



Administration Center – Office of the Superintendent

1810 North Grant Street

LEBANON, INDIANA 46052

Phone: (765) 482-0380

Fax: (765) 483-3053

01/15/2010

RE: Budgetary Cuts from the State of Indiana for Lebanon Community School Corporation

Each school corporation in the State operates with six (6) main funds.

- 1. General Fund:** The General Fund is used to budget and account for all receipts and expenditures for the basic operation of the programs of the school corporation. Expenditures from this fund may be made for items associated with the daily operation of a school corporation. This includes expenses for salaries of teachers, administrators, support staff, fringe benefits, supplies, heat, lights, maintenance, and other day-to-day operation expenses.
- 2. Debt Service Fund:** The Debt Service Fund is used to budget and account for receipts and expenditures necessary to meet the annual debt obligations of the school corporation. Expenditures from this fund may be used to make bond and/or lease rental payments and state technology and construction loans. Interest on loans taken for the purpose of any other fund can be paid from the Debt Service Fund. For taxation purposes this fund is only used when there is a need to retire debt.
- 3. Pension/Severance Debt Fund:** The Pension/Severance Debt Service Fund is used to budget and account for receipts and expenditures necessary to meet the annual debt obligations of the school corporation directly related to the bond that was issued to meet the obligations of previous Pension/ Severance plans.
- 4. Capital Projects Fund:** The Capital Projects Fund (CPF) can be used for land acquisition and development, fees for professional services, educational specification development, building acquisition, construction, and improvement, rental of buildings and equipment, purchase of mobile or fixed equipment, certain emergencies, maintenance of equipment, construction, repair, replacement, remodeling or maintenance of a school sports facility as long as the expenditure does not exceed 5% of the property tax levy, certain staff services, and allocation funds for future projects.
- 5. School Transportation Fund:** The School Transportation Fund is the exclusive fund for the payment of operating costs associated with the transportation program. Operating costs attributable to the school transportation fund are the salaries of drivers, the transportation supervisor, mechanics and garage employees, clerks, and other transportation related employees. It will also pay for the cost of contracted transportation services, wages of independent contractors, contracts with common carriers, transportation related insurance, fuel, lubricants, tires, repairs, contracted repairs, parts supplies, and other transportation related expenses.
- 6. School Bus Replacement Fund:** The School Bus Replacement Fund is the exclusive fund to pay for the replacement of school busses.

Charles L. Tait
Business/Assistant Superintendent

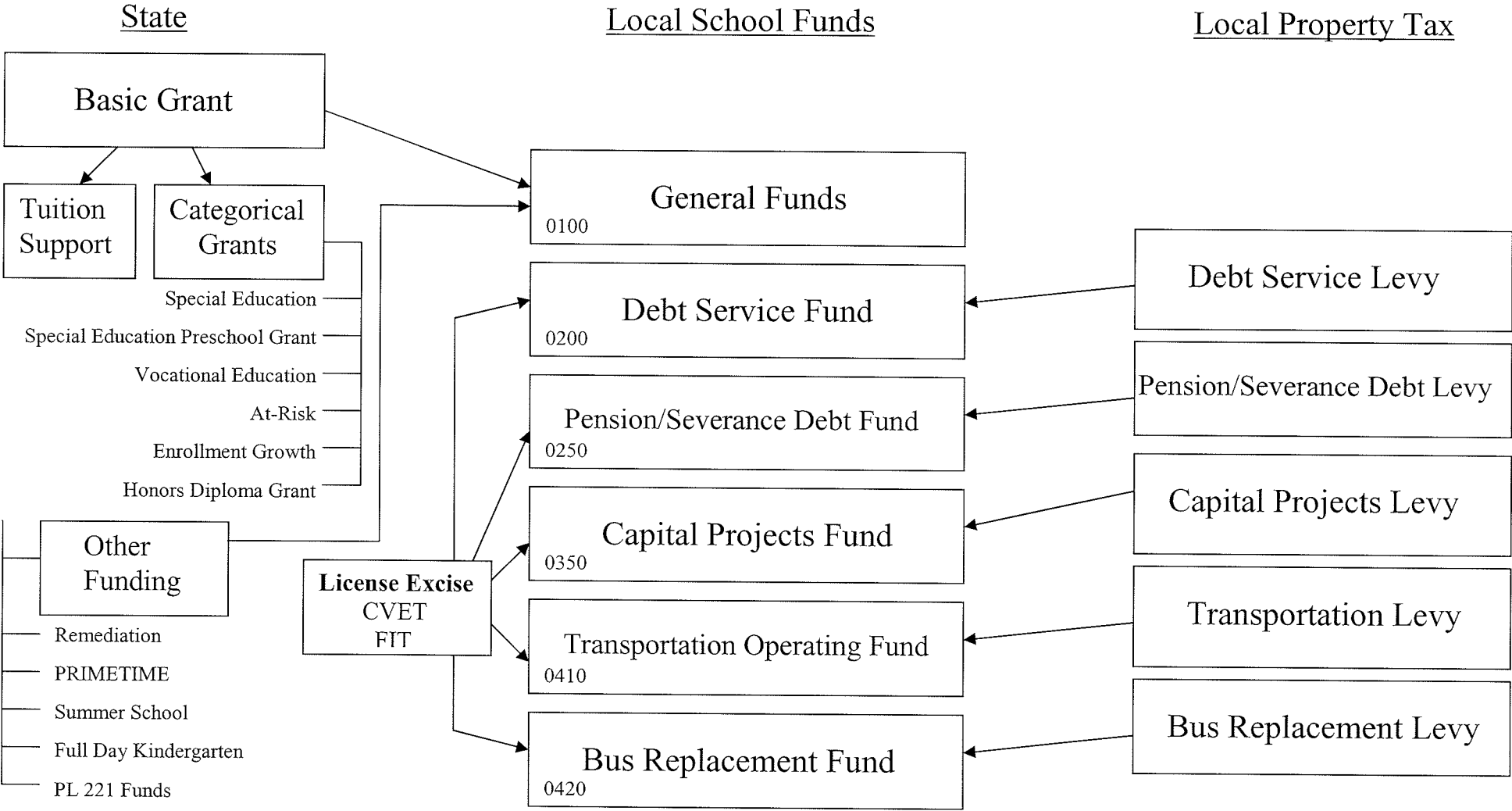
Bob J. Ross
Director of Resource and Operation

