



Final Budget 2019–20

September 23, 2019

Tentative Budget was Presented
June 24, 2019

Budget 2019–20

Budget Adoption Schedule:

- **June 24, 2019:**
 - present Tentative Budget to Board of Education
 - Board to authorize placing Tentative Budget on file for public review
- **August 20, 2019** public notice regarding Tentative Budget and scheduling of public hearing
{law requires minimum 30 days before hearing/adoption}
- **September 23, 2019** 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 =	\$71,002,274
▶ Operating Fund Expense =	<u>\$71,898,485</u>
▶ Surplus (Deficit) =	(\$ 896,211)
▶ Transfer for Lease*	<u>(\$46,400)</u>
▶ Net Surplus(Deficit)	(\$ 942,611)

- Chronology:

- June 2019 Tentative Budget (Deficit) = (\$ 949,937)

* Fund balance transfer \$46,400 for copier leases

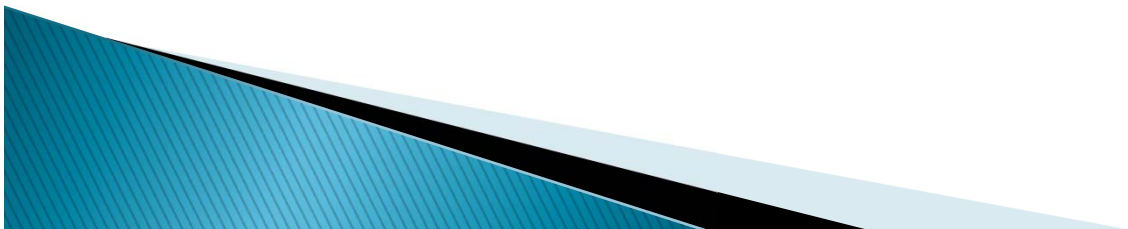
- ▶ Projected Fund Balance – Net of Early (June)
Property Tax = \$24.7 million or 34% of Operating Expenditures
- ▶ Sufficient Funds – do not need Balanced Budget Plan filed with ISBE



Budget Highlights & Key Budget Drivers

▶ Budget initiatives include:

- Program initiatives:
 - ESSA instructional program focus and improvements
 - Trauma informed practices
 - College, Career and Cultural Readiness
- One to one technology implementation to all students
- Safety & Security improvements
- Facility Improvements and Bus Fleet Replacement



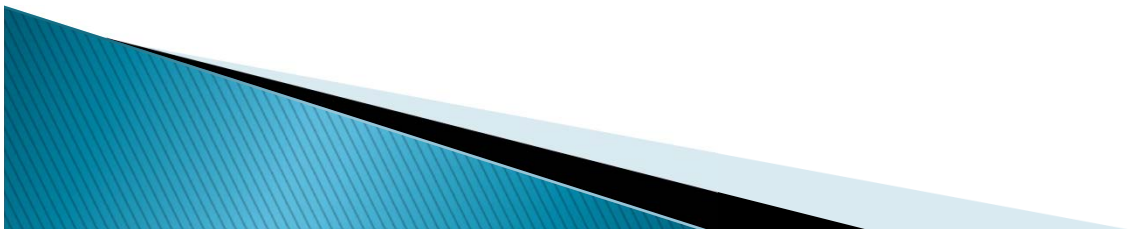
Budget Highlights & Key Budget Drivers

- ▶ Budget initiatives include:
 - Salary & staffing adjustments/hiring controls primarily through attrition
 - Facility improvements continue to be primarily shifted out of Operating Fund to Capital Projects Fund – funded with Working Cash bond proceeds
 - Some projects like chiller replacement, safety & security improvements, exterior signs are from O&M Fund



