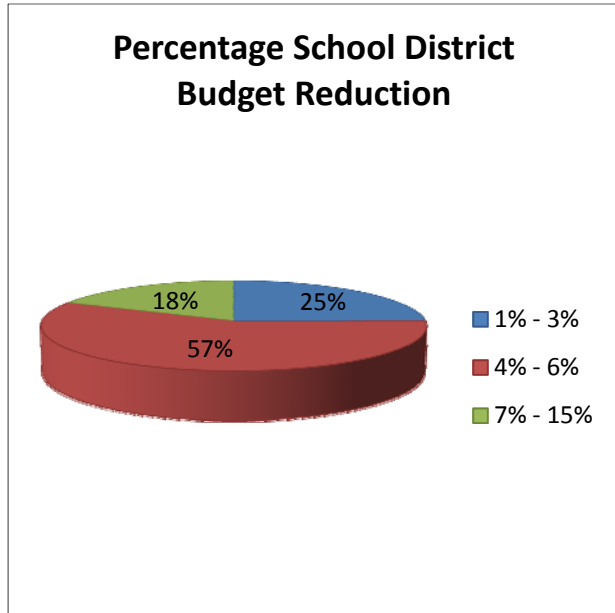
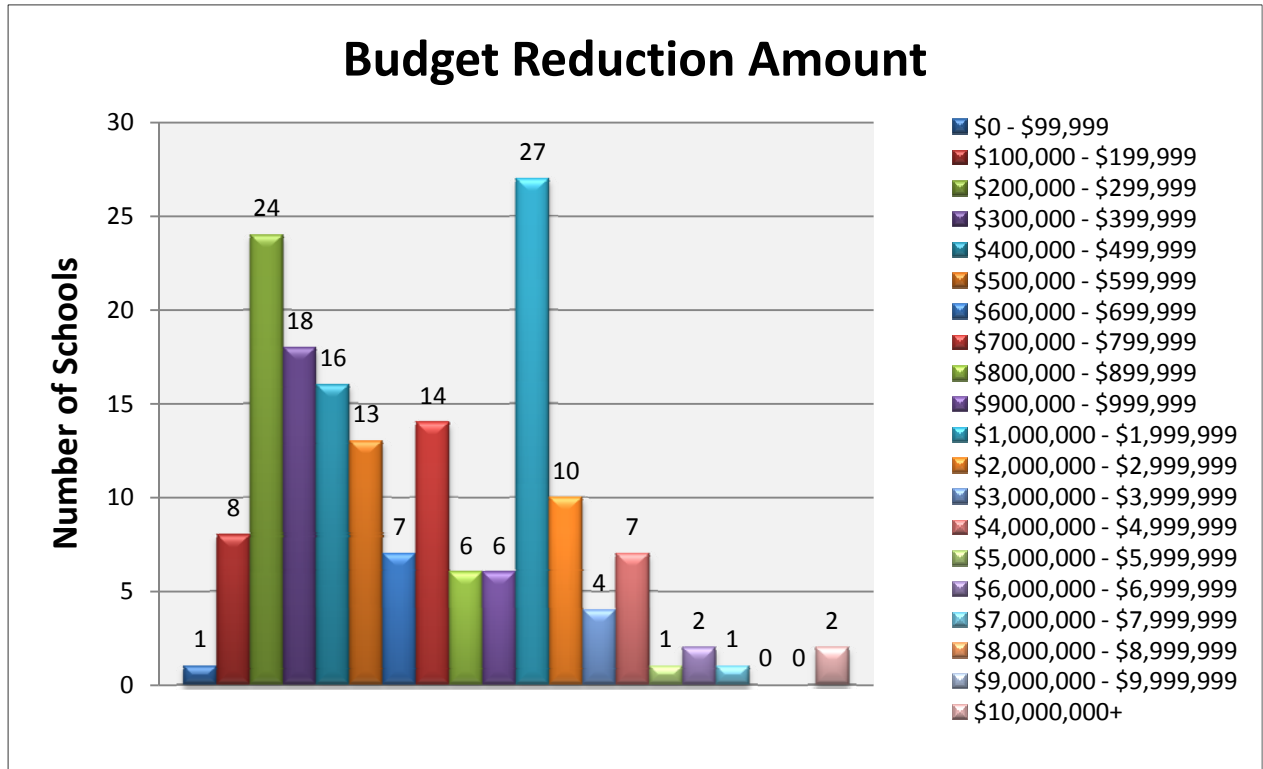
- a. If yes, what is the amount of these reductions in total dollars?
 - b. What is the amount of these reductions as a percentage of the General Fund budget?
 - c. What is the first school year that these reductions will be implemented?
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Budget Cut Overview:

- Almost five times as many superintendents responded that they would reduce their General Fund budgets than those that said there would be no financial reductions (83% to 17%).
- For those districts that will be facing budget reductions (N=167), the average amount of cuts was or will be \$1,486,723. Two districts reported cuts over \$10,000,000 (Fort Wayne Community Schools and MSD Lawrence Township).
- On average, these cuts represented 5.07% of the corporation's General Fund budget. (Note: Two school corporations did not provide percentage reduction data.)



General Fund Budget Reduction, continued



- The majority (74%) of the school districts' reported budget cuts would be implemented in 2010. 26% of districts responded cuts already began in 2009. Finally, only one district (less than 1%) reported a General Fund budget cut which will begin in 2011.

