



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

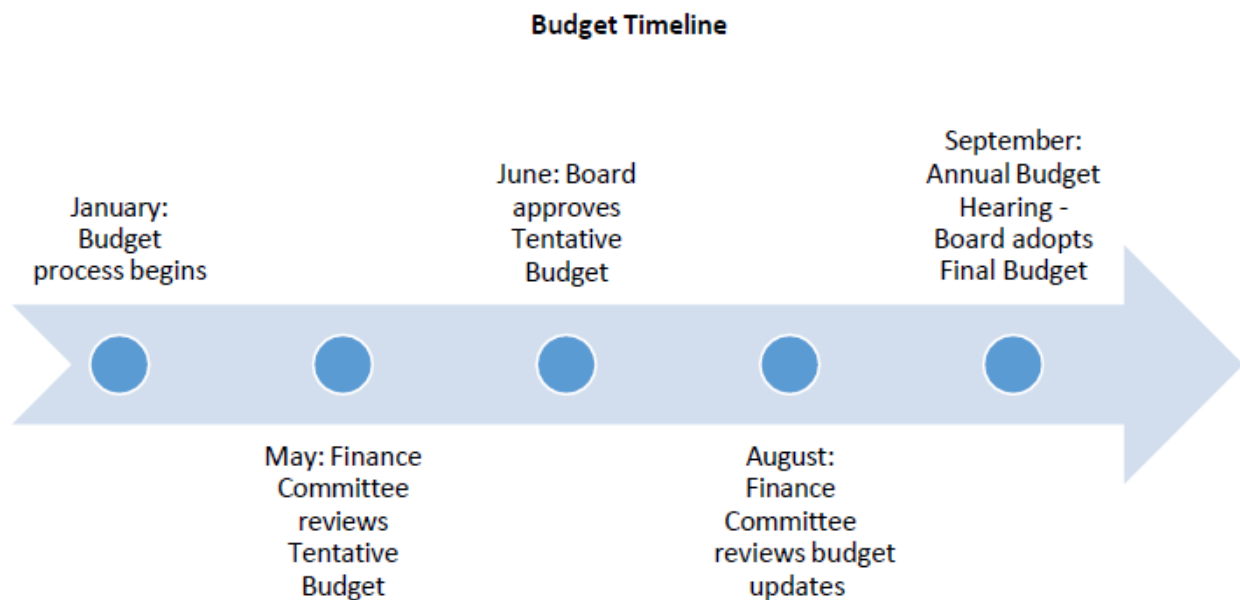
Fiscal Year 2026

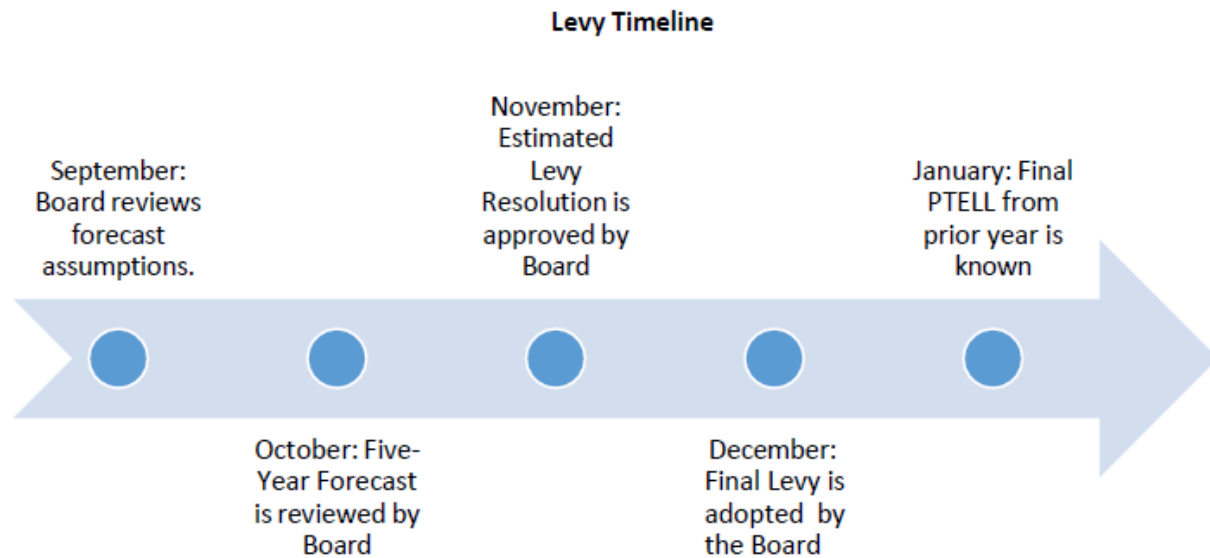
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Budget Overview and Timeline

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 Finance and 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 2026 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 be basically flat year-over-year. Following multiple years of decline this potentially represents a new baseline number for CPPRT moving forward. The IDOR estimate for last year was very close to the actuals received so this budget estimate should be accurate.
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. The district is projecting interest earnings to fall about \$900K or over 20% compared to last year.
3. The district is fully staffed in all certified positions and nearly fully staffed in 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 district continues to review utilization for transportation to identify opportunities to mitigate 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 and private facility tuition are not keeping pace with cost increases.
7. All federal funding that was frozen has been released and the district will be operating with typical allocations in the grants. As part of this budget process the district did shift some staff salaries out of grants and into operational funds to reduce future reliance on federal funding.

