

School District U-46



FY 2016 Tentative Budget

May 18, 2015

Budget Planning Cycle



Unknown Factors



- ❧ General State Aid proration amount – Will not know until the end of July.
- ❧ State categorical funding, including Transportation - Typically the state makes decisions as we flow through the year so we never know what may occur.
- ❧ Pension Reform - Given the courts recent rejection it is possible that a shift will occur to make the districts pay which could cost us \$18 million per year.

Revenue Assumptions



- ❧ No property tax levy increase for tax year 2015 payable in 2016. An alternative would be to levy and provide an abatement of any excess funds to preserve the flexibility for future years.
- ❧ General State Aid prorated at 77%, compared to 89% in FY 2015
- ❧ The District will receive three categorical payments in FY 2016

Property tax payment cycle



- ❧ Tax year is a calendar year
- ❧ Taxes from the 2014 tax year are payable in 2015
- ❧ Payments received in 2015 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.

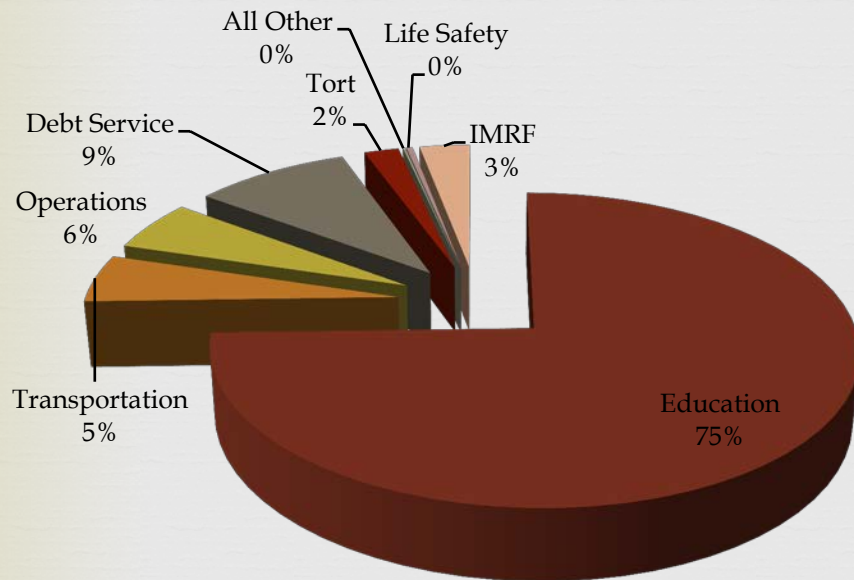
Property tax extension history (in Millions)



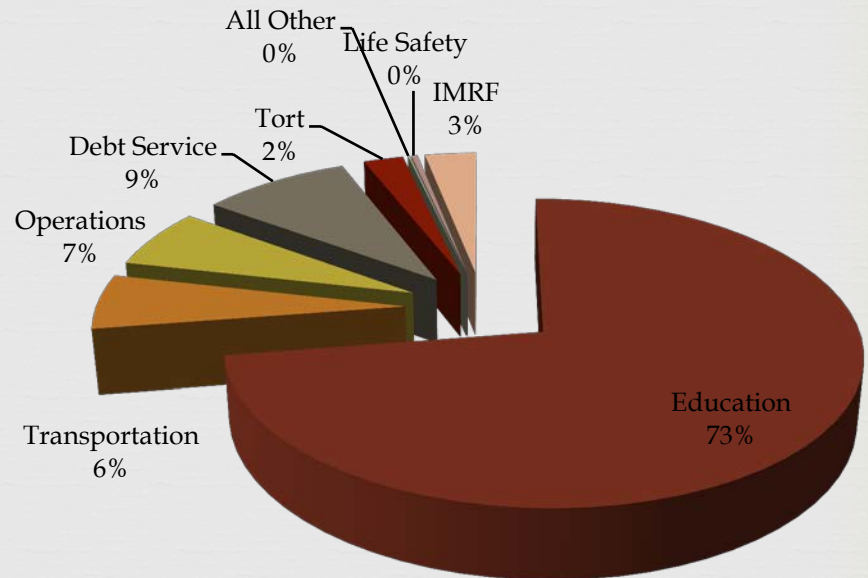
	2009 Tax Year	2010 Tax Year	2011 Tax Year	2012 Tax Year	2013 Tax Year	2014 Tax Year
Cap funds	230.6	240.6	237.6	250.7	257.6	258.8
Non cap funds	38.6	41.2	43.2	45.2	44.8	42.6
Total Extension	269.2	281.7	280.8	295.8	302.5	301.4

