

# 2015-2016 State of the District and Budget Presentation



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# State of the State

*“With the state now running its finances on auto-pilot as dictated by courts that can't make fiscal policy, the lack of a state budget could send us into a new and uncharted brand of crisis.” REBOOT ILLINOIS*



*As the backlog grows, the state's cash flow gets tighter and payments to nonprofits and others face further delays” Illinois Comptroller's website*



## Impact of the State's Fiscal Crisis

As of June 30, 2015, the **Illinois State Board of Education owed Crete-Monee District 201-U \$2,386,221** for last school year.

SE Private Facility Tuition	\$101,244
Funding for SE	\$159,178
SE Personnel	\$323,167
SE Orphanage	\$598,677
Bilingual Ed	\$ 4,218
State Breakfast and Lunch	\$ 3,626
RE & VE Transportation	\$237,038
SE Transportation	\$378,836
National Breakfast and Lunch	\$ 67,327
School Breakfast	\$ 12,010
Title I	\$385,939
Title IV	\$105,891
Title III	\$ 4,365
I.D.E.A.	<u>\$ 4,705</u>
<b>Total Owed</b>	<b>\$2,386,221</b>



# PERMANENT Loss of State Funding

## General State Aid

School Year	Percentage	Proration Amount Lost
FY12	95%	\$ 455,831
FY13	89%	\$ 885,653
FY14	89%	\$1,100,460
FY15	87%	\$1,495,759

## Regular Education Transportation

FY12	78%	\$485,675
FY13	75%	\$349,369
FY14	74%	\$342,631
FY15	71%	\$565,733

## Special Education Transportation

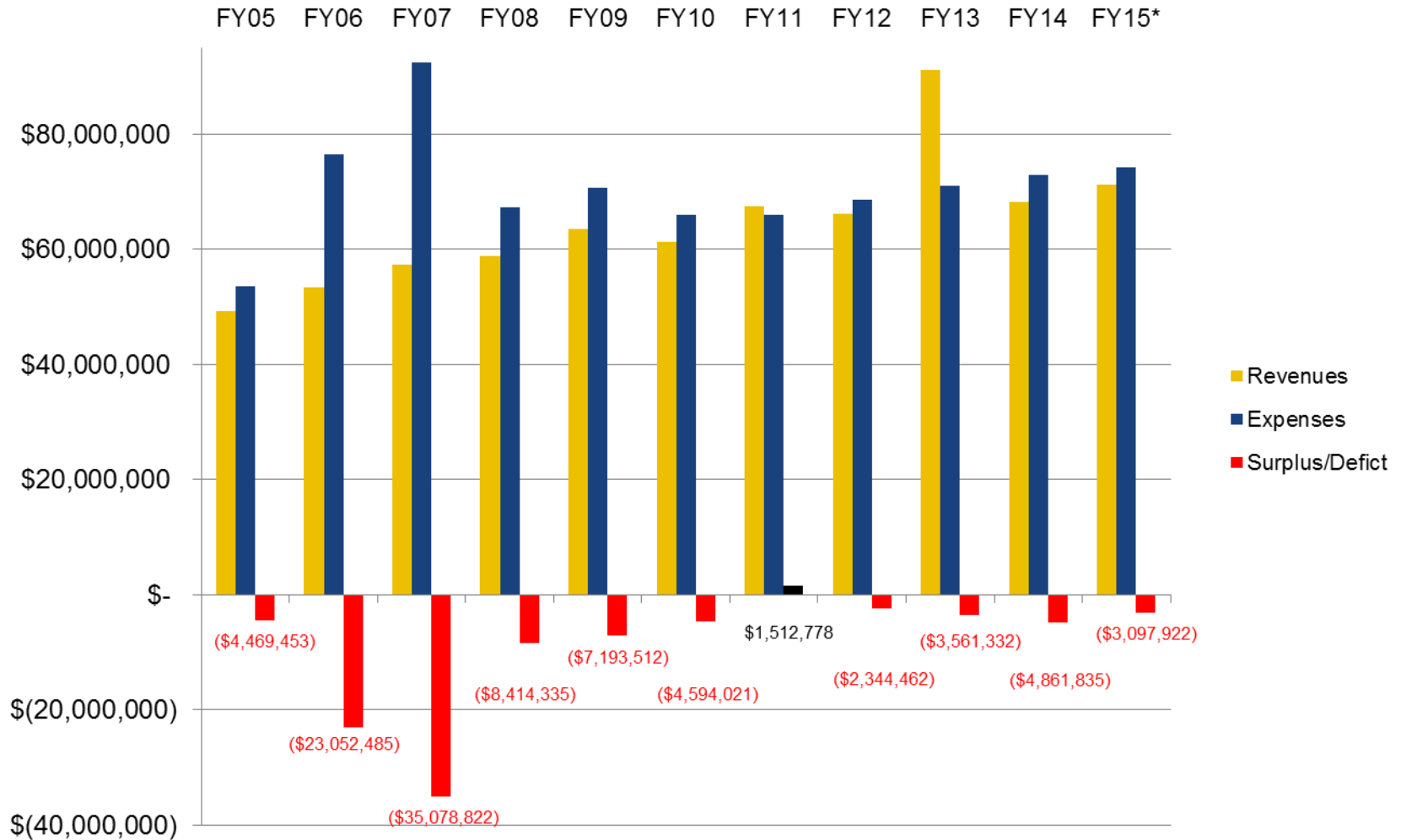
FY13	99.7%	\$ 3,764
FY14	97.2%	\$ 43,673
FY15	94.7%	<u>\$ 85,335</u>

