

Butler School District 53

**Budget Hearing Presentation
Board of Education Meeting**

September 11, 2017



Presentation Overview

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- I. Legal Requirements for Budget Adoption & Budget Development Process
- II. Overview of Revenues and Expenditures
- III. Budget Highlights
- IV. Budget Summary

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Section I

Legal Requirements for Budget Adoption



Legal Requirements for Budget Adoption

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- School Districts must adopt a Budget by the end of the first quarter of the fiscal year
- Prior to adoption, a School Board must:
 1. Place the Tentative Budget on Public Display for at least 30 days
 2. Schedule a date and time for a Public Hearing on the Proposed Budget
 3. Publish a “Notice of Public Hearing” in a newspaper of general circulation within the District
 4. Conduct a Public Hearing on the date and at the time specified in the “Notice of Public Hearing”

Budget Development Process

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- Reflects Board of Education & District Goals
- Utilizes a Zero-based Budgeting Model
- Incorporates Longitudinal Data & Projections
- Maintains Strong Educational Services
- Supports Instruction, Technology & Professional Development
- Supports Special Education Services
- Maintains our S & P AAA Bond Rating
- Goal: A “balanced” budget
- Allocates resources for capital improvements

Overview of Revenues and Expenditures



Overview of Revenues

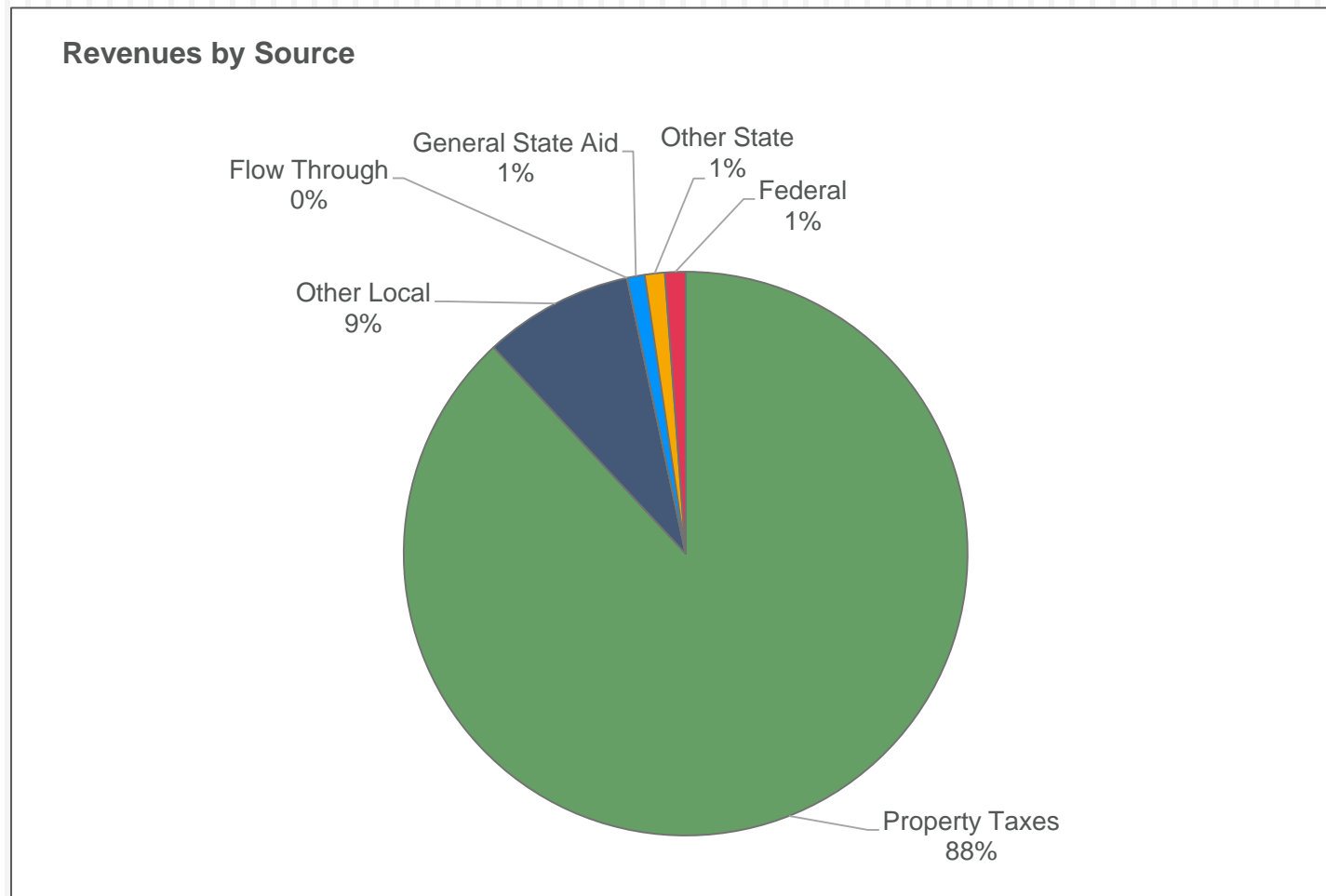
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- Revenues allocated to District Funds based on Accounting Standards
- Revenues are derived from four sources:
 - **Local**
 - Taxes, Payments in Lieu of Taxes (CPPRT), Tuition, Fees, Earnings on Investments, Food Service, Activities, Textbooks, Other
 - **Flow Through**
 - State or Federal
 - **State**
 - General State Aid (Unrestricted) or Categorical Aid (Restricted)
 - **Federal**
 - Unrestricted or Restricted

