

Referendum Update

2018

We are in year 2

- How are we spending the referendum money?
- What are we doing in order to be financially stable when the referendum ends?

How are we spending referendum money?

- State mandated retirement costs of all employees - \$320,000
- Extra-curricular salaries - \$175,000
- Pre-school teacher/Elementary Music teacher - \$70,000
- We were able to give employee raises for the first time in 5 years and we hope to continue to give standard of living raises each year.

What are we doing to be financially stable when the referendum ends?

- Returned the position of Director of School Improvement, Assessment and Technology to a half time position – summer 2017
- Eliminated a Language Arts position at the high school – summer 2017
- Eliminated two Aide positions – summer 2017
- In 2017 these changes saved **\$110,000.00**

Changes cont.

- Changed incoming 5th grade to two sections from three – spring 2018
- Replaced staff that retired or left with new staff at lower salaries– summer 2018
- In summer 2018 these changes saved **\$113,926.**

Financials

- **General Fund**
- Balance December 2016 - \$188,600
- Balance December 2017 - \$679,084
- Increase of \$511,510

Financials cont.

- **Rainy Day Fund**
- Balance December 2016 - \$150,000
- Balance December 2017 - \$230,883
- Increase of \$80,883
- I do not anticipate purchasing a bus this year and would have \$100,000 available in the Bus Replacement Fund to transfer to the Rainy Day Fund. This would be after the November payment from the County.

2018-19 Revenue Projection

- **General Fund**

- 2017-18 revenue \$5,388,633

- 2018-19 revenue \$5,290,030

- Loss in revenue \$ **98,603**

- **This loss of revenue is due to drop in enrollment**

- Savings from 2018 changes \$ 113,926

- Difference \$ 15,323

Enrollment

- 2013-14 922
- 2014-15 920 2
- 2015-16 879 41
- 2016-17 853 26
- 2017-18 833 20
- 2018-19 818 15

• 2013-14	922	
• 2014-15	920	2
• 2015-16	879	41
• 2016-17	853	26
• 2017-18	833	20
• 2018-19	818	15

Current Enrollment

	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Celestine Elem.	21	15	15	14	20									85
Dubois Elem.	48	35	46	41	43									213
Dubois Middle						57	63	62	65					247
High School										70	64	66	73	273
Totals	69	50	61	55	63	57	63	62	65	70	64	66	73	818

Feasibility Study

- What were the recommendations?

- **Recommendation # 1.a.**
- **Maintain the Current Operating Structure**
- The recommendation that seems to be the most appropriate at this time which is supported overwhelmingly by the evidence in the public survey, public statements and written evidence is that the current academic and facility structure be maintained. That is... Celestine and Dubois should continue as two elementary schools housing kindergarten through 4th grade, the middle school should continue to house 5th through 8th grade and the high school should continue to function as a 9th through 12th grade building. In addition to the above suggestions, immediate financial steps are to be taken as soon as possible as shown on the previous page. Although not the most economically efficient organizational structure this recommendation allows for the continued operation, which although facing financial difficulties, can continue to provide an appropriate and solid, community supported educational foundation for the children of Northeast Dubois County School Corporation.

- **Recommendation # 1.b.**
- **Conduct a General Fund Operating Tax Referendum**
- In order to financially maintain this organizational structure it is recommended that in the spring of this year 2016 the school corporation conduct a referendum to support a local general fund tax levy of \$0.18 per \$100 assessed valuation. The successful passing of this referendum would provide revenue to properly assist in funding the operation and staffing of the four individual school programs for seven years. The average property value in NE Dubois is \$ \$133,200 thus the result of an annual increase in property taxes would be \$ 240 per average taxpayer (or a semi-annual increase of \$120) based upon the estimated 2016 school assessed valuation of \$ 300,000,000 .

- **Recommendation #2**

- During the spring and summer of 2020 a review of the operating conditions of the school corporation need to be considered and a decision made on the direction to proceed. If financial conditions have improved, student populations have stabilized, normal maintenance of the facilities has proven to be adequate then the current structure of the school corporation can be maintained. However, the following construction projects and reorganization options need to be considered.

- **Option A.**
- In 2020 the NE Dubois High School will have been in operation for over 40 years. Although normal maintenance and remodeling have taken place in order for the life of the school to be extended for another 40 years a significant renovation project needs to be considered. It would be recommended that during this renovation an upgrade to the academic classrooms, vocational work areas, cafeteria and athletic facilities be modernized and an additional classroom wing and gymnasium be included for occupation by the 7th and 8th grades. In addition an auditorium should be considered. This building project would allow for a state of art facility for delivery of educational services for grades 7-12 through and beyond mid-century.

- Option A cont.
- Entailed in this proposal would be the restructuring of the current grade structure and facilities use in the corporation. The organizational structure would reflect
 - 1 Elementary School Grades K-2
 - 1 Middle School Grades 3,4,5,6
 - 1 Junior Senior High Grades 7-12

- **Option B.**
- A classroom addition at Dubois Elementary School to house grades K-4 to include students from Celestine Elementary School. This project would include additional classrooms, work space, special education areas and a modernized pre-school facility. This proposal would call for no restructuring of the educational delivery services to students in regard to the grade configuration but combine the Dubois and Celestine schools.

- Option B cont.
- 1 Elementary School Grades K-4
- 1 Middle School Grades 5,6,7,8
- 1 High School Grades 9-12

- Option C.
- Upgrade and modernize Celestine Elementary School utilizing the century old façade as the centerpiece for renovation. Included in this addition would be upgrades to all classrooms, additional office space, additional library and technology space, cafeteria modernization and the addition of classrooms to house an increase in student population. This proposal would call for no change in the delivery of educational services to students.

- Option C cont.
- 2 Elementary Schools Grades K-4
- 1 Middle School Grades 5,6,7,8
- 1 High School Grades 9-12

Why look at this now?

- It is our duty to be fiscally responsible.
- We need to be planning **now** for our future.
- We must keep tax rates stable.
- We need to prepare for the end of the referendum. We only have five more years.
- We have debt falling off in 2020.

Cont.

- Our Financial Advisor recommends having a plan in place by February, 2019 in order to prepare for 2020 budget cycle.
- We need to keep monitoring our enrollment and plan finances accordingly.

Recommendation

- Obtain the services of an architectural firm to consider the needs of the school corporation. The firm will consider the educational and facility needs and provide the board with options for the future of the school corporation.