**\$5,813,883**





# State of the District



\*Denotes 2014-15 Year to Date Totals (unaudited)

# ***CM201-U's Financial Future***

**CM201-U must strategically manage financial uncertainty in several areas:**

- ✓ ***Senate Bill 318's proposed tax freeze for 2016 and 2017***
- ✓ ***State of Illinois' financial crisis***
- ✓ ***Pension reform***
- ✓ ***Affordable Health Care Act***
- ✓ ***Unfunded mandates (online testing, ELL, Special Education), etc.)***
- ✓ ***Pending negotiations with ACME and CMEA***
- ✓ ***Existing structural deficit***

## **Recommendations Moving Forward:**

- ✓ ***Continue implementation of Efficiency Plan***
- ✓ ***Continue zero based budgeting methodology***
- ✓ ***Create and implement preventative maintenance for facilities***
- ✓ ***Reduce non-instructional costs to bring back art and music at all grade schools***
- ✓ ***Finalize long-term District facility plan and identify funding sources for all projects***



# 2015-2016 Proposed Budget



*"A budget tells us what we can't afford, but it doesn't keep us from buying it."*

Robert Fulghum



# Budget Parameters

The Board of Education recognizes that it has the responsibility to the taxpayers of Crete-Monee School District 201-U to operate the school system in a fiscally sound manner.

The Board also recognizes that it is impossible to meet an infinite array of educational needs with limited resources.

Therefore, the primary objective of this budget is to provide **the greatest educational opportunities** for our students **within the constraints of available resources**.

This Administration formulated the budget to comply with this objective in mind. Additionally, **the district implemented a modified zero-based budgeting model that expanded budgetary responsibility to all administrators**.





# Budget Timeline

## July

- Review 2015-16 tentative budget with Finance Committee
- Board of Education approves tentative budget
- Board of Education sets date for public hearing

