

Lemont-Bromberek CSD 113A

FY 2010 Budget Presentation



Board of Education

September 30, 2009

Mr. Bob Beckwith, Business Manager

Dr. Tim Ricker, Superintendent

District Goals:

- Goal 1 Maintain Student –Centered Philosophy
- Goal 2: Have Adequate Resources
- Goal 3: Build Constituent Support
- Goal 4: Treat Employees As Assets
- Goal 5: Offer Programs to Meet Needs of All Students

Report Card Financials:

• Revenue By Source:	District	State
◦ Local Property Taxes	78.5	57.6
◦ Other Local Funding	8.2	7.3
◦ General State Aid	4.0	18.1
◦ Other State Funding	8.3	9.7
◦ Federal Funding	1.0	7.3
• 07 Operating Expenditure Per Pupil	\$8,466	\$9,907

Unaudited Beginning Balances Accumulated Totals 6/30/09

FY 10

• Ed	(\$5,053,309)
• O & M	486,449
• Debt	3,278,547
• Trans	629,610
• SS & IMRF	(308,506)
• Cap. Proj.	(\$1,261,885)
• Working Cash	5,492,942
• Tort & Fire	0

FY 09 Budget/Actual	Revenue	Expenses	Net
Education Fund - Budget	\$17,489,820.00	\$18,654,076.00	\$ (1,164,256.00)
Education Fund - Actual	\$17,668,815.00	\$18,511,613.00	\$ (842,798.00)
O & M Fund - Budget	\$ 1,824,681.00	\$ 2,324,970.00	\$ (500,289.00)
O & M Fund - Actual	\$ 1,483,661.00	\$ 2,378,030.00	\$ (894,369.00)
B & I - Budget	\$ 3,266,618.00	\$ 3,208,618.00	\$ 18,000.00
B & I - Actual	\$ 3,456,541.00	\$ 3,150,120.00	\$ 306,421.00
Transportation - Budget	\$ 954,214.00	\$ 1,342,537.00	\$ (388,323.00)
Transportation - Actual	\$ 846,473.00	\$ 1,436,356.00	\$ (589,883.00)
IMRF - Budget	\$ 385,232.00	\$ 602,335.00	\$ (217,103.00)
IMRF - Actual	\$ 435,973.00	\$ 624,742.00	\$ (188,769.00)
Construction - Budget	\$ 30,000.00		\$ 30,000.00
Construction - Actual		\$ 191,423.00	\$ (191,423.00)
Working Cash - Budget	\$ 60,000.00		\$ 60,000.00
Working Case - Actual			
Total Budgeted Variance			\$ (2,161,971.00)

All Funds FY 10 Tentative v Final

ALL FUNDS	Revenue	Expenses	Net
FY10 – FINAL BUDGET TOTAL	\$24,779,502.00	\$26,777,402.00	\$ (1,997,900.00)
FY10 – TENTATIVE BUDGET TOTAL	\$24,029,260.00	\$26,520,117.00	\$ (2,490,857.00)
FY10 VARIANCE	\$ 750,242.00	\$ 257,285.00	\$ 492,957.00

All Funds FY 09 and FY 10

ALL FUNDS	Revenue	Expenses	Net
FY09 – BUDGET TOTAL	\$23,970,565.00	\$26,132,536.00	\$ (2,161,971.00)
FY09 – ACTUAL TOTAL	\$23,891,463.00	\$26,292,284.00	\$ (2,400,821.00)
FY09 VARIANCE	\$ (79,102.00)	\$ 159,748.00	\$ 238,850.00

ALL FUNDS	Revenue	Expenses	Net
FY10 – FINAL BUDGET TOTAL	\$24,779,502.00	\$26,777,402.00	\$ (1,997,900.00)
FY10 – TENTATIVE BUDGET TOTAL	\$24,029,260.00	\$26,520,117.00	\$ (2,490,857.00)
FY10 VARIANCE	\$ 750,242.00	\$ 257,285.00	\$ 492,957.00

Budget Assumptions: Revenue

- Projected Revenue 2010:
 - Revenue projected to be flat for FY 2010;
 - Tax collection projected at 98% per 3 yr. avg.;
 - State and Federal revenue may be elusive until ISBE budget and ARRA money are more definitive;
 - Interest Income will be minimal;
 - No new sources of revenue;
 - Cash flow issues will still be present (Feb, 2010);
 - May need to use Tax Anticipation Notes or a Line of Credit with a Bank for Cash Flow and
 - Partial Abatement of the Working Cash Fund Resolution to Board (\$5,000,000).