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	% Change
	FY25	FY26	F/(U)	YOY
Local	\$ 133,338,438	\$ 136,673,969	\$ 3,335,532	2.50%
State	\$ 5,598,678	\$ 5,641,011	\$ 42,334	0.76%
Federal	\$ 2,206,799	\$ 2,166,332	\$ (40,468)	-1.83%
Other Sources	\$ -	\$ -	\$ -	-
Total Revenue	\$ 141,143,915	\$ 144,481,312	\$ 3,337,398	2.36%

Increases in local revenue are being driven predominantly by the consumer price index (CPI) and new construction increases that were applied through the 2024 levy. Partially offsetting the local property tax increase, interest revenue is projected to decline by around 20% compared to last year. While the district feels this is a conservative estimate it is tied to interest rate decision made by the Federal Reserve which are difficult to forecast. Most other local revenue sources are minimally changed from the prior year.

State funding for fiscal year 2026 is projected to relatively 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 mandated categorical payments that provide prorated reimbursement for prior year expenditures related to private facility tuition, regular/vocational transportation, and special education transportation. The regular and vocational transportation reimbursements are a flat amount and are a small fraction of the actual cost. The special education transportation costs have been increasing rapidly over the last few years, but the state has not maintained the reimbursement level and continues to prorate it further each year.

For federal funding the district receives the following federal grants: IDEA, Title I, Title II, Title III, Title IV, Perkins, and the Pre-Employment Career Training (formerly STEPs). While there were initially concerns around funding for some of the grants all funding levels are in line with the allotment received last year. Along with the grants the district receives some reimbursement from Medicaid.

Summary of Expenditures

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

	Actuals	Budget	Variance	% Change
	FY25	FY26	F/(U)	YOY
Salaries	\$ 69,466,721	\$ 71,103,016	\$ 1,636,295	2.36%
Benefits	\$ 26,477,010	\$ 26,732,779	\$ 255,769	0.97%
Purchased Services	\$ 16,033,068	\$ 16,755,657	\$ 722,589	4.51%
Supplies	\$ 4,714,917	\$ 5,275,433	\$ 560,516	11.89%
Capital	\$ 7,196,548	\$ 7,388,676	\$ 192,128	2.67%
Dues & Fees	\$ 16,711,720	\$ 17,053,283	\$ 341,563	2.04%
Non-Capital Equipment	\$ 108,744	\$ 165,044	\$ 56,300	51.77%
Total Expenditures	\$ 140,708,728	\$ 144,473,888	\$ 3,765,160	2.68%

Salaries & Benefits

Salaries and benefits are by far the district's largest annual expense. The full-time equivalents (FTE) for each budget year are determined by the Board of Education in March. Timed to meet state requirements for non-renewal reporting and notification for certified staff.

Salary amounts and increases along with benefits are determined on an annual basis by collective bargaining agreements for employee groups in bargaining units or directly by the Board for non-unionized staff. Around 500 of the District FTE are covered under one of the three bargaining units that operate within the district. The three bargaining units are the Hinsdale High School Teachers Association (HHSTA), the Hinsdale Township High School Support Staff Association (HTHSSSA), and the Service Employees International Union (SEIU). 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. Property insurance rates have increased significantly over the last few years due to storm, fire, hurricane, and flooding property damage across the country. Workers Compensation and Cyber Insurance have been relatively flat recently. Legal fees are budgeted to return to typical annual average levels. Utility cost increases are related to increases in water costs and increases in police service costs (SROs).

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. The rates for gas and electric are unchanged from the prior year due to multi-year fixed rate contracts. The infrastructure costs for electricity have escalated significantly due to the increasing electric demand across the country. The supply budgets show a large change compared to the prior year actuals because typically these budgets are not fully consumed annually.

Capital

The district completed the restroom renovation project at Hinsdale South over the past summer. The restroom renovation project at Hinsdale Central will be completed the summer of 2026. During the referendum the district renovated one restroom pair on each level at each school as part of the accessibility work. The current projects are renovating the remaining restrooms to bring them up-to-date and in-line with current ADA codes. The varsity baseball field access project has been initiated. The district is working the County of DuPage to get the approvals needed to move this forward. The district has started working with the Village of Hinsdale and the City of Darien related to zoning requirements related to the exterior lighting projects.

