

# **Final Budget 2015-2016 & Projections**

**Board of Education Meeting  
September 15, 2015**

# Time Table

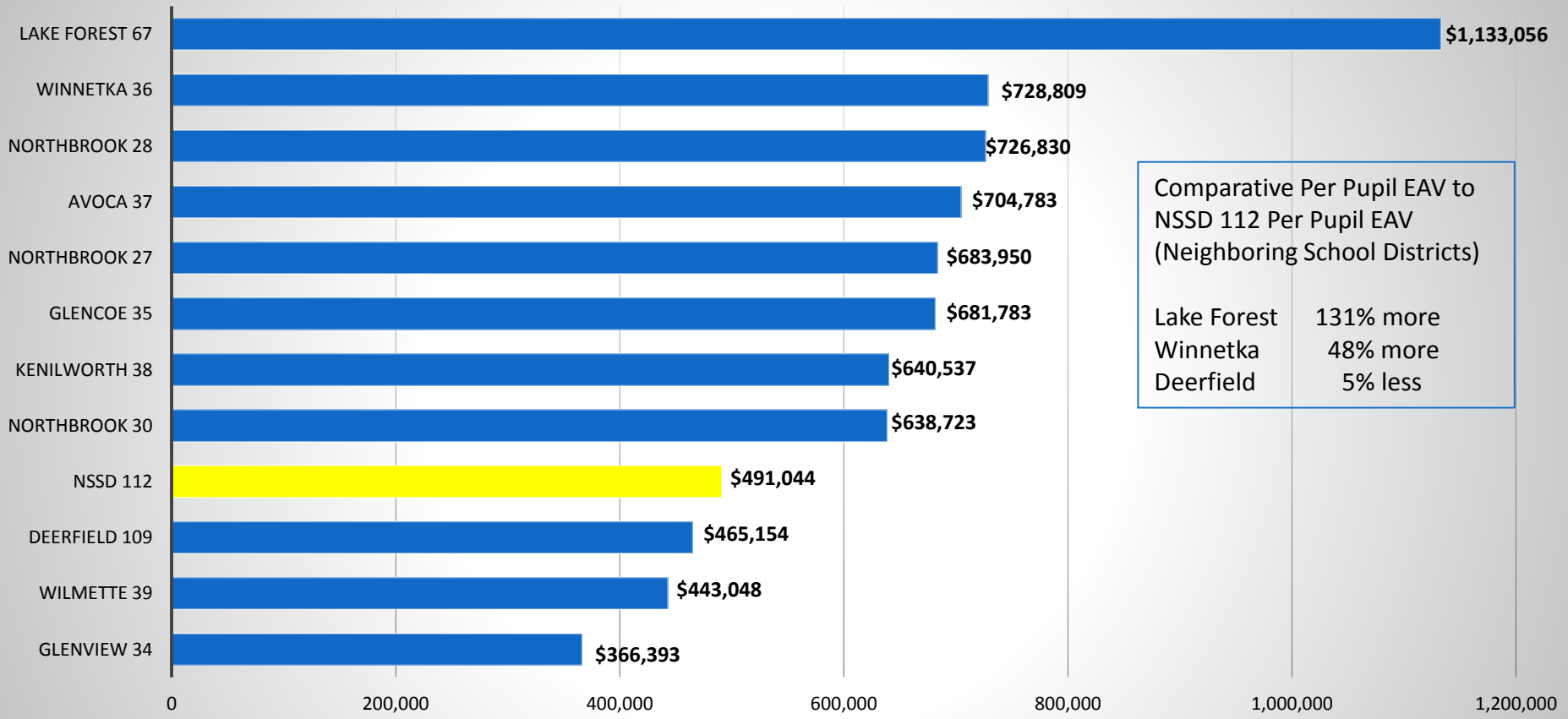
- Review Tentative Budget May 19, 2015
- Display Tentative Budget July 17, 2015
  - For Public Display minimum of 30 Days
- Review/Adopt Final Budget September 15, 2015
  - Public Hearing
- File Adopted Budget – County September 30, 2015

# Strategic Plan Objectives and Parameters

- Ensure new and existing programs are consistent with the strategic plan and that benefits justify costs
- Maintain an operating fund balance of at least 25%
- Ensure the sustainability of the district's financial and human resources and their equitable distribution

# COMPARISON TO OTHER DISTRICTS

# 2014 Property Wealth (EAV) per Pupil



Comparative Per Pupil EAV to NSSD 112 Per Pupil EAV (Neighboring School Districts)

Lake Forest	131% more
Winnetka	48% more
Deerfield	5% less

# Comparison of percentage of NSSD 112 low-income students to districts that don't have affordable housing in their communities

North Shore School District 112	26.44%
School District	Percent of Low-Income Student Count by School District
Deerfield 109	6.05%
Lake Forest 67	4.22%
Northbrook 27	9.55%
Northbrook 28	9.90%
Northbrook 30	10.44%
Wilmette 39	4.70%
Winnetka 36	2.63%

Source: Highland Park News – August 7, 2015

# 2014 School Size Comparison

## Elementary Districts with 3,000 to 6,000 Students

Number of Students	District	Number of Schools	Avg. Elem	Smallest Elem.	Largest Elem.	Average MS	Smallest MS	Largest MS
5347	Arlington Heights 25	9	504	292	629	881	866	896
4923	Glenview 34****	8	531	470	592	870	855	884
4839	Des Plaines 62	11	387	250	629	678	672	683
4351	Park Ridge 64*	7	556	423	662	786	740	832
4180	NSSD 112*	12	338	248	534	493	374	615
3932	Grayslake 46*	8	420**	364	474	611**	370	769
3914	Hawthorn 73*	8	528	442	695	638	593	682
3699	Wilmette 39****	6	492	415	536	867	848	885
3663	East Maine 63+	7	476	350	627	775	775	775
3133	Kildeer 96+++	7	387	271	446	599	556	641
3105	Deerfield 109	6	502	466	542	549	540	557
3065	Antioch 34++	5	516	390	715	1002	1002	1002

Source: [illinoisreportcard.com](http://illinoisreportcard.com)

Selected districts are north suburban K8 districts with enrollments between 3,000 and 6,000 students. Elementary buildings serve Pre-K or K-5 unless noted below; middle schools serve 6-8 unless noted below.

\*Total enrollment excludes separate preschool building.

\*\*Elementary schools include grades Pre-K or K-4; one MS serves grades 5-6; one MS serves grades 5-8; one MS serves grades 7-8.

\*\*\*Elementary schools serve Pre K-4; one middle school serves grades 5-6 and one middle school serves grades 7-8.

\*\*\*\* Three elementary schools serve Pre K-2 and three serve grades 3-5

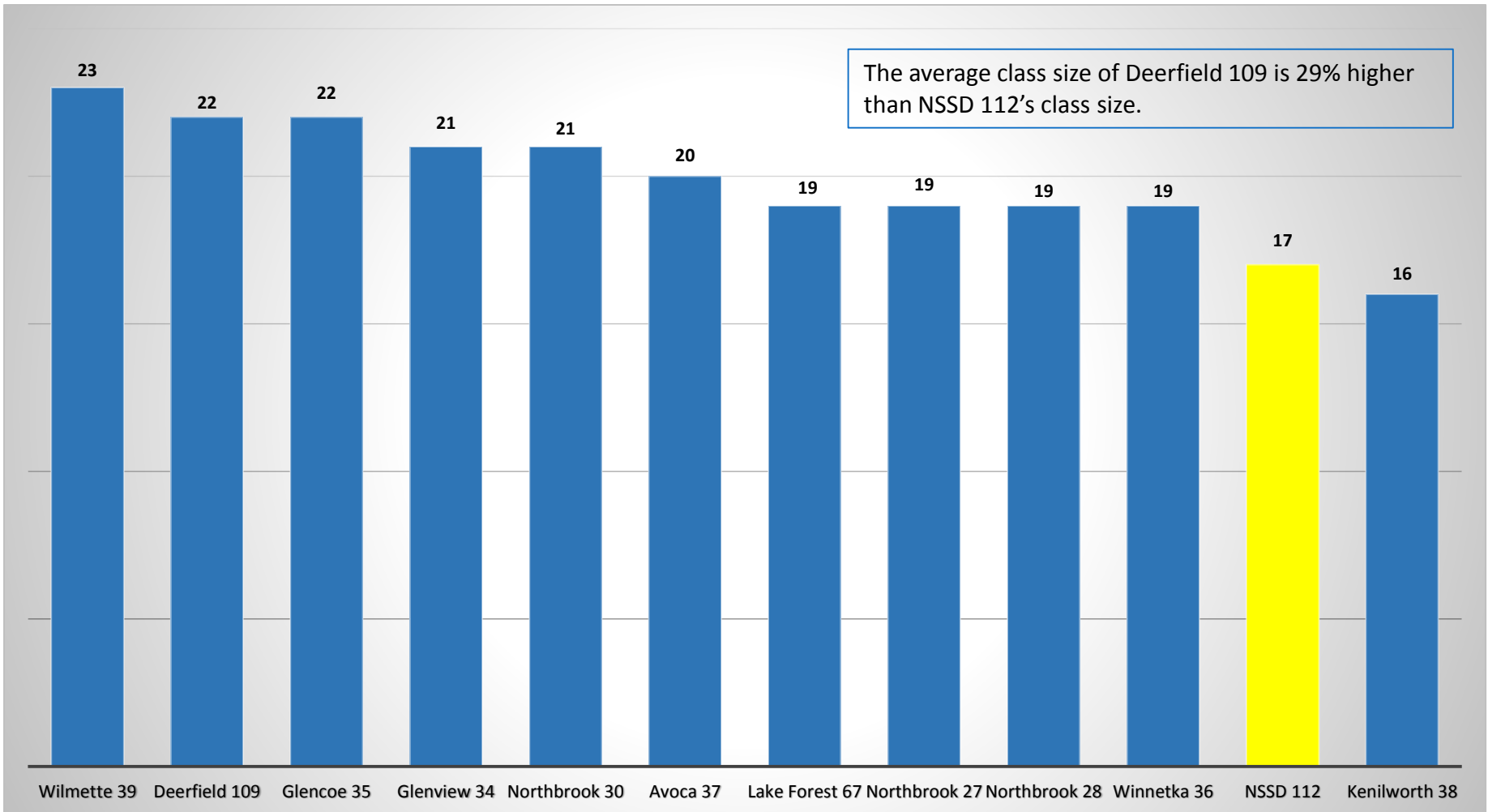
\*\*\*\*\*Elementary schools includes three schools serving grades PreK-2, two schools serving grades 3-5, and one school serving Pre-K as well as grades 3-5.

