

# **Non-Construction Capital Budget**

*Presented to the School Board*

*July 8, 2009*





# Capital Budget

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- ◆ The capital budget is comprised of two components
  - \* Construction (New Schools, Modernizations, Additions, Debt Service, Site Acquisition)
  - \* Non-Construction (Maintenance, Technology, Transportation, Equipment, Property Insurance)



## Capital Budget

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- ◆ Until FY 2009, the District levied 2 mils for capital outlay. The revenues were evenly split between the two components; 1 mill for construction and 1 mil for non-construction.
- ◆ For FY 2009, the District's taxing authority for capital outlay was reduced to 1.75 mils. As the required debt service related to construction projects was nearly 1 mil, it was determined that 1 mil would be used for construction and .75 mils for non-construction.
- ◆ For FY 2010, the District's taxing authority has been changed again.
  - 1.5 mils can be levied for capital outlay
  - .25 mils can be levied for either capital or operating
  - .25 mils can, with a supermajority vote, be levied for capital or operating



## Legislative Changes

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During the special session in 2009 and again in the regular session, legislation regarding eligible uses of capital outlay was changed.

- The legislature specified that software purchased must be enterprise-wide software with a useful life of at least 5 years and are used to support district-wide administration or state-mandated reporting requirements.
- Based on discussion with the Department of Education and the Auditor General, this disallows the purchase of instructional software.
- The District has used capital funds to purchase instructional software for several years. These expenditures will have to come from the operating budget next year.
- The items are included in this presentation, but the affected projects and the necessary portion of the discretionary millage levy will be moved from capital to operating.



## Non-Construction Revenue Projections for 2010

<u>Revenue Source</u>	<u>Projection from FY08</u>	<u>Current Projection</u>	<u>Variance</u>
<b>State Sources</b>			
PECO Bonds - Maintenance	5,358,606	1,963,985	(3,394,621)
	<b>5,358,606</b>	<b>1,963,985</b>	<b>(3,394,621)</b>
<b>Local Sources</b>			
Special Millage (.75 mils)	119,869,505	105,884,036	(13,985,469)
Carryover	22,799,201	23,024,053	-
Interest Income	1,250,000	1,250,000	-
	<b>143,918,706</b>	<b>129,933,237</b>	<b>(13,985,469)</b>
<b>TOTAL REVENUES</b>	<b>149,277,312</b>	<b>131,897,222</b>	<b>(17,380,090)</b>