

Dixon Unit School District #170 FY 19 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 1st quarter (September 30th)

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 30th.
 - The District is able to amend the budget by repeating this process and submitting the budget by June 30, 2019.

DPS #170 FY 19 Budget Information

FY 19 Education Revenues

- For the past few years the Education Fund had been the fund of greatest concern even though revenues increased slightly over this past year. Things are trending better with local revenues and slightly better with state funding.
- We have also been closely monitoring the Operations & Maintenance and Transportation Funds of late.
- The Transportation Fund's woes are primarily due to the continually late payments by the State of Illinois.

DPS #170 FY 19 Budget Information

- 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 **(\$242,972)** 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 **(\$792,112)** less revenues than we received locally in FY 12.
- The 2018 Assessment was based on property sales from 2017, 2016 and 2015. The 2014, 2015, 2016 and 2017 assessments had increased slightly each year, but nothing of great significance.

DPS #170 FY 19 Budget Information

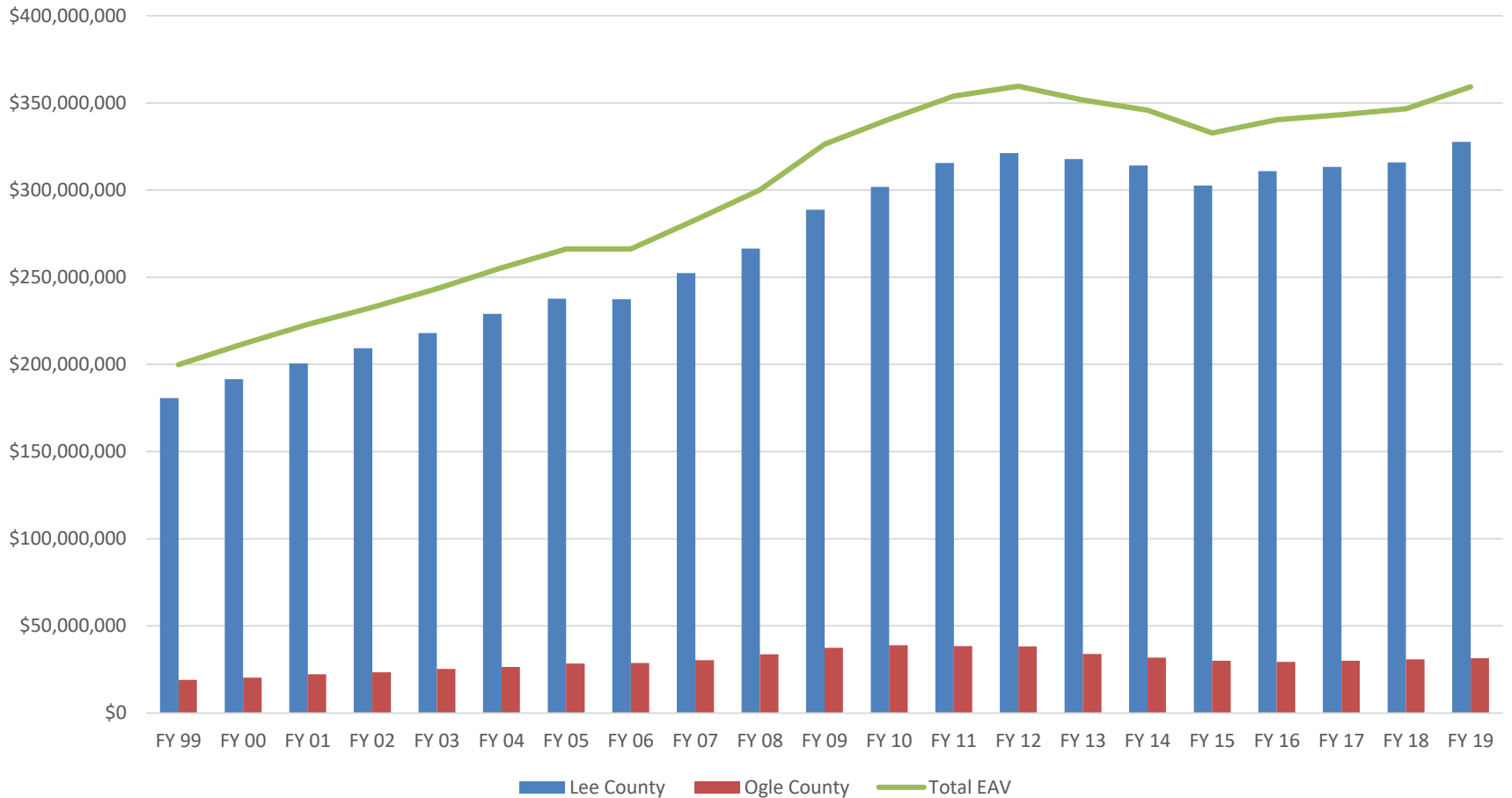
- We had approximately \$2.138M in new construction for 2014 taxes payable in 2015, \$2.260M in 2015 payable in 2016, \$2.468M in 2016 payable in 2017 and \$2.452M in 2017 payable in 2018. New construction within the District boundaries hasn't been substantial for the past few years.
- DPS's EAV increased from \$332,685,496 for FY 15 to \$340,291,867 for FY 16 (2.29% increase), to \$343,175,312 in FY 17 (0.85% increase), to \$346,576,255 for FY 18 (0.99% increase) and \$359,167,282 for FY 19 (3.63% increase).