Revenues by Fund – FY 2015 Versus FY 2016

Revenue By Fund - FY 2015



Revenue By Fund - FY 2016

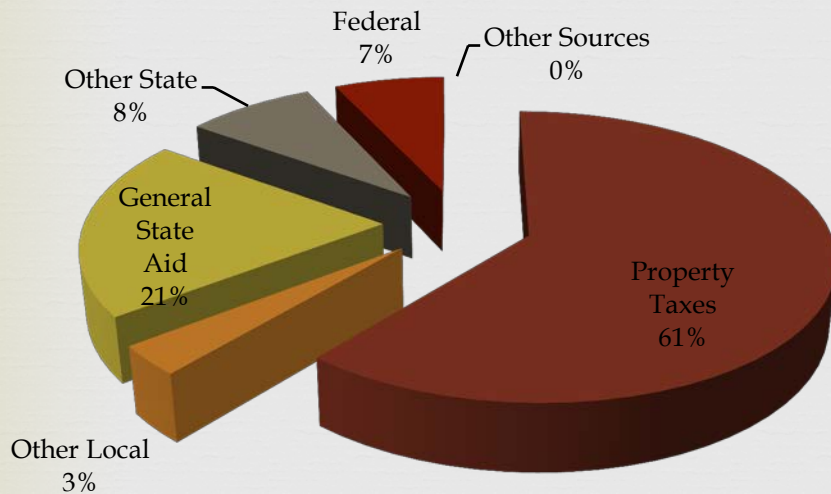


Revenues By Source – FY 2015 Versus FY 2016



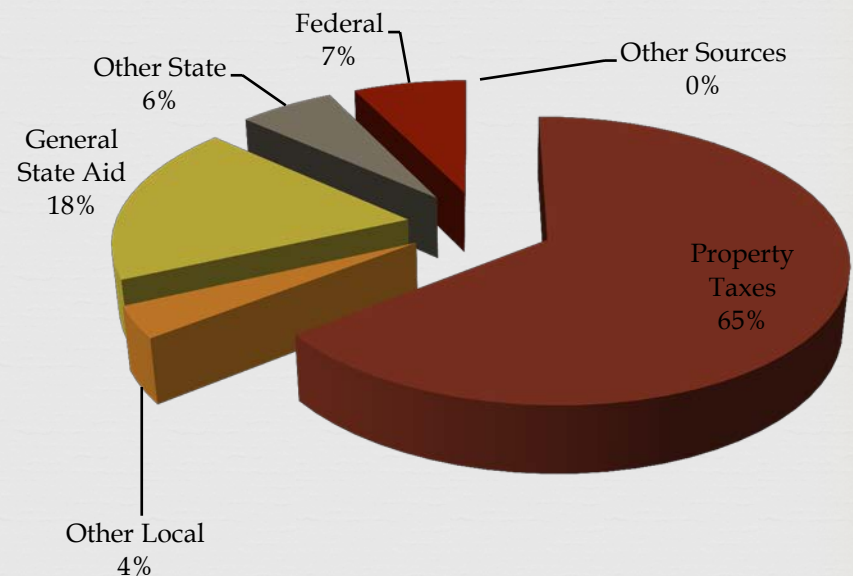
☞ FY 2015

Revenue Source Detail - FY 2015



☞ FY 2016 – Note, the increase in the property tax percentage is due to the decline in state revenue that is projected.

Revenue Source Detail - FY 2016



All Funds Revenues (in Millions)



	FY 2015 Budget	FY 2016 Budget	Change
Taxes	\$297.8	\$299.5	\$1.7
Local	16.2	16.8	0.6
GSA	98.9	85.6	(13.3)
Categoricals	39.6	28.6	(11.0)
Federal	33.9	33.8	(0.1)
Other	0.0	0.0	(0.0)
Total	486.5	464.4	(22.1)

Revenue Variances



- ❧ The General State Aid is prorated at 77% compared to 89% in FY 2015 which accounts for a reduction of approximately \$13.3 million in revenue.
- ❧ State Categorical payments are decreased to 3 quarterly payments for FY 2016 vs 4 quarterly payments for FY 2015 which accounts for a reduction of approximately \$11 million in revenue.

