

Presentation of Tentative Budget

Fiscal Year Ending
June 30, 2022

Date: August 2021



Budget Timetable

May 19, 2021

Met with FORC to discuss budget development process, staffing plan and fiscal overview.

July 13, 2021

Update the Board of Education on budget development and preliminary results from FY 2021

August 4, 2021

Met with FORC to discuss and get feedback on tentative budget

August 10, 2021

Board of Education reviews tentative budget and calls for a September 14, 2021 public hearing.

August 11, 2021

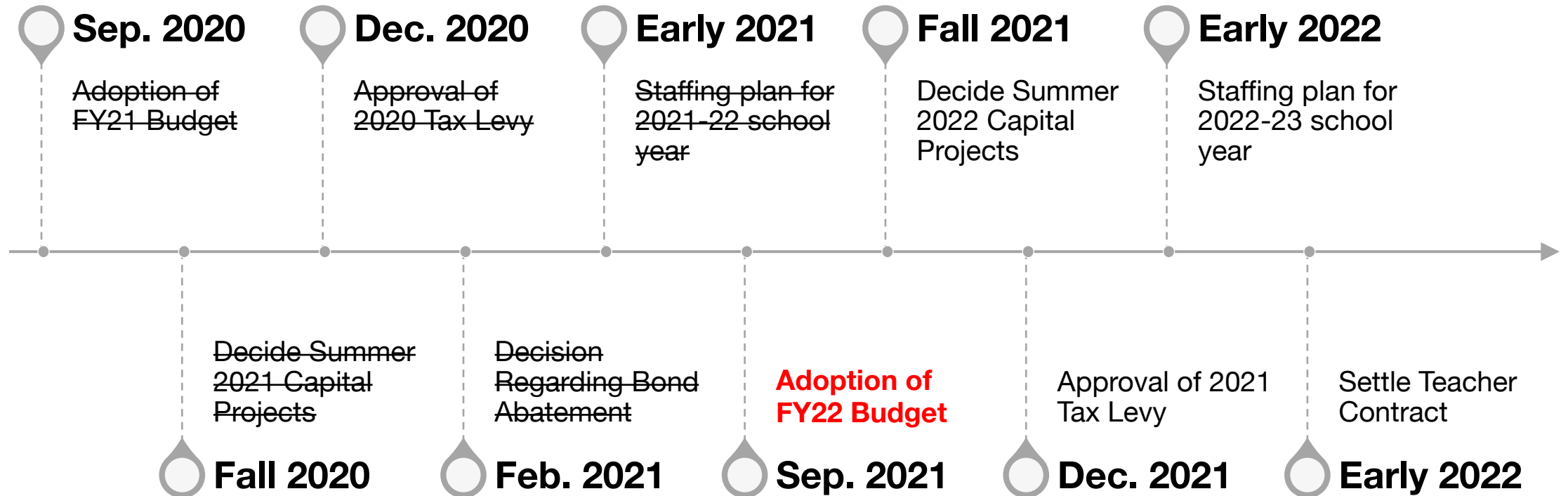
Tentative budget goes on display in District office and notice of the public hearing is placed in newspaper.

September 14, 2021

District holds public hearing on the budget and the Board of Education approves the final budget. Budget is filed with the Illinois State Board of Education.

Major Financial Decisions

FY 2020 Through FY 2022





Preliminary FY 2021 Financial Results

Preliminary Fiscal Results – FY 2021

Cash Basis

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Transfers</u>	<u>Ending Balance</u>
Education	\$ 10,831,000	\$ 85,456,000	\$ 77,931,000	-1,702,000	\$ 16,654,000
Building	3,597,000	10,185,000	8,607,000		5,175,000
Bond & Int.	5,248,000	4,135,000	5,912,000	1,702,000	5,353,000
Transportation	2,213,000	3,014,000	1,535,000		3,692,000
IMRF/SS	6,288,000	778,000	2,647,000		4,419,000
Capital Projects	23,468,000	19,000	14,649,000		8,838,000
Working Cash	4,728,000	714,000	0		5,442,000
Tort	4,287,000	460,000	926,000		3,821,000
Life Safety	<u>120,000</u>	<u>1,000</u>	<u>0</u>	<u></u>	<u>121,000</u>
Total	\$ 60,960,000	\$ 104,762,000	\$ 112,207,000	0	\$ 53,515,000

Excluding major capital projects paid with bond proceeds, total revenues exceeded total expenses by \$7.2 million. This compares to a budgeted surplus of \$1.5 million.