Equalized Assessed Value

EAV	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%
FY 19	\$327,650,738	\$31,516,799	\$359,167,537	\$12,591,282	3.63%

Equalized Assessed Value

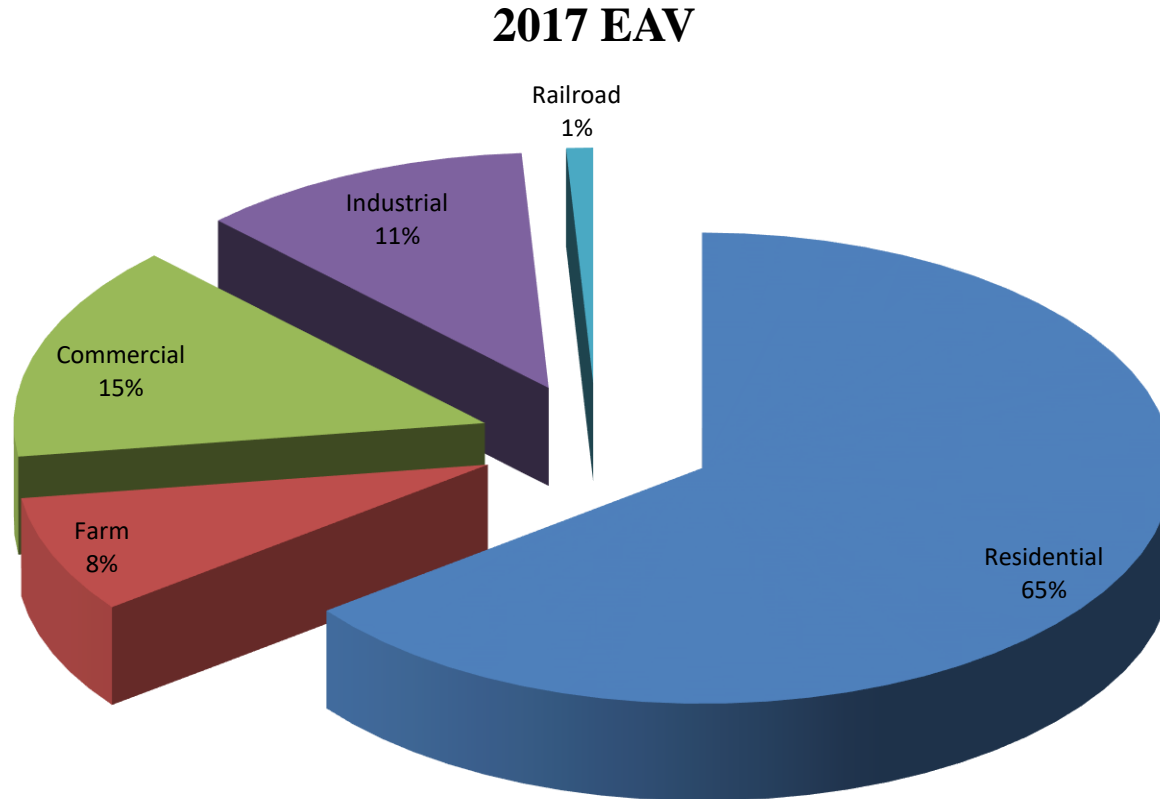
Equalized Assessed Value



Equalized Assessed Value

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>		<u>Property Class</u>
\$234,495,548	\$228,590,243	\$218,062,730	\$220,067,358	\$220,678,688	\$222,142,058	\$229,310,377	64.10%	Residential
96.88%	97.48%	95.39%	100.92%	100.28%	100.66%	103.23%		
\$29,124,578	\$29,766,722	\$26,451,915	\$27,405,898	\$28,251,232	\$29,343,311	\$30,723,439	8.47%	Farm
102.12%	102.20%	88.86%	103.61%	103.08%	103.87%	104.70%		
\$51,114,127	\$49,477,086	\$50,108,142	\$50,643,421	\$50,959,109	\$51,016,607	\$54,323,458	14.72%	Commercial
98.80%	96.80%	101.28%	101.07%	100.62%	100.11%	106.48%		
\$34,716,794	\$35,635,471	\$35,064,502	\$39,048,721	\$39,531,729	\$40,253,991	\$40,912,560	11.61%	Industrial
98.73%	102.65%	98.40%	111.36%	101.24%	101.83%	101.64%		
<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>	<u>\$3,897,703</u>	1.10%	<u>Railroad</u>
106.27%	113.14%	123.56%	104.28%	120.09%	101.75%	102.03%		
\$351,595,655	\$345,895,981	\$332,685,496	\$340,291,867	\$343,175,312	\$346,576,255	\$359,167,537	100.00%	Total
\$ 317,743,880	\$ 314,046,659	\$ 302,600,952	\$ 310,944,817	\$ 313,223,882	\$ 315,818,843	\$327,650,738	91.23%	Lee County
98.92%	98.84%	96.36%	102.76%	100.73%	100.83%	103.75%		
\$33,851,775	\$31,849,322	\$30,084,544	\$29,347,050	\$29,951,430	\$30,757,412	\$31,516,799	8.77%	<u>Ogle County</u>
88.46%	94.08%	94.46%	97.55%	102.06%	102.69%	102.47%		
\$351,595,655	\$345,895,981	\$332,685,496	\$340,291,867	\$343,175,312	\$346,576,255	\$359,167,537	100.00%	Total Counties
(\$7,898,812)	(\$5,699,674)	(\$13,210,485)	\$7,606,371	\$2,883,445	\$3,400,943	\$12,591,282		Increase
97.80%	98.38%	96.18%	102.29%	100.85%	100.99%	103.63%		Percent Change