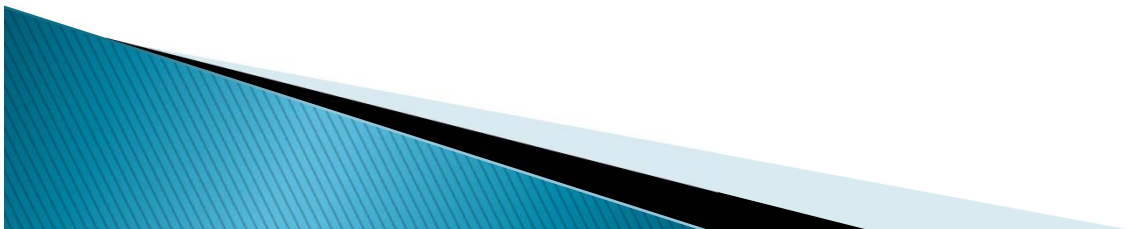
Budget Highlights & Key Budget Drivers

- ▶ Operating Funds Revenue of \$71.0M
- ▶ Property tax revenue (78% of revenue)
+\$2,345,336
 - Modified collection/distribution percentages:
 - Sept 2019 49.9% vs normal 50.5%
 - Higher June 2019 “accelerated” taxes @ 49.6%
 - Maintaining 99.5% estimated total tax collection rate over June and September
- ▶ Property tax extension for 2018 final @ 2.39% collected June 2019 & Sept. 2019



Budget Highlights & Key Budget Drivers

- ▶ December 2019 property tax levy estimated at 2.12% or increase of \$1,158,333
 - limited by 1.90% CPI factor + new property
 - Est. collect 49.3% June 2020 advance {early} taxes
- ▶ Evidence Based – “Base Funding Minimum”
State aid maintained at FY2019 level + Adequacy Allocation
- ▶ Other State aid (categoricals) budgeted at prior year prorated percentages, 4 payments {one due from prior yr. + 3}



Program Highlights

- ▶ Corporate Personal Property Tax (CPPRT) estimated increase of \$250,000
- ▶ Interest income estimated at \$1,105,000
- ▶ Other local revenue estimated to be relatively flat other than new Chromebook sales
- ▶ Grant funding:
 - Dedicated resources for supplemental instructional materials to support classroom learning and curriculum development
 - Financial support for assessment costs and services such as AP Exams, Seal of Biliteracy Exams, and SAT prep materials
 - Opportunities for professional development in the areas of equity, social-emotional learning, and instructional practices



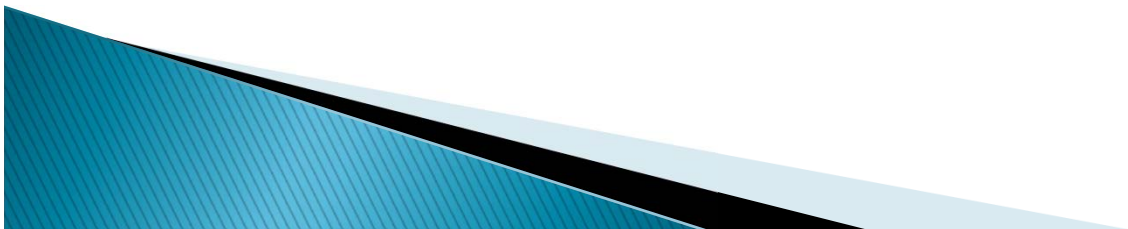
ANNUAL BUDGET SUMMARY OF CASH TRANSACTIONS 2019-20

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Final Budget 2019–20

Changes from Tentative Budget

- ▶ Operating Funds Revenue up \$716,864
- ▶ Property tax revenue up \$38,351
 - Timing, June 2019 collections @49.6%
 - Fiscal Year ending June 2019 = additional \$1.2M in operating fund reserves
- ▶ Local revenue up \$243,426
- ▶ State aid up \$118,189
- ▶ Federal revenue up \$271,287



Final Budget Changes from Tentative Budget

- ▶ State aid – *Evidence Based Funding* formula
 - Base funding minimum \$5,261,381
 - Adequacy grant funding at Tier 2 for FY2020 = \$139,000
 - Regional Office Alternative Learning program now EBF qualified = +\$90,000
- ▶ State categorical aid
 - Received 4 total payments FY2019
 - Budgeting for 4 this year – 1 due from prior yr. and 3 of 4 for this year funding
- ▶ Corp. Pers. Property Tax (CPPRT)
 - increasing by \$250,000 per IDOR



