

DUPAGE HIGH SCHOOL

DISTRICT 88 ADDISON TRAIL
WILLOWBROOK

Building Futures

Final Budget 2018-19

September 24, 2018

Tentative Budget Presented
June 25, 2018

Budget 2018-19

Budget Adoption Schedule:

- June 11, 2018 present Tentative Budget to Board of Education
- June 25, 2018 Board to authorize placing Tentative Budget on file for public review
- July 05, 2018 public notice regarding Tentative Budget and scheduling of public hearing
 - {law requires minimum 30 days before hearing/adoption}
- September 24, 2018 public hearing & adoption meeting
 - Review Final Budget including changes from June (Tentative Budget)
 - Conduct public hearing prior to Board adoption



Budget Overview

▶ Operating Fund Revenue =	\$71,657,801
▶ Operating Fund Expense =	<u>\$68,896,905</u>
▶ Surplus (Deficit) =	\$ 2,760,896
▶ Transfers In/Out	<u>(\$46,332)</u>
▶ Net Surplus(Deficit)	\$ 2,714,564
▶ Less Bond Proceeds	(\$4,005,095)
▶ Net Fund Balance Change	(\$1,290,531)
◦ <u>Chronology:</u>	
• June 2018 Tentative Budget (Deficit) =	(\$ 989,124)

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- ▶ Projected Fund Balance – Net of Early (June) Property Tax = \$23.4 million or 34% of Operating Expenditures
 - ▶ Sufficient Funds – do not need Balanced Budget Plan filed with ISBE
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Budget

Highlights & Key Budget Drivers

- ▶ Budget initiatives include:
 - Salary & staffing adjustments/hiring controls primarily through attrition
 - Staffing: adding 4 student supervisor/bus driver combo positions
 - Facility improvements continue to be shifted out of Operating Fund to Capital Projects Fund – funded with Working Cash bond proceeds
 - Continue fifth year of electricity load reduction agreement with Enernoc (revenue of \$40,000)
 - Transportation route reduction – continues from FY2015 {reduced 16 routes – approx. \$60,000}



Budget Highlights & Key Budget Drivers

- ▶ Operating Funds Revenue of \$71.7M including \$4.0M Working Cash Bond proceeds
 - Net of the bonds the increase is \$1,136,423
 - ▶ Property tax revenue (80% of revenue) + \$1,140,713
 - Modified collection/distribution percentages:
 - Sept 2018 48.2% vs normal 50.5%
 - Higher June 2018 “accelerated” taxes @ 51.3%
 - Maintaining 99.5% estimated total tax collection rate over June and September
 - ▶ Property tax extension for 2017 final @ 2.78% collected June 2018 & Sept. 2018
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Budget Highlights & Key Budget Drivers

- ▶ December 2018 property tax levy estimated at 2.25% or increase of \$1,203,134
 - limited by 2.10% CPI factor + new property
 - Est. collect 49% June 2019 advance {early} taxes
- ▶ Evidence Based – “Base Funding Minimum”
State aid maintained at FY2018 level + Adequacy Allocation
- ▶ Other State aid expected to decrease by **(\$502,744)** – 3 categorical programs
 - Consolidated to “Base Funding Minimum” Model FY2018 so no carry-over due like FY2017

