



2014-2015 BUDGET

**Consideration to Post the Proposed Final Budget
April 22, 2014**

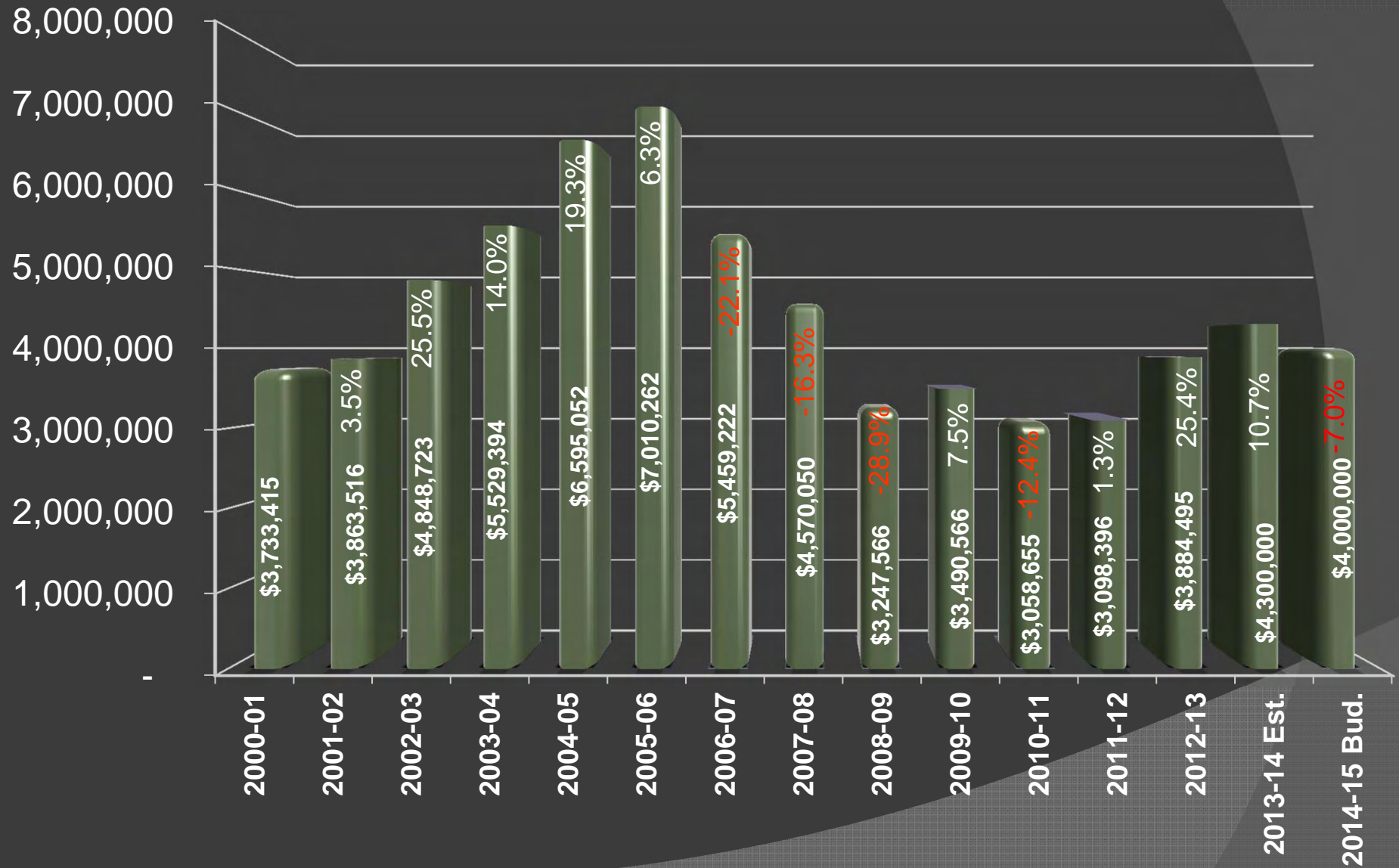
Budget Components

- ① Revenue Review
- ① Expenditure Review
- ① Millage Impact