## August

- Issue notice to public
- Administration continues to update budget as needed

## September

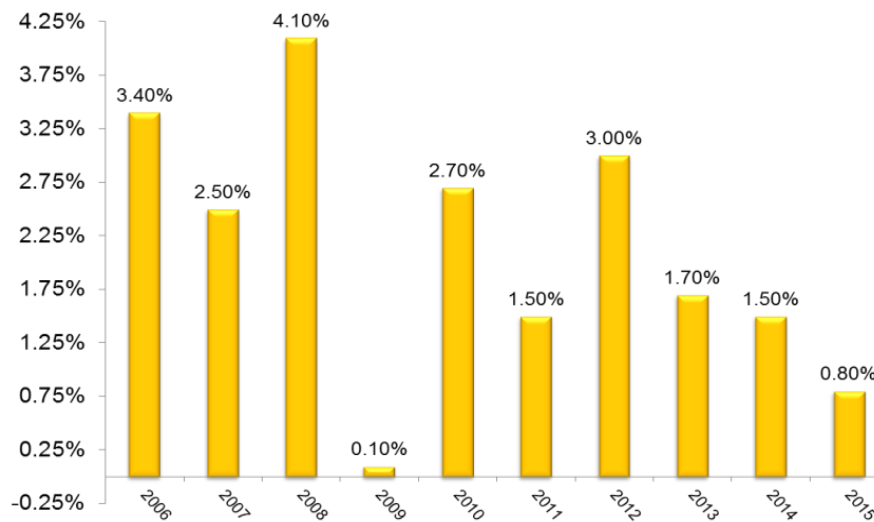
- Review proposed budget with Finance Committee
- Final changes as necessary
- Hold public hearing
- Approve 2015-16 budget

## October

- Begin 2016-17 budgeting process

# Budget Assumptions

- Property tax revenue will increase slightly
- The state of Illinois **WILL NOT** meet its financial obligations to schools...
  - General State Aid will increase but will continue to be prorated
  - Other state revenue sources will continue to be prorated
  - All state payments will continue to be delayed 3-6 months
- Purchased services will experience an inflationary increase
- Supplies and materials experience an inflationary increase





# Budget Highlights

- Local tax revenue will increase **.8%** over the prior year (excluding new property)
- General State Aid will increase \$1.4 million
- General State Aid will be prorated at least \$1.0 million
- Tuition paid to other educational facilities will increase (i.e. Early College Initiative)
- Fund transfers totaling \$17.7M will be made to the Capital Projects Fund to support the Facilities Master Plan
  - Middle School Addition-to open in August of 2016
  - Proposed New Elementary School



# Projected FY16 Budget Summary-Revenue

Local - \$50,870,175 (70%)

- Property taxes account for 66% of the district's total anticipated revenue
- Local revenue also includes Corporate Personal Property Replacement Tax (CPPRT), lunch/breakfast sales, registration fees, etc.

State – \$17,843,443 (24%)

- General State Aid accounts for 15.5% of the district's total anticipated revenue
- Other state revenue consists of restricted grants including; Special Ed reimbursements, Driver's Education, etc.