Reductions in Work Force (survey questions 2 & 3)

2. Have there been or will there be an elimination (RIF) of teaching positions/staff implemented by your school corporation for the 2010-11 school year as a result of these budget reductions?

If a reduction in force occurred, how many FTE positions (number only) in the following categories were eliminated?

- a. Teachers
 - b. Other Certified Staff
 - c. Administrators*
 - d. Non-Certified Staff
- *employed as school administrators, building level or central office

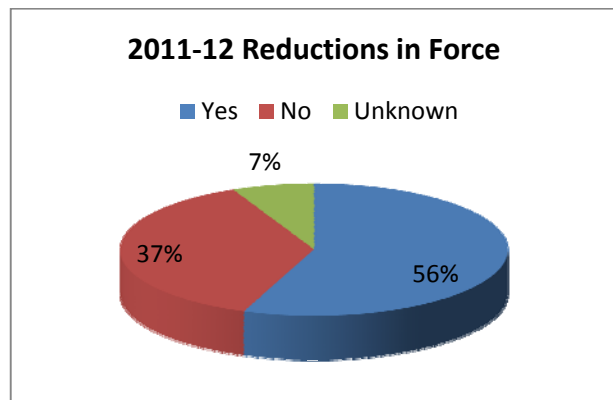
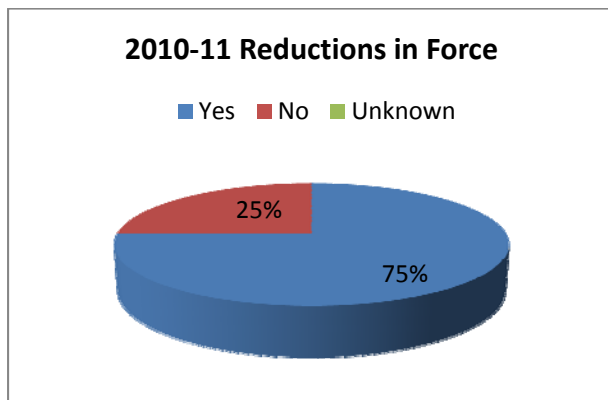
3. Have there been or will there be any reduction in force for the 2011-12 school year?

If a reduction of force has been or will be implemented, how many FTE positions (number only) in the following categories have been or will be eliminated?

- a. Certified Teachers
- b. Other Certified Staff
- c. Administrators
- d. Non-Certified Staff

Reductions in Force Overview

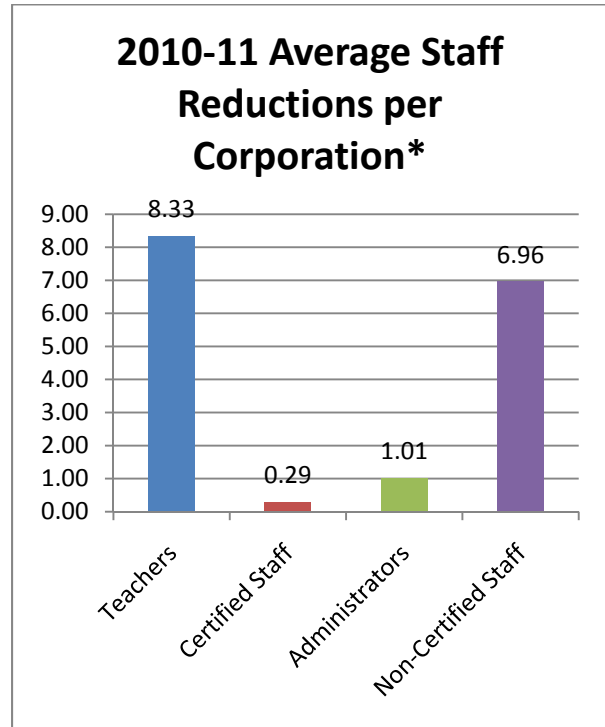
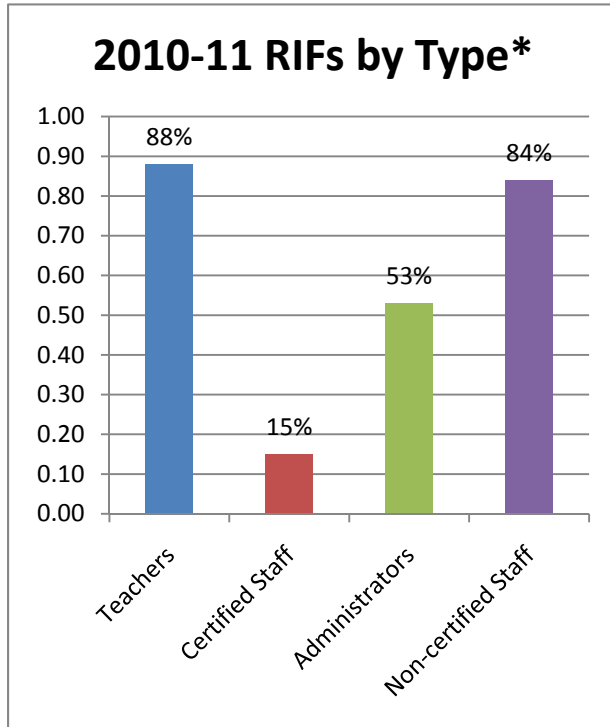
- More RIFs are planned for 2010-11 than 2011-12, although for both years, the majority of corporations plan RIFs (75% and 56%, respectively).
- For both years, teacher positions are most likely to be eliminated, followed by non-certified staff. Administrators and certified staff (other than teachers) are least likely to be eliminated.



