

Valley View Schools District 365U



**2012-13 BUDGET
PUBLIC HEARING
SEPTEMBER 24, 2012**

Overall and Operating Budget



- Total budget includes Debt Service, Capital Projects

\$274,611,153*

*includes \$27,500,000 TRS on-behalf

- Operating funds = \$243,706,271
- Represents an increase of \$17.2 million from FY12
- Full-day kindergarten build out represents \$13.5 million

Aggregate Staff Count



- Total FTE staff 2,506

- Certified Staff – 1,354 positions
- Classified Staff – 1,152 positions

Changes in # of Positions FY12 to FY13



- General Ed +7.7
- Special Ed +16.0
- Bilingual/ESL +4.62
- Office Personnel (3.25)
- Maintenance (2.0)
- Special Ed Aides (20.0)
- Administrator-Certified +4.0
- Instructional Aides (18.0)
- Pro- Technicians +3.0

Net Change

7.93 positions reduced

Major changes since budget put on display



- Corporate Personal Property Replacement Tax reduced by \$1.297 million to reflect actual estimate
- Title I and Title II revenue and expenses added in the amount of \$3.3 million – no net change
- Additional allocation for new textbooks and materials - \$435,000
- Health insurance savings added to reflect plan design changes per tentative labor agreement \$263,000
- Actual costs of \$13.5 million for ADK project to be abated from Working Cash Fund

Object Report Summary Comparison

2012-13

2011-12

ALL FUNDS

<u>Object</u>	<u>Budget</u>			<u>Actual</u>	
		<u>Percent</u>			<u>Percent</u>
Salaries	\$ 136,613,903	49.7%	3.0%	\$ 132,596,139	52.6%
Benefits	\$ 60,328,539	22.0%	8.1%	\$ 55,811,997	22.1%
Purchased Services	\$ 18,961,228	6.9%	8.0%	\$ 17,549,416	7.0%
Supplies and Materials	\$ 11,736,798	4.3%	21.4%	\$ 9,664,481	3.8%
Capital Outlay	\$ 15,251,198	5.6%	77.9%	\$ 8,570,607	3.4%
Other Objects	\$ 31,604,362	11.5%	15.1%	\$ 27,446,748	10.9%
Non-Capitalized Equip.	\$ 95,125	0.0%	-84.1%	\$ 597,788	0.2%
Post Employment Benefits/transfers	\$ 20,000	0.0%	40.3%	\$ 14,257	0.0%
Total*	\$ 274,611,153	100.0%	8.9%	\$ 252,251,433	100.0%

Education Fund

<u>Object</u>	<u>Budget</u>			<u>Actual</u>	
		<u>Percent</u>			<u>Percent</u>
Salaries	\$ 124,883,201	61.4%	4.1%	\$ 119,914,125	62.8%
Benefits	\$ 51,236,660	25.2%	8.9%	\$ 47,036,351	24.6%
Purchased Services	\$ 9,928,334	4.9%	20.8%	\$ 8,216,815	4.3%
Supplies and Materials	\$ 6,885,787	3.4%	32.0%	\$ 5,217,823	2.7%
Capital Outlay	\$ 994,118	0.5%	-31.4%	\$ 1,448,631	0.8%
Other Objects	\$ 9,299,480	4.6%	4.9%	\$ 8,868,124	4.6%
Non-Capitalized Equip.	\$ 80,125	0.0%	-75.8%	\$ 331,548	0.2%
Post Employment Benefits	\$ -	0.0%	-100.0%	\$ (3,294)	0.0%
Total	\$ 203,307,705	100%	6.4%	\$ 191,030,123	100%

