

A large crowd of graduates in blue gowns and caps, many with their arms raised and caps tossed into the air, creating a festive atmosphere.

2023-2024 PROPOSED BUDGET

Budget Hearing

SEPTEMBER 19, 2023



ENTER WITH PROMISE. LEAVE WITH PURPOSE.



BUDGET PURPOSE

- Budget definition
 - ◆ Required by Illinois School Code (105 ILCS 5/17-1)
 - ◆ An estimate of revenue and expenditures over a period of time;
 - ◆ An administrative tool that serves as a plan of action for achieving quantified objectives;
 - ◆ A device for coping with foreseeable adverse situations.
- Key unknown variables **not** in the budget that hold potential material downside risk include, but are not limited to:
 - ◆ Pandemic;
 - ◆ Legislative changes in school funding formulas;
 - ◆ Changes to PTELL (Tax Cap);
 - ◆ TRS cost shift to District;
 - ◆ State and federal budgetary cuts or payment delays.

BUDGET CALENDAR

→ January to June

- ◆ Major staffing decisions
- ◆ Strategic planning with administrators/directors

→ July to September

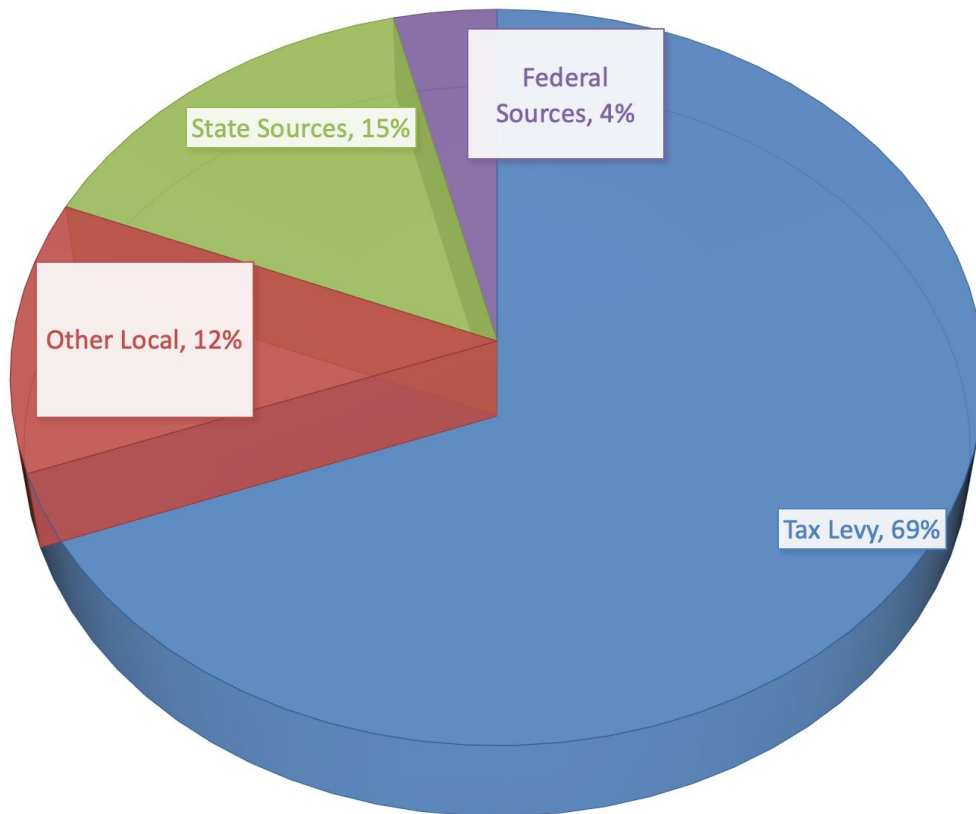
- ◆ Tentative budget
- ◆ Notice of public hearing and display
- ◆ Projections updated for final staffing, state revenue & Federal grant allocations, etc.
- ◆ Public hearing and recommendation to approve - ***Tonight***

→ October to December

- ◆ Annual audit
- ◆ Comprehensive annual financial report
- ◆ 5-year financial projections
- ◆ Tax levy