Reductions in Work Force, continued

Corporations indicating reductions (RIFs) in any staff:

- For 2010-11, 153 of 204 corporations (75%) will reduce staffing positions.
- For 2011-12, 114 of 204 corporations (56%) will reduce staffing positions; 14 corporations were unsure (7%).

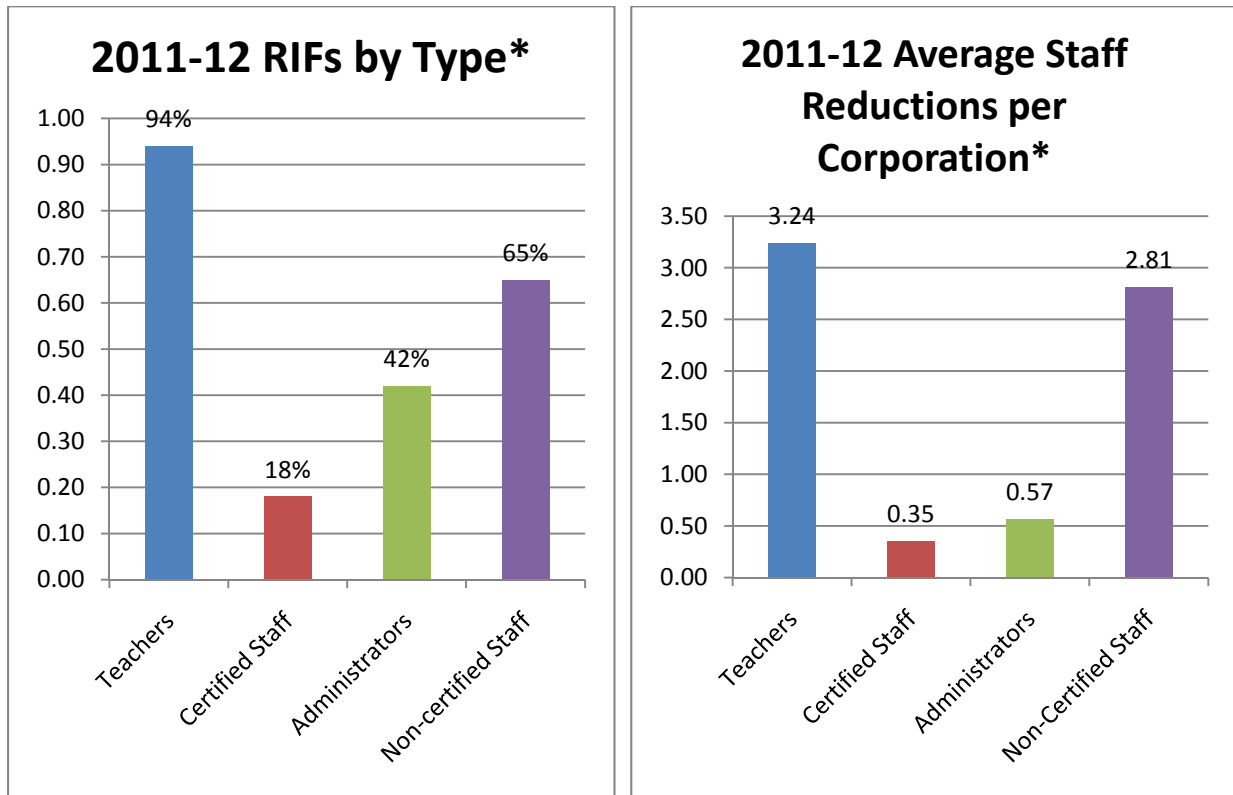


*For school corporations indicating a reduction in force for 2010-11 and providing data (N=152)

Of corporations indicating RIFs for 2010-11,

- 88% reduced teachers (an average of 8.33 teachers per corporation)
- 15% percent reduced other certified staff (an average of 0.29 staff members per corporation)
- 53% percent reduced administrators (an average of 1.01 administrator per corporation)
- 84% percent reduced non-certified staff (an average of 6.96 staff members per corporation)
- The average staff reduction per school corporation is 16.60 (teachers, certified staff, administrators, and non-certified staff).
- In total, the corporations surveyed eliminated the full-time equivalent of 1,267 teachers, 45 other certified staff, 154 administrators and 1,058 non-certified staff positions.

Reductions in Work Force, continued



**For corporations indicating a reduction in force for 2011-12. Note that many corporations are unsure which positions will be cut even though they indicated "yes" when asked if there would be an RIF; these were eliminated. (N=85)*

For corporations indicating a reduction in force for 2011-12,

- 94% plan to reduce teachers (an average of 3.24 teachers per corporation)
- 18% plan to reduce other certified staff (an average of 0.35 staff members per corporation)
- 42% plan to reduce administrators (an average of 0.57 administrators per corporation)
- 65% plan to reduce non-certified staff (an average of 2.81 staff members per corporation)
- The average staff reduction per school corporation will be 6.96 (teachers, certified staff, administrators, and non-certified staff).
- In total, the corporations surveyed plan to eliminate the full-time equivalent of 275 teachers, 29 other certified staff, 49 administrators and 239 non-certified staff positions.

Referenda (survey questions 4 & 5)

4. Will your school corporation be pursuing a General Fund Referendum in November?

- a. If so, what increase in the property tax rate per \$100 assessed valuation will you propose?
- b. If passed how much money will be generated through the referendum?