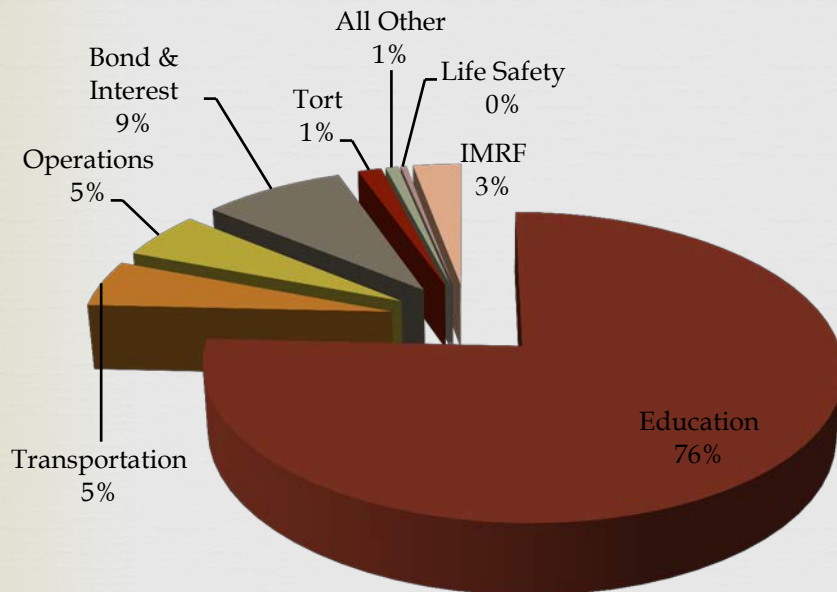
Expenditure Assumptions



- ❧ Salaries – Annual increases – ETA 4.3% (1% is for additional work days, 2.75% is step and lane and the remainder is CPI increase) (\$6.8 million), DUSA 3.5% (\$315,000), DUEA 3.0% (\$240,000), Admin 2.5% (\$545,000), ESSO 0.5% (\$32,500), DUTU 0.5% (\$55,000), SEIU 0.5% (\$21,500) and non-union 2.5% (\$325,000). With reductions factored in total salaries will increase by about \$3 million.
- ❧ Benefits – Health Insurance 5% increase (\$2 million), Pension, Medicare, & Social Security increases equal to salary increases
- ❧ \$13 million in Capital projects funded from Working Cash
- ❧ Contingency is at \$2.6 million due to uncertainty in funding

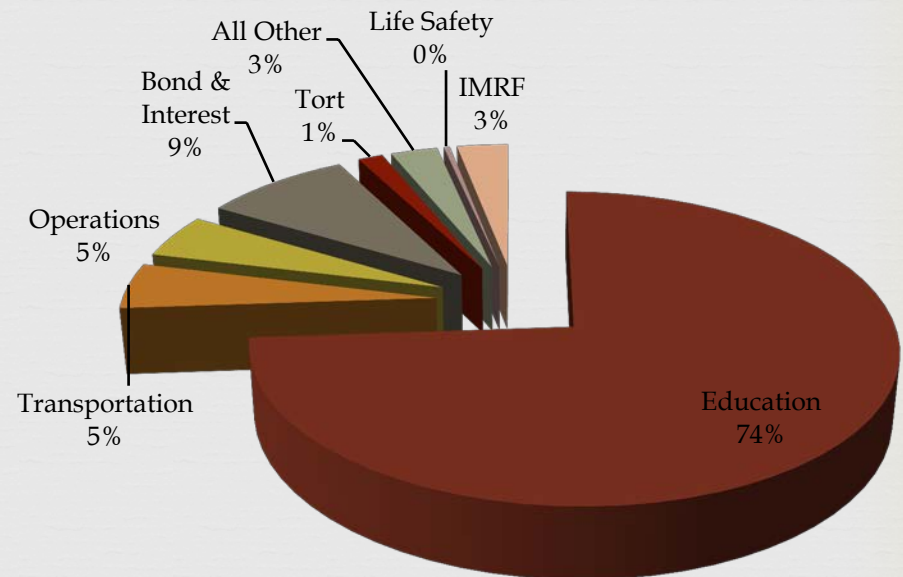
Expenditures by Fund – FY 2015 Versus FY 2016