Project Description	Completion	Site	Amount
Restroom Renovation	Summer 2025	South	\$ 2,940,284
Restroom Renovation	Summer 2026	Central	\$ 1,434,716
Athletic Training Room Relocate	TBD	Central	\$ 500,000
Access Bridge - Varsity Baseball Field	Fall 2025/Spring 2026	South	\$ 150,000
Stadium Lighting Replacement	Summer 2026	South	\$ 100,000
Stadium Lighting Replacement	Summer 2026	Central	\$ 175,000
Fire Alarm Strobe Upgrade	Summer 2026	Central	\$ 143,610
Tuckpointing	Summer 2026	Central/South	\$ 160,000
Total			\$ 5,603,610

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 this budget. 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	FY26 Payment		Remaining		Matures
	Principal	Interest	Principal	Interest	
2015B	\$ 475,000	\$ 31,977	\$ 560,000	\$ 17,584	1/15/2027
2016	\$ 1,580,000	\$ 149,142	\$ 6,630,000	\$ 269,742	12/30/2029
2019A	\$ 1,425,000	\$ 2,422,400	\$ 57,095,000	\$ 19,051,550	1/15/2039
2019B	\$ -	\$ 1,146,500	\$ 27,735,000	\$ 10,635,900	7/15/2039
2020	\$ 3,760,000	\$ 1,178,600	\$ 27,090,000	\$ 7,370,275	7/15/2040
Total	\$7,240,000	\$4,928,619	\$ 119,110,000	\$ 37,345,051	

Non-Capital Equipment

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

Fund Balance

The district closed out the Capital Projects Fund at the end of fiscal year 2025. The district is beginning the year with a negative fund balance in the Transportation Fund. This will be monitored throughout the year and a recommendation on how to address this will be brought toward the end of the fiscal year. The district does not anticipate any other material changes to fund balances during this fiscal year.

Fund	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Surplus/ (Deficit)
Education	\$13,790,360	\$ 93,566,054	\$ 93,400,347	\$13,956,067	\$ 165,707
Self-Insurance	\$ 5,171,114	\$ 10,765,092	\$ 10,778,162	\$ 5,158,044	\$ (13,070)
Operations & Maintenance	\$ 157,319	\$ 17,042,718	\$ 17,007,839	\$ 192,198	\$ 34,879
Debt Services	\$ 2,199,572	\$ 12,386,058	\$ 12,170,444	\$ 2,415,187	\$ 215,615
Transportation	\$ (729,533)	\$ 6,249,688	\$ 7,251,587	\$ (1,731,432)	\$ (1,001,898)
Social Security	\$ 742,628	\$ 1,936,852	\$ 1,963,382	\$ 716,098	\$ (26,530)
IMRF	\$ 1,626,797	\$ 818,461	\$ 823,853	\$ 1,621,405	\$ (5,392)
Working Cash	\$ 6,503,066	\$ 624,906	\$ -	\$ 7,127,972	\$ 624,906
Tort	\$ 90,013	\$ 1,091,483	\$ 1,078,274	\$ 103,221	\$ 13,209
Grand Total	\$29,551,334	\$ 144,481,312	\$ 144,473,888	\$29,558,758	\$ 7,425

Full-Time Equivalents (FTE)

Overall FTE is down slightly in fiscal year 2026 compared to last year. The primary driver is reduced student needs for paraprofessionals and one-to-one aide nurses.

Hinsdale District 86 Current and Historic FTE

Employee Group	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Teachers	333.50	332.30	329.80	315.50	319.80	318.50	321.20	318.30	319.30	317.70
Counselors	20.00	20.00	20.00	20.00	18.00	18.00	18.00	18.00	18.00	18.00
Social Workers	12.00	11.00	12.00	14.00	14.00	14.00	14.00	14.00	15.00	16.00
Librarians	5.40	5.20	4.20	3.00	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	5.00	5.00	5.00	5.00
Administration	26.00	25.00	25.00	24.00	24.00	31.00	31.00	29.00	29.00	30.00
Aides/Student Supervisors	106.90	116.50	118.50	103.50	105.50	106.00	115.00	107.80	104.80	98.60
Buildings & Grounds	29.00	31.00	31.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Information Technology	7.00	10.00	10.00	14.00	14.00	14.00	13.00	13.00	13.00	13.00
Support Staff	70.00	71.00	64.70	72.00	70.00	73.00	74.00	77.00	82.00	83.00
Total FTE	614.80	627.00	620.20	601.00	603.30	612.50	624.20	615.10	619.10	614.30

Budget Outlook

Looking beyond fiscal year 2026 the district will be negotiating with HTHSSSA this year as their contract end on June 30, 2026, the HHSTA contract runs through June 30, 2027, and the SEIU contract through June 30, 2028. The high level of interest rates has had a positive impact on the district's interest earnings. A downturn in interest rates will have a significant impact on interest revenue. The district will continue to monitor and evaluate expenditure items related to transportation, insurance, and utilities as these have grown at a faster pace than inflation the past few years.