



Hinsdale Township High School District 86
5500 South Grant Street
Hinsdale, IL 60521
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Annual Budget Overview

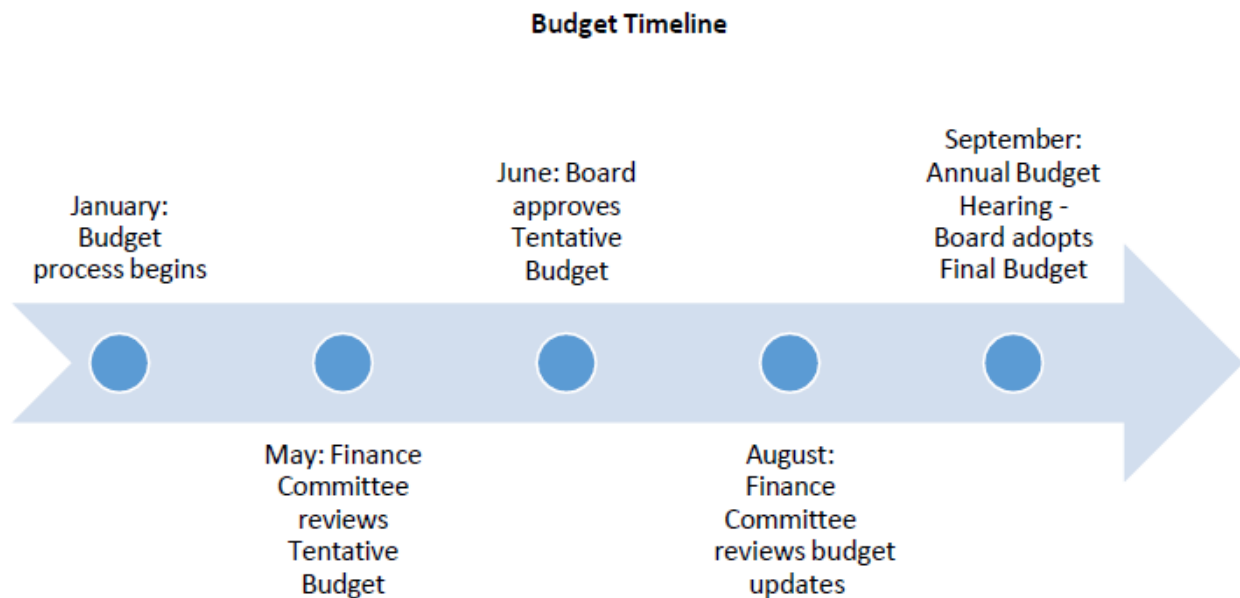
Fiscal Year 2025

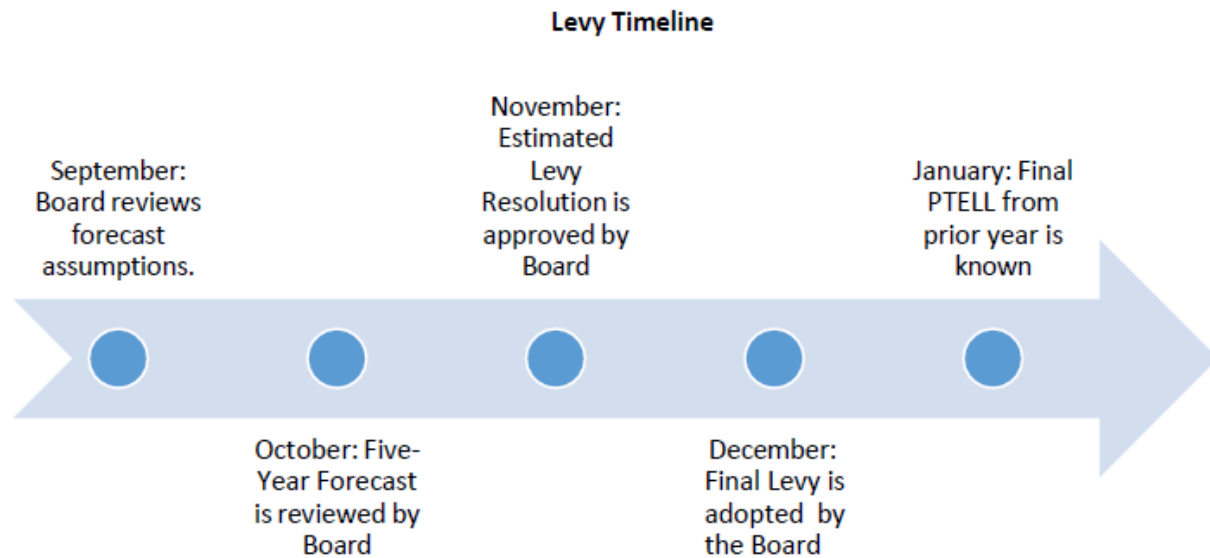
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Budget Overview and Timeline