Major Revenue Sources

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□ Operating Funds – Ed, O&M, Trans, IMRF, WC



Local Property Taxes--CPI

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Year CPI Determined	CPI Rate
2016	2.1%
2015	0.7%
2014	0.8%
2013	1.5%
2012	1.7%
2011	3.0%
2010	1.5%
2009	2.7%
2008	0.1%
2007	4.1%
2006	2.5%

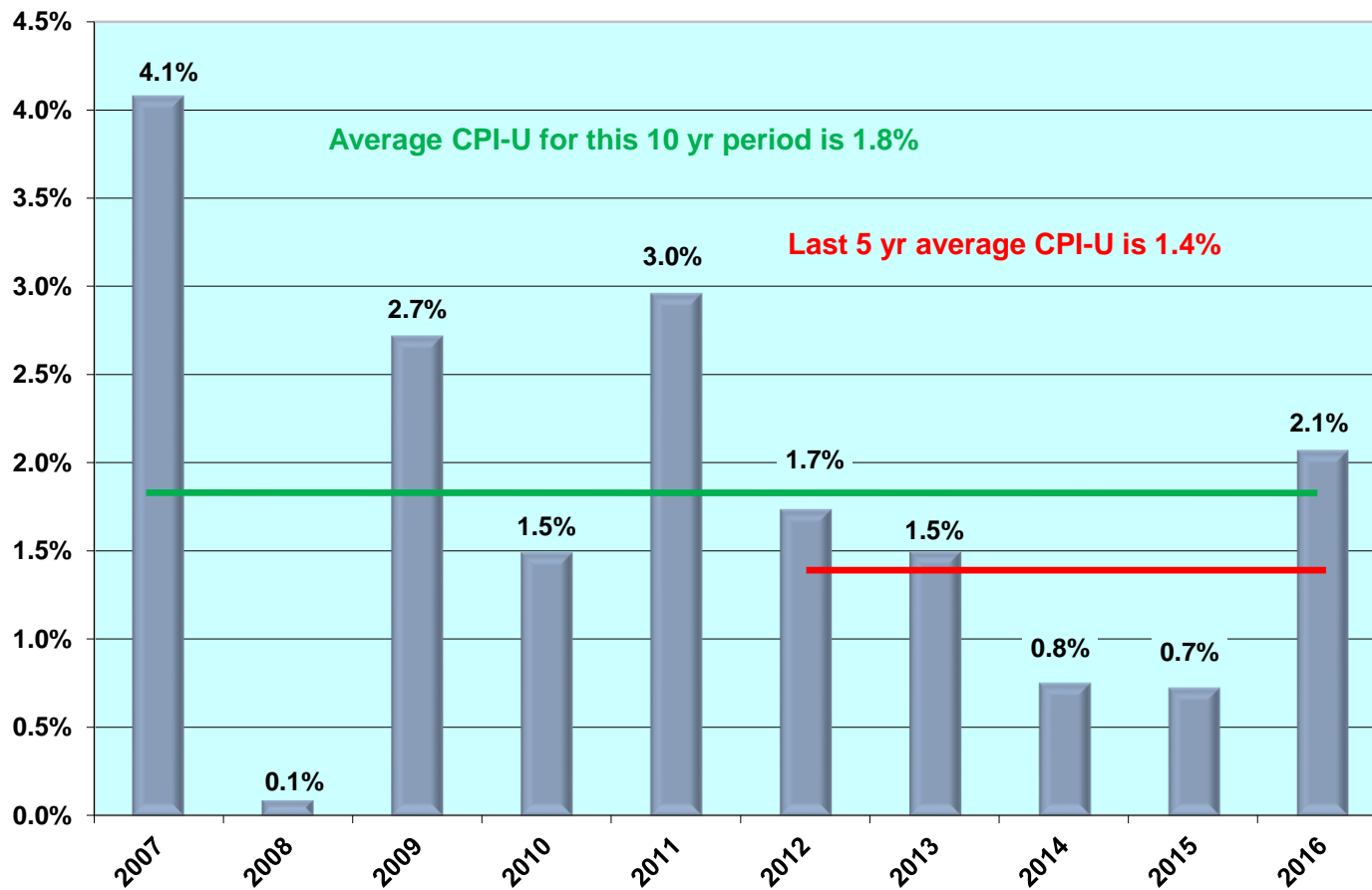


Two Years
Used to
Generate
FY18
Property Taxes

Historical Perspective

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Percent of Change in December CPI-U for the Last 10 Years