+ Elementary schools serve Pre-K or K-6; one middle school serves grades 7-8.

++ Elementary schools include one school serving grades Pre K-1, three schools serving grades 2-5.

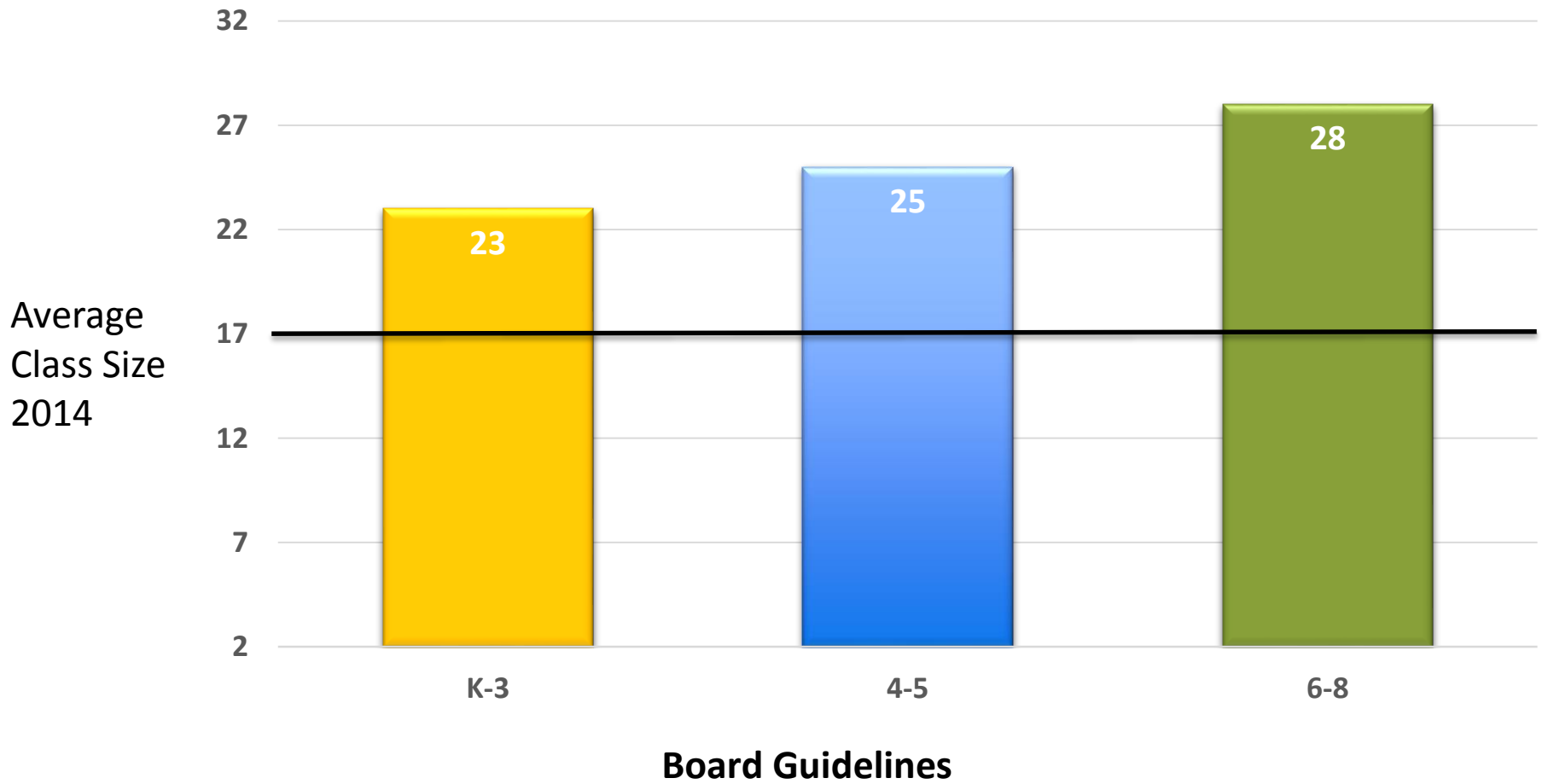
+++ Elementary schools include one school serving grades Pre-K and K, four schools serving grades 1-5.

# 2013-14 Average Class Size

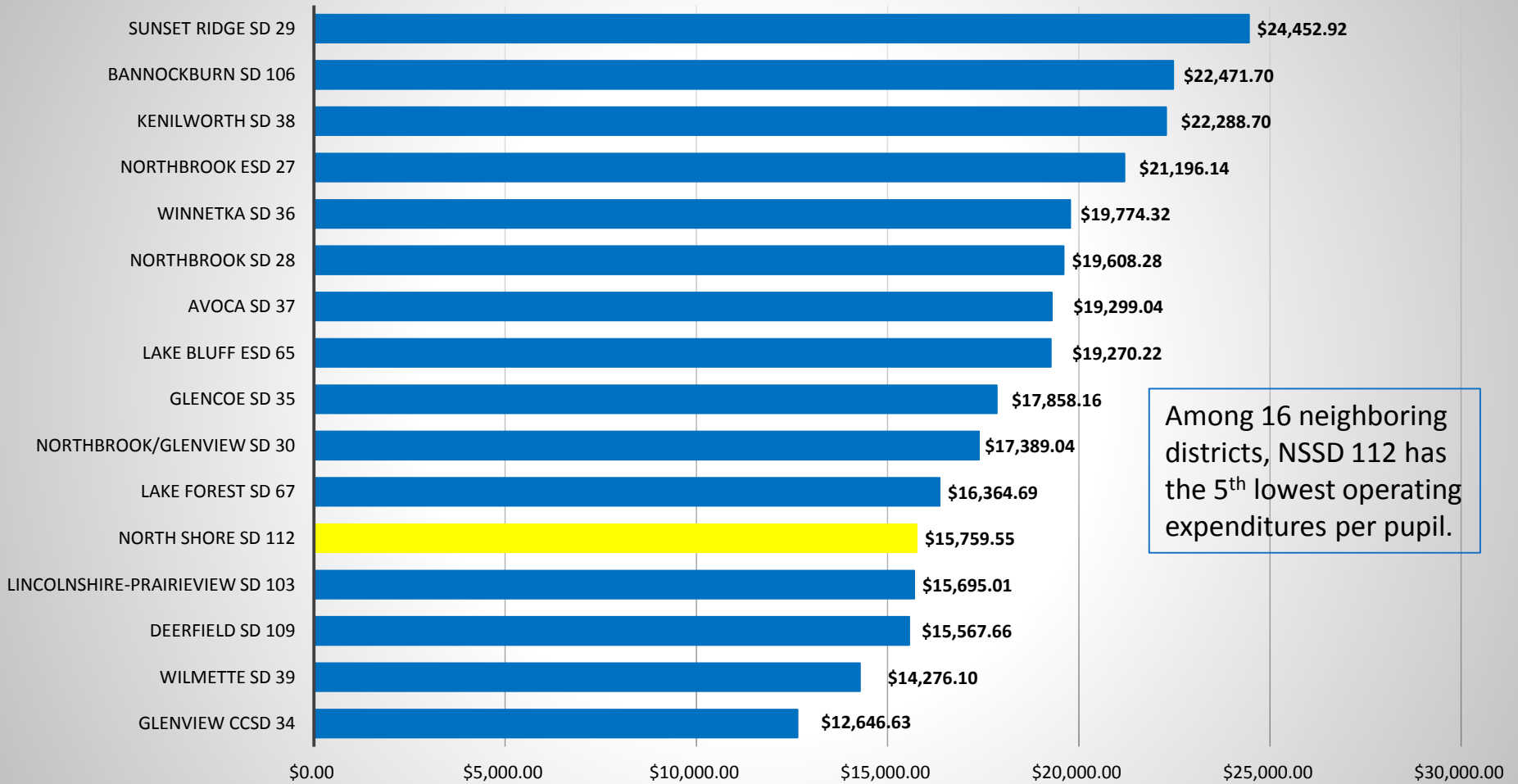




# District Class Size



# 2014 Per-Pupil Operating Expenses



# Growth in Per-Pupil Operating Expenses

## Lake County Elementary Schools: 2007- 2014

<b>District</b>	<b>% Change 2007 to 2014</b>
Grass Lake SD 36	79.4%
Lake Bluff ESD 65	69.2%
Deerfield SD 109	52.2%
Emmons SD 33	51.6%
Oak Grove SD 68 (Lake)	51.6%
Gavin SD 37	39.7%
Lake Villa CCSD 41	38.3%
Fox Lake GSD 114	34.3%
Antioch CCSD 34	34.0%
Rondout SD 72	33.2%
Big Hollow SD 38	30.5%
Libertyville SD 70	30.5%
Fremont SD 79	29.9%
Lake Forest SD 67	29.5%
Diamond Lake SD 76	28.7%