- ① Summary

Revenues

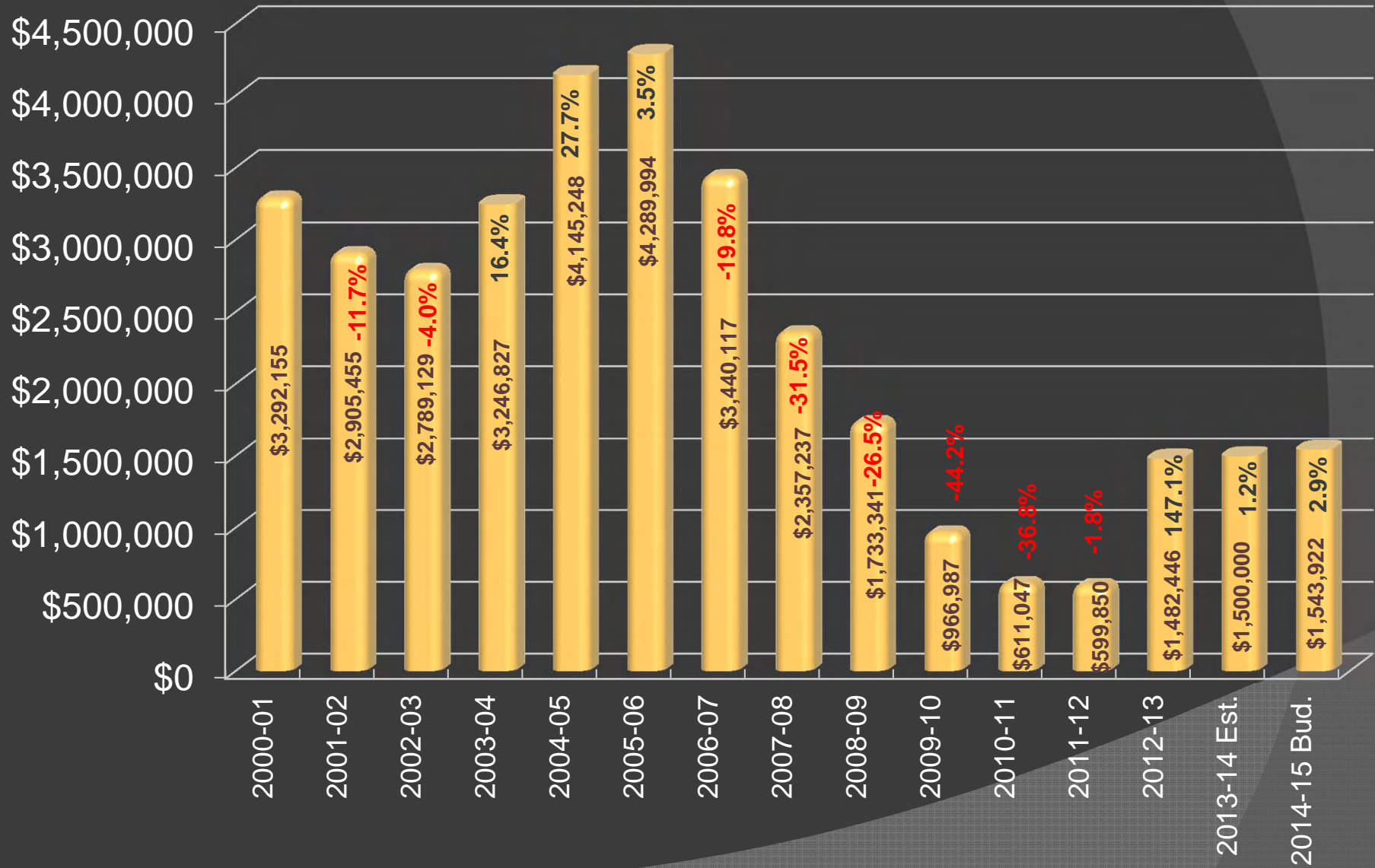
Real Estate Transfer Tax Trend

Indicator of Home Sales Within the School District



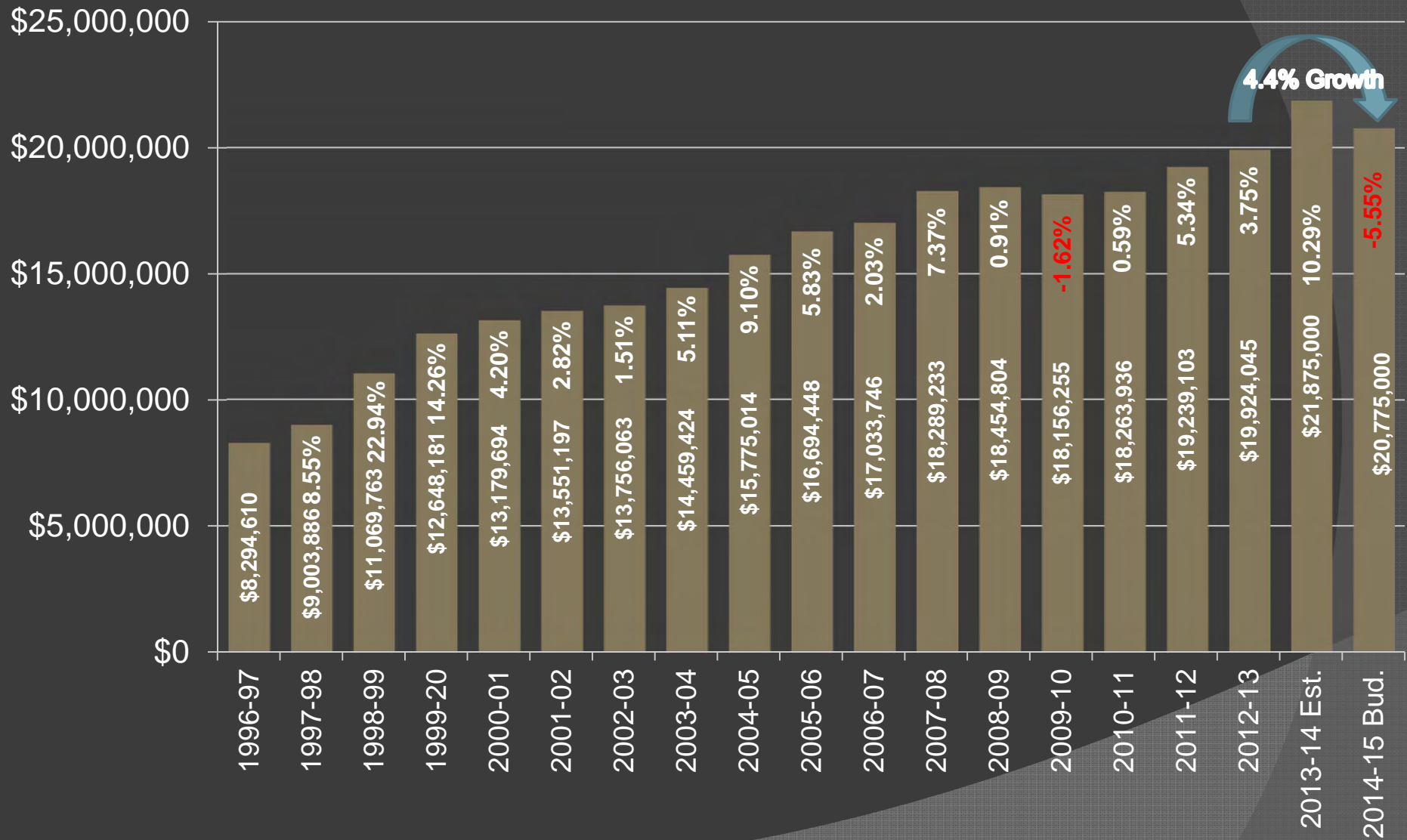
Interim Real Estate Tax Trend

