

# Dixon Unit School District #170 FY 18 Proposed Budget



# Budget Purpose

- The budget is the financial plan used to accomplish the Board of Education goals
- It is used to satisfy a minimum level of financial/program information for state, local and federal governments
- It provides both expending and taxing authority
- It meets the requirements imposed by Illinois Law
- It is a “best guess” estimate of revenues and expenditures at this time
- It provides a tool to measure fiscal performance
- And, it should be considered as a flexible, working document.

# Procedures & Legal Requirements

- The District is required to publish notice of where and when the tentative budget will be on display and when the budget hearing will take place.
- Budget must be on display for at least 30 days prior to the hearing
- Must hold at least one public hearing
- The public may ask questions and provide input
- The Board of Education must vote to either adopt or reject the budget after a public hearing.
- Must be adopted by the end of the 1<sup>st</sup> quarter (September 30<sup>th</sup>)

# Procedures & Legal Requirements

- Filing Requirements After Adoption
  - Must use the School District Budget Form (ISBE 50-36). That will be provided at the September meeting.
  - Must post to District website after adoption.
  - Must file a copy with Lee and Ogle County Clerks within 30 days of adoption.
  - Must submit budget to ISBE electronically by October 30<sup>th</sup>.
  - The District is able to amend the budget by repeating this process and submitting the budget by June 30, 2018.

# DPS #170 FY 18 Budget Information

## FY 18 Education Revenues

- **The Education Fund has been and remains the fund of greatest concern even though revenues increased slightly over this past year.**
- DPS 170's Equalized Assessed Value and in turn local property tax revenues had decreased from 2012 until 2015. Local taxes had decreased by approximately **(\$237,145)** from FY 12 to FY 13, decreased by another **(\$150,881)** from FY 13 to FY 14 and decreased an additional **(\$398,259)** from FY 14 to FY 15. That was **(\$786,285)** less revenues than we received locally in FY 12.

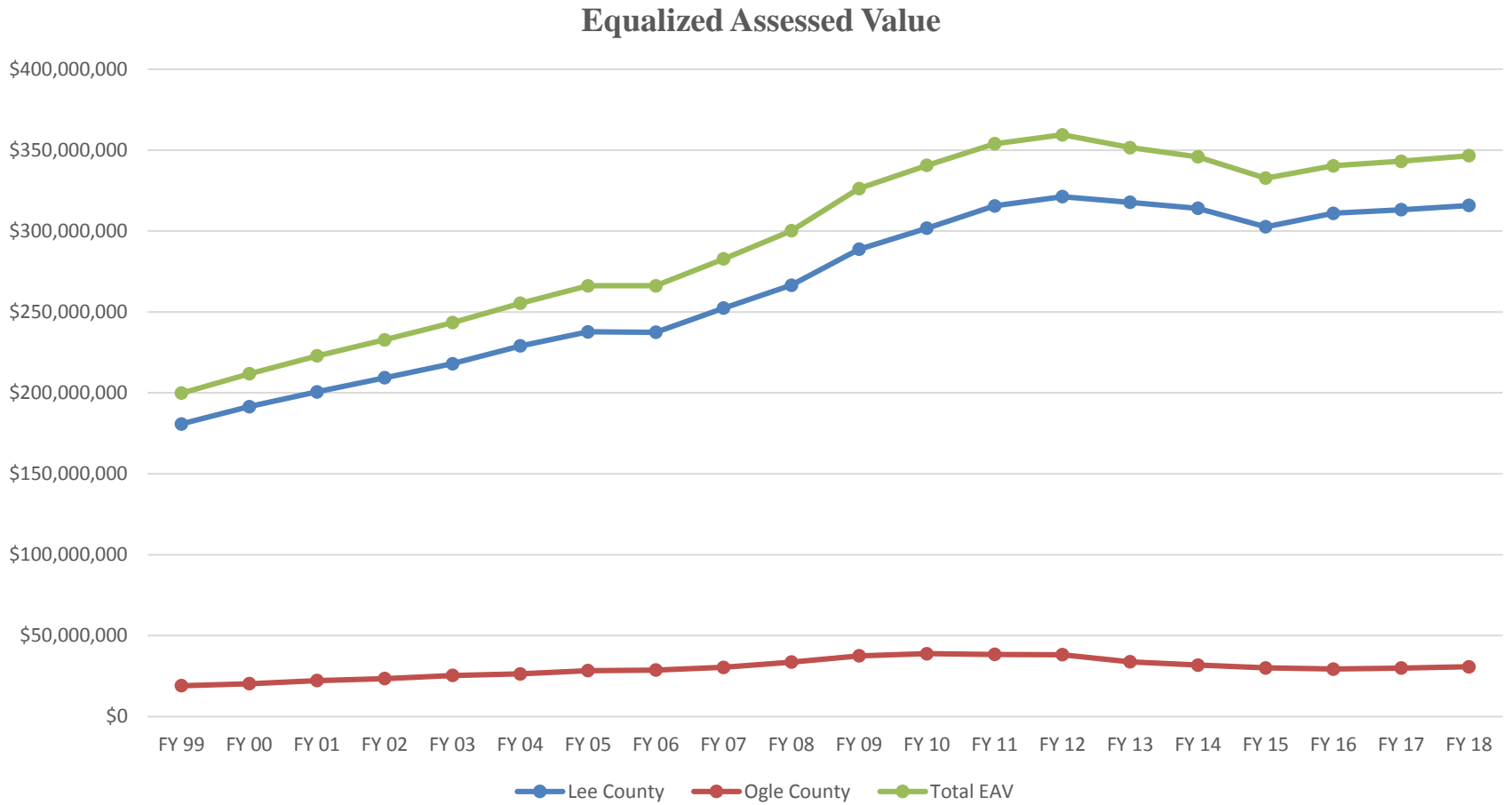
# DPS #170 FY 18 Budget Information

- The 2017 Assessment was based on property sales from 2016, 2015 and 2014. The 2014, 2015 and 2016 have increased slightly each year, but nothing of great significance.
- We had approximately \$2.138 million in new construction for 2014 taxes payable in 2015, \$2.260 million in 2015 payable in 2016 and \$2.468 million in 2016 payable in 2017. New construction within the District boundaries hasn't been substantial for the past few years.
- DPS's EAV increased from \$332,685,496 in FY 15 to \$340,291,867 in FY 16, which was a 2.29% increase, and to \$343,175,312 in FY 17, which was a 0.85% increase. This past year it rose to \$346,576,255 which was a 0.99% increase.

