

PRESIDENT DUCKWORTH, MEMBERS OF THE BOARD, DR. BERTRAM,

TONIGHT IS THE FIRST STEP THAT IS REQUIRED BY STATE STATUTE FOR THE BUDGET PROCESS TO PROCEED. YOU HAVE THREE RESOLUTIONS REGARDING THE 2009 BUDGET THAT ARE NECESSARY FOR ADVERTISING PURPOSES. THEY ARE RESOLUTION OF TAX RATES, CAPITAL PROJECTS PLAN AND THE BUS REPLACEMENT PLAN. THE 2009 BUDGET CONSISTS OF EIGHT FUNDS-GENERAL, DEBT SERVICE, RETIREMENT SEVERANCE BOND DEBT SERVICE, CAPITAL PROJECTS, TRANSPORTATION OPERATING, BUS REPLACEMENT, SPECIAL ED PRESCHOOL AND THE ART INSTITUTE FOR A TOTAL OF \$207,616,896.00.

THE 2009 BUDGET WAS REVIEWED AT THE JULY 28 BOARD MEETING AND I WANT TO BRING YOU UP TO DATE. THE GENERAL FUND HAS REMAINED ESSENTIALLY UNCHANGED. WE HAVE MADE SOME REVISIONS IN CLASSIFIED SALARIES THAT HAVE REDUCED THE BUDGET BY APPROXIMATELY \$120,000. THAT AMOUNT HAS BEEN ADDED TO UTILITIES IN THE GENERAL FUND. YOU MIGHT RECALL THAT UTILITIES CAN BE CHARGED TO THE CAPITAL PROJECTS FUND UP TO A CERTAIN AMOUNT PER STATUTE, AND AFTER THAT AMOUNT HAS BEEN ATTAINED, THE OVERAGE IS CHARGED TO THE GENERAL FUND. LAST YEAR THAT AMOUNT WAS 481,890.60, AND WE HAVE BUDGETED 620,756.00 IN THE GENERAL FUND IN 2009 FOR THAT OVERAGE. WITH INCREASES IN UTILITY COSTS EXPECTED IN 2009, WE FEEL THAT AMOUNT WILL BE UTILIZED. IN BUS TRANSPORTATION, WE HAVE REEVALUATED THE SECURITY CAMERAS BEING PURCHASED IN 2009. THAT AMOUNT, ALSO APPROXIMATELY \$120,000, HAS BEEN TRANSFERRED TO FUEL IN THE BUDGET. WE ARE GOING TO PURSUE GRANT OPPORTUNITIES TO PURCHASE THE CAMERAS. THE TOTAL AMOUNT OF THE BUDGET HAS NOT CHANGED SINCE JULY 28. WE HAVE MADE SOME REVISIONS IN THE CAPITAL PROJECTS FUND SINCE JULY 28. NAMELY, ADDITIONAL BLEACHERS AT BOSSE HIGH SCHOOL, LOCKERS AT HARRISON HIGH SCHOOL, FENCING AT MCGARY MIDDLE SCHOOL, CARPET AND FURNITURE AT CAZE ELEMENTARY SCHOOL, CARPET AT DELWARE ELEMENTARY SCHOOL, CAFETERIA FURNITURE AT FAIRLAWN ELEMENTARY SCHOOL, INTERIOR RENOVATIONS AT WEST TERRACE ELEMENTARY SCHOOL AND ADDITIONAL MONEY PLACED INTO THE EMERGENCY FUND. PLAZA PARK'S CLASSROOM ADDITION AND STOCKWELL'S CLASSROOM ADDITION HAVE BEEN REMOVED FROM THE PLAN TO ACCOMMODATE THESE CHANGES, BUT ONCE AGAIN, THE BOTTOM LINE HAS NOT CHANGED. THERE HAVE NOT BEEN CHANGES IN ANY OF THE OTHER FUNDS.

I WOULD NOW LIKE TO BRIEFLY REVIEW THE PURPOSE OF EACH FUND, STATE THE PROPOSED BUDGET AMOUNT, THE ADVERTISED TAX RATE,

AND THE ANTICIPATED TAX RATE. THE ANTICIPATED TAX RATE IS BASED ON THE CURRENT ASSESSED VALUATION. THE PUBLISHED TAX RATES ARE ADVERTISED HIGHER THAN ANTICIPATED TO PROTECT THE LEVY REQUIRED. THIS IS A ROUTINE BUDGET PRACTICE. THE TAX LEVY AND RATE INFORMATION WILL BE POSTED TOMORROW MORNING ON OUR WEBSITE AND ON BOARDDOCS.