Equalized Assessed Value



Local Property Taxes

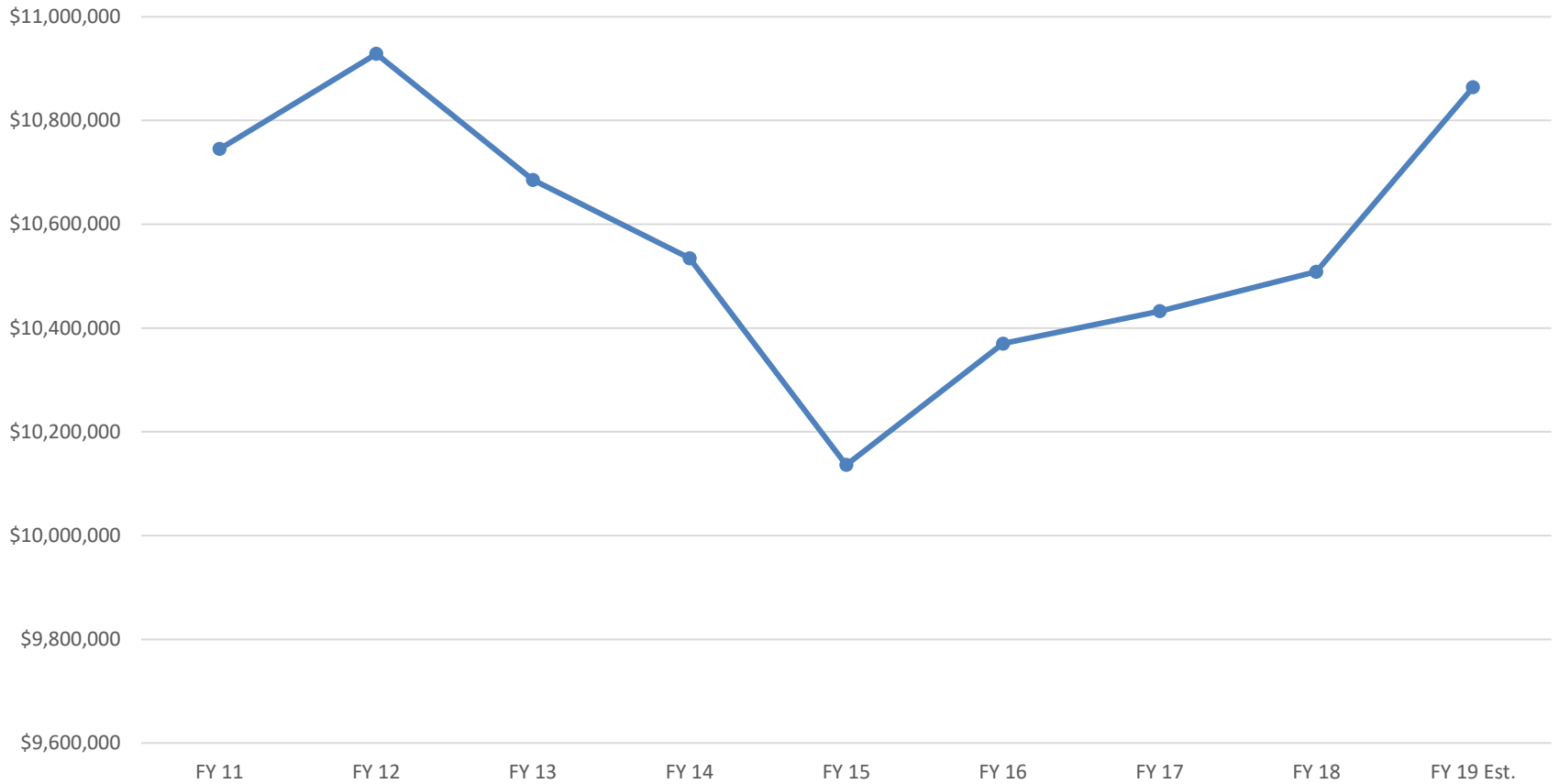
- The extension of the 2017 levy determines the property taxes payable in 2018 for the FY 19 school year.
- Since the local property taxes are a result of the EAV times the tax rate, which the Ed Fund rate is \$2.95 per \$100 of assessed value, this has resulted in a slight increase in local revenues for FY 19.
- Due to the increased EAV the property taxes will yield approximately \$355,000 more in FY 19 than was received in FY 18 in the Education Fund. This is a 3.38% increase as opposed to the 0.73% increase the previous year.