*Includes TRS on-behalf payment and Food Service Fund

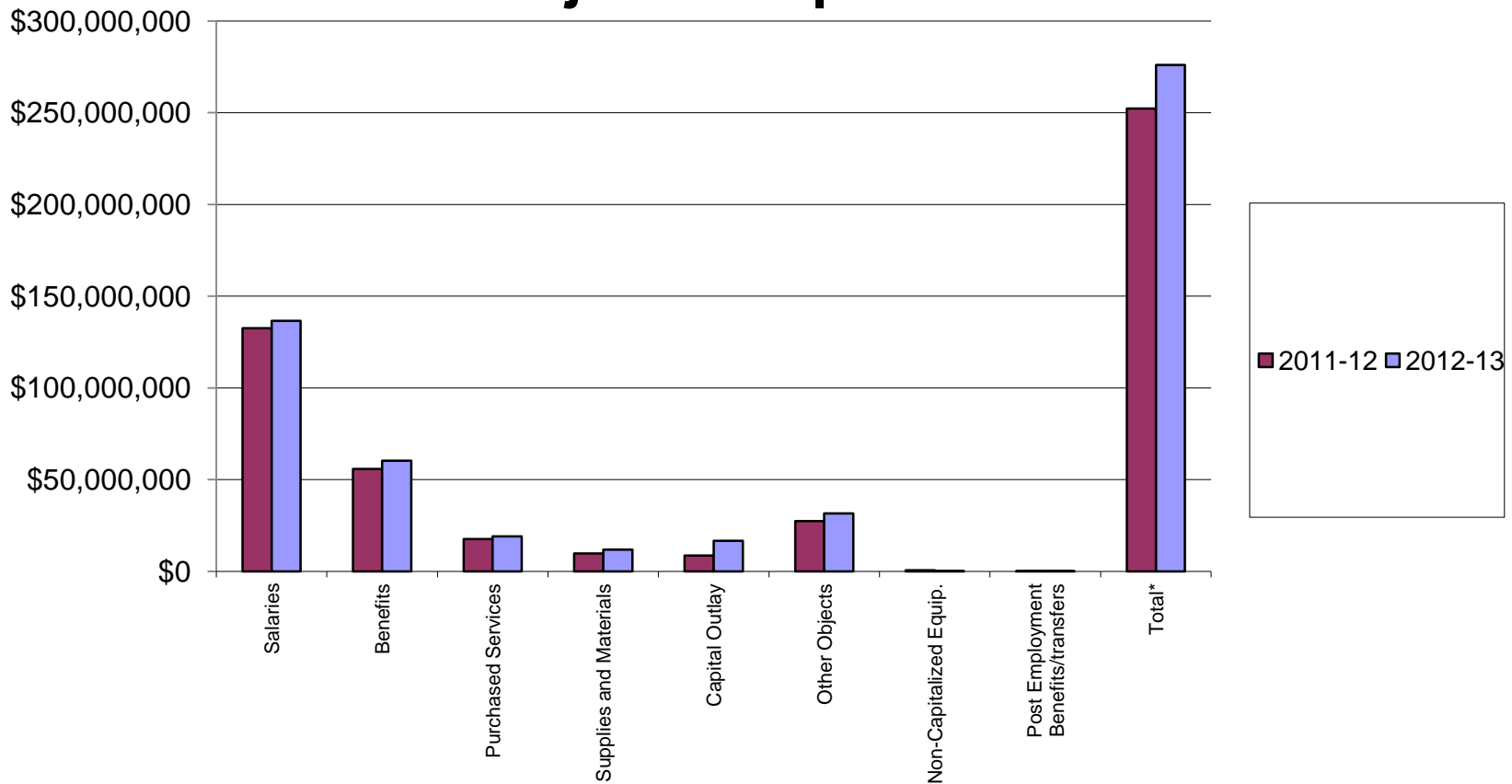
TRS On-behalf payment is book-entry only

2008-09	\$ 14,900,000
2009-10	\$ 21,100,000
2010-11	\$ 23,600,000
2011-12	\$ 24,250,000
2012-13	\$ 27,500,000

2012-2013 Budget – All Funds



Object Comparison Chart



2012-13 Source of Revenue



<u>FUND</u>	<u>Local</u>	<u>State*</u>	<u>Federal</u>	<u>TOTALS</u>
Educational	\$ 122,332,239	\$ 57,336,547	\$ 13,643,935	\$ 193,312,721
Operations and Maintenance	\$ 16,285,951			\$ 16,285,951
Debt Service	\$ 22,051,000			\$ 22,051,000
Transportation	\$ 4,637,115	\$ 6,551,909		\$ 11,189,024
IMRF	\$ 7,758,090			\$ 7,758,090
Capital Projects	\$ -			\$ -
Working Cash	\$ 137,600			\$ 137,600
Tort	\$ 3,020,185			\$ 3,020,185
Fire Prevention and Safety	\$ 1,000			\$ 1,000
				\$ -
TOTALS	\$ 176,223,180	\$ 63,888,456	\$ 13,643,935	\$ 253,755,571
	69%	25%	5%	100%