Final Budget Changes from Tentative Budget

▶ Local revenue

- Interest income no change at estimated \$1,105,000
- Textbook sales down (\$24,000)
- Other fees, food service, chromebook fee etc. remain same as tentative budget
- Rental revenue no change
- E-Rate funding for internet and WAN services down (\$30,000)



Final Budget Changes from Tentative Budget

- ▶ Operating Expenditures increased \$709,470
 - Federal grant funding increased which impacts salaries and purchased service areas
 - Finalized hiring, staff changes
- ▶ Student enrollment of 4,047 is up 28 over 2019
- ▶ Staffing was increased by 0.2 FTE teachers from Tentative Budget
 - Finalized class enrollments and special education program staffing
- ▶ Staffing was reduced by 5.6 FTE teacher aide positions
 - Primarily special education program 1:1 assignments



Final Budget Changes – from Tentative Budget

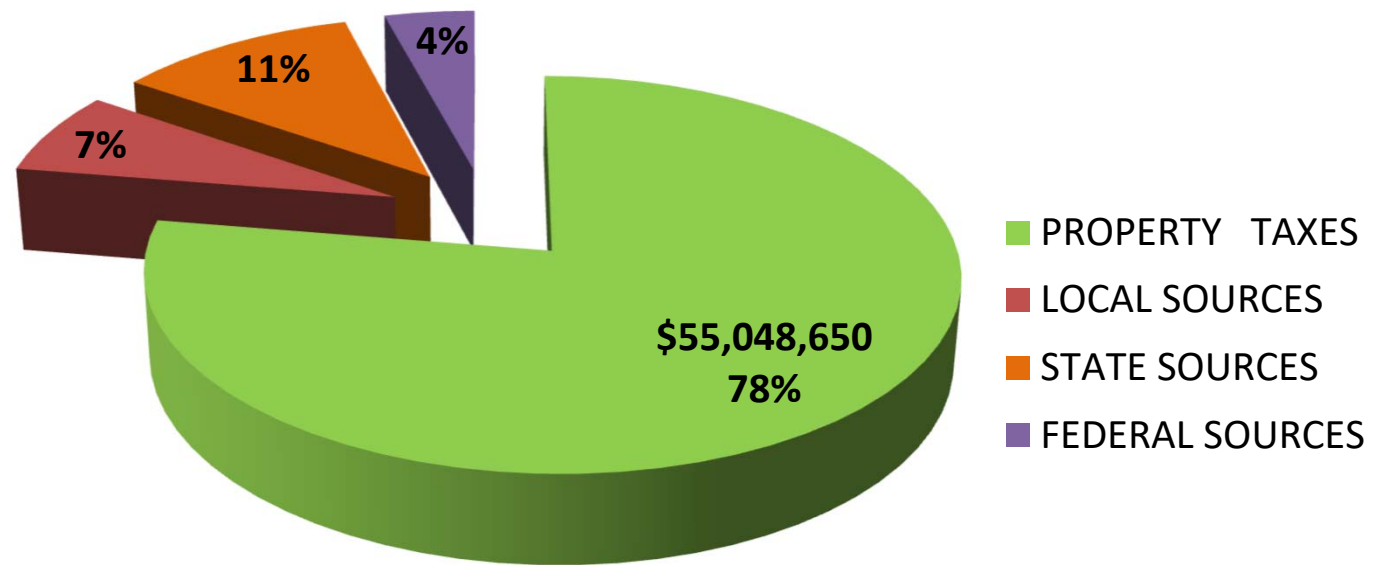
▶ Salaries increased	\$ 410,912
▶ Benefits decreased	(\$ 94,490)
▶ Purchase Services increased	\$ 353,064*
▶ Supplies decreased	(\$117,267)
▶ Capital outlay decreased	(\$ 33,601)
▶ Tuition expense decreased	<u>(\$136,797)</u>
TOTAL	\$709,470