REVENUE BY SOURCE

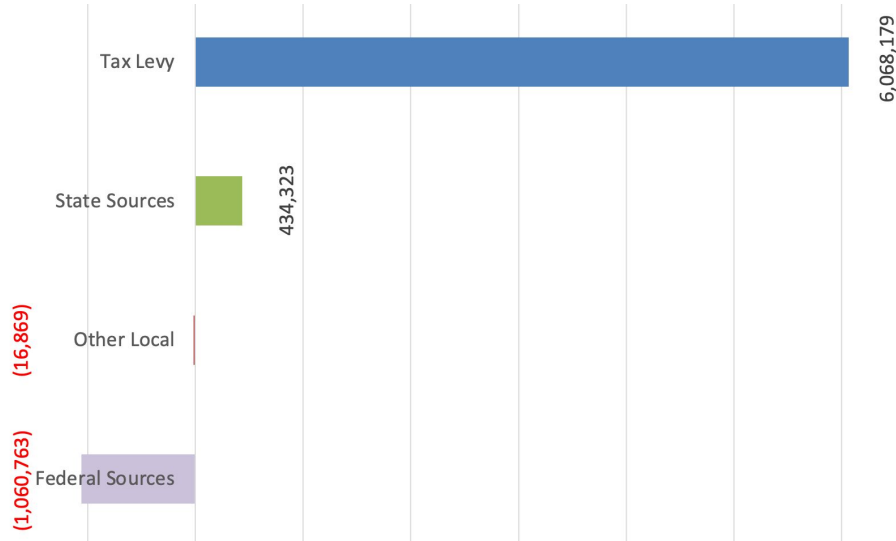
EXCLUDES INTERNAL FUND TRANSFERS AND NON-CASH TRS IN-KIND ADJUSTMENTS



REVENUE PROJECTIONS

CURRENT FISCAL YEAR BUDGET COMPARED TO PRELIMINARY & UNAUDITED PRIOR YEAR ACTUAL RESULTS

FISCAL 23/24 BUDGETED REVENUE: \$122MM; **INCREASE OF \$5.4MM OR 4.7%**



Key Y/Y variance drivers:

Local property tax revenue: +\$6,068K

- Capped extension: 2022 PTELL +5.0%;
- New property: \$24MM (includes FRG TIF close-out);

State revenue: +\$434K

- EBF & categorical: +\$0.4MM Tier 2 allocation;

Other local revenue: (\$17K)

- CPPRT: (\$1.2MM) easing back to pre-pandemic levels;
- Rebates: +\$0.4MM ComEd stadium light rebate;
- Other: +\$0.6MM interest & employee insurance self-insurance premiums;
- GASB 84: +\$0.2MM additionally fiduciary/student activities collections;

Federal revenue: (\$1.061K)

