

Fieldcrest CUSD 6

FY19 Budget Hearing

Purpose of Budget

- Estimation of expected revenues/expenditures for budget year
- Board's expenditure authorizing document for administration
- Amended budget necessary if actual expenditures are going to exceed Board's budgetary points

Budget Opening Operating Funds

- Education = \$2,029,163 (FY18 \$1,323,125)
- O&M = \$402,717 (FY18 \$316,018)
- Transportation = \$421,412 (FY18 \$325,155)
- Working Cash = \$163,723 (FY18 \$697,251)

- Total starting operating funds = \$3,017,015 (FY18 \$2,661,549)

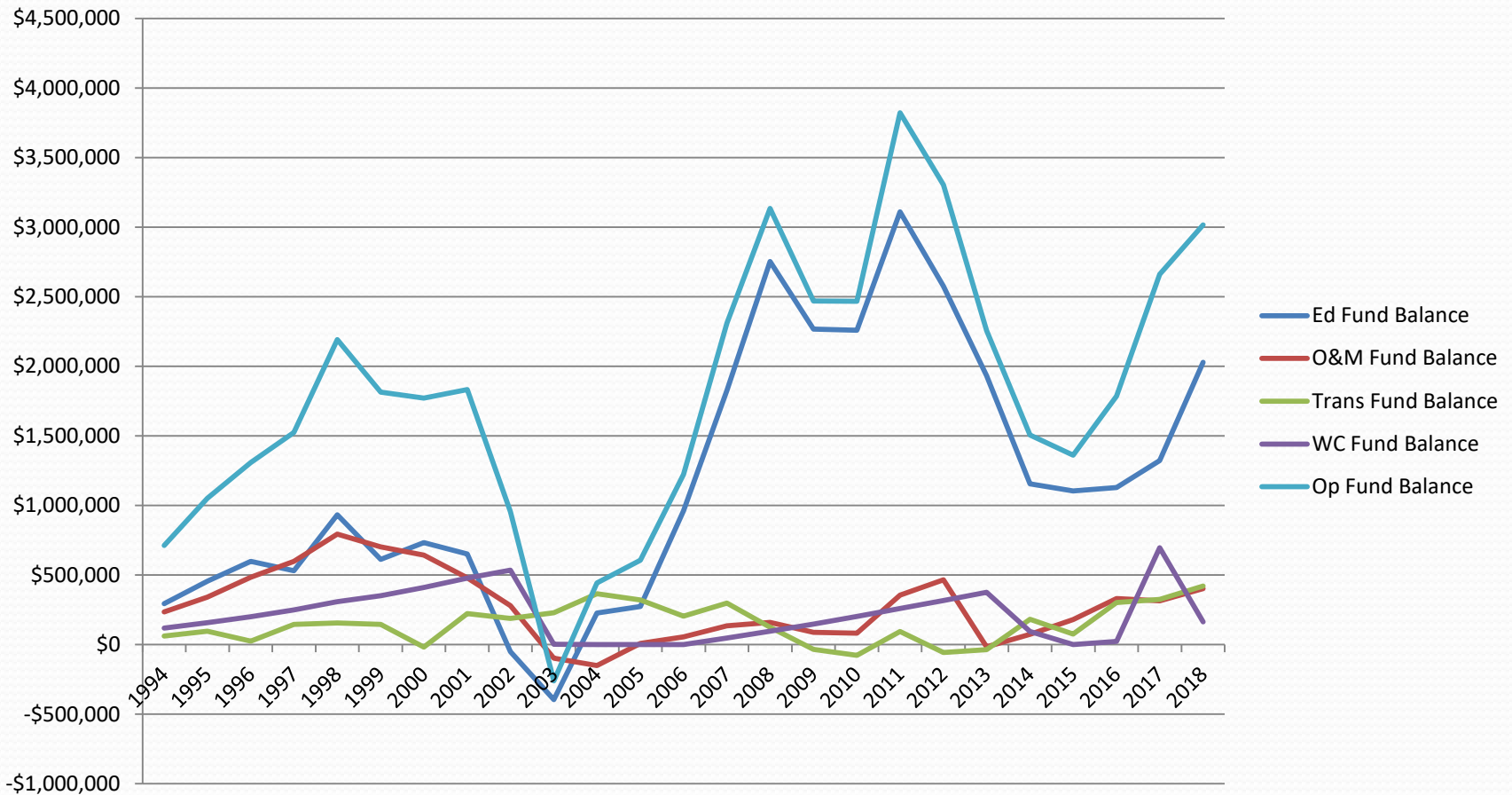
Note: At least \$150,000 in promised funds was not paid from the state during the FY18 budget year

