



2018–2019

Preliminary Budget

June 6, 2018

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.

2018-2019 Budget Timeline

February 2018	Board Adopts the FY19 Budget Calendar
March 2018	Staffing Plan for 2018-2019
June 6, 2018	Preliminary FY19 Budget Presentation
August 21, 2018	Tentative Budget Presentation & Approval
August 23, 2018	Publication of Notice of Budget Hearing & Public Display of Tentative Budget
September 25, 2018	Budget Hearing & Adoption of FY19 Budget
September 30, 2018	File FY19 Budget with County

Budget Philosophy

- Maintain high quality programs
- Maintain facilities
- Invest in curriculum and technology
- Minimize Contingencies

Operational Factors

- Need for Outside Services
 - Increase in Private Placements
 - Decrease in NSSED expenditures
 - Increase in cost of Special Education Transportation
- Strategic Planning Impacts
 - Educational Master Facility Plan
 - Curriculum initiatives (Social Studies, Reading, Math, Professional Learning, Classroom Libraries)
- Technology Initiatives
 - New Phone System
 - Update to iPads for students through lease
 - Infrastructure Upgrades

Operational Factors

- Facility Improvement Considerations

- Educational Master Facility Plan
- Necessary work being done; Piping, Accessibility, Playgrounds

- Personnel & Enrollment Impacts

- Revised structure of Resource Center Personnel
- Additional 1.5 FTE Psychologists for improved services
- Adjustments in staffing plan due to enrollment and fluctuation in grades as well as IEP based Classified Staff



Financial Factors

- Property Tax Levy Considerations

- CPI at 2.1 %
- EAV & New Property changes

- Federal & State Revenues & Expenditures

- New Evidence Based Funding groups General State Aid and Other State funding related to Special Education is combined

Financial Factors

•More Limited Reserves

- Reduction with 2017 bond redemption
- Higher exposure to general and state economic impacts; any new legislation that may be drafted

•Future Funding of Facility Needs

- Previous Life Safety plan; provided for approximately \$1.5-\$ 2million per year for 5 years; annual school rotation
- Education Master Facility Plan will guide next summer's projects (FY 2020 Budget)
- 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

- Benefits; Healthcare

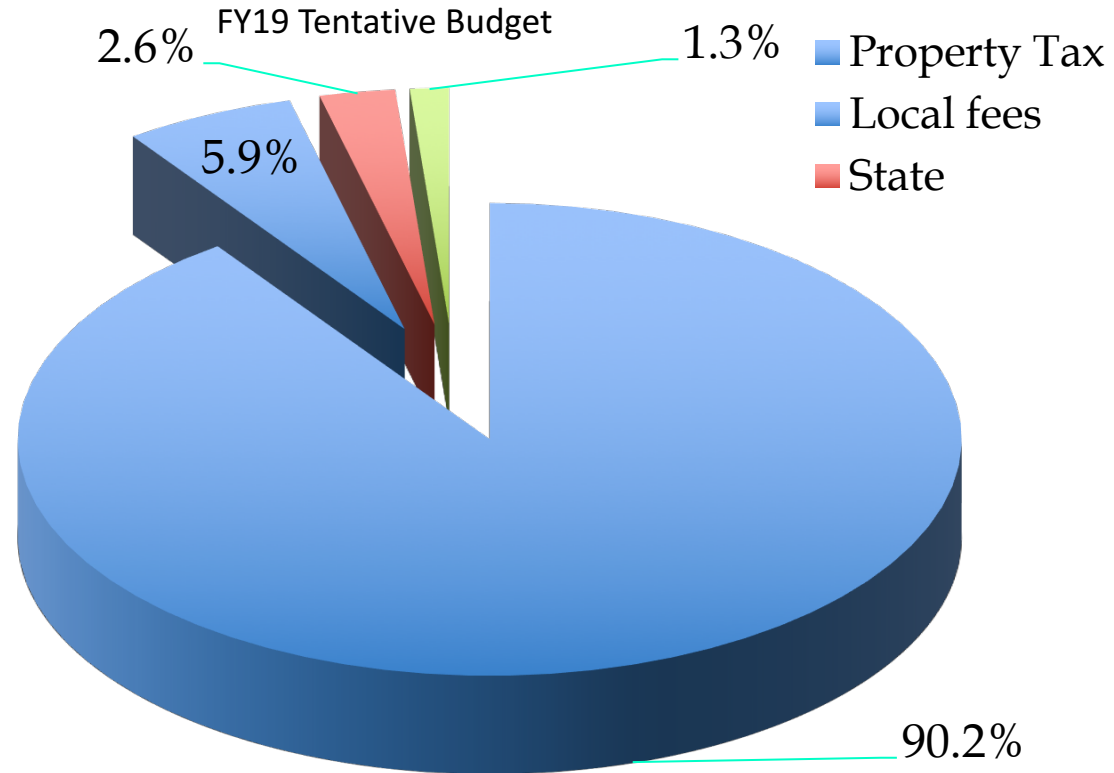
- Certified & Non-Certified pay 10% of HMO cost
- Rate Decrease for FY19; PPO <.1>%, HMO <4.0>% decrease
- 4-year average of 4.65% increase for PPO and .62% increase for HMO or 1.52% weighted average
- Coverage; employee mix dependent, HMO 55% and PPO 45%