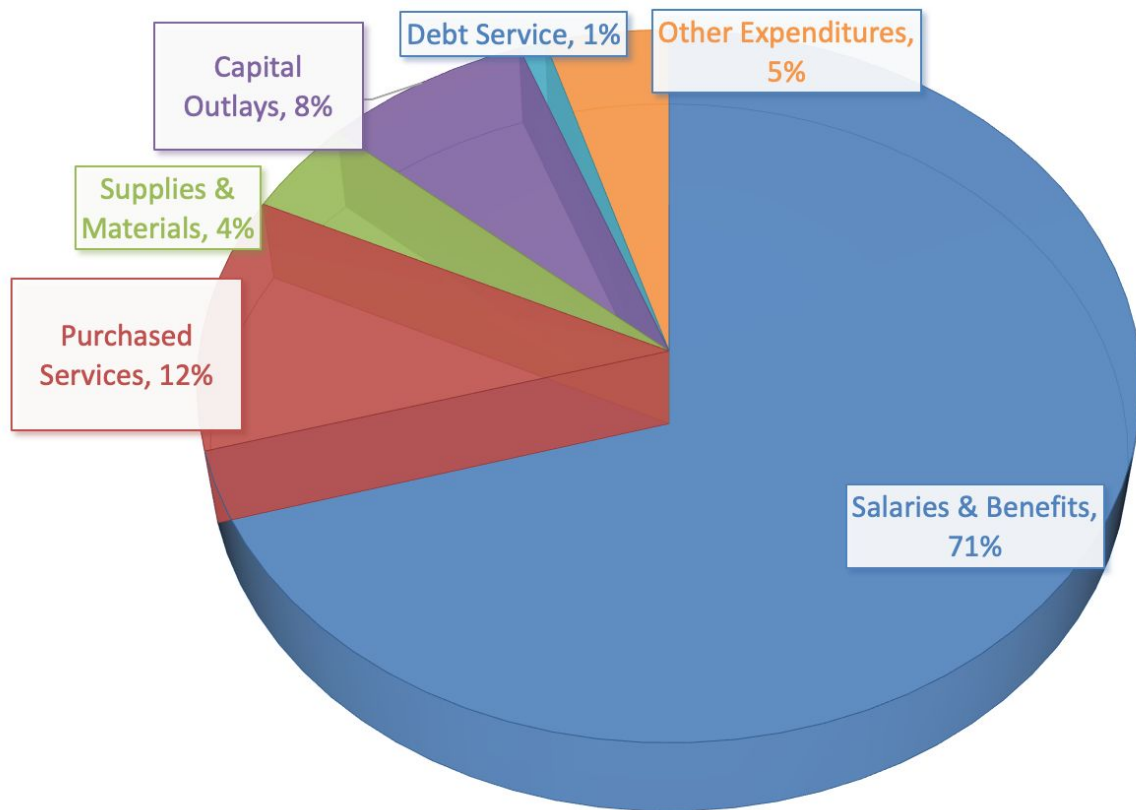
- ESSER/ARP: (\$1.6MM) pandemic program funding phase out;
- Other: +\$0.6MM Solar ITC/rebates and targeted grant funding.



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EXPENDITURES BY OBJECT

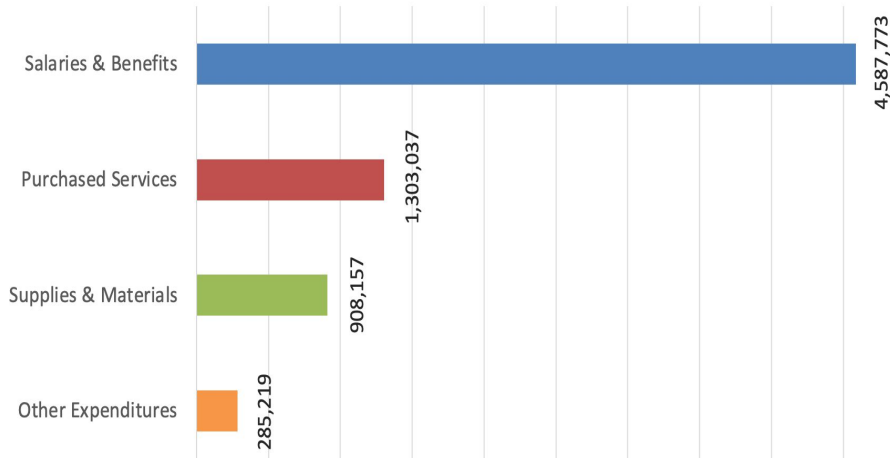
EXCLUDES INTERNAL FUND TRANSFERS AND NON-CASH TRS IN-KIND ADJUSTMENTS



EXPENDITURE PROJECTIONS (1 of 2)

CURRENT FISCAL YEAR BUDGET COMPARED TO PRELIMINARY & UNAUDITED PRIOR YEAR ACTUAL RESULTS

FISCAL 23/24 BUDGETED EXPENDITURES: \$123MM; **INCREASE OF \$7.7MM OR 6.7%**



Key Y/Y variance drivers for *Operating Expenditures*:

Salaries & benefits: +\$4,588K

- Salaries: +\$2.7MM or 4.4% for contractual increases adjusted for FTEs changes;
- Benefits: +\$1.9MM or 9.3% for annualized premiums/claims adj. for FTEs changes;
- FTEs changes: naturally fluctuate based on student programmatic needs (e.g. Haber Oaks Dean & Career Experiences Coordinator) and staff turnover;

