

Champaign Community Unit School District #4

District Financial Presentation

Tier II Committee Meeting

June 2, 2016

Presentation Outline

- Overview of Current District Financial Position
- Detail of Considerations Impacting Financial Planning
- Review District Use of County School Facility Occupation Tax (1%)
- Discussion of Financing Options to Address District Facility Needs

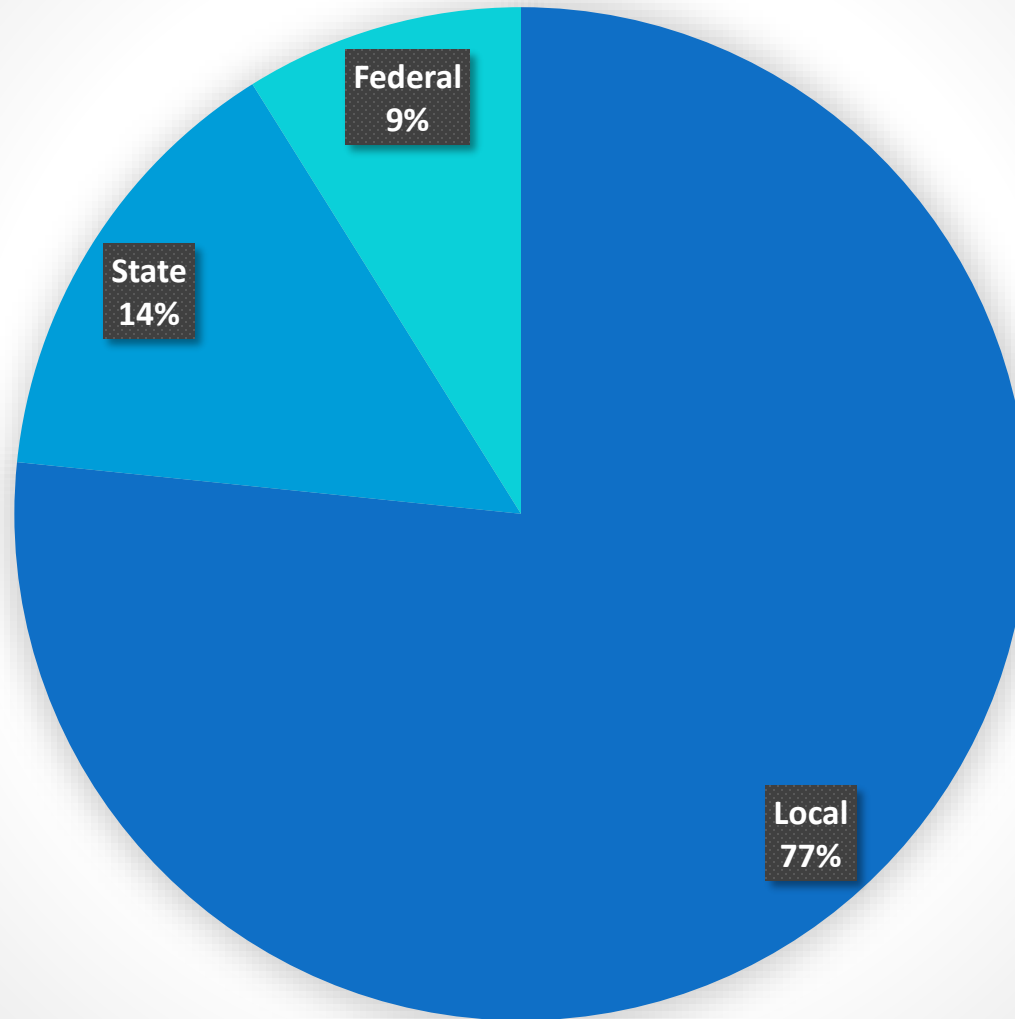
District Financial Position - Overview

- Overall District Budget (FY 2016) – \$147.0MM
- District Operating Budget (FY 2016) – \$112.7MM
- Current District Tax Rate: 4.4117
- Current District EAV: \$1.962BB
- District Fund Balance (July 1, 2015): \$86.3MM

