



2017-2018

Tentative Budget

August 8, 2017

The Winnetka Public Schools community empowers every student to flourish in an innovative, experiential environment. We support and challenge all learners to actively engage in their continual growth and achievement to make a meaningful difference in the world.

2017-2018 Budget Timeline

January 2017	Board Adopts the FY18 Budget Calendar
March 2017	Staffing Plan for 2017-2018
June 7, 2017	Preliminary FY18 Budget Presentation
August 8, 2017	Tentative Budget Presentation & Approval
August 17, 2017	Publication of Notice of Budget Hearing & Public Display of Tentative Budget
September 19, 2017	Budget Hearing & Adoption of FY18 Budget
September 30, 2017	File FY18 Budget with County

Budget Philosophy

- Minimize contingencies; some in FY18
- Invest in curriculum
- Maintain high quality programs
- Maintain facilities

Operational Factors

- Curriculum Initiatives

- Science, Reading, Math, Professional Learning

- Increased Need for Outside Services

- Tuition & Placements

- Strategic Planning Impacts

- Extended Day Kindergarten (EDK), Educational Master Facility Plan

- Technology Initiatives

- EDK Support
 - Student devices rotational replacements
 - Classroom display upgrades

Operational Factors

- Facility Improvement Considerations
 - Educational Master Facility Plan, preliminary observations
 - Life Safety, critical need work
- Personnel & Enrollment Impacts
 - Class Sections
 - Special Education requirements and revised structure
- Regulatory Compliance
 - ACA, FMLA, IDPH, ISBE, etc. and Other Changes

Financial Factors

- Property Tax Levy Considerations

- CPI at .7%
- EAV & New Property changes; recent draft received
- Pending Legislation could significantly reduce revenue
- Budget based on normal estimates; distribution on Fund needs

- Federal & State Revenues & Expenditures

- Revenues based on internal calculations subject to approval and possible further reductions and/or deferred payments and revenue recognition;
 - \$440k unpaid=reserve recorded
- Expenditures generally based on internal calculations & history in coordination with service providers; continued refinement

Financial Factors

- More Limited Reserves

- Reduction with recent bond redemption
- Higher exposure to general and state economic impacts

- Future Funding of Facility Needs

- Previous Life Safety plan; provided for approximately \$1.5 million per year for 5 years; annual school rotation
- Implementation of an Educational Master Facility Plan for aged facilities; initial process has started
- Currently address priority Life Safety plan needs
- Monitor & address as needed, deferred & major maintenance items

Financial Factors

- Salaries; general increases

- Certified & Non-Certified bargained; 4% + annual increase
- Projected offset of retirement savings to achieve overall 3% average
 - Low number of retirees this year
- Administrators; ~3% norm

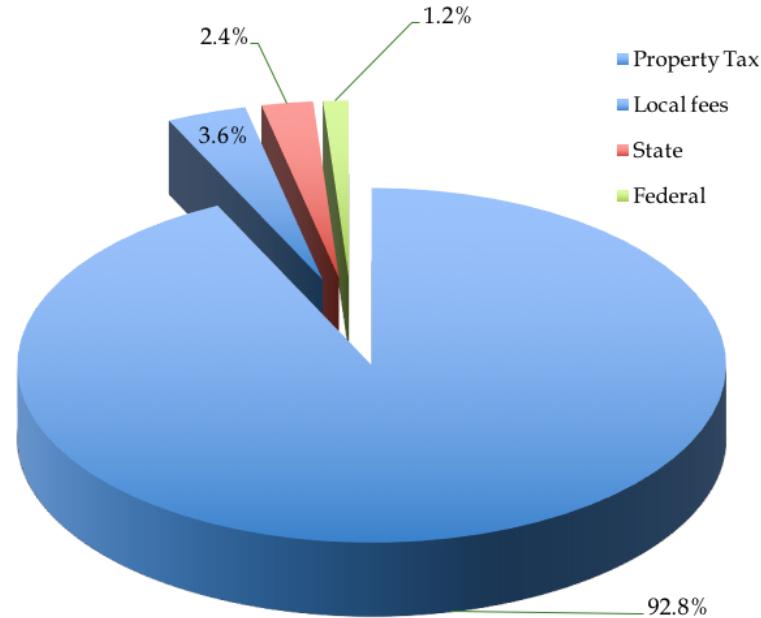
- Benefits; Healthcare

- Certified & Non-Certified pay 10% of HMO cost
- Rate Increase for FY18; PPO 8.5%, HMO .1% increase
- Coverage; employee mix dependent