# Equalized Assessed Value

	Lee County	Ogle County	Total EAV	\$ Diff	% Diff
FY 99	\$180,758,869	\$19,105,563	\$199,864,432		
FY 00	\$191,537,195	\$20,307,577	\$211,844,772	\$11,980,340	5.99%
FY 01	\$200,640,273	\$22,210,970	\$222,851,243	\$11,006,471	5.20%
FY 02	\$209,329,500	\$23,455,610	\$232,785,110	\$9,933,867	4.46%
FY 03	\$218,013,755	\$25,403,134	\$243,416,889	\$10,631,779	4.57%
FY 04	\$228,991,977	\$26,411,943	\$255,403,920	\$11,987,031	4.92%
FY 05	\$237,766,464	\$28,387,500	\$266,153,964	\$10,750,044	4.21%
FY 06	\$237,417,144	\$28,753,099	\$266,170,243	\$16,279	0.01%
FY 07	\$252,412,002	\$30,402,139	\$282,814,141	\$16,643,898	6.25%
FY 08	\$266,502,982	\$33,654,438	\$300,157,420	\$17,343,279	6.13%
FY 09	\$288,767,692	\$37,514,370	\$326,282,062	\$26,124,642	8.70%
FY 10	\$301,743,233	\$38,860,814	\$340,604,047	\$14,321,985	4.39%
FY 11	\$315,532,360	\$38,373,124	\$353,905,484	\$13,301,437	3.91%
FY 12	\$321,226,926	\$38,267,541	\$359,494,467	\$5,588,983	1.58%
FY 13	\$317,743,880	\$33,851,775	\$351,595,655	(\$7,898,812)	(2.20)
FY 14	\$314,046,659	\$31,849,322	\$345,895,981	(\$5,699,674)	(1.62)
FY 15	\$302,600,952	\$30,084,544	\$332,685,496	(\$13,210,485)	(3.82)
FY 16	\$310,944,817	\$29,347,050	\$340,291,867	\$7,606,371	2.29%
FY 17	\$313,223,882	\$29,951,430	\$343,175,312	\$2,883,445	0.85%
FY 18	\$315,818,843	\$30,757,412	\$346,576,255	\$3,400,943	0.99%