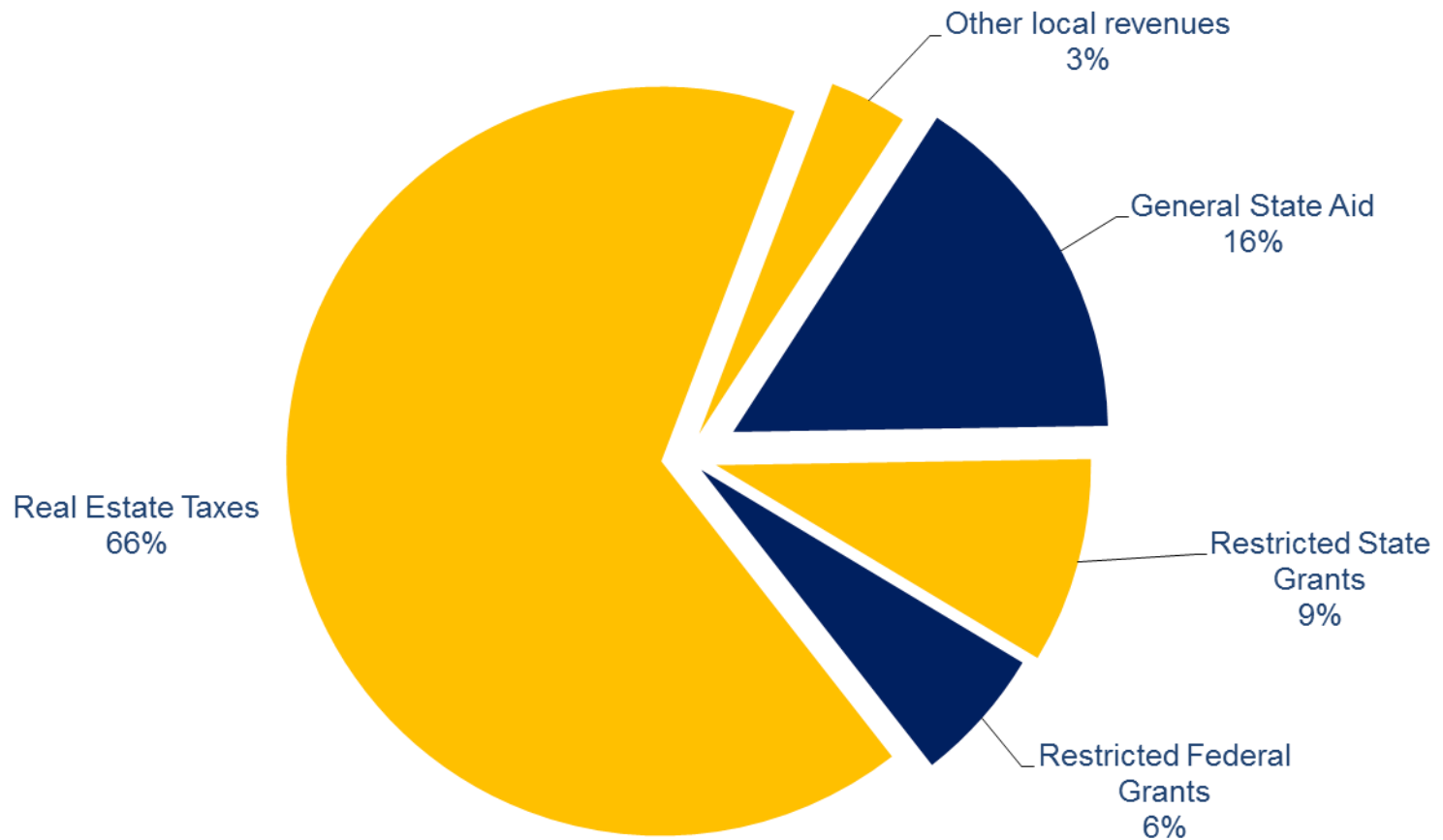
Federal – \$4,259,809 (6%)

- Federal revenue includes restricted grants only. Examples include; Titles I and II, IDEA, Medicaid Matching and National School Lunch.