District Financial Position – Primary Revenue Sources

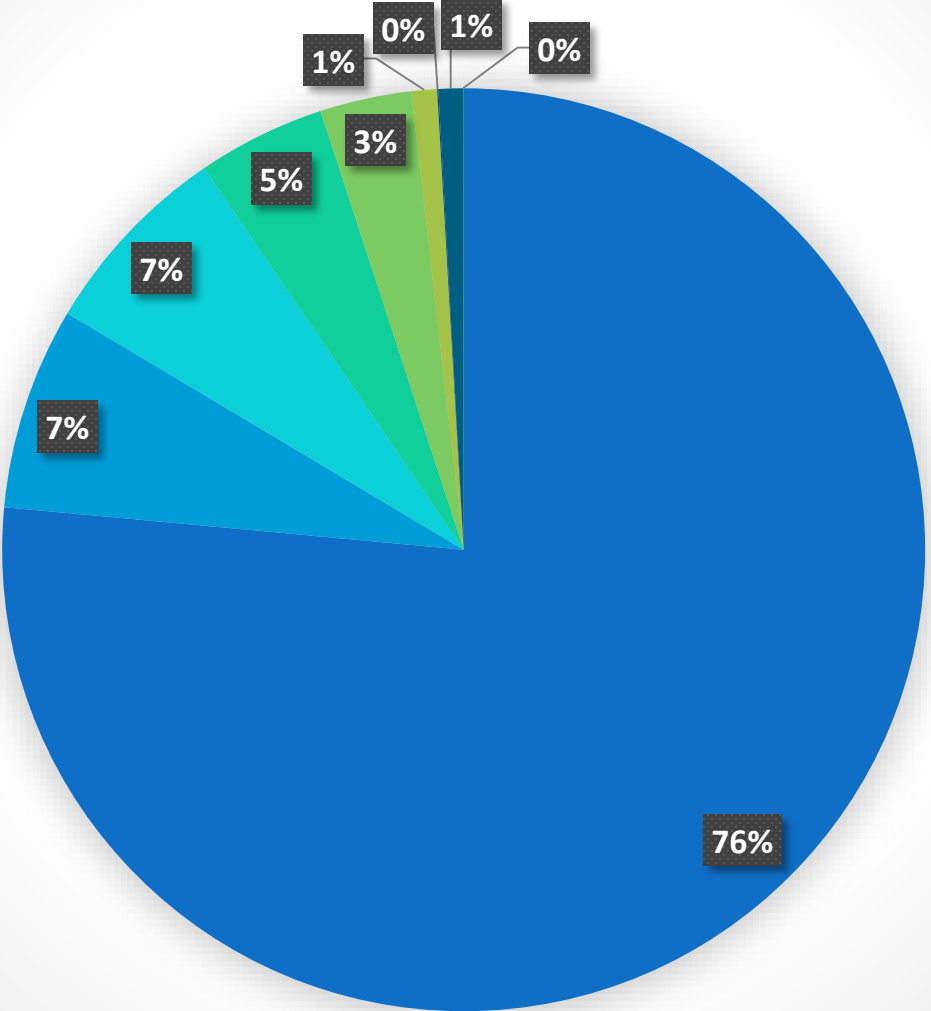
- Primary Local Sources
 - Property Tax Extension
 - 1% School Facility Occupation Tax
 - Corporate Personal Property Replacement Tax
 - Food Service Payments
 - Registration Fees
- Primary State Sources
 - General State Aid
 - Categorical Payments for Special Education
 - Categorical Payments for Transportation
- Primary Federal Sources
 - Title Grants
 - Breakfast and Lunch Programs
 - Build American Bonds Reimbursements

