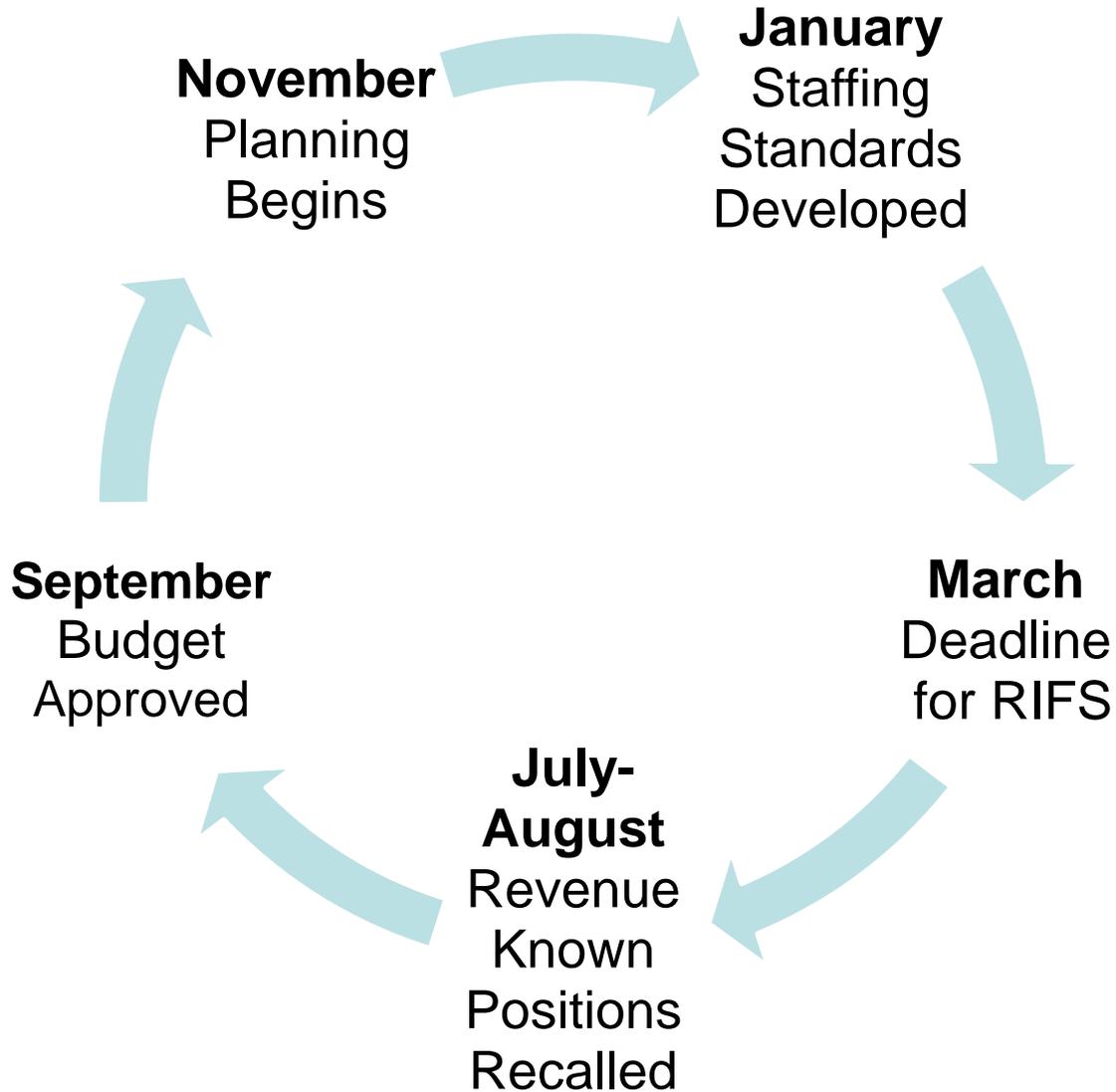




**FY 2016
Budget Presentation**

August 17, 2015

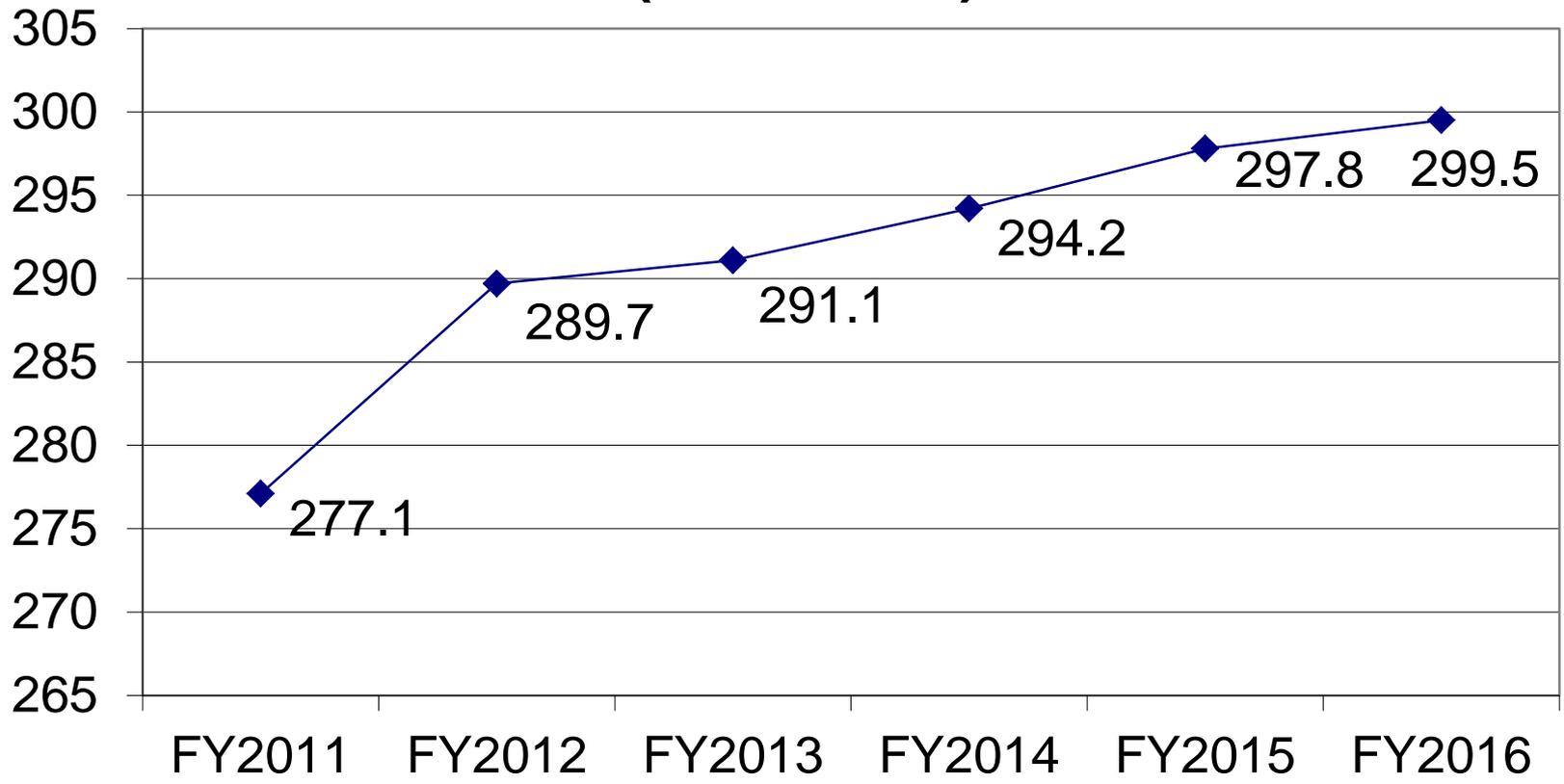
The Budget Planning Cycle



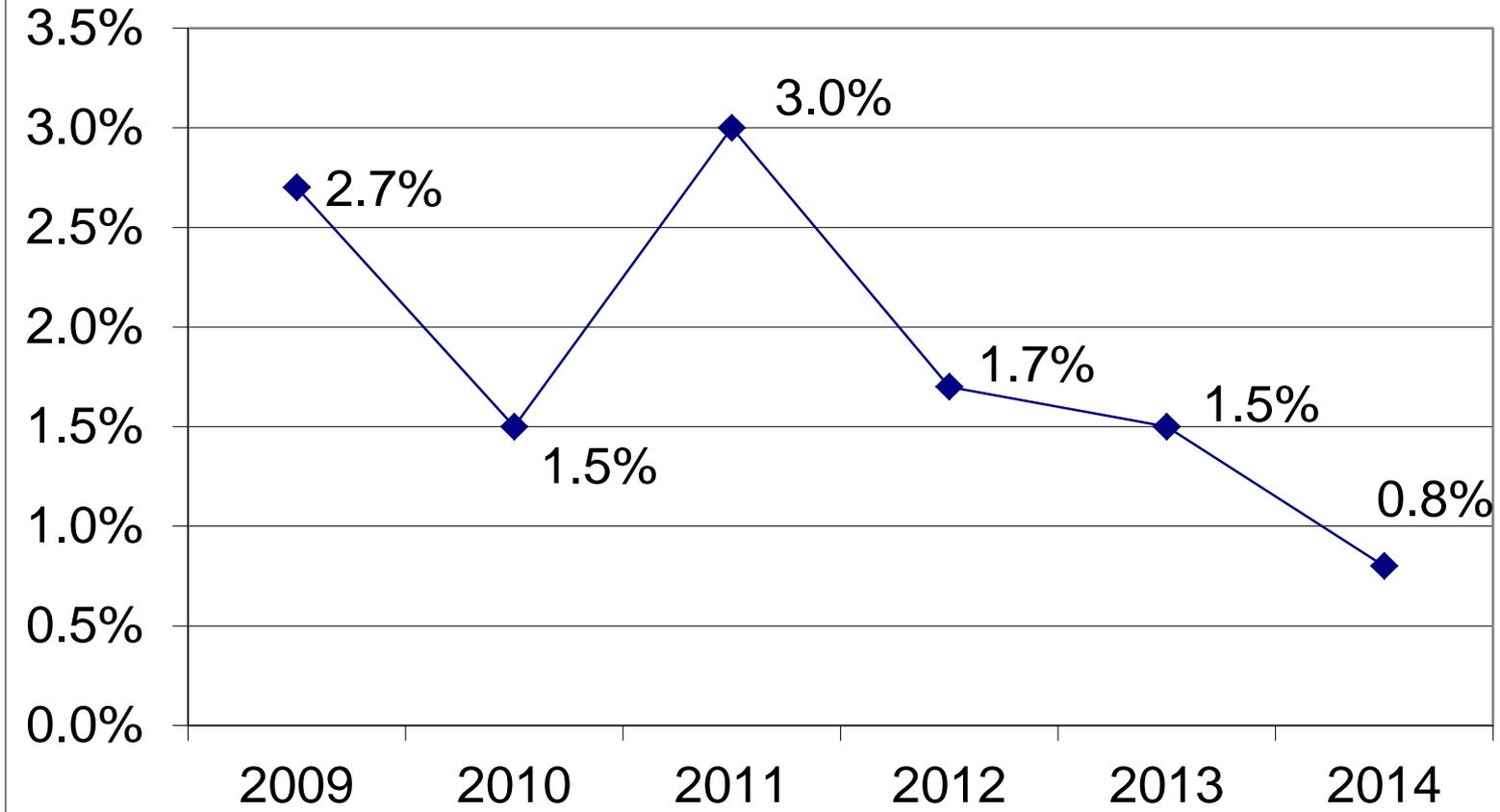
Local Revenue Outlook

- Property tax revenue can grow at the rate of inflation plus revenue from new construction. For FY 2016 the property tax revenue will increase \$1.7 million from the tax year 2014 levy, with no projected increase from the tax year 2015 levy.
- The Consumer Price Index showed a lower inflation rate for the 4th straight calendar year. The CPI for 2014 is 0.8%, down from 1.5% in 2013, 1.7% in 2012 and 3.0% in 2011.

Property Tax Revenue - FY2011 to 2016 (in millions)