** Primarily due to grant funded program allocations*

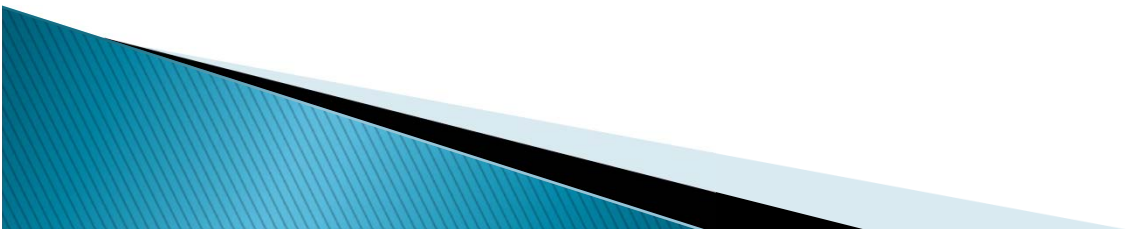


Operating Revenue Budget – Source

OPERATING REVENUE BUDGET BY TYPE (SOURCE) 2019-20



OPERATING REVENUE BUDGET = \$71,002,274



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 N G F U N D S	EDUCATION	\$44,721,647	\$4,197,013	\$6,756,667	\$2,841,606	\$58,516,933
	OPERATIONS & MAINTENANCE	6,432,009	370,000	0	131,504	6,933,513
	TRANSPORTATION	1,870,189	145,000	1,220,000		3,235,189
	MUNICIPAL RETIREMENT	2,015,149	151,834			2,166,983
	WORKING CASH	9,656	140,000			149,656
	TOTAL OPERATING FUNDS	\$55,048,650	\$5,003,847	\$7,976,667	\$2,973,110	\$71,002,274
	FY 2019 BUDGET	\$52,703,314	\$8,394,186	\$7,858,478	\$2,701,823	\$71,657,801
	DIFFERENCE	\$2,345,336	(\$3,390,339)	\$118,189	\$271,287	(\$655,527)
	PERCENT CHANGE	4.45%	-40.39%	1.50%	10.04%	-0.91%