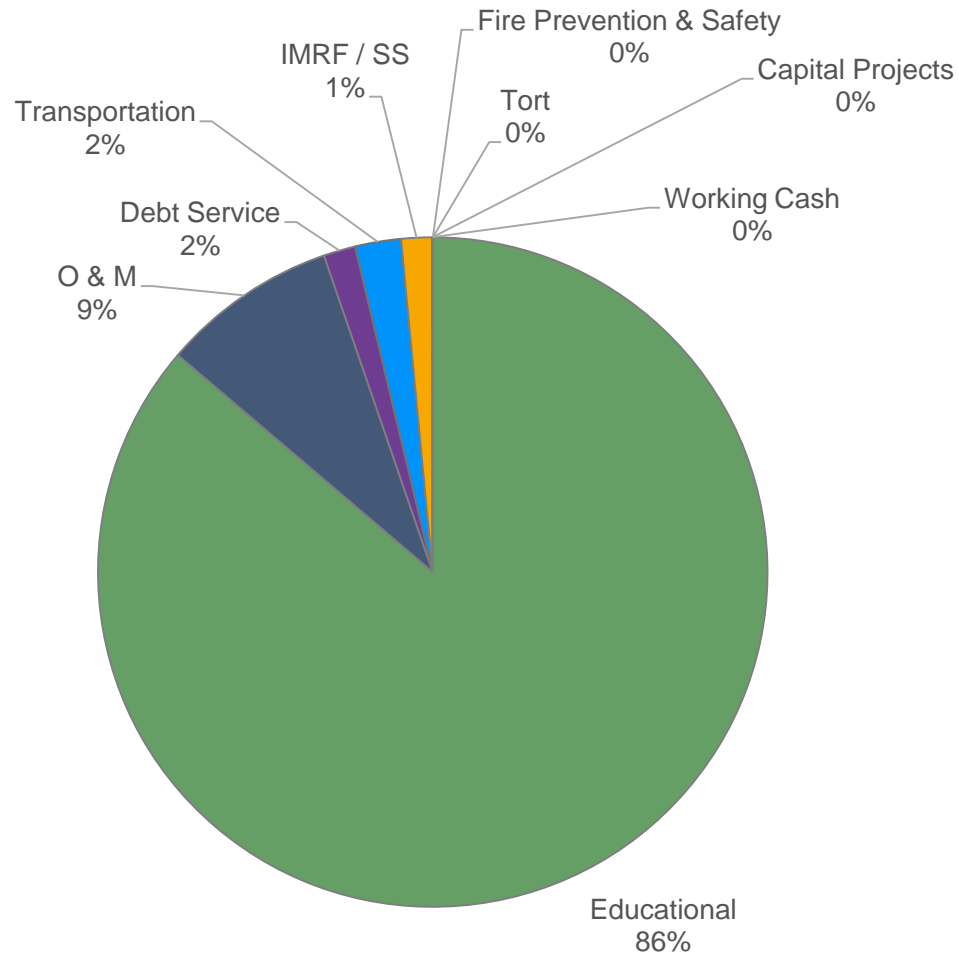
Other Revenue Details

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- 88% from Property Taxes
- Limited \$s from State Grants: Transportation, Special Education
- Flat Grant GSA Formula (\$218 per student)
- Funds from Federal Grants Slightly Increased—Title I, Title II & Title IV
- Interest Income—Relatively Low with Low Fund Balances @ FY17 Level
- Estimated Corporate PPRT in Ed Fund—Reduced from FY17
- Contributions from Newsletter Sponsors
- Revenue Student Registration, Tech & Kindergarten—Fee Increase
- Technology Repair Fees
- No PTO Donations in Budget
- Insurance Reimbursement for Flood Repairs
- Transferred \$1,000,000 from the Education Fund to Operations & Maintenance, and then to the Capital Projects Fund (legal requirement)