Expenditures By Fund - FY 2015



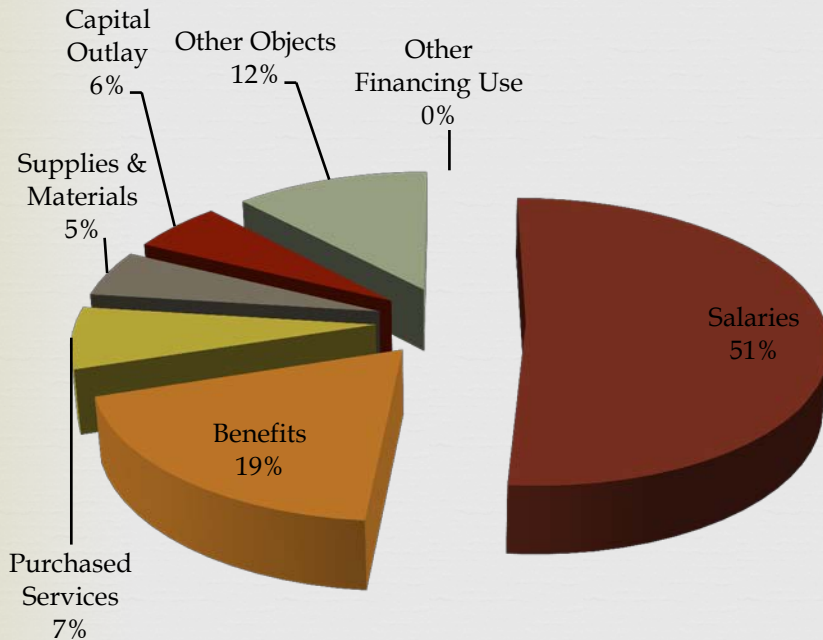
Expenditures By Fund - FY 2016 – All

Other is up due to the expenditure of bond funds



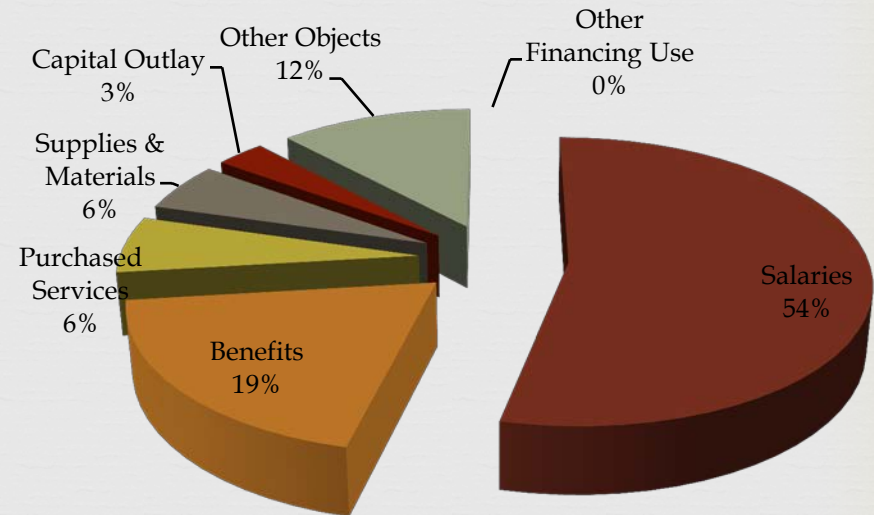
Expenditures by Type – FY 2015 Versus FY 2016

Expenditures By Type - FY 2015



Expenditures By Type - FY 2016 –

Salaries are up on a percentage basis due to cuts in other areas



All Funds Expenditures FY 2016 (in Millions)



	FY 2015 Budget	FY 2016 Budget	Change
Salaries	\$250.5	\$253.8	\$ 3.3
Benefits	91.2	91.7	0.5
Purchased Services	33.8	30.1	(3.7)
Supplies & Materials	25.6	25.8	0.2
Capital Outlay	27.7	14.6	(13.1)
Other Objects & Tuition	58.8	56.5	(2.3)
Total	487.7	472.5	(15.3)

Expenditure Variances



- ❧ Salaries – Increases offset by 80 FTE reduction in teaching and administrative positions
- ❧ Reductions - purchased services such as out of district travel & conferences(\$600k), communications/postage (\$300k), other technical & professional services (\$2.3 million) have been reduced, a majority of pupil services will shifted to Title I (\$1.6 million), food and supplies will be reduced by (\$600k) and equipment will be reduced by (\$5.7 million).
- ❧ Capital outlay purchases have been reduced by \$13.1 MM

Summary – All Funds

(in Millions)

	Beg F/B	REV	Exp	Ending F/B
All Funds	\$215.5	\$464.4	\$(472.4)	\$207.5

Operating Funds (in Millions)



	Beg F/B	REV	Exp	Other	Ending F/B
Ed	\$85.6	\$337.1	\$(349.1)	\$0.0	\$73.5
O&M	4.6	30.1	(22.3)	0.0	12.4
Tran	(11.7)	27.7	(23.2)	0.0	(7.2)
Total	\$78.5	\$394.8	\$(394.6)	\$0.0	\$78.7

All Other Non Capital Projects Funds (in Millions)



	Beg F/B	Rev	Exp	Other	Ending F/B
Tort	\$(19.4)	\$11.1	\$(7.0)	\$0.0	\$(15.3)
IMRF/SS	(0.4)	14.5	(14.4)	0.0	(0.4)
Work Cash	128.9	0.3	(13.3)	0.0	115.9
Debt Service	25.0	41.6	(41.3)	0.0	25.3
Total	\$134.1	\$67.5	\$(76.0)	\$0.0	\$125.6

Capital Projects Funds (in Millions)



	Beg F/B	REV	Exp	Other	Ending F/B
Life Safety	\$(0.9)	\$1.8	\$(1.7)	\$0.0	\$(0.8)
Capital	3.1	0.0	(0.0)	0.0	3.1
Dev Fees	0.7	0.3	(0.0)	0.0	1.0
Total	\$2.9	\$2.1	\$(1.7)	0.0	\$3.3