

Who cares!!!

They are just numbers

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Deficit Financing

- IC 20-29-2-6
 - Definition: Actual Expenditures exceeding education fund revenue + operating referendum tax levy + school safety referendum tax levy
 - Transfers do not count as education fund revenue unless process provided by HEA 1397 is followed
- IC 20-29-6-3
 - It is unlawful to enter into an agreement that would place the school into deficit financing
 - A contract that places a school in deficit financing is void

Deficit Financing (cont.)

- New for 2019
 - HEA 1397
 - Prior to September 15th each year a governing body may pass a resolution indicating that a portion or percentage of money transferred from the Operations fund to the Education fund may be considered Education fund revenue for bargaining and deficit financing
 - Resolution expires within 1 year of adoption
 - Copy of resolution must be submitted to Department of Local Government Finance by November 1st
 - HEA 1003
 - Must include the anticipated amount of Education fund transfers to Operations fund on the proposed budget
 - HEA 1001
 - School tuition support payments for January 2020 to June 2020 will be based on a second ADM count day to be held in February 2020

Calculator

Operation	Description	Timeframe	Amount
Start with	State Tuition Support Revenue*	July 1, 2019 - June 30, 2020	10,547,133.00
ADD	Operating Referendum Revenue based on DLGF Certification	July 1, 2019 - June 30, 2020	-
ADD	School Safety Referendum Revenue based on DLGF Certification	January 1, 2020 - June 30, 2020	-
ADD	Miscellaneous Revenue in Education Fund	July 1, 2019 - June 30, 2020	152,513.00
ADD	Transfers from Operations Fund**	July 1, 2019 - June 30, 2020	500,000.00
SUM	REVENUE THAT MAY BE USED FOR COLLECTIVE BARGAINING	July 1, 2019 - June 30, 2020	11,199,646.00
SUBTRACT	Non-CBA Education Fund Expenses	July 1, 2019 - June 30, 2020	1,211,852.00
SUBTRACT	Transfers to Operations Fund***	July 1, 2019 - June 30, 2020	1,700,000.00
SUM	AMOUNT AVAILABLE FOR LAST BEST OFFERS	July 1, 2019 - June 30, 2020	8,287,794.00

Calculator (cont.)

- Tuition Support
 - IDOE Certification letter, Tuition Worksheet for September count (July-Dec); Estimate Tuition Worksheet for February count (Jan-June)
- Operating Referendum
 - DLGF Certification letter; December Settlement; Estimated June Settlement
- School Safety Referendum
 - DLGF Certification letter; Estimated June Settlement
- Education fund miscellaneous revenue
 - Estimated Revenue in Education fund Budget; Education Receipt Account numbers
- Transfers from Operations
 - Resolution passed by Board; Education Receipt Account #5200
- Non-CBA Education fund expenses
 - Estimated Expenses in Education fund Budget; Education Expense Account numbers
- Transfers to Operations
 - Estimated Expenses in Education fund Budget; Education Expense Account #60100

Calculator (cont.) Resources

- Tuition Support
 - IDOE School Finance - <https://www.doe.in.gov/finance>
- Operating Referendum
 - DLGF Certification letter; DLGF Gateway report - https://gateway.ifionline.org/report_builder/
- School Safety Referendum
 - DLGF Certification letter; DLGF Gateway report
- Education fund miscellaneous revenue
 - DLGF Gateway report; SBOA Chart of Accounts - <https://www.in.gov/sboa/4449.htm>
- Transfers from Operations
 - Resolution passed by Board; SBOA Chart of Accounts - Education Receipt Account #5200
- Non-CBA Education fund expenses
 - DLGF Gateway report; SBOA Chart of Accounts
- Transfers to Operations
 - DLGF Gateway report; SBOA Chart of Accounts - Education Expense Account #60100

Pre-Impasse Service

- Prior to the declaration of impasse, the parties have the option of contacting IEERB and requesting pre-impasse financial consulting
- IEERB has developed relationships with consultants that have extensive backgrounds in school funding and collective bargaining
- The consultant would be an objective third party to assess the financial situation and provide ideas for a solution prior to the parties going to impasse

Employer Bargaining Revenue & Expense Disclosures

- 560 IAC 2-4-1
 - Within 14 days of declaration of impasse, school employer must provide BRED to IEERB and the exclusive representative
 - Financial information (revenue and expenses) that the school employer will rely on to complete their last best offer
 - Tuition Support + Referendums + EDU misc. revenue + Transfers from OP (if applicable) = Estimated Bargaining Revenue
 - Bargaining Teacher Expenses (status quo) + Non-bargained teacher expenses + EDU non-teacher expenses = Estimated Expenses

Employer Bargaining Revenue & Expense Disclosures (cont.)

Description	Timeframe	Number	Exhibit No.
State Tuition Support revenue	FY 2020		
2019 Operating referendum tax levy revenue	7-1 to 12-31, 2019		
2020 Operating referendum tax levy revenue	1-1 to 6-30, 2020		
2020 School Safety tax levy revenue	1-1 to 6-30, 2020		
Miscellaneous Education revenue	FY 2020		
= Total Estimated Bargaining revenue	FY 2020		
Estimated bargained teacher expenses under a status quo CBA	FY 2020		
Estimated non-bargained teacher expenses	FY 2020		
Budgeted EDU non-teacher expenses	FY 2020		

Employer Bargaining Revenue & Expense Disclosures (cont.)

- Exhibits

- Form 1782 and Budget Form 1s
- Estimated EDU Misc. – Form 2
- EDU Financial Statement and Proposed Tax Rate – Form 4B
- DLGF Current Year Financial Worksheet
- EDU Form 4A
- IDOE Certification of estimated Tuition Support
- Current status quo teacher salaries, wages, and benefits
- School policies regarding non-bargained teacher salary, wages, and benefits
- Basic Grant Monthly Distribution formula run – IDOE Form DOESA545

Last Best Offer

- If parties cannot ratify a CBA during mediation, they must exchange Last, Best, Offers
- IEERB has developed a required format, required information, and required supporting documents
- Failure to meet LBO requirements could result in rejection and approval of the other parties LBO
- It is strongly recommended that parties submit LBOs electronically and hardcopy versions
- Parties are strongly encouraged to include any additional documents that support their LBO

Last Best Offer (cont.)

- LBO Overview
 - Total LBO costs
 - Revenue and Expenses-some actual and some estimated
 - Financial and ADM trends
- Narrative
 - Summary of proposed CBA
 - Explanation of Estimates used for LBO
 - Changes from prior CBA
- Exhibits
 - Proposed CBA
 - Supporting financial reports and documents
 - ADM information

Summary Timeline – Financial aspects

- Parties gather financial information and bargain starting September 15
- Impasse is declared on November 15
- Within 14 days Employer sends BRED to IEERB and Exclusive Rep
- After 30 days of mediation each party prepares LBO
- Factfinder investigates and makes decision on which LBO to accept