FY 2016 Budget - Total Revenues by Source



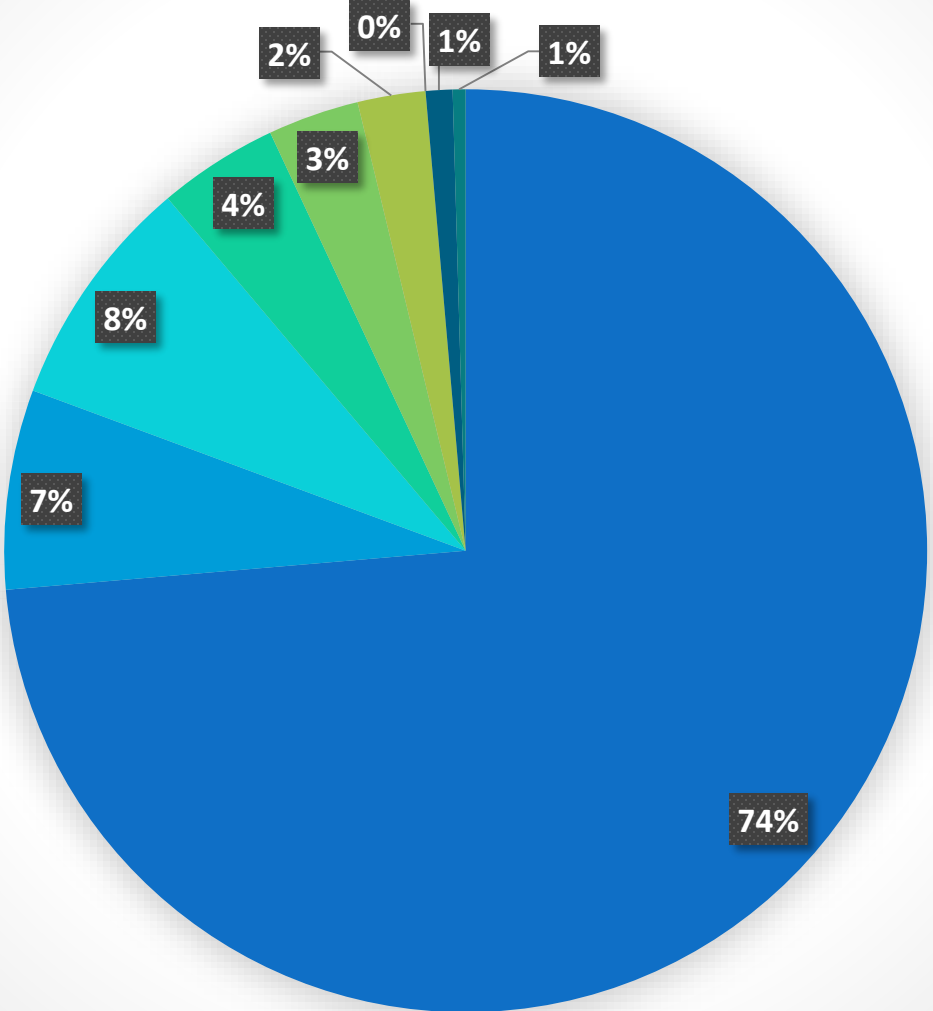
FY 2016 Budget - Total Revenues by Fund

■ Education ■ O & M ■ Debt Service ■ Transportation ■ IMRF/SS ■ Capital Projects ■ Working Cash ■ Tort ■ Fire Prevention & Safety



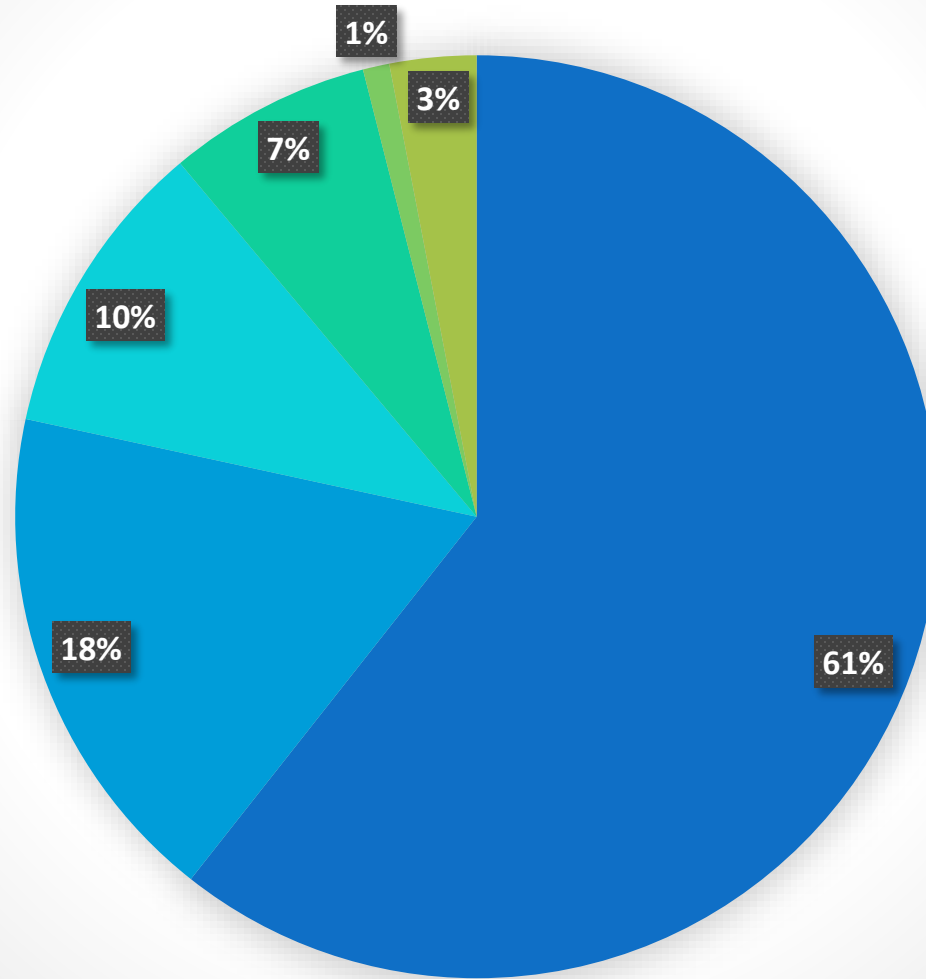
FY 2016 Budget - Total Expenditures by Fund

- Education
- O & M
- Debt Service
- Transportation
- IMRF/SS
- Capital Projects
- Working Cash
- Tort
- Fire Prevention & Safety