Typical Sources of Revenue

Revenues - All Funds

FY18 Tentative Budget



Local Revenue Categories

- Property Taxes
- Corporate Personal Property Replacement Taxes
- Interest
- Student Fees & Tuition
- Transportation
- After School Programs
- Food Service
- Facility Rental

Federal & State Revenue Categories

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

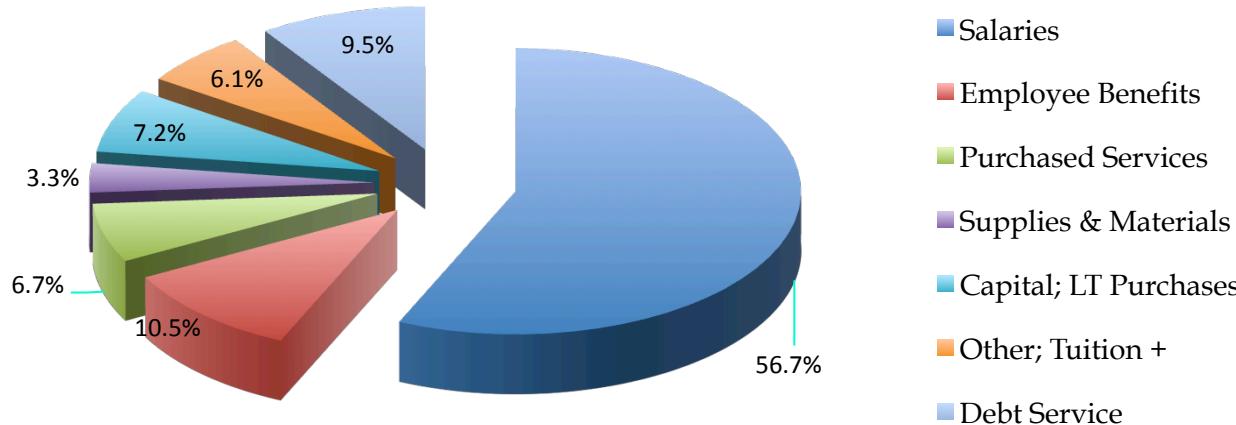
Federal & State Revenue Categories

Excludes Fund Transfers & Capital Lease “gross-up”

• Education	\$34,896,981
• Operations & Maintenance	2,963,992
• Debt Service	4,883,565
• Transportation	617,914
• FICA/IMRF	1,356,228
• Capital Projects	34,100
• Working Cash	605,889
• Tort	196,133
• Life Safety	<u><14></u>
• Total Budgeted Revenues	<u>\$45,554,788</u>

Typical Categories of Expenditures

Operating Fund Expenses by Object, All Funds - FY18 Tentative Budget



Budgeted Expenditures; All Funds

Excludes Fund Transfers & Capital Lease “gross-up”

		\$34,355,261
• Education		3,680,477
• Operations & Maintenance		4,400,638
• Debt Service		534,905
• Transportation		1,183,947
• FICA/IMRF		2,338,438
• Capital Projects		0
• Working Cash		<u>105,000</u>
• Tort		
		<u>\$46,598,666</u>

- Total Budgeted Expenditures

Preliminary to Tentative Expenditure Variance

Excludes Fund Transfers & Capital Lease “gross-up”

		\$265,263
• Education	<3,649>	
• Operations & Maintenance	0	
• Debt Service	349	
• Transportation	<4,628>	
• FICA/IMRF	0	
• Capital Projects	0	
• Working Cash	0	
• Tort		<u>\$257,335</u>

- Total Budgeted Expenditures

Budgeted Net Fund Balance Changes; All Funds

Budgeted Net Fund Balance Increase (Decrease); All Funds
(Excluding Fund Transfers & Capital Lease “gross-up”)

• Education	\$541,720
• Operations & Maintenance	<716,485>
• Debt Service	482,927
• Transportation	83,009
• FICA/IMRF	172,281
• Capital Projects	<2,304,338>
• Working Cash	605,889
• Tort	91,133
• Life Safety	<u><14></u>
Total Fund Balance Decrease	<u>\$<1,043,878></u>

Major Capital Projects

- **Crow Island**

- Various improvements including piping, ceiling and roof \$2,038,538
- Chair lift refurbishment \$ 27,500