Local Property Taxes

<u>Education Fund Local Property Taxes</u>							
	<u>EAV</u>	<u>Regular</u>	<u>Leasing</u>	<u>Special Ed</u>	<u>Total</u>	<u>Inc/Decr</u>	
FY 11	\$ 353,905,484.00	\$10,421,667	\$179,747	\$143,798	\$10,745,212		
FY 12	\$ 359,494,467.00	\$10,605,087	\$179,647	\$143,724	\$10,928,458	\$183,246	
FY 13	\$ 351,595,655.00	\$10,369,133	\$175,752	\$140,601	\$10,685,486	(\$242,972)	
FY 14	\$ 345,895,981.00	\$10,222,715	\$173,270	\$138,620	\$10,534,605	(\$150,881)	3 Yr Loss
FY 15	\$ 332,685,496.00	\$9,836,251	\$166,724	\$133,371	\$10,136,346	(\$398,259)	(\$792,112)
FY 16	\$ 340,291,867.00	\$10,063,033	\$170,555	\$136,440	\$10,370,028	\$233,682	
FY 17	\$ 343,175,312.00	\$10,123,672	\$171,588	\$137,270	\$10,432,529	\$62,502	
FY 18	\$ 346,576,255.00	\$10,197,536	\$172,845	\$138,274	\$10,508,654	\$76,125	
FY 19 Est.	\$ 359,167,537.00	\$10,542,465	\$178,686	\$142,949	\$10,864,100	\$355,445	