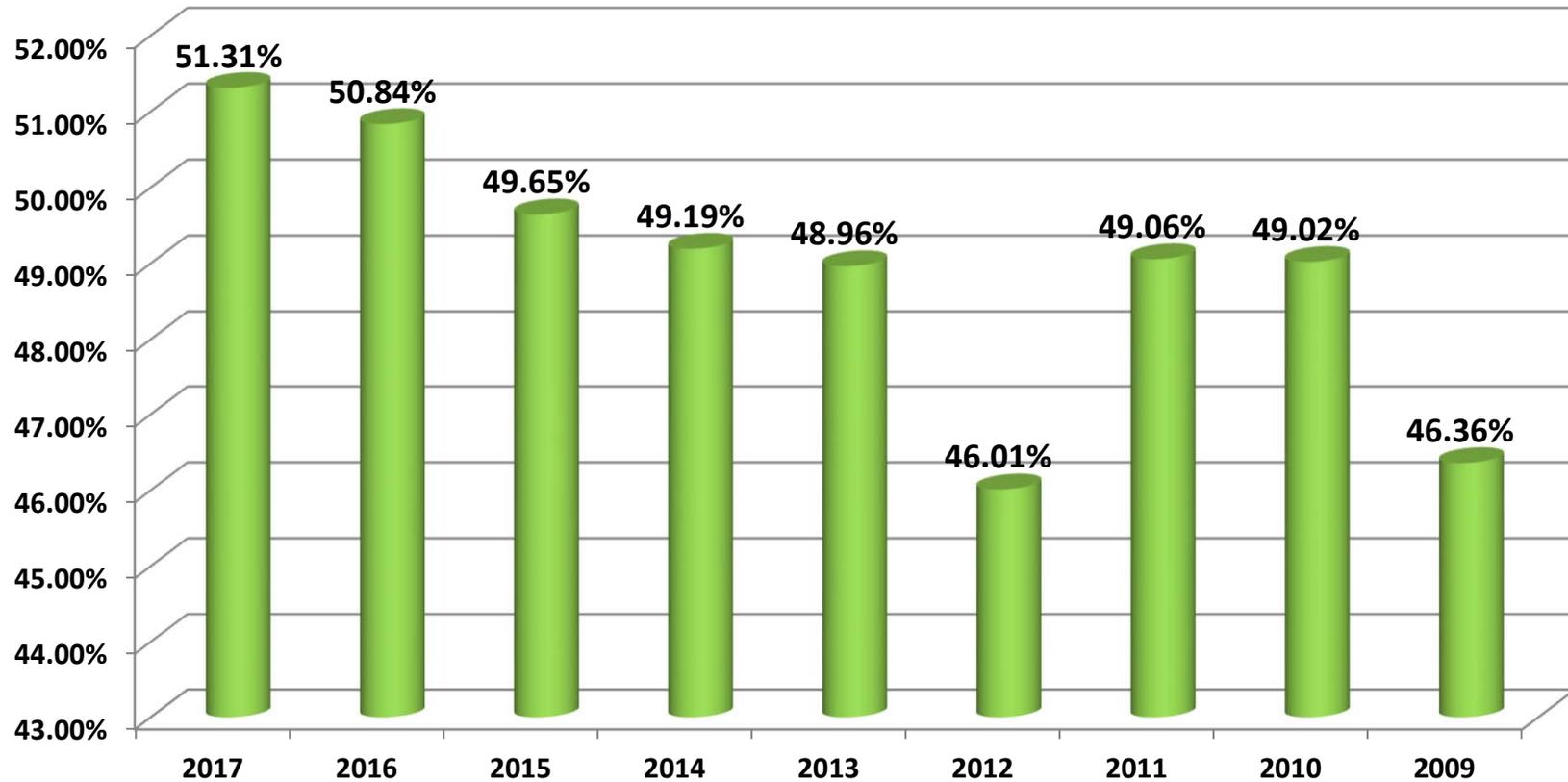


Program Highlights

- ▶ Grant funding
 - Dedicated resources for second year to purchase textbooks for classroom sets – reduce the cost to families
 - Support families with specific assessment costs for AP Exams and Seal of Biliteracy, SAT prep materials
 - Continue support of cultural equity programs and staff professional development
- ▶ Technology & Robotics Summer Program
 - Third year of successful summer robotics program in partnership with area elementary districts
 - Official implementation of 1:1 Chromebook computer program for freshman class