Budget Baseline – Restricted Funds

- Debt Service = \$505,399 (FY18 \$389,817)
- IMRF/SS = \$479,884 (FY18 \$462,255)
- Tort = \$166,488 (FY18 \$154,451)
- FPS = \$2,768,844* (FY18 \$132,517)

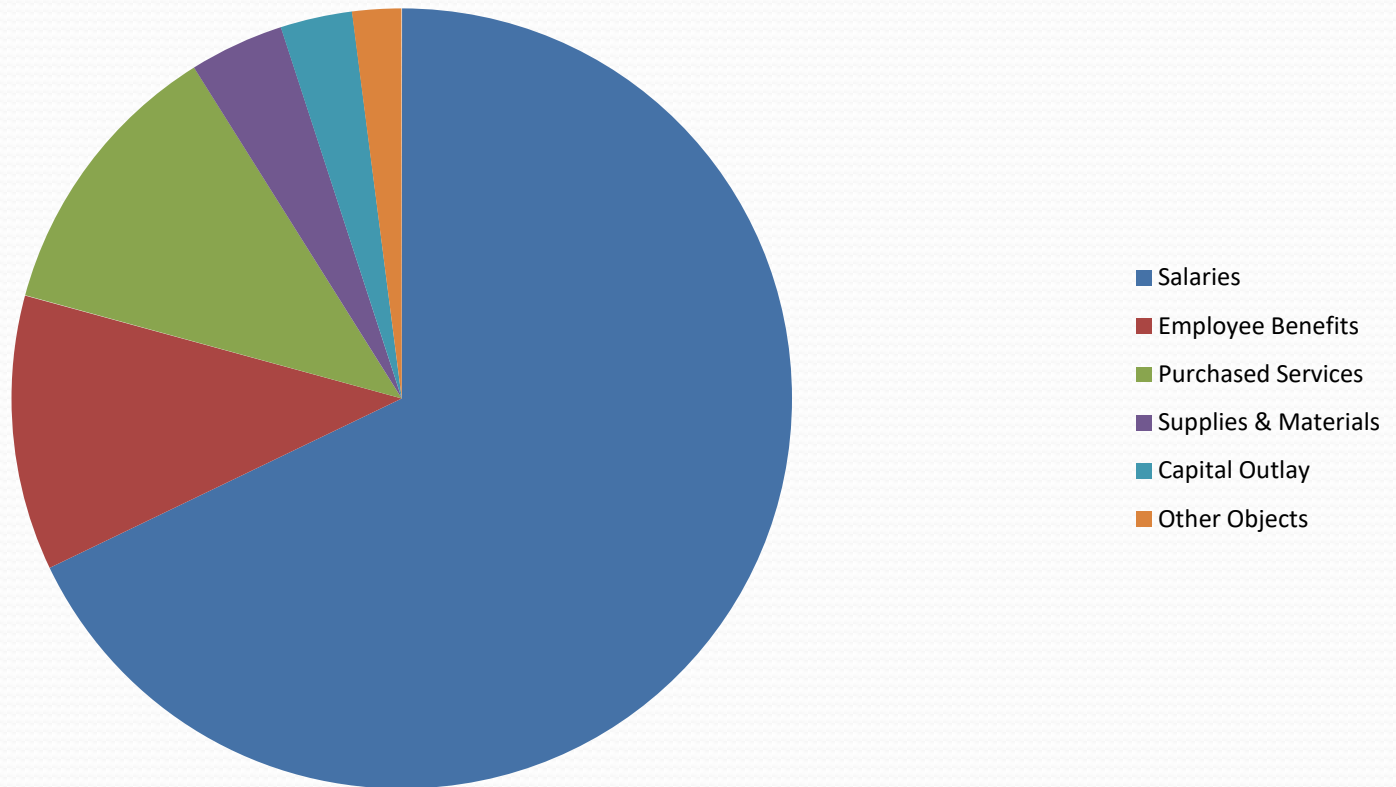
*\$2.74 million bond sale in spring

Operating Funds Historical



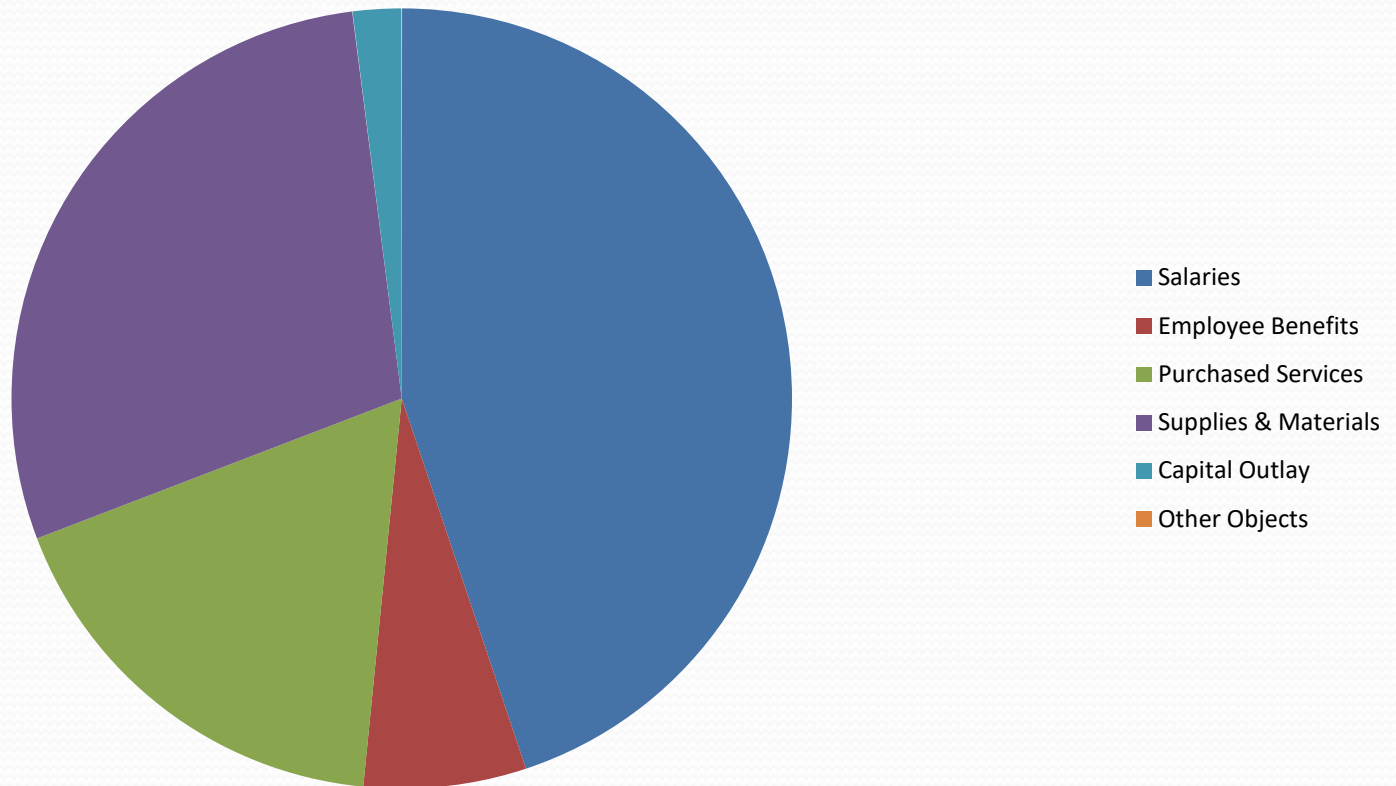
Where do our dollars go?