Local Property Taxes

Education Fund Local Property Taxes

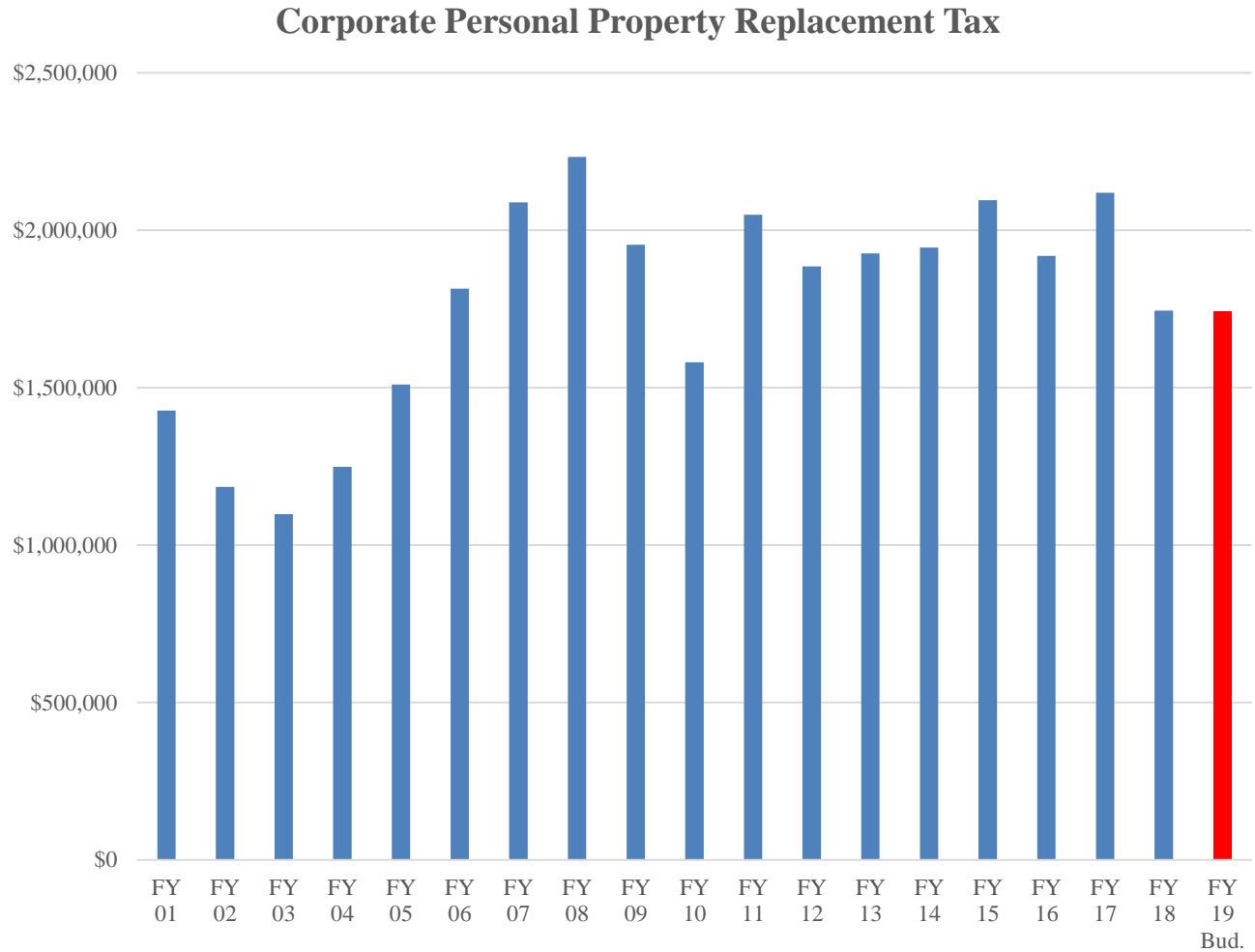


Corporate Personal Property Taxes

- **CPPRT – Corporate Personal Property Replacement Taxes**
State taxes on the net income of corporations, partnerships and trusts and an invested capital tax on utilities which was enacted in 1979 to replace local revenues lost due to the abolition of the corporate personal property tax.
- For the FY 19 Budget we used the FY 18 actual revenues with \$1,643,173 budgeted for the Education Fund.
- We are obligated to pledge a percentage to Fund 50 – IMRF/SS. This year's budgeted amount is \$100,362.
- Our hope is that this is a conservative revenue estimate and will yield more than is budgeted.

Corporate Personal Property Taxes

