

To: Board of Education  
 Dr. Eric Olson, Superintendent

From: Luann Kolstad, Chief School Business Official

Date: July 15, 2019

Subject: Resolution #1232 Approval of Tentative Budget and Establishment of  
 Public Hearing Date

Per Illinois School Code, school districts in the State of Illinois must place their tentative budget on display for 30 days prior to the formal adoption of the budget. In addition, the School Board is required to hold a public hearing prior to the adoption. The key requirements of the budget adoption process are:

1. Board adopts a resolution to post notice of tentative budget hearing and availability of budget for public inspection for at least 30 days prior to the budget hearing.
2. Post tentative budget on the District website.
3. Adopt budget at a public meeting held after the budget hearing, prior to September 30.
4. Submit adopted budget electronically to ISBE within 30 days of adoption using the ISBE Attachment Manager and mail a copy to the Cook County Treasurer's Office.

At the June 10, 2019 special meeting, the Board reviewed the first draft of the 2019-20 expenditure budget, including the Education Fund (Fund 10), Debt Service Fund (Fund 30), Transportation Fund (Fund 40) and Tort Immunity Fund (Fund 80). At the June 20, 2019 regular Board meeting, the Board reviewed the first draft of the Operations & Maintenance Fund (Fund 20), Illinois Municipal Retirement Fund (Fund 50), Social Security/Medicare Fund (Fund 51), Capital Projects Fund (Fund 60) and the Working Cash Fund (Fund 70). Tonight, the Board will be reviewing the revenue budget and approving a resolution to put the 2019-20 Tentative Budget on display (Attachment 1) and to establish the date and time for a public hearing on the budget.

### **Revenues**

The largest source of revenue for the District is the tax levy. On June 7, 2019, administration received the Draft Agency Tax Rate Report for the 2018 Tax Levy from the Cook County Clerk's Office. The actual results compared to our forecasts are mixed. Revenue from New Construction is higher than forecast at \$12.9M; D64 had estimated receiving only \$10M. However, the Equalized Assessed Value (EAV) for the District decreased by approximately 2.68% from the 2017 Tax Levy EAV. The drop in EAV is related to the decrease in the multiplier, which accounts for approximately 1.75% of the reduction. The remaining drop in EAV is related to tax objections and reductions done by the Assessor's Office. Further information on the EAV and the 2019 Tax Levy will be presented at the October 28, 2019 Board meeting when administration presents the tentative 2019 Tax Levy for the Board's consideration.

Final information on the Corporate Personal Property Replacement Tax (CPPRT) has not yet been received from the Department of Revenue. This information is typically received in the beginning of

August. The Township Treasurer has not yet provided estimates for Interest on Investments based on the District's current investments. Once this information is received, it will be updated in the budget.

Local fees include registration fees, tuition and other fees collected from students, such as extracurricular participation fees. Revenue generated for food service and milk is also included here, with offsetting expenditures in the Education Fund under food service. The budget for food service revenue has not been received yet from Quest.

The District has received preliminary allocation amounts for the IDEA and Title Grants, which are reflected in the revenue budget. As the grant process continues this summer, administration will develop the associated expenditure budgets, which will be reflected in the final budget in September. Estimates for Miscellaneous revenue are included for items such as the TIF and E-Rate reimbursements.

### **Preliminary Financial Projections**

Administration has prepared a preliminary look at the Financial Projections with the 2019-20 Budget (Attachment 2). The Projections will be updated as we continue to refine the budget and close out the 2018-19 Budget. It is important for the Board to review the projections in light of the \$11M being moved from the Operating Funds into the Capital Projects budget. At the end of the 2018-19 fiscal year, \$7M was abated from the Working Cash Fund into the Capital Projects Fund. Administration will be bringing a resolution for Board consideration and approval to move \$4M from the Operations and Maintenance Fund into the Capital Projects Fund. These funds will provide financing *only* for summer 2019 construction projects.

Administration will continue making adjustments to the budget over the next few months until the final budget is presented for adoption at the September 23, 2019 Board of Education meeting. As part of the budget package, the Board will receive information on the District's significant expense initiatives and investments in student learning in 2019-20 along with other pertinent financial data and assumptions used to develop the final budget. At this meeting, administration will also review high level variances in the results from the 2018-19 budget year.

### ACTION ITEM 19-07-4

I move that the Board of Education of Community Consolidated School District 64, Park Ridge – Niles, Illinois, approve Resolution #1232 the Fiscal Year 2019-20 Tentative Budget and Establishment of Public Hearing on August 19, 2019.

The votes were cast as follows:

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

AYES:

NAYS:

PRESENT:

ABSENT:

7/15/19