Fiscal Year 2017-18 Preliminary Budget

La Grange School District 105

April 25, 2017

Budget Plan

- A school budget is a <u>plan</u> of District 105's financial operations which expresses the <u>estimate</u> of proposed expenditures for a fiscal year (FY18) and proposed means of financing them.
- The purpose of a budget is to: provide a <u>forecast</u> of revenue and expenditures and measure the <u>actual</u> financial operation against the forecast (audit).
- We will update our STRAT Plan when we approve the final budget. Throughout this presentation we reference STRAT figures as this long range plan guides our budgeting process.

FY17 Budget Updates

- We anticipate that our FY17 revenues and expenses will be very close at year's end. This is a change from our past several years where we have contributed to our overall fund balances because our revenues exceeded our expenses.
- Our up to date operational expenses are running about $480,000 (3.2%) less than FY16. This is primarily because we reduced both certified (due to enrollment) and non-certified staff (due to programming changes).
- Our FY17 debt service (bonds) payments have increased about $420,000 from FY16.
- Our revenue is consistent with our expectations.

Overview--Revenues

- State and Federal grant funding will be included in FY18 District revenue – we will get information about these figures in June. At this time, we anticipate consistent state and Federal grant funding.

- 2016 levy will include a Cost of Living (CPI) increase of .7%. 2017 levy will include a CPI increase of 2.1% which will impact (without any state changes) our revenue in FY19. We anticipate a 1% increase in local revenue in FY18. Our STRAT Plan CPI is consistent with the coming year, but it provides a long range CPI of 2% thereafter.

Revenues By Source

Local Property Taxes	81.0%
CPPRT	5.1%
State	7.5%
Federal	4.3%
Miscellaneous—Fees/Interest/Other	2.1%

Overview--Expenditures

- We are planning to stay budget neutral for all expenses we control. Any increases in programming expenses will be offset with decreases in other areas.

- We anticipate that our certified staff will be slightly down because of enrollment decreases. We anticipate neutral to a slight increase in our non-certified staff. Our contractual agreements with certified staff and non-certified staff increase salaries at 3.0%.

- Employee health insurance is projected to increase 3%. This increase is significantly less than the 10% in FY17 and the STRAT projections of 7%.

Overview—Purchased Services

- **Transportation Fund** expenses are expected to increase by $35,000 (4.0%).
- Our **professional development** purchase services funded with grant and local revenue will not change – although they may be directed toward math support services.
- Our overall **special education** purchased services costs (LADSE, tuition, transportation) will be neutral to slightly lower. We are adding .3 FTE to establish a self-contained cross categorical classroom which will save the district in tuition costs. The number of outplaced students is projected to decrease from 21 to 18 – a 17% reduction. Tuition/Transportation is generally about $50,000 per student. Of course, this can change with move-ins and move-outs.

Overview—Supplies & Materials

- Supplies & Materials are expected to remain unchanged.

Overview--Equipment

- Technology equipment costs will increase by $75,000 (13%). This increase is based on infrastructure (as presented in Technology Committee recommendations).

- Other fixed asset purchases are expected to remain stable or decrease.

Overview—Capital Project Fund

- Operations & Maintenance/Life Safety projects will remain under $300,000 for the Seventh Avenue roof restorations and miscellaneous summer projects. This figure is consistent with STRAT and a reduction from previous budget amounts of $400,000.

Overview—Debt Payment

- Debt service obligations for FY18 include $1,450,000 in principal and $1,362,726 in interest. These payments will be offset by Build America Bond estimated payments of $441,000. Our overall debt service obligation in FY18 will be an estimated $138,000 more than FY17. We will make transfers from O&M and Education Funds to service our debt. Our increasing debt service is the pressure area of the budget.

Comments & Questions

- The budget projections are preliminary.
- End of the Year Fund Balances in all funds for FY17 and FY18 are projected to be positive.
- We will be monitoring legislation from Springfield that may affect the budget: property tax extension freeze, general state aid, pensions, SB1 or other possible mandates.
- The review of each budget line will provide closer scrutiny of projected expenses. As recommended by our STRAT consultant, we will bring our budgeted expenses closer to our historical patterns of actuals.
- Any questions?