



FY2015 Budget

August 25, 2014

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Chief Financial Officer

Why Adopt a Budget?

*Provide a Financial Plan to Support
the District's Priorities and
Strategic Initiatives Based on the
District's Mission, Vision and
Values for the Peoria Public Schools*

PSD150 – Mission, Vision and Values

Mission - Ensure that each student reaches his or her full academic and personal potential and is a well-balanced citizen.

Vision - We take pride in educating and graduating each student prepared and inspired to contribute to the world.

Values

- Excellence *that knows no fear of new and different ways*
- Respect *that recognizes differences and values people as they are*
- Integrity *that speaks the truth and acts with honor*
- Collaboration *that finds solutions and produces results*
- Communication *that builds understanding and enthusiasm*
- Commitment and Accountability *that foster action and achievement*

Positioning Statement

- Growing a world class district by redefining teaching and learning.

What Purpose Does the Budget Serve? (ISBE)

- Meet requirements imposed by Illinois law and applicable rules;
- Provide estimated spending to the local taxing authority; and
- Satisfy a minimum level of financial information for state, local and federal governments.

FY2015 Budget

Adoption Process and Timeline

- August 11 FY2015 budget planning reviewed with the Board
- August 22 Initial budget posted for 30 day period
Published public notice of availability of budget for public review
- August 25 Budget presented to the Board for review and discussion
- September 22 Budget hearing on proposed budget
Board action on budget
File with ROE and ISBE

FY2015 Programmatic Budget Priorities

- Teaching and student learning will continue to be the highest district budget priority
- Appropriate technology to support teaching and learning
- Assuring teaching and learning spaces are appropriate to enhance learning
- Honoring and adhering to all collective bargaining agreements
- Safe and security school buildings
- Safe and reliable student transportation

FY2015 Fiscal Budget Priorities

- Recognize that the FY2014 budget included a planned deficit to implement high educational priorities
- That narrowing the gap between revenues and expenditures will be a continuing process during this fiscal year and beyond
- That District budget planning needs to be more inclusive and start much earlier than current planning

FY2015 Budget Challenges

- Most local, state and federal revenue sources are stagnant at best while expenditures increase
- Salaries and benefits continue to increase and take an increasing share of the budget
- Staffing counts are level and will continue to be reviewed and prioritized during the fiscal year

Review of FY2014 Amended Budget

		ED	O&M	TRANS	IMRF/ SOC SEC	TOTAL OPERATING FUNDS	Debt Service	CAP Projects	WORK CASH	TORT	LIFE SAFETY	GRAND TOTAL
Revenues	Property Taxes	29,871,763	6,579,683	2,631,873	5,616,166	44,699,486	14,366,789			6,361,610	657,968	66,085,853
	Replacement Taxes	10,650,000	1,700,000		190,000	12,540,000						12,540,000
	State Grants	7,952,770		3,955,000		11,907,770		3,543,570				15,451,340
	General State Aid	44,592,939				44,592,939						44,592,939
	Federal Sources	29,573,647				29,573,647	125,017					29,698,664
	Other	3,820,546	3,483,251	254,500		7,558,297	15,000	10,000	20,000	100,000		7,703,297
	"On Behalf of" Payments	15,000,000				15,000,000						
Total Direct Revenues	141,461,665	11,762,934	6,841,373	5,806,166	165,872,139	14,506,806	3,553,570	20,000	6,461,610	657,968	191,072,094	
Expenditures	Salaries	84,901,602	6,959,436	4,751,214		96,612,252		119,594		2,499,301	285,000	99,516,148
	Benefits	18,682,187	1,565,776	340,793	6,294,275	26,883,031		4,972		1,709,611	88,350	28,685,964
	Purchased Services	18,394,064	3,046,990	998,500		22,439,554		121,075		1,852,649	145,873	24,559,151
	Supplies and Materials	3,762,137	828,676	1,818,503		6,409,316				61,653	2,074	6,473,043
	Capital Outlay	2,330,818	197,774	580,997		3,109,589		14,750,353		169,409	150,254	18,179,605
	Other Objects	1,139,341				1,139,341	15,800,554			103,500		17,043,395
	Non-Capitalized Assets					-						-
	Termination Benefits	45,000	19,000			64,000				2,000		66,000
	Debt Service transfer					-						-
	Total Direct Exp.	129,255,149	12,617,652	8,490,007	6,294,275	156,657,083	15,800,554	14,995,994	-	6,398,123	671,551	194,523,306
"On Behalf of" Payments	15,000,000				15,000,000						15,000,000	
Total Expenditures	144,255,149	12,617,652	8,490,007	6,294,275	171,657,083	15,800,554	14,995,994	-	6,398,123	671,551	209,523,306	
Revenues over (under) Expenditures	(2,793,484)	(854,718)	(1,648,634)	(488,109)	(5,784,944)	(1,293,748)	(11,442,424)	20,000	63,487	(13,583)	(18,451,212)	
Fund Balance	Beg of Yr July 1, 2013	8,940,772	(31,600)	5,479,972	2,029,516	16,418,660	12,620,561	17,936,704	37,754,101	(1,870,628)	(141,235)	82,718,163
	End of Yr (projected)	6,147,288	(886,318)	3,831,338	1,541,407	10,633,716	11,326,813	6,494,280	37,774,101	(1,807,141)	(154,818)	64,266,951