# Equalized Assessed Value

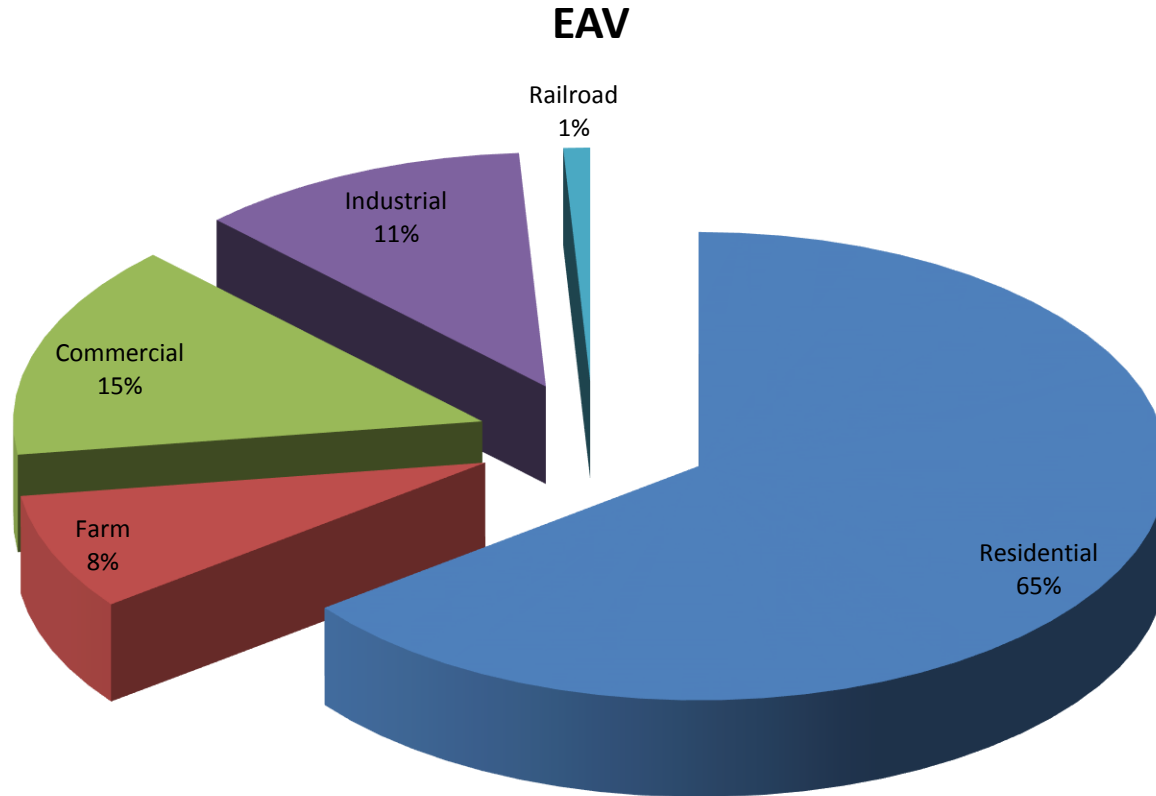




# Equalized Assessed Value

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>		<u>Property Class</u>
\$242,056,428	\$234,495,548	\$228,590,243	\$218,062,730	\$220,067,358	\$220,678,688	\$222,142,058	64.10%	Residential
100.81%	96.88%	97.48%	95.39%	100.92%	100.28%	100.66%		
\$28,521,236	\$29,124,578	\$29,766,722	\$26,451,915	\$27,405,898	\$28,251,232	\$29,343,311	8.47%	Farm
105.03%	102.12%	102.20%	88.86%	103.61%	103.08%	103.87%		
\$51,734,580	\$51,114,127	\$49,477,086	\$50,108,142	\$50,643,421	\$50,959,109	\$51,016,607	14.72%	Commercial
104.13%	98.80%	96.80%	101.28%	101.07%	100.62%	100.11%		
\$35,164,132	\$34,716,794	\$35,635,471	\$35,064,502	\$39,048,721	\$39,531,729	\$40,253,991	11.61%	Industrial
99.49%	98.73%	102.65%	98.40%	111.36%	101.24%	101.83%		
<u>\$2,018,091</u>	<u>\$2,144,608</u>	<u>\$2,426,459</u>	<u>\$2,998,207</u>	<u>\$3,126,469</u>	<u>\$3,754,554</u>	<u>\$3,820,288</u>	1.10%	<u>Railroad</u>
125.07%	106.27%	113.14%	123.56%	104.28%	120.09%	101.75%		
\$359,494,467	\$351,595,655	\$345,895,981	\$332,685,496	\$340,291,867	\$343,175,312	\$346,576,255	100.00%	Total
\$	\$				\$	\$		
321,226,926	317,743,880	\$ 314,046,659	\$ 302,600,952	\$ 310,944,817	313,223,882	315,818,843	90.96%	Lee County
101.80%	98.92%	98.84%	96.36%	102.76%	100.73%	100.83%		
\$38,267,541	\$33,851,775	\$31,849,322	\$30,084,544	\$29,347,050	\$29,951,430	\$30,757,412	9.04%	<u>Ogle County</u>
99.72%	88.46%	94.08%	94.46%	97.55%	102.06%	102.69%		
\$359,494,467	\$351,595,655	\$345,895,981	\$332,685,496	\$340,291,867	\$343,175,312	\$346,576,255	100.00%	Total Counties
\$5,588,983	(\$7,898,812)	(\$5,699,674)	(\$13,210,485)	\$7,606,371	\$2,883,445	\$3,400,943		Increase
101.58%	97.80%	98.38%	96.18%	102.29%	100.85%	100.99%		Percent Change