Indicator of Real Estate Construction Growth Within the School District



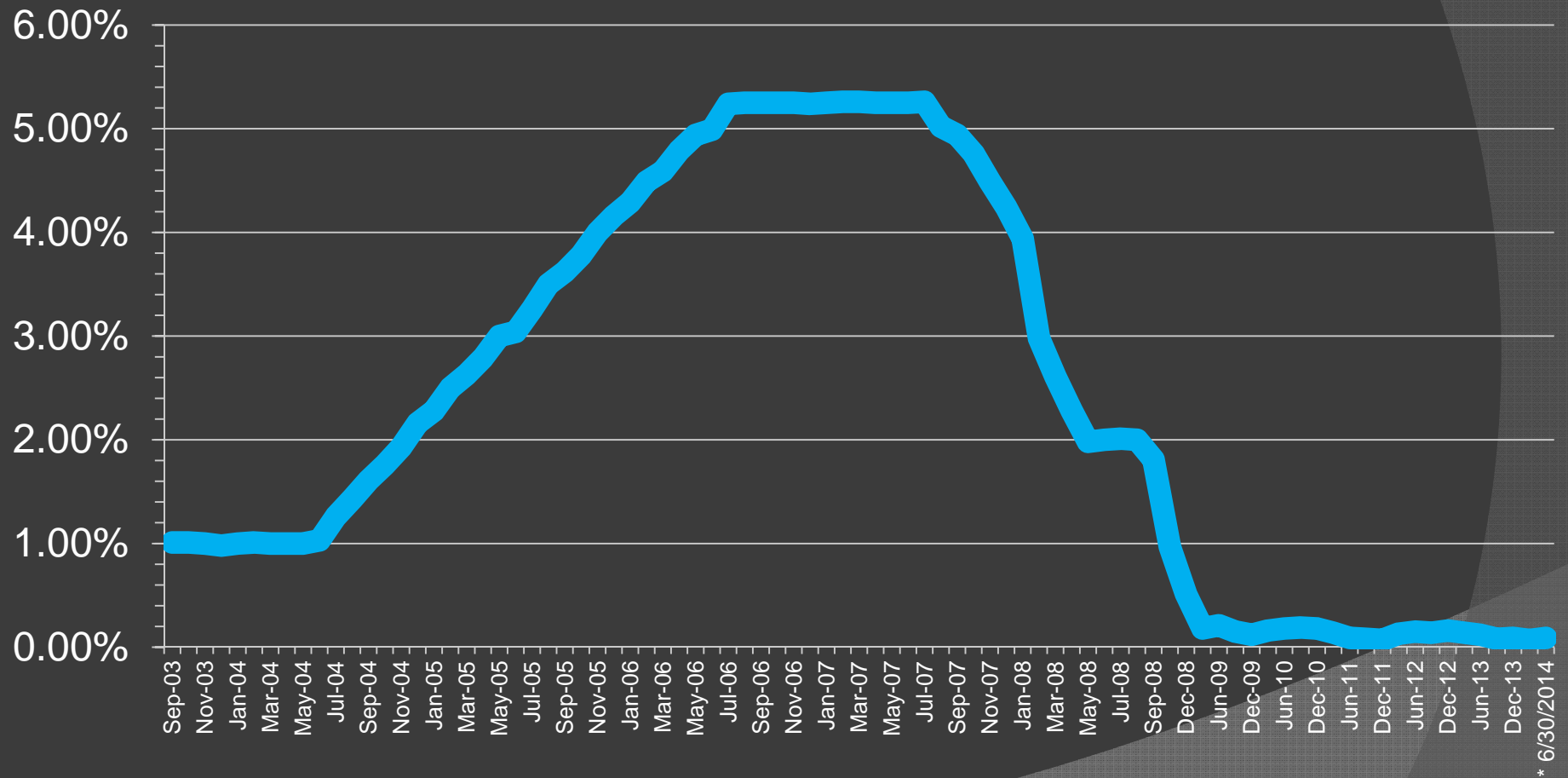
Earned Income Tax Trend

Tax on Local Wage Earners. Indicator of Wage Growth and Employment Growth.



