

School District U-46



FY 2019 Tentative Budget

June 18, 2018

Budget Planning Cycle



Unknown Factors



- ❧ State budget – Currently there is no budget agreement.
- ❧ Property tax revenue – Possible tax freeze legislation.
- ❧ Evidence Based Funding – Evidence-Based Funding (EBF) consolidates and replaces five grant programs: General State Aid, Special Education Personnel, Special Education Funding for Children Requiring Services, Special Education Summer School, and English Learner Education. Will not know until the end of July. Using current ISBE formula with no changes.
- ❧ State categorical funding, including Transportation – Budget includes 4 quarterly payments for FY2019. Currently the 3rd quarter/March payments have not been received.
- ❧ Pension Reform - it is possible that a shift will occur to make the districts pay the current state share, which could cost us \$24 million per year.

Property tax payment cycle



- ❧ Tax year is a calendar year.
- ❧ Taxes from the 2017 tax year are payable in 2018.
- ❧ Payments received in 2018 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)



	2012 Tax Year	2013 Tax Year	2014 Tax Year	2015 Tax Year	2016 Tax Year	2017 Tax Year
Cap funds	250.7	257.6	258.6	262.0	264.7	271.3
Non cap funds	45.2	44.8	44.3	40.5	38.7	38.7
Total Extension	295.8	302.5	302.9	302.5	303.4	309.9

Revenue Assumptions



- ❧ Property tax levy increase of 2.1% for tax year 2018 payable in 2019. Tax year 2017 revenue payable in 2018, was levied at 2.1%. For tax year 2018 abate same amount as tax year 2017, \$3.9 million.
- ❧ Evidence Based Funding - using current year ISBE formula without changes.
- ❧ The District will receive four categorical payments in FY 2019.

All Funds Revenues (in Millions)



	FY 2018 Budget	FY 2019 Budget	Change from FY 2018
Taxes	\$303.4	\$309.2	\$5.8
Local	17.7	18.7	1.0
Evidence Based Funding	120.7	156.5	35.8
Categoricals	29.0	24.6	(4.4)
Federal	38.2	37.6	(0.6)
Other	0.0	0.0	0.0
Total	509.0	546.6	37.6

Expenditure Assumptions



- ❧ Salaries – Annual increases per contracts, add 14 FTE for MS Guidance, MS Assistant Principals, and Elementary Assistant Principals in larger enrollment schools.
- ❧ Benefits – Health Insurance 7% increase, Pension, Medicare, & Social Security increases equal to salary increases.
- ❧ Capital Outlay - Includes purchase of buses - \$5.7 million.
- ❧ All Building Capital projects funded from Operations & Maintenance Fund and Life Safety Fund, no transfer from Working Cash Fund.

All Funds Expenditures (in Millions)



	FY 2018 Budget	FY 2019 Budget	Change from FY 2018
Salaries	\$269.7	\$284.3	\$ 14.6
Benefits	97.7	98.5	0.8
Purchased Services	35.7	36.2	0.5
Supplies & Materials	32.0	31.7	(0.3)
Capital Outlay	23.9	27.8	3.9
Other Objects & Tuition	58.9	56.1	(2.8)
Total	517.9	534.6	16.7

Summary – All Funds

(in Millions)

	Beginning Fund Balance	Revenue	Expense	Ending Fund Balance
All Funds	\$254.5	\$546.6	\$(534.6)	\$266.5

Operating Funds (in Millions)



	Beginning Fund Balance	Revenue	Expense	Other	Ending Fund Balance
Educational	\$109.6	\$406.2	\$(399.2)	\$0.0	\$116.6
Operations & Maintenance	6.7	37.0	(36.8)	0.0	6.9
Transportation	(0.2)	34.9	(31.9)	0.0	2.8
Total	\$116.1	\$478.1	\$(467.9)	\$0.0	\$126.3

Summary



- ❧ First draft of budget, many unknowns to be determined.
- ❧ Evidence Based Funding increased revenue by \$22.3 million in FY 2018.
- ❧ Bus purchase \$5.7 million, no buses purchased in FY 2018.
- ❧ Capital Projects for buildings funded from current revenue.

Next Steps



- ∞ State budget was signed by governor on June 4th, waiting for state calculations for Evidence Based Funding amount for next year.
- ∞ Review changes from tentative to final budget with Board Finance Committee on August 6th.
- ∞ Present Final Budget at August 20th Board Meeting.