



2016–2017 Preliminary Budget

June 8, 2016

2016 – 2017 Budget Timeline

January 2016	Board Adopts the FY17 Budget Calendar
March 2016	Staffing Plan for 2016-2017
June 8, 2016	Preliminary FY17 Budget Presentation
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Budget Philosophy

- Minimize contingencies
- Invest in curriculum
- Maintain appropriate programs
- Maintain facilities

Operational Factors

- Curriculum Initiatives
 - Science, Reading, KW/Health, Math
- Increased Need for Outside Services
 - Tuition & Placements
- Strategic Planning Impacts
 - STEAM, Kindergarten
- Technology Initiatives
 - Infrastructure Upgrades
 - Student Management Software Enhancements

Operational Factors

- Facility Improvement Considerations
 - Long Term Facility Improvement Plan Implementation; HW
 - Space Utilization; Enrollment/Demographic Study
- Personnel & Enrollment Impacts
 - Internal Sections, Special Education Requirements
- Regulatory Compliance
 - ACA, FMLA and Other Changes

Financial Factors

- Property Tax Levy Considerations
 - CPI at 0.7%
 - EAV & New Property changes not known
 - Pending Legislation could significantly reduce revenue
 - Budget based on normal estimates; distribution on Fund needs
 - Abatement determination
- Federal & State Revenues & Expenditures
 - Revenues based on internal calculations subject to approval and possible further reductions; \$1mil ?
 - Expenditures generally based on internal calculations in coordination with service providers; Continued Refinement

Financial Factors

- Bond Redemption & Refinancing
 - Mid-Year Board discussion & decision
 - Effect on reserves and future operations
- Future Funding of Facility Needs
 - Long Term plan provides for approx. \$1.5 million/yr for 5yrs; annual school rotation
 - Develop a plan for furniture maintenance & refresh; meet needs of educational programming
 - Monitor & Address Deferred & Major Maintenance Items in aged facilities

