

May 13, 2019



DRAFT BUDGET

2019-2020

DRAFT BUDGET

OVERVIEW

The “Draft Budget” is the initial design for the new school year’s annual budget. At this point in the budget development process, the Board of Education Finance Committee has participated in financial assumptions development and reviewed the preliminary budgets for Operations & Maintenance, Technology, Transportation and the Education Fund as a whole. Building upon this data, the “Draft Budget” incorporates all District Funds and includes Revenues and Expenses for each of the funds below:

OPERATING FUNDS:

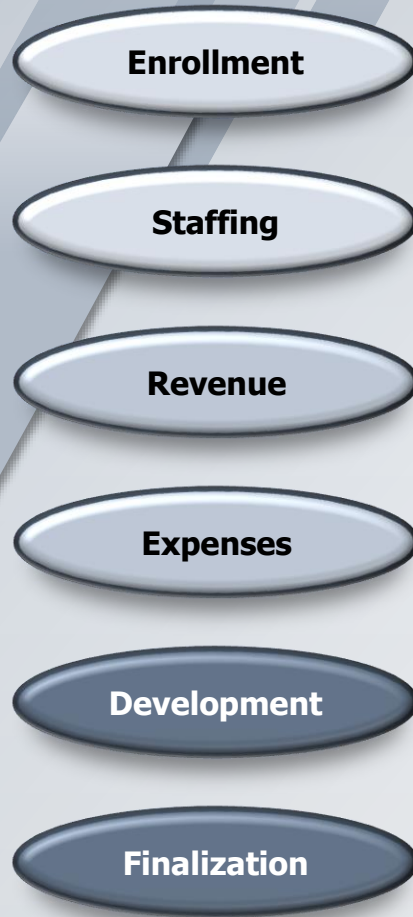
- 10 - Education Fund
- 20 - Operations & Maintenance Fund
- 40 - Transportation
- 70 - Working Cash
- 80 - Tort

OTHER FUNDS:

- 30 - Debt Services
- 50 - IMRF/Social Security
- 60 - Capital Projects
- 90 - Life Safety

BUDGET DEVELOPMENT

Annual Development Components



- Estimates are developed for the coming school year based on current enrollment by building, past trends, and housing data.
- Staffing levels are determined for each building using class size targets, program needs, and service level expectations.
- Estimates are generated pertaining to the tax levy, federal and state funding and general receipts.
- Estimated expenditure needs are developed for salaries, benefits, purchased services, supplies and materials, capital outlay and other objects using both known data and assumptions.
- All financial estimates are combined and preliminary, draft, and tentative budgets are developed.
- A final proposed budget is created in accordance with Board of Education policy in support of the Strategic Plan and then approved by the Board of Education.

BUDGET PHASES

Annual Development Components

PRELIMINARY
(November-April)

DRAFT
(May)

TENTATIVE
(June)

FINAL
(September)

- A “Preliminary” budget is developed for the Technology, Operations & Maintenance, Transportation and Education Fund components of the budget. These budgetary considerations are used as initial assumptions prior to a complete view of the overall budget is completed.
- A “Draft” budget combines all assumptions across all components of the proposed budget and represents the first look at an all encompassing District Budget.
- A “Tentative” budget is required by statute and is made available to interested parties as part of the approval process of a final District budget. This version of the budget builds on the “Draft” budget taking into account newly incorporated data or other improvements made to the previous version.
- The “Final” budget is required to be adopted by the Board of Education no later than the month of September within the fiscal year (June-July) it represents. This “Final” budget further improves upon the “Tentative” budget incorporating the most current data available and final enhancements from the previous version.

REVENUE ASSUMPTIONS

- CPI:
 - CY18: 1.9%
 - CY19: 2.0%
- New Construction: \$11,500,000
- Evidence Based Funding (State): No Change
- Special Education Funding (State/Federal): No Change
- Grant Funding: No Change
- Local revenues (fees): No change

EXPENSE ASSUMPTIONS

- Salary costs projected at current contract increases
 - Estimated certified staff retirement benefits & penalties included
- Health benefits projected at -2.8% for PPO & 5.6% for HMO
- Building budgets projected at 5% reduction
- Purchased services projected at 1.9% increase
- Supplies & Materials projected at 1.9% increase
- Technology preliminary budget included
 - Technology Capital Plan expenses updated
- Pension cost shift not included

EDUCATION FUND

Draft Budget

Revenues Education Fund (10)	2019 Current	2020 Projected	Expenses by Object Education Fund (10)	2019 Current	2020 Projected
1000 Local Sources	\$59,667,734	\$61,699,680	000 Transfer	\$1,200,000	\$338,000
3000 State Sources	\$2,656,801	\$2,207,205	100 Salaries	\$43,971,213	\$46,499,613
4000 Federal Sources	\$1,790,541	\$1,790,542	200 Employee Benefits	\$7,838,887	\$8,034,372
	<u>\$64,115,076</u>	<u>\$65,697,427</u>	300 Purchased Services	\$5,398,060	\$5,051,371
			400 Supplies & Materials	\$1,221,987	\$1,213,499
			500 Capital Outlay	\$665,454	\$496,454
			600 Other Objects	\$4,336,594	\$3,938,206
			700 Non-Capitalized Equipment	\$150,750	\$125,912
				<u>\$64,782,945</u>	<u>\$65,697,427</u>