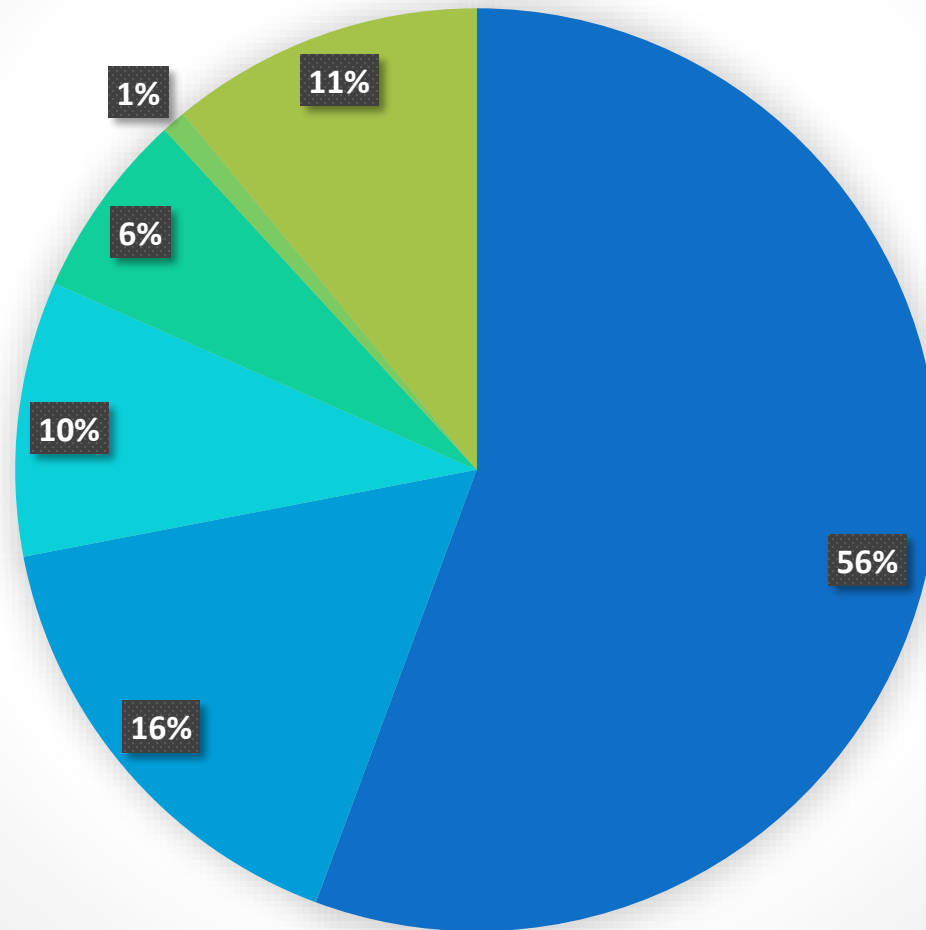
FY 2016 Budget - Total Expenditures by Object

■ Salaries ■ Employee Benefits ■ Purchased Services ■ Supplies & Materials ■ Capital Outlay ■ Other



FY 2016 Budget - Total Expenditures by Object (including Debt Service)

■ Salaries ■ Employee Benefits ■ Purchased Services ■ Supplies & Materials ■ Capital Outlay ■ Other



District Financial Position – ISBE Financial Profile Designation

- Illinois State Board of Education Rating System Considers Several Factors
 - Fund Balance to Revenue Ratio
 - Expenditures to Revenue Ratio
 - Days Cash on Hand
 - Percent of Short-Term Borrowing Maximum Remaining
 - Percent of Long-Term Debt Margin Remaining
- District Has Received the Highest Designation – Recognition

District Financial Position - Statutory Debt Limit

- Established by Illinois School Code (105 ILCS 5/19-1)
- Amounts to 13.8% of a District's Equalized Assessed Value
- Existing Debt Attributable to the Limitation
- Current District Statutory Debt Limit Margin - \$257,546,551

Financial Planning Considerations – General State Aid Payments

- State Superintendent Proposal to Recalibrate Formula
- Stagnant Foundation Level
- Proration
- Competing Education Funding Bills

Senate Bill 231 Impact Comparison – Peer Downstate Districts

School District	Enrollment	% A-A/Hisp.	%ELL	% Low Inc.	PSA	Total Under SB231	FY15	FY15/Student	With SB 231 Protections		Without SB 231 Protections	
									SB231 Aid/Student	\$Δ FY15	SB231 Aid/Student	\$Δ FY15
Champaign CUSD 4	8,617	44.6%	8.0%	57.9%	\$1,744,811.12	\$12,695,055.81	\$12,695,055.81	\$1,473.26	\$1,473.26	\$0.00	\$202.48	(\$1,270.77)
McLean County USD 5	12,783	18.2%	4.1%	32.7%	\$11,387,410.83	\$19,548,208.29	\$19,548,208.29	\$1,529.23	\$1,529.23	\$0.00	\$890.82	(\$638.41)
Bloomington SD 87	5,067	36.5%	6.2%	58.0%	\$5,372,702.68	\$7,277,506.57	\$7,277,508.67	\$1,436.26	\$1,436.26	(\$0.00)	\$1,060.33	(\$375.92)
Urbana SD 116	3,709	48.3%	11.3%	72.5%	\$7,773,517.53	\$8,033,677.32	\$8,033,677.33	\$2,166.00	\$2,166.00	(\$0.00)	\$2,095.85	(\$70.14)
Danville CCSD 118	5,491	48.1%	2.7%	81.4%	\$31,656,259.83	\$31,656,259.83	\$28,837,205.90	\$5,251.72	\$5,765.12	\$513.40	\$5,765.12	\$513.40
Springfield SD 186	13,537	41.9%	1.0%	67.1%	\$44,873,452.40	\$44,873,452.40	\$41,465,252.94	\$3,063.11	\$3,314.87	\$251.77	\$3,314.87	\$251.77
Decatur SD 61	7,839	49.4%	0.9%	75.1%	\$44,508,688.53	\$44,508,688.53	\$39,240,340.05	\$5,005.78	\$5,677.85	\$672.07	\$5,677.85	\$672.07
Peoria SD 150	11,926	66.4%	5.3%	75.4%	\$54,646,048.98	\$54,646,048.98	\$49,262,384.80	\$4,130.67	\$4,582.09	\$451.42	\$4,582.09	\$451.42