THE ART INSTITUTE OF \$120,000 IS FOR THE PAYMENT OF ONE ART ASSOCIATION, WHICH IS THE EVANSVILLE MUSEUM OF ARTS, SCIENCE AND HISTORY. THE ADVERTISED RATE WILL BE \$.0038, WITH THE ANTICIPATED RATE OF \$.0014. THE BUS REPLACEMENT FUND OF \$1,533,000 IS FOR THE REPLACEMENT OF 18 BUSES. THIS LEVY WILL BE ADVERTISED WITH A RATE OF \$.0515, WITH THE ANTICIPATED RATE TO BE APPROXIMATELY \$0.0188. THE TRANSPORTATION OPERATING FUND PAYS BUS DRIVERS, CONTRACT BUS DRIVERS, BUS ATTENDANTS, FUEL AND RELATED BUS EXPENDITURES. THE BUDGET WILL BE ADVERTISED AT \$13,611,081.00, WITH A RATE OF \$.3996 AND AN EXPECTED RATE OF \$.1460. THE CAPITAL PROJECTS FUND IS FOR THE RENOVATIONS AND MAINTENANCE OF SCHOOL PROPERTY AND PAYMENTS OF UTILITIES, AS MENTIONED EARLIER. THE BUDGET WILL BE ADVERTISED AT \$27,257,750.00 THE BUDGET ALSO INCLUDES THE TAX NEUTRAL UNFUNDED LIABILITY BOND ISSUES OF \$7,178,375. PER THE DEPARTMENT OF LOCAL GOVERNMENT FINANCE, WE ARE REQUIRED TO ADVERTISE THESE TAX NEUTRAL BOND ISSUES ALSO IN THE CAPITAL PROJECTS FUND. THE ADVERTISED RATE FOR THIS FUND WILL BE .8540. IN REALITY, EXCLUDING THE TAX NEUTRAL BOND ISSUES, THE RATE WILL BE MORE LIKE .2320. THE RETIREMENT SEVERANCE DEBT SERVICE FUND IS FOR THE PAYMENT OF THE TAX NEUTRAL BOND ISSUES. THE RATE WILL BE ADVERTISED AT \$.2192, WITH THE ACTUAL ESTIMATED AT \$.0801. THE DEBT SERVICE FUND IS FOR THE SOUTHERN INDIANA CAREER & TECHNICAL CENTER BOND ISSUE, AND THE TECHNOLOGY LOANS. THE LEVY WILL BE ADVERTISED AT \$.2000, WITH THE RATE EXPECTED TO BE \$.0731. THE TOTAL TAX RATE TO BE ADVERTISED FOR 2009 AS APPEARS ON THE RESOLUTION IS 1.7282. BASED ON THE CURRENT ASSESSED VALUATION, THE EXPECTED TOTAL RATE COULD BE .5514. THIS RATE IS CONSIDERABLY LESS THAN 2008 DUE TO THE STATE TAKING OVER FUNDING OF THE GENERAL AND THE SPECIAL ED PRESCHOOL FUNDS.

THE GENERAL FUND EXPENDITURES ARE EXPECTED TO BE \$157,452,441.00 WHICH IS A 2.6% INCREASE OVER THE 2008 BUDGET. WE HAVE TRIED TO BE AS CONSERVATIVE AS POSSIBLE WITH THIS BUDGET, SINCE THE MAJORITY OF THE FUNDING WILL BE COMING FROM THE STATE WE WILL NEED TO BE VIGILANT DURING 2009 IN MONITORING OUR INCOME AND EXPENDITURES SINCE THERE IS NOT A LOCAL PROPERTY TAX LEVY ANYMORE.

THE SPECIAL ED PRE-SCHOOL FUND HAS ALSO BEEN TAKEN OVER BY THE STATE AND WILL NO LONGER HAVE A LOCAL PROPERTY TAX LEVY. THE BUDGET FOR 2009 WILL BE \$1,406,096.00, WHICH IS A 8% DECREASE OVER 2008. THIS FUND HAS BEEN HISTORICALLY UNDERFUNDED BY THE STATE AND ENDS UP BEING SUBSIDIZED BY THE GENERAL FUND.

THE BUDGET ADVERTISEMENT WILL APPEAR IN THE EVANSVILLE COURIER AND PRESS ON SEPTEMBER 10 AND 17, WHICH BY STATE STATUTE MUST BE 10 DAYS BEFORE THE PUBLIC HEARING. THE PUBLIC HEARING IS SCHEDULED FOR SEPTEMBER 22. THE ADVERTISEMENT WILL ALSO BE POSTED IN THREE PUBLIC PLACES AND WILL BE ON THE EVSC WEB SITE.

I WOULD ALSO LIKE TO INFORM YOU THAT I WILL BE CONDUCTING TWO BUDGET FORUMS THIS WEEK THAT ARE OPEN TO THE PUBLIC. THESE FORUMS WILL NOT REPLACE THE PUBLIC HEARING THAT WILL BE HELD ON SEPTEMBER 22. THE FORUMS WILL BE ON THURSDAY, SEPTEMBER 11 FROM 6-8 PM HERE IN THE BOARDROOM. THE OTHER WILL BE ON FRIDAY, SEPTMEBR 12 FROM NOON TO 2PM, ALSO HERE IN THE BOARDROOM.

AT THIS TIME, I REQUEST YOUR APPROVAL TO ADVERTISE THE 2009 BUDGET, CAPITAL PROJECTS PLAN AND BUS REPLACEMENT PLAN.