

PARK RIDGE – NILES CCSD 64
MAY 11, 2015



Budget Presentation

Draft 1

A Budget

2

*...is designed to meet the budgetary requirements
established under provisions of Section 17-1 of the
Illinois School Code (105 ILCS 5/17-1)...*

A Budget

3

...Adoption is required by the end of the first quarter of the fiscal year (September 30).

- *Must be on public display for 30 days prior to Public Hearing and Board action*
- *Must be advertised in a publication of general circulation*
 - ✦ *Public Review*
 - ✦ *Date, Time, Location of Public Hearing*
- *Satisfies the minimum level of financial/program information for state, local, and federal governments*
- *It provides the authority to expend funds & tax property*

A Budget

4

...should be clear, reliable, understandable, and...

Once adopted, the annual budget is the plan to accomplish the educational and financial goals of the School Board

What is the Legal Format of the Budget?

5

Fund Accounting

○ *A fund is:*

- ✦ *an independent fiscal accounting entity requiring its own set of books*
- ✦ *governed by statutes, regulations, and restrictions that limit its use to a specific activity or certain objective*
- ✦ *must be accounted for so the identity of its resources and obligations and its revenue and expenditures is continually maintained*

Budget Recap

6

What we don't know at this time	
7	
Revenues	Expenditures
<ul style="list-style-type: none"> • 2014 tax extension • 2015 tax extension • State Revenues • Federal Revenues 	<ul style="list-style-type: none"> • Actual Salaries of staff • Grant Expenditures • Renewals for: <ul style="list-style-type: none"> ○ Workers Compensation ○ Property / Liability Insurances

Referendum Commitment
8
<ul style="list-style-type: none"> • 2007 Referendum Commitment <ul style="list-style-type: none"> ○ Baring any unforeseen financial circumstances: <ul style="list-style-type: none"> ✦ D64 would not return to voters for at least 10 years for “ tax rate” increase – Revised in August 2013 by Board of Education – Extended to 2020-21 ○ Capital projects were not a consideration during the 2007 referendum or strategic planning process

Revenues

9

- **Operating Fund revenues:**
 - Expected to increase by \$2,427,552 or 3.5%
 - Reason:
 - ✦ *Property tax increase of 3.8%*
 - ✦ *Other Local Revenue*
 - *Jefferson extended care fees*
 - *TIF new student payment*
 - ✦ *Reduction of inter-fund transfers*

Expenditures

10

- **Operating Fund expenditures:**
 - Are expected to decrease by \$1,870,367 or 2.4%
 - Reasons:
 - ✦ Salary increase of \$1,631,849 or 3.4%
 - ✦ Benefit increase of \$153,432 or 1.7%
 - ✦ Purchased Service increase of \$173,890 or 2.6%
 - ✦ Supply decrease of \$244,403 or 6.7%
 - ✦ Capital Outlay decrease of \$3,373,617 or 58.2%
 - ✦ Other Expense decrease of \$211,518 or 4.0%

Statement of Position

11

ESTIMATED OPERATING FUND BALANCE JUNE 30, 2016

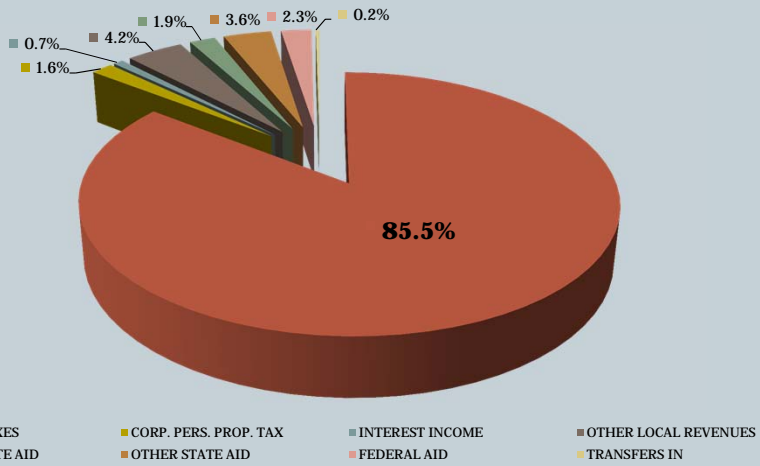
Estimated 2015-16 Statement of Position (May 11, 2015)						
Fund	Estimated Beginning Cash & Investment Balance July 2015	Add Tentative Budgeted Revenues	Less Tentative Budgeted Expenditures	Excess / Deficiency of Revenues Over Expenditures	Estimated Ending Cash & Investments Balance June 2016	Fund Balance as a % of Expense Budget
Education	\$25,692,650	\$60,006,360	\$60,120,777	(\$114,417)	\$25,578,233	42.5%
Tort Immunity	\$1,122,670	\$609,715	\$778,979	(\$169,264)	\$953,406	122.4%
Operations & Maintenance	\$3,269,887	\$7,616,652	\$5,430,745	\$2,185,907	\$5,455,794	100.5%
Transportation	\$3,017,194	\$1,603,148	\$2,105,450	(\$502,302)	\$2,514,892	119.4%
Retirement	\$724,197	\$2,232,861	\$2,639,500	(\$406,639)	\$317,558	12.0%
Working Cash	\$14,481,048	\$579,810	\$176,810	\$403,000	\$14,884,048	NA
Sub-Total - Operating Funds	\$48,307,646	\$72,648,546	\$71,252,261	\$1,396,285	\$49,703,931	69.8%
Capital Projects	\$3,285,156	\$14,500	\$2,378,683	(\$2,364,183)	\$920,973	
Total - Operating Funds	\$51,592,802	\$72,663,046	\$73,630,944	(\$967,898)	\$50,624,904	68.8%
Debt Service	3,936,011	\$3,171,821	\$3,136,558	\$35,263	3,971,274	
Total - All Funds	\$55,528,813	\$75,834,867	\$76,767,502	(\$932,635)	\$54,596,178	