<b>District</b>	<b>% Change 2007 to 2014</b>
Bannockburn SD 106	28.5%
Kildeer Countryside CCSD96	26.3%
Grayslake CCSD 46	23.0%
Lincolnshire-Prairie View SD 103	22.9%
Beach Park CCSD 3	20.3%
Aptakisic-Tripp CCSD 102	19.8%
Hawthorn CCSD73	19.1%
Mundelein ESD 75	18.9%
Gurnee SD 56	16.6%
Woodland CCSD50	12.1%
<b>North Shore SD 112</b>	<b>11.0%</b>
Zion ESD 6	11.0%
Winthrop Harbor SD1	10.9%
Millburn CCSD 24	9.6%

\* Used 2007 because it was the high point of the recession

# Growth in Per-Pupil Operating Expenses

## Elementary Peers: 2007-2014

<u>District</u>	<u>% Change 2007 to 2014</u>
Lake Bluff ESD 65	69.2%
Deerfield SD 109	52.2%
Winnetka SD 36	41.2%
Sunset Ridge SD 29	38.5%
Glencoe SD 35	36.2%
Northbrook ESD 27	32.7%
Kenilworth SD 38	31.8%
Lake Forest SD 67	29.5%
Northbrook SD 28	26.6%
Avoca SD 37	23.1%
Wilmette SD 39	23.0%
Lincolnshire-Prairie View SD 103	22.9%
Northbrook/Glenview SD 30	17.0%
<b>North Shore SD 112</b>	<b>11.0%</b>
Glenview CCSD 34	10.2%

\* Used 2007 because it was the high point of the recession

# A Tight Rein on Expenses

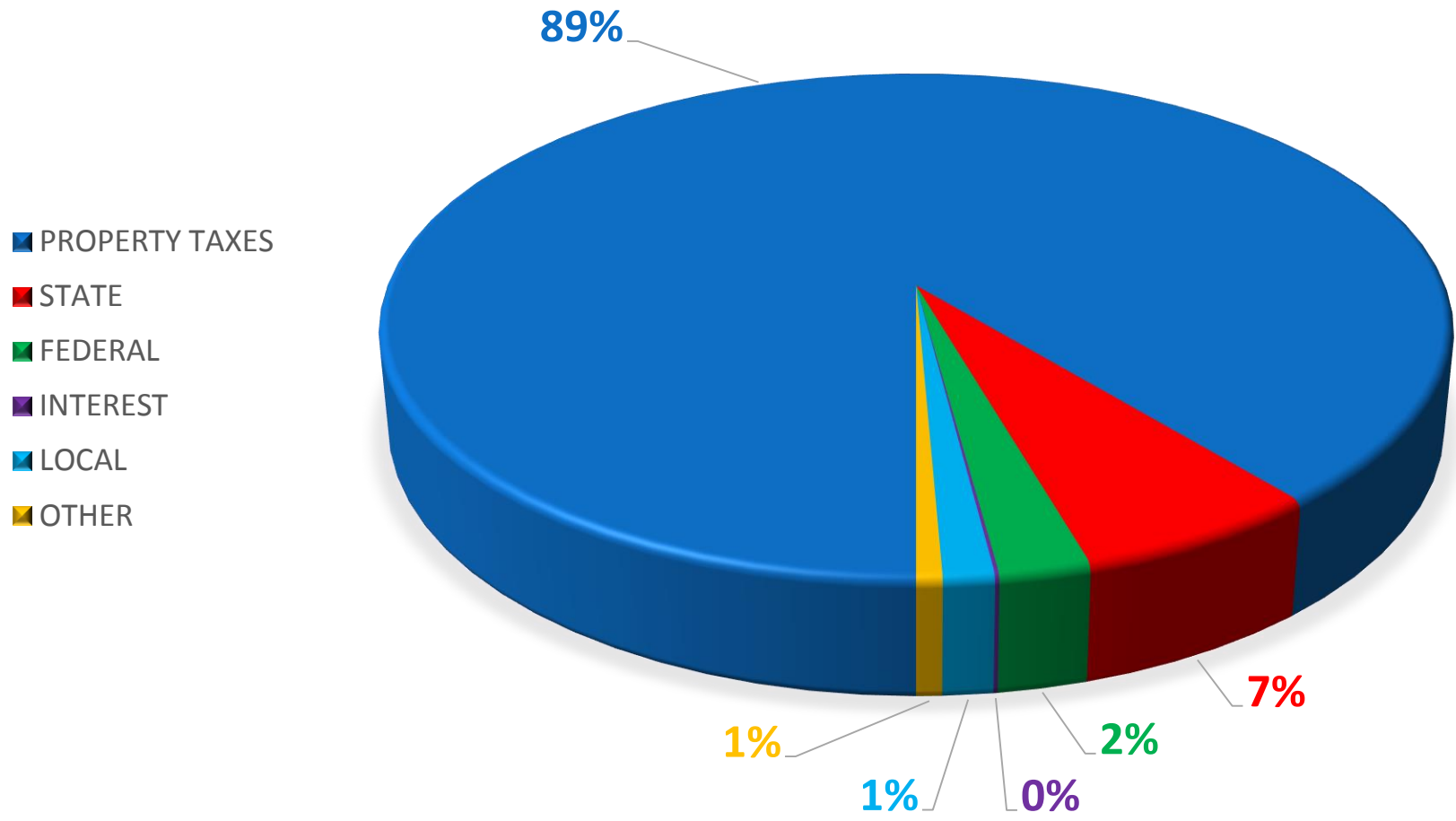
Because of careful management, NSSD 112 operating expenses have grown more slowly than nearby districts

## Growth Per Pupil of Expenditures

	All Lake County K-8 Districts	NSSD112 Peers	NSSD112
Increase in Operating Expenses 2007-2014	28.6 %	29.5%	11%
Incremental amount D112 expenditures would have increased at median growth rate	\$13.8 million	\$14.5 million	

# REVENUE AND OPERATING EXPENSES

# Source of Revenue in FY16



NOTE - EXCLUDES: TRANSFERS AND ON-BEHALF PAYMENT TO TRS

# Increase in NSSD122 Real Estate Tax Revenue Based on Consumer Price Index and Value of New Construction

	Year	CPI Increase	New Construction Increase	Total Increase
1994-1995	1994	2.70%	0.92%	3.62%
1995-1996	1995	2.70%	1.57%	4.27%
1996-1997	1996	2.70%	1.91%	4.61%
1997-1998	1997	3.30%	1.91%	5.21%
1998-1999	1998	1.70%	1.53%	3.23%
1999-2000	1999	1.60%	5.93%	7.53%
2000-2001	2000	2.70%	3.82%	6.52%
2001-2002	2001	3.40%	2.66%	6.06%
2002-2003	2002	1.60%	2.49%	4.09%
2003-2004	2003	2.40%	1.25%	3.65%
2004-2005	2004	1.90%	1.41%	3.31%
2005-2006	2005	3.30%	2.03%	5.33%
2006-2007	2006	3.40%	1.72%	5.12%
2007-2008	2007	2.50%	1.42%	3.92%
2008-2009	2008	4.10%	1.26%	5.36%
2009-2010	2009	0.10%	1.39%	1.49%
2010-2011	2010	2.70%	0.94%	3.64%
2011-2012	2011	1.50%	0.46%	1.96%
2012-2013	2012	3.00%	0.44%	3.44%
2013-2014	2013	1.70%	0.42%	2.12%
2014-2015	2014	1.50%	0.40%	1.90%
2015-2016	2015	0.80%	0.35% Est.	1.15% Est.