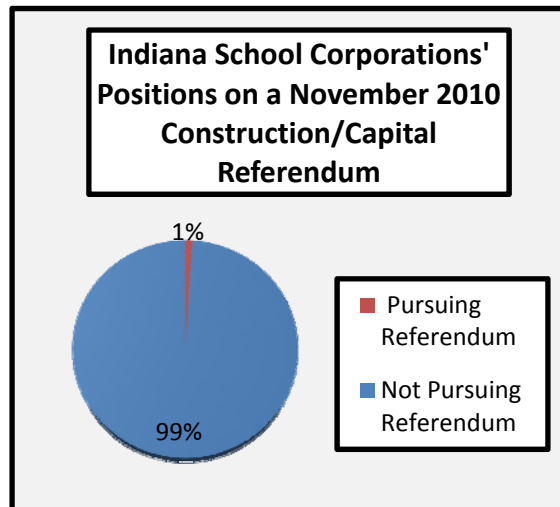
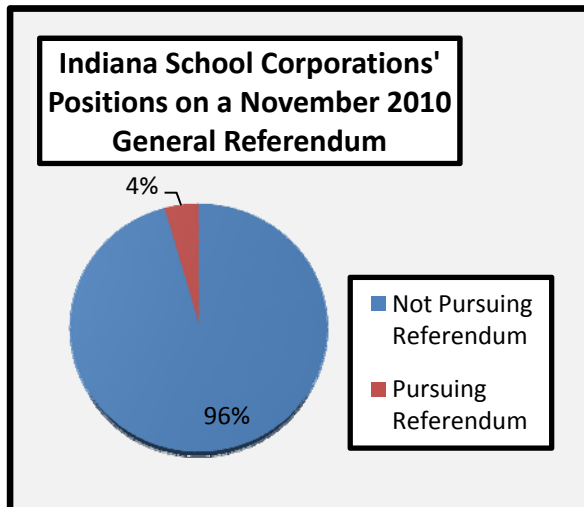
5. Will your school corporation be pursuing a Construction/Capital Projects Referendum in November?

- a. If so, what increase in the property tax per \$100 assessed valuation will you propose?
- b. If passed how much money will be generated through the referendum?

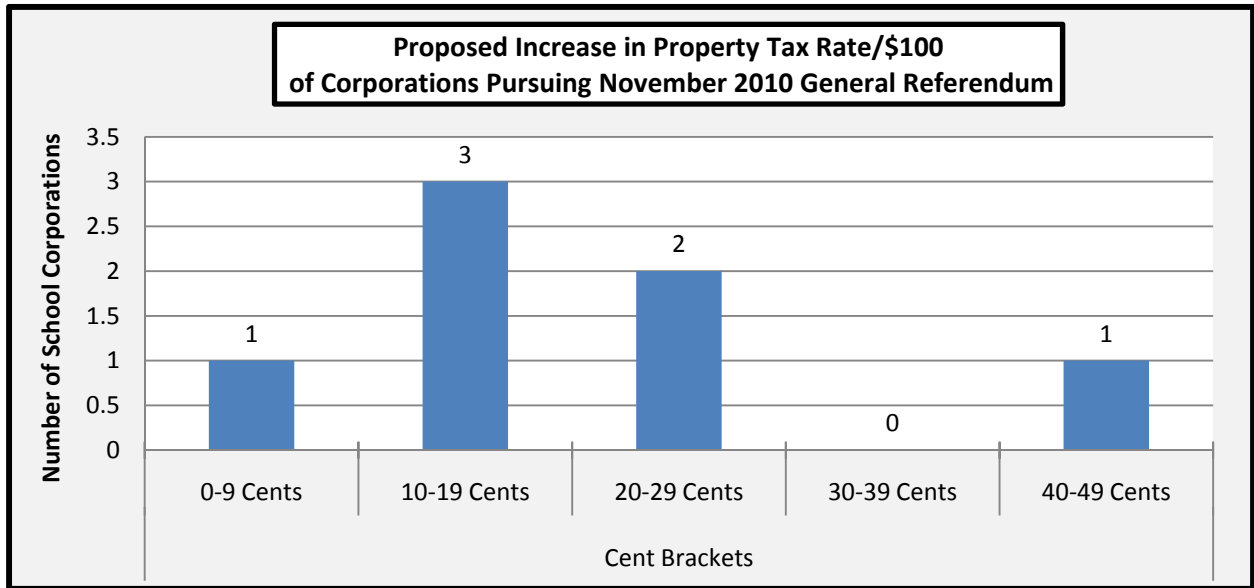
Overview of corporations pursuing November 2010 referenda

- General Fund Referendum: Eight corporations of 204 total responses, or 4.4% (North Adams Community Schools, Brown County School Corporation, Westfield-Washington Schools, Mount Vernon Community Schools Corporation, Whitko Community School Corporation, Monroe County Community School Corporation, Cannelton City Schools, and Duneland School Corporation). From published reports, at least three other school corporations that did not respond to this survey are pursuing a General Fund referendum (Anderson, Center Grove, and Zionsville).

- Construction/Capital Projects Referendum: two corporations of 204 total responses, or 1.0% (Tell-City/Troy Township and Randolph Central).