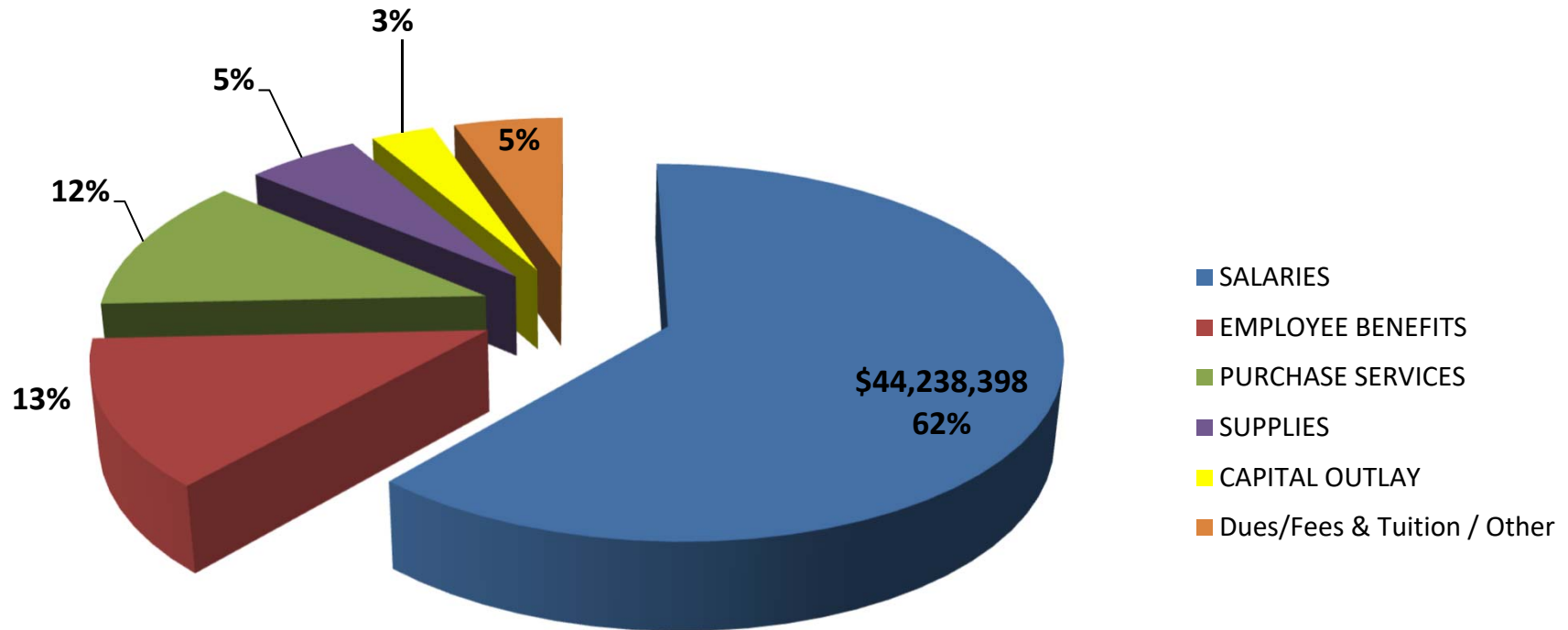
1 excludes Interfund Transfers

Includes \$4,005,095
working cash bond issuance

Net increase, excluding bond
proceeds FY2019 = \$3,349,568

Operating Expenditure Budget by Use

OPERATING EXPENDITURE BUDGET BY TYPE (USE) 2019-20



Total Salaries + Benefits = 75% of Operating Budget

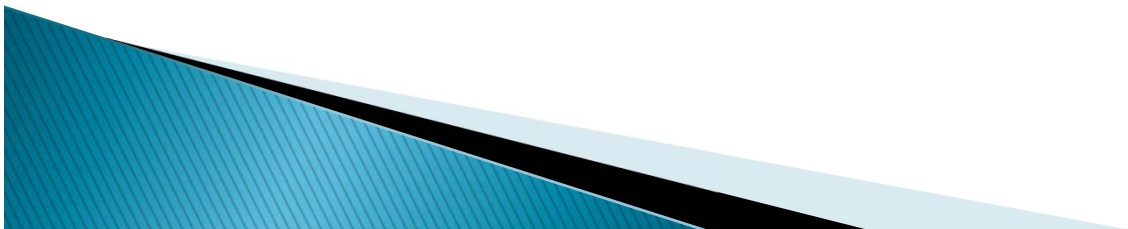
Operating Expenditure Highlights

- Instruction program = 78% of Education Fund Budget
- Salaries & Benefit = 75% of Operating Budget
 - Equivalent to 64% of Total Budget – as Debt Service represents 13% of the budget.


Compared to FY2019 budget

	<u>Change</u>	
➤ Salaries increase	\$1,549,248	/ 3.63%
➤ Benefits increase	\$ 440,906	/ 5.04%
➤ Purchase Svc. Increase	\$ 529,477	/ 6.62%
➤ Supplies increase	\$ 88,341	/ 2.30%
➤ Capital outlay increase	\$ 539,096	/ 32.21%
➤ Tuition/Other decrease	<u>(\$ 5,488)</u>	/ -.14%
➤ Total operating expense =	\$3,141,580	/ 4.57%

*Includes One to one Chromebook program



Operating Expenditure Highlights

- ▶ Reflects actual staff compensation rates and final program staffing changes:
 - Teacher FTE up 4.50 over prior year to 281.4
 - Teacher Aide FTE down 5.6 over prior year to 101
 - ▶ Benefit budget increased by \$440,096 or 5.04%
 - Board IMR Pension rate down to slightly to 8.40%
 - Medical PPO rates up 3.80% ; Medical HMO rates up 5.30%
 - Dental HMO no change and PPO rates up 1.40%
 - ▶ Purchase service up \$529,477
 - Bus transportation & food service contracts increase 2.1% & 2.80%
 - Homeless transportation budget remains high @ \$185,000
 - Special education transportation services trending back up
 - Business insurance budget net change (12,700)
 - Parking lot seal coating = increase \$50,000
 - Professional development funded by federal grant allocations
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Operating Expenditure Highlights

