



Geneva Community Unit School District 304
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Date: 07/31/2017

To: Kent Mutchler, Superintendent
Board of Education / Finance Committee

Fr: Martin McConahay, Acting CFO

Re: Preliminary Budget Presentation

In keeping with our Board Policy on Budget Preparation, all applicable state statutes and the District's Fiscal Year 2017-2018 Budget Adoption Calendar listed below, this Preliminary Budget is being presented to the Board of Education for review and discussion. No formal Board action is required at this time.

Fiscal Year 2017-2018 Budget Adoption Calendar

May 22, 2017	Pre-Preliminary Budget Discussion
July 31, 2017	Preliminary Budget Discussion
August 14, 2017	Tentative Budget Adoption
August 24, 2017	Budget Notice Publication
September 25, 2017	Final Budget Adoption

An emphasis is placed on any changes in assumptions or other new budget developments that have occurred since the Board's initial budget discussion this Spring. Valuable update information has been obtained through discussions with department heads and budget managers in each major operational area.

While changes in revenues, expenditures and fund balances are included in this updated budget presentation, additional adjustments are likely to occur between this draft and final adoption. Expenditure adjustments will continue to be made to provide the most accurate account of our programs and activities as we transition from summer months to the opening of school.

Revenues may need further adjustment as changes in school funding laws take place. Examples include Senate Bill 1 at the state level and Title II funding considerations at the federal level which are actively being debated but still unresolved. The Administration will continue to monitor such developments throughout the budget adoption process as we fine tune the FY2017-2018 Budget right up to final adoption.

Preliminary Budget Update / Highlights

All individual line items have been reviewed and updated in all Funds. Subsequently, each Department Head and Budget Manager will receive a detailed budget report next week including budget amounts for every line item falling under his/her sphere of responsibility. This will facilitate a final budget check prior to the compilation of the FY 2017-2018 Tentative Budget next month.

On a more global scale, the Preliminary Budget reflects any new staffing changes, actual vs. estimated benefits costs and updated insurance information. The only exception are the proposed budgetary changes reflected in the GSSA Tentative Agreement which are subject to a ratification vote next week. The budget will be adjusted to reflect new terms and conditions of the final ratified agreement.

Final figures for two important Federal Grants – Title I and Title II – are still pending. Prior year amounts have been entered into the Preliminary Budget until updates become available.

The most significant FY 2017-2018 Preliminary Budget changes made since discussions last April and May are summarized below by Department:

Facilities

The O&M fund budget has not changed since Donna Oberg's budget presentation to the Board of Education in Spring, 2017.

As a reminder, the budget changes for FY 2016-2017 to FY 2017-2018 include the reduction in the O/M Capital Improvement Plan and the addition of the Security Capital Improvements. These improvements have been approved by the Facilities Task Force and Board of Education. In FY 2016-2017 we had a total of \$1,871,655 budgeted for O/M Capital projects and no Security Capital Improvements. FY 2017-2018 we have a total of \$255,250 in the O/M Capital Plan, \$15,800 in the Security Plan, and \$150,000 Capital Replacement Set-aside (Burgess Field turf replacement and Geneva High School boiler replacement). These are all reflected in the Preliminary Budget figures.

Student Services

The following adjustments have been made to the FY 2017-2018 Student Services budget since March of 2017:

In District/Local funds:

- Private placement tuition has decreased by \$200,000. The number of students attending private therapeutic day placements has significantly decreased in the last three years. This is because students' needs are being met within Mid-Valley programs as well as District programs.
- Services through Northern Illinois Association include hearing, occupational therapy, and physical therapy. The local budget allocation has decreased by \$50,000 for 2017-18.
- The budget for Mid-Valley services has increased by \$500,000. Part of this increase is due to the increase of students in Mid-Valley programs. Furthermore, \$376,136 of the total allocation is to provide related services to students. Vision services are projected to

cost \$119,000. We have seen an increase in students requiring vision services. Additionally, vision resources are now covered by Mid-Valley rather than Northern Illinois Association. So, the NIA costs have decreased, but the Mid Valley costs have increased.

The IDEA Part-B grant allocation and budget line items have remained comparable the 2016-17 school year. IDEA funds are used to cover the salaries of special education instructional assistants, professional development, materials, as well as the cost of services from outside agencies. Grant carry-over money will become available in September of 2017. The grant will be amended to reflect an increase in allocation to cover the cost of NIA services. All adjustments have been reflected in the Preliminary Budget figures.

Technology

The most significant changes for the Technology budget from the Spring is reflected above in the O&M comments. The amount required for 2017-18 was significantly reduced largely due to the phone system coming in at a lower cost than originally forecast. This is largely responsible for the reduction of 150k for O&M capital. In addition, we are anticipating revenue of roughly \$60k in e-rate reimbursements. This amount reflects 40% of the amount the District spent on internet connection services during the 2016-17 school year and on network equipment purchased for the 2017-18 school year.

The Education Fund's capital budget was also reduced because of lower than forecast costs for phone handsets and student and staff devices. Funding support from the Fabyan Foundation for the replacement of Kindergarten and 1st grade iPads also helped to reduce the capital need. These adjustments are included in the Preliminary Budget.

Transportation

Since May, three changes have been made to the Transportation budget:

- License/Physical Renewal has been increased by \$500 to account for more drivers and RTWs (previously not required)
- Staff Development has been increased by \$1800 for new Special Needs Supervisor to attend NAPT for SNT Certification
- Office Supplies have been increased by \$3,000 to more accurately reflect annual need

The increases in the FY 2017-2018 Transportation budget reflect our strategy of bringing most our special needs students' transportation in-house. Previously, all special needs students were transported by SpareWheels.

Debt Service

Debt Service principal and interest amounts have been adjusted to reflect the most recent bond levy and expenditure information provided by Elizabeth Hennessy of William Blair, Inc. including all defeasement and abatement considerations. The Preliminary Budget figures for Debt Service also reflect the principal and interest payments for modular units and on-going disclosure fees.