Referenda, continued



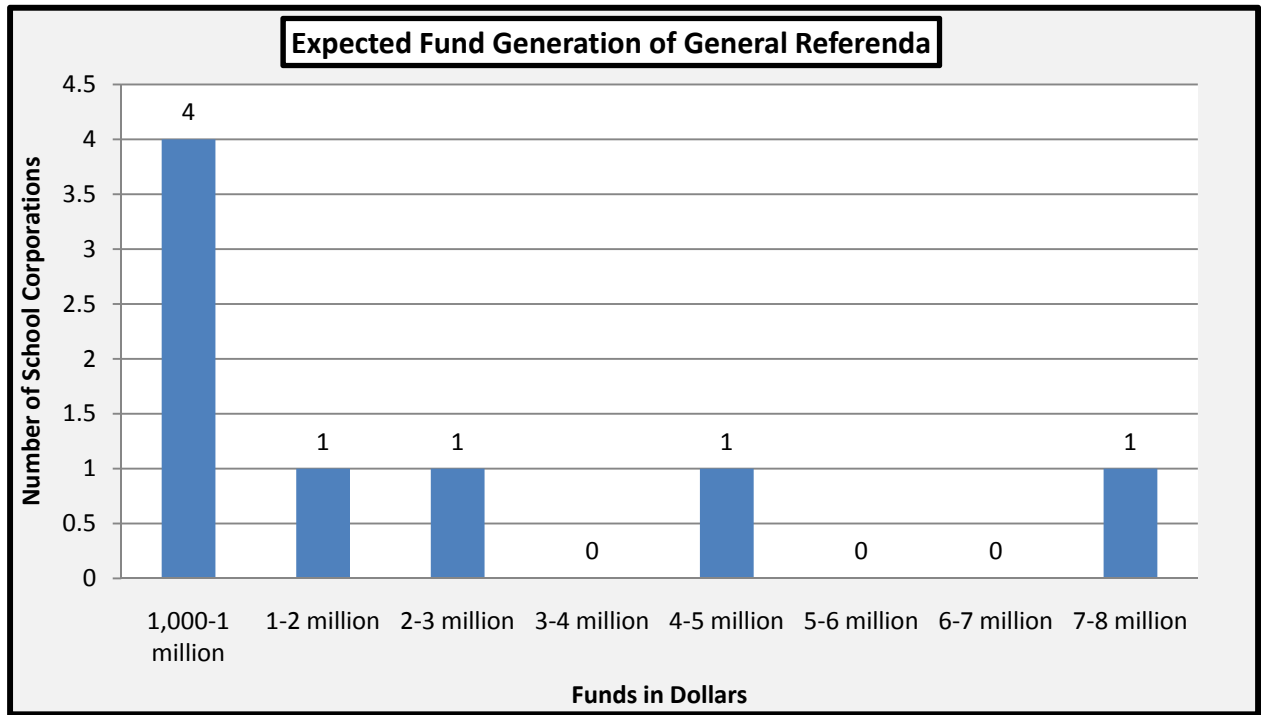
The proposed increase in property tax rate per \$100 assessed valuation:

- General Fund: Disregarding one corporation with unknown rate increases, the corporations listed an average increase of \$0.17 cents per \$100 assessed valuation, with a range of \$0.01 - \$0.41 and a standard deviation of \$0.123.
- Construction/Capital Projects Referendum: Of the two schools pursuing this type of referendum, the proposed increase in tax rate per \$100 assessed value were \$0.16 and \$0.26.

The expected referendum funds:

- General Referendum: Expected funds are known for all school corporations. These funds range between \$125,000 and \$7,500,000, with an average of \$2,194,134 and a standard deviation of \$2,608,885.
- Construction/Capital Projects Referendum: Expected fund generation for two school corporations pursuing Construction/Capital Projects referenda are \$6,000,000 and \$20,000,000.

Referenda, continued



Inter-fund Transfers (survey question 6)

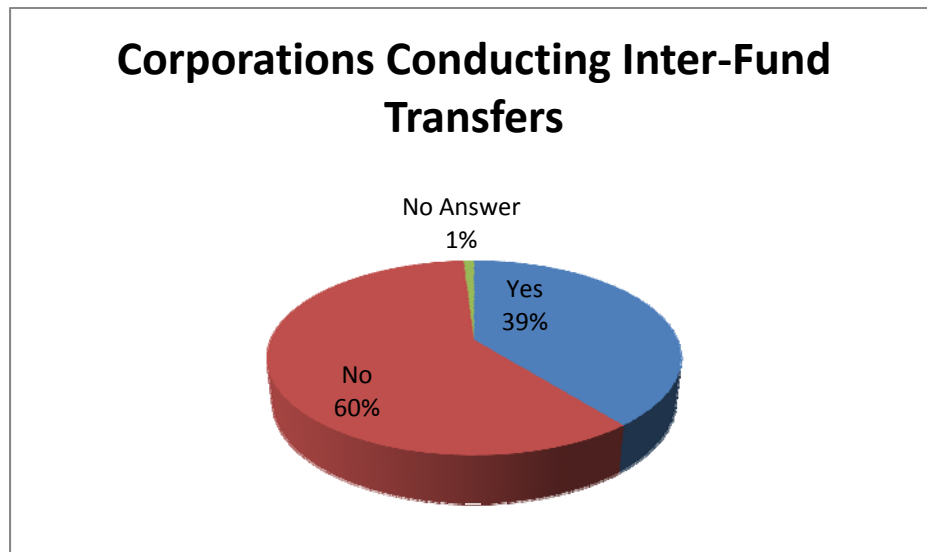
6. The 2010 Indiana General Assembly passed House Enrolled Act (HEA) 1367 to allow school corporations greater flexibility in conducting inter-fund transfers. The Act specifies that five percent of a school corporation's Capital Projects Fund levy may be transferred. However, a corporation whose employees will not receive a general wage and salary increase for the 2010-2011 school year may transfer up to 10 percent of the school corporation's Capital Projects Fund Levy to another fund. Does your school corporation plan to transfer funds under this provision?

