



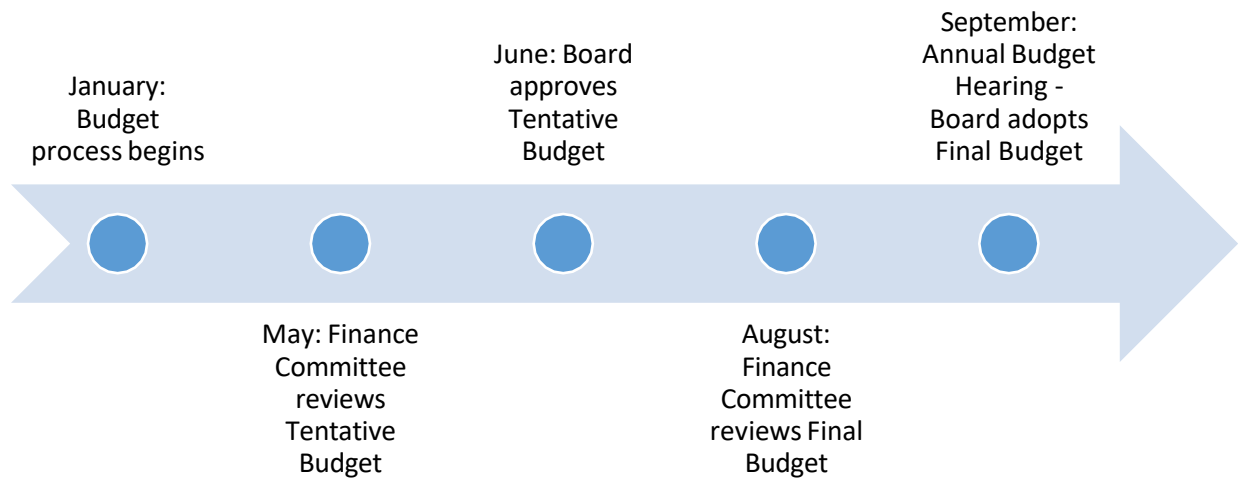
HINSDALE TOWNSHIP
HIGH SCHOOL DISTRICT 86

Annual Budget Overview Fiscal Year 2024

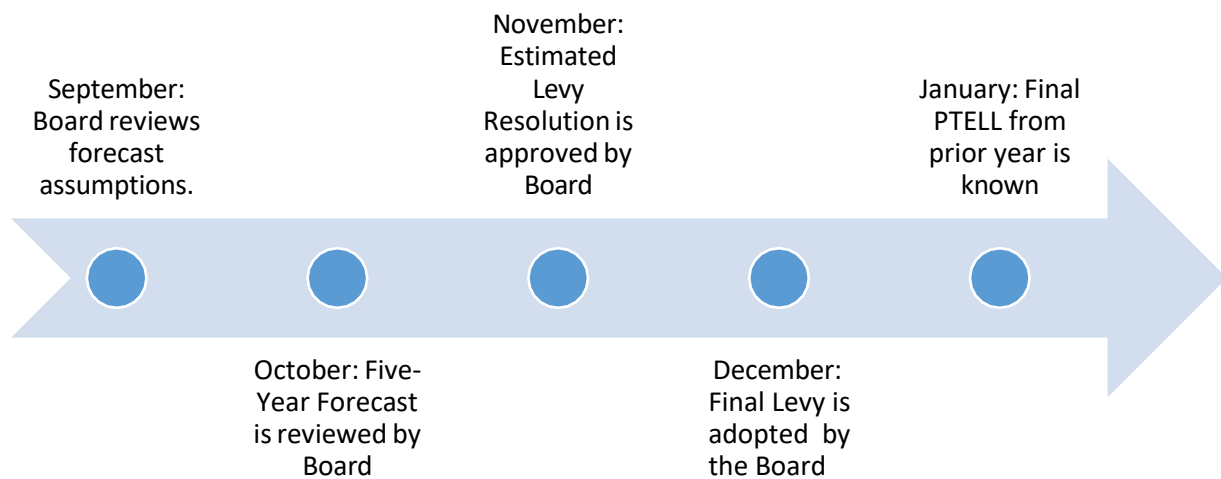
Budget Overview and Timeline

The District currently uses a combination of Function/Object Budgeting along with Zero-Based Budgeting. All department heads are involved in the budgeting process for their department with the exception of salary and benefits which are budgeted by the Business Office. Items that are not specific to an individual department, e.g. utilities, are also budgeted by the Business Office. Capital projects are prioritized by the Facilities Committee and reviewed by the Board of Education. The District's budget is fully accrual, but does exclude depreciation since the state budget form does not provide a means for reporting it. The Chief Financial Officer oversees the budgeting process.