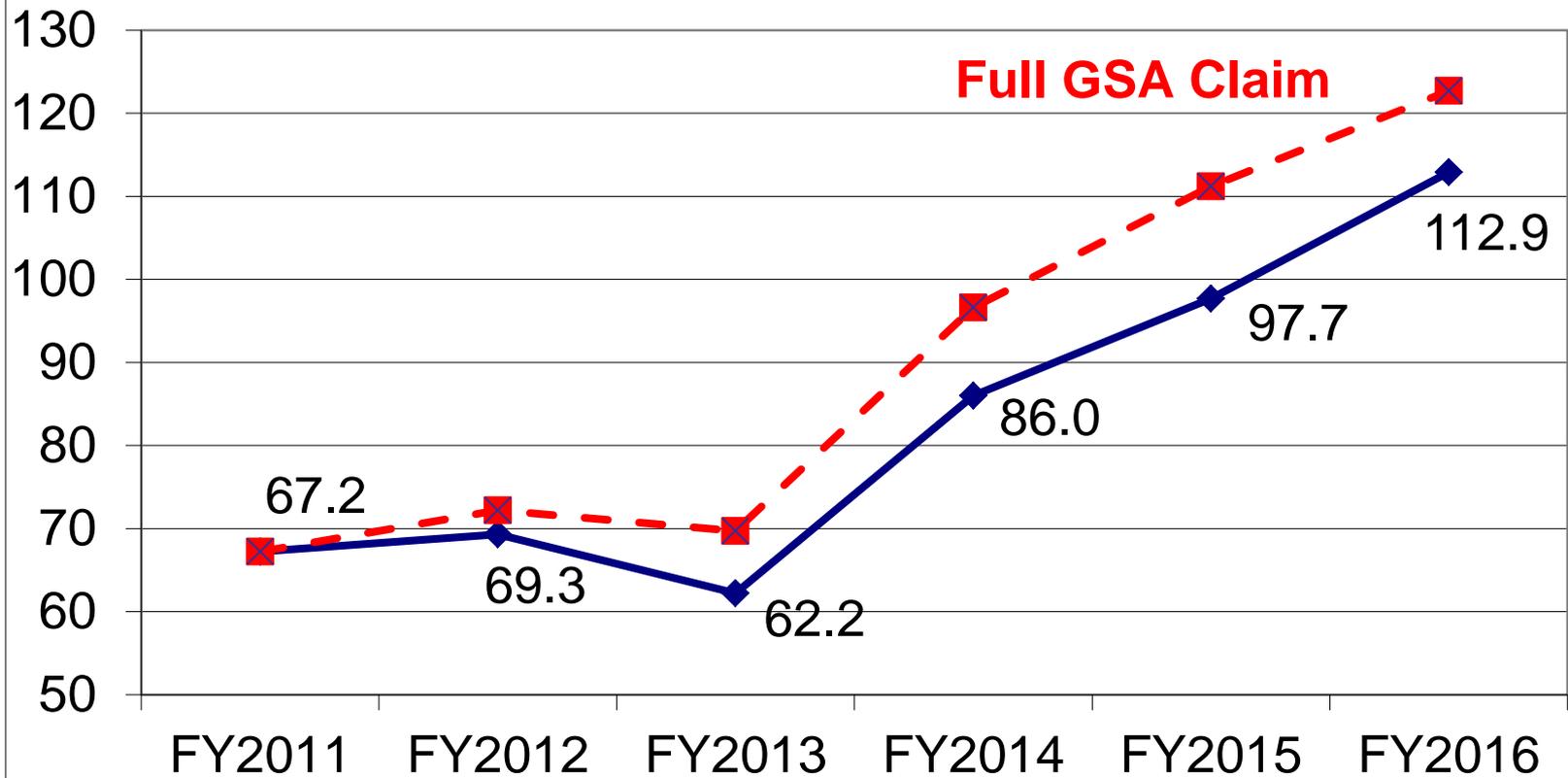
Consumer Price Index for 2009-2014



State Revenue Outlook

- General State Aid estimated allocation is going to be reduced by 8% or \$9.8 million, last year the reduction was 13% or \$14.3 million. The total allocation is higher due to the change in the proration and the lower Equalized Assessed Valuation.
- Categorical funding, we anticipate 3 quarterly payments. The state paid the 4th quarter from FY2015 in July, however the overall State budget has not been finalized for FY 2016.

