

PARK RIDGE – NILES CCSD 64
MAY 20, 2013
COMMITTEE OF THE WHOLE MEETING



Budget Presentation

Draft 1

A Budget



*...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

...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 advertise 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

...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?

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

Referendum Commitment

- **2007 Referendum Commitment**
 - Baring any unforeseen financial circumstances:
 - ✦ D64 would not return to voters for at least 10 years for “ tax rate” increase
 - Capital projects were not a consideration during the 2007 referendum or strategic planning process
 - The operating fund budget to budget increase would be 3.9% if:
 - ✦ Capital projects were not considered

Revenues

- **Operating Fund revenues:**
 - Expected to increase \$462,101 or 0.7%
 - Reason:
 - ✦ *Property tax increase of \$1,782,748 or 3.1%*
 - ✦ *Zero increase in Corporate Personal Property Replacement Tax*
 - ✦ *Other Local Revenue*
 - *Loss of one time revenue from Dissolution of LICA and MTSEP*
 - *Loss of one time FAA funding for Washington School*
 - ✦ *Reduction of State funds*
 - ✦ *Reduction of Federal funds*

Expenditures

- **Operating Fund expenditures:**

- Are expected to increase by \$4,950,077 or 7.2%

- **Reasons:**

- ✦ Salary increase of \$2,050,826 or 4.5%
- ✦ Benefit increase of \$211,913 or 2.4%
- ✦ Purchased Service increase of \$247,404 or 4.0%
- ✦ Supply increase of \$12,655 or 0.4%
- ✦ Capital Outlay increase of \$2,393,585 or 80.3%
- ✦ Other Expense of \$33,694 or 1.4%

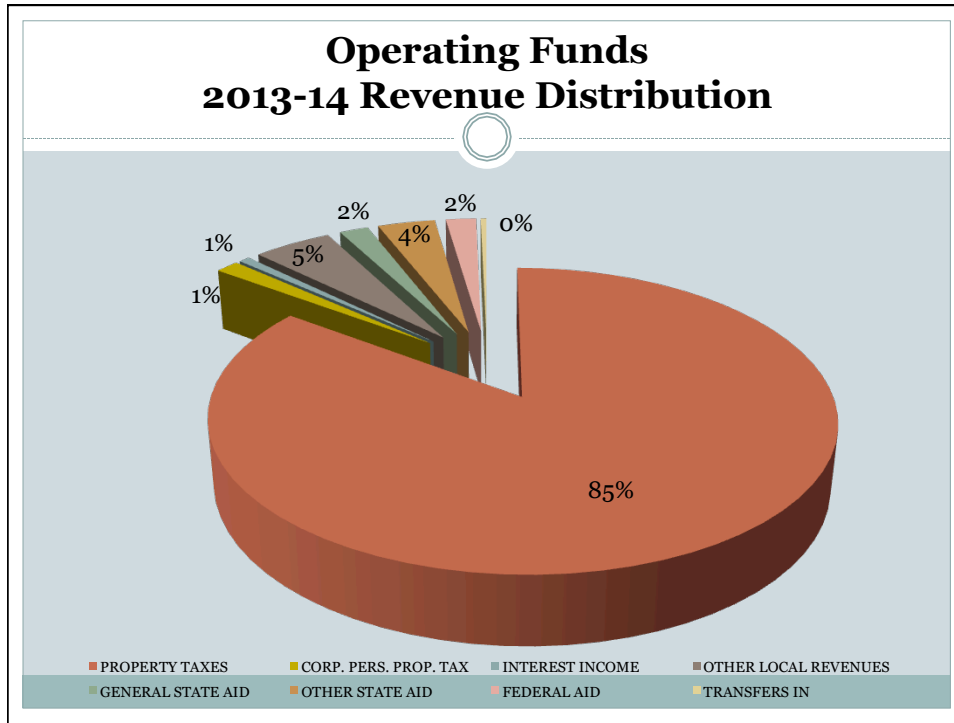
Without capital outlay the budget to budget increase would be 3.9%