Budget Timeline



Levy Timeline



Summary of Changes

The major year-over-year changes are below:

1. Elementary and Secondary School Emergency Relief (ESSER) funds are in their last year. Last year the District received about \$0.7 million in funding. This year the remaining funding is just below \$0.3 million.
2. The Corporate Personal Property Replacement Tax (CPPRT) funding is estimated at \$2.7 million by the Illinois Department of Revenue for this year. Last year the District received \$3.8 million.
3. The District is projecting higher interest revenue this year based on the current interest rates.
4. There are no transfers budgeted to move funds to either Debt Services or Capital Projects this year. The District paid off the outstanding debt certificate last fiscal year.

Summary of Revenues

The budgeted revenues are organized by sources: local, state, federal, and other sources. The vast majority of revenue comes from local sources.

	Actuals	Budget	Variance	% Change
	FY23	FY24	F/(U)	YOY
Local	\$ 121,073,913	\$ 125,386,699	\$ 4,312,786	3.6%
State	\$ 5,692,894	\$ 5,644,836	\$ (48,057)	-0.8%
Federal	\$ 2,621,378	\$ 1,716,452	\$ (904,926)	-34.5%
Other Sources	\$ 2,519,523	\$ 93,254	\$ (2,426,269)	-96.3%
Total Revenue	\$ 131,907,707	\$ 132,841,242	\$ 933,534	0.7%

Increases in local revenue are being driven predominately by the CPI and new construction increases that were applied through the 2022 levy. Along with the tax increases, the District is also budgeting higher interest earnings based on the current market rates. Offsetting some of the local increases, the corporate replacement tax estimate provided by the Illinois Department of Revenue was \$2.7 million. The District received \$3.8 million in replacement taxes last fiscal year.

State funding for fiscal year 2024 is projected to be flat compared to the prior year. Evidence Based Funding (EBF) is the primary state funding method. The District is categorized as a tier 4 District meaning that it exceeds 100% of the adequacy target with current resources. Tier 4 districts receive a 0.1% annual increase in EBF. The District also receives categorical payments that provide reimbursement for prior year expenditures related to private facility tuition, regular/vocational transportation, and special education transportation.

For federal funding the District is in the last year of the Elementary and Secondary School Emergency Relief (ESSER) funding and projects to have just under \$0.3 million remaining. The District also receives the following federal grants: IDEA, Title I, Title II, Title III, Title IV, and Perkins. The funding levels for the grants are in line with last year with the exception of Title I where the annual allotment increased by \$0.1 million. Along with the grants the District receives some reimbursement from Medicaid and USDA.

The only other source of revenue is interest on the bond proceeds. There are no budgeted transfers.

Summary of Expenditures

The budgeted expenditures are organized by object: salaries, benefits, purchase services, supplies, capital, dues & fees, and non-capital equipment.

			Budget	Variance	% Change		
	Actuals	FY23	FY24	F/(U)	YOY		
Salaries	\$	63,183,613	\$	66,600,932	\$	3,417,319	5.4%
Benefits	\$	24,149,586	\$	25,302,650	\$	1,153,064	4.8%
Purchased Services	\$	13,219,313	\$	15,168,322	\$	1,949,010	14.7%
Supplies	\$	3,262,022	\$	4,192,824	\$	930,802	28.5%
Capital	\$	45,509,323	\$	14,956,804	\$	(30,552,519)	-67.1%
Dues & Fees	\$	19,408,037	\$	16,011,875	\$	(3,396,162)	-17.5%
Non-Capital Equipment	\$	106,049	\$	131,323	\$	25,274	23.8%
Total Expenditures	\$	168,837,942	\$	142,364,730	\$	(26,473,212)	-15.7%

Salaries & Benefits

Salary and benefit increases on an annual basis are determined by collective bargaining agreements or directly by the Board. Around 500 of the District FTE are covered under one of the three bargaining units that operate within the District. In addition to base salaries for District staff, salaries also include stipends for athletic coaching, club sponsors, department chairs, substitutes, extra-duty, and overtime.

