

River Forest Public Schools District 90
Operating Fund Financial Projections 2018 – 2021
Significant Assumptions

EDUCATION FUND BUDGETED RECEIPTS

1. Property Taxes for 2018 are projected using the appropriate CPI of 0.7%. Property Taxes for 2019 - 2021 are projected using a CPI of 1.18% (average of previous four year's CPI). Beginning last year, to avoid the Education Fund tax rate reaching its maximum of \$3.50, a levy strategy was used by increasing the Special Education levy. In this case, it was increased to \$1,403,000 in tax year 2016 and then to \$1,703,000 in tax year 2017 through tax year 2019. Tax year 2017 is a triennial reassessment year. Information received from the Cook County Assessor's Office hopes that the 2017 reassessment reflects a minor rebound in the housing market (compared to steep declines realized over the past several years). If that materializes and the Equalized Assessed Valuation (EAV) continues to be stable, the Education Fund tax rate will return to an amount around \$3.15 and provide a significant variance below the maximum. In that case, the levy strategy will be revisited and adjusted, if necessary. Lastly, as part of another levy strategy, in tax year 2019 (fiscal year 2021), and due to declining fund balances in the Operations and Maintenance Fund (O&M) and the Transportation Fund, the Education Fund tax levy was reduced to accommodate an increase of \$500,000 and \$250,000 in the O&M and the Transportation funds, respectively. This reduced the Education Fund tax rate to approximately \$3.00.
2. State Aid is projected to decrease based upon the general state aid foundation formula's inverse relationship to the increase in local resources. The decrease is also based upon the fact that the State is seriously considering several education funding models, each one resulting in a phased-in reduction of state funding for District 90. Grants are projected to remain steady through 2021.

EDUCATION FUND BUDGETED EXPENDITURES

1. The new teachers' collective bargaining agreement took effect in August of 2014 and runs through the end of fiscal year 2017. Salaries for 2018 through 2021 using an increase of 2.7% (CPI floor used in current CBA). Salaries reflect the approved retirement requests of veteran certified staff members and the replacement with new members with average salaries. Salaries for the remainder of the employees for 2018-2021 are projected using an average increase of 2.0%. Changes in enrollment are not factored into the projections.
2. Employee Benefits for 2018 – 2021 are projected using an 11.5% increase in insurance costs with the change in negotiated limited board contribution for post-2010 members factored in. In addition, per SB 1673, we have estimated the lowest reported pension cost shift of a 1.0% annual increase starting in 2018. It is likely that the final cost shift will start with a base percentage and subsequently increase by 1.0% each year for the first several years. However, in the absence of information, we can be reasonably confident projecting 1.0% in 2018, 2.0% in 2019, 3.0% in 2020 and 4.0% in 2021.
3. Purchased Services and Supplies and Materials are projected with consideration for an annual curriculum review, projected textbook adoptions and the associated professional development for staff.
4. Transfers Out are limited to inter-accounting transfers that coincide with the expectation of continued leasing of copier and computer equipment.

OPERATIONS AND MAINTENANCE FUND BUDGETED RECEIPTS

1. Property Taxes for 2018 – 2021 are projected using the levy projection and allocation strategy listed in the Education Fund.
2. Other Local Receipts remain relatively constant due to their immateriality.

River Forest Public Schools District 90
Operating Fund Financial Projections 2018 – 2021
Significant Assumptions

OPERATIONS AND MAINTENANCE FUND BUDGETED EXPENDITURES

1. Salaries for 2018 – 2021 are projected using a 2.0% increase.
2. Employee Benefits for 2018 – 2021 are projected using an 11.5% increase in insurance costs.
3. Capital Outlay for 2018 – 2021 is projected to fluctuate to coincide with the long-range facility plan.

TRANSPORTATION FUND BUDGETED RECEIPTS

1. Property Taxes for 2018 – 2021 are projected using the levy projection and allocation strategy listed in the Education Fund. State Aid is projected to remain constant.

TRANSPORTATION FUND BUDGETED EXPENDITURES

Special Education Transportation is projected to fluctuate due to the projection of out-of-district children enrollment and to the continued absorption of vendor fuel charge adjustments.

WORKING CASH FUND BUDGETED RECEIPTS

1. Property Taxes for 2018 – 2021 are projected using the levy projection and allocation strategy listed in the Education Fund. However, receipts remain steady due to the levy allocation strategy to allow for a minor growth of existing reserves.
2. Interest projected from 2018 – 2021 is based upon remaining average available balance.

WORKING CASH FUND BUDGETED EXPENDITURES

No transfers will be needed to cover any other fund deficits. However, as deficit spending increases over time, the necessity to use these reserves to cover fund deficits will become apparent.