Federal Funds Rate = Interest Rate Trend on District Investments

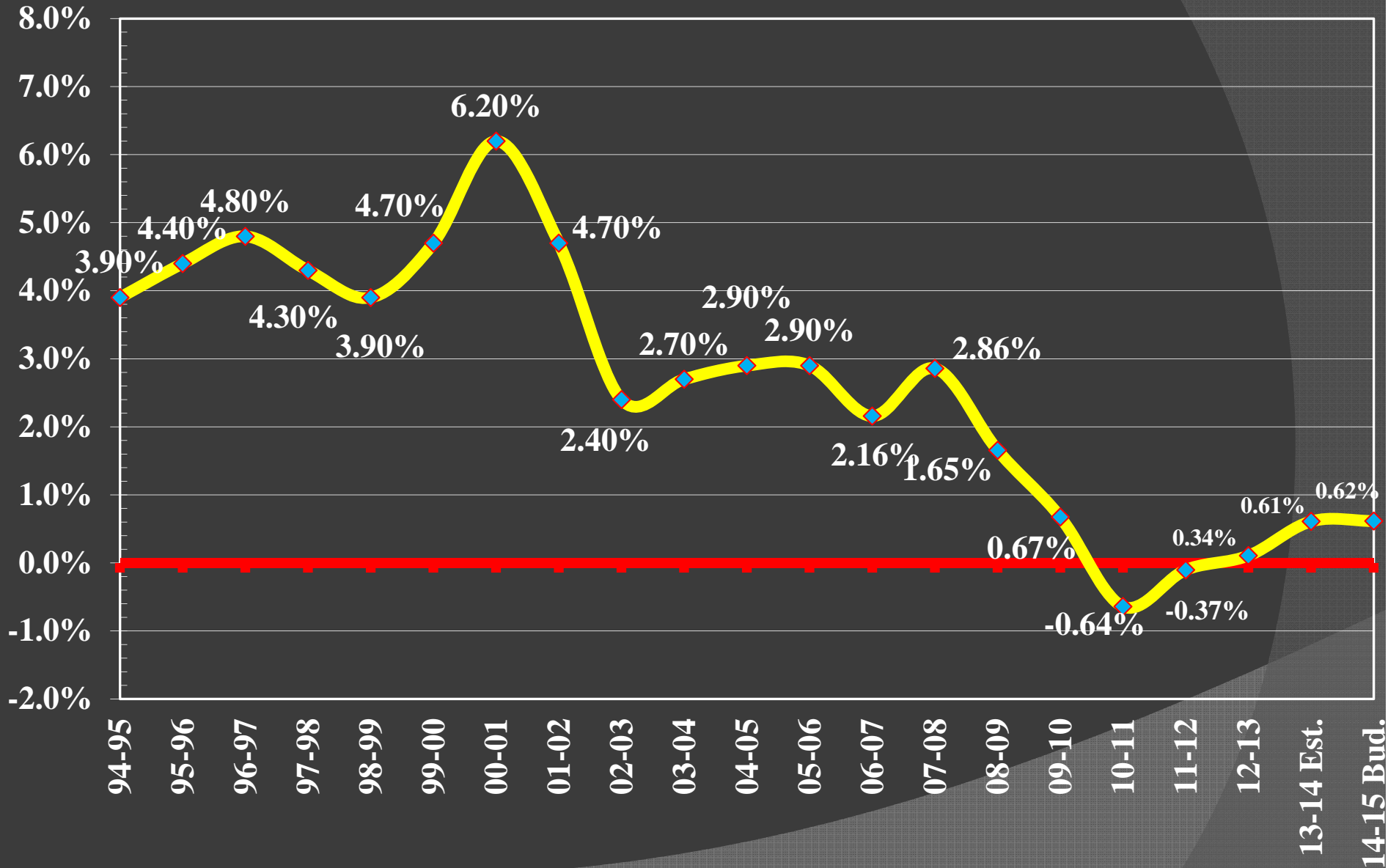
Federal Funds Rate



Source: <http://www.federalreserve.gov/releases/h15/data.htm>

Real Estate Assessed Value Trend

Shows the general change in real estate value within a community



Local Sources of Revenue for CBSD

Description	2014-15	2013-14	Projection \$	Projection %
	Budget	Projection	Change	Change
CURRENT REAL ESTATE TAXES (assessment growth)	204,928,283	204,375,000	553,283	0.3%
INTERIM REAL ESTATE TAXES	1,543,922	1,500,000	43,922	2.9%
EARNED INCOME TAX	20,775,000	21,875,000	-1,100,000	-5.0%
REAL ESTATE TRANSFER TAX	4,000,000	4,300,000	-300,000	-7.0%
DELINQUENCIES ON REAL ESTATE TAXES	2,750,000	2,875,000	-125,000	-4.3%
DELINQUENCIES ON EARNED INCOME TAXES	745,000	730,000	15,000	2.1%
INTEREST EARNINGS, TEMP DEPOSITS	300,000	375,000	-75,000	-20.0%
I.D.E.A. FUNDS FROM I.U.#22	1,963,000	2,349,475	-386,475	-16.4%
TUITION FOR INCARCERATED STUDENTS	400,000	418,718	-18,718	-4.5%
COMMUNITY SCHOOL PROGRAMS	3,075,000	3,090,000	-15,000	-0.5%
ALL OTHER LOCAL REVENUES	1,060,811	779,848	280,963	36.0%
Local Revenue Totals	241,541,016	242,668,041	-1,127,025	-0.5%