Statement of Position

**ESTIMATED
OPERATING FUND BALANCE
JUNE 30, 2014**

Fund	Estimated Beginning Cash & Investment Balance July 1, 2013	Add Tentative Budgeted Revenues	Less Tentative Budgeted Expenditures	Transfer of Funds to the Capital Projects Fund	Excess / Deficiency of Revenues Over Expenditures	Estimated Ending Cash & Investments Balance June 30, 2014
Education	\$22,651,043	\$57,531,206	\$57,588,327	(\$2,000,000)	(\$2,057,122)	\$20,593,921
Tort Immunity	\$1,596,814	619,079	831,820		(212,741)	\$1,384,073
Operations & Maintenance	\$1,945,868	8,179,692	5,982,372	(\$3,500,000)	(\$1,302,680)	\$643,188
Transportation	\$3,076,735	1,645,390	1,624,150		21,240	\$3,097,975
Retirement	\$1,532,148	1,741,221	2,539,550		(798,329)	\$733,819
Capital Projects	(\$405,429)	2,500	5,073,886	\$5,500,000	\$428,614	\$23,185
Working Cash	\$13,824,146	650,065	240,100		409,965	\$14,234,111
Total - Operating Funds	\$44,221,325	\$70,369,153	\$73,880,205	\$0	(\$3,511,053)	\$40,710,272
**Fund Balance as a Percentage of Expense Budget	65.0%					59.2%

Revenue Overview



Property Taxes

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)
2006	2007	2.5	2007 - 08	2008 - 09
2007	2008	4.1	2008 - 09	2009 - 10
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

Property Tax Collections

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

Tax Year	% of Collections
2004	98.0%
2005	98.3%
2006	98.6%
2007	97.6%
2008	98.1%
2009	98.4%
2010	99.2%
2011	98.6%
2012 <i>(first installment)</i>	<i>To be updated in July</i>

Personal Property Replacement Tax (PPRT)

- The new 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

Fiscal Year	PPRT
2009-10	\$926,354
2010-11	\$1,192,124
2011-12	\$1,051,421
2012-13 <i>(as of April 30)</i>	\$889,829

General State Aid (GSA)

- **2012-13 Foundation Level - \$6,119**
 - ✦ Prorated to 89%
 - ✦ Based on the Average Daily Attendance
 - ✦ Three Types of Grants
 - Foundation Formula (620 schools – 71.9%)
 - **Alternate Formula (170 schools – 19.7%)**
 - Flat Grant (72 schools – 8.4%)
 - ✦ District 64 amount per student - \$385
- **2013-14 Estimated Foundation Level - \$6,119**
 - ✦ **Prorated to 82% (estimate)**

Other Local Income

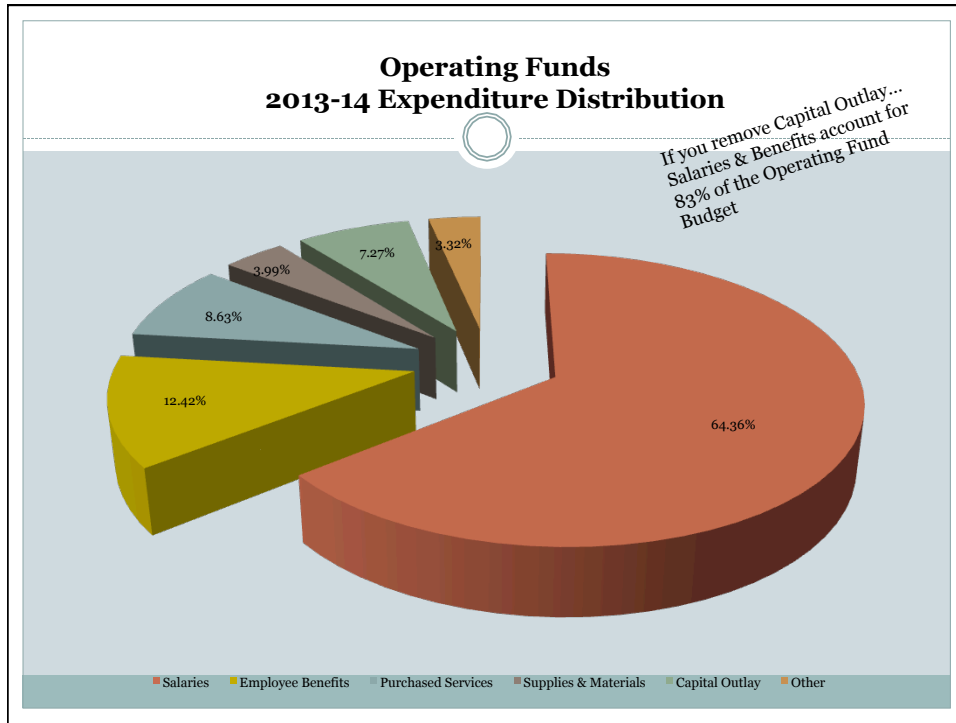
- **Tuition**
 - Jefferson Pre-school
 - Summer School
 - Other LEA
- **Student Fees**
 - Lunch
 - Registration
- **Other**
 - City of Park Ridge TIF Payment
- **Other Student Fees**
 - Extended Day
 - Before-school Day Care

