



**J. Sterling Morton  
HSD 201  
FY 16 Budget  
2015-2016**

**Board of Education Meeting  
September 9, 2015**



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# School Focus

## VISION

J. Sterling Morton High School District 201 educates all students to meet or exceed the standards of learning by providing educational experiences that challenge, engage, and empower them to be productive members of the global community.

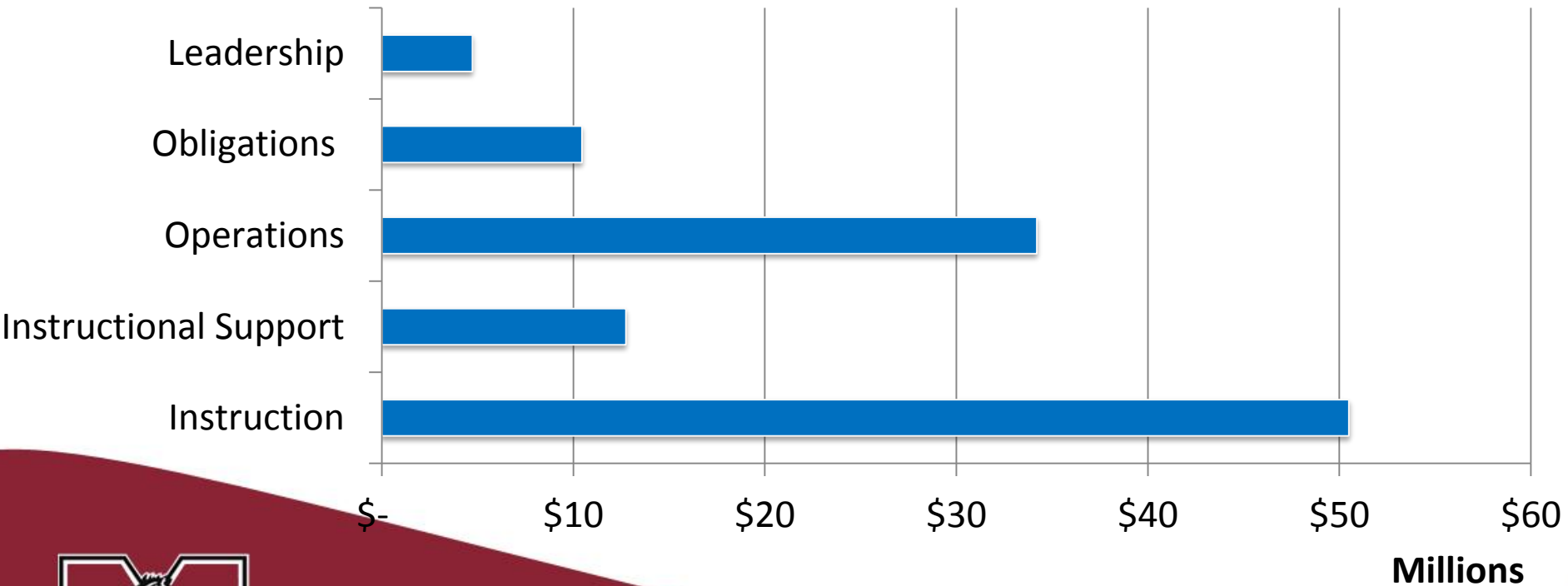
## MISSION

Every student succeeds.