Revenue by Fund

Revenue Allocation by Fund



Overview of Expenditures

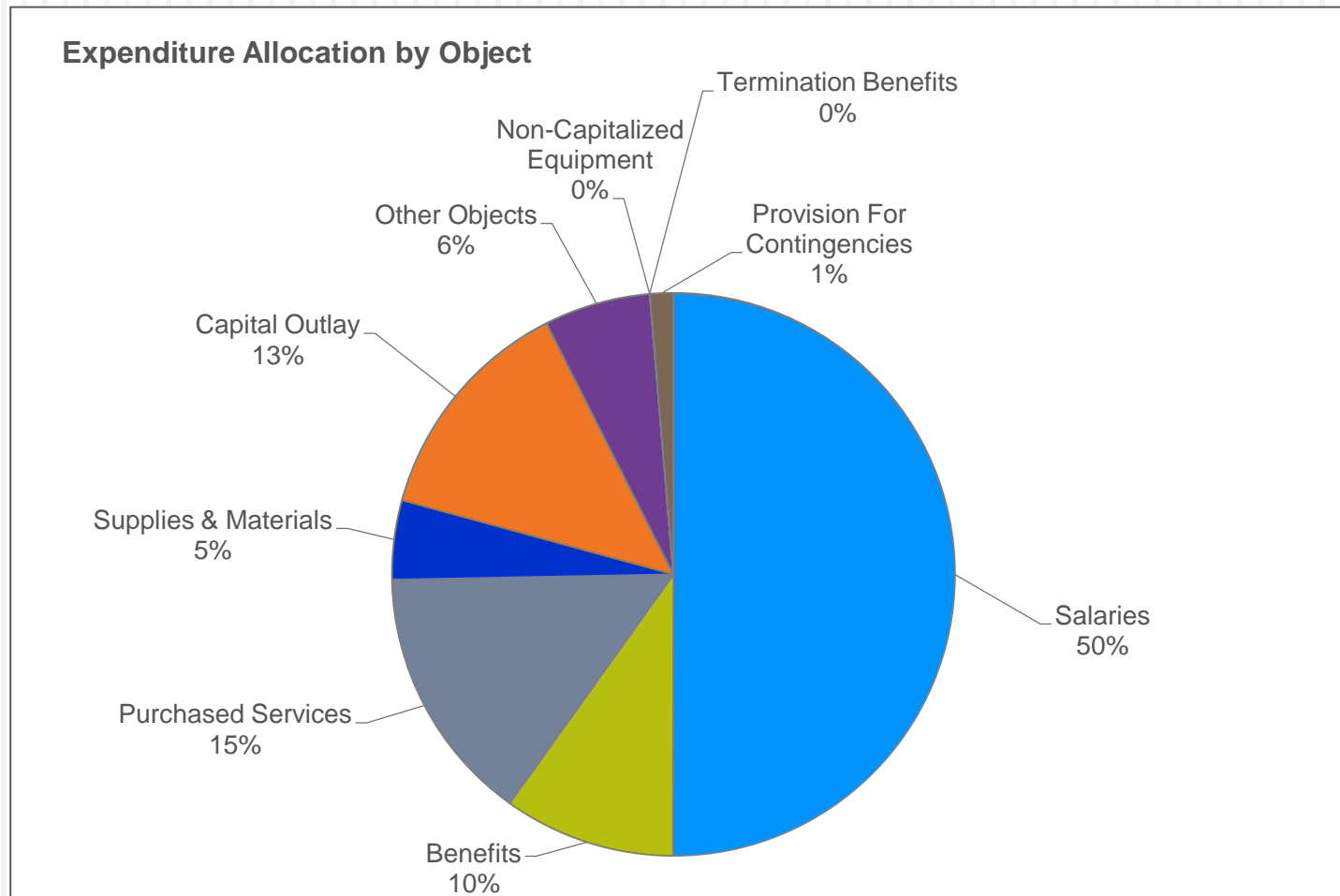
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- Expenditures allocated to District Funds based on Accounting Standards
- Expenditures are classified by one of 8 objects:
 - Salaries
 - Benefits
 - Purchased Services
 - Supplies
 - Capital Outlay
 - Other Objects (Including Debt and Tuition Payments)
 - Non-Capitalized Equipment
 - Termination Benefits