Financial Planning Considerations – Other State Action

- Property Tax Freeze
- Pension Cost Shift
- CPPRT Overpayments

Financial Planning Considerations – Ongoing District Facility Projects

- Need for Additional Portable Classrooms to Address Capacity Needs
- 2014 Health Life Safety Survey
 - Required by State and Monitored by ISBE
 - Priority A Items Completed
 - Priority B Items
 - Must Be Completed by 2019
 - \$6.8MM in Projects Remaining (\$6.3M in Tier II Considered Buildings)
- 10-Year Capital Improvement Plan
 - Funded Primarily Through Excess Revenues Received from the 1% Sales Tax
 - Supplemented by Operations & Maintenance and Health Life Safety Funds
 - Approximately \$1.5MM Budgeted Annually for 10-Year Capital Improvement Plan Projects
- Tier II Committee Final Report Includes Schedule of Health Life Safety and 10-Year Capital Improvement Plan Projects Detailed by Building

County School Facility Occupation Tax - General

- 55 ILCS 5/5-1006.7
- Authorization Procedure
- Collection and Distribution
- Use of Revenues Received
- Other Approving Counties

County School Facility Occupation Tax – Champaign County

- Fall 2008 Election
- Spring 2009 Election
- Approval of Champaign County Board
- Receipt of Sales Tax Revenues

County School Facility Occupation Tax – Champaign Unit 4

- Promises Made by Unit 4 Board of Education
- Issuance of Alternate Revenue Bonds
- Build America Bond Reimbursements

County School Facility Occupation Tax – Champaign Unit 4 Promises

- Projects Accomplished Through 2010 Bond Issue
- Dedication of Excess Funds to 10-Year Capital Improvement Plan Projects
- Promises Made Promises Kept Committee

County School Facility Occupation Tax – Champaign Unit 4 Future Projections

- Capital Projects Fund Balance (Fund 61)
- Projections
 - 2.3% Annual Growth
 - Actual Performance
- 125% Coverage under Local Government Debt Reform Act and Commitment to Funding Capital Improvement Plan with Sales Tax Revenues

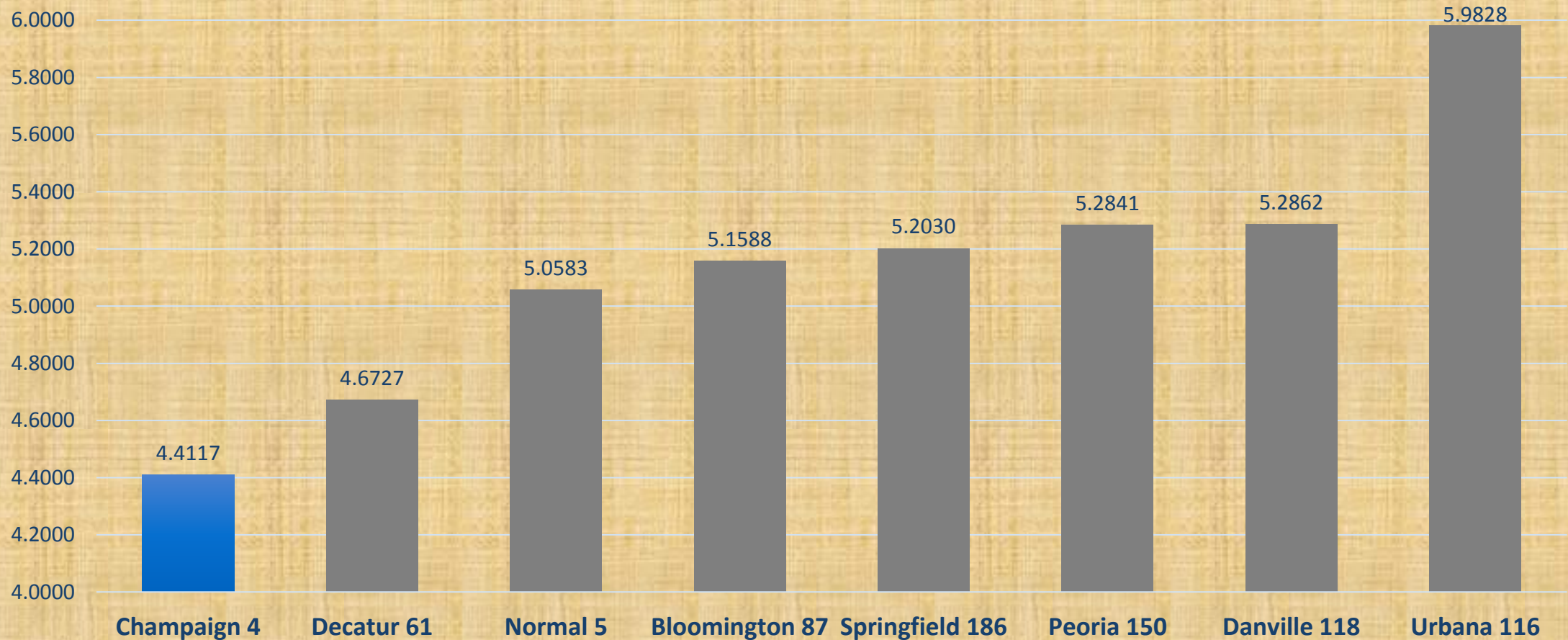
Financing Options for Addressing District Facility Needs