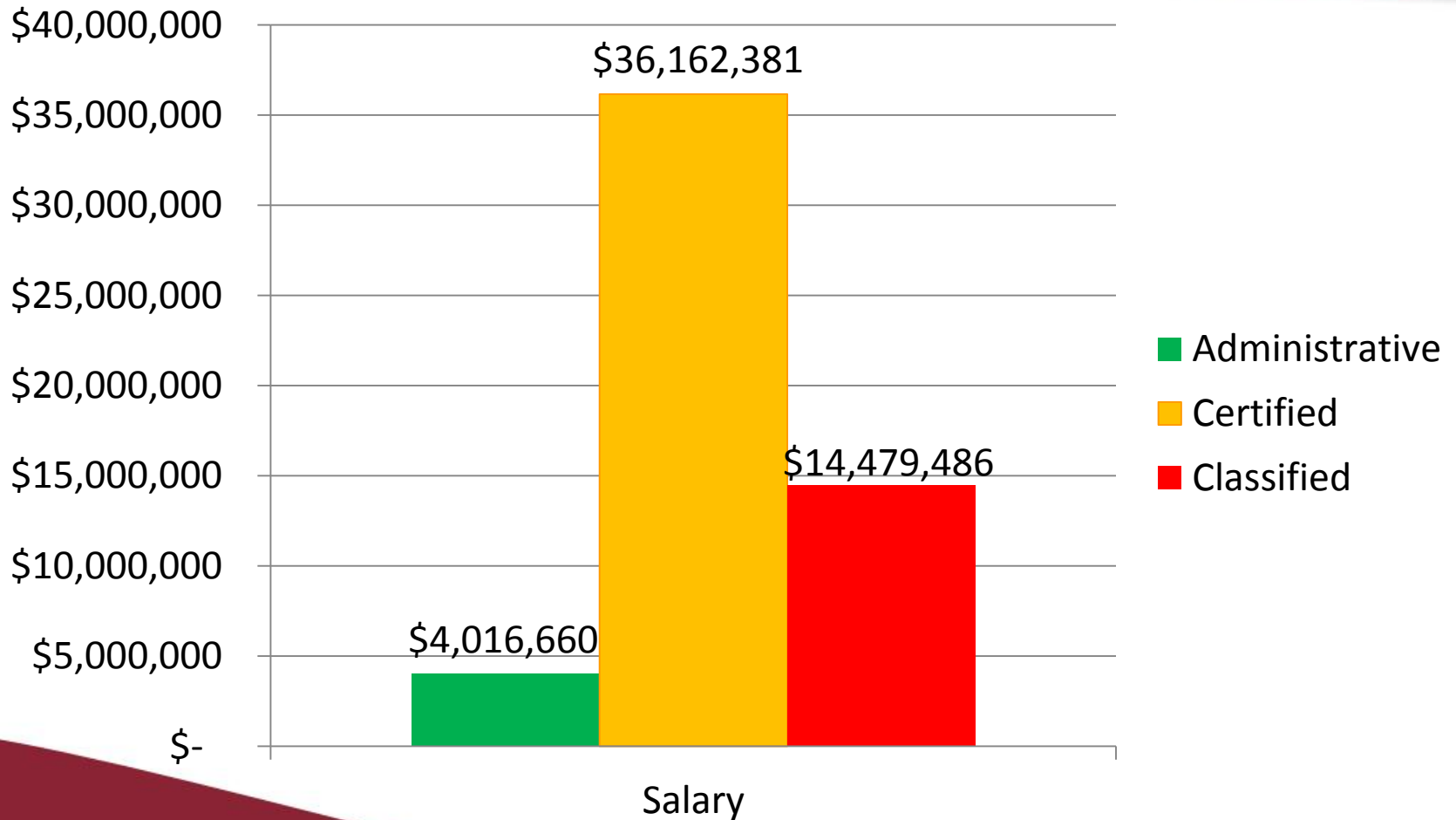


# School Focus

The District has organized the entire budget into five operational categories that summarize how money is spent. J. Sterling Morton High School District 201 keeps instruction as its top priority, while providing funds necessary to the areas that support instruction. Most of the District's total budget is spent in the classroom on instruction and instructional support. In the operations category there are significant expenditures that directly support classroom instruction such as transportation, food service, technology and custodial services. Obligations includes debt and tuition payments.