CPPRT	
FY 01	\$1,427,253
FY 02	\$1,184,541
FY 03	\$1,097,976
FY 04	\$1,247,893
FY 05	\$1,510,024
FY 06	\$1,813,894
FY 07	\$2,088,084
FY 08	\$2,232,940
FY 09	\$1,953,322
FY 10	\$1,580,213
FY 11	\$2,049,249
FY 12	\$1,885,162
FY 13	\$1,926,153
FY 14	\$1,944,525
FY 15	\$2,095,575
FY 16	\$1,918,473
FY 17	\$2,118,922
FY 18	\$1,744,272
FY 19 Bud.	\$1,743,535



General State Aid

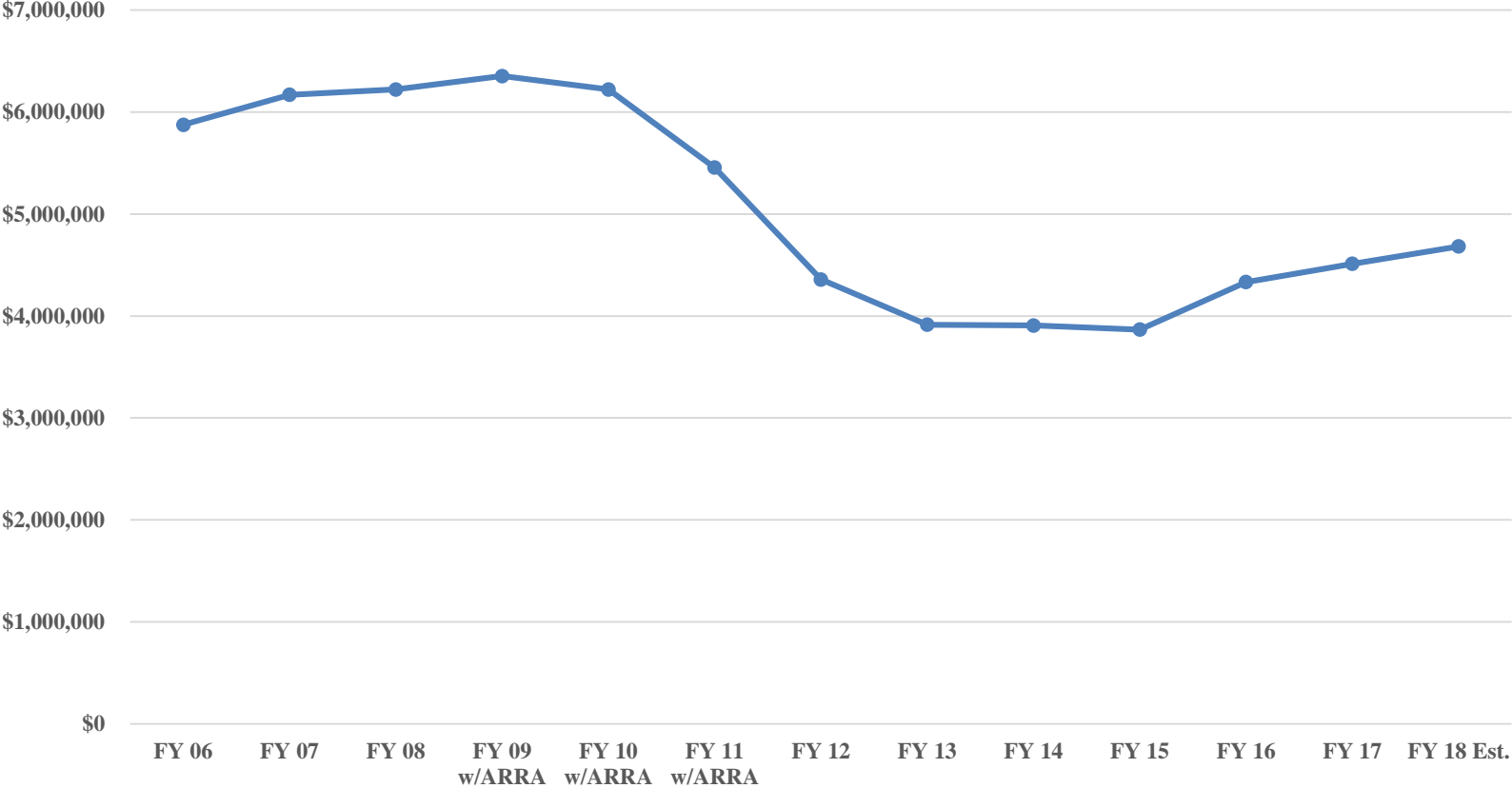
- In FY 17 the General State Aid formula continued to use the \$6,119 Foundation Level although the Legislature had not funded the Illinois State Board of Education the amount necessary to meet that obligation statewide for a number of years.
- Initial projections for the FY 16 school year called for 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.