Expense
Increase of
1.41%

OPERATIONS & MAINTENANCE FUND

Draft Budget

Revenues	2019	2020	Expenses by Object	2019	2020
Operations & Maintenance Fund (20)	Current	Projected	Operations & Maintenance Fund (20)	Current	Projected
1000 Local Sources	\$11,126,236	\$11,463,387	000 Transfer	\$0	\$1,800,000
3000 State Sources	\$1,788,715	\$2,239,312	100 Salaries	\$4,550,200	\$4,715,814
	<u>\$12,914,951</u>	<u>\$13,702,699</u>	200 Employee Benefits	\$886,788	\$917,724
			300 Purchased Services	\$2,026,500	\$2,087,730
			400 Supplies & Materials	\$3,094,500	\$3,069,500
			500 Capital Outlay	\$1,895,496	\$525,214
			600 Other Objects	\$216,717	\$216,717
			700 Non-Capitalized Equipment	\$370,000	\$370,000
				<u>\$13,040,201</u>	<u>\$13,702,699</u>

Expense
Increase of
5.08%

TRANSPORTATION FUND

Draft Budget

Revenues Transportation (40)	2019 Current	2020 Projected
1000 Local Sources	\$1,853,780	\$1,875,138
3000 State Sources	\$1,625,000	\$1,675,000
7000 Other Financing Sources	\$1,757,183	\$1,700,000
	<u>\$5,235,963</u>	<u>\$5,250,138</u>

Expenses by Object Transportation (40)	2019 Current	2020 Projected
100 Salaries	\$2,062,680	\$2,124,208
200 Employee Benefits	\$71,650	\$75,978
300 Purchased Services	\$1,186,625	\$1,127,350
400 Supplies & Materials	\$286,150	\$283,000
500 Capital Outlay	\$2,330,000	\$2,100,000
600 Other Objects	\$30,000	\$30,000
700 Non-Capitalized Equipment	\$18,000	\$87,000
	<u>\$5,985,105</u>	<u>\$5,827,536</u>

Expense
Increase of
-2.63%

WORKING CASH & TORT FUNDS

Draft Budget

Revenues	2019	2020
Working Cash (70)	Current	Projected
1000 Local Sources	\$115,000	\$105,000

Expenses by Object	2019	2020
Working Cash (70)	Current	Projected
	\$0	\$0

Revenues	2019	2020
Tort (80)	Current	Projected
1000 Local Sources	\$350	\$300

Expenses by Object	2019	2020
Tort (80)	Current	Projected
	\$0	\$0

DEBT SERVICES, IMRF/SS, CAPITAL PROJECTS & LIFE SAFETY FUNDS

Draft Budgets



Revenues Debt Services (30)	2019 Current	2020 Projected
1000 Local Sources	\$14,730,782	\$14,923,588
7000 Other Financing Sources	\$1,200,000	\$338,000
	<u>\$15,930,782</u>	<u>\$15,261,588</u>

Expenses by Object Debt Services (30)	2019 Current	2020 Projected
000 Transfer	\$0	\$338,000
600 Other Objects	\$15,504,080	\$14,781,610
	<u>\$15,504,080</u>	<u>\$15,119,610</u>

Revenues IMRF/Social Security (50)	2019 Current	2020 Projected
1000 Local Sources	<u>\$2,489,379</u>	<u>\$2,796,334</u>

Expenses by Object IMRF/Social Security (50)	2019 Current	2020 Projected
200 Employee Benefits	<u>\$2,661,247</u>	<u>\$2,759,335</u>

Revenues Capital Projects (60)	2019 Current	2020 Projected
1000 Local Sources	<u>\$0</u>	<u>\$1,800,000</u>

Expenses by Object Capital Projects (60)	2019 Current	2020 Projected
300 Purchased Services	\$0	\$140,000
500 Capital Outlay	<u>\$0</u>	<u>\$1,360,000</u>
	\$0	\$1,500,000

Revenues Fire Prevention & Safety (90)	2019 Current	2020 Projected
1000 Local Sources	<u>\$2,500</u>	<u>\$250,752</u>

Expenses by Object Fire Prevention & Safety (90)	2019 Current	2020 Projected
300 Purchased Services	\$0	\$50,752
500 Capital Outlay	<u>\$0</u>	<u>\$200,000</u>
	\$0	\$250,752

BUDGET DEVELOPMENT

Next Actions

- Develop 2019-2020 Tentative Budget (June)
 - Review revenue assumptions and levy data
 - Review & update Transportation Fund data
 - Adjust line item allocations to improve budget design and accuracy
 - Update all budget line items as new data is available

BUDGET DEVELOPMENT

Next Actions – Continued

- Permanent Fund Transfers to Capital Projects Fund: June
 - Review FY19 O&M expenses & revenues
 - Identify any anticipated resources set to fall to fund balance
 - Prepare a Board Resolution to permanently transfer funds from the O&M Fund to the Capital Projects Fund