

Joliet Township High School District 204
Budget Assumptions
2011-2012
June 21, 2011

The 2011-2012 Budget is based on the following assumptions:

Operating Funds

Revenues

- CPI increase will be 1.5%.
- New Construction for 2010 tax year collectable in 2011 is \$46,766,530. This is \$36,743,554 **lower** than the 2009 tax year value of \$83,510,084. The 2010 new construction is 43.9% lower.
- The 2010 Equalized Assessed Valuation (EAV) is \$3,015,595,059. This is a 3.38% **decrease** from 2009. The 2009 EAV is \$3,117,774,986.
- Total tax revenues from property taxes are based on calculations using the Limiting Rate Formula.
- Investment interest income reflects current prevailing rates (approximately 0.50%).
- Corporate Personal Property Replacement Tax (CPPRT) for 2011 is \$7,542,535. This is an increase over the 2009 CPPRT of \$6,184,332 or an increase of 21.9%. This is an indicator that there is an improvement in the economy.
- State Aid reflects the estimate as given us by the Illinois State Board of Education. The total General State Aid estimate is \$4,600,000.
- All other state and federal aids are based on this year's current information. I am projecting a decrease in funding for FY11 of 15% for all state categorical grants. IDEA Part B Flow Through is estimated to be about the same as FY 11
- All students' related fees are included with no increase.
- All District construction projects funded through local revenues will become part of the Site & Construction Fund (Fund 60). Only repairs and maintenance items remain in the Operations and Maintenance Fund (Fund 20) along with all regular salary, benefits, purchased services, supplies and capital outlay accounts.
- The Transportation Fund (Fund 40) revenues include anticipated State and Federal revenues. I am anticipating a transfer again this year from Working Cash to cover the deficit. I will not include that transfer until I have a better understanding of the state revenues. At this time it appears that we may need to transfer over \$700,000 from Working Cash to cover the deficit. The need for transporting a small number of students long distances because of special education and homeless status have added cost that are not under our control.
- Due to IMRF regulations, in the future revenues for Social Security and IMRF must be recorded as separate funds. Even though the State Budget Form does not allow for this added sub-fund our reports will show the separation by adding a Fund 51 for Social Security. For our Summary Report we will only show IMRF and Social Security as a combined Fund 50 as we have done in the past.

- The Site & Construction Fund (Fund 60) revenues include earnings from investments and transfers from the Working Cash Fund. The Fund includes the West Science Room Addition and Athletic Field Improvements at both Campuses.
- The Work Cash Fund (Fund 70) includes the issuance of \$1,700,000 in Working Cash Bonds.
- Fund 80 formerly called the Rent Fund has been renamed the Tort Immunity Fund. New rules have been enacted that represent a comprehensive updating of the Illinois Program Accounting Manual (IPAM) for school districts. This document was last revised in 1994. This is one of the more visible changes to the new rules. Tort Fund (80) revenues and expenditures have been separated from the Education Fund (Fund 10).

Expenditures

Education Fund (Fund 10)

- Staffing for 2011-2012 is based on no increase in FTE.
- Salary projection estimates and not based on contractual agreements. As negotiation progress to a settlement, adjustment will be made to the final budget draft.
- The District is negotiating contracts with the teachers, clerical and para-professional unions.
- The District health insurance costs reflect an increase to the Board of Education. Our experience has been very good this year. We are hoping for an increase that is much lower than in prior years. The District and the Insurance Committee is exploring ways to help control its share of the cost.
- All other benefits, IMRF/SS and TRS were increased in proportion to the salary increases and scheduled retirements.
- As stated above, Fund 50 will be split. Fund 50 will be for IMRF expenditures and Fund 51 will be for Social Security expenditures.
- Purchased Services and Supplies have been reduced by 10%. Capital Equipment expenditures have also been reduced. This is the second year that all expense categories have been reduced.
- Enrollment is about the same as last school year. Our trend continues to be below the estimated enrollment growth projections as stated in the last Kasarda Report.
- Special Education expenditures are based on current student needs, and are subject to change based on the student population. Any (ARRA) funds that we may receive will be earmarked for special education purposes.
- As a protection, contingency accounts have been established for each fund.

Operations and Maintenance Fund (Fund 20)

- Because of the economy we have decreased the number of summer custodial support. In prior years we have hired 30 summer workers. This year we are only hiring 12. The wages for these employees are reflected in the custodial substitute payroll account.
- There will be a retirement that will not be replaced.

- The District has entered into multi-year energy contracts for electricity and natural gas. Because of these contracts our energy consumption and costs are estimated to remain stable for the next fiscal year.
- Each year through the assistance of a consultant, the District has applied for and received energy savings grant funds. These funds have enabled the District to convert lighting fixtures and mechanical equipment to energy efficient fixtures and equipment.
- Due to the budget constraints repairs to the campuses will be limited to an “as needed” basis only. We continue to reduce the repairs, services, supplies and equipment budget.
- Repairs to the Central, West and Alternate Campuses will now be paid for from Fund 60, the Site and Construction Fund. All improvements and additions will be paid for through Fund 60.
- The contingency account for the Operations and Maintenance Fund is being maintained at the prior year level of \$175,000.

Transportation Fund (Fund 40)

- Transportation costs are estimated to increase over last year because of fuel costs, additional routes, added personnel and wages.
- Supply costs have reduced over \$300,000. This is due to having a new fleet of busses.
- The District has an agreement with the Bus Drivers Union for the 2011-2012 school year.
- Included in the budget is the leasing cost for busses. This leasing agreement has helped to keep the increase in the Transportation budget down. Repair and maintenance has been reduced to reflect the savings because of the new busses.
- Repairs and the replacement of some mechanics equipment are included in the budget.
- A new set of accounts has been included as a result of the addition of the new Transportation Center.

IMRF Fund (50)

- This fund is created if a separate tax is levied for the purpose of providing resources for the school district’s share of retirement benefits for covered employees or a separate tax is levied for the purpose of providing resources for the district’s share of Social Security and Medicare only payments for covered employees
- Included in this fund is an ERI cost to the district if we elect to offer an Early Retirement Incentive to classified employees.

Site and Construction Fund (Fund 60)

- The Site and Construction Fund reflects the anticipated expense of \$8,317,254 for the construction of the West science rooms and improvements to both campuses athletic fields and possible land acquisition.

Tort Immunity Fund (80)

- This fund has been renamed. Fund 80 was formally known as the Rent Fund. All expenses relating to tort insurance are now to be recorded in this fund. The District has had its tort expenses in a sub account of the Education Fund, Fund 11.

- The Transition for the District to comply with the new accounting rules (IPAM) will not be difficult because we already have the necessary accounts in place.
- District legal expenses and Unemployment expenses are now part of the Tort Fund. These expenses were part of the Education Fund. They total \$400,000.

Non-Operating Fund Assumptions

Bond and Interest Fund (Fund 30)

Revenues

- Revenues for the Bond and Interest Fund are established by the County Clerk's Office based on the Debt Service Retirement Schedule for each of the outstanding bond issues.

Expenditures

- Expenditures are budgeted based on the Debt Service Retirement Schedules on file in the County Clerk's Office.

Life Safety Fund (Fund 90)

- In place of issuing Life Safety Bonds for all of the life safety projects we are funding these projects through bonds issued for renovation purposes. This will actually save the District a substantial amount of money because of the costs involved in preparing the paperwork for the County and State.