* Includes \$27.5 million in TRS on-behalf payment in book entry only

Percentages change if On-Behalf is NOT included

\$ 176,223,180	\$ 36,388,456	\$ 13,643,935	\$ 226,255,571
78%	16%	6%	

Breakdown by Revenue Source



- Local resources - \$176.2 million
mainly comprised of property taxes, CPPRT, and user fees
- State funding - \$63.8 million
 - \$36.3 million in direct receipts
 - General State Aid will yield \$1,060/student or \$18.7 million. This is \$1.7 million less than prior year, or \$96/student
- Federal dollars - estimated at \$13.6 million
 - Title I and II, School Lunch, and IDEA (Special Education)

Shortfalls in Revenue Categories



STATE

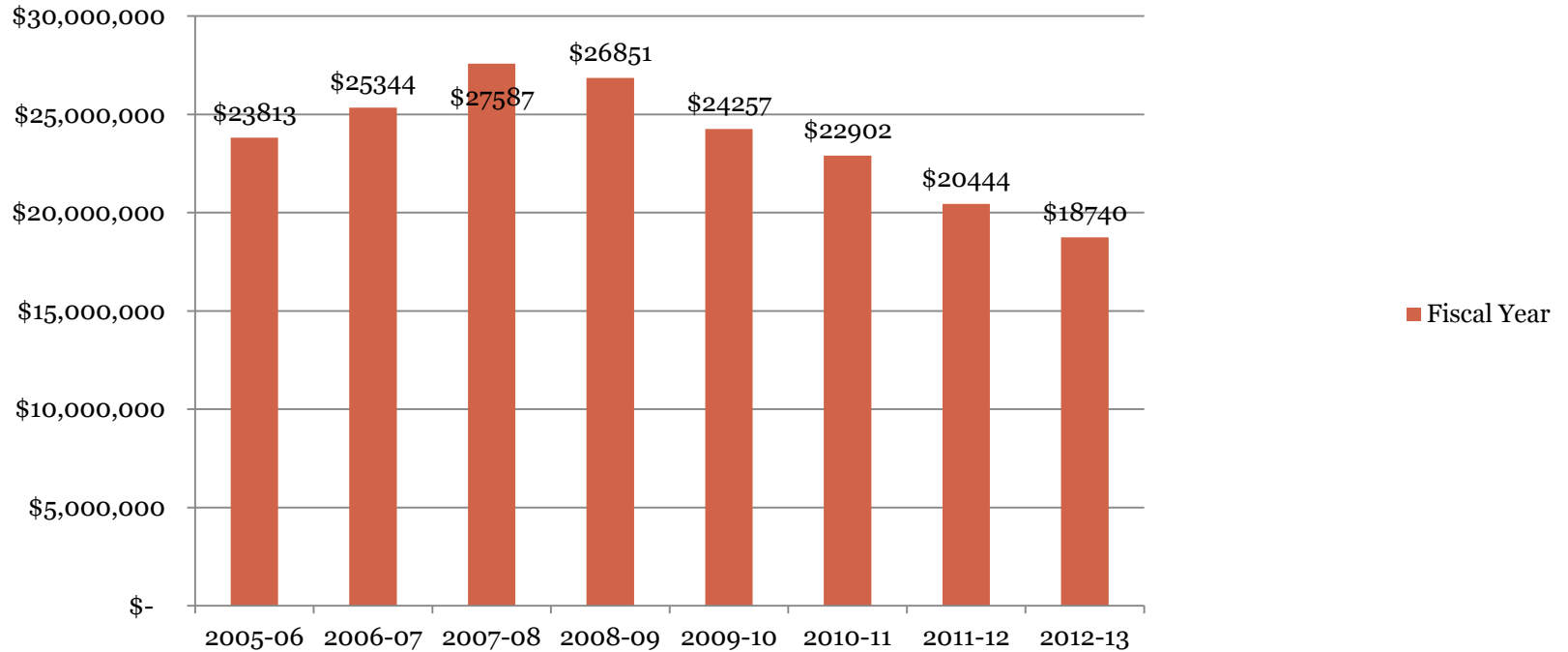
- **General State Aid <\$1.7 million>**
 - Due to 89% proration and no Foundation Level increase
- **Transportation Reimbursement <\$1.2 million>**
 - maintained at reduced level from 2009-10

LOCAL

- **Corporate Personal Property Replacement Tax (CPPRT) <\$1.29 million>**
- **Levy limited to CPI, or 1.5% for 2011, and 3.0% for 2012**
 - Unpredictable increases on most significant revenue source – Last year increase was \$742,000 all funds