Historical State Revenue for CBSD

2014-15 revenue proposal brings the district back to near 2006-07 funding levels

Total State Subsidies *



* Does not include retirement, FICA, and Act 1 real estate tax rebate subsidy

State Sources of Revenue for CBSD

Description	2014-15 Budget	2013-14 Projection	Projection \$ Change	Projection % Change
Basic Instructional Subsidy	16,227,940	16,178,141	49,799	0.3%
Tuition, Wards of State and Foster Care Students	300,000	300,000	0	0.0%
Special Educ./Except. Pupils	7,365,010	7,286,226	78,784	1.1%
Misc. State Grants	127,000	127,000	0	0.0%
Ready to Learn / Accountability	1,423,249	306,359	1,116,890	364.6%
Transportation	3,100,000	3,100,000	0	0.0%
Rental & Sinking Fund Reimb.	1,175,000	1,620,000	-445,000	-27.5%
Health Services	375,000	390,000	-15,000	-3.8%
Gambling Proceeds for R.E. Tax Reduction	5,736,098	5,736,098	0	0.0%
Social Security Payments Reimbursement	5,084,942	5,015,089	69,853	1.4%
Retirement Payments Reimbursement	14,772,536	10,845,216	3,927,320	36.2%
State Revenue Totals	55,686,775	50,904,129	4,782,646	9.4%

We are assuming that the governor's proposed funding increases will be adopted by the legislature