Fund 10



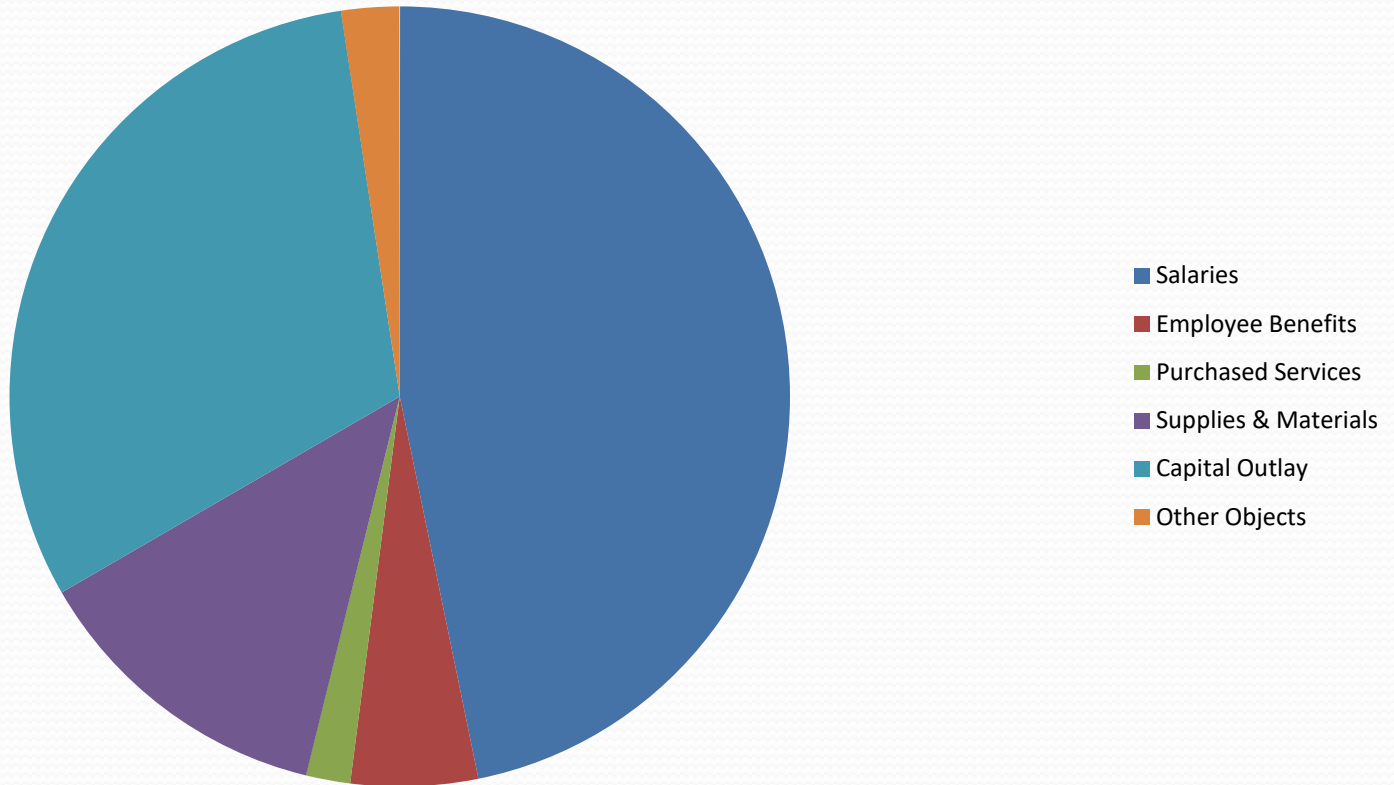
Where do our dollars go?

Fund 20



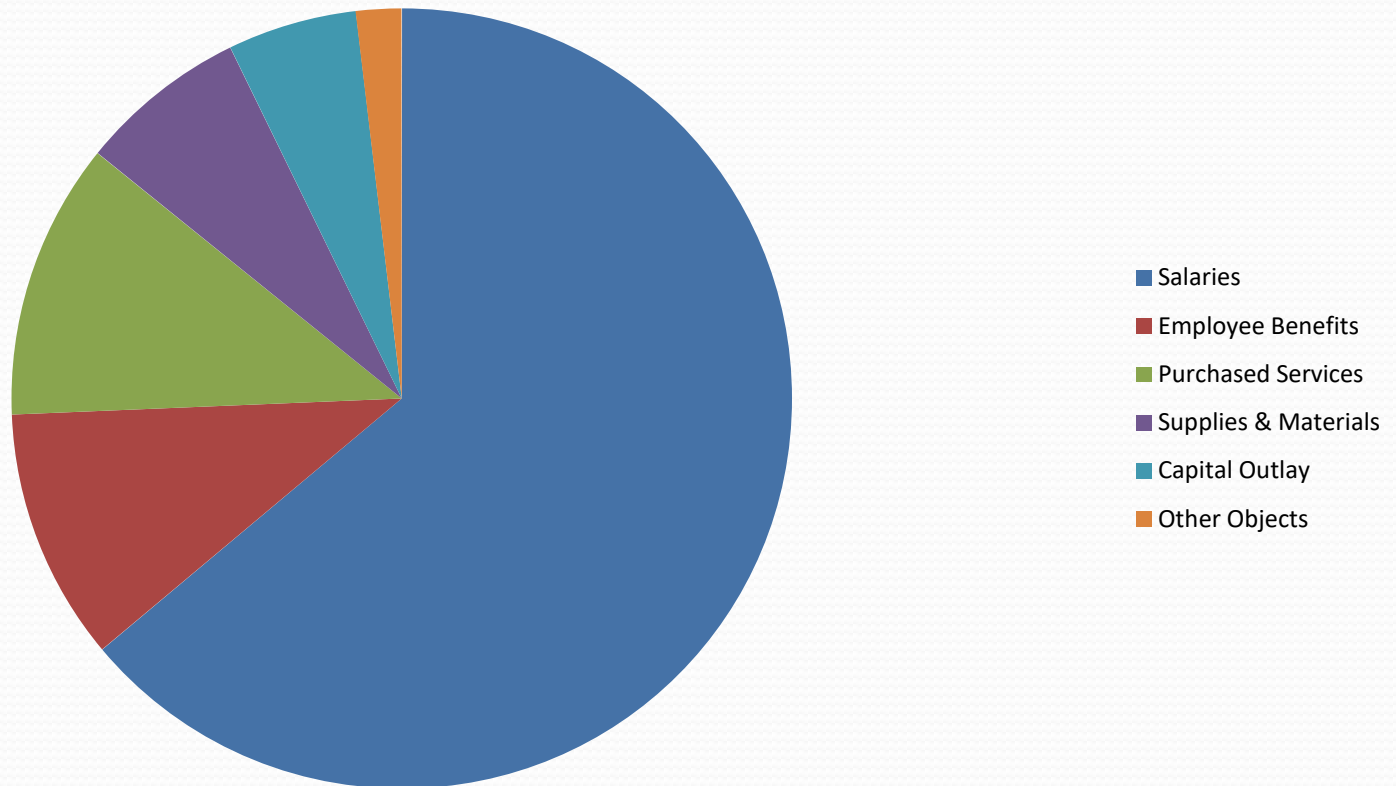
Where do our dollars go?