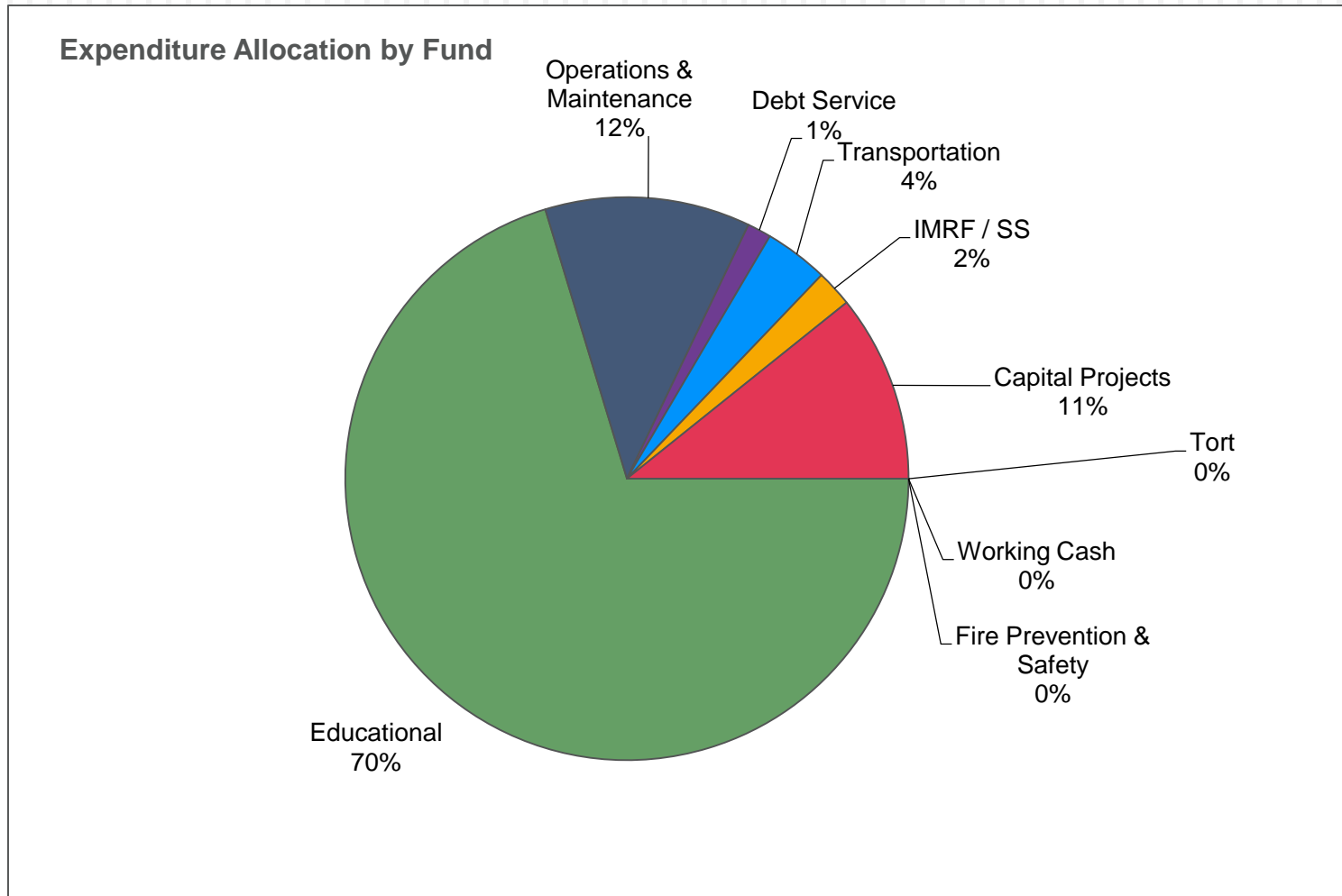
Major Expenditures

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□ Operating Funds – Ed, O&M, Trans, IMRF, WC



Expenditure Allocation by Fund



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Section III

Budget Highlights



Ed Fund Expenditures Highlights

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Salary Changes & Stipends	Cost
Salary Increases for Faculty	\$158,632
Substitute Budget	\$120,000
Additional Staff as Permanent Subs	\$117,492
Additional Clerical Support	\$59,000
Additional Administrator Director of SS	\$114,329
Faculty Staffing Levels in FTEs	
FY18	54.2
FY17	51.53
FY16	51.19
FY15	50.57
FY14	47.1
FY13	44.0

Ed Fund Expenditure Highlights

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- Commitment to:
 - ▣ Professional Development \$57,000
 - ▣ Commitment to Special Education—16% increase (\$1.8M)
 - ▣ Instructional Technology (\$600K)
 - Site Licenses
 - STEM Lab
 - Network Upgrades
 - LCD Interactive Technology & Projectors
 - Chromebooks
 - Ink
- Legal Fees \$150,000
- Health Insurance Premiums—10% increase budgeted with 1/1/18 renewal; Dental Insurance reduced by -2.35% with 16 month rate guarantee

O&M Fund Expenditure Highlights

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- Architect Fees \$140,000 (estimate)
- Renovation Account \$50,000
 - ▣ STEM Lab Remodel
- Internal Costs for Flood Repairs \$185,600
- Cleaning Contract Renewed for 3 Years at 5% Fixed Increase for Full Term

Transportation Fund Expenditures

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- Rebid Transportation Spring 2017
- Increase of 8.6%
- Will Research Alternatives to Present Services



Capital Project Fund

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- BF Roof Replacement—Adler Roofing \$1,115,959
- BF Roof Mechanicals—Acitelli \$88,360
- BJH Courtyard Renovation—D&J Landscaping \$93,744
- BJH Field Repairs \$59,214



Budget Summary



Budget Overview

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Funds	Revenue	Expenditures	Difference
Education	\$9,759,177	(\$11,050,505)	(\$291,328)
O&M	\$1,963,025	(\$2,584,059)	(\$621,034)
Bond & Interest	\$174,273	(\$176,433)	(\$2,160)
Transportation	\$250,845	(\$471,000)	(\$220,155)
IMRF	\$169,729	(\$270,958)	(\$101,229)
Capital Projects	\$1,000,000	(1,385,000)	(\$385,000)
Working Cash	\$1,400	---	\$1,400
Life Safety	\$10	---	\$10
TOTALS	\$13,318,459	(\$14,937,955)	(\$1,619,496)