**Total Anticipated Revenue = \$72,973,427**



# Projected FY16 Budget Summary-Revenue

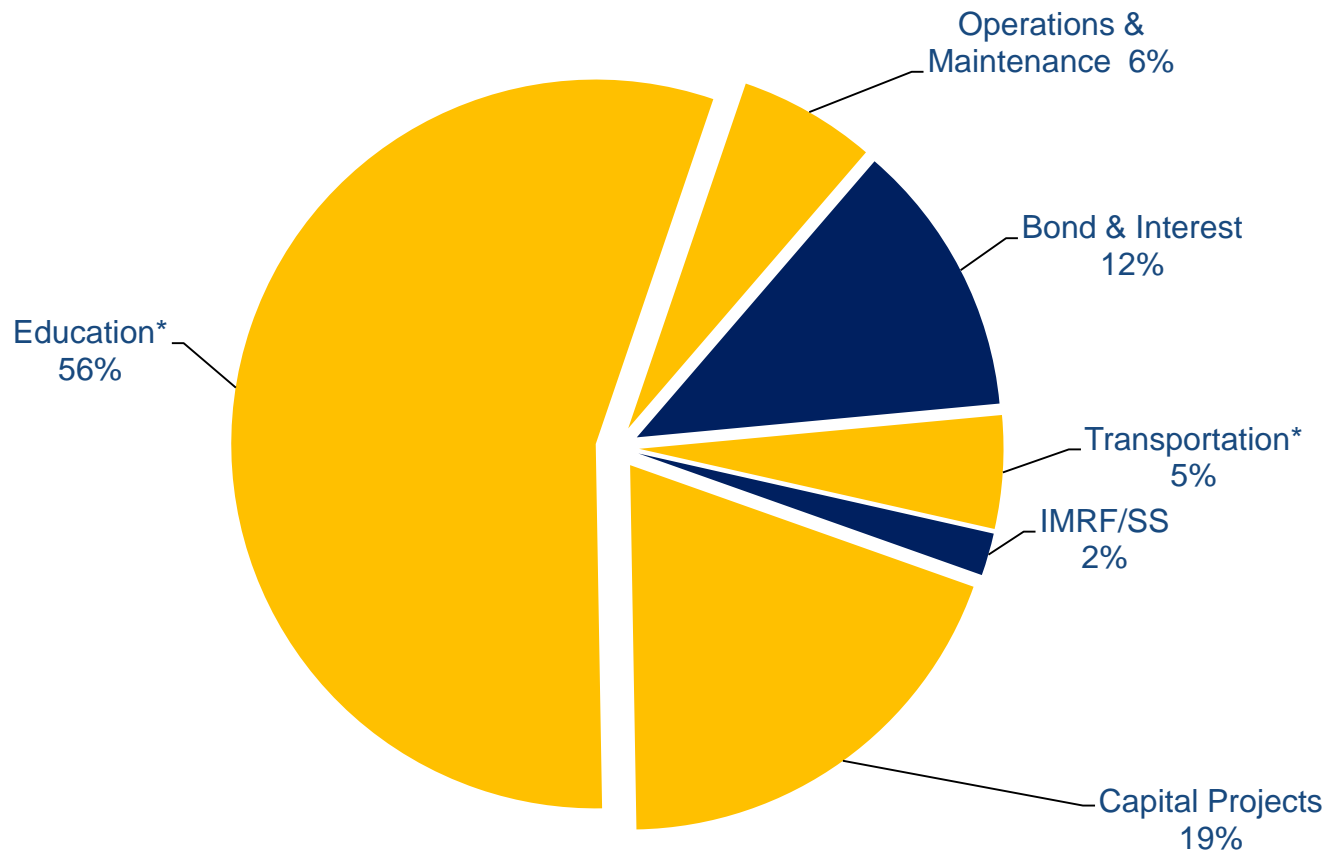




# Projected FY16 Budget Summary-Expenditures

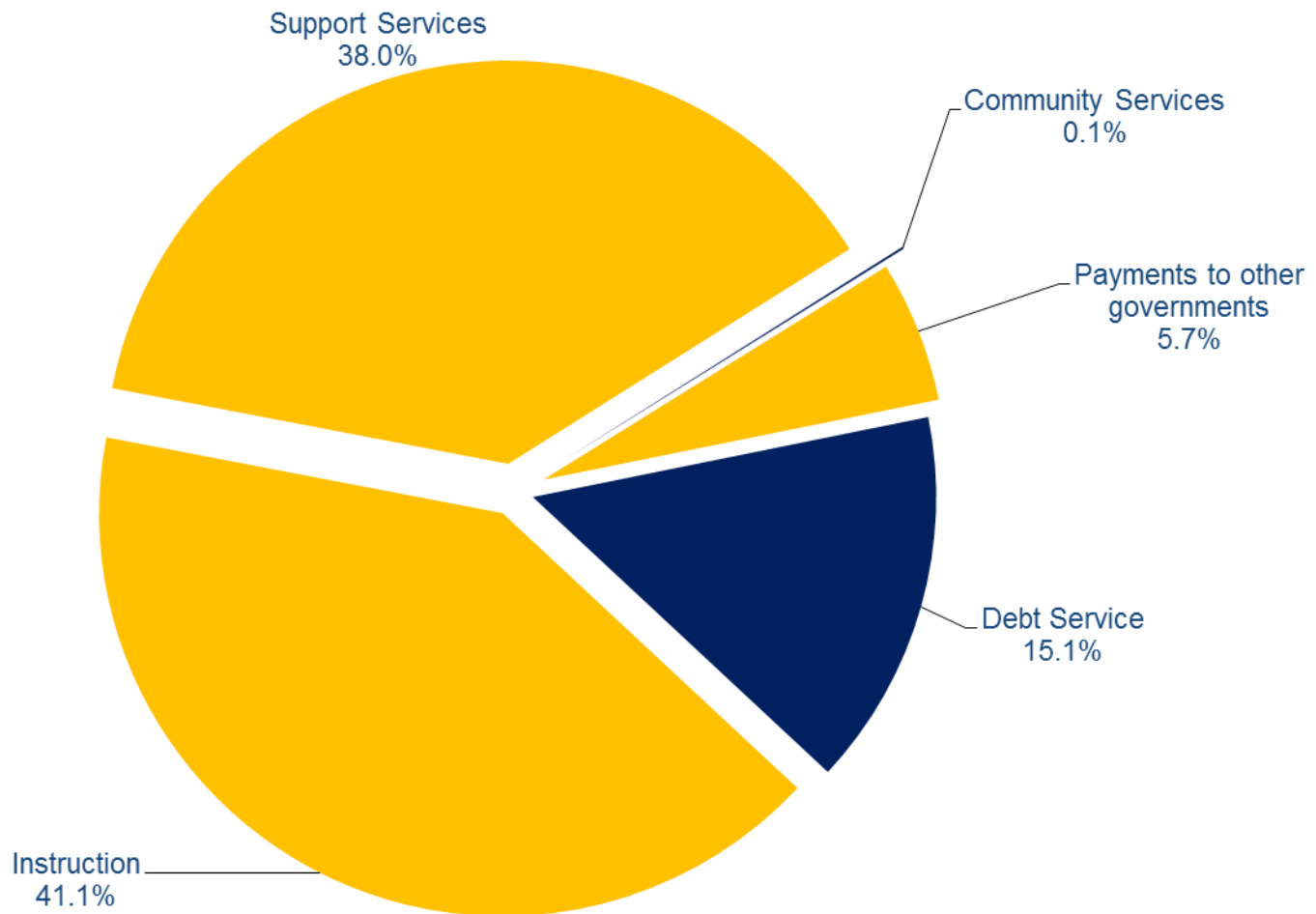
Education Fund	\$50,889,964	
Operations & Maintenance Fund	\$ 5,578,801	
Bond & Interest Fund	\$11,189,737	
Transportation Fund	\$ 4,595,003	
IL Municipal Retirement/Soc. Sec. Fund	\$ 1,727,046	
Capital Projects	\$17,700,000	
<b>Total Anticipated Expenditures</b>		<b>\$91,680,551</b>
<b>Total Expenditures excluding capital projects</b>		<b>\$73,980,551</b>