- **Hubbard Woods**

- Playground
\$102,600

- **Greeley**

- Boiler replacement \$13,000

Major Capital Projects

- **Skokie**

- Chair lift refurbishment \$33,600

- **District Office**

- Dishwasher; CW foodservice \$17,500
 - Water fixtures \$10,500

Operating Funds

(Ed, O&M, Transportation, FICA/IMRF, Working Cash, Tort)

(before transfers)	FY17	FY18
ESTIMATED OPERATING RESULTS	Est Accrual	Tentative Budget *
OBJECT	Actual	Budget *
REVENUE FROM PROPERTY TAXES	36,356,111	37,421,323
REVENUE FROM OTHER LOCAL SOURCES	1,754,231	1,659,600
REVENUE FROM STATE SOURCES	1,017,183	1,072,100
REVENUE FROM FEDERAL SOURCES	539,721	529,500
Total operating fund revenues	39,667,246	40,682,523
		2.6%
OBJECT	FY17	FY18
	Est Accrual	Tentative
	Actual	Budget *
SALARIES	25,164,588	26,350,756
BENEFITS	4,603,252	4,857,732
PURCHASED SERVICES	2,652,634	3,005,887
SUPPLIES & MATERIALS	1,397,887	1,559,029
CAPITAL OUTLAY & EQUIPMENT	1,799,366	1,188,313
OTHER	2,478,617	2,897,873
Total operating fund expenditures	38,096,344	39,859,590
		4.6%
Net operating revenues over <under> expenditures	1,570,902	822,933

*Without \$441,118 offsetting capital lease revenue and expense
accounting "gross-up"

Operating Funds

Operating Funds <small>(Ed, O&M, Transportation, FICA/IMRF, Working Cash, Tort)</small> <small>(before transfers)</small>			
ADJUSTED PROJECTION RESULTS <small>(Accounting Assumption Change Effects Between Years)</small>	FY17	FY18	2 Year
	Est Accrual	Tentative	Combined
Net revenues over <under> expenditures; current	1,570,902	822,933	2,393,835
Add: Additional tax appeal/collection reserve (1%>3%)	625,000	375,000	1,000,000
Add: Additional state revenue collection reserve	163,000	150,000	313,000
Less: Additional CI construction cost to CP fnd		(300,000)	(300,000)
Less: Lease financing of tech equipment		(309,164)	(309,164)
Other < Favorable> Unfavorable, net	(526,902)	(28,269)	(555,171)
Net revenues over <under> expenditures; projected	1,832,000	710,500	2,542,500

***Without \$441,118 offsetting capital lease revenue and expense accounting "gross-up"**

Operating Funds

Operating Funds (Ed, O&M, Transportation, FICA/IMRF, Working Cash, Tort) (before transfers)		FY17	FY18
RATIO OF FUND BALANCE TO EXPENDITURES		Est Accrual	Tentative
		Actual	Budget *
Beginning Operating Fund Balance		53,033,089	26,053,991
Less: Abatement		(550,000)	-
Less: Bond refunding		(28,000,000)	-
Add: Net operations		1,570,902	822,933
Ending Operating Fund Balance		26,053,991	26,876,924
Operating Fund expenditures		38,096,344	39,859,590
		68.4%	67.4%
*Without \$441,118 offsetting capital lease revenue and expense accounting "gross-up"			

Operating Funds

Operating Funds			
(Ed, O&M, Transportation, FICA/IMRF, Working Cash, Tort)			
(before transfers)			
OBJECT	FY17 Est Accrual Actual	FY17 Filed Budget	
REVENUE FROM PROPERTY TAXES	36,356,111	36,476,898	
REVENUE FROM OTHER LOCAL SOURCES	1,754,231	1,497,200	
REVENUE FROM STATE SOURCES	1,017,183	1,214,100	
REVENUE FROM FEDERAL SOURCES	539,721	472,367	
Total operating fund revenues	39,667,246	39,660,565	0.02%
OBJECT	FY17 Est Accrual Actual	FY17 Filed Budget	
SALARIES	25,164,588	25,069,853	
BENEFITS	4,603,252	4,708,555	
PURCHASED SERVICES	2,652,634	2,970,685	
SUPPLIES & MATERIALS	1,397,887	1,471,986	
CAPITAL OUTLAY & EQUIPMENT	1,799,366	1,555,115	
OTHER	2,478,617	2,308,209	
Total operating fund expenditures	38,096,344	38,084,403	-0.03%
Net operating revenues over <under> expenditures	1,570,902	1,576,162	