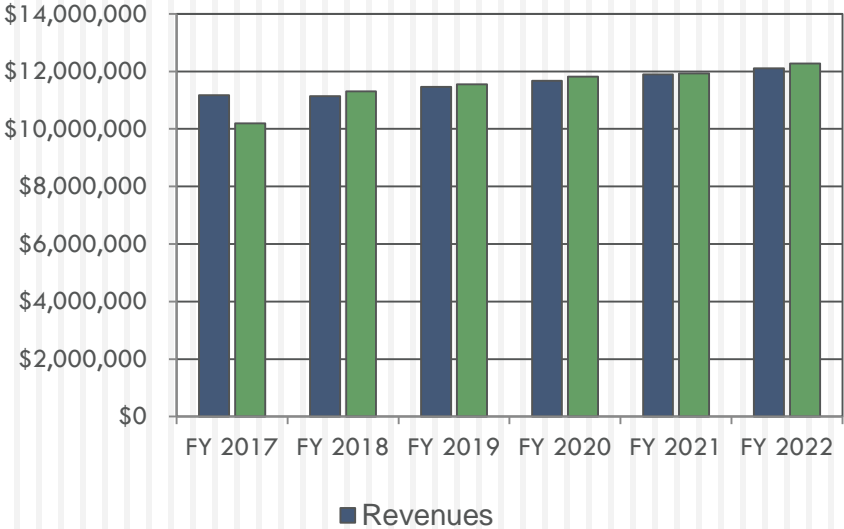
Contingencies

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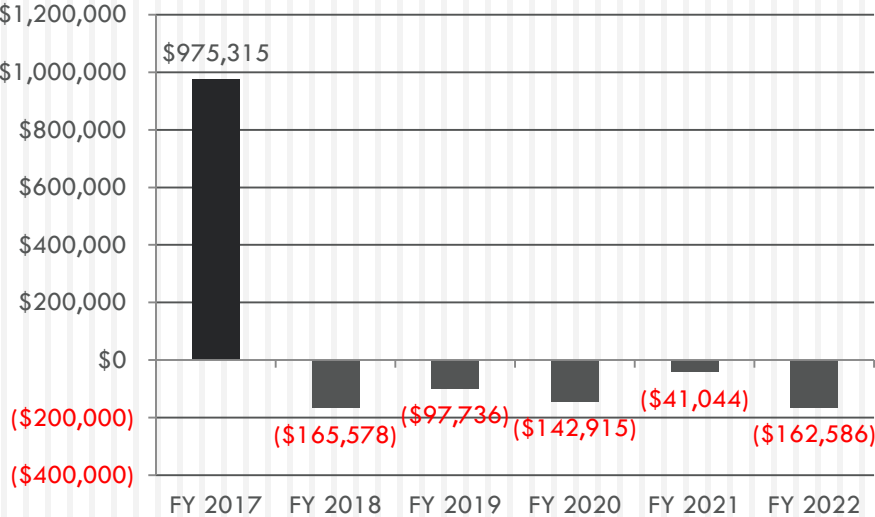
Account	Amount
Special Education	\$100,000
Faculty Salaries	\$65,000
Education Fund	\$100,000
O&M Fund	\$200,000
Transportation Fund	\$40,000
IMRF/FICA	\$5,000
TOTAL	\$510,000

