

MOST FREQUENTLY ASKED QUESTIONS ABOUT THE DISTRICT 108 BUDGET

<p>What percentage of the District's budget comes from local, state and federal sources? How has this changed from last year?</p>	<p>In FY08 District proposes a planned deficit budget utilizing reserve funds to address the Sunset Hills, Willow, and Starke Schools HVAC systems. Since the District's HVAC Construction Phase I Project only includes using reserve funds in FY08 and FY09, the District intends to return to a balanced budget status in year three or FY10, when the District's one-time capital improvement enhancements have been completed. Total operating revenues are projected to be \$30,811,691 with operating expenditures of \$32,571,928, leaving a \$1,760,238 operating deficit. The operating surplus and budget reductions in FY07 have improved the District's status on ISBE's financial rating list to its highest rating of financial recognition. Overall total revenue is projected to be \$33,407,145 with total expenditures of \$35,165,609 with a total planned deficit of \$1,758,465. The District will continue implementing the long-range financial plan to ensure the financial stability of the District for future years. The District's revenue is projected to be \$33,407,145, which is made up of \$18,097,935 or 54% local, \$11,978,520 or 36% state, and \$3,330,690 or 10% federal sources. The most significant revenue change from last year is the \$500,000 decrease from \$8,972,949 to \$8,472,949 in General State Aid (GSA) due to a decrease in average daily attendance (ADA) and an increase in local resources. However, the GSA per pupil foundation level is estimated to increase from \$5,334 to \$5,734 and the Corporate Personal Property Replacement Tax (CPPRT) revenue received in 2005 to calculate GSA is also estimated to increase by \$891,045 from \$2,378,642 to \$3,269,687, due to an improved Illinois economy. Budget reductions over the last seven fiscal years totaled \$5,297,239. The continuing impact of unfunded legislative mandates and the Property Tax Extension Limitation Law (PTELL) are going to continue to effect the District's educational programs.</p>
<p>What are the District's tax base, tax extension and rate? What does this mean for the \$100,000 homeowner? How has this changed from last year?</p>	<p>The District's tax base grew by \$20M, or 4.7%, to \$437M. The District's tax rate decreased \$.0013 to \$2.6792 per \$100 due to PTELL and SB2112 homestead exemptions. The \$100,000 homeowner will pay approximately \$893, which is the same as last year. The 2006 tax extension, which will be received in FY08, utilized a 3.4% Consumer Price Index (CPI). The 2007 tax extension, which will be received in FY09, will utilize a 2.5% CPI. Legally, under PTELL the District is entitled to the rate of inflation or 5% whichever is less plus new construction as additional tax revenue for the next year. In FY08 these funds will be applied to offset salaries and benefits cost increases in the District's contract with the EAP.</p>
<p>What is the District's bonded indebtedness? Does the District have any other debt? When is the bonded indebtedness scheduled to eliminated?</p>	<p>The District issued a \$2.5M life safety bond in December 2002 to address the 2002 life safety resurvey. In FY08, the District will pay \$303,735 to bondholders. The life safety bond will fall off in December 2012. Other debts include lease purchase agreements for copiers with IKON Office Solutions: 1yr - \$48,766.</p>
<p>What are the district's balances? Will the budget be a surplus or deficit budget? If deficit, how much of it is due to the spending of reserves and are these one-time only or recurring?</p>	<p>The District's combined funds show a projected fund balance of \$9,476,504 on June 30, 2007. The District has projected an overall deficit operating budget for FY08. Total operating revenues are projected to be \$30,811,691 with operating expenditures of \$32,571,928, leaving a \$1,760,238 planned operating deficit. A target of the BOE, EAP, and Administration is to follow the long-range financial plan to address the continuing impact of declining enrollment, legislative actions, and the property tax extension limitation law. The District will continue to implement the long-range financial plan and reduce things before people whenever possible.</p>

