

## **Business Office Update March 13, 2012**

### **TAW & Property Tax Update**

- On a cash basis, we have now used \$1,000,000 of our \$3,000,000 TAW's. We accessed \$500,000 in December, 2011 and an additional \$500,000 in February, 2012. The district was able to make its March 9, 2012 payroll without additional borrowing. I will monitor the district revenues this month, but I anticipate a need to access the TAW line of credit later this month.
- Based on last Spring's tax collection, I don't anticipate any significant property tax revenue until June, 2012. Last year, we received no property tax revenue in March and April. In May, we received \$68,286.69. The bulk of the property tax collection occurred in June, 2011 where we collected \$4,792,249.06.

### **Health Insurance Renewal & Open Enrollment**

- The district received good news on February 23, 2012 regarding the health, dental & vision insurance renewal. The net increase for Millburn District 24 based on current enrollment in health, dental, vision, life, & long term disability is 2.16% or \$30,319.
- The only change to the insurance for the new plan year beginning on June 1, 2012 is that the Cooperative will be moving the prescription plan for the PPO plan to Blue Cross/Blue Shield. The Cooperative currently uses a separate prescription plan provider. There are no changes in prescription benefits or co-pays.
- The total premium and percent increase for dental and health are listed below:
  - Dental Insurance Renewal
    - Single currently \$38 will increase to \$40 per month - 5.3% increase
    - Family currently \$112 will increase to \$117 per month – 4.5% increase
  - Health Insurance Renewal
    - Single currently \$679 will increase to \$693 per month – 2.1% increase
    - Single plus Spouse currently \$1859 will increase to \$1896 per month – 2.0% increase
    - Single plus Children currently \$1639 will increase to \$1672 per month – 2.0% increase
    - Family currently \$2015 will increase to \$2055 per month – 2.0% increase
  - Vision, Life & LTD rates will not increase for the plan year beginning 6/1/12
- Open Enrollment for staff will be held during the month of April. Representatives from the Cooperative will be in the district on April 18, 2012 to meet with staff individually and answer questions.

### **School Lunch Program**

- As a result of new Federal requirements, Illinois has chosen to fully implement the new guidelines for the 2012-13 school year with the exception of the sodium targets. Because of this change, the state would allow vendors to charge the "CPI-U Food Away From Home" increase of 2.9% plus an additional \$0.06 per lunch to implement the changes.
- After reviewing the requirements, our vendor has notified me that they are not able to offer us a renewal based on the increase allowed. The cost of the food required under the new guidelines (not including any labor) is approximately \$0.11 per meal.
- I have contacted Denise LeFever from ISBE so that the district can begin the bid process.

## **Transportation Funding Proposal**

- As a result of the state budget crisis, ISBE met recently stakeholders to look at possible changes to regular and vocational transportation.
- The Illinois State Board of Education has proposed revisions of the Regular and Vocational Transportation Guidelines that include the following:
  - Eliminates mandated regular transportation and makes regular transportation permissive
  - Allows districts to charge for transportation, but waives transportation charges for households that meet the free lunch or breakfast eligibility guidelines established by the federal government.
  - Eliminates Flat Grant funding
  - Allows depreciation for yellow school buses only
  - Changes the formula to be funded on a per mile/pupil cost. However, the formula includes a hold-harmless clause to help districts ease the transition to the new funding mechanism – 75% in FY13, 50% in FY14; and 25% in FY15
  - Beginning in 2014, regular and vocational transportation will be increase based on the Consumer Price Index (CPI)
- Currently, Millburn receives \$381,812 in Regular transportation funding
  - If this formula was in place for the current budget year applying the 75% hold harmless provision, Millburn would have received \$340,180 resulting in a loss of \$41,631.
  - If the formula had been fully implemented (FY 2016 provisions) for the current budget year, Millburn would have only received \$233,092 resulting in a loss \$148,719.

## **Update on Bond Refunding**

- The first step to update our bond rating is in process. A phone conference presentation has tentatively been set for Thursday, March 15, 2012 with Standard and Poors Rating Agency.
- Once we have our bond rating, the process to sell the bonds will begin.

## **Medicaid Fee For Service Revenue**

- A big thank you needs to go to Elizabeth Keefe and the Special Education staff that took on the additional paperwork in 2009 to bill Medicaid for eligible services that are provided to Medicaid eligible students. The district received the first check dated February 21, 2012 in the amount of \$27,669.52 for their efforts. These funds must be used to supplement district special education programs and/or facilities. The funds may not be used to replace district funds allocated to special education.

## **Draft Budget Calendar**

- A draft budget calendar is attached for your review and discussion.
- I am proposing a September adoption date for the budget due to the uncertainty at the state level regarding funding levels and the fact that we may not have all of the pieces to the budget until mid to late summer. A September adoption will allow us to have a budget that reflects the most current revenue and expenditure projections.