- Issue General Obligation Bonds Based Upon Voter Approval of a District Referendum
- Future Access of 1% Sales Tax
 - Pros
 - Cons

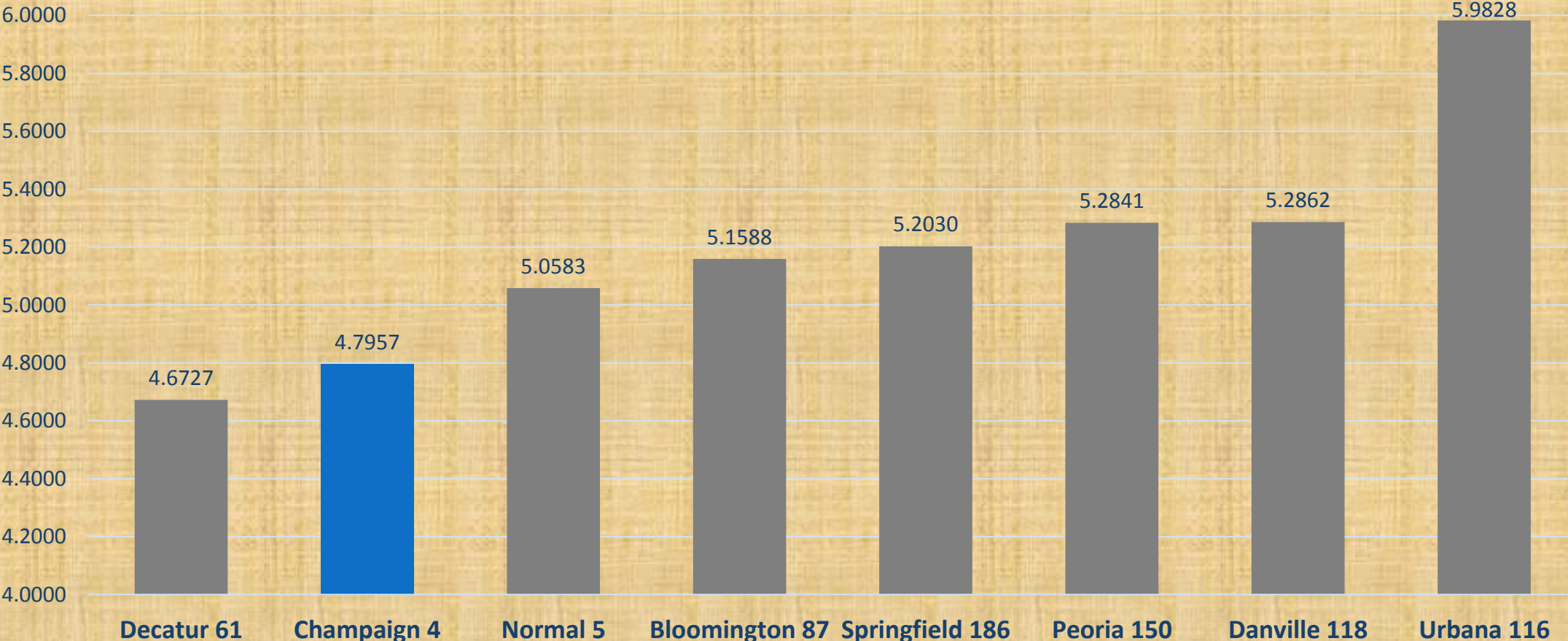
Property Tax Impact of General Obligation School Building Bond Options

1	2	3	4	5	6	7	8	9	10
		Estimated Bond Issue and Project Size	Equalized Assessed Value (EAV)	Estimated Bond Levy	Estimated Bond Tax Rate	Est. Added Taxes for Bonds \$150,000 Home (\$)	Est. Added Monthly Taxes \$150,000 Home (\$)	Estimated Bond Issue Tax % Of Total Tax Rate	Est. Added School Taxes Per \$1,000 of School Taxes (\$)
2016	2017	100,000,000	1,962,982,256	6,821,632	0.348	153	13	7.88%	\$ 79
2016	2017	125,000,000	1,962,982,256	8,524,631	0.434	191	16	9.84%	\$ 98
2016	2017	150,000,000	1,962,982,256	10,227,336	0.521	229	19	11.81%	\$ 118
2016	2017	175,000,000	1,962,982,256	11,935,406	0.608	268	22	13.78%	\$ 138
2016	2017	200,000,000	1,962,982,256	13,638,371	0.695	306	25	15.75%	\$ 157