# Salaries by Staff Type



# FY16 Budget All Funds - Snapshot

FUNDS	REVENUES	EXPENDITURES
Education	81,397,747	81,712,117
Operations & Maintenance	15,312,119	15,245,401
Transportation	3,211,288	2,953,934
Working Cash	12,199	
<b>Total Operating</b>	<b>\$99,933,353</b>	<b>\$99,911,452</b>
SS/IMRF	3,366,485	3,351,950
Debt Service	9,571,056	9,360,456
<b>Total – All funds</b>	<b>\$112,870,894</b>	<b>\$112,623,858</b>



# Changes

## What has changed since the FY16 Tentative Budget Presentation?

### Revenues

- All grant allocations have been finalized.
- General State Aid allocation has been determined.
- Categorical (Transportation and Special Education) allocations are finalized.
- CPPRT not finalized, 1.5% increase estimate.



# Changes

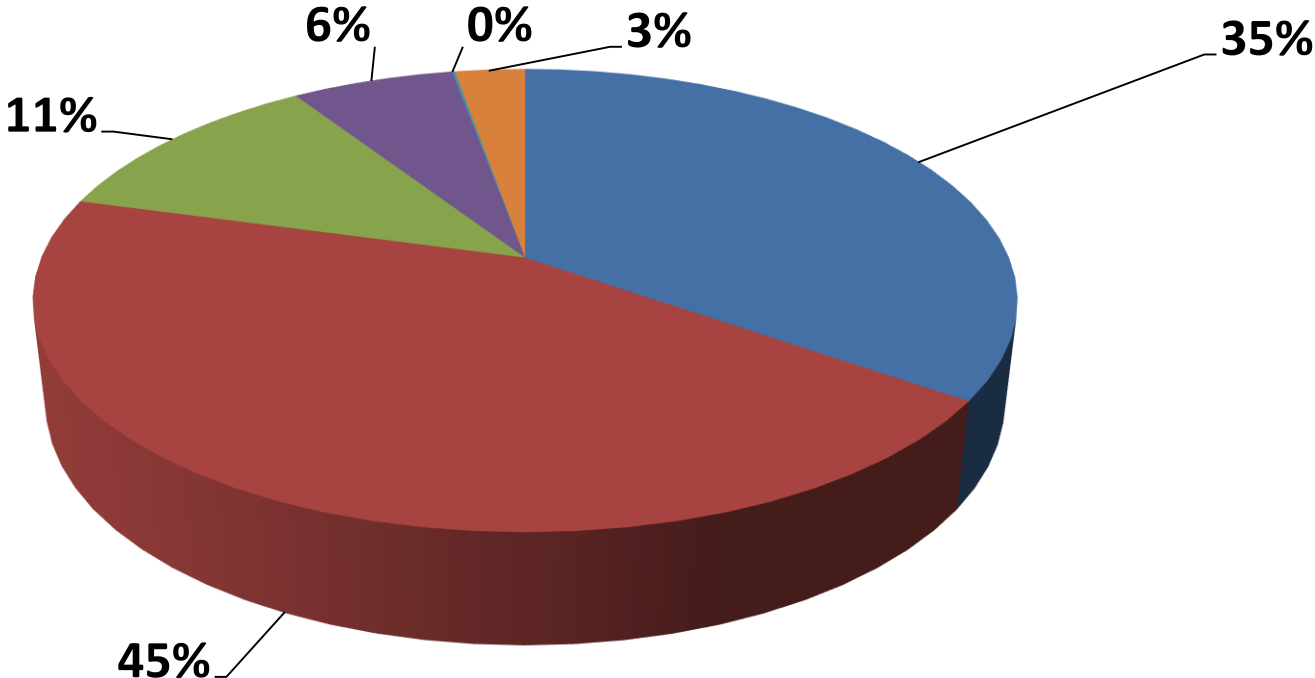
## What has changed since the FY16 Tentative Budget Presentation?

### Expenditures

- Employee raises have been determined for the FY16 Year.
- All teachers have been hired for the FY16 year based on the final enrollment.
- Health insurance cost has been determined based on the 2015-2016 plan renewal.
- Grants expenditures; including the estimated carryovers.