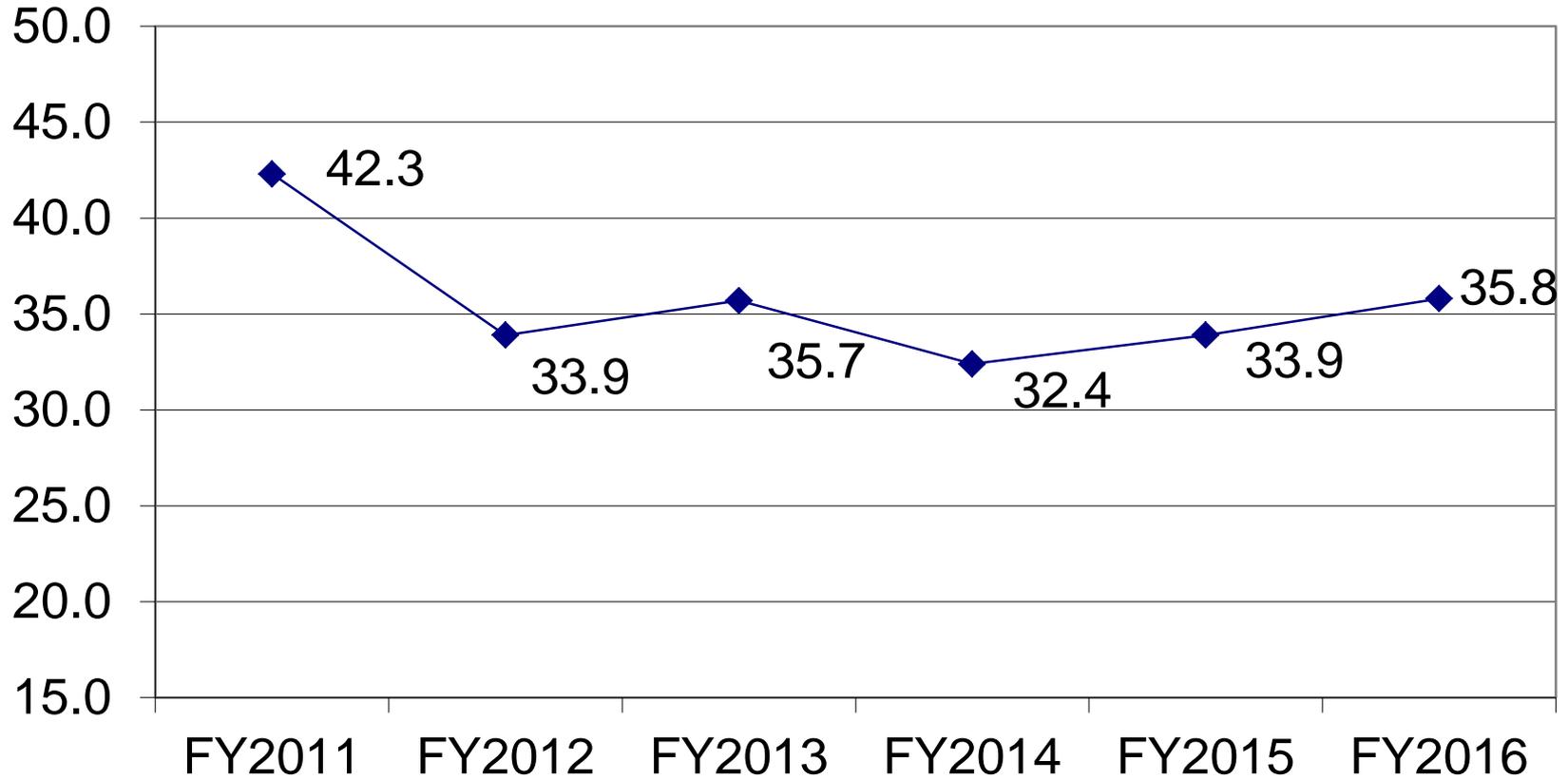
General State Aid - FY2011 to 2016 (in millions)



Federal Revenue Outlook

- Federal grant expenditure reports are reimbursed monthly.
- Funding levels are \$2.0 million higher than FY2015 due to the new Early Childhood Expansion grant.