Budget Summary Excluding Transfers

Revenues vs. Expenditures

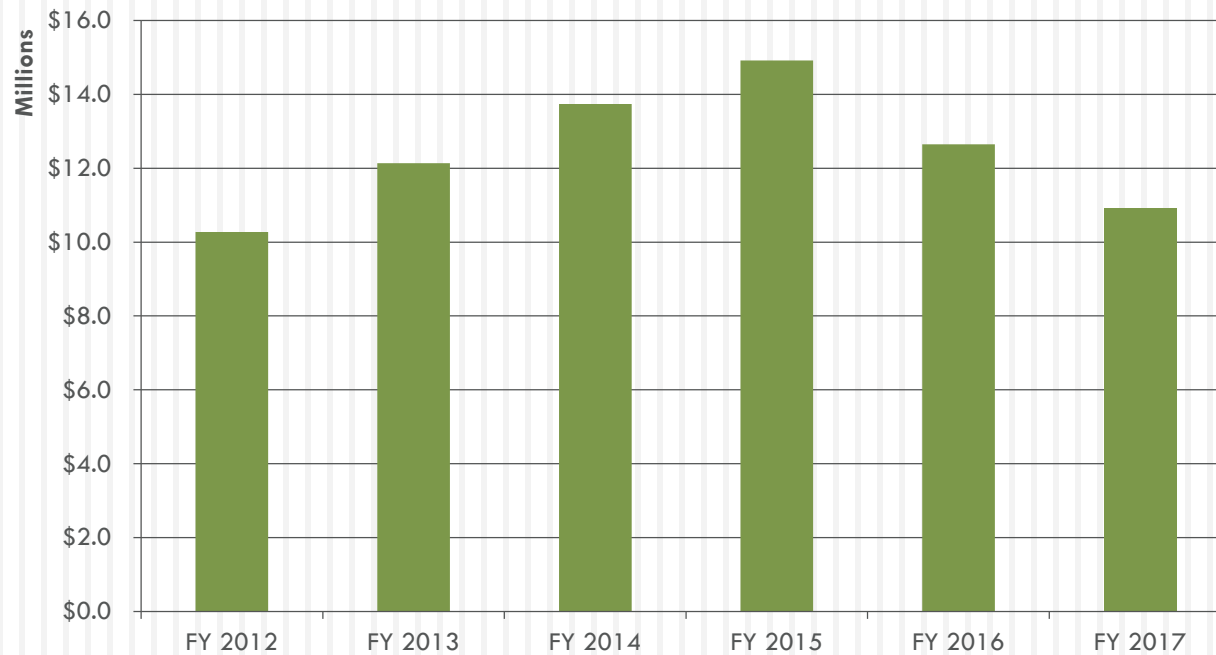


Fiscal Year Surplus / Deficit



Historical Year-End Fund Balances

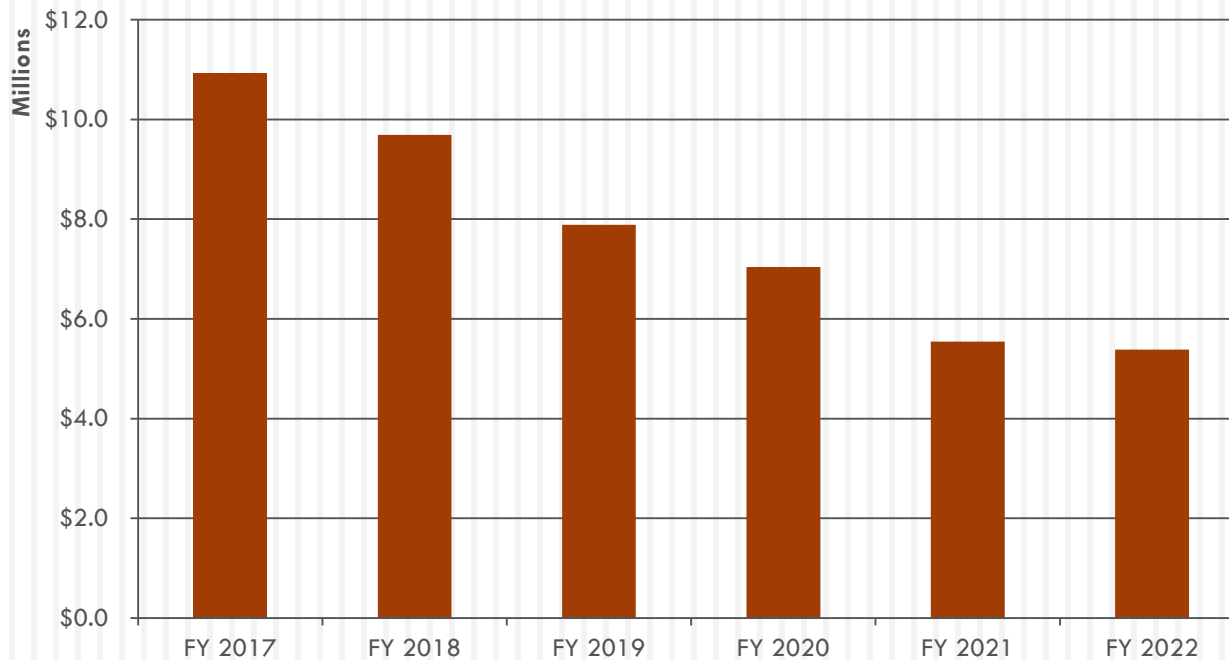
Year End Fund Balances



Budget Summary Including Transfers

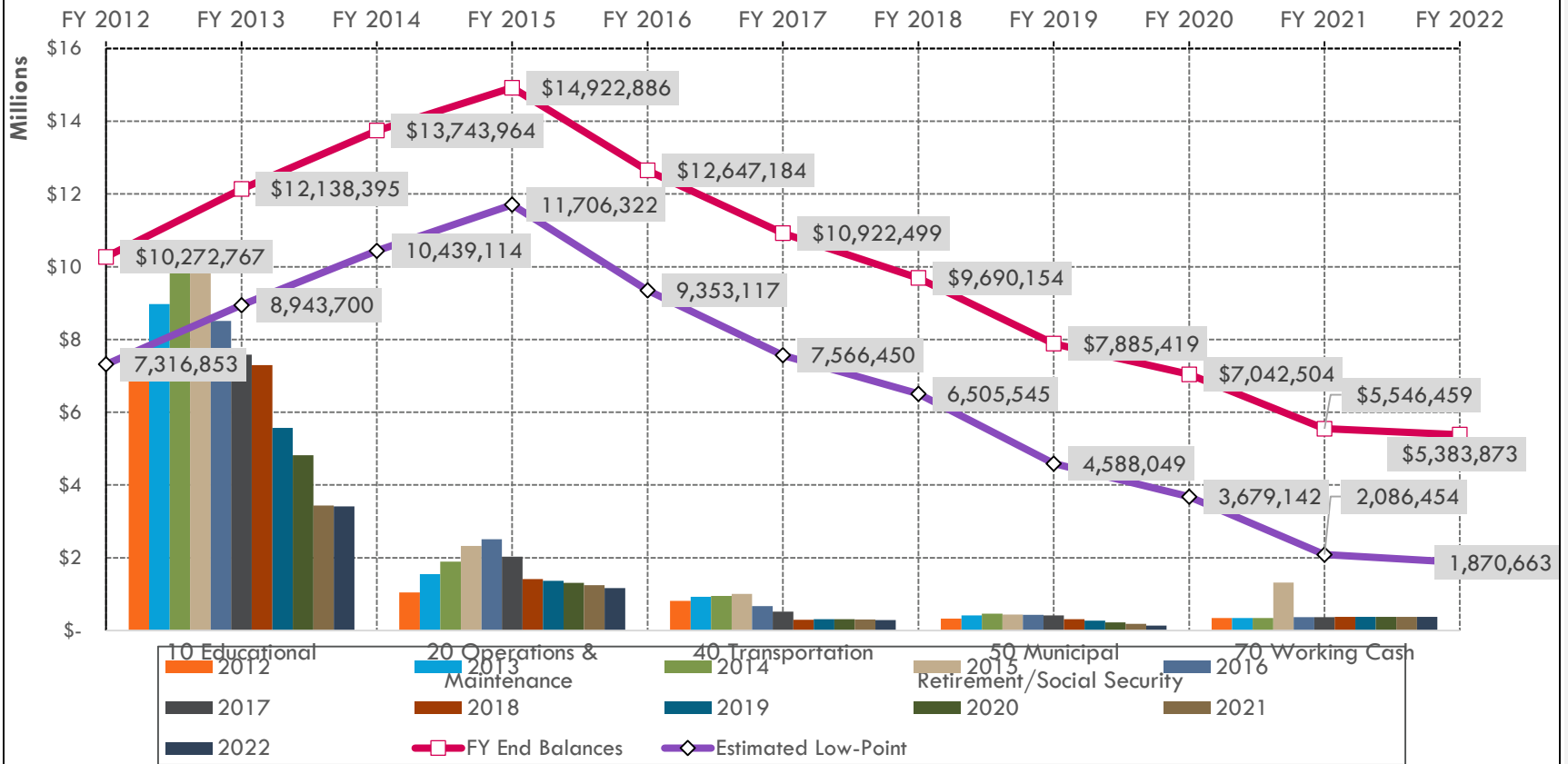
Year End Fund Balances

If we complete Master Facility planned projects with no other changes...



