

FY14 Budget Proposal

August 28, 2013

Overview

- We propose approval of FY14 budget, with modest changes from July 24 release
- Public comments have reflected dissatisfaction with overall funding levels for CPS, and we agree
- Enormous efforts underway to secure pension reform and higher funding from Springfield, but no change since budget proposed
- Future years outlook continues to be very grim

Timeline of budget review

- Release capital budget May 1
- Release budgets to schools June 5
- Meetings with individual schools/LSC's June - July
- Additional funds released July 12
- Complete budget presented to board July 24
- Public Hearings Aug 1 – 2
- Revised budget shared with board Aug 12 – 22
- Budget approval vote Aug 28

Getting more feedback over the past month

- Three public hearings held August 1 - 2
- City Council Education Committee hearing August 9
- Briefings with Aldermen, Legislators
- Website comments
- Meetings with community groups, LSC Coalition
- Civic Federation briefing and report

Summary of public comments

- Schools are feeling the pressure of reduced resources
 - Overall spending levels
 - Bilingual support
- All want to support efforts to get more funding for CPS
 - Pension reform
 - Higher state funding for education
- Civic Federation had specific feedback
 - District needs a sustainable, long term plan
 - Use of reserves cannot continue
 - Provide more time for public review before hearings

FY 14 Budget reflects increased expenses, mostly pension

\$ millions	FY13 Proj	FY14 Budget	Difference	Comment
Revenue				
Property Tax	2,052.8	2,141.4	88.6	<i>Tax to the cap</i>
Replacement Tax	128.3	105.5	(22.8)	<i>One time growth in FY13</i>
All Other Local	134.4	169.7	35.3	
Total Local	2,315.5	2,416.6	101.1	
State	1,645.2	1,621.5	(23.7)	<i>No "catch up";</i>
Federal	891.7	908.4	16.7	<i>Carryover funds</i>
Other revenue	3.5	3.1	(0.4)	
Total Revenue	4,855.9	4,949.6	93.7	
Total Expenses	5,128.5	5,592.3	463.8	<i>Pension and contract increases</i>
Net (Gap b/f Reserves)	(272.6)	(642.7)	(370.1)	
Use of Reserves				
General Unrestricted	229.9	562.6	332.8	Zero balance at 6/30/14
SGSA	17.8	41.3	23.5	<i>Carryover at schools</i>
Tort	25.0	38.8	13.8	<i>Balance at 6/30/14: \$29M</i>
Debt Service	--	53.8	53.8	<i>Adds to operating revenue</i>
Reserves Appropriated	272.7	696.5	423.9	

FY 14 budget uses reserves to minimize cuts

Reserve Detail	EOY FY12	Used in FY13	EOY FY13	Needed for FY14	EOY FY14
General Unrestricted	792.5	229.8	562.7	562.7	-
Tort Fund Balance	92.7	25.0	67.7	38.8	28.9
SGSA for Schools	59.1	17.8	41.3	41.3	-
<i>Restricted/Not Avail for Gap Closing</i>	124.5	-	124.5	-	124.5
Operating Reserve Total	1,068.8	272.6	796.2	642.8	153.4
Debt Service Reserve*	255.0	6.0	249.0	53.8	195.2
TOTAL RESERVES	1,323.8	278.6	1,045.2	696.6	348.6

*Amount used in FY13 were not related to the Operating Budget. Similarly, additional amounts may be used in FY14 that do not relate to the Operating Budget

Changes to Nutrition budget

- Proposed budget anticipated savings through staffing rationalization
- 206 fewer positions reduced than originally planned; fewer staff accepted voluntary retirement incentive
- Total budget unchanged due to reserve held for buy-out plan, but need to shift funds for higher headcount

Nutrition budget overview

	FY 13 End of Year	FY 14 Released Budget	Change from FY 13	FY 14 Budget to be Approved	Change from FY 14 Released
Revenue	208.2	223.0	14.8	223.0	0
Expenses					
Salary/Benefits	112.6	96.6	(16.0)	102.5	5.9
Donated Food	12.2	14.0	1.8	14.0	0
Purchased Food	89.3	84.5	(4.8)	84.5	0
Supplies/Contracts	3.6	9.0	5.4	9.0	0
Other/contingency	12.2	18.9	6.7	13.0	(5.9)
Total Expenses	229.9	223.0	(6.9)	223.0	0
Net	(21.7)	0	21.7	0	0

Changes to English Language Learners Funding

- Released budget allocated \$24.4 million to schools for supplemental ELL services, \$9.4 million less than FY13
- This funded 167 supplemental teaching positions and \$110/pupil for supplemental services
- Schools with a large ELL population have been asking for more support in this area
- An additional \$2.0 million in ELL funding will be released from a grant contingency to provide an extra \$44 per pupil, benefitting 358 schools

Conclusion

- This has been a challenging budget process due to the enormous burden of pension cliff
- We propose approval of the budget, as revised
- We will continue to drive efficiency in all areas, to keep as much funding in schools as possible
- The future lies in the hands of Springfield