June "Early" Tax Collection Rates



June 2018 - additional 2.3% > budget of 49%

Total extra \$ \$1,582,662 ; **Operating Funds Only \$1,184,606**



ANNUAL BUDGET SUMMARY OF CASH TRANSACTIONS 2018-19

OPERATING FUNDS:	Beginning Balance 7/1/18 *	Budget Revenues	Transfers In	Total Available	Budget Expenditures	Rev - Exp	Transfers Out	Projected Balance 6/30/19 (a)
Educational	\$ 35,998,835	\$ 55,749,791		\$ 91,748,626	\$ 55,878,970	(\$129,179)	\$ 46,332	\$ 35,823,324
Operations & Maintenance	4,867,280	6,442,250		11,309,530	6,894,971	(\$452,721)		\$ 4,414,559
Transportation	3,445,544	3,368,234	316,000	7,129,778	4,111,160	(\$426,926)		\$ 3,018,618
IMR/Social Security/Medicare	1,647,327	1,917,431		3,564,758	2,011,804	(\$94,373)		\$ 1,552,954
Working Cash	6,319,984	4,180,095		10,500,079	-	4,180,095	\$ 316,000	\$ 10,184,079
Total Operating Funds	\$ 52,278,970	\$ 71,657,801	\$ 316,000	\$ 124,252,771	\$ 68,896,905	\$ 3,076,896	\$ 362,332	\$ 54,993,534
Fund Balance Change								\$2,714,564
Less Working Cash Bond Issuance 2018 {for Capital Projects & Bus Fleet Replacement}								(\$4,005,095)
Net Fund Balance Change - (excluding Working Cash Transfer for capital projects/equipment) Surplus / (Deficit)								(\$1,290,531)
Adjusted Fund Balance (excluding one time Working Cash transfer for capital projects/equipment) = >>>								\$ 50,988,439
Less "Early Property Taxes"								(\$26,939,178)
Less Working Cash Bond Proceeds - Assigned Balance (to Capital Projects/Bus Replacement)								(\$4,670,095)
Adjusted Fund Balance = >>>								\$ 23,384,261
Fund Balance - Net of "Early Property Taxes" & Assigned Bond Proceeds as % of Budget =								33.9%
Restricted Funds:								
Debt Service Fund	6,057,327	10,290,071	46,332	16,393,730	10,734,576	(444,505)		\$5,659,154
Capital Projects	843,879	263,520	-	1,107,399	890,000	(890,000)		\$217,399
Fire Prevention & Safety	0	0		0	0	0		0
Total - All Funds (a)	\$ 59,180,176	\$ 82,211,392	\$ 362,332	\$ 141,753,900	\$ 80,521,481	\$ 1,742,391	\$ 362,332	\$ 60,870,087

Final Budget 2018–19

Changes from **Tentative Budget**

- ▶ Operating Funds Revenue up \$3,179,747
 - Includes \$4.0M Working Cash Bond Proceeds from issue September 2018
 - Adjusting for bonds, net change is actually decrease **(\$824,347)**
- ▶ Property tax revenue net reduction **(\$1,103,047)**
 - Timing, June 2018 collections @51.3% = increase of 2.3% over prior yr. trend
 - Additional \$1.2M in operating fund balance as of 6/30/18
- ▶ State aid up \$133,346
- ▶ Local revenue up \$89,329 net of bond proceeds
- ▶ Federal revenue up \$55,024



Final Budget 2018-19

Changes from **Tentative Budget**

- ▶ General state aid – now *Evidence Based Funding* formula
 - Minimum 100% of FY2017 level for five program line items now combined + 2018 Tier 2 Funding
 - Additional funding at Tier 2 for FY2019 = \$109,000
- ▶ State categorical aid
 - Only 3 of 5 special funding programs remain in this group
 - Received 5 total payments FY2018– 2 due from prior yr. and 3 of 4 quarterly payments
 - Budgeting for 4 this year – 1 due from prior yr. and 3 of 4 for this year funding
- ▶ Corp. Pers. Property Tax (CPPRT) same as prior year