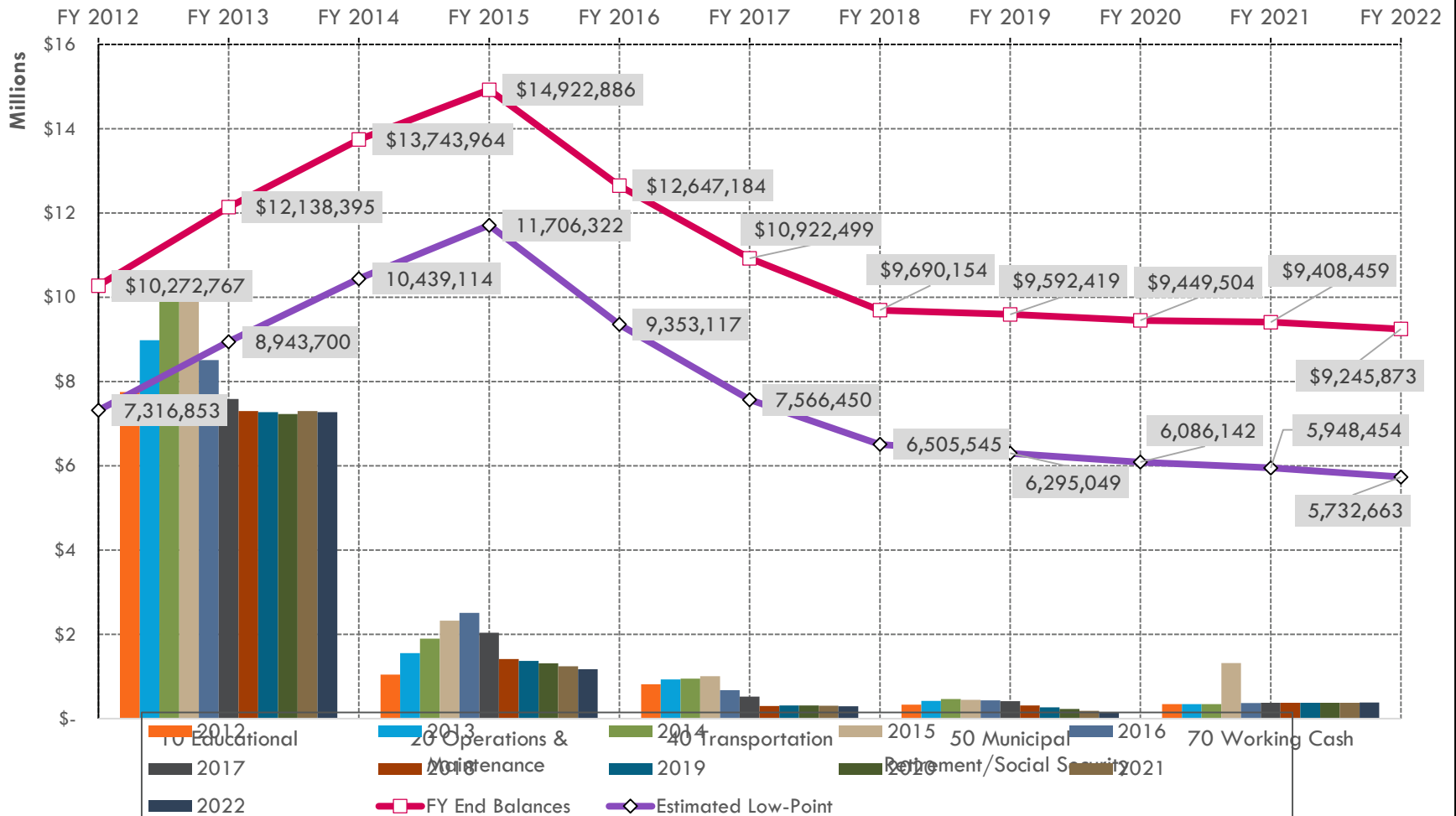
Budget Summary with Planned Capital Projects

Projected Year-End Balances



Budget Summary with No Capital Projects

Projected Year-End Balances



Budget Goals & Summary

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- Monitor Ed Fund Expenditures & Revenues
 - Continue to Evaluate Educational Needs Each Year & Adjust Spending
 - Evaluate Program Offerings, Instructional Staff in Light of Enrollment
 - Monitor Investments

- Monitor Plan for Building Infrastructure Improvements
 - Continue Preventative Maintenance
 - Use of “in house” Staff for Repairs/Renovations
 - Plan for the Future with Flexibility
 - Monitor Capital Improvement Plan—\$1.7M in FY19? Reduce or Eliminate or Postpone?

- Continue to Align Expenditures to Revenue

The Administration recommends that the FY18 Budget be approved as presented.

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