# Sources of Revenues



■ PROPERTY TAXES ■ STATE ■ FEDERAL ■ CPPRT ■ INTEREST ■ OTHER LOCAL

FY16 35% 45% 11% 6% 0% 3%

NOTE - EXCLUDES: DEBT SERVICE FUND





# Revenue Factors

- CPI Increase
  - Calendar Year 2015 **will be used for the FY16 Budget** 0.80%
  - Calendar Year 2014 1.50%
  - Calendar Year 2013 1.70%
  - Calendar Year 2012 3.00%
  - Average for 4 Years 1.75%
  - Average since Tax Cap Legislation 1993- 2014 = 2.41%
- General State Aid Proration will be budgeted at 89% resulting in a projected loss of \$4.6 million. (same as last year)
- 1.5% increase in CPPRT Funding.
- No increase in Federal Funding .
- Interest Income at historic lows.



# State Revenues (Categories)

- General State Aid
- Special Education Aid
- CTEI
- Early Childhood
- Bilingual
- Drivers Education
- School Breakfast
- Library
- Transportation



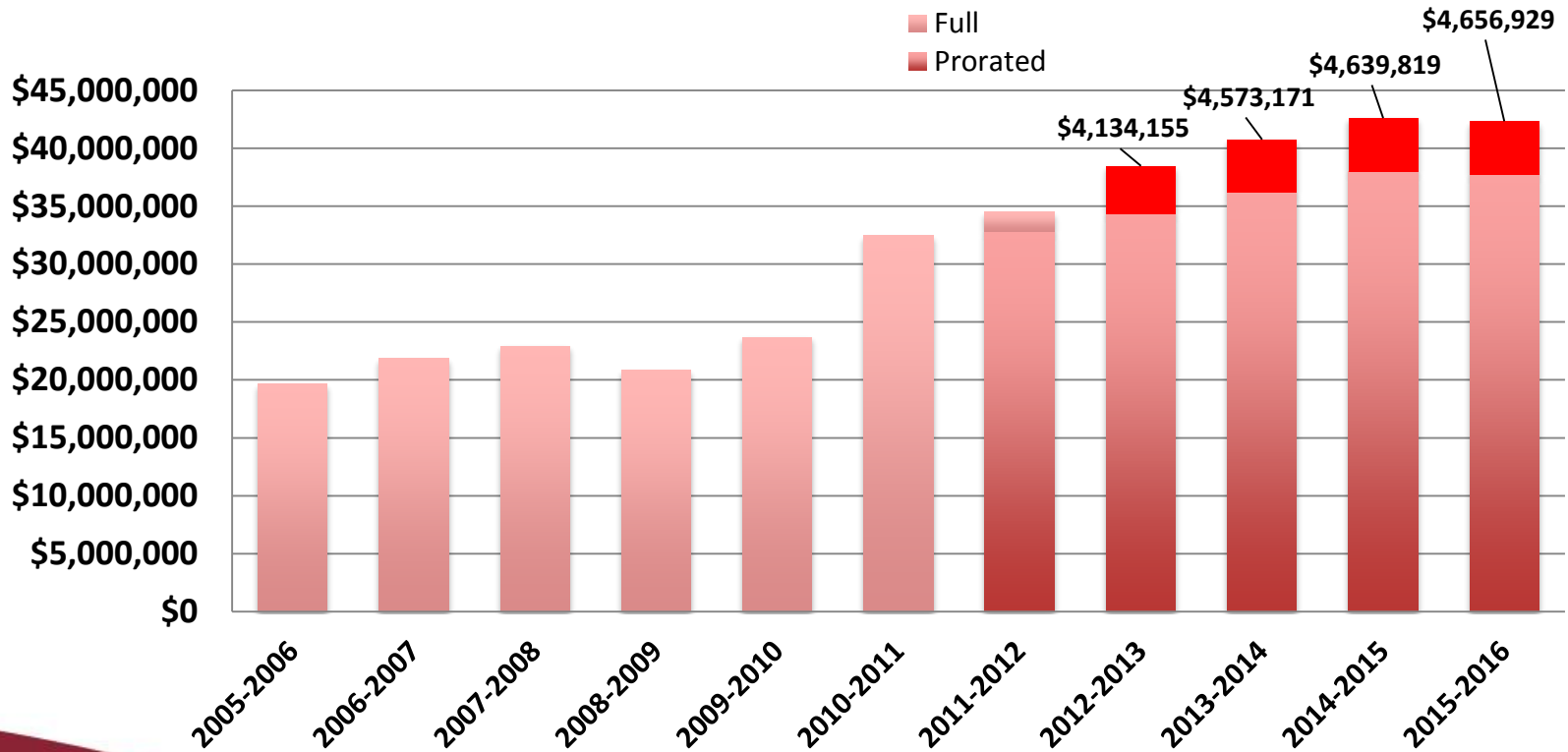
# State Revenues (Categories)