# Comparisons of Bond & Interest, Total Tax Rates 2014

<u>Cook County Schools</u>	B & I Rate	Total School District Tax Rate
Avoca School District 37	0.173	2.957
West Northfield School District 31	0.072	2.911
Northbrook School District 28	0.000	3.009
Wilmette School District 39	0.095	3.356
Winnetka School District 36	0.463	3.386
Glencoe School District 35	0.218	3.378
Northbrook/Glenview School District 30	0.000	3.272
Mount Prospect School District 57	0.117	3.241
Evanston C C School District 65	0.234	3.683
Kenilworth School District 38	0.344	3.998
Wheeling C C School District 21	0.301	5.430
<b><u>Lake County Schools</u></b>		
Lake Bluff Elementary School District 65	0.244	2.777
<b>North Shore School District 112</b>	<b>0.000</b>	<b>3.152</b>
Deerfield School District 109	0.075	3.401
Aptakisic-Tripp C C District 102	0.027	3.810
Kildeer Countryside C C School District 96	0.032	4.073
Hawthorn C C School District 73	0.556	4.117
Woodland C C School District 50	0.568	4.840
Gurnee School District 56	0.655	4.945
Grayslake C C School District 46	1.443	6.414

The Tax Rate is per 100 of the EAV and is for the School District portion only

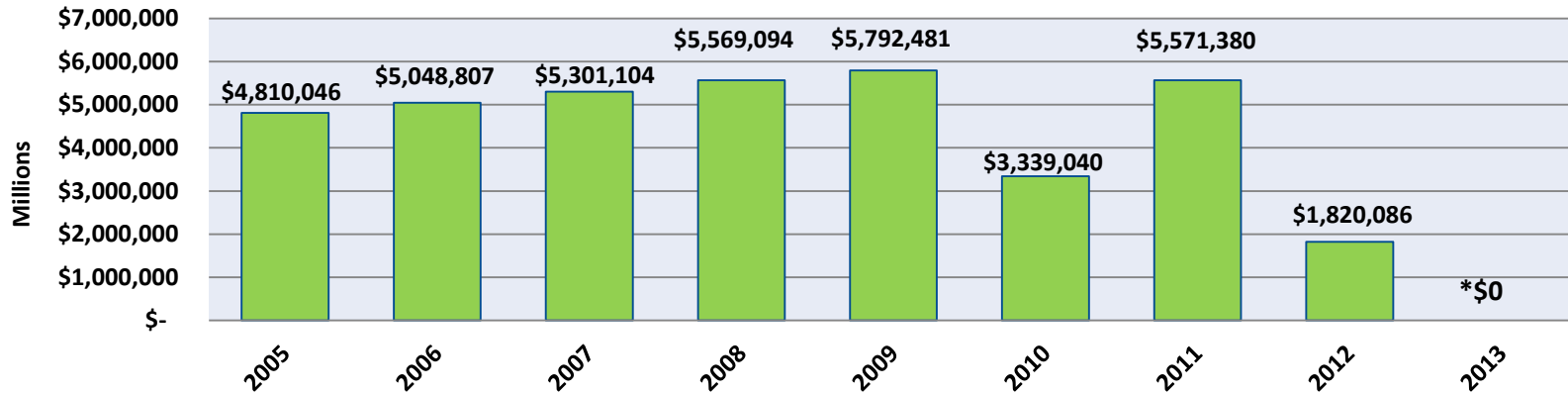
# Relative Efficiency & Effectiveness of our School District Compared to Selective Neighboring School Districts

Ability	Deerfield 109	Glencoe 35	Kenilworth 38	Northbrook 28	North Shore Dist. 112	Wilmette 39	Winnetka 36
EAV Per Pupil	\$ 465,154	\$ 681,783	\$ 640,537	\$ 726,830	\$ 491,044	\$ 443,048	\$ 728,809
Tax Rate (per 100)	3.401	3.378	3.998	3.009	3.152	3.356	3.386
Real Estate Tax Revenue Per Pupil for School Districts	\$ 15,819.89	\$ 23,030.63	\$ 25,608.67	\$ 21,870.31	\$ 15,477.71	\$ 14,868.69	\$ 24,677.47
Operating Expenditure Per Pupil	\$ 15,567.66	\$ 17,858.16	\$ 22,288.70	\$19,608.28	\$ 15,759.55	\$ 14,276.10	\$ 19,774.32
\$600,000 house assessed at 33.3% with a homeowner's exemption of \$6000	\$ 194,000	\$ 194,000	\$ 194,000	\$ 194,000	\$ 194,000	\$ 194,000	\$ 194,000
Estimated Taxes (\$194,000 x Tax Rate per 100)	6597.94	6553.32	7756.12	5837.46	6114.88	6510.64	6568.84
Difference in Taxes Compared to NSSD112	483.06	438.44	1641.24	-277.42	N/A	395.76	453.96

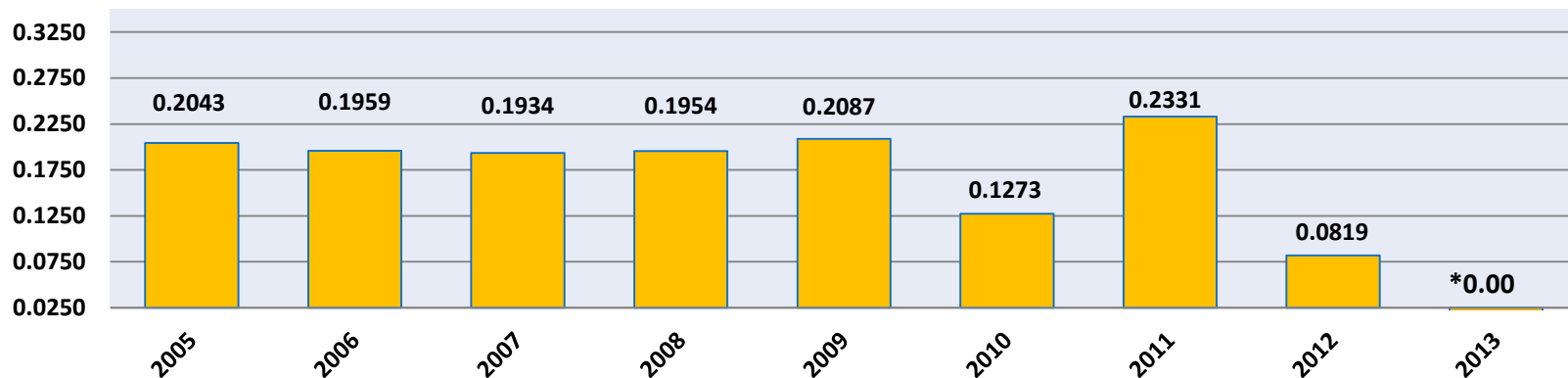
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# Bond and Interest Fund Only Debt Service History