# Equalized Assessed Value



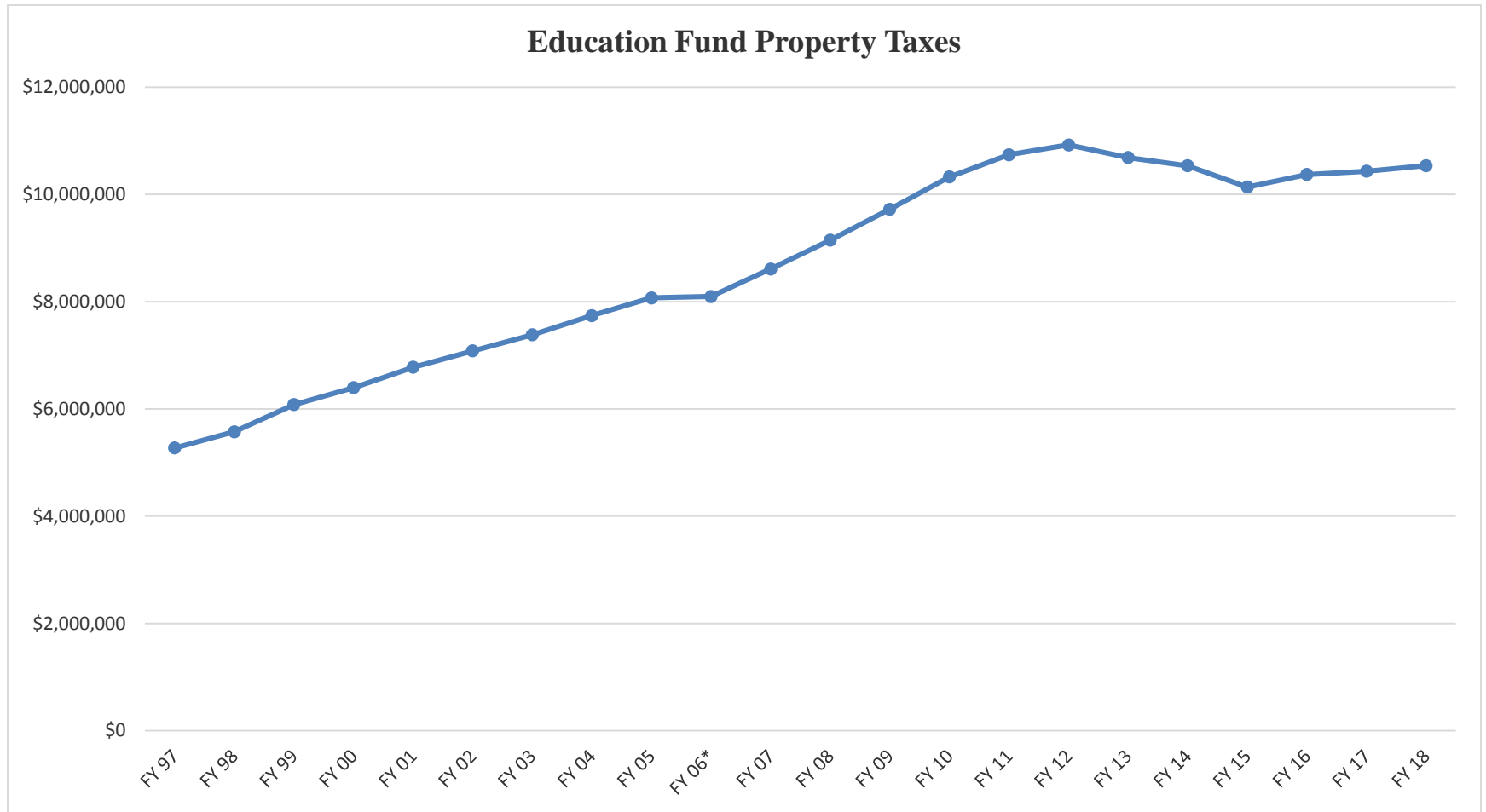
# Local Property Taxes

- The extension of the 2016 levy determines the property taxes payable in 2017 for the FY 18 school year.
- Since the local property taxes are a result of the EAV times the tax rate, which the Ed Fund rate is \$2.95 per \$100 of assessed value, this has resulted in a very slight increase in local revenues for FY 18.
- Due to the increased EAV the property taxes will yield approximately \$103,400 more in FY 18 than was received in FY 17 in the Education Fund. This is a 0.99% increase as opposed to the 0.60% increase the previous year.

# Local Property Taxes

Education Fund			
	Local Property Taxes	\$ Diff	% Diff
FY 97	\$5,271,888		
FY 98	\$5,573,186	\$301,298	5.72%
FY 99	\$6,080,706	\$507,520	9.11%
FY 00	\$6,393,741	\$313,035	5.15%
FY 01	\$6,775,746	\$382,005	5.97%
FY 02	\$7,082,189	\$306,443	4.52%
FY 03	\$7,380,443	\$298,254	4.21%
FY 04	\$7,738,805	\$358,362	4.86%
FY 05	\$8,069,048	\$330,243	4.27%
FY 06*	\$8,095,168	\$26,120	0.32%
FY 07	\$8,610,153	\$514,985	6.36%
FY 08	\$9,144,340	\$534,187	6.20%
FY 09	\$9,722,914	\$578,574	6.33%
FY 10	\$10,324,046	\$601,132	6.18%
FY 11	\$10,739,621	\$415,575	4.03%
FY 12	\$10,922,631	\$183,010	1.70%
FY 13	\$10,685,486	(\$237,145)	(2.17%)
FY 14	\$10,534,605	(\$150,881)	(1.41%)
FY 15	\$10,136,346	(\$398,259)	(3.78%)
FY 16	\$10,370,028	\$233,682	2.31%
FY 17	\$10,432,529	\$62,502	0.60%
FY 18	\$10,535,918	\$103,389	0.99%
FY 06*	Homestead Exemption		

# Local Property Taxes



# General State Aid

- Last year the General State Aid formula continued to use the \$6,119 Foundation Level although the Legislature had not funded the Illinois State Board of Education the amount necessary to meet that obligation statewide for a number of years.
- Initial projections for the FY 16 school year called for using a 92% proration which would have taken our GSA from \$4,706,032 to \$4,332,850 or a decrease of **(\$373,182)** lower than what should have been allotted.
- The initial ISBE FY 17 forecast, which includes a \$250M Equity Grant, predicted that the Dixon USD #170 General State Aid allotment would be \$4,508,831 which would have been an increase of \$175,980 over the FY 16 allotment. Dixon ultimately received \$4,512,064 in GSA.

# General State Aid

- The Legislature overrode the Governor's veto and approved a FY 18 State of Illinois Budget which authorized more spending for schools, about \$350 million more throughout the state, but required a new formula using an "Evidence-Based School Funding" model.
- That evidence-based funding model was utilized by SB 1 which passed both chambers, but the Governor applied an amendatory veto to the bill.
- We now await the outcome as to whether the amendatory veto will be overridden, agreed upon with the Governor or whether the school funding process starts over from scratch.

# General State Aid

- Since school districts have to have their FY 18 budgets approved prior to the end of September and since they are obligated to have proposed budgets on file for 30 days prior to approval we need to move forward using some assumptions rather than knowing for sure what state related revenues will be.
- The following FY 18 assumptions were used in the budget being placed on file:
  - Dixon USD will receive an additional \$170,000 in FY 18 over the GSA it received in FY 17.
  - Dixon USD will receive approximately \$55,000 less in Title I funding in FY 18 that it received in FY 17.
  - Dixon USD will receive the same Title II funding in FY 18 that it received in FY 17.
  - Dixon USD will receive the same mandated categorical funding it was owed in FY 17.



# GSA Proration Impact

	GSA	GSA	Proration	Proration
	Allotment	Actual	Cost	%
FY 06	\$5,874,895	\$5,874,895		
FY 07	\$6,169,849	\$6,169,849		
FY 08	\$6,221,773	\$6,221,773		
FY 09 w/ARRA	\$6,353,489	\$6,353,489		
FY 10 w/ARRA	\$6,222,423	\$6,222,423		
FY 11 w/ARRA	\$5,455,708	\$5,455,708		
FY 12	\$4,585,169	\$4,357,955	(\$227,214)	95.0%
FY 13	\$4,388,732	\$3,914,136	(\$474,596)	89.2%
FY 14	\$4,408,604	\$3,907,843	(\$500,761)	88.6%
FY 15	\$4,435,550	\$3,867,251	(\$568,299)	87.2%
FY 16	\$4,706,032	\$4,332,851	(\$373,181)	92.1%
FY 17	\$4,512,064	\$4,512,064		
FY 18 Est.	\$4,682,064			