## State Aid:

- **General State Aid (89%)**      **\$ 37,678,786**
  - District is receiving an additional \$1.6 million for GSA limit loss from prior year
  
- **Other Categorical Aid**      **\$ 6,132,021**
  - Special Ed; School Breakfast; Transportation; Drivers Education



# State Aid Chart



# Federal Revenues (Categories)

• Title I – Improving Achievement	\$2,482,672
• Title II – Teacher Quality	\$199,917
• Title III – Improving Instruction	\$114,750
– Total Title Funds	\$2,797,339



# Federal Revenues (Categories)

## Other Federal Revenue

- Food Subsidies (NSLP) - \$2,888,603
- School Improvement Grant - \$1,990,916
- Medicaid - \$570,000
- IDEA - \$1,889,695
- Perkins - \$435,345
- NEIU - \$179,619

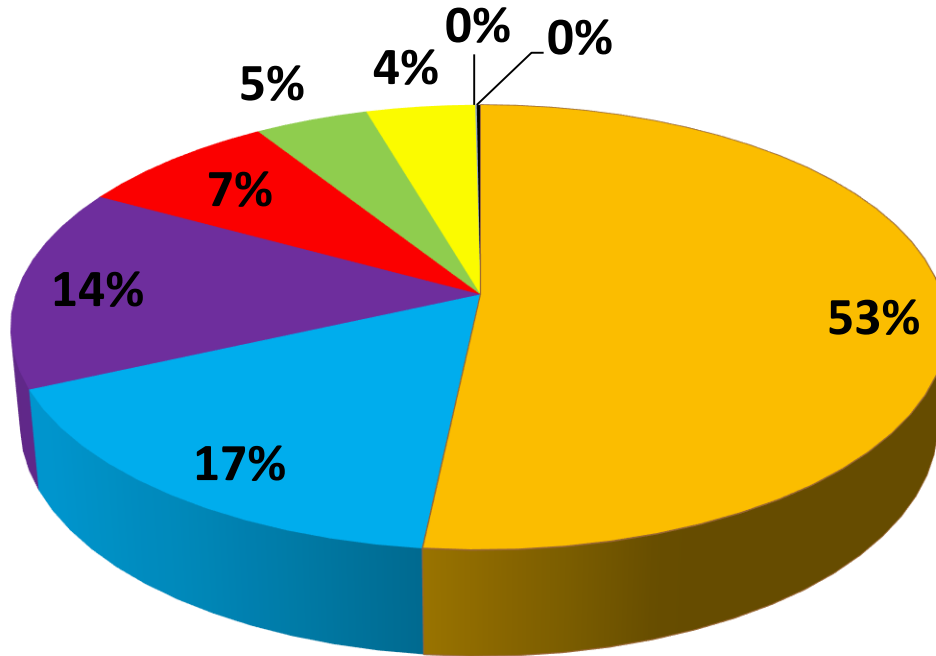


# Local Revenues (Categories)

- Real Estate Taxes
- Corporate Replacement Taxes
- Interest Income
- Food Service Sales
- Student Fees
- Rental Fees