Three primary revenue sources decreased by \$4.2 million

Loss Of General State Aid



Changes in General State Aid Funding



<u>Year</u>	<u>Amount</u>	<u>Difference</u>	<u>% Change</u>
2005-06	\$ 23,812,660		
2006-07	\$ 25,344,320	\$ 1,531,660	6.4%
2007-08	\$ 27,586,853	\$ 2,242,533	8.8%
2008-09	\$ 26,850,995	\$ (735,858)	-2.7%
2009-10	\$ 24,256,950	\$ (2,594,045)	-9.7%
2010-11	\$ 22,902,219	\$ (1,354,731)	-5.6%
2011-12	\$ 20,444,408	\$ (2,457,811)	-10.7%
2012-13	\$ 18,739,788	\$ (1,704,620)	-8.3%
5-year loss of GSA funding		\$ (8,847,065)	

State behind in payments for FY12



- State in arrears for FY 12 Mandated Categorical reimbursements of \$4.3 million as of August 31, 2012
- Budget and expect to collect 25% of FY12 and 75% of FY13 MCATS in FY13. Remain one quarter behind
- Lost investment opportunity
- Lack of sufficient cash flow for longer-term investment horizon
- Budget uncertainty for 2014 and beyond

State Transportation Funding Decrease



<u>Year</u>	<u>Amount Lost</u>	<u>Amount Owed at end of FY12</u>	<u>Fund Balance Impact</u>
<i>Regular Transportation reduced by 42% beginning in FY10</i>			
2009-10	\$ (1,200,000)		\$ (1,200,000)
2010-11	\$ (1,200,000)		\$ (1,200,000)
2011-12	\$ (1,200,000)	\$ -	\$ (1,200,000)
2012-13	\$ (1,200,000)	\$ (1,750,830)	\$ (2,950,830)
4-Year Total Lost and Owed	\$ (4,800,000)		\$ (6,550,830)

Notes:

State not likely to reimburse in full all transportation MCATS by end of FY13

FY12 amount owed represents one quarterly payment of Regular and Special Education Trans reimbursements

State Funding Update
Valley View Public Schools
Community Unit District 365-U
Fiscal Year 2012 Grants
As of August 31, 2012

<u>Program</u>	<u>Amount</u>
Special Education	2,427,439
Bilingual	15,649
Transportation	1,750,830
Early Childhood	46,666
Drivers Education	75,627
State Free Breakfast and Lunch	<u>34,337</u>
<i>Total Due District</i>	<u><u>4,350,549</u></u>