Updated 3/9/2012

**Millburn School District #24  
DRAFT Budget Calendar**

DATE	TASK	RESPONSIBLE
January, 2012	Complete Enrollment Projections	Superintendent/Business Office
February 6, 2012	<b>Committee of the Whole Meeting</b> • Budget Projection Presented to Board of Education	PMA/Superintendent/Business Manager
February 9, 2012	<b>Public Forum</b>  • Budget Projection Presented to Members of the School Community	PMA/Superintendent/Business Manager
February 22, 2012	<b>Board of Education Meeting</b>	
March	<b>Finance Committee Meetings</b> • Review FY13 budget calendar • Review Enrollment Projection • Review Budget Projection • Review status of current FY12 budget	Finance/Facilities Committee
March 13, 2012	<b>Committee of the Whole Meeting</b> • Review FY13 budget calendar • Review Updated Budget Projection	Board of Education
March/April	<b>Administrative Meetings</b> • Discuss FY13 budget process • Review FY11 & FY12 expenditures • Begin gathering data for development of the FY13 budget	Administrative Team
March 23, 2012	Deadline for final purchases and blanket orders for FY12 budget	Business Office
April, 2012	<b>Finance Committee Meetings</b> • Review FY12 budget revision (if needed) • Review 1st Draft FY13 Budget	Finance Committee
May 7, 2012	<b>Committee of the Whole Meeting</b> • Review FY12 budget revision (if needed) • Review 1st Draft FY13 Budget	Board of Education
April, 2012 - TBD by County Clerk's Offices	Finalize 2011 pay 2012 Tax Levy Rates	Business Office
April - June, 2012	Work with administration for any purchasing emergencies	Business Office
May, 2012	Place legal notice of Public Hearing on the Revised FY12 budget in newspaper (if needed)  (Public notice of revised budget needs to be published at least 30 days prior to adoption by the Board, 105 ILCS5/17-1	Business Office

<b>May, 2012</b>	<b>Finance Committee Meetings</b> <ul style="list-style-type: none"> <li>• Review FY12 budget revision (if needed)</li> <li>• Review 2nd Draft FY13 Budget</li> </ul>	Finance Committee
<b>June 4, 2012</b>	<b>Committee of the Whole Meeting</b> <ul style="list-style-type: none"> <li>• Review 2nd Draft FY13 Budget</li> </ul>	Board of Education
<b>June, 2012</b>	<b>Finance Committee Meetings</b> <ul style="list-style-type: none"> <li>• Review 3rd Draft FY13 Budget</li> </ul>	Finance Committee
<b>June 18, 2012</b>	<b>Board of Education Meeting</b> <ul style="list-style-type: none"> <li>• Public Hearing on the FY12 Revised Budget (If needed)</li> <li>• Adopt FY12 Revised Budget (if needed)</li> </ul>	Board of Education
<b>July, 2012</b>	<b>Committee of the Whole Meeting</b> <ul style="list-style-type: none"> <li>• Review 3rd Draft FY13 Budget</li> </ul>	Finance Committee
<b>July, 2012</b>	<b>Board of Education Meeting</b> <ul style="list-style-type: none"> <li>• Presentation of Tentative FY13 Budget to Board</li> </ul>	Board of Education Business Office
<b>Mid-August, 2012</b>	Place legal notice of Public Hearing on the Tentative FY13 budget in newspaper Public notice of availability of tentative budget published at least 30 days prior to adoption by the Board, ILCS 5/17-1	Business Office
<b>September, 2012</b>	<b>Board of Education Meeting</b> <ul style="list-style-type: none"> <li>• Public Hearing on the FY13 Budget</li> <li>• Board adoption of the FY13 Budget</li> </ul> (Last day to adopt the annual budget is the end of the FY quarter, which is September 30, 105 ILCS 5/17-1	Board of Education
<b>October 15, 2012</b>	Within 30 days of the budget adoption, the annual budget must be: <ul style="list-style-type: none"> <li>• Filed with the County Clerk</li> <li>• Transmitted electronically with a deficit reduction plan (if necessary) to ISBE</li> <li>• Posted on the District Website</li> <li>• Parents and guardians notified of budget's availability (105 ILCS 5/17-1, 105 ILCS 5/17-1.2, 35 ILCS 200/18-50)</li> </ul>	Business Office
<b>October, 2012</b>	<ul style="list-style-type: none"> <li>• Develop 2012 Truth in Taxation Notice</li> <li>• Board of Education &amp; Finance Committee Meeting to review preliminary financial data for upcoming budget</li> </ul>	Business Office

<b>November, 2012</b>	<b>Board of Education Meeting</b> <ul style="list-style-type: none"> <li>• First reading of the 2012 pay 2013 Tax Levy</li> <li>• Approval for publication of the "Truth in Taxation Statement"</li> </ul> <p>(Estimated property tax levy must be presented to the Board at least 20 days prior to the adoption of the property tax levy, 35 ILCS 200/18-60)</p>	Board of Education
<b>November/December, 2012</b>	<ul style="list-style-type: none"> <li>• Publish 2012 Truth in Taxation Notice of Public Hearing</li> </ul> <p>(Published no more than 14 days nor less than 7 days prior to the date of the hearing, 35 ILCS 200/18-80)</p>	Business Office
<b>Mid-December, 2012</b>	<b>Board of Education Meeting</b> <ul style="list-style-type: none"> <li>• Review and discuss tentative FY2014 Budget objectives</li> <li>• Hold 2012 Truth in Taxation Hearing</li> <li>• Adoption of Tentative 2012 Tax Levy</li> </ul>	Board of Education
<b>Mid-December, 2012</b>	<ul style="list-style-type: none"> <li>• Certificate of Tax Levy (ISBE 50-02) must be filed with county clerk on or before the last Tuesday in December (105 ILCS 5/17-11 and 35 ILCS 200/18-15. NOTE: Last Tuesday is December 29)</li> </ul>	Business Office