Key Operating Revenue Assumptions

Local Property Taxes

	2009	2010	2011	2012	2013
<u>Rate Setting EAV</u>	1,397,732,430	1,401,352,412	1,372,303,567	1,341,948,327	1,303,472,658
Percent Change	-	0.3%	-2.1%	-2.2%	-2.9%
<u>Tax Rates</u>					
Operating Funds	3.28065	3.27249	3.28079	3.30104	3.31347
Other Limited Levies	0.09000	0.14000	0.14000	0.14000	0.14000
Unlimited Levies	1.51041	1.51822	1.51075	1.54214	1.61111
Total	4.88106	4.93071	4.93154	4.98318	5.06458
<u>Tax Extension</u>					
Operating Funds	45,854,709	45,859,118	45,022,398	44,298,251	43,190,175
Other Limited Levies	1,257,959	1,961,893	1,921,225	1,878,728	1,824,862
Unlimited Levies	21,111,490	21,275,613	20,732,076	20,694,722	21,000,378
Total	68,224,159	69,096,624	67,675,699	66,871,701	66,015,416
<u>Percent Change in Tax Extensions</u>					
Operating Funds	-	0.01%	-1.82%	-1.61%	-2.50%
Other Limited Levies	-	55.96%	-2.07%	-2.21%	-2.87%
Unlimited Levies	-	0.78%	-2.55%	-0.18%	1.48%
Total	-	1.28%	-2.06%	-1.19%	-1.28%

Operating Funds are Ed., O and M, Transportation, and IMRF/SS.
 Other Limited Levies are Working Cash, Fire Safety, Special Ed and Lease
 Unlimited Levies are Bond and Interest, PBC Lease, and Tort Immunity

Local Property Taxes (30% of Operating Revenue)

- Per Supervisor of Assessments – level EAVs for PSD in 2014
- Continue maximum tax rates
- Level local property tax revenues

Key Operating Revenue Assumptions

- **General State Aid (30% of Operating Revenue)**
 - Budget based on funding assumptions provided by the ISBE
 - Assumes GSA appropriation will not be reduced (and temporary income tax extended)
 - Level GSA revenue

Key Operating Revenue Assumptions

- **Federal Sources (20% of total operating revenue)**
 - Elimination of SIG funding (\$2.3 million)
 - All other federal revenue sources level
- **Restricted State Grants (8% of total operating revenue)**
 - Based on state appropriations – level with prior year
- **Corporate Personal Property Replacement Taxes (8% of total operating revenue)**
 - Notified of by Department of Revenue – CPPRT revenues level with FY2014 budget