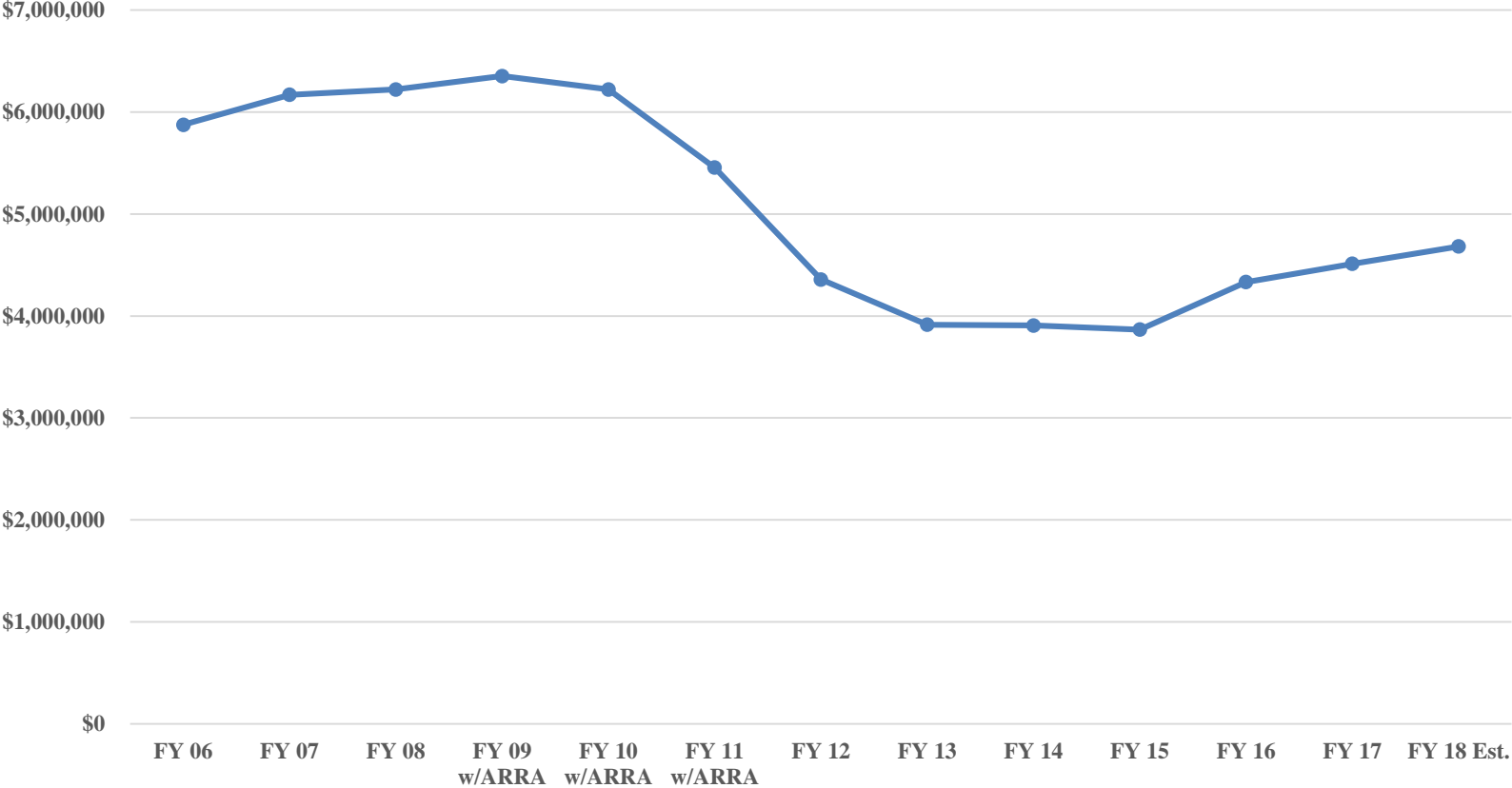
# Dixon's GSA History

	GSA	Difference	Difference
	Actual	Prev Yr	%
FY 06	\$5,874,895		
FY 07	\$6,169,849	\$294,954	5.0%
FY 08	\$6,221,773	\$51,924	0.8%
FY 09 w/ARRA	\$6,353,489	\$131,716	2.1%
FY 10 w/ARRA	\$6,222,423	(\$131,066)	(2.1%)
FY 11 w/ARRA	\$5,455,708	(\$766,715)	(12.3%)
FY 12	\$4,357,955	(\$1,097,753)	(20.1%)
FY 13	\$3,914,136	(\$443,819)	(10.2%)
FY 14	\$3,907,843	(\$6,293)	(0.2%)
FY 15	\$3,867,251	(\$40,592)	(1.0%)
FY 16	\$4,332,851	\$465,600	12.0%
FY 17	\$4,512,064	\$179,213	4.1%
FY 18 Est.	\$4,682,064	\$170,000	3.7%

