



**Bloomington**  
**School District 13**  
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To: Board of Education  
Dr. Jon Bartelt  
From: Mr. John T. Reiniche   
Re: Tentative FY2020-21 Budget  
Date: June 17, 2020

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**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 2020-2021. 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 2020-2021. 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 (2019 and 2020). A portion of this budget will be developed from the 2019 levy and a CPI of 1.9%. For the 2020 levy this budget will use 2.3% 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. The budget will assume a 24% decrease in this source of revenue. The budget assumed a 24% decrease with a concern for parents paying registration fees, based upon the COVID-19 implication.

**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. The budget will assume a 25% 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. The budget will assume a 20% decrease from historical collections.

## Key Assumptions (continued)

### Expenditures:

**Salaries:** Salary budgets reflect staffing for the 2019-2020 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. However, budget will assume a 0% increase in overall salaries, based upon the staffing plan presented.

**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.

**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:** The budget assumes a 20% Decrease of \$350,000 in this line item, which primarily includes the delivery of special education students via NDSEC.

## Implications of COVID-19

<b>Revenues</b>	<b>Historical Trend</b>	<b>COVID-19 Assumptions</b>	<b>Δ Dollar</b>	<b>Δ Percent</b>
Property Taxes	17,944,843	17,763,582	(181,261)	-1%
CPPRT	62,000	49,000	(13,000)	-21%
Interest	412,069	223,940	(188,129)	-46%
Other Local Revenues	664,179	477,950	(186,229)	-28%
State	1,370,825	1,013,785	(357,040)	-26%
Federal	600,000	444,033	(155,967)	-26%
<b>Totals</b>	<b>21,053,916</b>	<b>19,972,290</b>	<b>(1,081,626)</b>	<b>-5%</b>

**Bloomington School District 13  
Tentative Budget - Summary  
For Fiscal year 2020-2021**

			Operating Fund						Non-Operating	
	<u>% of Budget</u>	<u>Total Operating</u>	<u>Education</u>	<u>Operation &amp; Maintenance</u>	<u>Trans- portation</u>	<u>IMRF</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>Beginning Fund Balances</b>		<b>8,732,651</b>	<b>4,105,695</b>	<b>956,543</b>	<b>636,368</b>	<b>391,044</b>	<b>2,187,223</b>	<b>455,778</b>	<b>141,253</b>	<b>283,063</b>
<b>REVENUES</b>										
Property Tax	88.6%	17,332,007	13,611,141	2,196,791	663,871	567,180	185,719	107,304	431,575	0
CPPRT	0.3%	49,000	35,000	0	0	14,000	0	0	0	0
Interest	1.1%	221,853	135,000	26,000	13,000	8,327	32,891	6,635	2,087	500
Other Local Revenue	2.4%	477,950	388,350	71,600	18,000	0	0	0	0	0
State Programs	5.2%	1,013,785	758,785	50,000	205,000	0	0	0	0	0
Federal Programs	2.4%	468,848	468,848	0	0	0	0	0	0	0
Total	100.0%	19,563,443	15,397,124	2,344,391	899,871	589,507	218,610	113,939	433,662	500
<b>EXPENDITURES</b>										
Salaries	58.8%	11,160,079	10,313,137	835,871	11,071	0	0	0	0	0
Benefits	13.8%	2,622,647	1,920,198	153,297	4,083	545,069	0	0	0	0
Purchase Services	11.2%	2,121,874	702,210	436,200	878,300	0	0	105,164	0	0
Supplies and Materials	4.5%	860,950	505,250	355,700	0	0	0	0	0	0
Capital/Non-Capital	2.8%	527,400	175,000	352,400	0	0	0	0	0	250,000
Dues and Other	9.0%	1,702,284	1,702,284	0	0	0	0	0	435,125	0
Retirement Incentives	0.2%	46,500	46,500	0	0	0	0	0	0	0
Total	100.0%	18,995,234	15,364,580	2,133,468	893,454	545,069	0	105,164	435,125	250,000
Surplus/(Deficit)		568,208	32,544	210,924	6,417	44,438	218,610	8,775	(1,463)	(249,500)
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
<b>Ending Fund Balances</b>	<b>49%</b>	<b>9,231,759</b>	<b>4,115,639</b>	<b>1,167,467</b>	<b>642,785</b>	<b>435,482</b>	<b>2,405,833</b>	<b>464,553</b>	<b>162,390</b>	<b>33,563</b>