### Debt Service in Dollars



### Bond and Interest Tax Rate

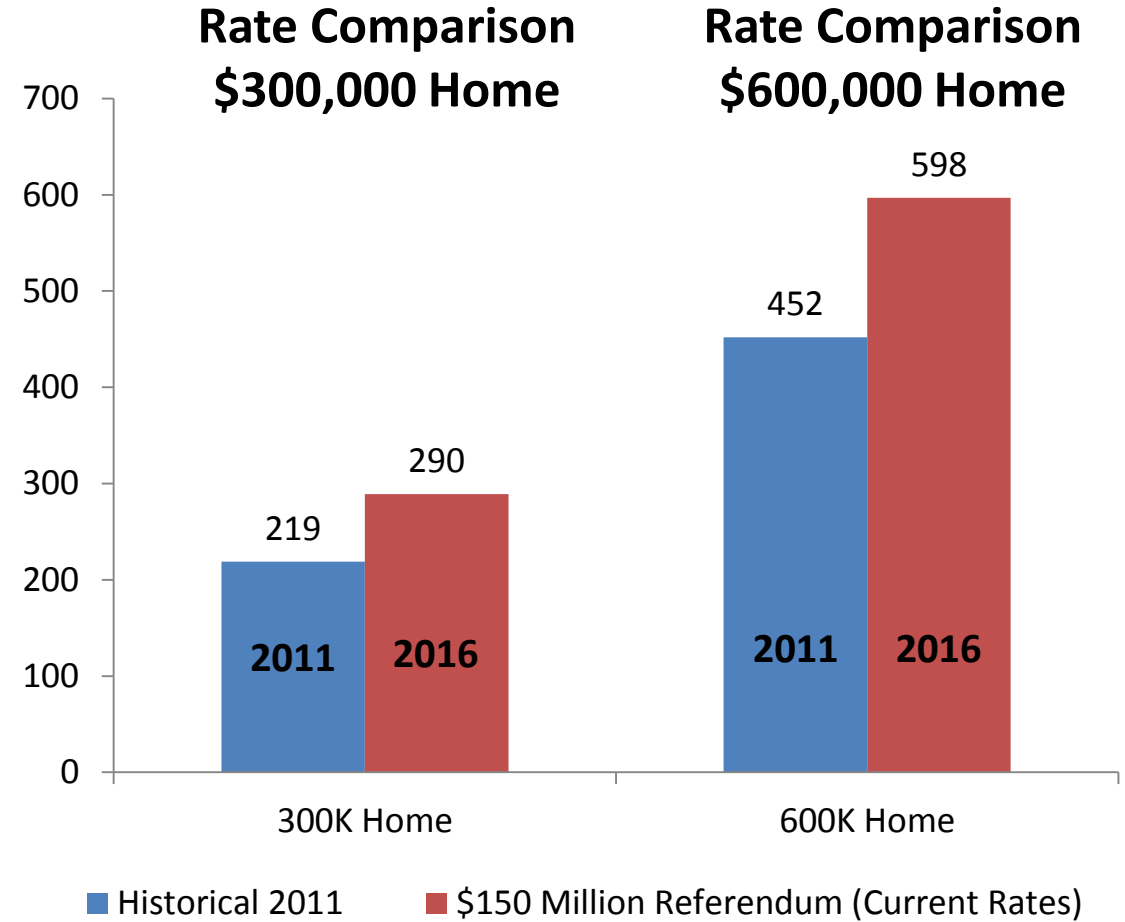


NOTE – \*The district has paid all outstanding bonds by FY2012

# Debt Service, Tax Rate History and Financial Impact on Homeowners

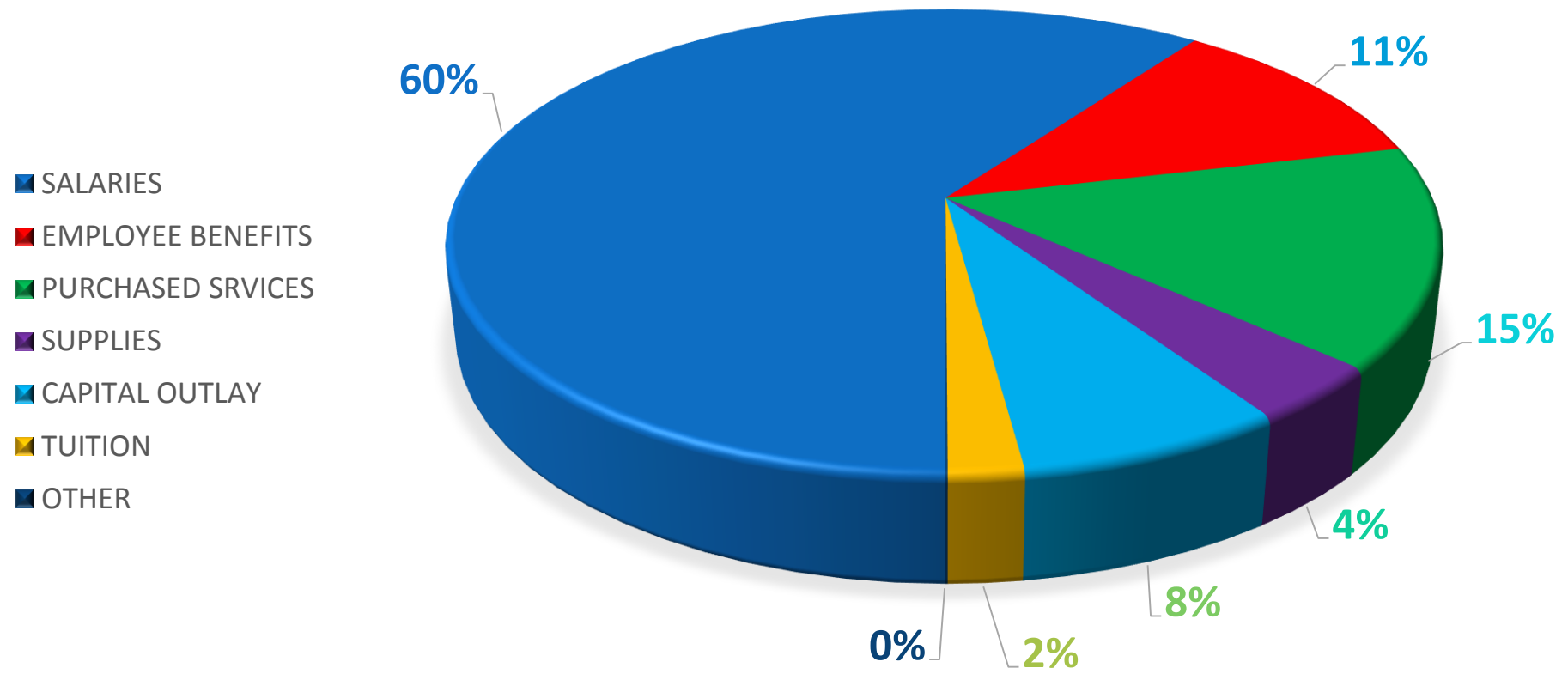
- As recently as 2011, the district collected more than \$5.5 million in property taxes for debt service. The tax rate for that amount was \$0.2331.
- Since 2013, the district tax rate for debt service has been zero.
- The anticipated tax rate for \$150 million bond issue is \$0.3080.

**Difference over 2011 rates:**  
 \$300K home: \$71 per year  
 \$600K home: \$146 per year



Note: Financial impact takes into consideration \$6000 of home owners exemption. This payment is projected to increase by approximately 2% per year for existing property owners.

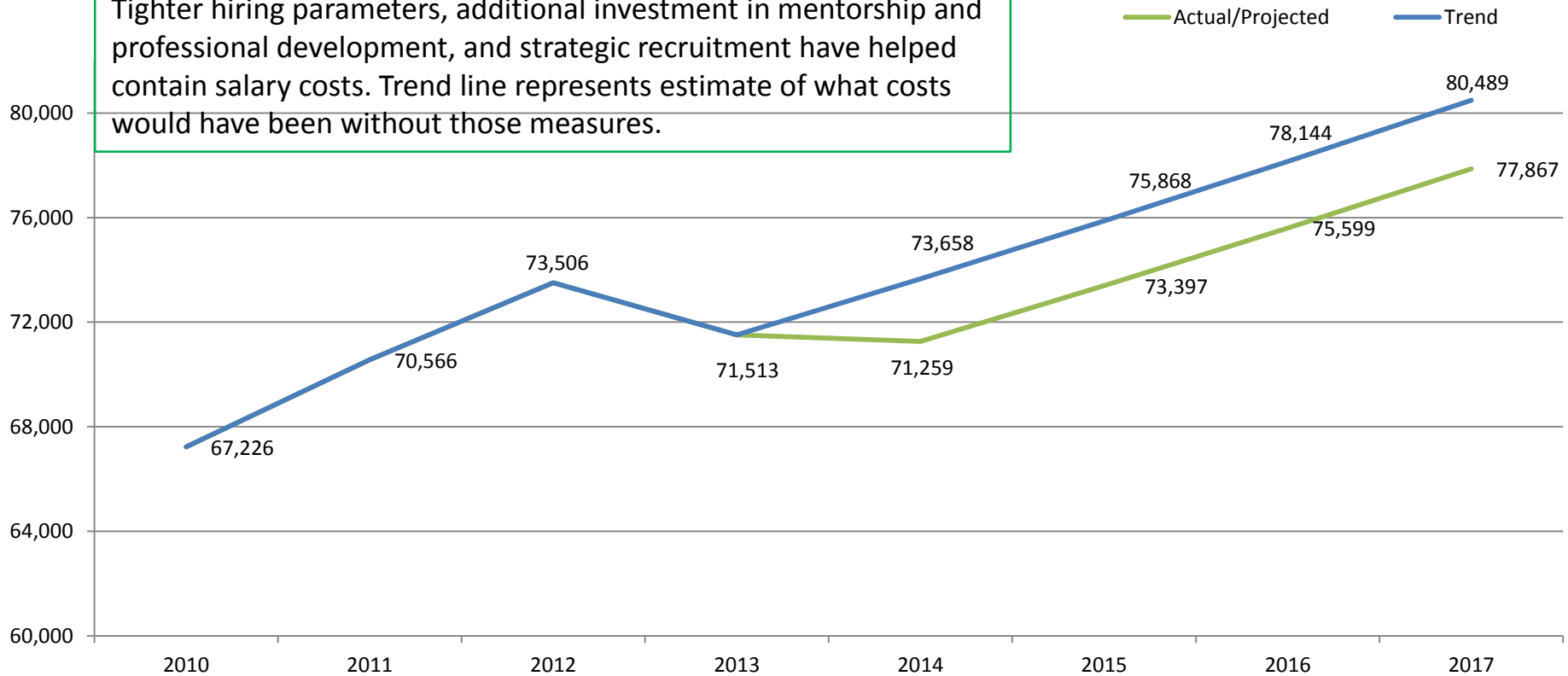
# Types of Expenditures in FY16



NOTE - EXCLUDES: TRANSFERS AND ON-BEHALF PAYMENT TO TRS

# NSSD 112 Average Teacher Salary

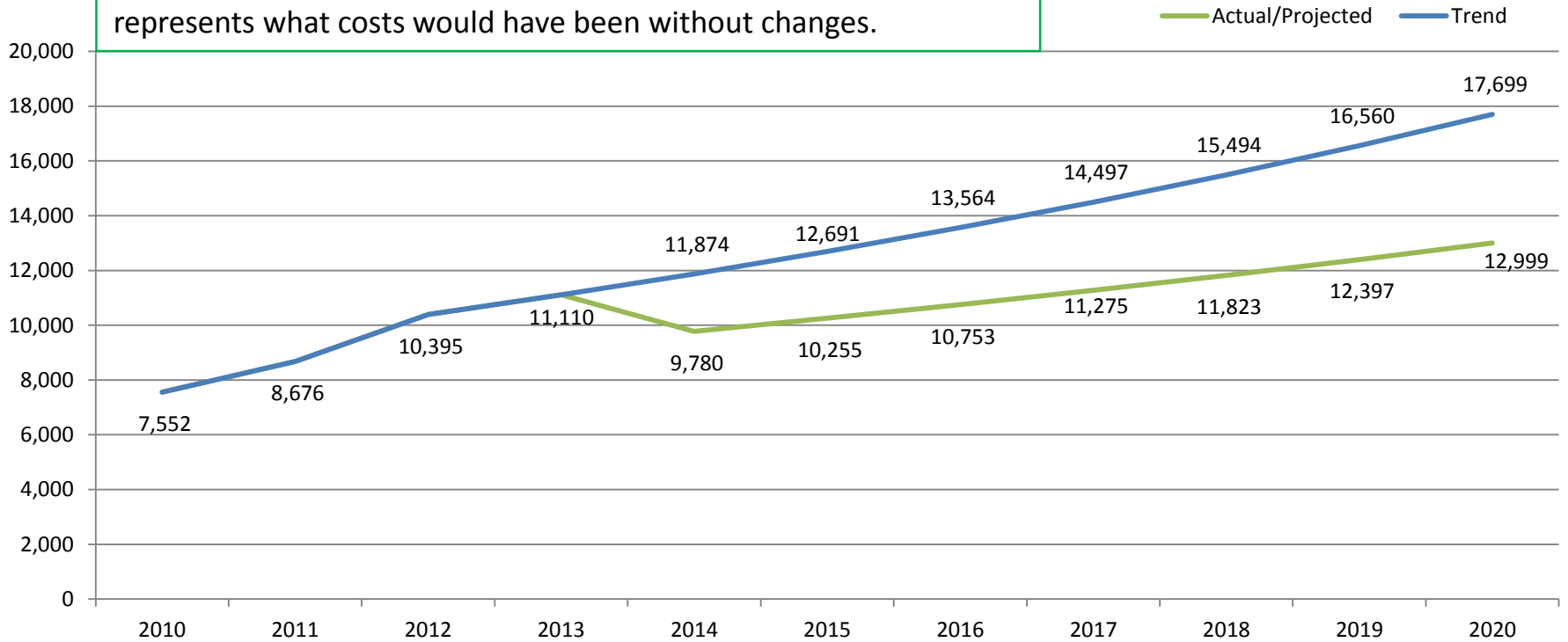
Tighter hiring parameters, additional investment in mentorship and professional development, and strategic recruitment have helped contain salary costs. Trend line represents estimate of what costs would have been without those measures.