Estimated FY2013 End of Year Fund Balances

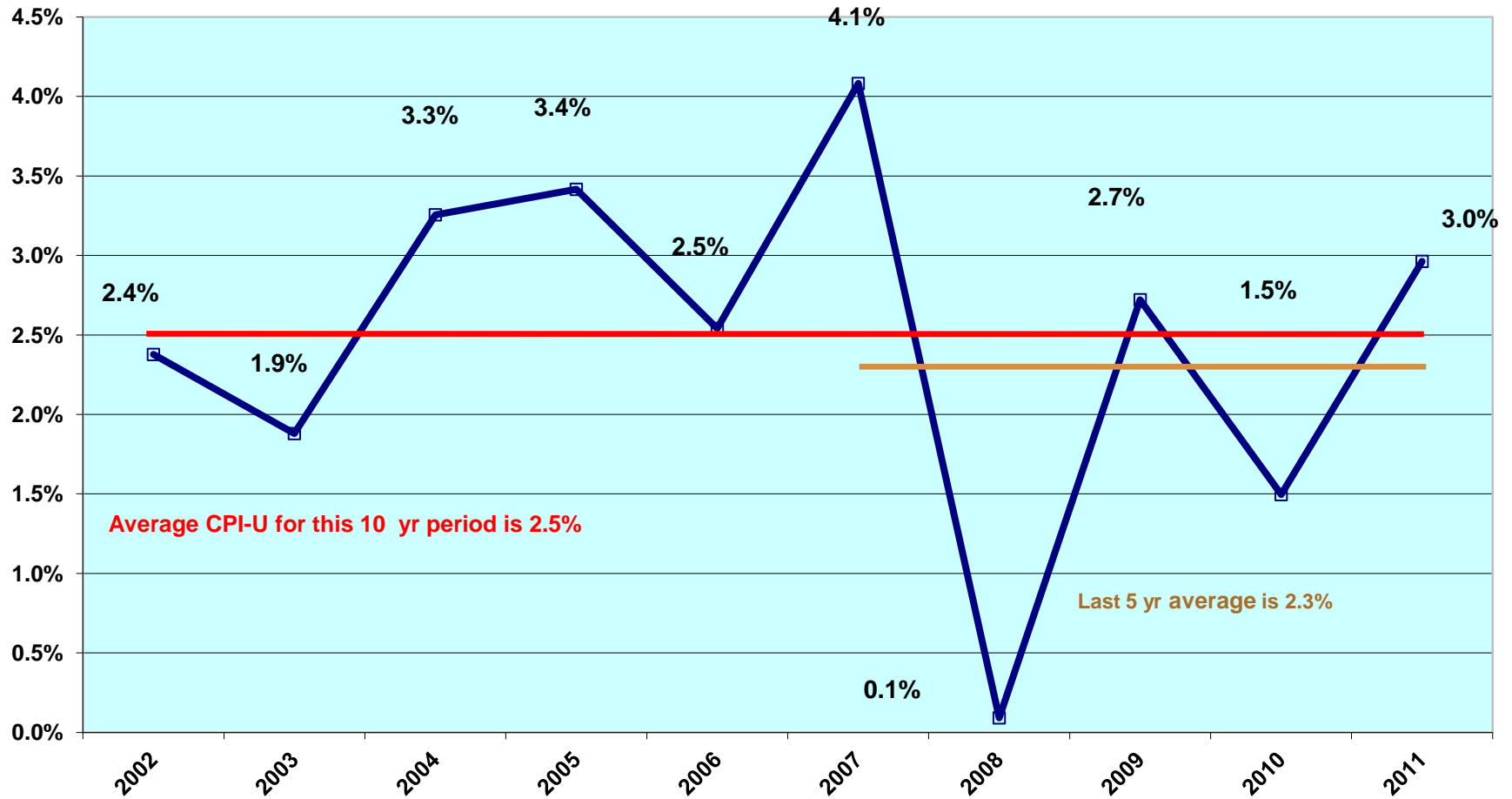
	<u>Beginning Fund Balance</u>	<u>Education</u>	<u>Operations & Maint</u>	<u>Transportation</u>	<u>IMRF/FICA</u>	<u>Tort</u>	<u>Working Cash</u>	<u>Total</u>	
1	**As of June 30, 2012	\$ 41,497,096	\$ 13,364,731	\$ 2,147,455	\$ 2,276,667	\$ 9,542	\$ 30,629,657	\$ 89,925,148	1
2	Revenues:	\$ 165,930,721	\$ 16,285,951	\$ 11,189,024	\$ 7,758,090	\$ 3,020,185	\$ 137,600	\$ 204,321,571	2
3	Expenses:	\$ 176,876,105	\$ 17,722,451	\$ 11,549,836	\$ 8,081,579	\$ 3,044,700	\$ 13,593,000	\$ 230,867,671	3
Note: excludes TRS On Behalf of \$27.5m									
4	Estimated Ending Balance:	\$ 30,551,712	\$ 11,928,231	\$ 1,786,643	\$ 1,953,178	\$ (14,973)	\$ 17,174,257	\$ 63,379,048	4
5	Difference	\$ (10,945,384)	\$ (1,436,500)	\$ (360,812)	\$ (323,489)	\$ (24,515)	\$ (13,455,400)	\$ (26,546,100)	5
	% change in fund balance	-26.38%	-10.75%	-16.80%	-14.21%	-256.92%	-43.93%	-29.52%	
6	# Days cash on hand 6/30/13 Fund balance divided by (expenses/365)	63	246	56	88	(2)		100	6

7	FY12 State Vouchered but not yet Paid	\$ 2,599,718		\$ 1,750,831				\$ 4,350,549	7
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8	Est. Ending Fund Balance if State pays FY13 100% of MCATS	\$ 33,151,430	\$ 11,928,231	\$ 3,537,474	\$ 1,953,178	\$ (14,973)	\$ 17,174,257	\$ 67,729,597	8
	% change in fund balance	-33.02%	-12.04%	-10.20%	-16.56%	163.73%	-78.35%	-39.19%	
9	# Days cash on hand 6/30/13 Fund balance divided by (expenses/365)	68	246	112	88	(2)		107	9

** Unaudited

Percent of Change in December CPI-U for the Last 10 Years



FY13 Budget Summary



- One-time costs included for additions/renovations for Full-day kindergarten
- Collective bargaining agreement concessions critical to financial survival
- Reduced State funding and IOUs continue to cause major stress to overall financial picture
- Enrollment and new property are stagnant
- Operating reserves have declined to 100 days of operations, including early taxes received in June