

School District U-46



FY 2018 Tentative Budget

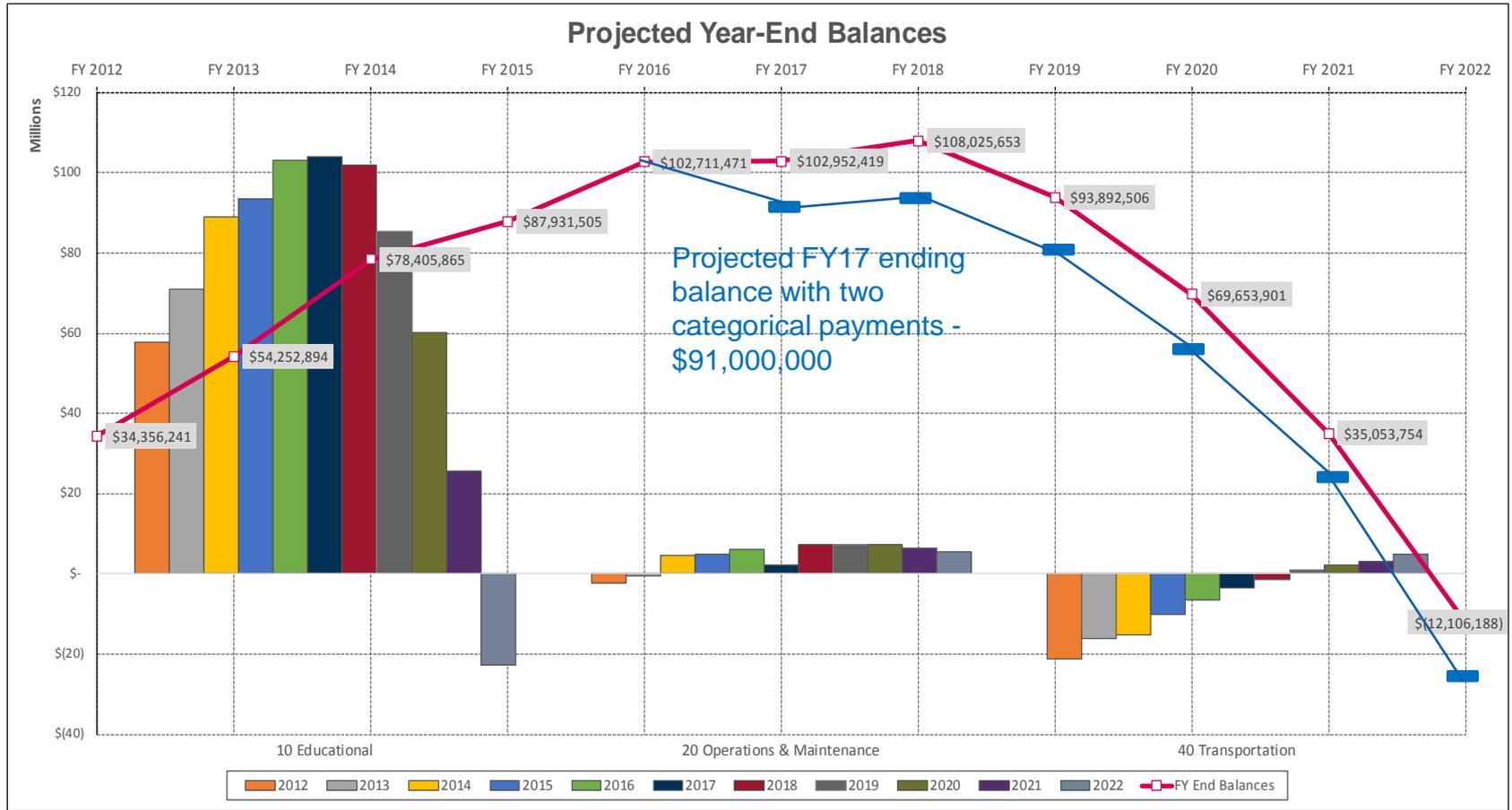
May 15, 2017

Budget Planning Cycle



Educational | Operations and Maintenance | Transportation

SD U-46 | Base 021617



Unknown Factors



- ❧ State budget – Currently there is no budget agreement.
- ❧ Property tax revenue – Possible tax freeze legislation.
- ❧ General State Aid amount – Will not know until the end of July. Using current ISBE formula with no changes. Possible changes for equitable funding.
- ❧ State categorical funding, including Transportation – Currently we have only received two quarters of categorical payments in FY2017. One is the 4th quarter from FY2016, and the second is the 1st quarter of FY2017.
- ❧ Pension Reform - it is possible that a shift will occur to make the districts pay which could cost us \$18 million per year.

Property tax payment cycle



- ❧ Tax year is a calendar year.
- ❧ Taxes from the 2016 tax year are payable in 2017.
- ❧ Payments received in 2017 are split between two fiscal years.
- ❧ Kane and DuPage estimate the Cook property valuation, and adjust to actual in the following year which accounts for the swings in property tax revenue beyond what the District could levy in the following slide.