	2010	2011	2012	2013	2014	2015	2016	2017	
Cost/Teacher	67,226	70,566	73,506	71,513	71,259	73,397	75,599	77,867	
Trended Cost/Teacher	67,226	70,566	73,506	71,513	73,658	75,868	78,144	80,489	
Savings/Teacher	-	-	-	-	2,399	2,471	2,546	2,622	
Teachers					425	425	425	425	
Total Savings	-	-	-	-	1,019,741	1,050,333	1,081,843	1,114,298	4,266,215

# NSSD 112 Medical Insurance Cost: Average / Teacher

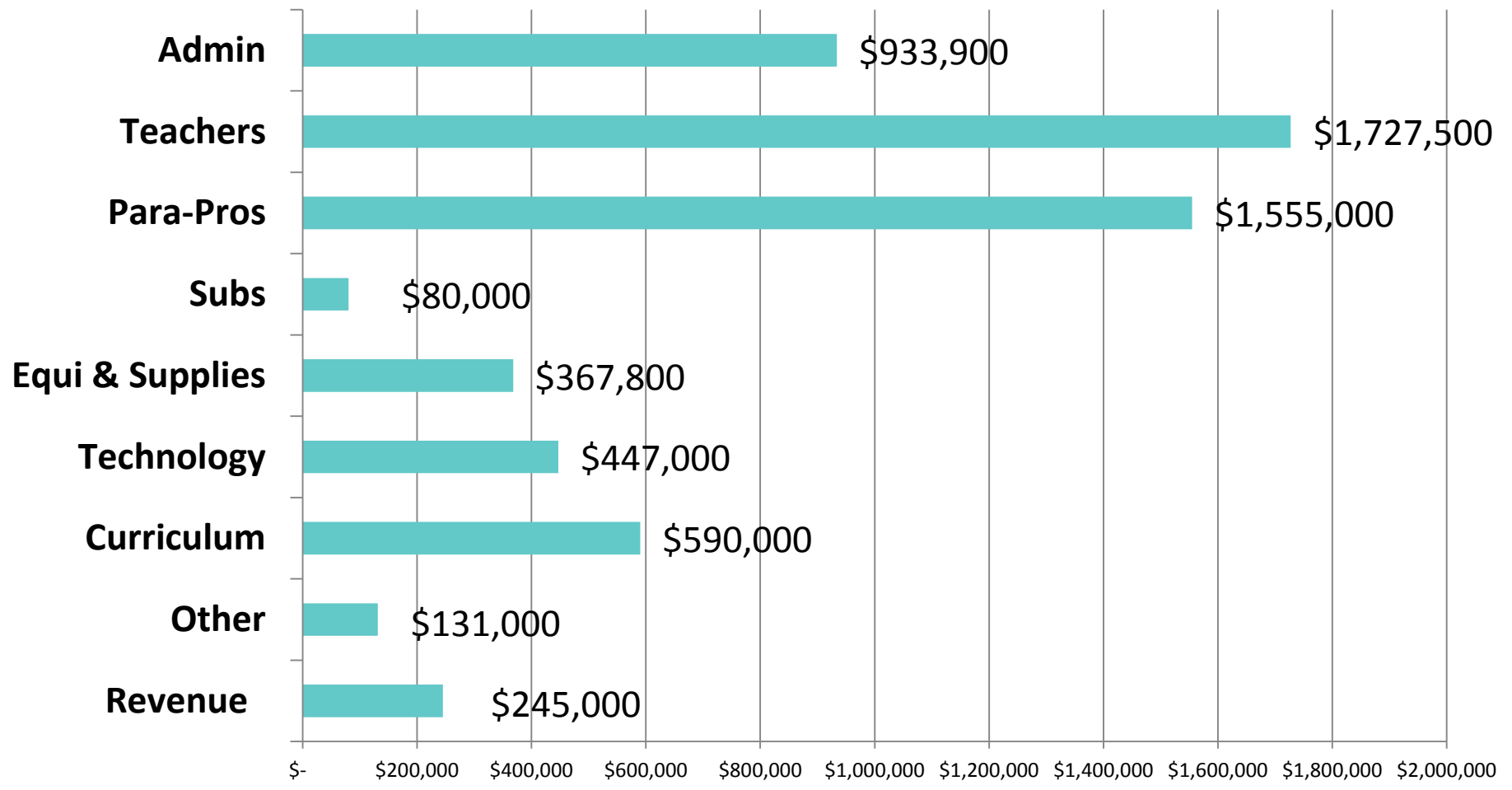
Changes in insurance plan design helped contain costs. Trend line represents what costs would have been without changes.



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Cost/Teacher	7,552	8,676	10,395	11,110	9,780	10,255	10,753	11,275	11,823	12,397	12,999	
Trended Cost/Teacher	7,552	8,676	10,395	11,110	11,874	12,691	13,564	14,497	15,494	16,560	17,699	
Savings/Teacher	-	-	-	-	2,094	2,436	2,811	3,221	3,671	4,162	4,699	
Teachers					425	425	425	425	425	425	425	
Total Savings	-	-	-	-	890,026	1,035,267	1,194,579	1,369,127	1,560,168	1,769,055	1,997,242	9,815,464

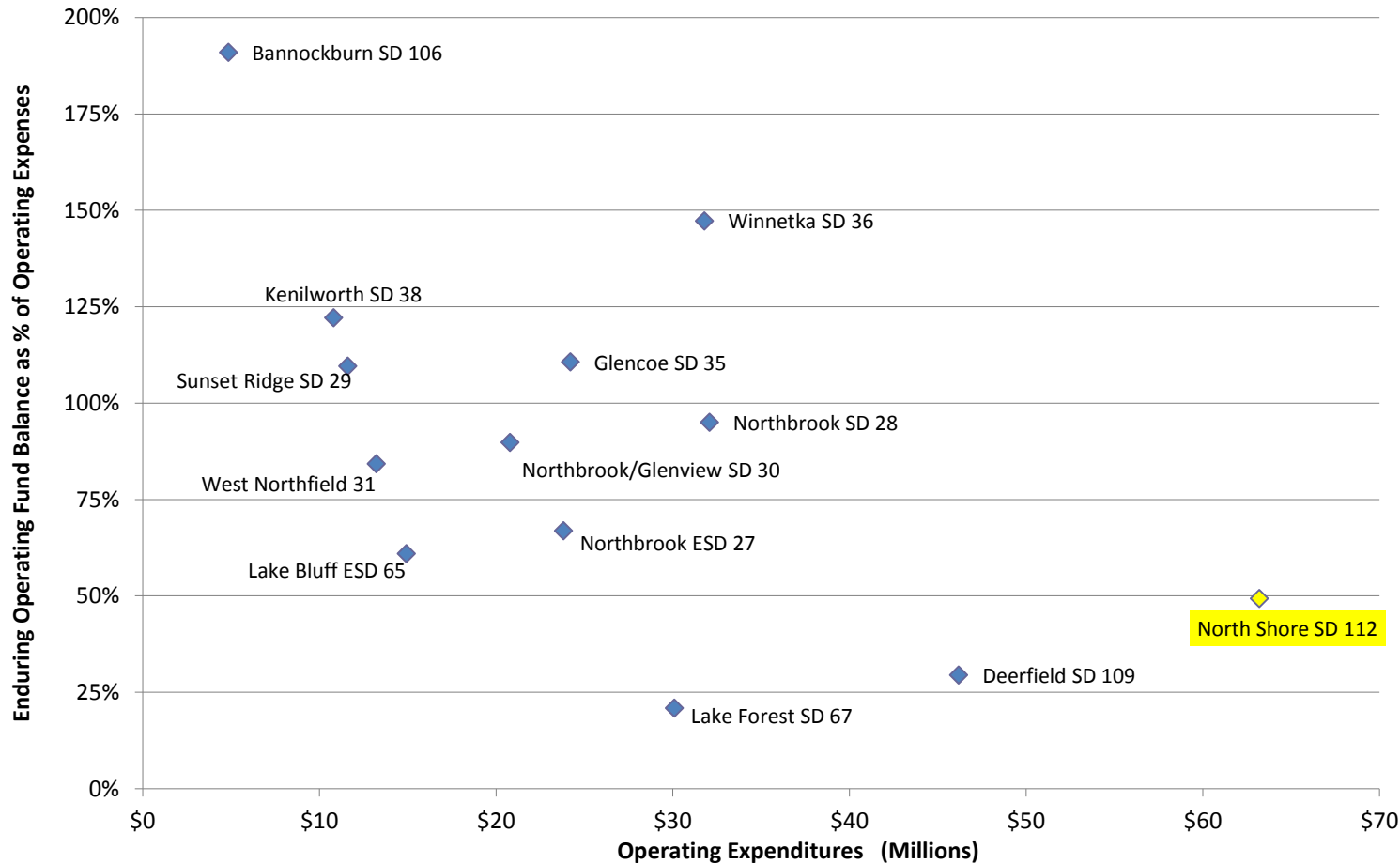
# Total Budget Reductions 2010 – 2013

## \$6,077,200





# Ending Operating Fund Balance Fiscal Year 2014



Because NSSD 112 serves more students, it has higher total operating expenses than neighboring districts. But its ending fund balance, as a percentage of total operating expenses, is lower than most nearby districts.