Purchased services: +\$1,303K

- Transportation: +\$0.5MM return to pre-pandemic staffing levels & new CBA;
- Other: +\$0.8MM for food service, security & event management applications, & gen'l inflationary increases;

Supplies & materials: +\$908K

- Energy contracts: +\$0.5MM inflationary increases for gas & electric;
- Other: +\$0.4MM textbooks & gen'l inflationary increases;

Other operating expenditures: +\$285K

- GASB 84: +\$0.2MM primarily additionally fiduciary disbursements;
- Other: +\$0.1MM contingencies & gen'l inflationary increases;



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EXPENDITURE PROJECTIONS (2 of 2)

CURRENT FISCAL YEAR BUDGET COMPARED TO PRELIMINARY & UNAUDITED PRIOR YEAR ACTUAL RESULTS

FISCAL 23/24 BUDGETED EXPENDITURES: \$123MM; **INCREASE OF \$7.7MM OR 6.7%**

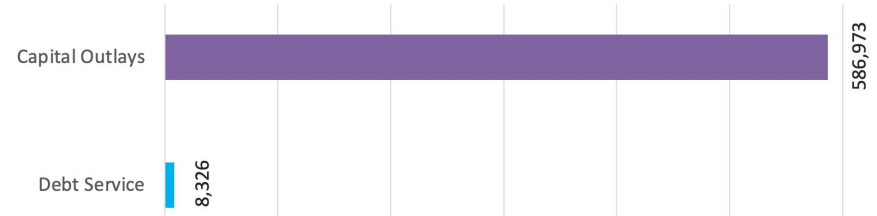
Key Y/Y variance drivers for *Non-operating Expenditures*:

Capital outlays: +\$587K

• 2023 & 2024 summer projects (including anticipated Phase 1 of the solar program) are included on an accrual basis in the amount of **\$8.5 million**. These projects are expected to be funded at no additional costs to taxpayers through Evidence-Based Funding (EBF), Solar credits/rebates (ITC), and add'l interest income earned under the NEW/innovative bank hierarchy structure.

Debt service: +\$8K

• Debt settlement schedule associated with the recently restructured General Obligation Bonds.



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PROPOSED BUDGET - SUMMARY

EXCLUDES INTERNAL FUND TRANSFERS AND NON-CASH TRS IN-KIND ADJUSTMENTS

	FY24 Projected Balances	FY23 Preliminary Balances (*)
REVENUE:		
Local	\$ 97,235,029	\$ 92,330,683
State	11,658,950	14,724,627
Federal	3,744,471	3,957,559
TOTAL REVENUE	112,638,450	111,012,868
EXPENDITURES:		
Salary & Benefits	86,466,945	81,879,172
Other	25,971,393	22,852,030
TOTAL EXPENDITURES	112,438,337	104,731,202
SURPLUS (DEFICIT)	200,113	6,281,666
OTHER FINANCING USES:		
Debt Service	16,950	(1,217,369)
Capital Projects: revenue alloc.	7,725,500	5,168,856
Capital Projects: expenditures	(8,852,000)	(8,887,977)
TOTAL OTHER FINANCING USES	(1,109,550)	(4,936,490)
SURPLUS (DEFICIT) INCL. OTHER FIN. SOURCES	(\$909,438)	\$1,345,176
	(*) Unaudited	

PROPOSED BUDGET - VERSION CONTROL

EXCLUDES INTERNAL FUND TRANSFERS AND NON-CASH TRS IN-KIND ADJUSTMENTS

	FY24 Budget	
Description	Surplus (Deficit)	Key Driver(s)
Tentative Budget	\$ (297,554)	
Key Revenue Updates		
Local Sources	(744,000)	IDOR lowered PPRT estimate (August-economic data) partially offset by additional interest income
State Sources	444,000	ISBE raised EBF Tier funding (August-state appropriations) and add'l Transportation Claims reimbursement (August)
Federal Sources	(61,094)	IDEA lowered funding level due to revised student need calculations (August)
	(361,094)	
Key Expenditure Updates		
Salaries & Benefits	(198,675)	New Alliant medical insurance renewal estimate (August)
Purchased Services	(53,200)	New ESL professional development cohort to better meet students' needs
Supplies & Materials	1,085	Updated expenditures to match anticipated grant revenue
	(250,790)	
Proposed Budget	\$ (909,438)	



