

**MINUTES OF A  
PUBLIC WORK SESSION  
OF  
PERRY TOWNSHIP SCHOOLS  
MARION COUNTY, INDIANA**

June 25, 2018

The Board of Education of Perry Township Schools, Marion County, Indiana, held a public work session on Monday, June 25, 2018 at the Perry Township Education Center, 6548 Orinoco Avenue, Indianapolis, Indiana.

Board of Education members present:

**Emily Hartman**, Board Vice President  
**Collin C. Fultz**, Board Member  
**Steve Johnson**, Board Member  
**Charles R. Mercer, Jr.**, Board Member  
**Jon P. Morris**, Board Member

Board of Education members not present:

**Edward T. Denning**, Board President  
**Kenneth J. Mertz**, Board Secretary

Administrative staff present:

**Mr. Patrick W. Mapes**, Superintendent  
**Mr. Chris Sampson**, Associate Superintendent of Operations  
**Mr. Bob Bohannon**, Assistant Superintendent of Career Preparation, 6-12  
**Mrs. Vickie Carpenter**, Assistant Superintendent of Foundational Learning, Pre K-5  
**Mr. Mike Bagley**, Chief Financial Officer  
**Mr. Matthew Willey**, Chief Technology Officer

Public Work Session

Mrs. Hartman opened the public work session at 6:00 p.m.

ESSA AND HEA 1009

Mr. Bagley and Mr. Hatcher presented information on ESSA (Every Student Succeeds Act) and HEA 1009: School Financial Management

**Every Student Succeeds Act (ESSA)**

ESSA is a Federal Law requiring school districts to keep most financial records by school building. Records involving the use of Federal funds such as Title and Special Education Grants, State Basic Grant and Local Funds (Property Taxes.) The new SBOA Chart of Accounts will include school codes. The timing of ESSA is July 1, 2018 and HEA 1009 is effective January 1, 2019.) The Business, Payroll and Benefits areas have worked diligently to record all educational staff by school beginning July 1, 2018.

### ESSA Expenditure Terminology

- Educational: Expenditures related to a single school
- Other Instruction: Expenditures for programs housed at a specific school. (Pre-School, Special Education DH)
- Instructional Shared: Expenditures shared among several schools. (Assistant Superintendents of Curriculum, Special Education)
- Operational: Expenditures related to a single school. (Utilities, Equip.)
- Operational Shared: Expenditures shared among several schools. (Transportation)
- Excluded: Expenditures for Food Service, Debt Service, Construction

### **House Enrolled Act (HEA) 1009 - School Financial Management (Effective January 1, 2019)**

HEA 1009 **eliminates** the following funds:

- General Fund
- Transportation Fund
- Bus Replacement Fund
- Capital Projects Fund

HEA 1009 **creates** the following funds:

- EDUCATION FUND
  - Educational Expenditures more directly related to the classroom
  - Teachers, Classroom Aides, Principals, Coaches, Curriculum Office, Nurse, Guidance Counselors, Special Education Staff, Social Workers, Classroom Supplies and Equipment.
  - Education expenditures (120 Teachers) included in the Operating Referendum Fund will continue as presented to our community during the referendum campaign period.
- OPERATION FUND
  - Expenditures considered Operational
  - Transportation, Bus Replacement, Building and Maintenance Projects, Superintendent, Business, HR, Police and Technology (some exceptions) Departments
  - Current General Fund Expenditures considered Operational

There are **No Changes** to the following funds:

- Debt Service Funds (Debt, Pension, Referendum Debt)
- Operating Referendum Fund
- Rainy Day Fund
- Food Service, Worker's Compensation, Textbook Rental

*Continued on next page*

## FUNDING

- State Basic Grant will be receipted into the Education Fund
- Board Approved Transfers can be made to the Operations Fund from the Education Fund. This will be needed to pay those expenditures currently paid out of the General Fund. THE BOARD WILL PASS SEVERAL TRANSFER RESOLUTIONS DURING THE PROCESS OF IMPLEMENTING THE EDUCATION AND OPERATION FUNDS.
- Levies generated for the current Transportation, Bus Replacement and Capital Projects Funds will be receipted into the new Operation Fund.
- The levy generated from the "old" Capital Projects Fund will now increase each year just as the "old" Bus Replacement Fund and Transportation Fund has grown in the past.
- Technology E-Rate funds will be receipted into the Education Fund. (86%) and Operation Fund (14%).

## RESOLUTIONS NEEDED

- Resolution to establish Education Fund
- Resolution to establish the Operation Fund
- Resolution to establish initial funding for the Education Fund  
(Transfer current General Fund Operating Balance)
- Resolution to establish initial funding for the Operation Fund  
(Transfers from Transportation, Bus, CPF and Education Funds)
- Resolution to transfer funds from the Education Fund to the Operations Fund monthly

## EDUCATION FUND TRANSFERS (January 1, 2019)

- The Education Fund will retain approximately 86% of the State Basic Grant generated from the funding formula. (\$95,890,000 in 2017-20018)
- The Operation Fund will receipt a monthly transfer of approximately 14% of the Basic Grant from the Education Fund. (\$15,610,000 in 2017-2018)
- Additionally, the Operation Fund will receipt a 14% one-time transfer from the Education Fund Operating Balance (\$2,170,000 in 2017-2018)

## 2019 EDUCATION AND OPERATION FUND DRAFT BUDGETS

- Education Fund: \$100,615,785
- Operation Fund: \$38,683,650
  - \$15,771,972 from old General Funds Operating Accounts
  - \$11,068,641 Transportation
  - \$ 9,811,629 Capital Projects
  - \$ 2,031,408 Bus Replacement

The Operation Fund will be reduced \$3,100,000 due to Property Tax Caps.

## BOARD POLICY CHANGES DUE TO HEA 1009

- Policy: 3120.07 Employment of Resource Personnel
- Policy: 6210 Fiscal Planning
- Policy: 6220 Budget Preparation
- Policy: 6800 System of Accounting

ADJOURNMENT

Mrs. Hartman adjourned the public work session at 7:05 p.m.

ABSENT

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EDWARD T. DENNING, PRESIDENT

  
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EMILY HARTMAN, VICE PRESIDENT

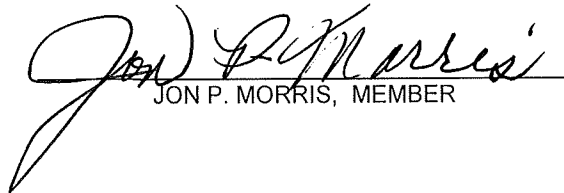
ABSENT

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KENNETH J. MERTZ, SECRETARY

*Absent 8-13-18*  
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COLLIN C. FULTZ, MEMBER

  
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STEVE JOHNSON, MEMBER

  
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CHARLES R. MERCER JR., MEMBER

  
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JON P. MORRIS, MEMBER