Property tax extension history (in Millions)



	2011 Tax Year	2012 Tax Year	2013 Tax Year	2014 Tax Year	2015 Tax Year	2016 Tax Year
Cap funds	237.6	250.7	257.6	258.6	262.0	264.7
Non cap funds	43.2	45.2	44.8	44.3	40.5	38.7
Total Extension	280.8	295.8	302.5	302.9	302.5	303.4

Revenue Assumptions

Scenario 1



- Property tax levy increase of 2.1% for tax year 2017 payable in 2018. Tax year 2016 revenue payable in 2017, was levied and abated for the increase on existing property. For tax year 2017 abate same amount as tax year 2016, \$3.9 million.
- General State Aid using current ISBE formula with no proration. GSA will decline \$4.8 million.
- The District will receive three categorical payments in FY 2018.

Revenue Assumptions

Scenario 2



- Property tax levy increase of 2.1% for tax year 2017 payable in 2018. Tax year 2016 revenue payable in 2017, was levied and abated for the increase on existing property. No abatement for tax year 2017.
- General State Aid using current ISBE formula with no proration. GSA will decline \$4.8 million.
- The District will receive two categorical payments in FY 2018.

All Funds Revenues (in Millions)



	FY 2017 Budget	FY 2018 Scenario 1 Budget	Change from FY 2017	FY 2018 Scenario 2 Budget	Change from FY 2017
Taxes	\$300.8	\$302.2	\$1.4	\$306.1	\$5.3
Local	15.9	17.7	1.8	17.7	1.8
General State Aid	119.4	114.6	-4.8	114.6	-4.8
Categoricals	38.7	29.0	-9.7	19.3	-19.4
Federal	37.2	38.2	1.0	38.2	1.0
Other	0.0	0.0	0.0	0.0	0.0
Total	512.0	501.7	-10.3	495.9	-16.1

Expenditure Assumptions

Scenario 1



- ❧ Salaries – Annual increases per contracts, estimated reduction of 15 teaching positions.
- ❧ Benefits – Health Insurance 5% increase, Pension, Medicare, & Social Security increases equal to salary increases.
- ❧ Capital Outlay - No purchase of new buses - \$3.4 million.
- ❧ \$12 million in Capital projects funded from Working Cash.
- ❧ Contingency is at \$2.5 million due to uncertainty in funding.

Expenditure Assumptions

Scenario 2



- ∞ Salaries & Benefits – Same as scenario 1.
- ∞ Capital Outlay – Additional reduction in Equipment, including purchase of Asset Tracking software.
- ∞ No transfer from Educational Fund to Debt Service Fund for abatement.
- ∞ Eliminate Contingency of \$2.5 million.

All Funds Expenditures FY 2017 (in Millions)



	FY 2017 Budget	FY 2018 Scenario 1 Budget	Change from FY 2017	FY 2018 Scenario 2 Budget	Change from FY2017
Salaries	\$264.0	\$268.6	\$ 4.6	\$268.6	\$ 4.6
Benefits	95.5	96.5	1.0	96.5	1.0
Purchased Services	34.9	35.3	0.4	34.4	(0.5)
Supplies & Materials	26.8	32.0	5.2	32.0	5.2
Capital Outlay	29.4	19.4	(10.0)	17.1	(12.3)
Other Objects & Tuition	60.8	58.7	(2.1)	56.2	(4.6)
Total	511.4	510.5	(0.9)	504.8	(6.6)

Summary - All Funds

(in Millions)



	Beginning Fund Balance	Revenue	Expense	Ending Fund Balance
All Funds - Scenario 1	\$216.4	\$501.7	\$(510.5)	\$207.6
All Funds - Scenario 2	\$216.4	\$495.9	\$(504.8)	\$207.5

Operating Funds – Scenario 1 (in Millions)



	Beginning Fund Balance	Revenue	Expense	Other	Ending Fund Balance
Educational	\$91.2	\$374.2	\$(382.4)	\$0.0	\$83.0
Operations & Maintenance	2.7	32.2	(27.6)	0.0	7.3
Transportation	(5.5)	29.4	(25.8)	0.0	(1.9)
Total	\$88.4	\$435.8	\$(435.8)	\$0.0	\$88.4

Operating Funds – Scenario 2

(in Millions)



	Beginning Fund Balance	Revenue	Expense	Other	Ending Fund Balance
Educational	\$91.2	\$368.3	\$(372.8)	\$0.0	\$86.7
Operations & Maintenance	2.7	32.2	(27.6)	0.0	7.3
Transportation	(5.5)	25.7	(25.8)	0.0	(5.6)
Total	\$88.4	\$426.2	\$(426.2)	\$0.0	\$88.4

Reduction Summary



- ❧ Scenario 1 – Reductions from FY17 Budget.
- ❧ No bus purchase \$2.3 million.
- ❧ Technology and other Equipment \$5.0 million.
- ❧ Building and non-building improvement projects \$2.0 million.
- ❧ Contingency \$1.5 million.

- ❧ Scenario 2 – Additional reductions from Scenario 1.
- ❧ Asset Tracking software and equipment \$1.0 million.
- ❧ Technology and other Equipment \$1.3 million.
- ❧ No transfer from Educational Fund to Debt Service Fund for abatement, \$3.9 million.
- ❧ Contingency \$2.5 million.

Next Steps



- ❧ Monitor May legislative session for impact on next year's budget.
- ❧ Review department budgets for non-salary and benefit expenditures.
- ❧ Present Tentative Budget at June 19th Board Meeting.