ARRA = American Recovery and Reinvestment Act of 2009

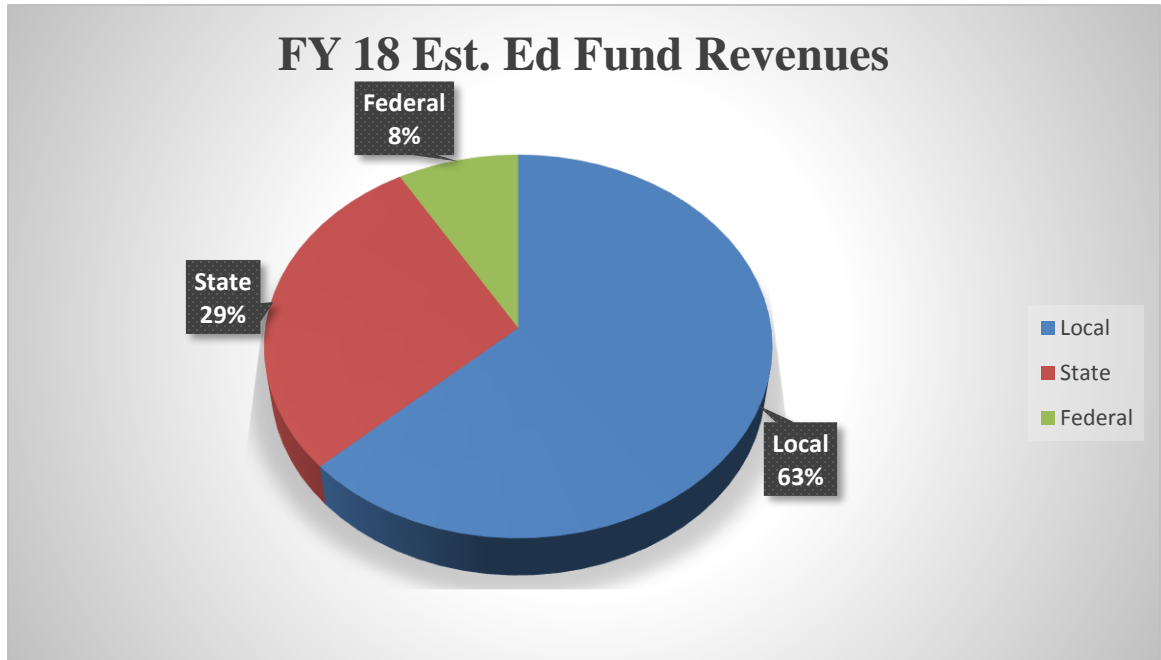
# Dixon's GSA History

## GSA History



# FY 18 Estimated Ed Fund Revenues

<b>FY 18 Projected</b>		
<b><u>Revenues</u></b>		
<b>Local</b>	<b>\$12,887,859</b>	<b>63.50%</b>
<b>State</b>	<b>\$5,794,400</b>	<b>28.55%</b>
<b>Federal</b>	<b><u>\$1,612,501</u></b>	<b><u>7.95%</u></b>
	<b>\$20,294,760</b>	<b>100.00%</b>
<b><u>On Behalf (State)</u></b>	<b><u>\$4,493,937</u></b>	
<b>Total</b>	<b>\$24,788,697</b>	