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POTENTIAL LEGISLATION & OTHER ASSUMPTIONS

The following unknowns are not included in the financial forecast:

- Property tax freeze / property tax levy decrease referendum
 - ◆ -1.0% of CPI is approximately \$840,000 per year
- TRS pension cost shift
 - ◆ -1.0% of TRS salaries is approximately \$480,000 per year
- Changes to distribution of state revenue
 - ◆ FY24 budgeted state revenues = \$17,765,000
 - ◆ State revenue is 15% of current budget

BOARD FUND BALANCE POLICY 4:20

EXCLUDES INTERNAL FUND TRANSFERS AND NON-CASH TRS IN-KIND ADJUSTMENTS

	FY23 Preliminary & Unaudited Balances				FY24 Projected Balances				
	Cash and Investments	Net Taxes Levied For Future Period	GASB Accrual Adjustments	Fund Balances	Budgeted Excess/(Deficit)	Budgeted Transfers	Fund Balances	Budgeted Revenue	
COVERED FUNDS:	<i>a</i>	<i>b</i>	<i>c</i>	<i>a + b + c = d</i>	<i>e</i>	<i>f</i>	<i>d + e + f</i>		
Educational (Fund 10)	82,501,559	(38,446,876)	(9,135,439)	34,919,244	30,831	(1,200,000)	33,750,075	93,598,310	
Operations & Maint.(Fund 20)	8,756,526	(3,124,602)	(349,347)	5,282,577	48,946	0	5,331,523	8,854,866	
Transportation (Fund 40)	4,331,962	(859,763)	(421,405)	3,050,793	52,273	0	3,103,066	5,071,447	
Working Cash (Fund 70)	2,177,724	0	0	2,177,724	40,000	0	2,217,724	40,000	
Subtotal: Covered Funds	97,767,771	(42,431,241)	(9,906,192)	45,430,338	172,050	(1,200,000)	44,402,388	107,564,624	
NON-COVERED FUNDS:									
Debt Service (Fund 30)	815,750	(648,729)	0	167,021	16,950	0	183,970	1,247,135	
IMRF & Soc. Sec. (Fund 50)	1,766,178	(892,304)	(168,745)	705,130	28,062	0	733,192	2,673,826	
Capital Project (Fund 60)	8,116,381	0	(2,737,678)	5,378,703	(1,126,500)	1,200,000	5,452,203	7,725,500	
Student Activities (GASB 84)	1,126,518	0	0	1,126,518	0	0	1,126,518	2,400,000	
Subtotal: Non-covered Funds	11,824,827	(1,541,033)	(2,906,422)	7,377,372	(1,081,488)	1,200,000	7,495,884	14,046,461	
TOTAL	109,592,598	(43,972,274)	(12,812,614)	52,807,710	(909,438)	0	51,898,272	121,611,085	

Budgeted Ending Covered Fund Balances as a % of Revenue:

41% *A / B*

Board Fund Balance Policy 4:20: The School District seeks to maintain a year-end fund balance to revenue ratio of no less than 30-35 percent, as calculated under the ISBE's *School District Financial Profile*. Calculation covers only Funds 10, 20, 40, 70 + (50 & 80 if negative.) D155 does not maintain a Tort Immunity Fund 80.



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KEY TAKEAWAYS

1

Balanced Operating Budget

Operating revenues are budgeted to **exceed** operating expenditures 2023-2024!

2

Fiscally Responsible

D155 is presenting a balanced budget, **"in the black"** before one-time uses, for the 9th consecutive year!

3

Taxpayers Savings

Since Tax Year 2010, Board action has yielded **\$26MM of taxpayer savings** compared to that allowed under PTELL legislation!



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BUDGET HEARING



BOARD OF EDUCATION

NICOLE PAVORIS
PRESIDENT



JASON BLAKE
VICE PRESIDENT



AMY BLAZIER



STEVE KIEFFER



RON LUDWIG



STEPHANIE MACRO



DAVE SECREST