Source: 2014 Annual Financial Reports, Financial Profile Information, ISBE

LOOKING AHEAD

# 2015-2016 BUDGET

# FY 2016 Budget – Operating Funds

	<u>Education</u>	<u>O&amp;M</u>	<u>Transportation</u>	<u>IMRF</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Total</u>
<b><u>Revenue</u></b>							
Real Estate Taxes	53,519,832	7,433,292	2,193,715	1,427,558	58,332	-	64,632,729
Replacement Taxes	-	30,000	100,000	400,000	-	-	530,000
State Aid	4,036,393	-	713,333	-	-	-	4,749,726
Federal Aid	1,755,967	-	-	-	-	-	1,755,967
Interest	46,827	9,893	1,508	3,334	18,438	-	80,000
Local	925,500	55,500	-	-	-	-	981,000
Other	<u>258,456</u>	<u>187,436</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>495,892</u>
	60,542,975	7,716,121	3,058,556	1,830,892	76,770	-	73,225,314
<b><u>Expenditures</u></b>							
Salaries	43,224,720	1,258,150	71,626	-	-	-	44,554,496
Benefits	6,608,715	180,049	19,638	1,589,063	-	-	8,397,465
Purchased Services	4,836,471	3,739,271	2,771,532	-	-	54,920	11,402,194
Materials & Supplies	1,649,605	1,207,885	15,972	-	-	-	2,873,462
Capital	1,154,250	4,313,000	-	-	-	-	5,467,250
Tuition	1,532,396	-	-	-	-	-	1,532,396
Other	<u>43,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,135</u>
	59,049,292	10,698,355	2,878,768	1,589,063	-	54,920	74,270,398
<b>Excess/(Deficiency)</b>	<b>1,493,683</b>	<b>(2,982,234)</b>	<b>179,788</b>	<b>241,829</b>	<b>76,770</b>	<b>(54,920)</b>	<b>(1,045,084)</b>
Transfers in	-	1,500,000	-	-	-	-	1,500,000
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Transfers	-	1,500,000	-	-	-	-	1,500,000
<b>Net Change in Fund Position</b>	<b>1,493,683</b>	<b>(1,482,234)</b>	<b>179,788</b>	<b>241,829</b>	<b>76,770</b>	<b>(54,920)</b>	<b>454,916</b>
<b>Estimated Starting Fund Balance*</b>	<b>16,047,447</b>	<b>3,220,599</b>	<b>1,346,645</b>	<b>2,198,966</b>	<b>12,782,368</b>	<b>256,493</b>	<b>35,852,518</b>
<b>Estimated Ending Fund Balance</b>	<b>17,541,130</b>	<b>1,738,365</b>	<b>1,526,433</b>	<b>2,440,795</b>	<b>12,859,138</b>	<b>201,573</b>	<b>36,307,434</b>

\*Includes interfund loan of \$1.5MM from O&M to Debt service to be reimbursed by Life Safety FY15 & FY16 levies, and will not be available until FY19

# Assumptions for Revenue

	2016	2017	2018	2019	2020
Consumer Price Index (CPI)	1.6%	2.0%	2.0%	2.0%	2.0%
New Construction	0.35%	0.35%	0.35%	0.35%	0.35%
Investment Rate of Return	0.25%	0.50%	0.50%	0.50%	0.50%
General State Aid	No Growth				
Corporate Personal Property Replacement Tax	No Growth				
Federal Grant	No Growth				

# Assumptions for Major Expenditures

- Salaries as agreed in Contract and Collective Bargaining Agreements
- No shift of pension obligation from the State; Employer rate remains 0.58%
- THIS (TRS Health) Employer Rate increases from 0.76% to 0.80%
- TRS Federal Fund Pension Rate increases from 33.0% to 36.06%
- IMRF Employer Rate increases from 11.34% to 11.68% January 1, 2016
- Projected annual increases for health insurance: 7% to 9%
- Projected annual increases for dental insurance: 2.5%
- Projected slight decline in enrollment and then flat
- School District to receive Impact Aid and not High Impact Aid
- Number of Retirees: FY15 – 11, FY16 – 5, FY17 – 10, FY18 – 5 (estimate)
- Average cost of new hire replacement: \$51,209
- No projected change in Medicare rate of 1.45%
- Purchased Services, Supplies and Materials projected to grow 2% annually
- Capital Outlay based on Capital Outlay Projections

# 2015 Health Life Safety by School by Category

	Highest Priority A	Medium Priority B	Lower Priority C	Sub Total
<b>Braeside</b>	\$169,940	\$351,260	\$62,320	\$583,520
<b>Edgewood</b>	\$535,060	\$964,850	\$211,360	\$1,711,270
<b>Elm Place</b>	\$489,020	\$1,242,040	\$1,585,100	\$3,316,160
<b>Green Bay</b>	\$237,700	\$590,480	\$707,120	\$1,535,300
<b>Indian Trail</b>	\$248,590	\$1,170,070	\$48,400	\$1,467,060
<b>Lincoln</b>	\$273,040	\$742,400	\$33,580	\$1,049,020
<b>Northwood</b>	\$397,300	\$1,601,440	\$26,020	\$2,024,760
<b>Oak Terrace</b>	\$115,490	\$254,400	\$94,990	\$464,880
<b>Ravinia</b>	\$220,700	\$262,690	\$208,730	\$692,120
<b>Red Oak</b>	\$357,860	\$242,240	\$140,780	\$740,880
<b>Sherwood</b>	\$212,110	\$1,014,340	\$21,180	\$1,247,630
<b>Wayne Thomas</b>	\$58,900	\$863,940	\$40,540	\$963,380
<b>Total</b>	<b>\$3,315,710</b>	<b>\$9,300,150</b>	<b>\$3,180,120</b>	<b>\$15,795,980</b>

# 30-Year Capital Plan for Existing 12 Schools (In 2015 Constant Dollars)

Building System	System Total
Building Interiors	\$28,258,083
Building Exteriors	\$5,067,600
Mechanicals	\$28,265,550
Plumbing	\$3,823,400
Fire Protection	\$0
Electrical	\$346,000
Systems	\$7,698,578
Windows	\$7,393,500
Roofing	\$15,479,401
Playground / Bleachers	\$2,600,000
Furniture	\$4,650,000
Subtotal I	<u>\$103,582,112</u>
Engineering/Contractors/Consultant/ Contingency	\$31,074,634
Subtotal II	<u>\$134,656,746</u>
Additional Life Safety Items Projected for the next 30-years	\$15,000,000
<b>Grand Total</b>	<b>\$149,656,746</b>

**The above expenditures do not include ADA, Fire Sprinklers, Air Conditioners, Site/Traffic Improvements**

The numbers above includes \$14,960,061 of repairs & maintenance that will be done more than once during a 30-year period, as well as \$15,000,000 in Life Safety related expenditures.

**Source: Green Associates**

# Comparative Capital Expenditures

	<b>No Change</b>		<b>Change</b>
<b>Projected Capital Expenditures for 12 Buildings</b>	<b>\$149,656,746</b>	<b>Projected Capital Expenditures for reconfiguration of School District</b>	<b>\$198,000,000</b>
		Additional expected expenditures in Capital Outlay and Life Safety for 30-years	\$29,960,061
<b>Total</b>	<b>\$149,656,746</b>	<b>Total</b>	<b>\$227,960,061</b>
<b>Projected Savings</b>	<b>None</b>	<b>Projected Savings (using \$4 million savings compounded at 3% for 30 years)</b>	<b>(\$190,301,663)</b>
<b>Net New Investment</b>	<b><u>\$149,656,746</u></b>	<b>Net New Investment</b>	<b><u>\$37,658,398</u></b>
<b>Projected Enhancements</b>	<b>None</b>	<b>Projected Enhancements</b>	
		<ul style="list-style-type: none"> <li>* ADA Compliance</li> <li>* Fire Sprinklers</li> <li>* Air Conditioners</li> <li>* Site/Traffic Improvements</li> </ul>	<ul style="list-style-type: none"> <li>* Capacity for Full-Day Kindergarten</li> <li>* STEM / CMA / CHORUS -5th Graders</li> <li>* Word Language – 5<sup>th</sup> Graders</li> </ul>

A Referendum is required for both options. If all 12 buildings are maintained, the district will not be able to use the fund balance to offset capital costs because no additional savings will be generated. This scenario would require future programming cuts, or another referendum for a tax rate increase in the Education fund. With the reconfiguration model, the district will be in a position to contribute \$40-\$50 million for facility improvements, and would be able to maintain and enhance educational programming.