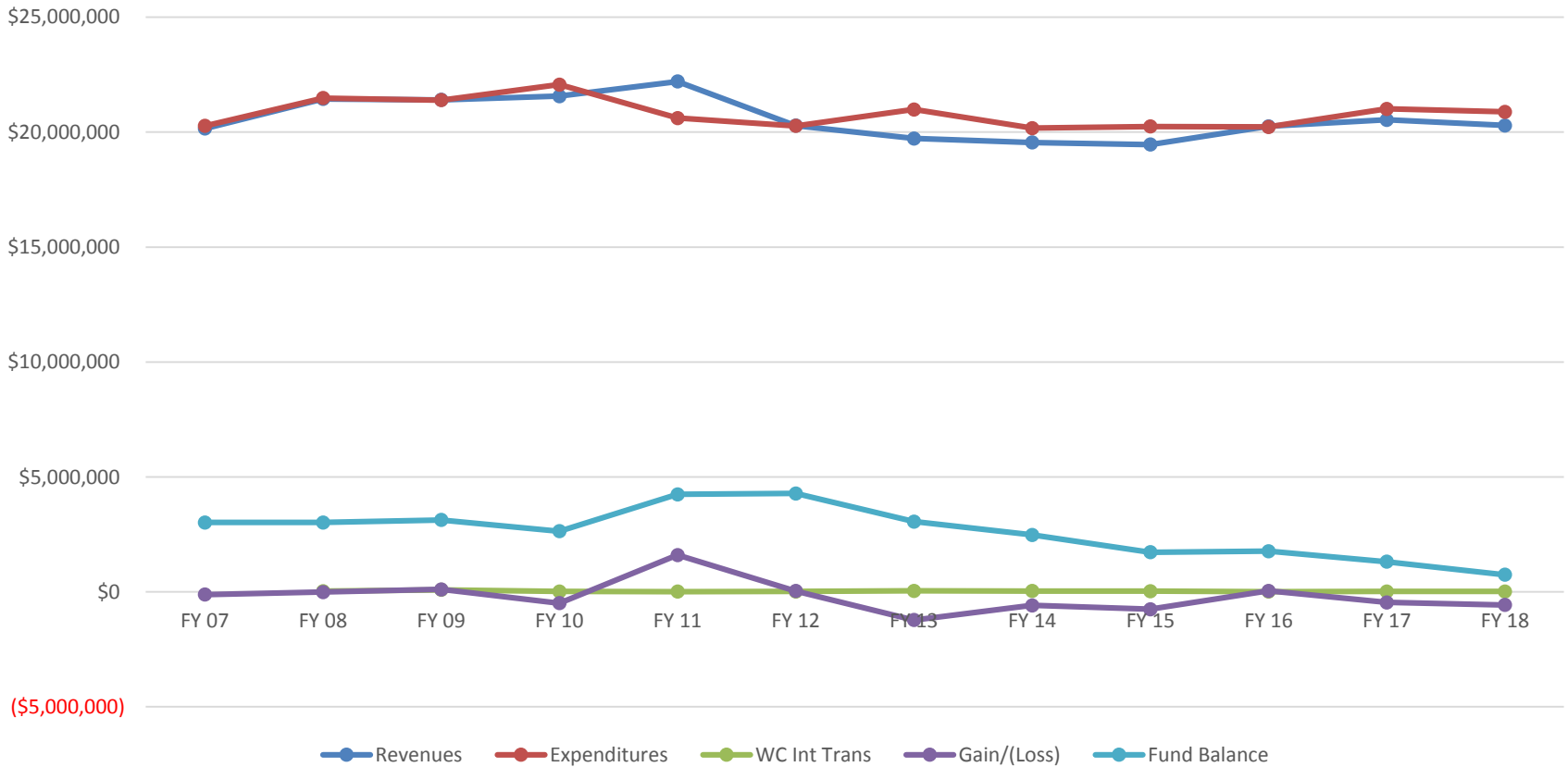


# FY 18 Proposed Education Budget

											Unaudited	Proposed
	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Revenues</b>	\$20,160,228	\$21,445,660	\$21,409,277	\$21,564,910	\$22,207,962	\$20,287,957	\$19,723,014	\$19,549,685	\$19,463,260	\$20,255,946	\$20,537,625	\$20,294,760
<b>Expenditures</b>	\$20,274,126	\$21,481,653	\$21,392,234	\$22,069,923	\$20,615,666	\$20,271,760	\$20,991,035	\$20,175,063	\$20,246,477	\$20,226,828	\$21,012,462	\$20,884,110
<b>WC Int Trans</b>		\$33,077	\$92,385	\$17,062	\$11,663	\$21,349	\$46,943	\$41,187	\$32,462	\$14,806	\$20,500	\$21,000
<b>Gain/(Loss)</b>	(\$113,898)	(\$2,916)	\$109,428	(\$487,951)	\$1,603,959	\$37,546	(\$1,221,078)	(\$584,191)	(\$750,755)	\$43,924	(\$454,337)	(\$568,350)
<b>Fund Balance</b>	\$3,021,818	\$3,018,902	\$3,128,330	\$2,640,579	\$4,244,538	\$4,282,084	\$3,061,006	\$2,476,815	\$1,726,060	\$1,769,984	\$1,315,647	\$747,297
											Estimated	Proposed

# FY 18 Proposed Education Budget

## Education Fund



# FY 18 Proposed Education Budget

## **Impacts on Ed Fund Expenditures:**

- Certified staff contractual salary increases are included.
- Six classroom teachers retired this past year and were replaced.
- There are 2 certified staff in the retirement queue earning 6% increases retiring in June of 2018, 3 retiring in June of 2019, 10 in June of 2020.
- Being self-insured means that budgeted health care amounts are merely estimates and actual costs will be determined by the health claims incurred by our plan participants. FY 17's Health Costs were considerably higher than FY 16 and we are in the process of settling excess reimbursements and will be exploring specific excess renewal information soon.

# FY 18 Proposed Budget – All Funds

	FY 18			
	<u>All Funds</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Net/(Loss)</u>
10	Education	\$24,788,697	\$25,378,048	(\$589,351)
20	O&M	\$2,906,550	\$2,946,527	(\$39,977)
30	B&I	\$2,013,950	\$ 2,013,773	\$177
40	Transportation	\$1,728,281	\$ 1,868,270	(\$139,990)
50	IMRF/SS	\$807,612	\$ 717,020	\$90,592
60	Cap Projects	\$650,450	\$ 135,500	\$514,950
70	Working Cash	\$185,350	\$ 1,062,725	(\$877,375)
80	Tort	\$1,160,820	\$ 1,061,185	\$99,635
90	Life Safety	<u>\$203,850</u>	<u>\$ 3,655,000</u>	<u>(\$3,451,150)</u>
	All Funds	\$34,445,560	\$38,838,048	(\$4,392,489)
	<u>Operating Funds</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Net/(Loss)</u>
10	Education	\$24,788,697	\$25,378,048	(\$589,351)
20	O&M	\$2,906,550	\$2,946,527	(\$39,977)
40	Transportation	\$1,728,281	\$ 1,868,270	(\$139,990)
70	Working Cash	<u>\$185,350</u>	<u>\$ 1,062,725</u>	<u>(\$877,375)</u>
		\$29,608,878	\$31,255,570	(\$1,646,692)