Final Budget 2018-19

Changes from **Tentative Budget**

▶ Local revenue

- Interest income remained the same with \$671,000 more than the prior year budget; rates continue to increase
- Reduced slightly as we subsidized more textbook sales from grants
- Food sales down slightly



Final Budget 2018–19

Changes from **Tentative Budget**

- ▶ Operating Expenditures declined by **(\$523,941)**
 - Primarily due to outside placement tuition **(\$820,192)**
 - Prior year actual was under expended by (\$940,000)
 - Closing of local orphanage
- ▶ Student enrollment of 4,042 is up 72 over 2018
- ▶ Staffing was increased by 2.30 FTE teachers from Tentative Budget
 - Finalized class enrollments and special education program staffing
- ▶ Staffing was increased by 5.7 FTE teacher aide positions
 - Primarily special education program 1:1 assignments
 - Transition program enrollment remains strong



Final Budget 2018-19

Changes - from Tentative Budget

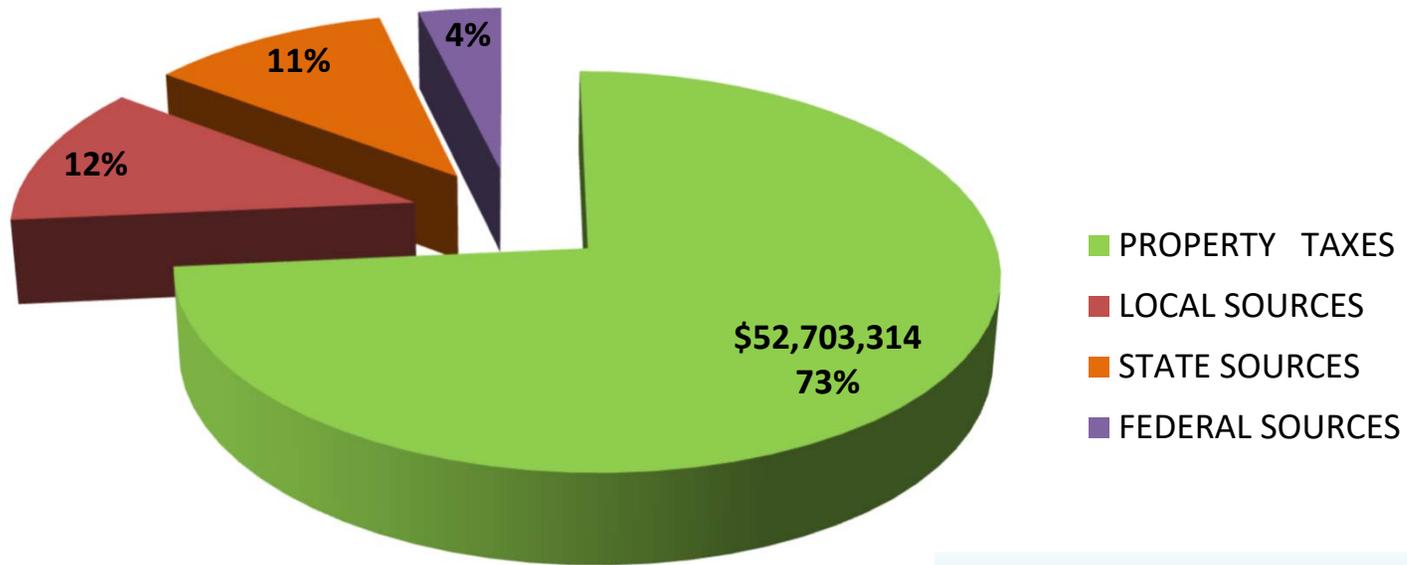
▶ Salaries decreased	(\$ 56,702)
▶ Benefits increased	\$ 83,462
▶ Purchase Services increased	\$ 228,859*
▶ Supplies decreased	(\$117,267)
▶ Capital outlay decreased	(\$ 97,101)
▶ Tuition expense decreased	<u>(\$565,192)</u>
TOTAL	(\$523,941)

