

BOARD OF EDUCATION
COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64

COMMITTEE-OF-THE-WHOLE: REVIEW FY18 BUDGET

Monday, June 12, 2017

7:30 p.m.

Jefferson School – Multipurpose Room
8200 Greendale Avenue
Niles, IL 60714

AGENDA

APPENDIX

1. Call to Order and Roll Call

2. Review FY18 Budget

1

3. Public Comments

4. Adjournment

To: Board of Education
Dr. Laurie Heinz, Superintendent

From: Luann Kolstad, Chief School Business Official
Brian Imhoff, Assistant Chief School Business Official

Date: June 12, 2017

Re: Discussion of 2017-18 Tentative Budget - Draft 1

At the June 12 Committee-of-the-Whole meeting, administration will begin reviewing the first draft of the 2017-18 budget with the Board of Education. This meeting will be an informal walk thru of the Revenue and Expenditure budgets as they stand at this point in time. The document you are receiving includes notes and highlights of areas we are still working on.

Additional meetings are planned with departments to obtain clarification on certain items. This document is our “working budget” and will continue to be revised until it is approved by the Board at the September 25, 2017 Board of Education meeting.

Expenditures

Starting in January, administration scheduled meetings with all departments that contribute to the budget. The meetings were intended not only to talk about the departments’ 2017-18 budget requests, but also to discuss areas of the budget that needed to be modified -- either increased or decreased. During the meetings, formulas used previously to develop budget amounts were reviewed and revised with each department to meet current needs within the District.

In addition to information developed through these in-depth sessions, the first draft of the budget is based on other sources of information that are typically used. These include:

Salary Information (Object 100):

- Cohort Survival Enrollment Projections - Staffing Needs
- Special Education projected caseload - Staffing Needs and Out-of-District Placements
- Negotiated Salary and Stipend Increases in the labor contracts
- Projected 2.7% - 2.85% increase in all other salaries

Benefit Information (Object 200):

- Insurance rate adjustments received from Northern Illinois Health Insurance Program (NIHIP) for life, health and dental rates
- Rate adjustment received from Teacher’s Retirement Insurance Program (TRIP) for retired teachers on District’s plan
- Confirmation of rates for Teacher’s Retirement System (TRS), Teacher’s Health Insurance System (THIS), Illinois Municipal Retirement Fund (IMRF), Social Security and Medicare

Professional Services Information (Object 300):

- Renewal rates for all web-based programs used in the District, for example, Power School and Skyward. This area continues to increase every year as the District moves to more digital sources.
- Projections of legal fees, audit fees, transportation fees, service fees and all other professional fees paid to vendors for their services.

Materials and Supplies (Object 400):

This area encompasses all real items the District purchases up to \$500 per object covering education supplies, buildings and grounds supplies, etc. Departments submitted their requests via the online budgeting tool set up to collaborate on budget expenditures.

Fixed Assets (Object 500):

Any real items purchased that cost over \$1,500 per item are charged to this area. All of the costs of construction are in this code, along with any other equipment purchased. Based on conversations with departments, fixed assets that had exceeded their useful life are in the budget for replacement as needed. Any items charged to this object code are added to the District's Fixed Assets and are depreciated over the appropriate number of years.

Other Objects (Object 600):

The largest cost within this category is tuition paid to other governmental units for out-of-District placements. The Student Services Department develops these costs based on projected student need and tuition rates for 2017-18 obtained from the institutions. Dues and fees for professional organizations are also listed in this object.

Equipment \$500 - \$1,500 (Object 700):

This object was added by the Illinois State Board of Education (ISBE) within the last decade as a location for real items where the individual total cost is between \$500 and the District's Fixed Asset threshold, which is \$1,500 in District 64.

Revenue

The largest source of revenue for the District is funds generated from the tax levy. The administration has received the Draft Tax Levy from the Cook County Treasurer; the budget amounts reflect this information. Further analysis on the Tax Levy results will be discussed at the June 26 Board of Education meeting. The District experienced a 19.45% increase in Equalized Assessed Value (EAV). This year the administration continued to shift more funds from the Education and Operation and Maintenance Funds, which are capped at 3.5% and .55% respectively into the Special Education Fund and the Transportation Fund which is not capped so as to avoid potentially reaching the cap and losing funds the District is entitled to receive. The funds shifted to the Transportation Fund may be moved to other funds in need through a formal Board resolution.

Final information on the Corporate Personal Property Replacement Tax (CPPRT) has not been received from the Department of Revenue. As discussed last year, the District received an overpayment of CPPRT in the amount of \$140K in 2014 and 2015. At this time, the Illinois Department of Revenue has not devised a plan to collect these funds.

The Township Treasurer has provided estimates for Interest on Investments based on the District's current investments. The treasurer has conservatively begun to raise interest income.

Local fees include registration fees, tuition fees and other fees collected from students, such as Interscholastic participation fees. Revenue generated for food service and milk is also included here, with offsetting expenditures in the Education Fund under Food Service.

The State and Federal Revenue budget amounts for 2017-18 are unknown at this time. The State of Illinois still does not have a budget, which leaves all state monies up in the air. As reported to the Board, the State has only made one payment on the categorical grants for 2016-17. We have included the owed income in the 2017-18 budget. Federal Grant planning for 2017-18 is taking place right now. By September, we will have firmer numbers for both revenue and expenditures.

Miscellaneous revenue estimates are included for items such as the TIF and E-Rate reimbursement.

Preliminary Financial Projections

A preliminary look at the long-range fund balance projections will be provided following approval of the tentative 2017-18 budget on June 26 and after the 2016-17 fiscal year has closed; the 2016-17 figures will be unaudited. The projections will be updated again when the final 2017-18 budget is adopted and the audit has been completed this fall.