Each year, the district is required to prepare an annual budget for public review and Board Approval. The timeline is shown below; this process begins in January of each year; a tentative budget is approved in June, and a final budget is approved in September. The district currently uses a combination of Function/Object Budgeting along with Zero-Based Budgeting. Function/Object budgeting uses historical data organized around basic functions: instruction, support, and plant services. Objects are organized around salaries, benefits, services, supplies, and capital. Zero-Based budgeting starts with a clean slate and the budget is built based on the expectations for the upcoming year independent of historical data. Zero-Based budgeting is used strategically to reevaluate and substantiate specific budget line items. Since it is a longer process the district elects to implement it when it is deemed that it will be value added. All department heads propose a budget for their department which includes everything for the coming fiscal year apart from salary and benefits which are budgeted by the Business Office. Those budgets are then reviewed by building leadership before being submitted to 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 it does exclude depreciation since the state budget form does not provide a means for reporting it. The Chief Financial Officer oversees the budgeting process.





Summary of Changes and Financial Drivers

For fiscal year 2025 the major year-over-year changes are below:

1. The Corporate Personal Property Replacement Tax “CPPRT” has been projected by the Illinois Department of Revenue to decline over 30% compared to last year. The updated estimate has been incorporated into the final budget, but deviation from the estimate is common. The current estimate is \$1.7 million compared to the \$2.5 million that was received last year.
2. Anticipated interest rate cuts by the Federal Reserve would immediately reduce interest earnings on liquid funds. While the district does hold a variety of duration investments there is a large portion held in liquid investments to meet near term cash flow needs.
3. The district is fully staffed in all certified positions, but it is continuing to experience challenges in filling all support staff positions. The budget is completed assuming full staffing. Any vacancies create a financial benefit, while simultaneously creating an operational challenge.
4. Transportation and utility costs increases continue to outpace revenue growth. The Business Office will be completing detailed tracking and analysis of transportation utilization to evaluate any opportunities to reduce costs.
5. The district is self-insured for medical and dental plans. Variability in claims can drive a surplus or deficit in the Self-Insurance Fund.
6. Mandated Categorical reimbursements, specifically for special education transportation not keeping pace with cost increases.
7. Elementary and Secondary School Emergency Relief (ESSER) funds were exhausted in fiscal year 2024 as planned. This was money allocated by the Federal government to help school districts manage the pandemic.

Summary of Revenues

The budgeted revenues are organized by source: local, state, federal, and other sources. In D86, most of our revenue comes from local sources.

	Actuals	Budget	Variance
	FY24	FY25	F/(U)
Total Local	\$ 127,935,040	\$ 130,856,115	\$ 2,921,075
Total State	\$ 5,435,479	\$ 6,525,623	\$ 1,090,144
Total Federal	\$ 1,740,070	\$ 1,625,431	\$ (114,639)
Transfers	\$ -	\$ 2,250,000	\$ 2,250,000
Total Revenues	\$ 135,110,589	\$ 141,257,168	\$ 6,146,579

Increases in local revenue are being driven predominantly by the consumer price index (CPI) and new construction increases that were applied through the 2023 levy. Partially offsetting the local property tax increase, the corporate replacement tax estimate provided by the Illinois Department of Revenue was \$1.7 million. The district received \$2.5 million in replacement taxes last fiscal year. Additionally, interest revenue is budgeted to decrease year-over-year as interest rates are expected to be cut.