Other State & Federal Revenue

- **State**
 - Cash-flow problems continue
 - Delay in paying categorical obligations

- **Federal**
 - IDEA Funding
 - Title II Funding
 - Special Milk

Expenditure Overview



Operating Funds Expenditure Budget

Type of Expenditure	2012-13 Budget	2013-14 Tentative Budget	% Change
Salary	\$45,499,881	\$47,550,707	4.5%
Benefit	\$8,967,690	\$9,179,603	2.4%
Purchased Services	\$6,124,769	\$6,372,173	4.0%
Supplies	\$2,935,913	\$2,948,568	0.04%
Capital	\$2,980,550	\$5,374,135	80.3%
Other	\$2,421,325	\$2,455,019	1.4%
Total	\$68,930,128	\$73,880,205	7.2%

Education Fund Expenditure Budget

Type of Expenditure	2012-13 Budget	2013-14 Tentative Budget	% Change
Salary	\$42,886,121	\$44,831,858	4.5%
Benefit	\$6,231,775	\$6,197,704	<0.5%>
Purchased Services	\$2,173,143	\$2,063,908	<5.0%>
Supplies	\$1,899,013	\$1,969,603	3.7%
Capital	\$172,550	\$460,335	166.8%
Other	\$2,181,225	\$2,064,919	<5.3%>
Total	\$55,543,827	\$57,588,327	3.7%

Teacher Salaries

Will be adjusted in September

- **Base salaries account for:**
 - 54.7% of the education fund budget
- **How are teacher salaries calculated?**
 - Teachers are placed on their current lane and step (2012-13)
 - Teachers are moved one step

Description	Dollars
2012-13 PREA Scattergram	\$30,659,523
Cost of Step Movement	\$322,218
Change in Staffing (net increase 4.0)	\$385,000
Longevity	\$220,164
Overloads	\$25,000
Total of teacher budget line	\$33,048,299

Operations & Maintenance Fund Expenditure Budget

Type of Expenditure	2012-13 Budget	2013-14 Tentative Budget	% Change
Salary	\$2,583,132	\$2,687,599	4.0%
Benefit	\$399,406	\$432,329	8.2%
Purchased Services	\$1,180,533	\$1,169,679	<0.9%>
Supplies	\$1,036,900	\$978,965	<5.6%>
Capital	\$308,000	\$713,800	131.8
Other	\$0	\$0	NA
Total	\$5,507,971	\$5,982,372	8.6%

Operations & Maintenance Fund Expenditure Budget

Type of Expenditure	2012-13 Budget	2013-14 Tentative Budget	% Change
Total	\$5,507,971	\$5,982,372	8.6%
LESS: Capital Outlay	\$308,000	\$713,800	131.8%
LESS: Architect, CM, and Engineering Fees	\$100,000	\$300,000	200.0%
Net Budget	\$5,099,971	\$4,968,572	<2.6%>

Capital Expenditures and associated Architect & Engineering fees have been transferred to the Capital Projects Fund.

Capital Project Fund

Type of Expenditure	2012-13 Budget	2013-14 Budget	% Change
Architect and Engineering Fees	\$550,000	\$837,886	58.9%
Capital Improvements	\$2,500,000	\$4,200,000	68.0%
Total	\$3,050,000	\$5,073,886	66.4%