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		

Dixon's GSA History

GSA History



General State Aid

- In FY 18 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.
- This past spring the legislature passed and the governor signed the FY 19 State of Illinois Budget which authorized more spending for schools, about \$300 million more throughout the state, utilizing the Evidence-Based School Funding model.

General State Aid/Evidence Based Funding

- Since school districts have to have their FY 19 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 19 assumptions were used in the budget being placed on file:
 - Dixon USD will receive an additional \$167,411 in FY 19 over the GSA/Evidence Based Funding amount it received in FY 18. The State of Illinois added an additional \$300M in new K-12 statewide funding for FY 19.
 - Dixon USD will receive approximately \$10,702 more in Title I funding in FY 19 that it received in FY 18.
 - Dixon USD will receive slightly less Title II funding in FY 19 (\$3,673) that it received in FY 18.

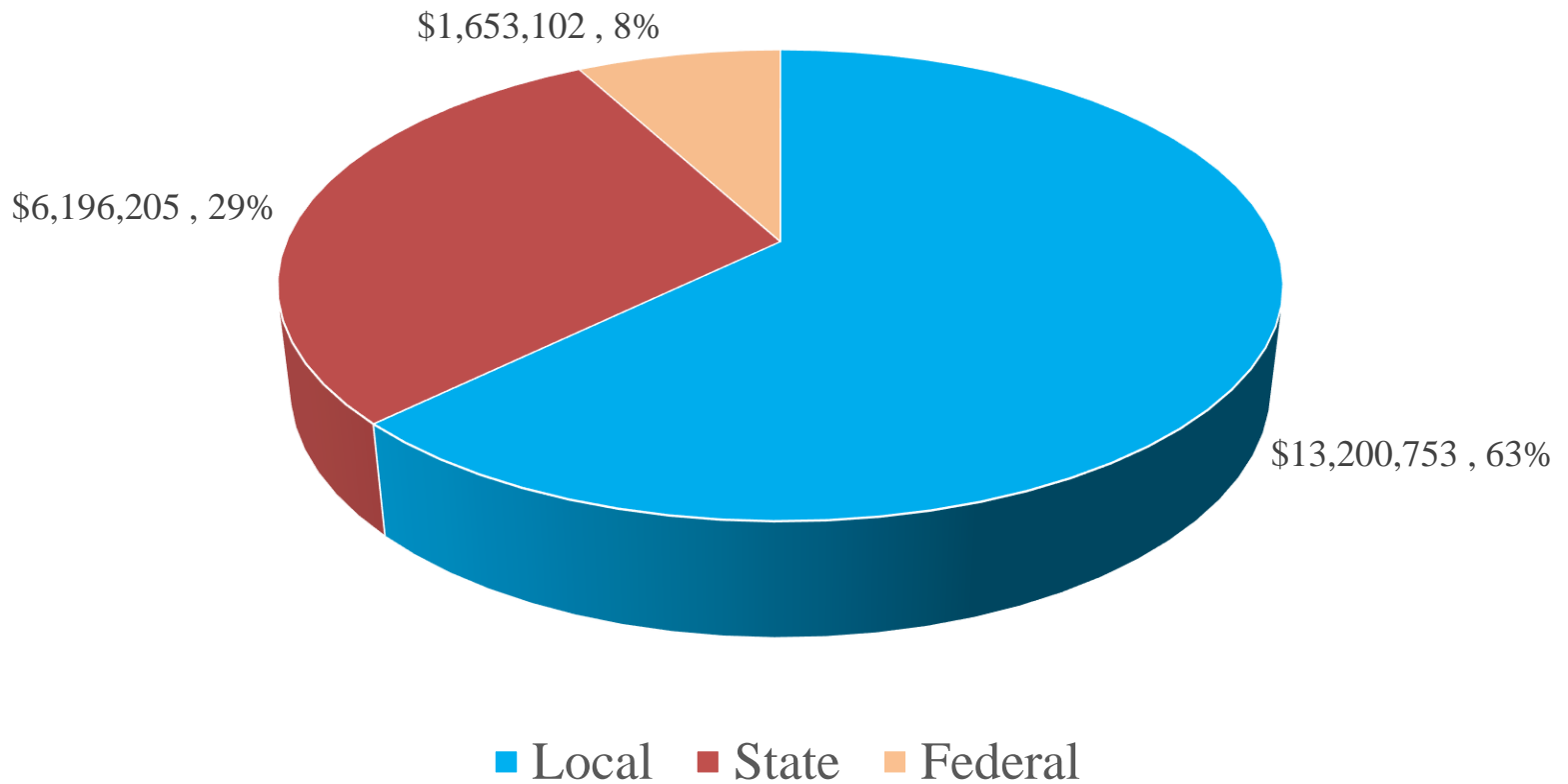
Est. FY 19 GSA now EBF

<u>State Funding</u>								Estimated	
		<u>2017</u>	<u>%</u>	<u>2018</u>	<u>Difference</u>	<u>%</u>	<u>2019</u>	<u>Increase</u>	
GSA/Evidence Based Fund	3001	\$ 4,508,831.16	81.82%	\$ 5,498,574.55	\$ 989,743.39	96.13%	\$ 5,659,501.88	\$ 160,927.33	96.13%
Sp Ed Private Fac Tuition	3100	\$ 211,671.92	3.84%	\$ 221,518.48	\$ 9,846.56	3.87%	\$ 228,001.68	\$ 6,483.20	3.87%
Funding for Child Req Sp Ed	3105	\$ 357,126.28	6.48%	\$ -	\$ (357,126.28)	0.00%	\$ -	\$ -	0.00%
Sp Ed Personnel	3110	\$ 433,200.50	7.86%	\$ -	\$ (433,200.50)	0.00%	\$ -	\$ -	0.00%
		\$ 5,510,829.86	100.00%	\$ 5,720,093.03	\$ 209,263.17	100.00%	\$ 5,889,522.57	\$ 167,410.54	100.00%
								80% Increase	

FY 19 Estimated Ed Fund Revenues

FY 19 Ed Fund Est. Revenues		
<u>Revenues</u>		
Local	\$13,200,753	63.50%
State	\$6,196,205	28.55%
Federal	<u>\$1,653,102</u>	<u>7.95%</u>
	\$21,050,060	100.00%
<u>On Behalf (State)</u>	<u>\$4,493,937</u>	
Total	\$25,543,997	