Robert L. Taylor
Superintendent
Willis T. Pullins
Director of Assessment

Diane Lee Scott
Director of Instruction

Chad A. Martin
Director of Technology

Indiana School Funding





Administration Center – Office of the Superintendent

1810 North Grant Street

LEBANON, INDIANA 46052

Phone: (765) 482-0380

Fax: (765) 483-3053

Revenue Sources

Revenue for the Debt Service Fund, Pension/Severance Debt Fund, Capital Projects Fund, Transportation Operating Fund, and the Bus Replacement Fund is primarily from **the Local Property Tax**. Other revenue for these five funds comes from License Excise, CVET – Commercial Vehicle Excise Tax, and FIT – Financial Institutions Tax.

Revenue for the General Fund is strictly from the State of Indiana. Student count is the primary factor in determining the funding for each school corporation. Other categorical funds are received for Special Education, Vocational Education, At-Risk, Honors Diploma, Remediation, PRIMETIME, Summer School, Full Day Kindergarten, and PL 221 Funds.

--See attachment

Charles L. Tait
Business/Assistant Superintendent

Bob J. Ross
Director of Resource and Operation

Robert L. Taylor
Superintendent

Chad A. Martin
Director of Technology

Willis T. Pullins
Director of Assessment

Diane Lee Scott
Director of Instruction



Administration Center – Office of the Superintendent

1810 North Grant Street

LEBANON, INDIANA 46052

Phone: (765) 482-0380

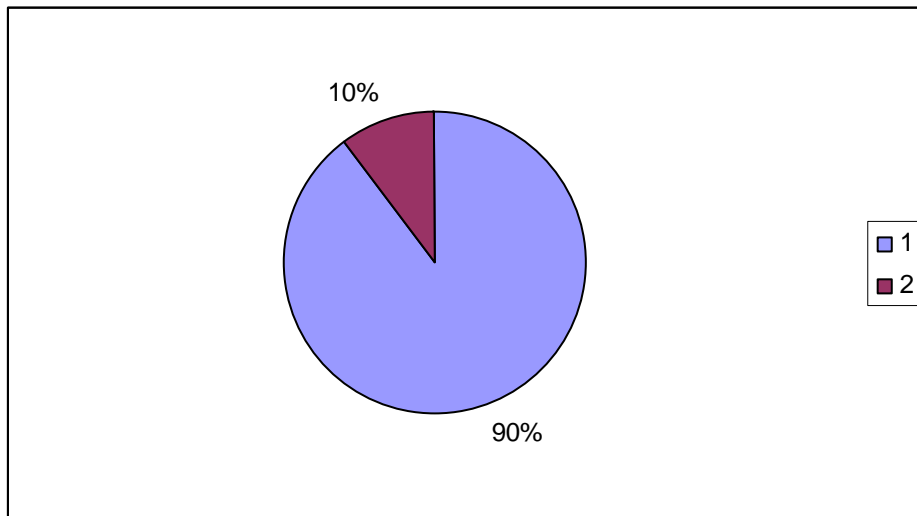
Fax: (765) 483-3053

The General Fund revenue is being impacted by the 4.56% reduction. This is the fund where expenditures will have to be cut.