# 30-year Compounding Value of Expected Savings Under a Reconfiguration Plan that Includes Full-Day Kindergarten

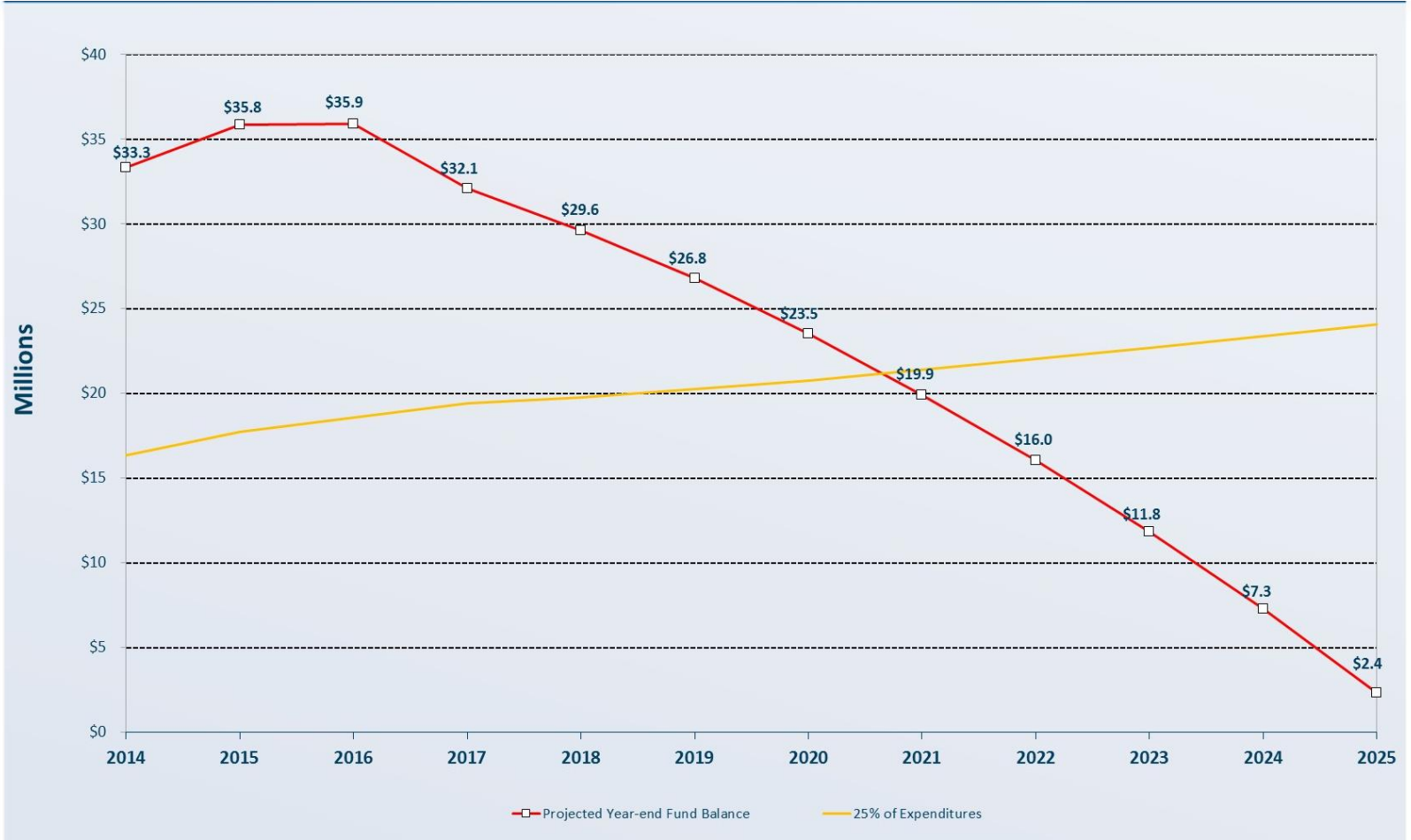
Annual Savings - Compounded at 3%	\$ 5 million	\$ 4.5 million	\$ 4 million	\$ 3.5 million
Year				
1	\$ 5,000,000	\$ 4,500,000	\$ 4,000,000	\$ 3,500,000
2	5,150,000	4,635,000	4,120,000	3,605,000
3	5,304,500	4,774,050	4,243,600	3,713,150
4	5,463,635	4,917,272	4,370,908	3,824,545
5	5,627,544	5,064,790	4,502,035	3,939,281
6	5,796,370	5,216,733	4,637,096	4,057,459
7	5,970,261	5,373,235	4,776,209	4,179,183
8	6,149,369	5,534,432	4,919,495	4,304,559
9	6,333,850	5,700,465	5,067,080	4,433,695
10	6,523,866	5,871,479	5,219,093	4,566,706
11	6,719,582	6,047,624	5,375,666	4,703,707
12	6,921,169	6,229,052	5,536,935	4,844,819
13	7,128,804	6,415,924	5,703,044	4,990,163
14	7,342,669	6,608,402	5,874,135	5,139,868
15	7,562,949	6,806,654	6,050,359	5,294,064
16	7,789,837	7,010,853	6,231,870	5,452,886
17	8,023,532	7,221,179	6,418,826	5,616,473
18	8,264,238	7,437,814	6,611,391	5,784,967
19	8,512,165	7,660,949	6,809,732	5,958,516
20	8,767,530	7,890,777	7,014,024	6,137,271
21	9,030,556	8,127,501	7,224,445	6,321,389
22	9,301,473	8,371,326	7,441,178	6,511,031
23	9,580,517	8,622,465	7,664,414	6,706,362
24	9,867,933	8,881,139	7,894,346	6,907,553
25	10,163,971	9,147,573	8,131,176	7,114,779
26	10,468,890	9,422,001	8,375,112	7,328,223
27	10,782,956	9,704,661	8,626,365	7,548,069
28	11,106,445	9,995,801	8,885,156	7,774,512
29	11,439,638	10,295,675	9,151,711	8,007,747
30	11,782,828	10,604,545	9,426,262	8,247,979
<b>Compound Value of Expected Savings</b>	<b>\$ 237,877,079</b>	<b>\$ 214,089,371</b>	<b>\$ 190,301,663</b>	<b>\$ 166,513,955</b>

Please note: The savings will continue to accrue even after the bonds are paid off.

# Current Projections

## Assumes \$5 million Annual Capital Outlay to maintain 12 buildings

Projected Year-End Balances



(Educational, O&M, Transportation, IMRF, Working Cash, and Tort Funds)

LOOKING AHEAD

# **FACTORS BEYOND OUR CONTROL**

# Teachers Pension Shift Impact

(shift in small increments)

Estimated Payroll Increase per Year: 3%

Year	Annual Shift	Aggregate Shift	Projected Payroll	Annual Impact	Cumulative Annual Impact
1	0.5%	0.50%	\$36,000,000	\$ 180,000	\$ 180,000
2	0.5%	1.00%	\$37,080,000	\$ 370,800	\$ 550,800
3	0.5%	1.50%	\$38,192,400	\$ 572,886	\$ 1,123,686
4	0.5%	2.00%	\$39,338,172	\$ 786,763	\$ 1,910,449
5	0.5%	2.50%	\$40,518,317	\$ 1,012,958	\$ 2,923,407
6	0.5%	3.00%	\$41,733,867	\$ 1,252,016	\$ 4,175,423
7	0.5%	3.50%	\$42,985,883	\$ 1,504,506	\$ 5,679,929
8	0.5%	4.00%	\$44,275,459	\$ 1,771,018	\$ 7,450,948
9	0.5%	4.50%	\$45,603,723	\$ 2,052,168	\$ 9,503,115
10	0.5%	5.00%	\$46,971,835	\$ 2,348,592	\$ 11,851,707
11	0.5%	5.50%	\$48,380,990	\$ 2,660,954	\$ 14,512,661
12	0.5%	6.00%	\$49,832,419	\$ 2,989,945	\$ 17,502,606
13	0.5%	6.50%	\$51,327,392	\$ 3,336,280	\$ 20,838,887
14	0.5%	7.00%	\$52,867,214	\$ 3,700,705	\$ 24,539,592
15	0.5%	7.50%	\$54,453,230	\$ 4,083,992	\$ 28,623,584
16	0.5%	8.00%	\$56,086,827	\$ 4,486,946	\$ 33,110,530

# TRS Cost Shift by Percent

<b>2016 Salary</b>	<b>0.5%</b>	<b>1.0%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>3.0%</b>	<b>3.5%</b>	<b>4.0%</b>	<b>4.5%</b>
\$36,000,000	\$180,000	\$360,000	\$540,000	\$720,000	\$900,000	\$1,080,000	\$1,260,000	\$1,440,000	\$1,620,000

<b>2016 Salary</b>	<b>5.0%</b>	<b>5.5%</b>	<b>6.0%</b>	<b>6.5%</b>	<b>7.0%</b>	<b>7.5%</b>	<b>8.0%</b>
\$36,000,000	\$1,800,000	\$1,980,000	\$2,160,000	\$2,340,000	\$2,520,000	\$2,700,000	\$2,880,000