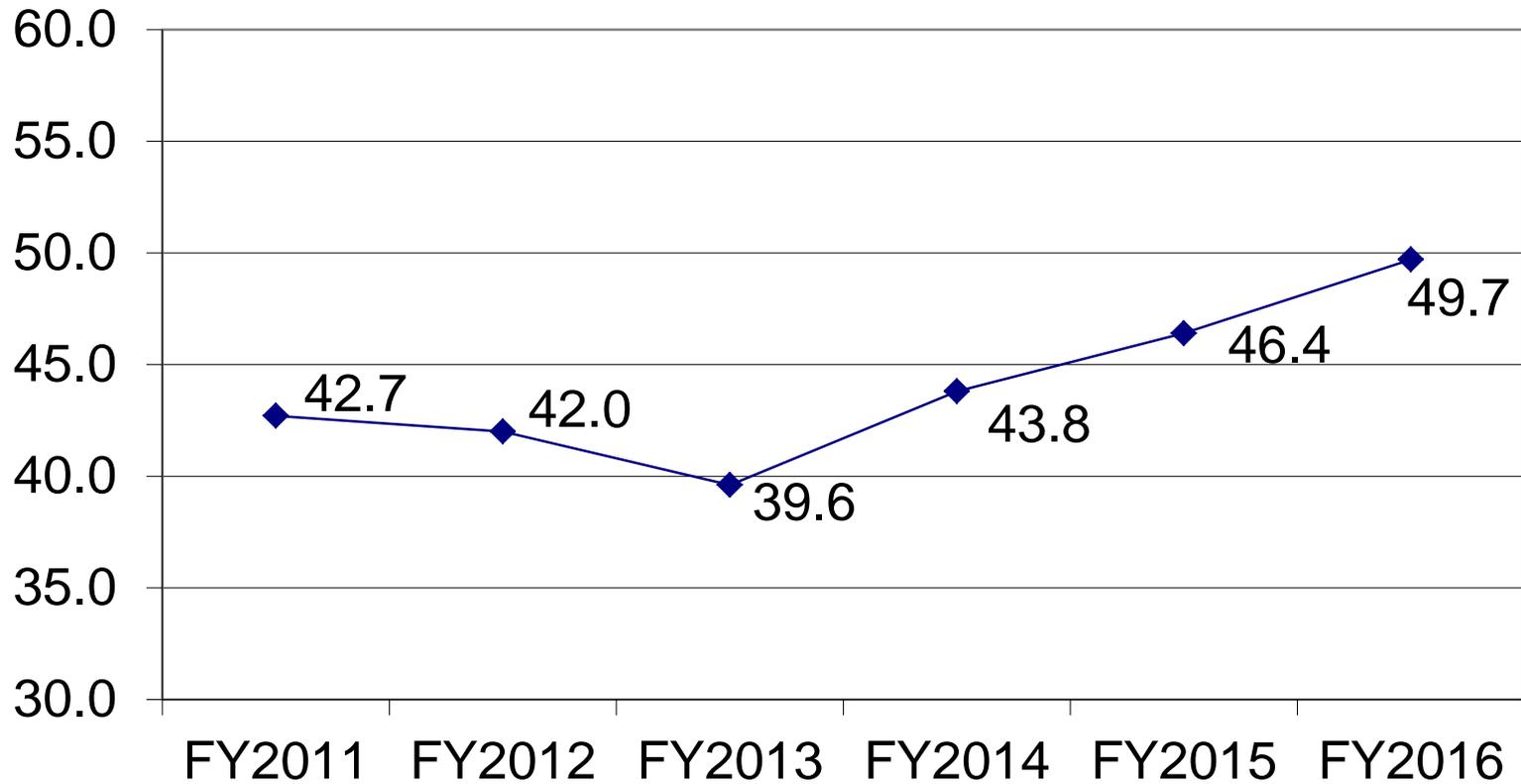
Federal Funds (in millions)



FY 2016 Expenditure Outlook

- Salary expenditures – Contractual salary increases for teachers and staff.
Leadership will cautiously add back FTE in areas of need and align to the new strategic plan.
- Employee benefits – Includes a 5% increase for health insurance.

Health Insurance (in millions)



FY 2016 Expenditure Outlook

- Capital Outlay –
- \$13.0 million for building capital projects
- \$ 6.7 million for 87 new buses
- \$ 5.6 million for computer equipment

Expenditures by major program

	<u>FY 2014 Actual</u>	<u>FY 2015 Budget*</u>	<u>FY 2016 Budget</u>
Major Instructional Programs			
Special Education	\$ 62,874,754	\$ 66,777,359	\$ 68,021,715
English Language Learners	30,662,645	32,461,952	33,720,881
Early Childhood	8,517,761	8,308,798	10,901,088
Total Expenditures	102,055,159	107,548,109	112,643,684
General Education Staffing			
Elementary	58,279,799	69,220,847	71,087,512
Middle School	23,885,885	26,545,288	27,661,179
High School	41,546,303	42,857,536	39,414,034
Total Expenditures	123,711,988	138,623,672	138,162,726
Major Operating Departments			
Plant Operations	22,832,708	25,063,303	25,179,942
Transportation	24,837,017	24,765,093	32,787,460
Food Service	18,274,912	14,816,728	15,099,982
Total Expenditures	65,944,637	64,645,124	73,067,384