** Shifted technology expenses for software etc. from capital to purchase svc. & supplies as required by school accounting categories.*



Operating Revenue Budget – Source

OPERATING REVENUE BUDGET BY TYPE (SOURCE) 2018-19



OPERATING REVENUE BUDGET = \$71,657,801

Property Taxes = 78% if adjust for \$4M of Working Cash “local” bond proceeds



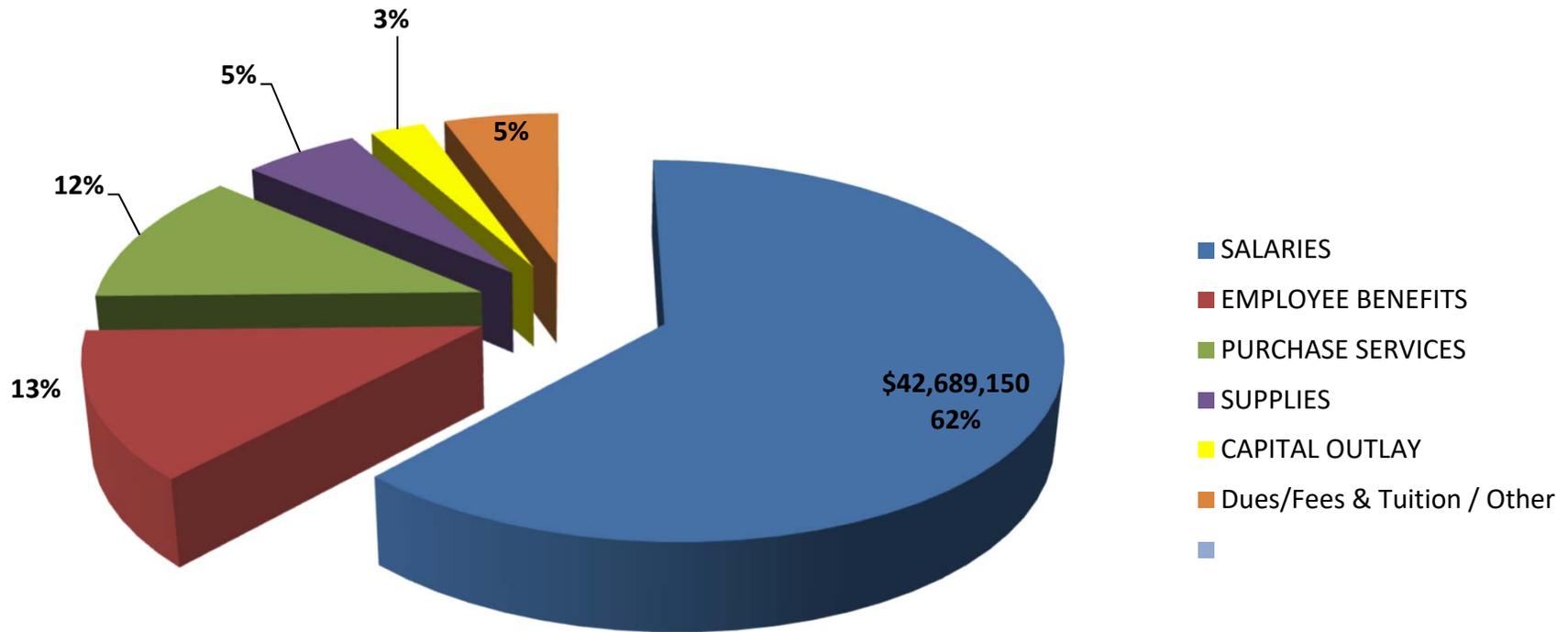
REVENUES BY SOURCE COMPARED TO PRIOR FISCAL YEAR BUDGET

	<u>FUND</u>	PROPERTY TAXES	LOCAL SOURCES	STATE SOURCES	FEDERAL SOURCES	ALL SOURCES
O P E R A T I O N S	EDUCATION	\$42,917,731	\$3,600,140	\$6,530,097	\$2,701,823	\$55,749,791
	OPERATIONS & MAINTENANCE	6,066,100	376,150	0		6,442,250
	TRANSPORTATION	1,928,853	111,000	1,328,381		3,368,234
	MUNICIPAL RETIREMENT	1,790,630	126,801			1,917,431
	WORKING CASH	0	4,180,095			4,180,095
	TOTAL OPERATING FUNDS	\$52,703,314	\$8,394,186	\$7,858,478	\$2,701,823	\$71,657,801
	FY 2018 BUDGET	\$51,562,601	\$3,935,662	\$8,361,222	\$2,656,799	\$66,516,284
DIFFERENCE	\$1,140,713	\$4,458,524	(\$502,744)	\$45,024	\$5,141,517	
PERCENT CHANGE		2.21%	113.29%	-6.01%	1.69%	7.73%