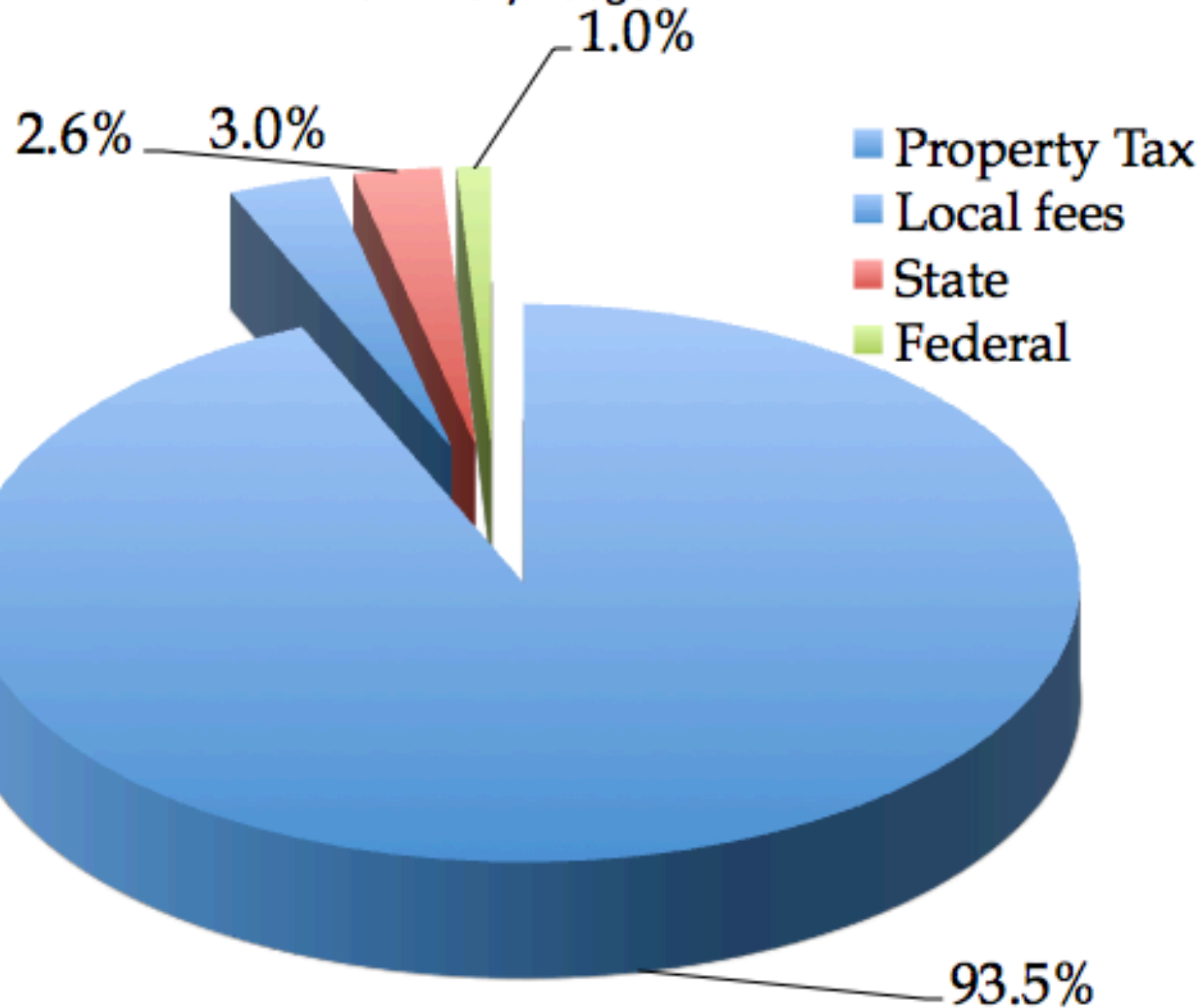
Financial Factors

- Salaries; general increases
 - Certified & Non-Certified bargained; 4% + annual increase
 - Projected offset of retirement savings to achieve overall 3% average
 - Administrators; 3% norm
- Benefits; Healthcare
 - Certified & Non-Certified pay 10% of HMO cost
 - Rate Increase for FY17; PPO~5.5%, HMO minor decrease
 - Trend toward coverage with higher District cost

Typical Sources of Revenues

Revenues - All Funds

FY17 Preliminary Budget



Local Revenue Categories

- Real Estate Taxes
- Corporate Replacement Taxes
- Interest
- Student Fees & Tuition
- Food Service
- Facility Rentals

Federal & State Revenue Categories

- General State Aid
- Special Education Aid
- Title 2; Teacher Quality
- Student Milk
- E-Rate
- Library

Budgeted Revenues; All Funds

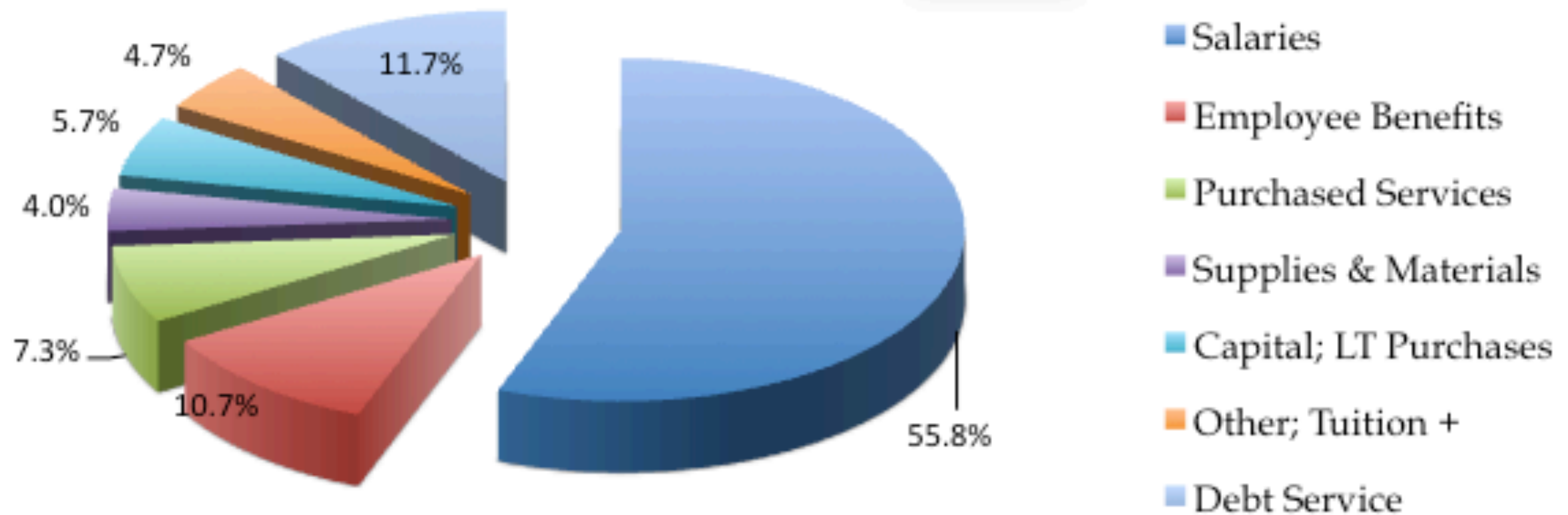
(Excluding Fund Transfers)

• Education	\$36,188,183
• Operations & Maintenance	955,707
• Debt Service	4,923,031
• Transportation	287,564
• FICA/IMRF	1,298,417
• Capital Projects	25,000
• Working Cash	567,478
• Tort	207,649
• Life Safety	<u>580</u>
Total Budgeted Revenues	<u>\$44,453,609</u>

Typical Categories of Expenditures

Operating Fund Expenses by Object, All Funds - FY17 Preliminary Budget

Chart Title



Budgeted Expenditures; All Funds

(Excluding Fund Transfers)