All Funds FY 09 and FY 10

ALL FUNDS	Revenue	Expenses	Net
FY09 – BUDGET TOTAL	\$23,970,565.00	\$26,132,536.00	\$ (2,161,971.00)
FY09 – ACTUAL TOTAL	\$23,891,463.00	\$26,292,284.00	\$ (2,400,821.00)
FY09 VARIANCE	\$ (79,102.00)	\$ 159,748.00	\$ 238,850.00

ALL FUNDS	Revenue	Expenses	Net
FY10 – FINAL BUDGET TOTAL	\$24,779,502.00	\$26,777,402.00	\$ (1,997,900.00)
FY10 – TENTATIVE BUDGET TOTAL	\$24,029,260.00	\$26,520,117.00	\$ (2,490,857.00)
FY10 VARIANCE	\$ 750,242.00	\$ 257,285.00	\$ 492,957.00

Budget Assumptions

- Expenditures (2010):
 - Analyze all areas of the budget for efficiencies
 - Operations and Maintenance-
 - Transportation-3 year Study and Implementation
 - Insurance Savings in Changing Provider
 - Health
 - Dental
 - Life

Budget Assumptions

- Expenditures (2010) continued:
 - Education Fund
 - All employee labor agreements with salary/benefit increases included
 - Hiring hold-only essential to operations
 - Performance contracting for utilities and maintenance-Chevron Free Feasibility Study
 - Custodian Team Cleaning Method
 - Line item analysis for cost reductions.
 - Continued work with the Finance Committee

Prioritized Criteria for Expenditures

1. Meet Federal and State laws, mandates and/or school code;
2. Academic Achievement and Accountability systems
3. Board of Education Goals & District Dialogue Recommendations
4. Technology Plan: Enhancement for Academics and Productivity for Students & Staff
5. Maintenance & Facilities: Necessary maintenance and repair
6. Other prioritized items

Parameters for Expenditure Reductions:

In determining which programs, services or courses are decreased, modified or eliminated the following parameters will be used:

- Least disruptive to the core program for students;
- Will not compromise the safety and security of the students, parents and community;
- Allocation of resources driven by achievement data and needs;
- Best practices should be sought from a range of sources;
- Reduce employees through attrition whenever possible;
- Optimize reductions in reoccurring expenses; and
- Use the previous year's budget as a basis for yearly reductions.

Expenditure Reductions FY 10:

Insurance Analysis and Estimated Savings	\$300,000
Administrative Reorganization	37,000
Reorganize Transportation Dept.	40,000
Capital Projects	40,374
Summer School	51,867
Community Engagement	32,487
Administrative Travel	9,000
Meeting Refreshments	1,887
Supply Budgets	46,435
Professional Development	3,150
Legal Services	5,395
Paper	3,100
Overtime-limited to emergency	5,000
Substitute Non Cert. & Cert.	15,000
Board of Education Services	4,000
Technology & Improvement of Inst.	19,292
Addition Contracted Days	1,805
Staff Over Load Payments	16,000
Total Reduction:	\$631,797

Operating Funds Only

OPERATING FUNDS ONLY	Revenue	Expenses	Net
FY09 – BUDGET TOTAL	\$20,713,947.00	\$22,923,918.00	\$ (2,209,971.00)
FY09 – ACTUAL TOTAL	\$20,434,922.00	\$22,950,741.00	\$ (2,515,819.00)
FY09 VARIANCE	\$ (279,025.00)	\$ 26,823.00	\$ 305,848.00
FY10 FINAL BUDGET	\$21,247,355.00	\$23,247,255.00	\$ (1,999,900.00)

Revenue over Expenditures FY10- All Funds

• Revenue	\$24,777,502
• Expenditure	\$ 26,777,402
• Total	(\$1,999,900)

Results in a Deficit Reduction of \$500,000.00
Additionally offsets salary increases and expenses.