<i>1 excludes Interfund Transfers & includes Series 2018 Bond Proceeds of \$4,005,094</i>						

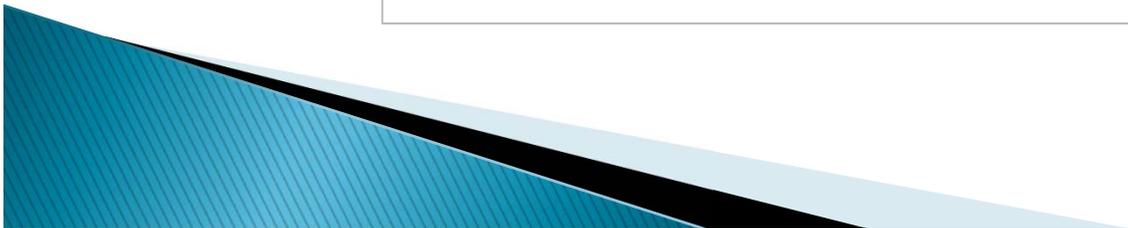
Net increase, excluding bond proceeds = \$1,136,423

Operating Expenditure Budget by Use

OPERATING EXPENDITURE BUDGET BY TYPE (USE) 2018-19



Total Salaries + Benefits = 74% of Operating Budget



Operating Expenditure Highlights

- Instruction program = 78% of Education Fund Budget
- Salaries & Benefit = 75% of Operating Budget
 - Equivalent to 63% of Total Budget - as Debt Service represents 13% of the budget.

Compared to FY2018 budget

	<u>Change</u>
➤ Salaries increase	\$921,391 / 2.21%
➤ Benefits increase	\$ 73,234 / 0.84%
➤ Purchase Svc. Increase	\$227,449 / 2.93%
➤ Supplies decrease	\$ 93,139 / 2.48%
➤ Capital outlay increase*	\$407,932 / 29.02%
➤ Tuition/Other decrease	<u>(\$820,192) / -17.72%</u>
➤ Total operating expense =	<u>\$902,953 / 1.33%</u>

*bus replacement = \$316,000



Operating Expenditure Highlights

- ▶ Reflects actual staff compensation rates and final program staffing
 - Teacher FTE up 3 over prior year to 275.2
 - Teacher Aide FTE up 5.7 over prior year to 106.4
 - Student Supervisor (part time bus driver) up 4 FTE