State funding for fiscal year 2025 is projected to increase 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 mandated categorical payments that provide prorated reimbursement for prior year expenditures related to private facility tuition, regular/vocational transportation, and special education transportation. The district is anticipating an increase in the special education transportation reimbursement as the costs have been increasing.

For federal funding the district exhausted the Elementary and Secondary School Emergency Relief (ESSER) funding last year. The district 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 the allotment received last year. Along with the grants the district receives some reimbursement from Medicaid.

There is a nominal amount of interest budgeted for the Capital Projects Fund as the district works toward completing the final closeout of the fund. There are two proposed interfund transfers budgeted from the Educational Fund to the Operations and Maintenance and Transportation Fund that we have already begun discussing with the Finance Committee.

Summary of Expenditures

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

	Actuals FY24	Budget FY25	Variance F/(U)
Salaries	\$ 66,115,058	\$ 69,210,850	\$ 3,095,792
Benefits	\$ 24,199,593	\$ 26,132,633	\$ 1,933,039
Purchased Services	\$ 17,181,384	\$ 15,594,382	\$ (1,587,002)
Supplies	\$ 3,949,158	\$ 4,892,521	\$ 943,363
Capital	\$ 14,603,786	\$ 8,465,350	\$ (6,138,436)
Other	\$ 15,679,523	\$ 18,471,563	\$ 2,792,040
Non-Capital Equipment	\$ 64,500	\$ 188,646	\$ 124,147
Total Expenditures	\$ 141,793,002	\$ 142,955,945	\$ 1,162,943

Salaries & Benefits

Salaries and benefits are by far the district's largest annual expense. The number and role of staff for each budget year is determined by the Board of Education each March. Timed to meet state requirements for non-renewal reporting and notification.

The amount of salary, and any Increases in salaries and benefits are determined on an annual basis 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 expensed 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 that fund.

Purchased Services

Transportation is the largest category of 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

Supplies include all consumable items for instruction, support services, and maintenance of the facilities. Also included in supplies 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 plans to pay out all remaining retainage and complete final closeout of projects. The remaining balance of the Capital Projects Fund will be utilized to fund a portion of the projects listed below.

The phase three roof replacements were completed over the summer of 2024 and funded between the 2024 and 2025 budget. The phase three window replacement project was just over halfway completed in the summer of 2024 with the balance of the work being scheduled for spring break and summer of 2025. The air handling unit replacement at the district office is scheduled to be completed in the fall of 2024. All remaining projects are in the process of being designed and will be completed in the summer of 2025. The Hinsdale South restroom renovation project will be funded by the 2025 and 2026 budget.

Project Description	Site	Amount
Window Replacement - Phase 3 Central	Central	\$3,040,410.90
Roof Replacement - Phase 3 Central	Central	\$1,163,536.00
Condensing/Air Handling Unit - District Office	District Office	\$ 203,713.00
Abatement Change Order - Railing Lead	Central	\$ 26,600.00
Restroom Renovation	South	\$ 485,700.00
Fire Speaker Strobes	South	\$ 172,110.00
Hallway Flooring Replacement	South	\$ 205,000.00
Varsity Baseball Dugouts	Central	\$ 300,726.00
Tuckpointing	Central/South	\$ 160,000.00
	Total	\$5,757,795.90

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 two budgeted transfers from the Education Fund to the Operations and Maintenance and Transportation Fund. Below are details on the current outstanding debt for the district and the principal and interest payments due this fiscal year. The district currently has the following bond series outstanding:

1. 2015B series was self-funded by the District for the Darien Transition Center renovation.
2. 2016A series is the refinanced portion of the 2012 series which provided air conditioning to classrooms.
3. 2019A series funded the referendum projects approved in April of 2019
4. 2019B series funded the referendum projects approved in April of 2019
5. 2020 series funded the referendum projects approved in April of 2019