Key Operating Expenditures Assumptions

- **Salaries (62% of operating expenditures) and Benefits (17%), totaling 79% of total expenditures**
 - Salaries and benefits for all current employees
 - Includes salary increases for negotiated and non-negotiated employees
 - Health insurance is level with FY2014, will receive updated information in September in time for adopted budget

KEY OPERATING EXPENDITURE ASSUMPTIONS

- **Purchased Services -utilities, supplies, insurance, legal expenses (14% of total operating expenditures)**
 - Utility costs per unit expected to increase by 2.5% for electricity and 5.5% (natural gas) while consumption of natural gas is projected to decrease
 - Increasing insurance costs (3.1%) and planned decrease in legal costs
 - District wide copier replacement beginning in FY2015
 - Budgeting level costs for other Purchased Services
- **Allocations for discretionary strategic initiatives**

CHANGES IN BUDGETED OPERATING REVENUES AND EXPENDITURES FY2014 TO FY2015

<u>REVENUE</u>	FY2014 TOTAL OPERATING FUNDS	FY2015 TOTAL OPERATING FUNDS	CHANGE	PERCENT CHANGE
Property Taxes	44,699,486	44,669,289	(30,197)	-0.1%
Replacement Taxes	12,540,000	12,508,512	(31,488)	-0.3%
State Grants	11,907,770	11,977,103	69,333	0.6%
General State Aid	44,592,939	44,710,529	117,590	0.3%
Federal Sources	29,573,647	24,372,141	(5,201,506)	-17.6%
Other	7,558,297	6,260,600	(1,297,697)	-17.2%
"On Behalf of" Payments	15,000,000	19,000,000	4,000,000	26.7%
Total Direct Revenues	165,872,139	163,498,174	(2,373,965)	-1.4%
 <u>EXPENDITURES</u>				
Salaries	96,612,252	95,971,533	(640,719)	-0.7%
Benefits	26,883,031	28,485,135	1,602,104	6.0%
Purchased Services	22,439,554	21,422,406	(1,017,148)	-4.5%
Supplies and Materials	6,409,316	6,800,715	391,399	6.1%
Capital Outlay	3,109,589	2,746,065	(363,524)	-11.7%
Other Objects	1,139,341	1,273,005	133,664	11.7%
Non-Capitalized Assets	-	20,000	20,000	-
Termination Benefits	64,000	30,000	(34,000)	-53.1%
"On Behalf of" Payments	15,000,000	19,000,000	4,000,000	26.7%
Total Expenditures	171,657,083	175,748,859	4,091,776	2.4%
 Revenues Over (Under) Expenditures	 (5,784,944)	 (12,250,685)	 (6,465,741)	
 Beginning of Year July 1, 2014	 16,418,660	 10,633,716	 (5,784,944)	 -35.2%
End of Year (projected)	10,633,716	(1,616,969)	(12,250,685)	-115.2%