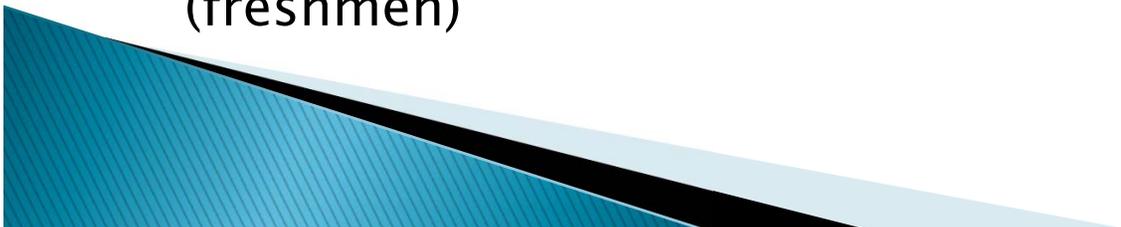
 - ▶ Benefit budget increased by \$72,234 or 0.84%
 - Board IMR Pension rate down to 8.49% save us 1.06%
 - Medical PPO rates up 0.90% ; Medical HMO rates down (2.0%)
 - Dental HMO no change and PPO rates up 0.20%

 - ▶ Purchase service up \$227,449
 - Primarily shift of expense categorization for technology software licensing
 - Bus transportation & food service contracts increase 2.1% & 2.50%
 - Homeless transportation budget remains high @ \$175,000
 - Special education transportation services continue trending down
 - Business insurance budget net change \$29,000
 - No seal coating parking lots = decrease (\$80,000)
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Operating Expenditure Highlights

- ▶ Supply increase \$93,139
 - Electricity service rates up 8% and natural gas up 6%
 - Gasoline budget assumed flat for the year
 - Title I grant budget continues to support some textbook supplies

- ▶ Capital outlay increase \$407,932
Net of bus replacement is increase of \$92,000
 - Bus replacement (4) used buses = \$316,000 funded by bond proceeds from 2015
 - Facility improvements/equip. replacement \$318,000 reflects more internal building program projects
 - Carry-over from FY2018 of driver educ. car replacement – final two cars in fleet
 - Technology replacement \$649,363 which is up \$73,000; net of expense re-categorization; includes new 1:1 Chromebook (freshmen)



Operating Expenditure Highlights

- ▶ Majority of facility improvement work to be funded by bond proceeds through Capital Projects (non-operating) Fund – intentional to relieve pressure on operating fund balance
 - Roof replacement WB
 - Exterior façade repairs & dishwasher replacement
- ▶ Tuition expense decreased by **(\$820,192)**
 - Outside placement changes and closure of local orphanage
 - Reduced contingency as past three year trend under expending