The District is self-insured for medical coverage. The employer medical premiums are deducted from operational funds and along with the employee premiums from employees' checks the funds are moved into a restricted Self-Insurance Fund. The Self-Insurance Fund is a sub-fund to the Educational Fund. All claims, premiums, administrative expenses, and fees are then paid from the fund.

Purchased Services

Transportation is the largest category of the expenditures under purchased services and includes contracts for regular bus transportation, special education bus transportation, and taxi services for homeless and special education students. The busing contracts had large year-over-year increases due to driver salary and benefit increases, depot lease increases, and capital replacement cost increases. The next largest contract is for janitorial services for all District sites. This also saw a jump year-over-year as wages increased for staff. Also included in purchased services is software, insurance, legal fees, and travel.

Supplies

All consumable items for instruction, support services, and maintenance of the facilities. This is one of the primary target areas for using zero-based budgeting by department heads during this budget process. Also included here are the natural gas and electricity costs to operate the District sites.

Capital

This includes expenditures from the Capital Projects Fund and operational funds budgeted for capital expenses. The Capital Projects Fund is in its final year as the District winds down the outstanding referendum expenditures.

The District is in the process of designing and bidding the list of projects below to be completed in the summer of 2024. Next summer the District is also preparing to complete the phase 3 roof replacements which will share funding from this budget and fiscal year 2025. Along with the District level budgeted renovation projects both schools will also be completing additional tuckpointing and pressure washing of the building exteriors and the fieldhouse at South will be painted. These items are budgeted in the local building budget.

Project Description	Site	Budget
Windows Courtyard, East Elevation, South Elevation	Central	\$ 2,150,000.00
Door 3 Replacement	Central	\$ 448,325.00
Door 10 Replacement	Central	\$ 170,793.00
Door 13 Replacement	Central	\$ 16,550.00
Tier 3 Roofing Replacement (Split with FY25)	Both	\$ 500,000.00
Stairwell Railings and Balusters	Central	\$ 190,000.00
Hallway Flooring Replacement	South	\$ 100,000.00
Fire Panel Upgrades Central & South	Both	\$ 264,000.00
Stairwell Tread Replacements	Central	\$ 180,000.00
	Total	\$ 4,019,668.00

Dues & Fees

There are four main categories of items within the dues & fees object codes: dues & fees, tuition, debt service, and transfers. Dues & Fees include activity contests, membership dues, and merchant fees. Tuition is for private/public facility tuition and the Technology Center of DuPage. There are no transfers included in the current budget. Below are details on the current outstanding debt for the District and the principal and interest due this fiscal year.

The District currently has the following bond series outstanding:

- 2015B series was self-funded by the District for the Darien Transition Center renovation
- 2016A series is the refinanced portion of the 2012 series which provided air conditioning to classrooms
- 2019A series funded the referendum projects approved in April of 2019
- 2019B series funded the referendum projects approved in April of 2019
- 2020 series funded the referendum projects approved in April of 2019

	FY24 Payment		Remaining		
Series	Principal	Interest	Principal	Interest	Matures
2015B	\$ 445,000	\$ 58,050	\$ 1,495,000	\$ 95,061	1/15/2027
2016A	\$ 1,520,000	\$ 211,352	\$ 9,755,000	\$ 599,432	12/30/2029
2019A	\$ 935,000	\$ 2,515,650	\$ 59,450,000	\$ 23,942,850	1/15/2039
2019B	\$ -	\$ 1,146,500	\$ 27,735,000	\$ 12,928,900	7/15/2039
2020	\$ 3,770,000	\$ 1,567,600	\$ 34,860,000	\$ 9,927,975	7/15/2040
Total	\$ 6,670,000	\$ 5,499,151	\$ 133,295,000	\$ 47,494,218	

Non-Capital Equipment

Non-capital equipment includes items that are over \$500 in value that last longer than a year, but are below the capitalization threshold for the District.

