

Benton Community School Corporation Creates Financial Advisory Committee

November 12, 2019 (Fowler, IN) – Benton Community School Corporation has created a Financial Advisory Committee made up of community members to assess school corporation financial challenges and provide feedback to administration and the school board about actions that could be considered to improve the district's financial health.

"Benton has been financially stable for many years," said Superintendent Gregg Hoover. "However, due to a number of factors, we will need to make adjustments to remain stable. This could mean budget reductions, a revenue increase through a referendum, or some combination of the two."

District administration and the school board have been keeping a close eye on expenses and revenues for some time. Budget presentations for the last 2 years have shown a downward trend in fund balance (the district's savings account). Benton Community School Corporation policy is to keep 10 percent. By comparison, the state of Indiana's goal is to keep 12 percent. This helps pay for unanticipated expenses, and allows flexibility in budgeting.

"Beginning next year, without increased revenue, or budget reductions, we will need to use fund balance savings to balance our budget," said Tracy Albertson, Benton Community School Corporation's Director of Finance. "This is not sustainable. Our fund balance could be gone as soon as 2022."

Budget forecasts indicate that the district would need to use \$1.5 million of fund balance in 2020 and \$2.4 million in 2021. Among the reasons that expenses are beginning to exceed revenues:

- State policy has shifted funding from state sources to a heavier reliance on local property taxes
- State funding is not keeping pace with inflation (There was a 1.0 percent increase in state tuition support this year, compared to a 2.5 percent increase in costs)
- Enrollment is declining (the district adjusts staffing based on enrollment, but things like bus routes and facility heat and power are fixed costs)

A community opinion survey was conducted in July to find out how residents felt about the school corporation, which educational programs they felt were most important, where they felt budget reductions could be made, and whether they would support an operating levy referendum.

"We have some good survey data now," Hoover said. "We hope the Financial Advisory Committee will be able to explore our financial situation more deeply to help us choose priorities."

Notes from committee meetings will be posted to the district's website at www.benton.k12.in.us.