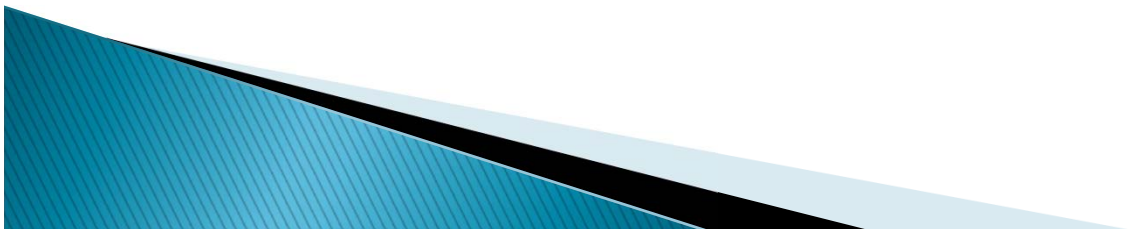
- ▶ Supply increase \$88,341
 - Minor increase for electricity service rates and natural gas
 - Gasoline budget assumed flat for the coming year
 - Title I grant budget continues to support some textbook and instructional material purchases

- ▶ Capital outlay increase \$539,096
 - Bus replacement (5) used buses = \$370,000 funded by bond proceeds from 2015 = +\$51,000 over prior yr.
 - Technology 1:1 Chromebook \$120,000
 - Facility improvements/equipment:
 - Safety initiatives – Blue Point Alert System, radio repeaters etc.
 - Chiller replacement (local upgrades)



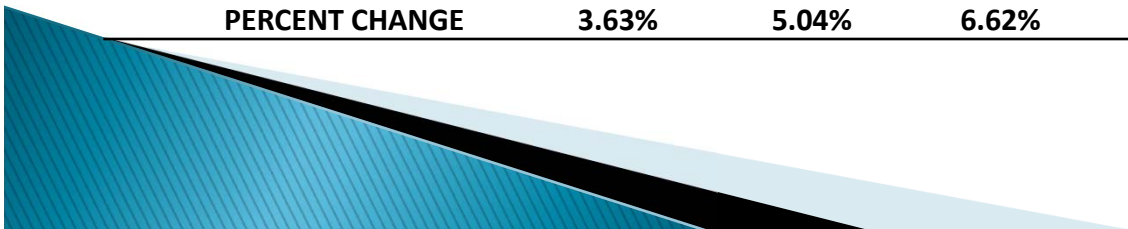
Operating Expenditure Highlights

- ▶ 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, chimney repairs, culvert replacement
- ▶ Tuition expense decreased by (\$5,488)