• Education	\$32,181,203
• Operations & Maintenance	3,737,226
• Debt Service	5,225,800
• Transportation	408,188
• FICA/IMRF	1,263,640
• Capital Projects	1,628,300
• Working Cash	0
• Tort	136,000
• Life Safety	<u>0</u>
Total Budgeted Expenditures	<u>\$44,580,357</u>

Budgeted Net Fund Balance Incr (Decr); All Funds

(Excluding Fund Transfers)

• Education	\$4,006,980
• Operations & Maintenance	(2,781,519)
• Debt Service	(302,769)
• Transportation	(120,624)
• FICA/IMRF	34,777
• Capital Projects	(1,603,300)
• Working Cash	567,478
• Tort	71,649
• Life Safety	<u>580</u>
Total Fund Balance Increase	<u>\$(126,748)</u>

Major Capital Construction Projects

- Hubbard Woods
 - Various improvements; primarily L/S \$1,578,200
- Crow Island
 - Temporary classroom installation \$213,500
- Washburne
 - Cafeteria remodeling \$170,000
 - Windows \$10,100
- Greeley
 - Stage ceiling \$40,000
 - Kindergarten playground \$20,000

Operating Funds

(Revised with working cash)

Operating Funds		
(Ed, O&M, Transportation, FICA/IMRF, Working Cash, Tort)		
	FY16	FY17
	Est Accrual	Preliminary
OBJECT	Actual	Budget
REVENUE FROM LOCAL SOURCES	36,156,365	37,981,698
REVENUE FROM STATE SOURCES	1,088,015	1,097,100
REVENUE FROM FEDERAL SOURCES	435,116	426,200
Total operating fund revenues	37,679,496	39,504,998
		4.8%
	FY16	FY17
	Est Accrual	Preliminary
	Actual	Budget
OBJECT		
SALARIES	24,230,899	24,890,586
BENEFITS	4,544,637	4,785,736
PURCHASED SERVICES	2,363,204	3,137,391
SUPPLIES & MATERIALS	1,163,456	1,794,532
CAPITAL OUTLAY & EQUIPMENT	1,141,963	1,042,791
OTHER	1,866,056	2,075,221
Total operating fund expenditures	35,310,215	37,726,257
		6.8%
Net operating revenues over <under> expenditures	2,369,281	1,778,741

Operating Funds

(Historic without working cash; Pro-forma abatement)

Operating Funds						
(Historic without working cash; Pro-Forma abatement)						
					FY16	FY17
					Est Accrual	Preliminary
ADJUSTED RESULTS					Actual	Budget
				Net operating revenues over <under> expenditures	2,369,281	1,778,741
		Less:		Working Cash revenue; comparable to prior year	(587,137)	(567,478)
1				Historic Net operating revenues; w/o working cash	1,782,144	1,211,263
				Net operating revenues over <under> expenditures	2,369,281	1,778,741
		Less:		Abatements; actual & projected	(1,100,000)	(1,450,000)
2				Net operating revenues; w/o wc & with abatement	1,269,281	328,741
				Net operating revenues over <under> expenditures	2,369,281	1,778,741
		Less:		Working Cash revenue; comparable to prior year	(587,137)	(567,478)
		Less:		Abatements; actual & projected	(1,100,000)	(1,450,000)
3				Net operating revenues; with wc & abatement	682,144	(238,737)

Larger Operating Variances

- Property tax revenue accrual high in FY15, reduces FY16 revenue; county's acceleration of summer payments \$260,000
- Salary 2.7% increase near 3% target avg
- Benefits 5.3% increase approximates aggregate FY17 rate increase; below 6.5% med trend rate
- Increased Special Ed services \$451,000
- STEAM \$216,000

Larger Operating Variances

- Temporary classroom installation and lease costs allocated to FY17 \$250,000
- Washburne cafeteria upgrade \$170,000
- Electric & gas estimates to a norm \$ 45,000
- After considering the above expense items, the % increase of non-payroll expenditures increase is reduced to less than 3%; total expenses to 3.6%

Current Year Operating Fund Variances

- Overall expect ~ \$550,000 increase over budget without Working Cash fund
- Due primarily to normal culture of creating ambitious plans resulting in unspent funds
- Some offsetting unplanned events; temporary classrooms, increased insurances, building repairs
- Actual results will differ from current estimates

Current Year Operating Fund Variances

- Continued effort to encourage more accurate budgeting practices; itemized plans at District level
- Some areas harder to estimate; Spec Ed, Utilities
- Based on current year results, certain areas need additional review for FY17; professional development and providers, supplies
- It is a work-in progress; changing culture takes time

Areas of Fluctuation

- Levy Revenues
- Federal & State Aid
- Interest Rates & Investments
- Enrollment & Staffing
- Facility Needs

Areas of Fluctuation

- Tax Abatement Determination
- Bond Redemption Determination
- Kindergarten Plan
- New Administrators' Budget Review
- Expenditure Refinements
- Accomplishing Intended Tasks

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