Series	FY25 Payment		Remaining		Matures
	Principal	Interest	Principal	Interest	
2015B	\$ 460,000	\$ 45,501	\$ 1,035,000	\$ 49,561	1/15/2027
2016A	\$1,545,000	\$ 180,548	\$ 8,210,000	\$ 418,884	12/30/2029
2019A	\$ 930,000	\$2,468,900	\$ 58,520,000	\$21,473,950	1/15/2039
2019B	\$ -	\$1,146,500	\$ 27,735,000	\$11,782,400	7/15/2039
2020	\$4,010,000	\$1,379,100	\$ 30,850,000	\$ 8,548,875	7/15/2040
Total	\$6,945,000	\$5,220,549	\$126,350,000	\$42,494,218	

Non-Capital Equipment

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

Fund Balance

The district begins the fiscal year with just over \$2.0 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 construction projects. The district intends to close out the Capital Projects fund by the end of the fiscal year. The district is beginning the year with a negative fund balance in the Operations and Maintenance Fund and the Transportation Fund. There are two budgeted transfers from the Educational Fund that will correct the negative fund balances. The district does not anticipate any other material changes to fund balances during this fiscal year.

	Beginning	Revenue	Expenditures	Ending
Education	\$ 14,461,672	\$ 90,011,135	\$ 93,104,325	\$ 11,368,483
Self-Insurance	\$ 5,592,812	\$ 10,563,275	\$ 10,434,062	\$ 5,722,025
Operations & Maintenance	\$ (1,103,780)	\$ 16,909,637	\$ 15,420,663	\$ 385,194
Debt Services	\$ 1,872,731	\$ 12,394,828	\$ 12,167,949	\$ 2,099,610
Transportation	\$ (269,716)	\$ 6,816,729	\$ 6,359,854	\$ 187,159
Social Security	\$ 667,830	\$ 2,022,941	\$ 1,898,000	\$ 792,771
IMRF	\$ 1,327,982	\$ 1,030,102	\$ 710,600	\$ 1,647,484
Capital Projects	\$ 2,042,901	\$ 35,024	\$ 1,812,503	\$ 265,422
Working Cash	\$ 6,026,666	\$ 514,359	\$ -	\$ 6,541,025
Tort	\$ 282,052	\$ 959,138	\$ 1,047,988	\$ 193,201
Total Fund Balance	\$ 30,901,150	\$ 141,257,168	\$ 142,955,945	\$ 29,202,374

Full-Time Equivalents (FTE)

For the fiscal year 2025 budget there has been an addition of one certified teacher and one social worker compared to the 2024 budget. The district added a head athletic trainer at each school and shifted two paraprofessional positions to support staff.

Hinsdale District 86 Current and Historic FTE

Employee Group	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Teachers	315.50	319.80	318.50	321.20	318.30	319.30
Counselors	20.00	18.00	18.00	18.00	18.00	18.00
Social Workers	14.00	14.00	14.00	14.00	14.00	15.00
Librarians	3.00	3.00	3.00	3.00	3.00	3.00
Psychologists	5.00	5.00	5.00	5.00	5.00	5.00
Administration	24.00	24.00	31.00	31.00	29.00	29.00
Aides/Student Supervisors	103.50	105.50	106.00	115.00	107.80	104.80
Buildings & Grounds	30.00	30.00	30.00	30.00	30.00	30.00
Information Technology	14.00	14.00	14.00	13.00	13.00	13.00
Support Staff	72.00	70.00	73.00	74.00	77.00	82.00
Total FTE	601.00	603.30	612.50	624.20	615.10	619.10

Budget Outlook

Looking beyond fiscal year 2025 the district has collective bargaining agreements with SEIU through 2025, HTHSSA through 2026, and HHSTA through 2027. The high level of interest rates has had a positive impact on the district's interest earnings. A future downturn in interest rates will have a significant impact on interest revenue. Finally, CPPRT will continue to be monitored closely since even with the reductions over the past two years it is still above historic averages.

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Replacement Tax	\$ 1,223,387	\$ 1,551,810	\$ 3,382,542	\$ 3,823,263	\$ 2,518,286	\$ 1,696,762
Interest Earnings	\$ 1,348,342	\$ 534,549	\$ 799,234	\$ 884,908	\$ 3,496,264	\$ 2,182,466