Capital Project Fund

Capital Project	Fiscal Year Budget Impact	Project Cost	Annual Budget Assumption	(Over) Under Capital Project Funding	Cumulative (Over) Under
*District Lighting Upgrade	2012-13	Bids Rejected	\$0	\$0	\$0
Carpenter HVAC	2013-14				
FE Moran		\$2,175,000			
Architect Fees		\$236,800			
Lincoln Boiler	2013-14				
Hays Mechanical		\$516,500			
Architect Fees		\$71,080			
Franklin	2013-14				
Mechanical Concepts		\$1,252,000			
Architect Fees		\$146,597			
Field (Phase I)	2013-14				
Amber Mech		\$130,300			
Architect Fees		\$19,409			
Technical		\$138,600			
Engineer Fees		\$32,000			
Total	2013-14 Total	\$4,718,286	\$3,000,000	(\$1,718,286)	(\$1,718,286)
Field Phase II	2014-15				
Project Costs		\$7,424,143			
Architect Fees (projected)		\$608,780			
Total	2014-15 Total	\$8,032,923	\$3,000,000	(\$5,032,923)	(\$6,751,209)
NA	2015-16	\$0	\$3,000,000	\$3,000,000	(\$3,751,209)
NA	2016-17	\$0	\$3,000,000	\$3,000,000	(\$751,209)

Transportation Fund Expenditure Budget

Type of Expenditure	2012-13 Budget	2012-13 Tentative Budget	% Change
Salary	\$30,628	\$31,250	2.0%
Purchased Services	\$1,605,400	\$1,592,900	<0.8%>
Total	\$1,636,028	\$1,624,150	<0.7%>

Retirement Fund Expenditure Budget

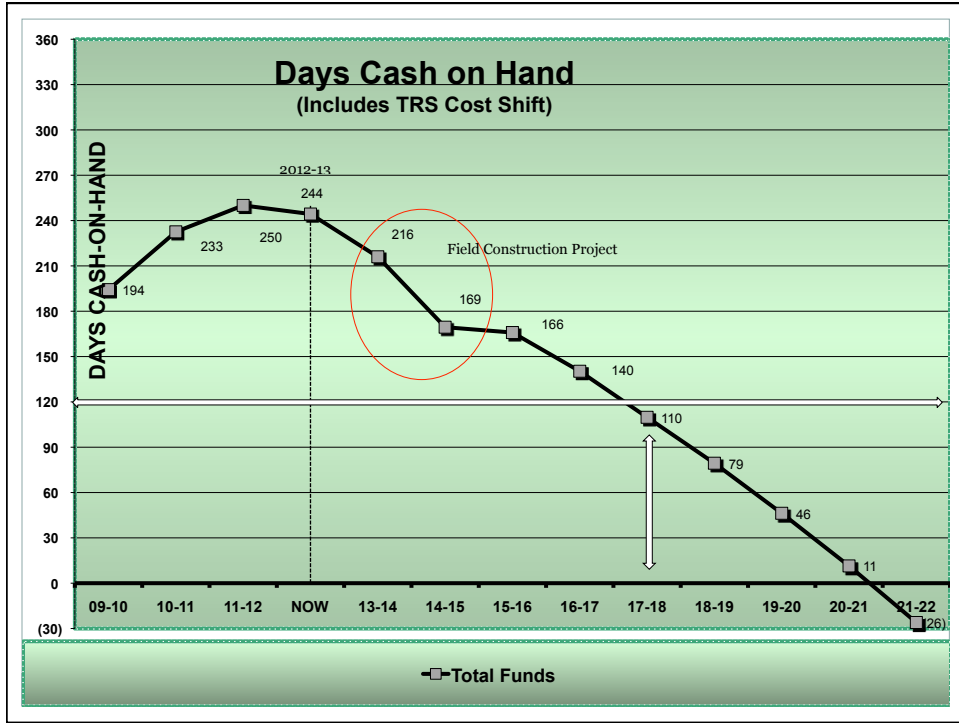
Type of Expenditure	2012-13 Budget	2013-14 Tentative Budget	% Change
Benefit	\$2,302,684	\$2,539,550	10.3%

Retirement payouts and the IMRF actuarial assessments drive this increase

Tort Fund Expenditure Budget

Type of Expenditure	2012-13 Budget	2013-14 Tentative Budget	% Change
Benefit	\$33,825	\$10,020	<70.4%>
Purchased Services	\$615,693	\$671,800	9.1%
Supplies	\$0	\$0	0.00%
Other	\$0	\$150,000	NA
Total	\$649,518	\$831,820	28.1%

Financial Projections



Questions

COMMENTS

CONCERNS