Revenue Overview

13

Operating Funds 2015-16 Revenue Distribution

14



Property Taxes

15

Cook County – Property Tax Extension Limitation Law
Subject to the lesser of 5% or the CPI-U

Year of CPI Issuance	Levy Year	CPI Factor	Fiscal Year Early Collections (Spring)	Fiscal Year 2 nd Installment (Fall)
2008	2009	0.1	2009 - 10	2010 - 11
2009	2010	2.7	2010 - 11	2011 - 12
2010	2011	1.5	2011 - 12	2012 - 13
2011	2012	3.0	2012 - 13	2013 - 14
2012	2013	1.7	2013-14	2014-15
2013	2014	1.5	2014-15	2015-16
2014	2015	0.8	2015-16	2016-17

Property Tax Collections

16

Tax Year	% of Collections
2007	97.5%
2008	98.0%
2009	98.0%
2010	98.7%
2011	98.9%
2012	99.4%
2013	98.4%
2014 (first installment)	<i>To be updated in July</i>

Change in Collection Rate:
Effective with the 2009 Tax Levy – early collections changed from 50% to 55% of the prior year tax extension.

As of March 31, 2015

Personal Property Replacement Tax (PPRT)

17

- The Illinois Constitution (1979) directed the legislature to abolish personal property taxes on corporations, partnerships, and other business.
- PPRT are revenues that are paid by the State of Illinois to compensate local governments...

- Economy Driven

2015-16 Budget will be adjusted to the actual 2014-15 collections when the fiscal year is closed.

Fiscal Year	PPRT
2009-10	\$926,354
2010-11	\$1,192,124
2011-12	\$1,051,421
2012-13	\$1,112,831
2013-14	\$1,166,256
2014-15 (as of March 30)	\$677,113

Other Local Income

18

- **Tuition**
 - Jefferson Pre-school
 - Summer School
 - Other LEA
- **Student Fees**
 - Lunch
 - Registration
- **Other**
 - City of Park Ridge TIF Payment
- **Other Student Fees**

General State Aid (GSA)

19

- **2014-15 Foundation Level - \$6,119**

- ✦ Prorated to 88.7%
- ✦ Based on the Average Daily Attendance
- ✦ Three Types of Grants
 - Foundation Formula (617 schools – 71.7%)
 - **Alternate Formula (177 schools – 20.6%)**
 - Flat Grant (66 schools – 7.7%)
- ✦ District 64 amount per student - \$342

2015-16 Budget will be adjusted once the actual claim is known in August. Currently, GSA is budgeted at the 2014-15 budget.

- **2015-16 General State Aid - *Unknown at this time.***

Other State & Federal Revenue

20

- **State - *Unknown at this time***

- Special Education Funding (Personnel, Students needing services, and Private Facility)
- Cash-flow problems continue

- **Federal**

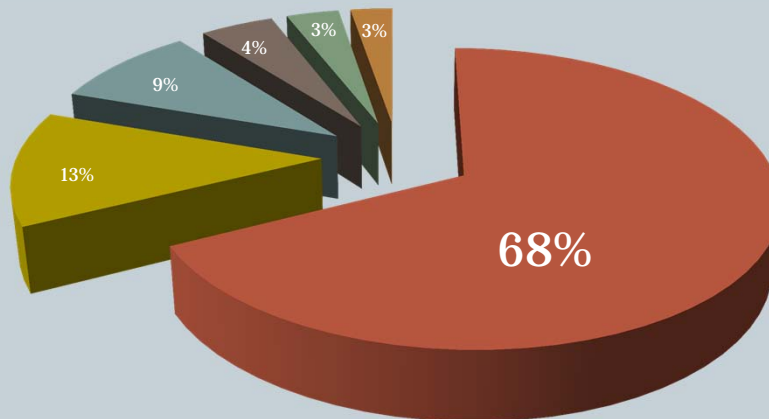
- IDEA Funding
- Title I
- Title II Funding
- Special Milk

Expenditure Overview

21

Operating Funds ` 2015-16 Expenditure Distribution

22



■ Salaries ■ Employee Benefits ■ Purchased Services ■ Supplies & Materials ■ Capital Outlay ■ Other