Fund Balance

The District begins the fiscal year with just under \$10 million in the Capital Projects Fund. This money will be utilized to close out all remaining projects and costs associated with the referendum. Once the referendum is closed out, any remaining funds in Capital Projects will be used to fund the summer 2024 construction projects. The District intends to close out the Capital Projects fund at the end of the fiscal year. The District does not anticipate any other material changes to fund balances during this fiscal year.

	Beginning	Revenue	Expenditures	Ending
Education Fund	\$ 12,195,457	\$ 86,788,421	\$ 86,504,431	\$ 12,479,447
Self-Insurance Fund	\$ 4,544,272	\$ 10,309,174	\$ 10,303,350	\$ 4,550,096
Operations & Maint. Fund	\$ 269,960	\$ 14,213,378	\$ 14,530,993	\$ (47,655)
Debt Services Fund	\$ 1,505,394	\$ 12,337,191	\$ 12,095,522	\$ 1,747,063
Transportation Fund	\$ 1,767,541	\$ 4,995,470	\$ 5,538,349	\$ 1,224,662
Social Security Fund	\$ 525,464	\$ 1,947,269	\$ 1,895,930	\$ 576,803
IMRF Fund	\$ 972,555	\$ 1,022,699	\$ 829,679	\$ 1,165,574
Capital Projects Fund	\$ 9,902,993	\$ 93,254	\$ 9,761,500	\$ 234,747
Working Cash Fund	\$ 5,626,341	\$ 198,380	\$ -	\$ 5,824,721
Tort Fund	\$ 255,649	\$ 936,005	\$ 904,976	\$ 286,678
Total Fund Balance	\$ 37,565,625	\$ 132,841,241	\$ 142,364,730	\$ 28,042,136

Full-Time Equivalent (FTE)

Fiscal year 2024 is the last year the District will have FTE that are funded by the Elementary and Secondary School Emergency Relief (ESSER). There are currently 2.8 certified FTE being funded through this grant. Certified FTE was determined through the staffing process and approved by the Board in March. The annual changes in the Aides/Student Supervisors group is largely driven by student need for paraprofessional or 1:1 aide support. There were 2.0 Admin FTE that were moved to support roles in FY 2023. There was 1.0 Security Officer added at South this year.

Hinsdale District 86 Current and Historic FTE

Employee Group	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Teachers	328.40	333.50	332.30	329.80	315.50	319.80	318.50	321.20	318.30
Counselors	20.00	20.00	20.00	20.00	20.00	18.00	18.00	18.00	18.00
Social Workers	11.00	12.00	11.00	12.00	14.00	14.00	14.00	14.00	14.00
Librarians	6.00	5.40	5.20	4.20	3.00	3.00	3.00	3.00	3.00
Psychologists	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Administration	25.00	26.00	25.00	25.00	24.00	24.00	31.00	31.00	29.00
Aides/Student Supervisors	103.60	106.90	116.50	118.50	103.50	105.50	106.00	115.00	107.80
Buildings & Grounds	34.00	29.00	31.00	31.00	30.00	30.00	30.00	30.00	30.00
Information Technology	9.00	7.00	10.00	10.00	14.00	14.00	14.00	13.00	13.00
Support Staff	69.00	70.00	71.00	64.70	72.00	70.00	73.00	74.00	77.00
Total FTE	610.00	614.80	627.00	620.20	601.00	603.30	612.50	624.20	615.10

Budget Outlook

Looking beyond fiscal year 2024 the District has collective bargaining agreements with SEIU through 2025, HTHSSA through 2026, and HHSTA through 2027. The District will have exhausted all ESSER funding and decisions will need to be made on the 2.8 FTE that the grant is funding this year. The high level of interest rates is having a positive impact on the District interest earnings. A future downturn in interest rates will result in a reduction of interest revenue. Finally, CPPRT will continue to be monitored closely since even with the reduction year-over-year it is still trending well above the historic average.