Larger year over year Operating Variances

- **Revenues**

- Property tax revenue is recorded per estimated accrual method with increase; primarily the result of the normal increase in extensions and related debt service fund rate shifts.
- Addition of Extended Day Play and other local fee revenue increases; primarily offset by an anticipated reduction in transportation fee income, interest earnings and a loss of out of district tuition

Larger year over year Operating Variances

- Revenues

- Collection reserve of ~\$220k reduces state revenues; amount may become collectable
- Federal and State revenues;
 - Generally based on prior year circumstances
 - Primarily for special services
 - Payment; often delayed and uncertain

Larger year over year Operating Variances

- Expenditures

- Salary 4.7% increase above 3% target avg;
 - Low number of retirees
 - Additional positions including EDK and Special Education
- Anticipated FTE - 1 teacher & 6 associates add to approved staffing plan; 1 teacher & 1 associate hired as well as additional administrative costs
- Benefits 5.3% increase; below PPO 8.5% rate increase

Larger year over year Operating Variances

- Expenditures

- Community planning (EMFP/EBP) \$88,000
- Copier cost savings \$(54,000)
- Supplies; primarily EDK \$81,000
- Software; new & upgrades; Operations \$45,000
Maintenance and Student Services
- Electric & gas estimates to a norm \$23,000
- Increased special services \$415,000

Larger year over year Operating Variances

- Expenditures

- Planning vs utilization; opportunity
 - Consultants & PD \$115,000
 - Repairs; OM & Tech \$166,000
 - Legal services \$45,000
- Fewer large capital projects compared to those experienced in FY17, including;
 - Temporary classroom installation \$(500,000)
 - Washburne cafeteria upgrade \$(170,000)

Project Initiatives & Highlights

Extended Day Kindergarten; “New Program”

- Tech equipment; computers & displays \$78,000
- Other furnishings & equipment \$34,000
- Supplies & misc \$46,000
- Transportation \$51,000
- Salaries & benefits \$550,000

Project Initiatives & Highlights

Curriculum plan; “Teachers’ College Reading”

- Stipends & PD \$88,000
- Consultant \$30,000
- Foundation support \$(20,000)

Community Planning; Educational Master Facility Plan

- Consultant and Communication \$110,000

Capital Lease Financing

Capital lease financing; used for substantial purchases of technology equipment

FY18 items include;

- Copier equipment & software \$143,900
- Instructional items
 - LCD displays \$150,000
 - Student iPads \$108,000
 - Student laptops \$ 40,000

The lease terms are 5 years for copiers and 3 years for

Current Year Operating Fund Variances

Revenues

- Property tax revenues decrease; primarily due to increase in collection reserve
- Higher investment earnings; a primary impact on the increase in other local revenue
- Collection reserve of ~\$220k; major impact on anticipated revenues from the state
- An increase in Federal and State revenues to match growth in costs of special services is unlikely a decrease in revenue is more likely

Current Year Operating Fund Variances

Expenditures

- Salaries variance; effectively equates to growth of FTE (EDK and Special Services)
- Benefit fluctuations; reasonable given movement of people and coverage changes
- The year-to-year fluctuation in purchased services is due to underspending the anticipated costs of consultants, professional development and legal services during FY 2017

Current Year Operating Fund Variances

Expenditures

- Other costs primarily relate to special services tuition and outplacement costs; increase of approximately \$225,000 over plan
- Other savings are anticipated from improved cost management

Current Year Operating Results

Expenditures

- A substantial amount of revenue is due at year end and in accordance with industry accrual accounting guidelines, it is recognized in the current year only to the extent received within the two months after year end, including property tax revenue
- Property tax revenue recognition is also limited to formula calculations limited by property tax levy year the revenue is being distributed from
- Final 2016 tax extension is due

Areas of Fluctuation

- Levy Revenues
- Federal & State Aid
- State Budget & Legislation
- Enrollment & Staffing
- Facility Needs

Areas of Fluctuation

- Educational Master Facility Plan
- Extended Day Kindergarten Implementation
- Expenditure Refinements

2017-2018 Budget Calendar

January 2017

Board Adopts the FY18 Budget Calendar

March 2017

Staffing Plan for 2017-2018

June 7, 2017

Preliminary FY18 Budget Presentation

August 7, 2017

Tentative Budget Presentation & Approval

August 17, 2017

Publication of Notice of Budget Hearing &
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Q&A

2017-2018

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