If so what percentage of funds from each fund that will be transferred and from which fund category(ies)?

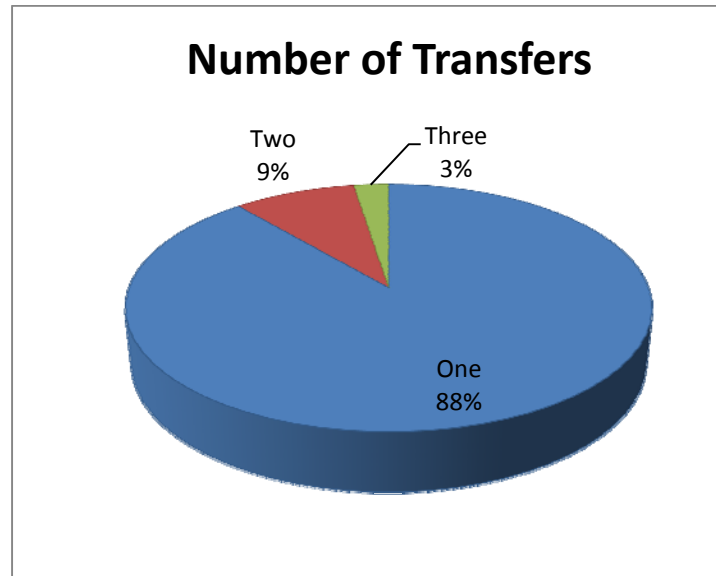
- a. Fund Name
- b. Percentage
- c. Dollar Amount

Inter-fund transfers overview:

- Of 204 school corporations, 80 school corporations plan to conduct inter-fund transfers (39%)
- 122 school corporations do not plan to conduct inter-fund transfers (59%)
- Two school corporations did not answer the survey question (1%)



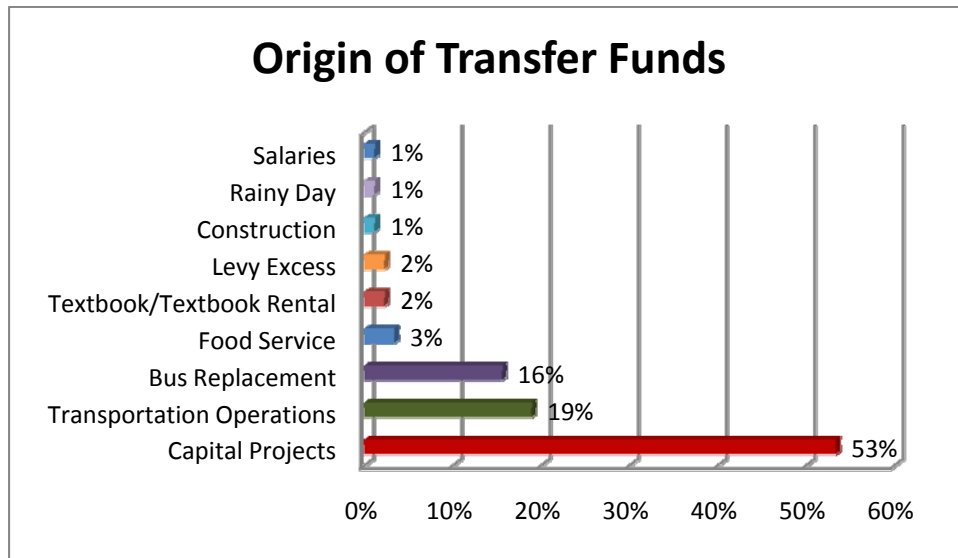
Inter-fund Transfers, continued



Number of inter-fund transfers:

- Out of 80 school corporations, nine school corporations will be conducting transfers from more than one fund.
- Specifically, seven corporations (9%) are conducting two transfers and two corporations (3%) will be conducting transfers from three funds.
- A total of 90 known fund transfers will be conducted by 80 school corporations.

Inter-fund Transfers, continued



N=90 (for 80 school corporations)

Origin of inter-fund transfers:

- A majority (53%; 48 of the 90 transfers) of the transfers will be from Capital Project Funds.
- 19% (17 corporations) will be transferring funds from Transportation Operations.
- 16% (14 corporations) will be transferring funds from their Bus Replacement funds.
- 3% (three school corporations) will be transferring funds from their Food Services funds. 2% (two school corporations) will be transferring funds from their Textbook or Textbook Rental funds or from Excess Levy funds. Finally, funds only transferred in one corporation include Construction, Rainy Day, School Lunch, and Salaries.
- The average amount transferred is \$196,321 (N=71 due to missing data in some answers).
- The average percentage of the CPF transferred is 6.03%; 50 corporations (70%) plan to transfer exactly 5%, 13 corporations (18%) plan to transfer exactly 10%, and eight corporations (11%) plan to transfer other amounts ranging from 2% to 11% (N=71).