# Types of Expenditures



- Salaries
- Employee Benefits
- Purchased Services
- Supplies & Materials
- Capital Outlay
- Tuition
- Non-Cap Equipment
- Other

NOTE - EXCLUDES: TRANSFERS AND ON-BEHALF PAYMENT TO TRS

NOTE - EXCLUDES: DEBT SERVICE FUND





# Expenditure Factors

- No Shift of TRS pension obligations yet to the local Board of Education from the State of Illinois
- TRS Pension Rate for Employer to stay at 0.58%
- TRS Federal Fund pension rate 36.06% (3.03% increase)
- THIS (TRS Health) Employer Rate 0.8% (0.04% increase)
- IMRF Contribution rate 11.97% through December 2015, 11.88% after
- Health Insurance increase 4.5%
- No increase in Dental Insurance
- Retirees (25) FY16 – 4, FY 17 – 6, FY 18 – 6, FY 19 – 9



# Expenditure Factors

- Salaries and benefits account for close to 70% of budget
- Remaining 30% is spent on instructional supplies, equipment, electricity, phones, computers, building maintenance, etc.
- Unfunded government mandates
  - Special Ed Costs
  - Transportation costs
  - Driver Education, ELL, NCLB, Rti
- Repair and Maintenance of Aging Facilities
- Board commitment to increase enhanced learning opportunities for students.



# Teacher Salaries

- Increase in base salary 4%
- Number of columns 7
- Lowest Salary \$ 47,058
- Highest Salary \$ 119,514
- Total salary cost of teachers \$ 36,162,381
- Estimated Cost of Lane Changes: \$175,000



# Projected Fund Balances

Fund	Projected Audited 2014-2015 Fund Balance	2015-2016 Revenue Budget	2015-2016 Expense Budget	2015-2016 Transfers Out	2015-2016 Transfers In	2015-2016 Projected Ending balance
Education	\$40,821,735	\$81,397,747	\$81,712,117	\$115,457		\$40,507,365
O&M	\$44,842	\$15,312,119	\$15,245,401	\$50,000		\$111,600
Debt Service	\$6,198,298	\$9,571,056	\$9,360,456		\$165,457	\$6,408,898
Transportation	\$592,008	\$3,211,288	\$2,953,934			\$849,362
IMRF	\$781,202	\$3,366,485	\$3,351,950			\$795,737
Working Cash	\$7,862,864	\$12,199	\$0			\$7,875,063
Life Safety	\$2,658,304	\$0	\$0			\$2,658,304
<b>Total</b>	<b>\$58,959,253</b>	<b>\$112,870,894</b>	<b>\$112,623,858</b>	<b>\$165,457</b>	<b>\$165,457</b>	<b>\$59,206,289</b>



# Financial Challenges

Revenues not keeping pace with expenditures

- Heavily dependent on General State Aid
- Declining categorical state aid
- Historically low CPI (0.8%)
- Limited new construction for tax levy
- Rising personnel costs
- Rising special education costs
- Future pension reform

Facilities Needs

- Aging Buildings are Costly to Repair



# Major Initiatives in FY 16

- School Improvement Grant (Year 2)
- Expansion of One-to-One Computing for additional grade levels
- Online Resources i.e. Textbooks
- Improving Inventory Management Systems (Technology & Maintenance)
- Workflow Management System - OptiFlow



# Major Capital Projects in FY 16

- Renovating & Remodeling Science Labs at East and West.
- Updating the 5 Year Master Facilities Plan; focusing on renovating instructional areas.



# Balanced Budget

Despite many financial challenges and a significant decline in state funding, the District has managed to balance it's budget and still meet it's obligations.





QUESTIONS?



**#mortonpride**  
**#orgullomorton**