PEORIA SCHOOL DISTRICT 150

FY 2015 BUDGET SUMMARY

		ED	O&M	TRANS	IMRF/ SOC SEC	TOTAL OPERATING FUNDS	Debt Service	CAP Projects	WORK CASH	TORT	LIFE SAFETY	GRAND TOTAL
Revenues	Property Taxes	29,865,948	6,578,403	2,631,361	5,593,577	44,669,289	14,689,916			6,336,024	657,840	66,353,069
	Replacement Taxes	10,618,512	1,700,000		190,000	12,508,512						12,508,512
	State Grants	7,977,103		4,000,000		11,977,103						11,977,103
	General State Aid	44,710,529				44,710,529						44,710,529
	Federal Sources	24,372,141				24,372,141						24,372,141
	Other	2,119,080	3,837,920	302,700	900	6,260,600	140,104	7,000	10,000	100,000		6,517,704
	"On Behalf of" Payments	19,000,000				19,000,000						19,000,000
	Total Revenues	138,663,313	12,116,323	6,934,061	5,784,477	163,498,174	14,830,020	7,000	10,000	6,436,024	657,840	185,439,058
Expenditures	Salaries	83,984,815	7,198,553	4,788,165		95,971,533		129,000		2,922,224		99,022,757
	Benefits	20,210,404	1,915,265	399,147	5,960,319	28,485,135				2,010,447		30,495,582
	Purchased Services	17,135,590	3,090,816	1,196,000		21,422,406		37,500		2,235,200	125,000	23,820,106
	Supplies and Materials	4,192,415	763,800	1,844,500		6,800,715				62,000		6,862,715
	Capital Outlay	2,511,756	177,309	57,000		2,746,065		4,225,109		100,000	532,000	7,603,174
	Other Objects	1,273,005				1,273,005	16,104,602			101,500		17,479,107
	Non-Capitalized Assets		20,000			20,000						20,000
	Termination Benefits	30,000				30,000						30,000
"On Behalf of" Payments	19,000,000				19,000,000						19,000,000	
Total Expenditures	148,337,985	13,165,743	8,284,812	5,960,319	175,748,859	16,104,602	4,391,609	-	7,431,371	657,000	204,333,441	
Revenues over (under) Expenditures		(9,674,672)	(1,049,420)	(1,350,751)	(175,842)	(12,250,685)	(1,274,582)	(4,384,609)	10,000	(995,347)	840	(18,894,383)
Fund Balance	Beg of Yr July 1, 2014	6,147,288	(886,318)	3,831,338	1,541,407	10,633,716	11,326,813	6,494,280	37,774,101	(1,807,141)	(154,818)	64,266,951
	End of Yr (projected)	(3,527,384)	(1,935,738)	2,480,587	1,365,565	(1,616,969)	10,052,231	2,109,671	37,784,101	(2,802,488)	(153,978)	45,372,568



FY2015 Budget and Management Initiatives

FY2015 Budget/Management Initiatives

Strengthening Budget Processes

- Implement the District Budget Planning Committee and Subcommittees
 - Representatives of various administrative/functional areas
 - Committee charge – provide counsel in overall budget development; identify programmatic and budget priorities; reduce or eliminate lower priority initiatives, identify, explore and recommend efficiency and cost saving opportunities
 - Subcommittees charges – same concept as Budget Planning Committee but focused on a particular functional area (e.g., transportation, technology)

FY2015 Budget/Management Initiatives

Strengthening Budget Processes

- Improve Budgetary Controls
 - Develop a stronger position control process
 - Improve budget development, implementation, monitoring and compliance processes
 - Encourage and support the identification of cost cutting initiatives (e.g., let departments retain a portion of budget savings)
 - Improve analytical/budget information for decision making
- Strengthen the Purchasing Process and Controls
 - Increase centralized purchases
 - Improve and be more aggressive in competitive bidding
 - Establish and communicate approval hierarchies



FY2016 Budget Planning

FY2016 Budget Planning

- Will commence FY2016 Budget Planning (for the fiscal year beginning July 1, 2015) during October 2014
- Budget Committee will begin by reviewing priorities in terms of the District's Strategic Plan goals and action steps
 - Identify programs and initiatives for stronger support
 - Identify new programs and initiatives to support
 - Identify programs and initiatives for reductions or elimination
 - Establish guidelines for planning for staffing levels
 - Assure that appropriate budget development, monitoring and compliance procedures are in place
 - Development of a long-term funding plan for facilities improvements
- Subcommittees will work in parallel with the Budget Committee on the same tasks

FY2016 Advocacy Initiatives

- State Level
 - SB16 revised General State Aid formula
 - Funding of mandated categoricals (e.g., transportation)
 - Statewide capital improvement program
- Local/District Level
 - County wide school facilities sales tax
 - Grant funding