4.56% of the State Funding for Lebanon Community School Corporation is a reduction of \$81,733.67 monthly. The monthly reductions begin January 2010 and will extend through December 2010 (twelve months). This twelve month reduction totals \$980,804.02. These cuts are permanent and will reset the base for all future revenue for the General Fund.

For Lebanon Community School Corporation, for the calendar year 2009

- 89.6% of the General Fund expenditures were associated with wages, salaries, and benefits
- 10.4% of the General Fund expenditures were for supplies, utilities, professional development, travel expenses, and other day-to-day operation expenses.



Charles L. Tait
Business/Assistant Superintendent

Bob J. Ross
Director of Resource and Operation

Robert L. Taylor
Superintendent

Chad A. Martin
Director of Technology

Willis T. Pullins
Director of Assessment

Diane Lee Scott
Director of Instruction



Administration Center – Office of the Superintendent

1810 North Grant Street

LEBANON, INDIANA 46052

Phone: (765) 482-0380

Fax: (765) 483-3053

Reductions in expenditures

- | | |
|--|-----------------------------------|
| 1. Summer school for Elementary and Middle School
-\$19,600 | Implemented Summer 2009 |
| 2. Five Instructional Assistants
-\$52,300 | Implemented School Year 2009-2010 |
| 3. Seven certified staff positions
-\$285,000 | Implemented School Year 2009-2010 |
| 4. One school nurse
-\$28,000 | Implemented School Year 2009-2010 |
| 5. 80 custodial/maintenance/grounds hours/week
-\$44,500 | Implemented January 2009 |
| 6. \$30,000 reduction in supply budgets | Implemented January 2009 |
| 7. \$15,000 reduction in Professional Development budget | Implemented January 2009 |
| 8. Conservation of energy usage- savings of \$106,000 | Calendar year 2009 |
| 9. Changed banks: reduced fees charged and increased the rate of interest earned | Implemented April 2009 |
| 10. \$23,000 reduction in Professional Development budget | Implemented January 2010 |
| 11. \$58,000 reduction in supply budgets | Implemented January 2010 |

Charles L. Tait
Business/Assistant Superintendent

Bob J. Ross
Director of Resource and Operation

Robert L. Taylor
Superintendent

Chad A. Martin
Director of Technology

Willis T. Pullins
Director of Assessment

Diane Lee Scott
Director of Instruction



Administration Center – Office of the Superintendent

1810 North Grant Street

LEBANON, INDIANA 46052

Phone: (765) 482-0380

Fax: (765) 483-3053

It is understood that given the financial condition of the state of Indiana, we have, and will continue to be responsive to any mandates given to our school district by Governor Mitch Daniels and the Legislature. We understand and recognize that we must all work together to get through this crisis.

Per Indiana code, we must follow strict budget requirements, adhere to requirements to engage in collective bargaining and spend money only for the specific purposes set forth in law. As per the law, school districts are not permitted to use money earmarked for repair, construction, purchase of equipment or transportation to help mitigate this current budget cut in the General Fund.

The recent cuts have been announced after the school budgets were approved for 2010 by the Department of Education, the Legislature and Governor Mitch Daniels. The cuts reduce funding to below 2008 levels and promise to keep them at these levels for several years in the future.

School corporations General Fund pays for salaries, supplies, materials, program expenses, utilities and insurance. 89.6% of the General Fund is used to pay for personnel costs. Since the reduction of revenue from the General Fund is \$980,804.02 (4.56%) for Lebanon Community School Corporation, it will impact the classroom and the student programs.

Several expenditure reductions have already been implemented. It will be necessary to trim our work force, adjust student programs, and evaluate every position in our school corporation to ensure we operate as efficiently as possible.

Charles L. Tait Business/Assistant Superintendent	Robert L. Taylor Superintendent	Diane Lee Scott Director of Instruction
Bob J. Ross Director of Resource and Operation	Chad A. Martin Director of Technology	
	Willis T. Pullins Director of Assessment	