- Structural Adjustments

- Continuing to adjust our Special Services delivery model

Typical Sources of Revenue

Revenues - All Funds



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

- Evidence Based Funding (formerly General State aid and Special Education Categoricals)
- Special Education Private Facility Tuition
- Special Education Transportation
- Title II; Teacher Quality
- Student Milk
- E-Rate
- Library

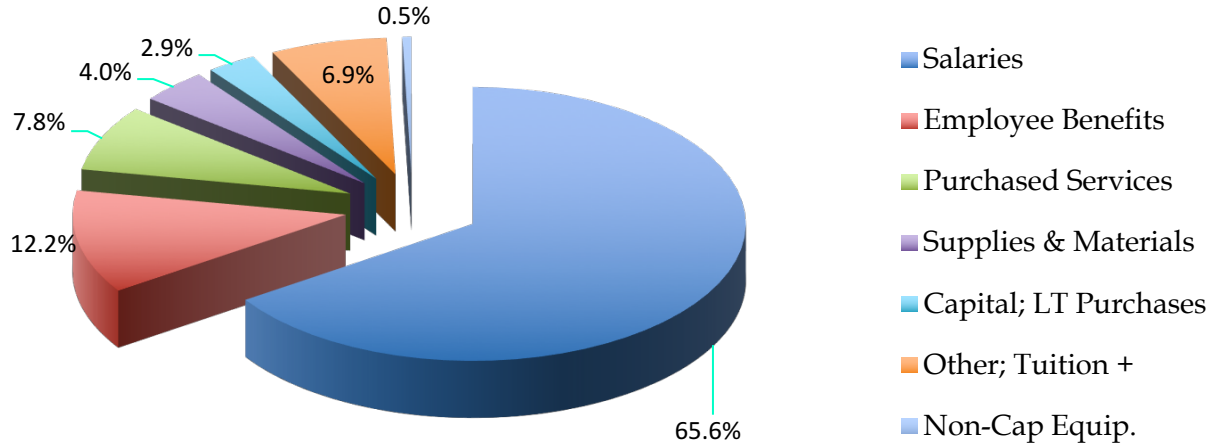
Revenues by Fund

Excludes Fund Transfers & Capital Lease “gross-up”

•Education	\$39,267,387
•Operations & Maintenance	2,105,506
•Debt Service	4,654,993
•Transportation	467,756
•FICA/IMRF	1,342,424
•Capital Projects	38,000
•Working Cash	655,324
•Tort	<u>214,206</u>
• Total Budgeted Revenues	\$48,745,596

Typical Categories of Expenditures

Operating Fund Expenses by Object, All Funds - FY19 Preliminary Budget



Budgeted Expenditures; All Funds

Excludes Fund Transfers & Capital Lease “gross-up”

•Education	\$34,944,930
•Operations & Maintenance	3,828,571
•Debt Service	4,373,665
•Transportation	566,067
•FICA/IMRF	1,134,013
•Capital Projects	250,000
•Working Cash	0
•Tort	<u>201,006</u>
• Total Budgeted Expenditures	<u>\$45,298,252</u>

Budgeted Net Fund Balance Incr. (Decr.); All Funds Excluding Fund Transfers & Capital Lease “gross-up”

Excludes Fund Transfers & Capital Lease “gross-up”

•Education	\$4,322,457
•Operations & Maintenance	<1,723,065>
•Debt Service	281,328
•Transportation	<98,311>
•FICA/IMRF	208,411
•Capital Projects	<212,000>
•Working Cash	655,324
•Tort	<u>13,200</u>
• Total Fund Balance Increase	<u>\$3,447,344</u>