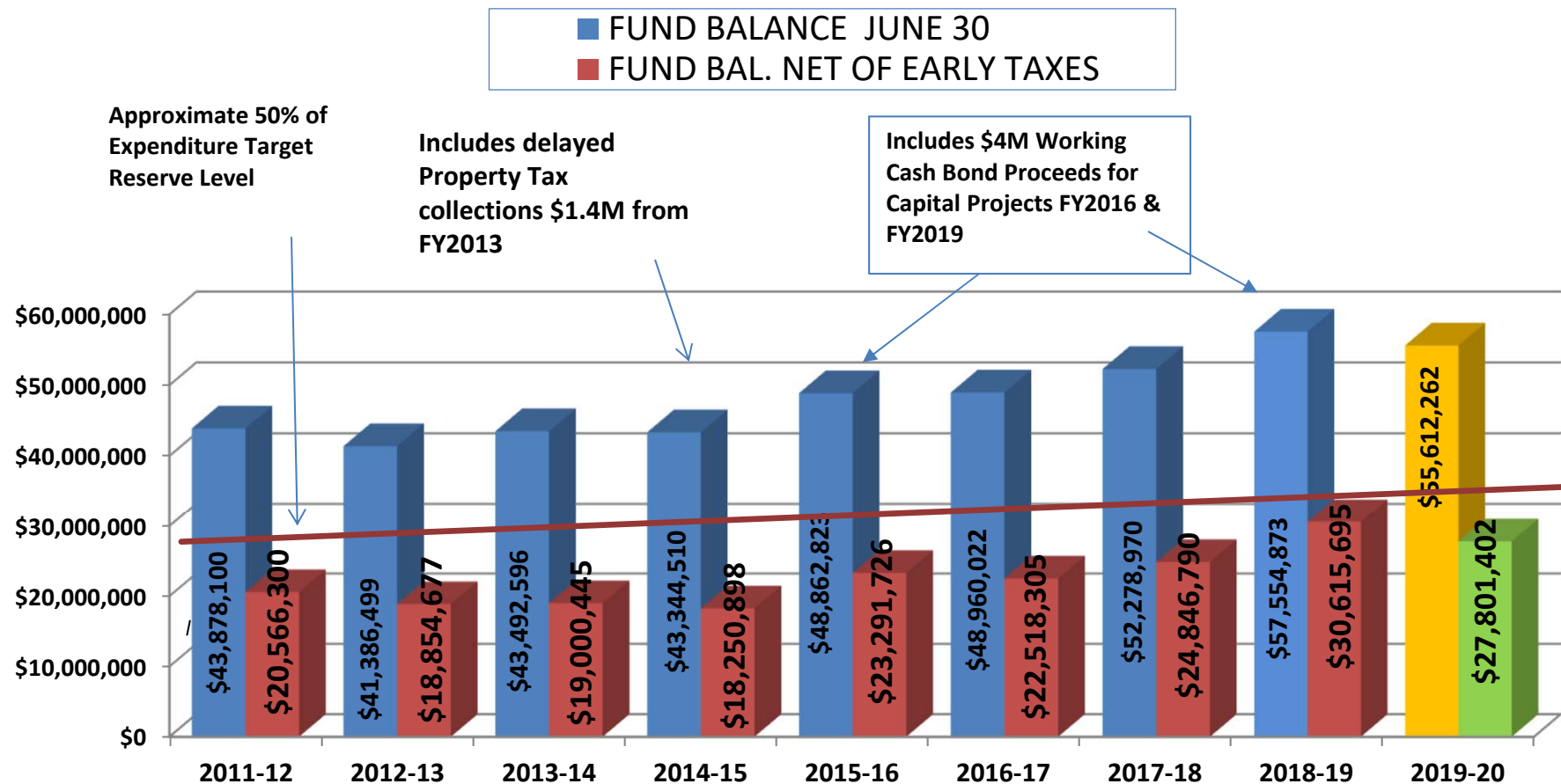
EXPENDITURES BY USE COMPARED TO PRIOR FISCAL YEAR BUDGET

	FUND	SALARIES	EMPLOYEE BENEFITS	PURCHASE SERVICES	SUPPLIES	CAPITAL OUTLAY	DUES/FEES & TUITION / OTHER	<u>TOTAL</u>
O P E R A T I N G	EDUCATIONAL	\$40,989,847	\$6,435,080	\$4,205,423	\$1,871,402	\$932,118	3,803,203	\$58,237,073
	OPER. & MAINTENANCE	3,248,551	680,640	675,784	1,857,816	910,800		\$7,373,591
	TRANSPORTATION			3,640,808	208,000	370,000		\$4,218,808
	MUNICIPAL RETIREMENT		2,069,013					\$2,069,013
	TOTAL OPERATING FUNDS	<u>\$44,238,398</u>	<u>\$9,184,733</u>	<u>\$8,522,015</u>	<u>\$3,937,218</u>	<u>\$2,212,918</u>	<u>\$3,803,203</u>	<u>\$71,898,485</u>
	FY 2019 BUDGET	\$42,689,150	\$8,743,827	\$7,992,538	\$3,848,877	\$1,673,822	\$3,808,691	\$68,756,905
	DIFFERENCE	\$1,549,248	\$440,906	\$529,477	\$88,341	\$539,096	(\$5,488)	\$3,141,580
	PERCENT CHANGE	3.63%	5.04%	6.62%	2.30%	32.21%	-0.14%	4.57%



Operating Fund Balance

OPERATING FUNDS FISCAL YEAR-END CASH RESERVE BALANCES



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 2019-20

Questions?