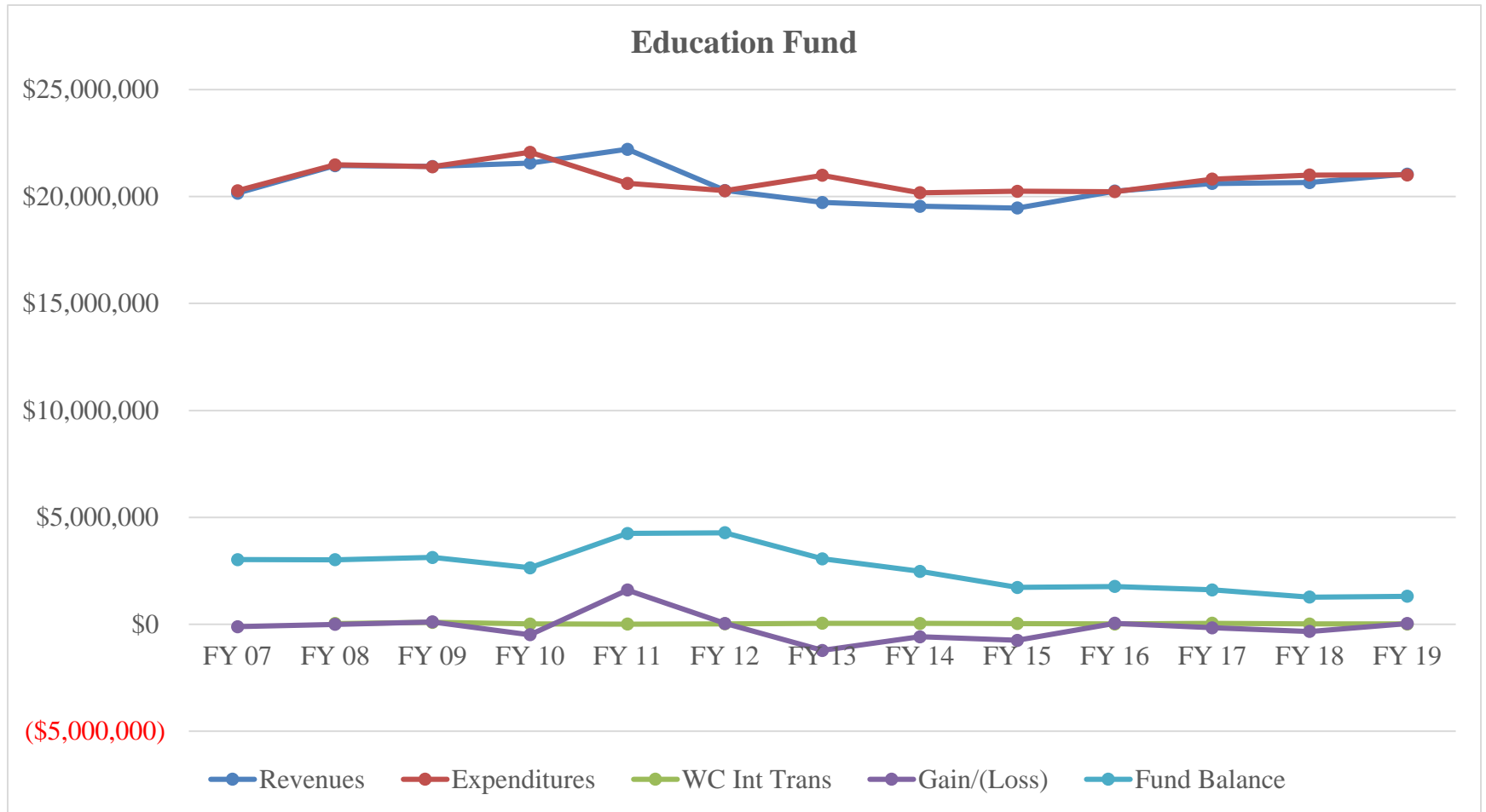
FY 19 Est. Ed Fund Revenues



FY 19 Proposed Education Budget

												Amended	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>	<u>FY 19</u>
Revenues	\$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	\$20,607,986	\$20,656,752	\$21,050,060
Expenditures	\$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	\$20,815,007	\$21,391,989	\$21,015,839
WC Int Trans		\$33,077	\$92,385	\$17,062	\$11,663	\$21,349	\$46,943	\$41,187	\$32,462	\$14,806	\$46,093	\$16,309	\$15,575
Gain/(Loss)	(\$113,898)	(\$2,916)	\$109,428	(\$487,951)	\$1,603,959	\$37,546	(\$1,221,078)	(\$584,191)	(\$750,755)	\$43,924	(\$160,928)	(\$718,928)	\$34,221
Fund Balance	\$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	\$1,609,056	\$890,128	\$924,349
												Amended	Proposed

FY 19 Proposed Education Budget



FY 19 Proposed Education Budget

Impacts on Ed Fund Expenditures:

- Certified staff contractual salary increases are included.
- We have anticipated hiring one additional KG and two additional special education teachers.
- There are 3 certified staff in the retirement queue earning 6% increases retiring in June of 2019, 10 retiring in June of 2020. Those in the FY 21 retirement queue are earning 4% increases for those retiring in June of 2021 per the most recent contract.
- 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 18's Health Costs were higher than FY 17 and we are in the process of settling excess reimbursements and will be exploring specific excess renewal information soon.

FY 19 Proposed Budget – All Funds

		<u>FY 19 Budget</u>		
		8.8.18		
FY 19				
	<u>All Funds</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Net/(Loss)</u>
10	Education	25,543,997	\$25,509,776	\$34,221
20	O&M	1,910,724	\$1,863,736	\$46,988
30	B&I	2,815,421	\$ 2,302,527	\$512,894
40	Transportation	2,006,484	\$ 1,991,329	\$15,155
50	IMRF/SS	689,043	\$ 725,041	(\$35,998)
60	Cap Projects	4,779,172	\$ 5,363,126	(\$583,954)
70	Working Cash	194,186	\$ 15,575	\$178,611
80	Tort	1,181,853	\$ 1,102,879	\$78,974
90	Life Safety	<u>253,686</u>	<u>\$ 11,682,327</u>	<u>(\$11,428,641)</u>
	All Funds	\$39,374,566	\$27,101,634	(\$11,181,750)
	<u>Operating Funds</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Net/(Loss)</u>
10	Education	\$25,543,997	\$25,509,776	\$34,221
20	O&M	\$1,910,724	\$1,863,736	\$46,988
40	Transportation	\$2,006,484	\$ 1,991,329	\$15,155
70	Working Cash	<u>\$194,186</u>	<u>\$ 15,575</u>	<u>\$178,611</u>
		\$29,655,391	\$29,380,416	\$274,975

FY 19 Budget Summary

- The Education Fund, although trending better than prior years, remains a concern and we will continue to monitor.
- We have placed on file a balanced budget for the first time in a number of years. We estimate a slight surplus of \$34,221 in the Ed Fund for FY 19, but as is usually the case we are hopeful that revenues trend better than our conservative estimates and we won'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.

FY 19 Budget Summary

- Out-of-District special education placement are also estimates and could change over the course of the school 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.
- The O&M and Transportation Funds are also closely being watched.

FY 19 Proposed Budget Process

- The budget placed on file on August 8, 2018 must be on display for at least 30 days prior to the public hearing on September 12, 2018.
- If necessary we have the ability to amend the budget later in the year by repeating this process.