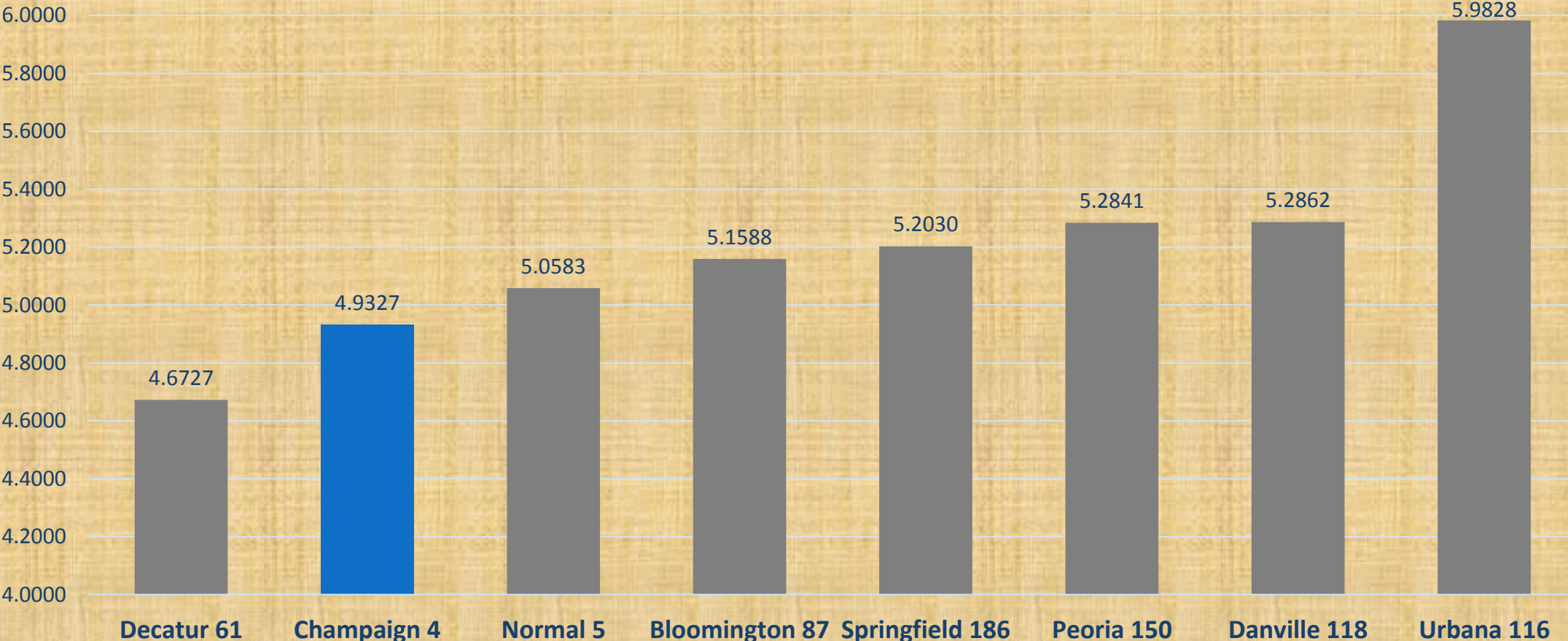
Comparison of Levy Year 2015 Tax Rates – Peer Downstate Districts



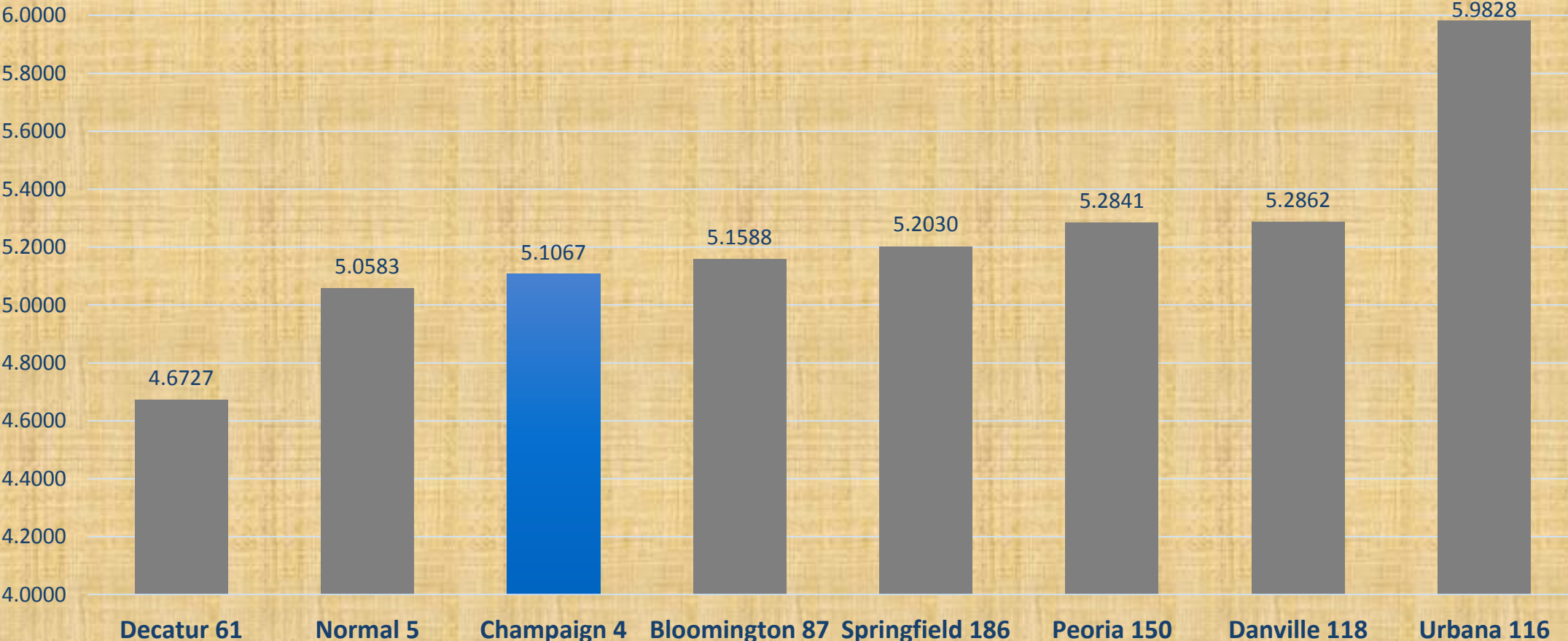
Comparison of Levy Year 2015 Tax Rates – Peer Downstate Districts (\$100MM Referendum)



