

Pleasantdale School District 107

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Each year, school districts throughout the state undertake a budget cycle that is meant to be informative and transparent. Pleasantdale School District is no exception and seeks to partner with its community to provide the best possible education and services to students. The first phase in the budget cycle is to present a tentative budget to the Board of Education and put the tentative budget on public display for 30-days. Following public display, the Board will take final action to approve the budget and the levy process will begin in December.

After careful review of the fiscal year (FY) 17 budget, we found that revenue came in above the budgeted amount by 2.5% and expenditures came in below by 4.1%. The overall tax revenue collections was about 3% higher than the budgeted amount. The factors that contributed to expenditures being lower than expected are:

- Special Education services and general curriculum supplies were lower than anticipated
- There were no major unanticipated capital improvement costs for the buildings other than a replacement of the HVAC unit for the library at the Middle School.

Since the tentative budget is a forecast of things to come, the district administration is required to develop financial assumptions. These assumptions are based on market forces and the realities of managing the district. Assumption of some State revenue remains status quo as we have yet to receive news on how the State will allocate funds to the schools. Below are some of the assumptions that informed the process of drafting the tentative budget:

- Revenue
 - From historical data, we continue to budget for refunds - this year the refunds are calculated at 3% of the levied funds.
 - The interest rate at 1.5%
 - State funding for special education and transportation remains at FY17 levels
 - General State Aid (GSA) at FY17 level
 - Title funds at half of FY17 level
 - Revenue from Technology Fee
 - Abatement of Debt Service at \$500,000 for tax year 2017.
- Expenditure
 - A 3% increase in services other than contracted services
 - Supplies for new "Sensory Room" and Makerspace

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In addition to assumptions, there are several known factors that impacted the tentative budget. These factors include:

- Salary and corresponding benefits increased by 3.0% per contract.
- Health insurance increased by 7.5% for PPO and 3.1% for HMO.
- Facilities projects, i.e. Elementary School - parking lot paving, landscape, boiler replacement, door replacement, LED lights; Middle School - sealcoating of parking lot, crosswalk, STEM room and Music room tiling/carpet change..
- Board approved debt service abatement of \$750,000
- Illinois Municipal Retirement Fund (IMRF) decreased from 10.83% to 10.55%
- THIS employer paid increased from .80% to .88%

A Board approved tentative budget is only the first step in our cycle. At the September Board of Education meeting, the administration will present a finalized budget that reflects Board and community feedback. Pleasantdale School District remains in good financial standing and will continue to operate in a manner that maximizes programing with the lowest possible operating costs.