<p>How much does it cost to educate (per pupil expenditure) a child? What is the tuition charge?</p>	<p>It is projected to cost \$7,155 to educate a student in the District during the 2007-2008 school year, down \$35 from last year. Out-of-District students are projected to pay \$6,108, down \$35 from last year to attend the District's schools. Out-of-District tuition is determined by ISBE based on prior year expenditures.</p>
<p>What percentage of the District's resources is spent on Education, Operations and the like? Where does the money go? And how is it spent?</p>	<p>Nearly 73% of the budget is expended from the Education fund, with 14.8% spent on buildings and maintenance, 1% on bond/interest, 5.1% on transportation, 1.3% on retirement, and the remaining 4.8% on life safety. Of the \$35.1M expenditures, \$16.2M is spent on instruction, \$10.9M on support services, \$304,735 on bonds, \$828,050 on community and in/out-of-district special education tuition charges, and \$6.9M construction/life-safety projects. Salaries and benefits make up 60% of the budget, followed by purchased services at 17%, supplies & materials at 6%, capital outlay at 14%, other objects at 1%, and 2% for tuition.</p>
<p>How much of the District's budget is derived from grant or other offsetting revenue?</p>	<p>Of the \$35.1M in budget expenditures, \$3.3M, or 9%, which is up by \$383,160 from last year, comes from grant sources or other contributions. Grant sources remain available, especially competitive grants, and District staff are encouraged to pursue them.</p>
<p>Why does the District have a working cash fund? What is it used for? When can it be abolished? Where could the proceeds go?</p>	<p>The District maintains a working cash fund so it does not have to do any short-term external borrowing, saving the District valuable dollars in interest which can be better spent on programs. The moneys are used to offset temporary cash deficits in any fund and to generate interest income. Generally, abolishment of the working cash fund occurs when both the life of the bonds establishing the fund have expired and the amount is at least equal to the debt being offset for which the fund was created. If abolished, funds may be transferred into the Education Fund and then should only be used for one-time only expenditures or the establishment of reserves. No working cash loans or partial abolishments are anticipated in the FY08 budget. However, potential proration and/or delayed state and federal payments due to the economy may necessitate the borrowing of or use of District fund balance reserves.</p>
<p>What is the average salary for teachers, administrators, and support staff? How has it changed from last year?</p>	<p>As part of the reduction of the District's budget in FY08 administrators are required to contribute 10% or \$30,709 towards health insurance costs. There were also reduction savings of \$508,148 made through personnel attrition. Contractually the District is required to increase teacher salaries by 3.2%. The average salary for the 275 teachers in the District is estimated to be \$49,290 down \$96 or .2% from last year. Sixteen experienced teachers retired last year. The 21 administrative salaries are estimated to average \$92,604, an increase of \$855 or 1%. The 4 management salaries are estimated to average \$58,793, an increase of \$312 or .5%. The 103 support staff salaries are estimated to average \$17,693, an increase of \$517 or 3%. In 2007, the BOE and EAP ratified a five-year contract. The contract gives the following increases in salary schedules: FY08 3.2% to 15.3% (Paraprofessional 15.3% and Secretary/Clerk 6.9%), FY09 3.4%, FY10 3.4%, FY11 3.4%, and FY12 3.4%. Salary schedules in FY09 through FY12 are subject to an increase up to 5% depending on the Consumer Price Index (CPI).</p>
<p>What's the total budget and how has it changed from last year? What accounts for the change? Are these new initiatives?</p>	<p>The District's overall total budget will have a planned deficit. Budget reductions of \$538,857 were made this year to reduce the amount of reserved for the planned deficit. These included: Administrative health insurance contributions 10%: \$30,709 and personnel attrition: \$508,148. Budget reductions over the last seven fiscal years totaled \$5,297,239. Total budgeted revenue of \$33,407,145 is up \$941,206 or 2.9% from last year due to increases in the tax levy, corporate taxes, and federal income. Total budgeted expenditures of \$35,165,609 are up \$3,210,218 or 10% from last year, primarily due to increased budgeted expenditures for staff, contracted services, and HVAC and life-safety construction projects. Salaries are up \$723,089 or 4.1%, benefits are up \$183,079 or 7.1% (health insurance/TRS</p>

	<p>& IMRF contributions), purchased services are up \$391,484 or 7%, supplies & materials are down \$64,088 or -3%, capital outlay is up \$1,890,529 (HVAC and life safety projects and building access to 50% of fund balances) or 62%, debt reduction/other is up \$1,425 or .4%, and tuition is up \$84,700 or 11.7%. The FY08 fund balance is projected to be \$7,710,909. Several new initiatives this year include adding a Reading Recovery Teacher Leader Trainee \$99,351, a Facilitator of At-Risk Processes \$55,567, and two counselor positions \$120,000. The District intends to return to a balanced budget status in year three or FY10, when the District's one-time capital improvement enhancements have been completed.</p>
<p>What are the major capital projects of the District and how much will be spent? How does this compare? Where is the District on the 5-Year Facility Plan?</p>	<p>The District has recently completed \$3,656,140 of mandated life safety and maintenance construction projects over the 2007 summer. Projects completed this summer include the Sunset and Willow HVAC, District classroom doors/locks replacement, Starke restroom/piping, Washington 1961 restrooms, District window replacement, Broadmoor/Dirksen teacher lounge and restroom fixture renovations, District water main replacement, and Washington Band/Suzuki room renovation. Several life-safety construction projects are being planned for summer of 2008. In FY08 the District will be focusing on the facilities and the mandated life safety projects. Based on the results of the 2002 and 2006 life safety re-survey, mandatory future District construction projects totaled \$6,893,275 (02) and \$2,075,040 (06). The District began working on these projects in March 2003. The projects will be completed over the next five to seven years depending on funding. The District has a five-year facilities and life safety plan to address these mandated construction projects.</p>