Federal and Other Sources of Revenue for CBSD

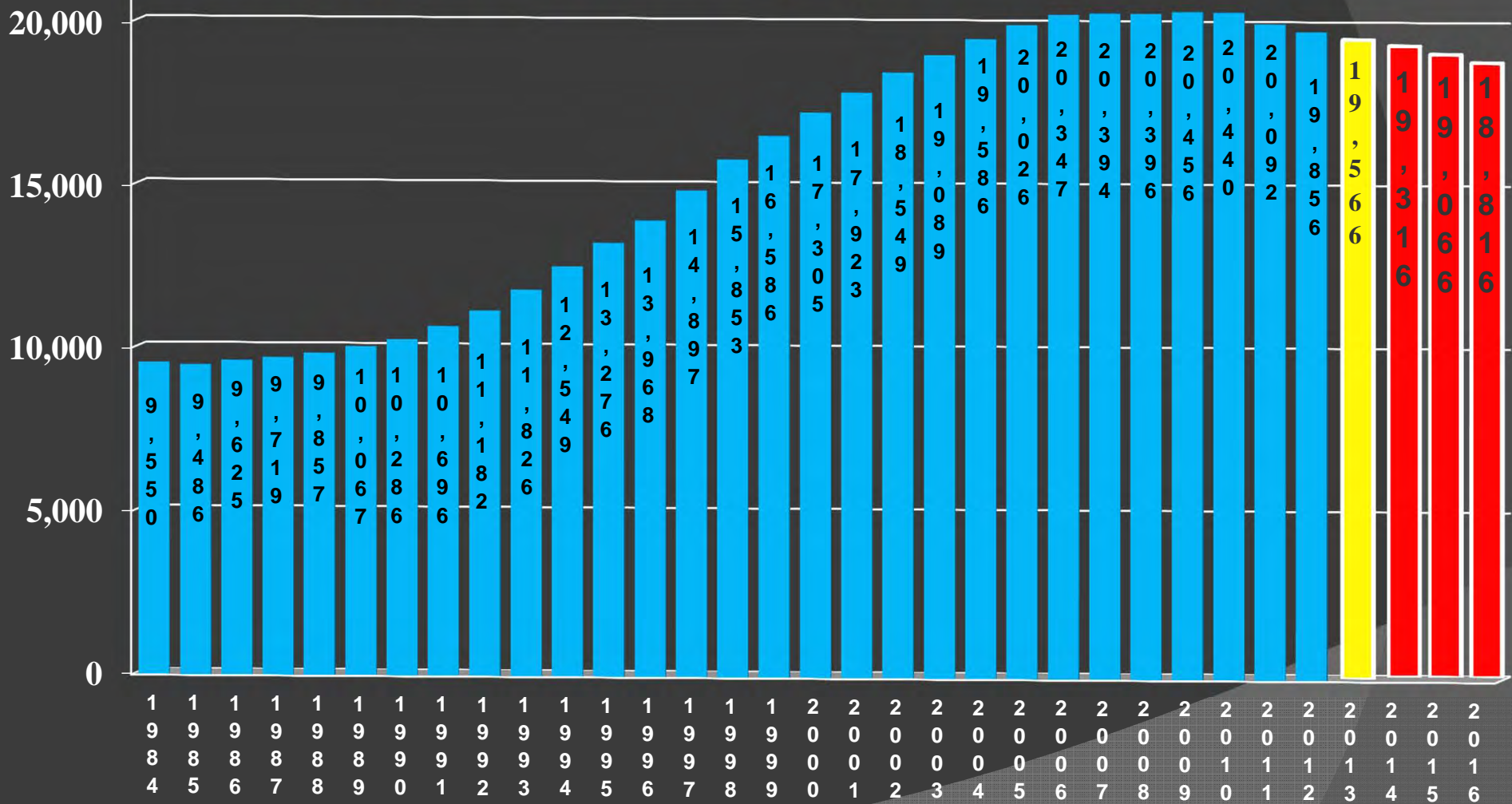
Description	2014-15 Budget	2013-14 Projection	Projection \$ Change	Projection % Change
Title 1 Reading and Math	411,297	540,004	-128,707	-23.8%
Title 2 Staff and Curriculum Development	221,660	282,029	-60,369	-21.4%
Title 3 Limited English Proficiency	18,400	30,716	-12,316	-40.1%
Medical Assistance Reimbursement (ACCESS)	911,000	955,000	-44,000	-4.6%
Administrative Reimbursement for ACCESS	45,000	45,000	0	0.0%
Transfer to General Fund From Health Care Trust	490,000	490,000	0	0.0%
Federal and Other Revenue Totals	2,097,357	2,342,749	-245,392	-10.5%
Total of All Revenue	299,325,148	295,914,919	3,410,229	1.2%