Fund 40



Where do our dollars go?

Total



What do we control?

- Broadly speaking...
 - Negotiated contract language
 - Salaries (through negotiations), benefits (at some level), and stipends
 - Who is hired and who is let go (to a point)
 - Buildings and facilities (within code)
 - Contractors for jobs, as long as properly licensed and within bidding rules
 - Some policy language, though most is based on laws and rules

What is out of our control?

- Broadly speaking...
 - DC/Springfield – legislation and rules/codes
 - Utility rates
 - Health care costs (largely)
 - IMRF/SS costs
 - Fuel/transportation
 - Special education costs
 - Negotiated/contracted costs
- Can't worry about what we can't control

Budget Highlights – Ed Fund Rev

- Anticipated Ed Fund revenue = ~\$9,840,000 (FY18 \$9,474,575)
 - Evidence Based Funding (EBF) now firmly ensconced as funding formula
 - EBF currently set at hold harmless from FY18
 - May receive more EBF, although unknown at this time
 - Should be able to avoid borrowing this year, we think, except as a short term cash flow solution sometime later in the year

Budget Highlights – Ed Fund Exp

- Anticipated Ed Fund expenditures = \$9,890,000 (FY18 \$9,463,693)
 - Likely will be a little under \$10,000,000 when all is said and done

Ed Fund Notes

- Want to avoid using WC or selling bonds or borrowing if at all possible
- However, expenditures largely set in stone for year, as contract is set and most expenditures are set up front
- ~80% of budget is in Ed Fund

Budget Highlights – O&M Fund

- Revenue = ~\$1,100,000
- Expenditures = ~\$1,400,000 (normal annual expenditures usually are much lower than this)

Budget Highlights – Trans Fund

- Revenue = ~\$1,035,000 (expect more than this when state finally figures out formulas and transportation reimbursement, plus any FY18 holdover)
- Expenditures = ~\$1,125,000 (probably a bit on the high side)

Budget Highlights – Other Funds

- Working Cash – hoping to allow it to lie fallow this year if it is reasonable to back out
- Debt Service – Stable, funding itself – may be able to give break back to taxpayers again this tax year
- IMRF/SS – Stable, funding itself
- Tort – Stable, funding itself
- FPS – Depending on completion of current HLS work and November 6 referendum

Three year projections

- Six retirements end of this year, with two not being replaced
- Continued probable increase in EAV will also likely add to budget – future returns of TIFs to budget
- EBF hold harmless is unknown factor
- New energy farms in district in next five years? Would be a great help
- New construction or serious repairs will affect both revenue streams and expenditures for years to come
- Budget overall will likely be very close to even over the next three years, especially in operating funds

What's next?

- Begin work rebuilding fund balances, but not at expense of education of children
- Wise but not stingy fiscal management
- Hoping not to have to do an amended budget this year, but will have to wait and see on revenue side, largely

Final Budget Thoughts

- State has stabilized on EBF side, but other payments are being truncated to make room – state still \$8 billion in the hole
- The new superintendent should be able to start the strategic planning process upon arrival
- The new superintendent should also be able to start the process of tying goals and budget together, following the initial work of the district leadership team and Board



Questions?