



Bloomington
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To: Board of Education
Dr. Jon Bartelt
From: Mr. John T. Reiniche
Re: Tentative FY2021-22 Budget
Date: June 23, 2021

Background:

Each year at this time, the Board of Education has an opportunity to presented a tentative budget. This year is unique in that the District has experience a pandemic. As better data becomes available the budget will incorporate this information.

Situation:

At tonight's meeting, the Board of Education will be presented with a tentative budget document for the fiscal year 2021-2022. Contained in the budget document will be assumptions for both revenues and expenditures and budget summary by fund. Please keep in mind, this is only a discussion item (no action), more of information style presentation. As a prelude to our meeting, please know that the tentative budget is indicating that we will have a "Balanced Operating" budget for the Fiscal Year 2021-2022. Finally, please keep in mind that the budget was developed based upon the best available data at the time of this report was prepared. A more in-depth presentation will be made at a later date.

Recommendation:

There is no recommendation to the Board of Education as the Administration is presenting this information for discussion purposes only.

Key Assumptions

(Note): No provisions were made relative to potential legislative changes to public pension systems or the property tax freeze, but both will need to be considered when making long-term financial decision.

Revenues:

Revenue budgets reflect a lower confidence level of certainty, when compared to past years. The confidence is low because of the current pandemic that could have a severe effect on revenue collections. To establish revenue budgets, the District relies on historical activity as well as the ongoing monitoring of legislative activities.

Property Tax: Assumptions are based on estimates developed as part of the levy adoption process and has historically assumed a 98.75% collection rate. This year the budget will assume a 98.00% collection rate. Because the levy is based on a calendar year and our budget is on a fiscal year, the budget requires us to consider a portion of two levy years (2020 and 2021). A portion of this budget will be developed from the 2020 levy and a CPI of 2.3%. For the 2021 levy this budget will use 1.4% CPI. We continue to monitor on a monthly basis the Consumer Price Index (CPI). At the time of this report, new property is an unknown quantity and budget assumes this amount to remain flat. New property is important to consider as with the extension it is outside the “tax cap” (PTELL) calculation. Another factor to consider with this year’s budget is the COVID-19 implication on tax collection to the budget.

Corporate Personal Property Replacement Tax (CPPRT): Revenues collected by the State of Illinois are paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away. Our budget assumption is based on estimates provided by the Illinois Dept. of Revenue (IDOR). Current assumption is that CPPRT will be reduced by 44%.

Interest: With interest rates increasing and based upon our investment strategies, the budget will assume that interest income will have a decrease. The District is projecting approximately a **50%** decrease last year’s receipts.

Other Local Revenue: Mainly consist of registration fees, facility rental income and developer contributions. Last year, the budget assumed a 24% decrease in this source of revenue, based upon COVID-19 implication. This year the budget will make the same assumption.

State: The State of Illinois is faced with a \$16 billion short fall in state revenues. Although the legislature has indicated a flat revenue source for school districts. However, with the stimulus money, the budget will assume a 0% reduction in payments. History has shown that the State of Illinois has trouble making payment in a normal economic environment.

Federal: Federal grant funding payment processes moved to an expenditure reimbursement model effective during fiscal year 2011-12. Federal grant dollars are assumed to be relatively flat, although final allocations won't be known until fall, 2020. However, the budget will account for additional ESSER funding of \$257,000.

Key Assumptions (continued)

Expenditures:

Salaries: Salary budgets reflect staffing for the 2020-2021 fiscal year. Salaries are typically budgeted based on contracted and negotiated agreements for existing staff and assumed contract amounts for new positions based upon projected enrollment. The collective bargaining agreement has a 3% increase for teacher's salaries. The budget will assume a 3% increase in overall salaries, based upon the staffing plan presented. Additional positions were created this year as a result of the 3-foot distancing for class size in order to be compliant with the IDPH guidelines. In addition, other positions were created in order address the learning loss because of the pandemic. The District will have to consider in March 2022 executing the Reduction in Force (RIF) procedure, something that is not consistent with past practices.

Benefits: The budget assumes an overall 0% to the District's health insurance plans (HMO, PPO and dental). Health insurance is the District largest benefit expense. The District's Employee Insurance Committee will continue to work diligently to educate staff on the importance of wellness and consumerism. In September, I will present a historical perspective on the District's benefit trend data.

Purchase Services: This budget assumes there will be a commitment to professional development, and enhancing technology for the 21st century student learning. However, the budget will keep this line flat with a 0% increase.

Supplies and Materials: The budget assumes a supplies and materials will remain flat or have a 0% increase.

Capital Outlay/Non-Capital: Assumes an increase for providing a safe learning environment for the students primarily through buildings and grounds. In addition, this year we are attempting to incorporate a long-term strategy for purchasing Chromebooks and technology infrastructure items.

Dues and Other: Last year, the budget assumed a 20% decrease of \$350,000 in this line item, which primarily includes the delivery of special education students via NDSEC. This assumption was based upon the restructuring of services. I have met NDSEC and Ms. Hefferan to request an estimate of this year's projected services. The budget reflects the information provided.

Bloomington School District 13
Tentative Budget - Summary
Fiscal year 2021-2022

	% of Budget	Total Operating	Operating Fund						Non-Operating	
			Education	Operation & Maint	Trans- portation	IMRF	Working Cash	Tort	Debt Service	Capital Projects
Estimated Beginning Fund Balances		10,230,840	4,440,231	1,429,338	920,882	436,499	2,466,066	537,824	94,813	283,863
REVENUES										
Property Tax	88.8%	17,687,082	13,975,225	2,238,158	666,865	570,393	187,602	48,839	422,066	0
CPPRT	0.3%	64,000	50,000	0	0	14,000	0	0	0	0
Interest	0.5%	104,704	60,000	13,000	13,000	3,396	12,705	2,603	1,319	500
Other Local Revenue	1.5%	306,600	217,000	71,600	18,000	0	0	0	0	0
State Programs	5.0%	1,004,973	854,973	50,000	100,000	0	0	0	0	0
Federal Programs	<u>3.8%</u>	<u>749,809</u>	<u>749,809</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	100.0%	19,917,168	15,907,007	2,372,758	797,865	587,789	200,307	51,442	423,385	500
EXPENDITURES										
Salaries	59.6%	11,421,528	10,699,475	710,650	11,403	0	0	0	0	0
Benefits	13.1%	2,504,237	1,890,594	100,992	4,087	508,564	0	0	0	0
Purchase Services	10.8%	2,065,061	700,242	456,200	788,300	0	0	120,319	0	0
Supplies and Materials	4.7%	901,322	532,122	369,200	0	0	0	0	0	0
Capital/Non-Capital	3.3%	627,000	205,000	422,000	0	0	0	0	0	0
Dues and Other	8.3%	1,587,950	1,587,950	0	0	0	0	0	445,125	0
Retirement Incentives	0.4%	70,000	70,000	0	0	0	0	0	0	0
Total	99.6%	19,177,098	15,685,383	2,059,042	803,790	508,564	0	120,319	445,125	0
Surplus/(Deficit)		740,070	221,624	313,716	(5,925)	79,226	200,307	(68,877)	(21,740)	500
Transfer (Uses)		(22,600)	(22,600)	0	0	0	0	0	0	0
Transfer Sources/Sale of bonds		0	0	0	0	0	0	0	22,600	0
Estimated Ending Fund Balances		10,948,310	4,639,255	1,743,054	914,957	515,725	2,666,373	468,947	95,673	284,363
Expenditure to Fund Balance Ratio		57%	30%	85%	114%	101%	N/A	390%	21%	N/A