Expenses

CBSD Enrollment

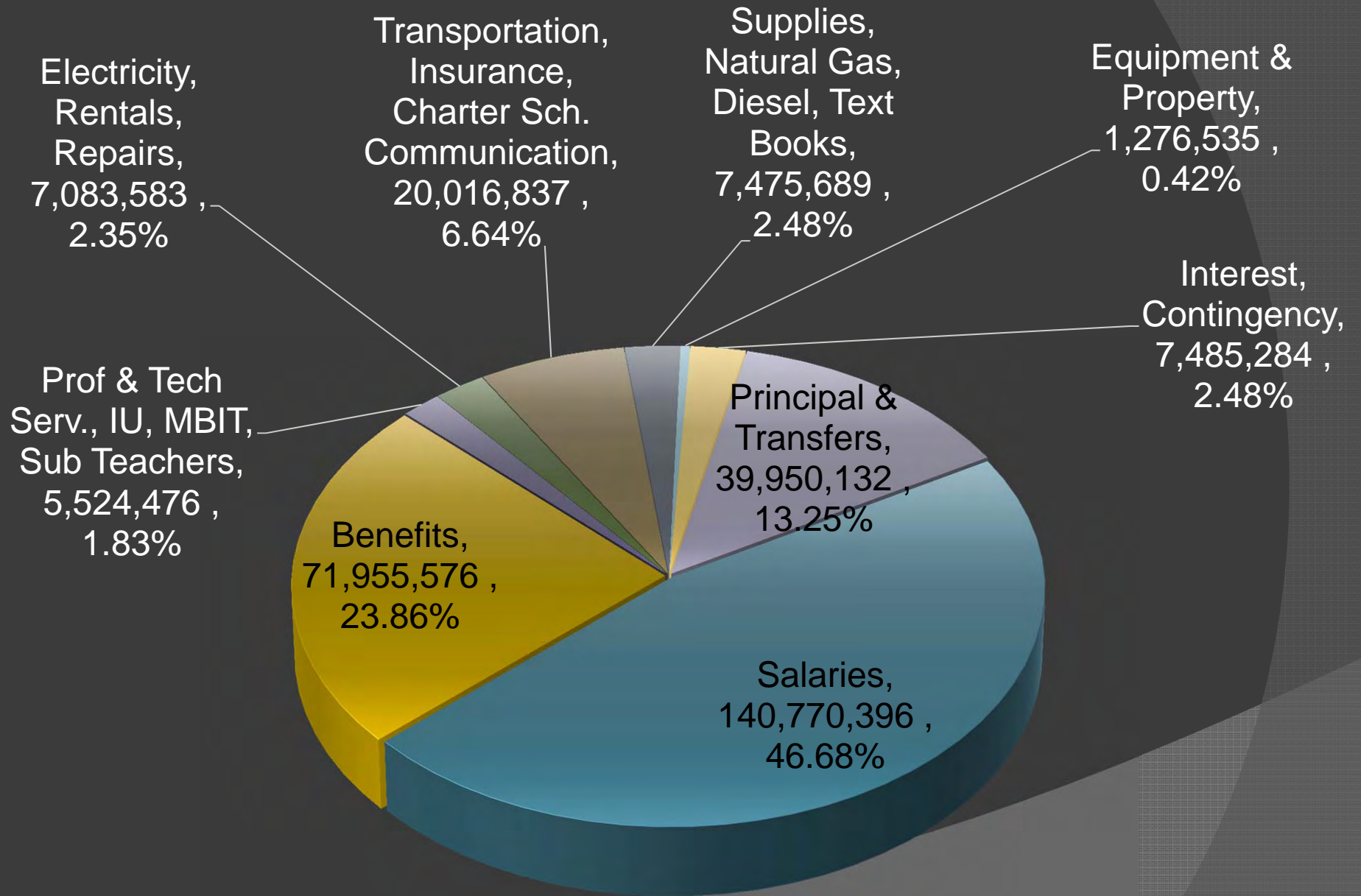
1984 – 2009: Enrollment Increased by 114%

Enrollment is Expected to Decline Slightly Over the Next Several Years



■ CBSD enrollment October, 1st each year ■ Current Year ■ CB Projections

Expenditures by Major Categories



Expense Summary

(no bottom line changes from
the 3/11/2014 presentation)

Category	2014-15 Budget	2013-14 Projected Actual	% Change
Salaries	140,770,396	137,240,100	2.57%
Employee Benefits	71,955,576	61,234,259	17.51%
Prof. Services, Special Ed., EIT Tax, Legal	5,524,476	5,206,340	6.11%
Electricity, Rentals, Repairs	7,083,583	6,621,450	6.98%
Contracted Services, Transp., MBIT, IU, Charter Sch	20,016,837	19,504,300	2.63%
Supplies, Natural Gas, Diesel, Heating Oil	7,475,689	7,265,100	2.90%
Equipment	1,276,535	1,030,522	23.87%
Interest Payments on Bonds	7,551,526	7,711,911	-2.08%
Principal, Buses, Tech., Renovations, GASB 45 & Debt Pay Off	39,883,890	44,870,000	-11.11%
Total budget	\$301,538,508	\$290,683,982	3.73%

Millage Impact

The Gap Between Revenues and Expenses

2014-15 Budgeted Revenues	2014-15 Budgeted Expenses	Difference
\$ 299,325,148	\$ 301,538,508	\$ (2,213,360)

Millage Calculation

- The Proposed Millage Increase as of Tonight is 1.06%
- The Act 1 Real Estate Tax Increase Limit = Base Inflation Index of 2.1% + 1.9% Special Ed. and Retirement Exceptions = 4% or 4.9 Mills
- The 2014-15 Proposed Millage Rate is 122.8 mills + 1.3 Mills = 124.1 Mills = 1.06% Increase
- For the Typical Homeowner Assessed @ 40,000 = \$52 Real Estate Tax Increase