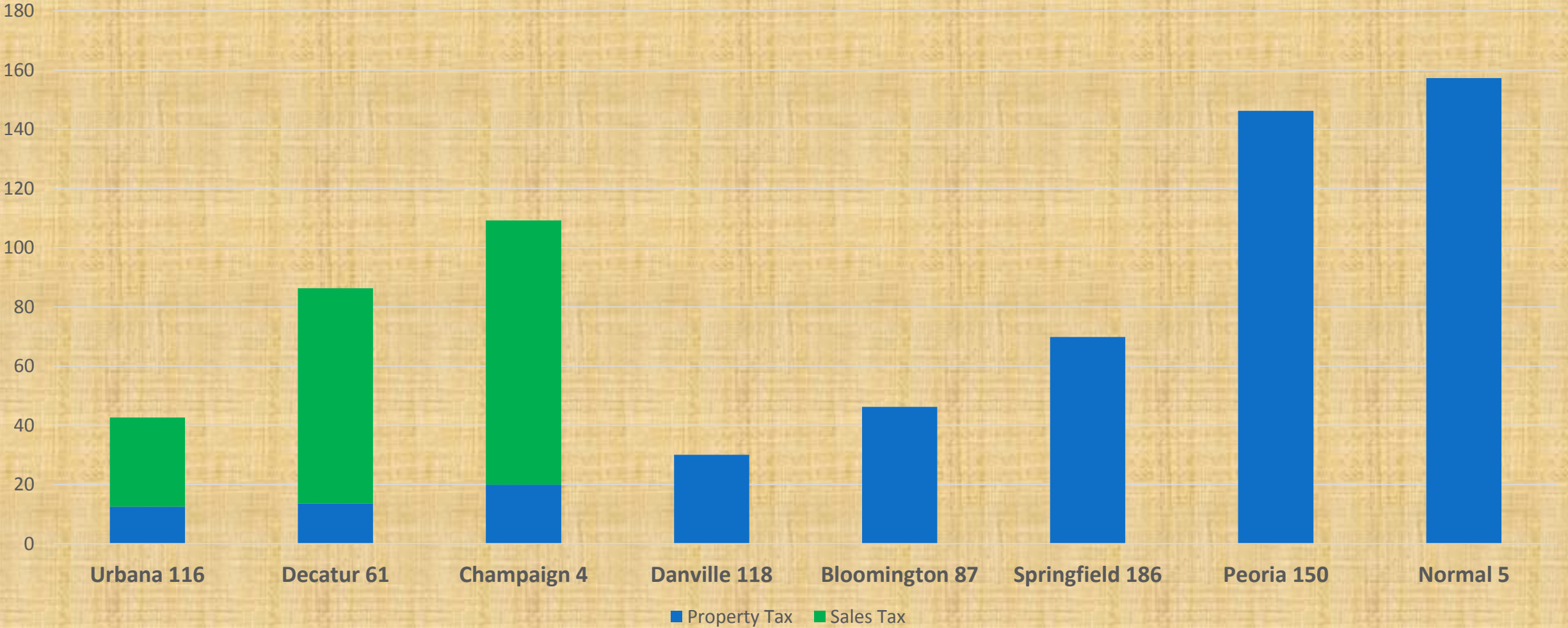
Comparison of Levy Year 2015 Tax Rates – Peer Downstate Districts (\$150MM Referendum)



Comparison of Levy Year 2015 Tax Rates – Peer Downstate Districts (\$200MM Referendum)



Outstanding Long-Term Debt – Downstate Peer Districts



Financing Options for Addressing District Facility Needs

- Refinancing Future Debt
- Other Potential Revenue Options
 - Issuing Working Cash Bonds (Potentially Subject to Referendum)
 - Joint Ventures with Local Government Entities for Shared Use Facilities
 - Private Fundraising

QUESTIONS?