# FY16 Expenditure Summary-By Fund



\*Excludes funds transferred for capital projects

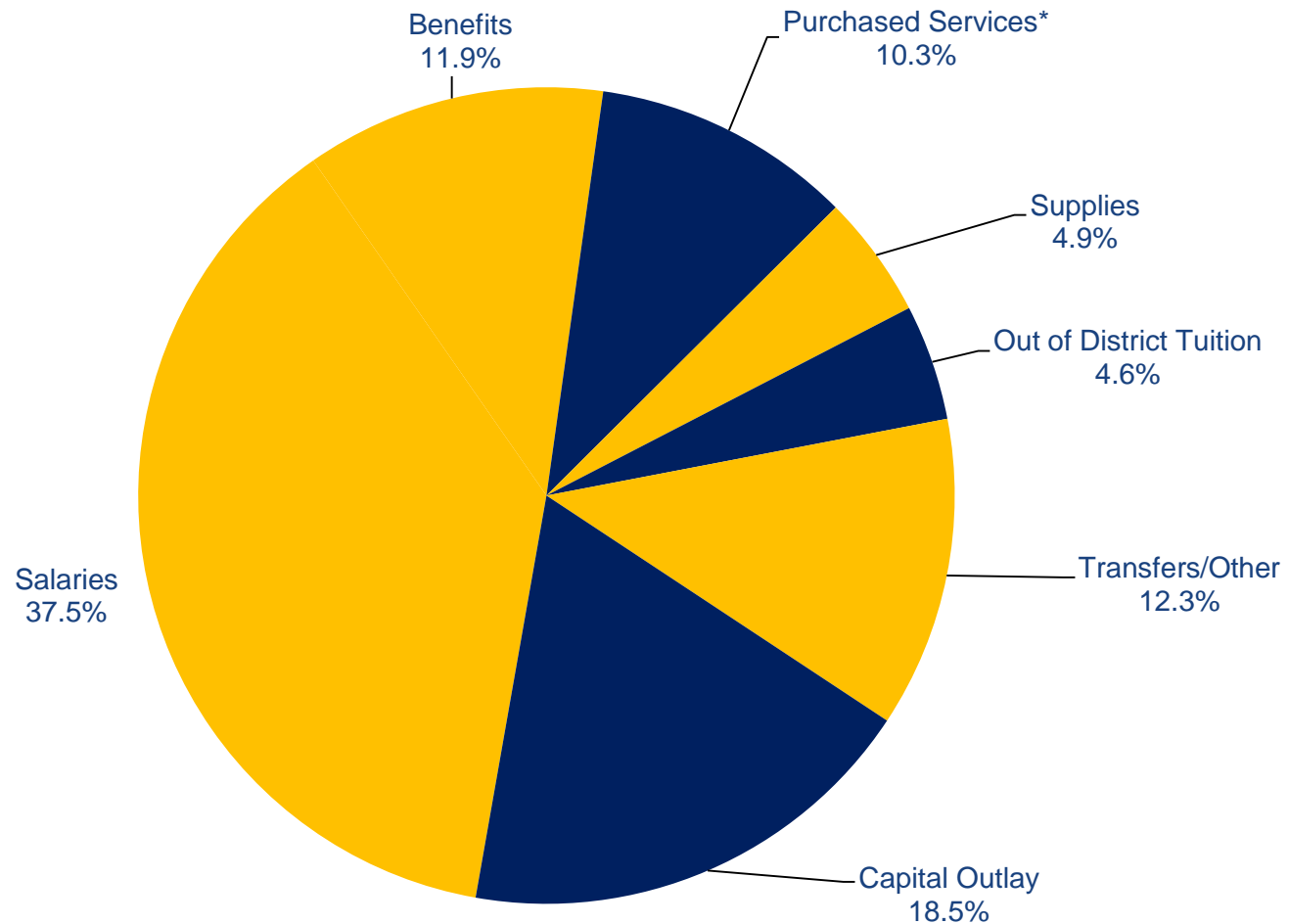
# FY16 Expenditure Summary-By Function\*