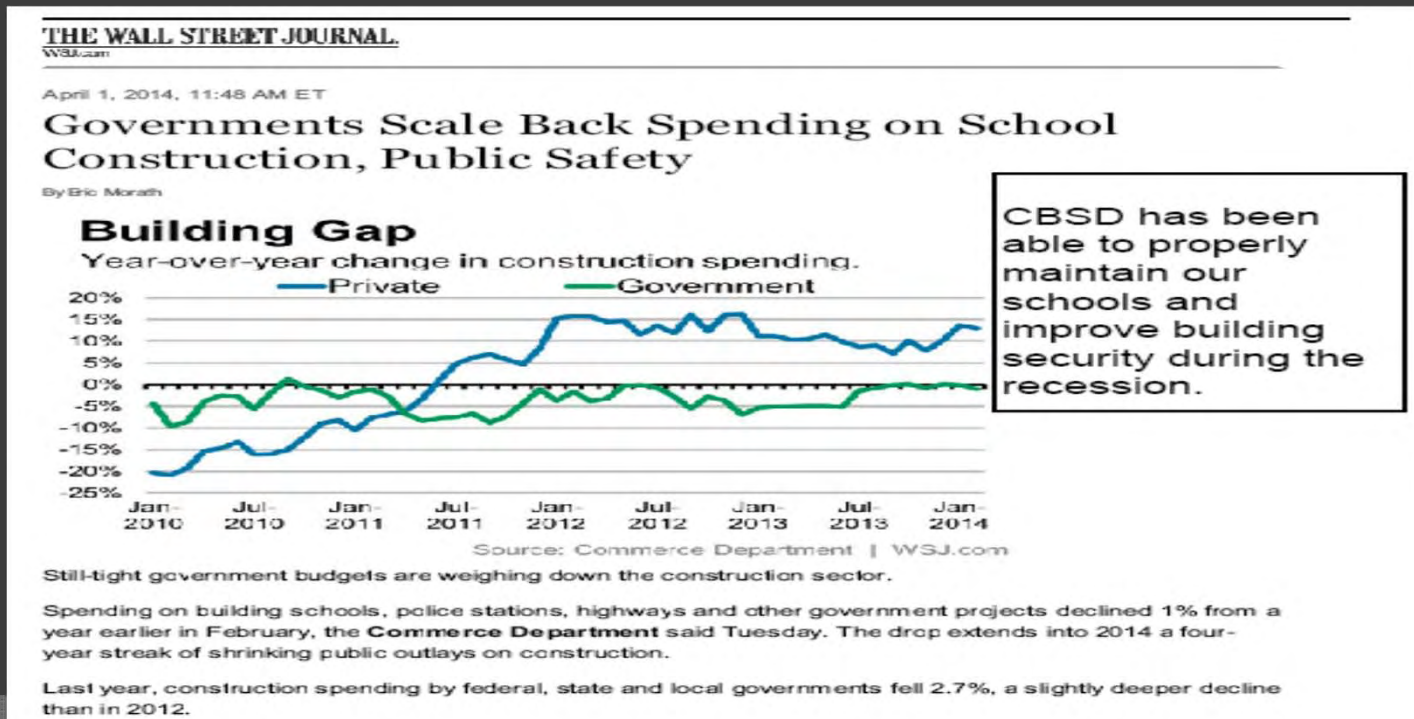
General Trends

- Enrollment is Declining - Reduces Budget Pressure
- Principal and Interest Payments are Declining - Reduces Budget Pressure
- General Inflation is Low - Reduces Budget Pressure
- Improving Energy Efficiency - Reduces Budget Pressure
- Shrinking FT Benefits for PT Work - Reduces Budget Pressure

- Retirement Expenses will Almost Double in Six Years
- Health Insurance Expenses will Likely Continue to Increase at a Rate of 7 to 8% per Year
- Revenue Growth Still Lagging Pre-Recession Levels

Maintaining our Commitment to Facilities, Education Programs, and Extra Curricular Activities

- No Educational Program Reductions
- No Reductions to Extra Curricular Activities
- No Reductions to Sports (no pay to play)
- No Reductions to Capital Plans or Technology



Act 1 Tax Index + Exceptions

	Act 1 Index with Allowable Exceptions in Mills	Actual CBSD Millage Increase	Status
2007-08	5.9	3.8	Actual
2008-09	5.6	4.6	Actual
2009-10	5.4	4.3	Actual
2010-11	4.7	4.4	Actual
2011-12	3.2	1.6	Actual
2012-13	3.6	2.0	Actual
2013-14	3.4	0.0	Actual
2014-15	4.9	1.3	Proposed

Summary

- Revenues Appear to be the rise
- Retirement and Health Care Expenses Continue to be the Major Stress Points for the Budget
- All Other Budget Cost Centers can only have Minimal Increases to Afford Retirement and Health Care Increases Without a Major Tax Hike.
- The District is Committed to Initiatives for Continuous Improvement.

Next Steps...

- ◎ Board of School Directors
 - Consideration to Publicly Post the 2014-15 Proposed Final Budget of \$301,538,508
 - Consider Final Budget Adoption on May 27th
- ◎ Superintendent & Cabinet
 - Develop Recommendations to Effectively Implement Program Initiatives