Operating Funds Expenditure Budget

23

OPERATING FUNDS

	2014-15 Budget	2015-16 Tentative Budget	% Change Budget to Budget
Salaries	\$ 48,150,516	\$ 49,782,365	3.4%
Employee Benefits	\$ 9,203,698	\$ 9,357,130	1.7%
Purchased Services	\$ 6,570,469	\$ 6,744,359	2.6%
Supplies & Materials	\$ 3,629,271	\$ 3,384,868	-6.7%
Capital Outlay	\$ 5,800,235	\$ 2,426,618	-58.2%
Other	\$ 1,902,800	\$ 1,758,794	-7.6%
Transfer Out	\$ 160,010	\$ 176,810	10.5%
Grand Total Operating Funds	\$ 75,416,999	\$ 73,630,944	-2.4%

Education Fund Expenditure Budget

24

EDUCATIONAL FUND	2014-15	2015-16	% Change Budget To Budget
	Budget	Tentative Budget	
SALARIES	\$45,444,192	\$47,004,431	3.4%
EMPLOYEE BENEFITS	\$6,224,818	\$6,290,151	1.0%
PURCHASED SERVICES	\$2,377,138	\$2,598,566	9.3%
SUPPLIES & MATERIALS	\$2,608,960	\$2,340,900	-10.3%
CAPITAL OUTLAY	\$128,235	\$127,935	-0.2%
OTHER	\$1,900,800	\$1,758,794	-7.5%
TOTAL	\$58,684,143	\$60,120,777	2.4%

Teacher Salaries

25

- **Base salaries account for:**
 - 58.8% of the education fund budget
- **How are teacher salaries calculated?**
 - Teachers are placed on their current lane and step (2014-15)
 - Teachers are moved one step, then
 - ✦ Placed on the 2015-16 salary schedule

Will be adjusted in September

2014-15
Teacher
FTE – 395.61

2015-16
Budgeted
Teacher
FTE – 402.11

Description	Dollars
2013-14 PREA Scattergram Cost	\$34,037,741
Cost of step movement	\$518,340
Change in Staffing:	\$413,943
New 1.0 FTE – ELL Teachers	
Decrease 1.0 FTE – Emerson Resource Teacher	
Decrease 1.0 FTE – Jefferson Pre-K Teacher	
Allocation of an additional 7.5 FTE (class-size section)	
Retirement/Replacement salaries	<\$214,477>
Notice of new retiree 6% increases	\$75,000
Longevity	\$292,156
Lane Changes	\$200,000
Overloads	\$25,000
Total of (1200) teacher budget line - Total FTE 402.11	\$35,347,703

26

Operations & Maintenance Fund Expenditure Budget

27

OPERATIONS & MAINTENANCE FUND	2014-15	2015-16	% Change Budget to Budget
	Budget	Tentative Budget	
SALARIES	\$2,691,824	\$2,763,434	2.7%
EMPLOYEE BENEFITS	\$393,700	\$405,429	3.0%
PURCHASED SERVICES	\$961,292	\$1,017,914	5.9%
SUPPLIES & MATERIALS	\$1,005,311	\$1,043,968	3.8%
CAPITAL OUTLAY	\$200,000	\$200,000	0.0%
TRANSFER OUT	\$0	\$0	NA
TOTAL	\$5,252,127	\$5,430,745	3.4%

Capital Project Fund

28

CAPITAL IMPROVEMENT	2014-15	2015-16	% Change Budget to Budget
	Budget	Tentative Budget	
PURCHASED SERVICES	\$645,000	\$280,000	-56.6%
CAPITAL IMPROVEMENTS	\$5,222,000	\$2,098,683	-59.8%
OTHER EXPENSE	\$2,000	\$0	-100.0%
TOTAL	\$5,869,000	\$2,378,683	-59.5%

Transportation Fund Expenditure Budget

29

TRANSPORTATION FUND	2014-15	2015-16	% Change Budget to Budget
	Budget	Tentative Budget	
SALARIES	\$14,500	\$14,500	NA
EMPLOYEE BENEFITS	\$2,050	\$2,050	NA
PURCHASED SERVICES	\$1,864,900	\$2,088,900	12.0%
TOTAL	\$1,881,450	\$2,105,450	11.9%

Retirement Fund Expenditure Budget

30

RETIREMENT FUND	2014-15	2015-16	% Change Budget to Budget
	Budget	Tentative Budget	
EMPLOYEE BENEFITS	\$2,542,730	\$2,639,500	3.8%

Tort Fund Expenditure Budget

31

TORT FUND	2014-15	2015-16	% Change Budget to Budget
	Budget	Tentative Budget	
EMPLOYEE BENEFITS	\$40,400	\$20,000	-50.5%
PURCHASED SERVICES	\$722,139	\$758,979	5.1%
SUPPLIES & MATERIALS	\$15,000	\$0	NA
CAPITAL OUTLAY	\$250,000	\$0	NA
TOTAL	\$1,027,539	\$778,979	-24.2%

Financial Projections

32

**Will Be Updated
 September 2015
 When
 Budget
 Is Adopted
 In Its Final Form.**

Questions

33

COMMENTS

CONCERNS