School Calendar (survey question 7)

7. Concerning your school district calendar, please provide the following:

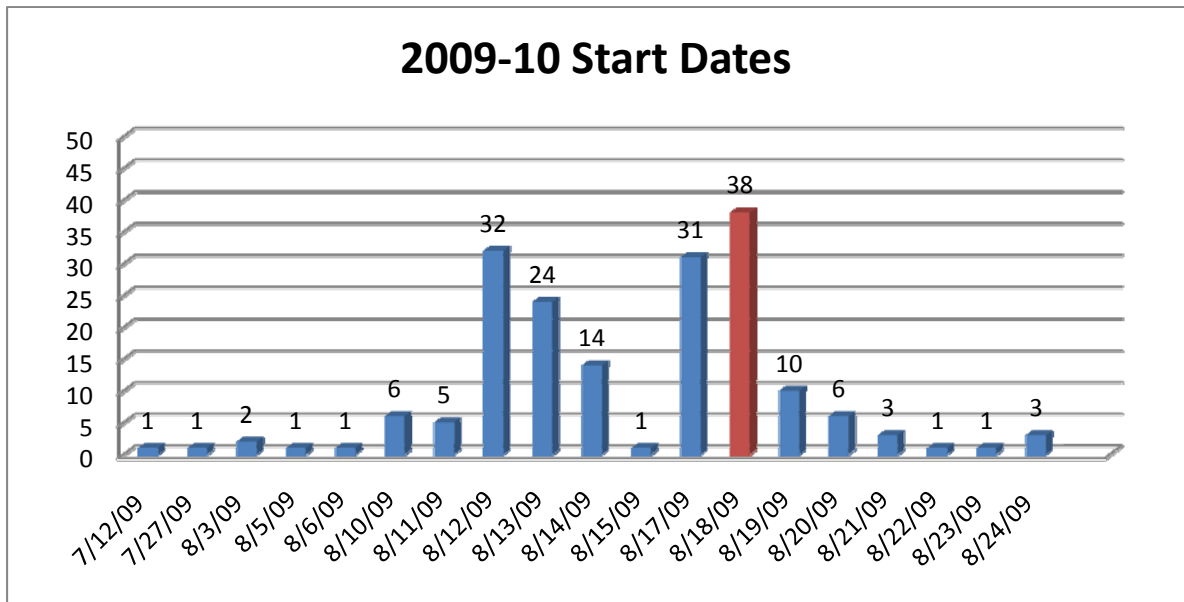
School Calendar	Starting Date	Ending Date
2009-10		
2010-11		
2011-12		

School calendar overview

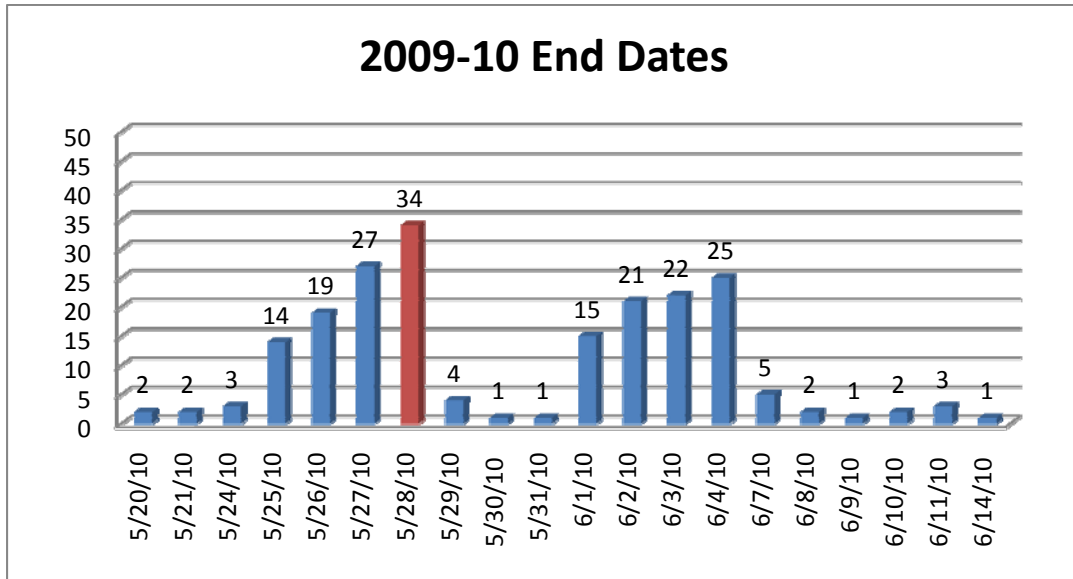
- For all school years, the plurality of school corporations indicate a mid-August start date and a late May end date.
- There is no immediately apparent trend in school calendars going forward.

For the 2009-10 school year:

- Start dates ranged from 7/12/09 to 8/24/09, with the plurality of respondents (18.5%; 38 school corporations) stating their school year began on 8/18/09.
- End dates ranged from 5/20/10 to 6/14/10, with the plurality of respondents (16.6%; 34 school corporations) stating their school year ended on 5/28/10.