Capital Projects

- Crow Island

- Accessibility Improvements \$200,000
- Playground \$110,000

- Carleton Washburne

- Piping \$200,000
- Furnishings \$ 75,000

Operating Funds		
(Ed, O&M, Transportation, FICA/IMRF, Working Cash, Tort)		
(before transfers)		
	FY18	FY19
ESTIMATED OPERATING RESULTS	Est Accrual	Prelim
	Actual	Budget *
OBJECT	Actual	Budget *
REVENUE FROM PROPERTY TAXES	37,625,892	39,321,724
REVENUE FROM OTHER LOCAL SOURCES	1,664,200	2,816,067
REVENUE FROM STATE SOURCES	1,416,093	1,264,200
REVENUE FROM FEDERAL SOURCES	503,470	650,612
Total operating fund revenues	41,209,655	44,052,603
		6.9%
	FY18	FY19
	Est Accrual	Prelim
	Actual	Budget *
OBJECT		
SALARIES	25,967,328	26,697,617
BENEFITS	4,890,727	4,965,644
PURCHASED SERVICES	2,865,803	3,157,483
SUPPLIES & MATERIALS	1,500,983	1,630,214
CAPITAL OUTLAY & EQUIPMENT	1,358,799	1,411,305
OTHER	2,656,257	2,812,324
Total operating fund expenditures	39,239,897	40,674,587
		3.7%
Net operating revenues over <under> expenditures	1,969,758	3,378,016

Operating Funds

Operating Funds		
(Ed, O&M, Transportation, FICA/IMRF, Working Cash, Tort)		
(before transfers)		
	FY18	FY19
RATIO OF FUND BALANCE TO EXPENDITURES	Est Accrual	Prelim
	Actual	Budget *
Beginning Operating Fund Balance	25,323,918	27,293,676
Less: Abatement	-	-
Less: Bond refunding	-	-
Add: Net operations	1,969,758	3,378,016
Ending Operating Fund Balance	27,293,676	30,671,692
Operating Fund expenditures	39,239,897	40,674,587
	69.6%	75.4%

Operating Funds

Operating Funds		
(Ed, O&M, Transportation, FICA/IMRF, Working Cash, Tort)		
(before transfers)		
	FY18	FY18
	Est Accrual	Filed
OBJECT	Actual	Budget
REVENUE FROM PROPERTY TAXES	37,625,892	37,421,337
REVENUE FROM OTHER LOCAL SOURCES	1,664,200	1,374,314
REVENUE FROM STATE SOURCES	1,416,093	1,072,100
REVENUE FROM FEDERAL SOURCES	503,470	529,500
Total operating fund revenues	41,209,655	40,397,251
		2.0%
	FY18	FY18
	Est Accrual	Filed
OBJECT	Actual	Budget
SALARIES	25,967,328	26,342,739
BENEFITS	4,890,727	4,895,369
PURCHASED SERVICES	2,865,803	3,141,332
SUPPLIES & MATERIALS	1,500,983	1,566,029
CAPITAL OUTLAY & EQUIPMENT	1,358,799	1,188,313
OTHER	2,656,257	2,897,873
Total operating fund expenditures	39,239,897	40,031,655
		2.0%
Net operating revenues over <under> expenditures	1,969,758	365,596

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.

Larger year over year Operating Variances

- Revenues

- Local Revenues are in line with estimates the past few years other than the special technology cooperative accounting for larger local revenues this year
- Federal and State revenues;
 - Generally based on prior year circumstances
 - Primarily for special services

Larger year over year Operating Variances

•Expenditures

- Salary 2.81% increase below 3% target avg;
 - Net increase of .1 FTE Certified Staff
- Legal Fees reduction from negotiations <\$45,000>
- Private Facility Tuition \$195,800
- NSSSED Tuition <\$225,000>

Larger year over year Operating Variances

- Expenditures

- Technology

• Update to website ADA	\$20,000
• Infrastructure Upgrade	\$225,800
• Apple Lease iPad Refresh	\$203,000
• Purchase of Phones	\$50,000
• Phone contract	\$45,000
• LCD Displays	\$90,000
• 2-way radios and repeater	\$20,000

- Items being paid out of O&M

• Crow Island 1 st Grade	\$110,000
• Piping work at Washburne	\$200,000

Capital Lease Financing

Capital lease financing; used for substantial purchases of technology equipment

FY18 items include;

- Copier equipment 2nd year of lease \$ 30,305
- Instructional items
 - iPad refresh \$203,000

Current Year Operating Fund Variances

Revenues

- Higher investment earnings rate, but fund balance lower due to refunding bonds
- Federal and State revenues are flat due to Evidence Based Funding

Current Year Operating Fund Variances

Expenditures

- Special Ed. Expenditures are flat after a large increase last year
- Other savings are anticipated from improved cost management
- Benefit fluctuations; reasonable given movement of people and coverage changes
- Lower IMRF rate; 8.2% vs. 10.12%

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

Areas of Fluctuation

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

Areas of Fluctuation

- Educational Master Facilities Plan/Community Engagement
- Expenditure Refinements

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Q&A
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