Deficit Reduction Plan

- **Definition:** The four operating funds, result is total direct revenues being less than total direct expenditures by an amount greater than one-third ($1/3$) of the ending balance.
- Three Year Plan Leading to A Balanced Budget
- Includes Options for the Board in Expenditures and Revenue
- Narrative and Background Included in Budget submitted to ISBE

Deficit Reduction Plan Options

3 YR- Option I

- FY 10 Yr 1 \$ 500,000
- FY 11 Yr 2 \$1,500,000
- FY 12 Yr 3 \$ 500,000
- Total Reduction \$ 2,500,000

- Balanced Budget: FY 2013

Strategies will use Both Revenue Enhancement and
Expenditure Reduction

Continued Collaborative Work with Staff and the
Community on Priorities

Deficit Reduction Plan Options

3 YR- Option II

- FY 10 Yr 1 \$ 500,000
- FY 11 Yr 2 \$ 1,000,000
- FY 12 Yr 3 \$ 1,000,000
- Total Reduction \$ 2,500,000

- Balanced Budget: FY 2013

Strategies will use Both Revenue Enhancement and Expenditure Reduction

Continued Collaborative Work with Staff and the Community on Priorities

Deficit Reduction Plan Options

3 YR- Option III

- FY 10 Yr 1 \$ 500,000
- FY 11 Yr 2 \$ 500,000
- FY 12 Yr 3 \$ 1,500,000
- Total Reduction \$ 2,500,000

- Balanced Budget: FY 2013

Strategies will use Both Revenue Enhancement and
Expenditure Reduction

Continued Collaborative Work with Staff and the
Community on Priorities

Revenue Enhancements Implemented in FY 10 for FY 11

- Short Term:
 - Increase Student Textbook/Tech Fees
 - Increase Building Usage Fees
 - Implement Student Activity Fees
 - Negotiate Exclusive Pop Contracts
 - Negotiate Student Picture Contract
 - Pursue Private Grant Monies

Revenue Enhancement Options:

- Long Term:
 - Maximize Federal Grant Monies
 - Maximize State Aid
 - Maximize State Categoricals
 - Pursue TIF & Land Cash Monies
 - Maximize Interest Income
 - Consider Going to the Public for an Operating Rate increase for the Education Fund - Referendum

Deficit Reduction Plan Revenue Enhancement Option IV

- Operating Fund Referendum in 2010 or 2011
- Example: 5.5 Million New Revenue
Old Rate \$1.94 New \$2.38
1 Cent = \$114,558
- Transfer the Balance of Working Cash Funds to Education Fund

Deficit Reduction Plan Revenue Enhancement Option V

- Referendum for Operating Fund of \$3 Million or less
Old Rate \$1.94 New \$2.20
- AND Working Cash Bonds for \$2 million or more

Deficit Reduction Plan Revenue Enhancement Option VI

- Referendum of \$2.5 Million or less
Old Rate \$1.94 New \$2.16
- AND Working Cash Bonds of 1.5 Million or less
- AND General Obligation Bonds for Energy Savings or Fire, Life Safety- based on needs identified

Financial Planning FY 10-11

- **September-** Approve Budget & Reduction Plan
- **October**
 - Bond and Interest Transfer Analysis
 - Finalize Banking Services
 - FY 09 Audit Completed
 - First Quarter Budget Analysis
 - Work with Finance Committee
- **November**
 - Begin work on FY 11 Budget Reduction
 - Continue Performance Contracting Feasibility Study
- **December**
 - 2nd Quarter Budget Analysis with Any Budget Amendments
 - Set Tax Levy with Truth in Taxation Hearing

Financial Planning FY 10-11

- **January**
 - Prediction of End of Year Balances
 - Initial Administrative Staffing Plan
 - Finance Committee Meeting
- **February**
 - Initial Staffing Plan for all Staff
 - Start Planning Fiscal Year Expenditure Priorities
- **March**
 - Tentative Staffing Plan
 - Finance Committee Meeting
 - Cook Co Tax Payment
- **April /May**
 - Continued Expenditure Projections
 - Third Quarter Budget Analysis

Financial Planning FY 10-11

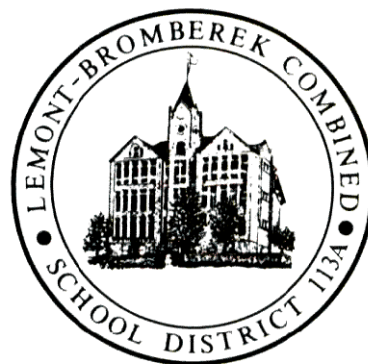
- **June**
 - Preliminary Budget Figures to BOE
- **July**
 - Finalize Projection in Revenue and Expenditures
 - DuPage County Tax Payment
- **August**
 - Approve Tentative FY 11 Budget
 - Finance Committee Meeting

Public Hearing:

- Questions from the Public

Lemont-Bromberek CSD 113A

FY 2010 Budget Presentation



Board of Education

September 30, 2009

Mr. Bob Beckwith, Business Manager

Dr. Tim Ricker, Superintendent