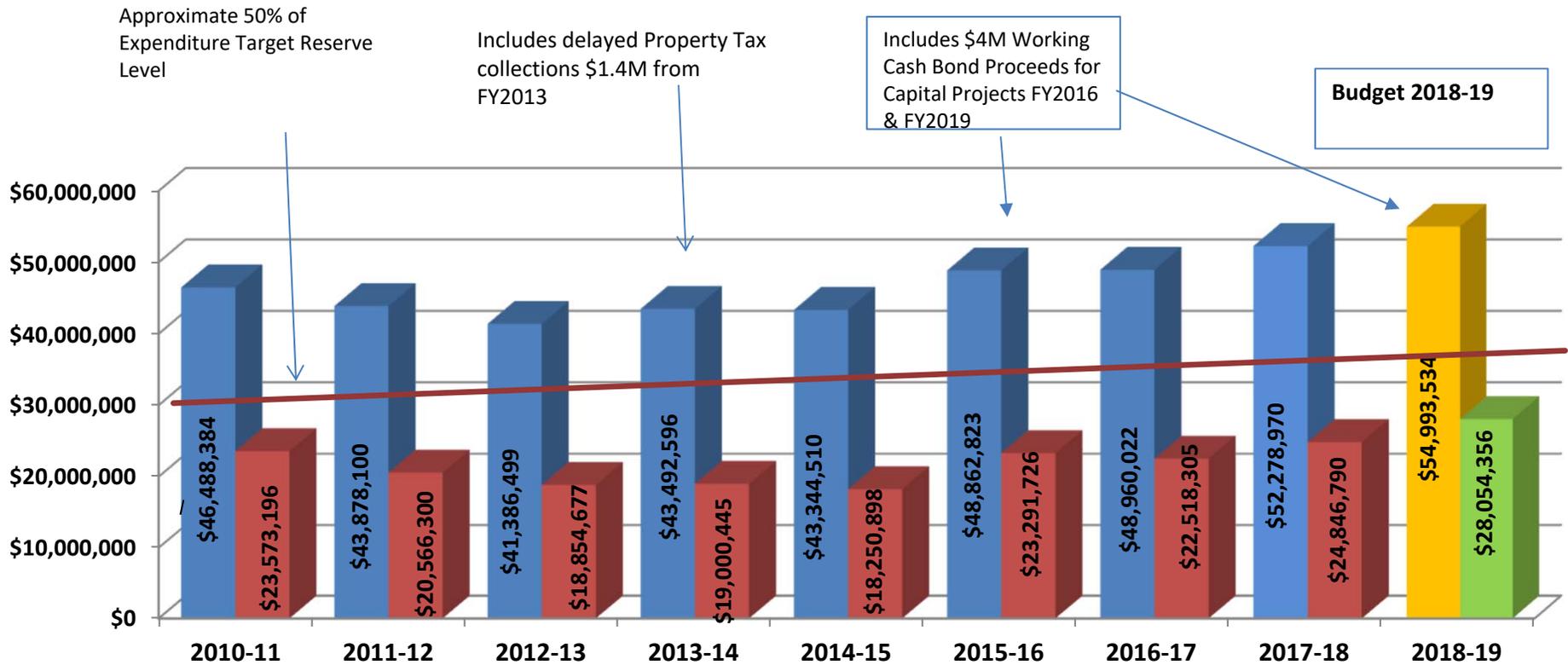
EXPENDITURES BY USE COMPARED TO PRIOR FISCAL YEAR BUDGET

	FUND	SALARIES	EMPLOYEE BENEFITS	PURCHASE SERVICES	SUPPLIES	CAPITAL OUTLAY	DUES/FEES & TUITION / OTHER	TOTAL
O P E R A T I N G	EDUCATIONAL	\$39,499,402	\$6,105,713	\$3,788,844	\$1,837,364	\$838,956	3,808,691	\$55,878,970
	OPER. & MAINTENANCE	3,189,748	626,310	618,400	1,803,513	657,000		\$6,894,971
	TRANSPORTATION			3,585,294	208,000	317,866		\$4,111,160
	MUNICIPAL RETIREMENT		2,011,804				Bus fleet replacement	\$2,011,804
	TOTAL OPERATING FUNDS	<u>\$42,689,150</u>	<u>\$8,743,827</u>	<u>\$7,992,538</u>	<u>\$3,848,877</u>	<u>\$1,813,822</u>	<u>\$3,808,691</u>	<u>\$68,896,905</u>
	FY 2018 BUDGET	\$41,767,759	\$8,670,593	\$7,765,089	\$3,755,738	\$1,405,890	\$4,628,883	\$67,993,952
DIFFERENCE	\$921,391	\$73,234	\$227,449	\$93,139	\$407,932	(\$820,192)	\$902,953	
PERCENT CHANGE	2.21%	0.84%	2.93%	2.48%	29.02%	-17.72%	1.33%	
1 excludes Interfund Transfers								

Operating Fund Balance

OPERATING FUNDS FISCAL YEAR-END CASH RESERVE BALANCES

■ FUND BALANCE JUNE 30 ■ FUND BAL. NET OF EARLY TAXES



Cash Basis Reporting

Fund Balance FY2018 increased by \$2.3 million, net of early property taxes; \$1.2 million due to accelerated property tax payments by property owners ~ additional 2.3% > trend

DuPage High School District 88 Final Budget 2018-19

Questions?