Revenue and Expenditures – All Funds

	<u>FY 2014 Actual</u>	<u>FY 2015 Budget*</u>	<u>FY 2016 Budget</u>
Revenue			
Taxes	\$ 293,432,445	\$ 297,833,932	\$ 299,544,467
Local Revenue	17,673,990	16,226,000	16,833,500
General State Aid	90,443,607	98,935,769	112,894,149
Categoricals	37,938,895	39,591,104	28,946,581
Federal Aid	34,412,640	33,876,202	35,816,766
Other Revenue	148,608	25,000	26,375
Total Revenue	474,050,185	486,488,006	494,061,838
Expenditures			
Salaries	\$ 236,945,103	\$ 250,527,032	\$ 258,033,673
Employee Benefits	86,948,284	91,229,738	93,686,428
Purchased Services	37,549,428	33,803,930	33,467,552
Supplies and Materials	25,417,431	25,629,307	28,921,128
Capital Outlay	15,013,146	27,727,370	33,192,252
Other Expenditures	54,660,681	57,700,146	59,273,461
Non-Cap Equip	901,035	1,127,098	994,459
Total Expenditures	457,435,108	487,744,621	507,568,953
Other Financing Sources (Uses)	0	1,500,000	6,653,797
Net Change in Fund Balance	\$16,615,077	\$243,385	(\$6,853,318)
*Awaiting audited financial reports.			

Summary by Fund

	Revenues	Expenditures	Other Sources (Uses)	Net Increase (Decrease)
Operating Funds (or General Fund):				
<i>Education Fund</i>	\$368,216,963	\$371,386,927	\$0	(\$3,169,965)
<i>Operations & Maintenance Fund</i>	\$27,037,479	\$25,179,942	\$0	\$1,857,537
<i>Transportation Fund</i>	\$27,697,221	\$32,787,460	\$6,653,797	\$1,563,558
Total Operating Funds	\$422,951,663	\$429,354,329	\$6,653,797	\$251,130
Special Revenue Funds:				
<i>Tort Immunity & Judgment Fund</i>	\$12,660,216	\$7,040,222	\$0	\$5,619,994
<i>IMRF/Social Security Fund</i>	\$14,452,849	\$14,426,054	\$0	\$26,795
<i>Working Cash Fund</i>	\$250,000	\$13,250,000	\$0	(\$13,000,000)
Debt Service Fund:				
<i>Debt Service Fund</i>	\$41,614,038	\$41,343,347	\$0	\$270,691
Total All Funds Except Capital Projects Funds	\$491,928,766	\$505,413,953	\$6,653,797	(\$6,831,390)
Capital Projects Funds:				
<i>Fire Prevention & Safety Fund</i>	\$1,783,072	\$1,715,000	\$0	\$68,072
<i>Capital Projects Fund</i>	\$0	\$90,000	\$0	(\$90,000)
<i>Developers Fees Fund</i>	\$350,000	\$350,000	\$0	\$0
Total All Funds	\$494,061,838	\$507,568,953	\$6,653,797	(\$6,853,318)

Projected Fund Balances

Fund	Fund Balance 6/30/2014	Projected change FY 2015	Fund Balance 6/30/2015
10 Education	89,124,912	-3,573,620	85,551,292
20 Operations	4,513,538	116,083	4,629,621
40 Transportation	-15,232,585	3,530,955	-11,701,630
Total Operating Funds	78,405,865	73,418	78,479,283
Special Revenue Funds:			
80 Tort Immunity and Judgment	-21,896,531	2,484,316	-19,412,215
50 IMRF/Social Security	-439,088	35,948	-403,140
70 Working Cash	92,052,975	-3,143,000	88,909,975
Debt Service Fund:			
30 Debt Service	24,156,123	872,015	25,028,138
Total All Funds Except Capital	93,873,479	249,279	94,122,758
Capital Projects Funds:			
90 Fire Prevention and Safety	-899,425	15,032	-884,393
60 Capital Projects	3,159,886	-94,343	3,065,543
66 Developers Fees	701,597	0	701,597
Total All funds	175,241,402	243,386	175,484,788

Next Steps

- Public Hearing on the FY 2016 Budget on September 14th.
- Receive final certified fund balances for FY 2015.
- Final adoption of the Budget on September 28th.