\*Excludes funds transferred for capital projects



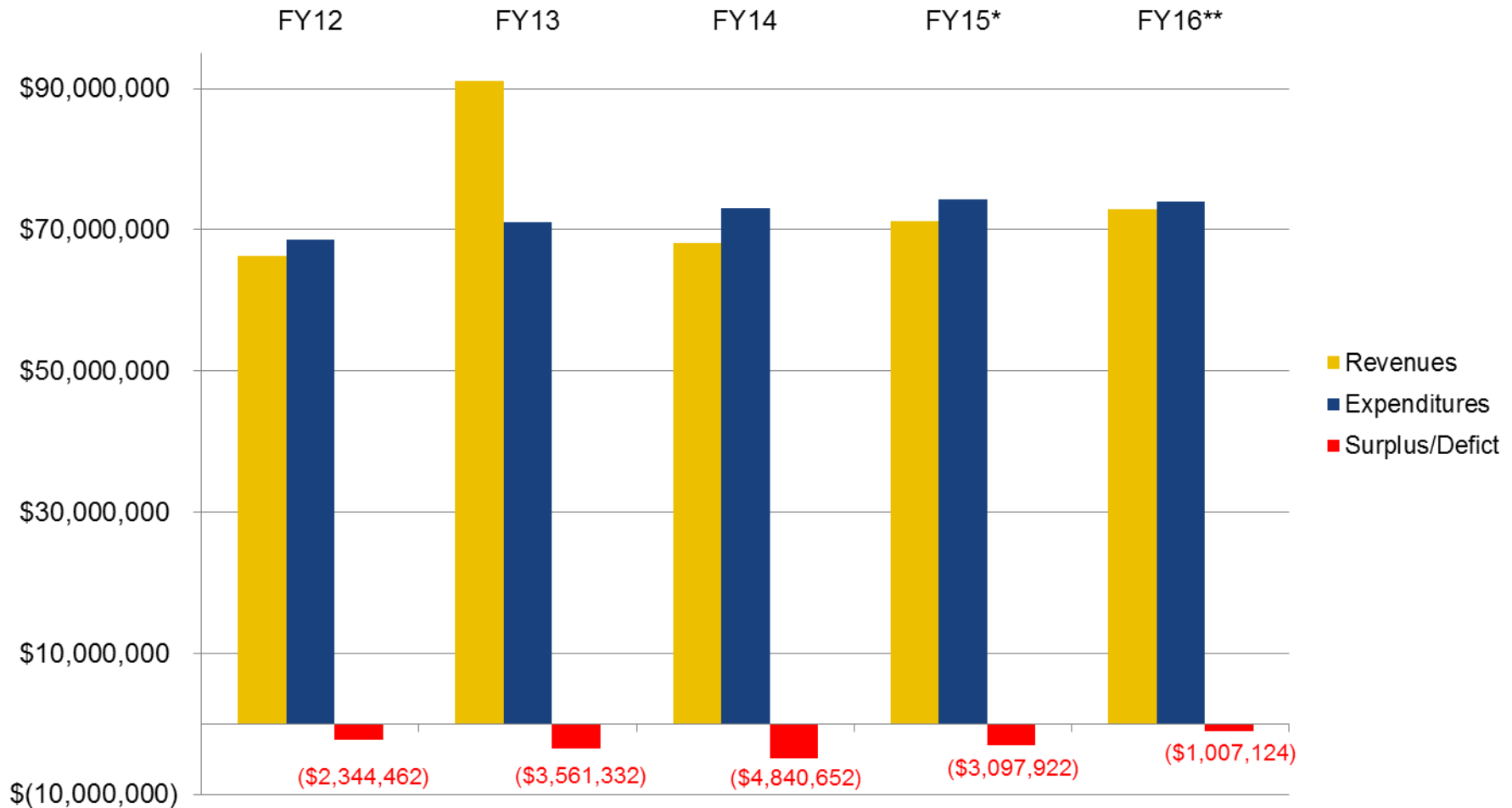
# FY15 Expenditure Summary-By Type



\*fees associated with capital projects are included



# CM201-U Five Years at a Glance



FY15 figures are estimates that may change upon completion of the audit  
 FY16 figures do not include capital projects

# *In Summary...*

FY16 Estimated Beginning Fund Balance \$33,071,989

Revenues (+) \$72,973,427

Expenditures (-) \$73,980,551

**Deficit** **(\$1,007,124)**



FY16 Estimated Ending Fund Balance \$14,364,865

FY16 Estimated Ending Fund Balance (excluding capital projects) \$32,064,865

# Questions?

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