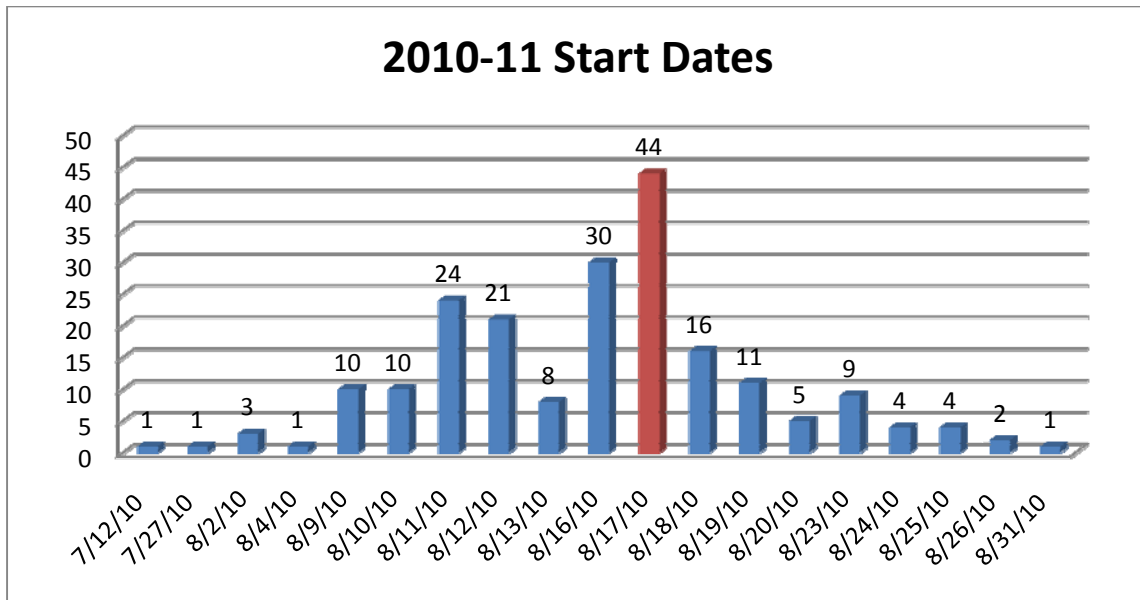


School Calendar, continued

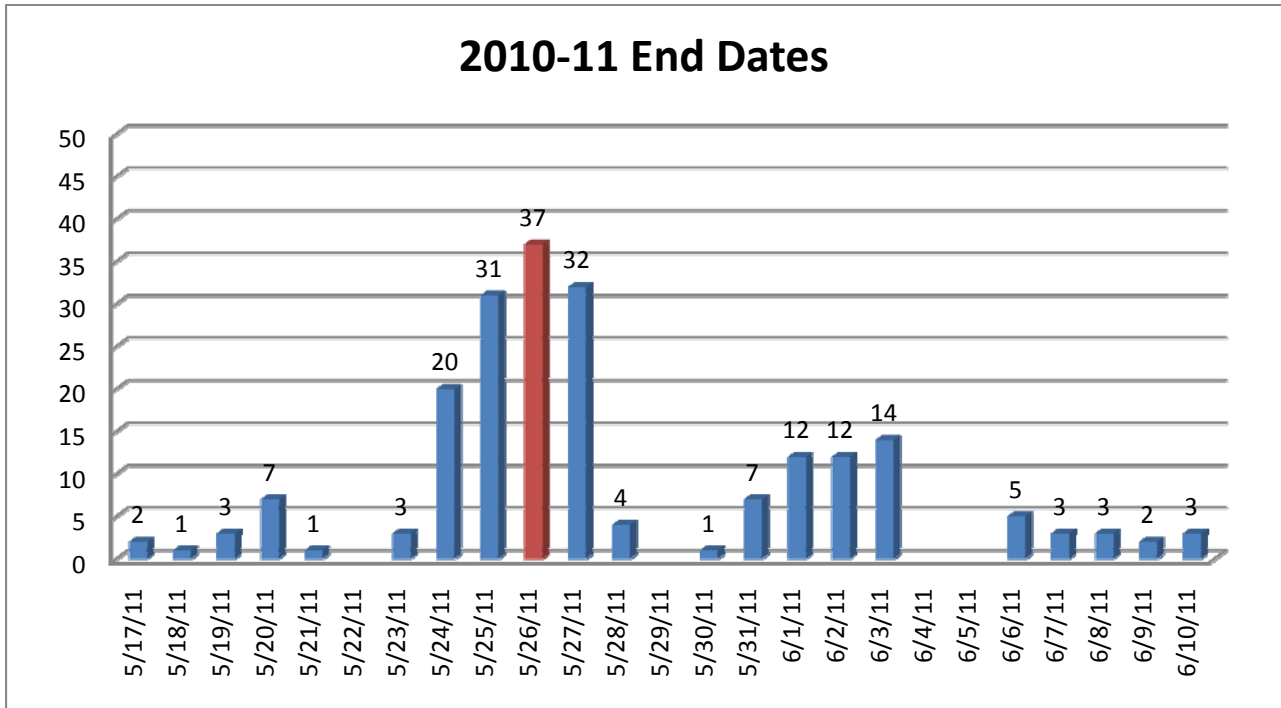


For the 2010-2011 school year:

- Start dates ranged from 7/12/10 to 8/31/10, with the small plurality of respondents (21.5%; 44 school corporations) stating their school year will begin on 8/17/10.
- End dates ranged from 5/17/11 to 6/10/11, with the small plurality of respondents (18%; 37 school corporations) stating their school year will end on 5/26/10.



School Calendar, continued



For the 2011-2012 school year:

- Most respondents either did not give data for the 2011-2012 school year, or stated that the specific dates have yet to be assigned (74.1%).
- Start dates ranged from 7/12/11 to 8/30/11, with the plurality of respondents (6.3%; 13 school corporations) stating their school year will begin on 8/16/11.
- End dates ranged from 5/21/12 to 6/13/12, with the plurality of respondents (3.4%; seven school corporations) stating they will be ending the school year either on 5/23/12 or 5/24/12.

School Calendar, continued