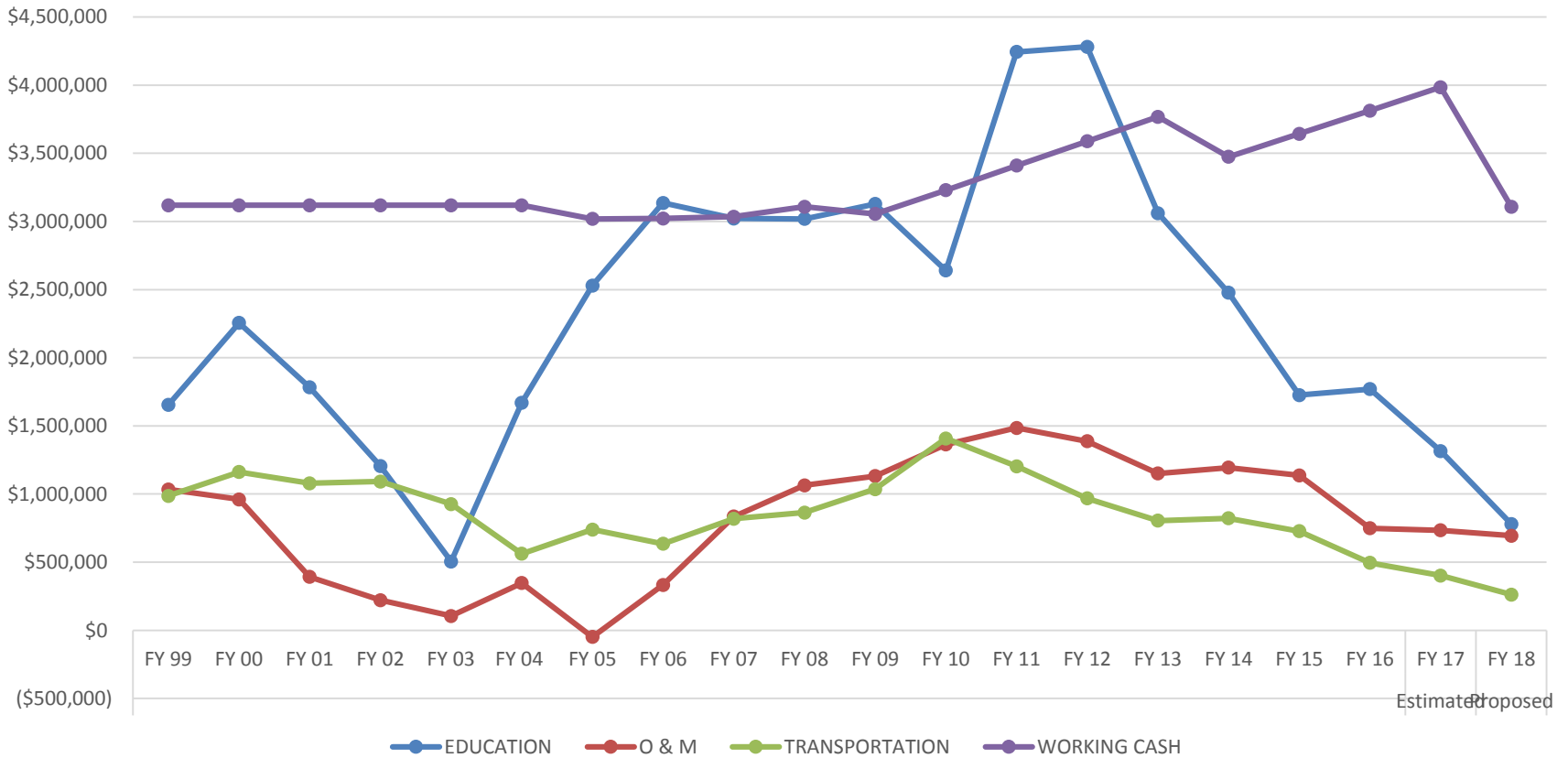


# FY 18 Proposed Budget All Funds

<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>ALL FUNDS</u>
6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	
\$4,282,084	\$3,061,006	\$2,476,815	\$1,726,060	\$1,769,984	\$1,315,647	\$780,189	EDUCATION
\$1,387,026	\$1,151,316	\$1,193,785	\$1,137,199	\$749,459	\$733,791	\$693,814	O & M
\$627,107	\$629,751	\$634,519	\$637,670	\$645,755	\$605,154	\$605,331	BOND & INTEREST
\$968,586	\$804,775	\$821,703	\$727,139	\$495,677	\$401,741	\$261,751	TRANSPORTATION
\$284,342	\$370,843	\$467,253	\$519,581	\$581,117	\$635,163	\$725,759	IMRF/SS
\$3,800	\$46,760	\$46,798	\$46,920	\$47,074	\$47,270	\$562,220	CAPITAL PROJECTS
\$3,588,942	\$3,767,695	\$3,474,447	\$3,643,709	\$3,813,777	\$3,985,272	\$3,107,897	WORKING CASH
\$373,372	\$409,308	\$253,172	\$139,333	\$168,624	\$211,523	\$311,158	TORT FUND
\$361,476	\$9,279	\$1,815,879	\$422,788	\$20,683,894	\$19,046,693	\$18,824,786	FIRE PREVENTION & SAFETY
\$11,876,735	\$10,250,733	\$11,184,371	\$9,000,399	\$28,955,361	\$26,982,254	\$25,872,905	
					Estimated	Proposed	<u>OPERATING FUNDS</u>
<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	
\$4,282,084	\$3,061,006	\$2,476,815	\$1,726,060	\$1,769,984	\$1,315,647	\$780,189	EDUCATION
\$1,387,026	\$1,151,316	\$1,193,785	\$1,137,199	\$749,459	\$733,791	\$693,814	O & M
\$968,586	\$804,775	\$821,703	\$727,139	\$495,677	\$401,741	\$261,751	TRANSPORTATION
<u>\$3,588,942</u>	<u>\$3,767,695</u>	<u>\$3,474,447</u>	<u>\$3,643,709</u>	<u>\$3,813,777</u>	<u>\$3,985,272</u>	<u>\$3,107,897</u>	WORKING CASH
\$10,226,638	\$8,784,792	\$7,966,750	\$7,234,107	\$6,828,897	\$6,436,451	\$4,843,651	

# Est. Operating Funds Fund Balances

## Estimated Operating Fund Balances



# FY 18 Budget Summary

- **The Education Fund has been and remains the fund of greatest concern and the one we continually monitor.**
- An estimated deficit of **(\$589,350)** is projected in the Ed Fund for FY 18, but as is usually the case we are hopeful that revenues trend better than our conservative estimates and we don't spend all that is budgeted.
- Being self-insured a large portion of the benefit costs and as such we are unable to predict with any great accuracy what they will be. This will depend on paid claims over the course of the year.
- We wait and watch to see what happens in Springfield going forward and if matters such as GSA, categorical funding, possible TRS cost shift and potential property tax freezes are acted upon.

# FY 18 Proposed Budget Process

- The budget must be on display for at least 30 days prior to the public hearing on September 13th.
- We will continue to analyze the numbers up until the Sept. 13<sup>th</sup> hearing and if and when more accurate numbers become available we will make any necessary adjustments up until that time and share them with you.
- If necessary we have the ability to amend the budget later in the year by repeating this process.