Comparison of Budget to Preliminary Actual

Sources of Revenues – Cash Basis

	<u>Actual</u>	<u>Budget</u>	<u>Actual vs. Budget</u>	<u>Primary Cause of Variance</u>
Real Estate Taxes	\$ 83,971,000	\$ 83,705,000	+266,000	
Other Local Revenues	2,931,000	3,380,000	-449,000	Student fee waiver
Evidenced-Based Funding	11,525,000	11,532,000	-7,000	
Other State Grants	3,355,000	4,056,000	-701,000	Timing of distribution
Federal Grants	<u>2,981,000</u>	<u>3,734,000</u>	<u>-753,000</u>	Timing of distribution
Total Revenues	\$ 104,762,000	\$ 106,407,000	-1,645,000	Actual revenues = 98.45% of budget

Comparison of Budget to Preliminary Actual

Expenditure Type – Cash Basis

	<u>Actual</u>	<u>Budget</u>	<u>Actual vs. Budget</u>	<u>Primary Cause of Variance</u>
Salaries	\$ 61,974,000	\$ 63,214,000	-1,240,000	Decreased staffing needs due to virtual learning
Employee Benefits	13,434,000	13,486,000	-52,000	
Purchased Services	8,938,000	12,631,000	-3,693,000	Childcare and transportation expenses under budget
Supplies and Materials	3,154,000	4,609,000	-1,455,000	Needs reduced due to virtual learning period
Capital Projects Fund Expenses	14,649,000	23,668,000	-9,019,000	Timing of payments
Other Capital and Equipment	1,769,000	2,045,000	-276,000	
Debt Payments	5,912,000	5,895,000	+17,000	
Out of District Tuition	2,276,000	2,611,000	+335,000	
Other Expenses	<u>101,000</u>	<u>407,000</u>	<u>-306,000</u>	
Total Expenditures	\$ 112,207,000	\$ 128,566,000	-16,359,000	Excluding capital, expenses 93% of budget

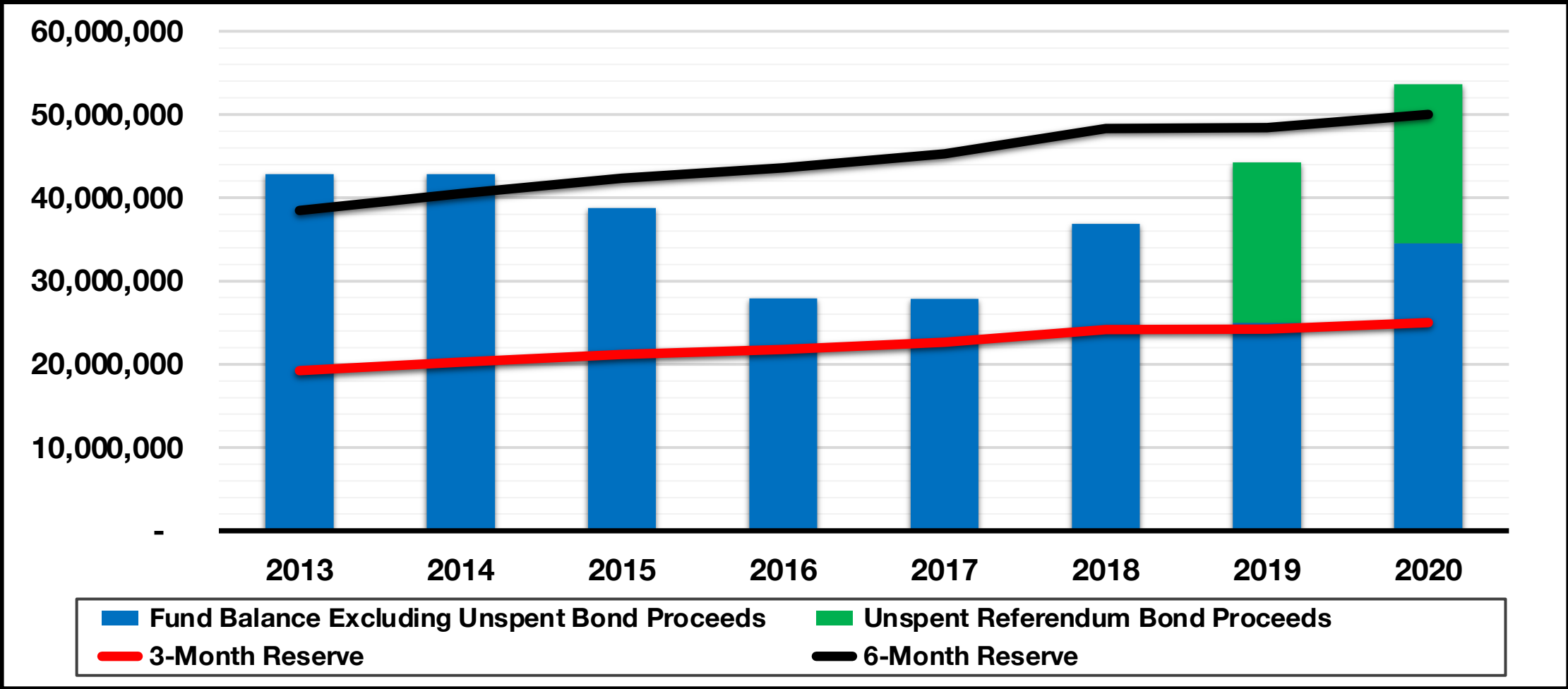


Major Goal for Budget Development

Continue to incur annual surpluses in order to pay for future capital projects and increase fund balance reserves towards higher end of fund balance targets.

Historical Fund Balances – All Funds

Accrual Basis



The District has a fund balance policy with targeted fund balances equaling 3-6 months worth of reserves

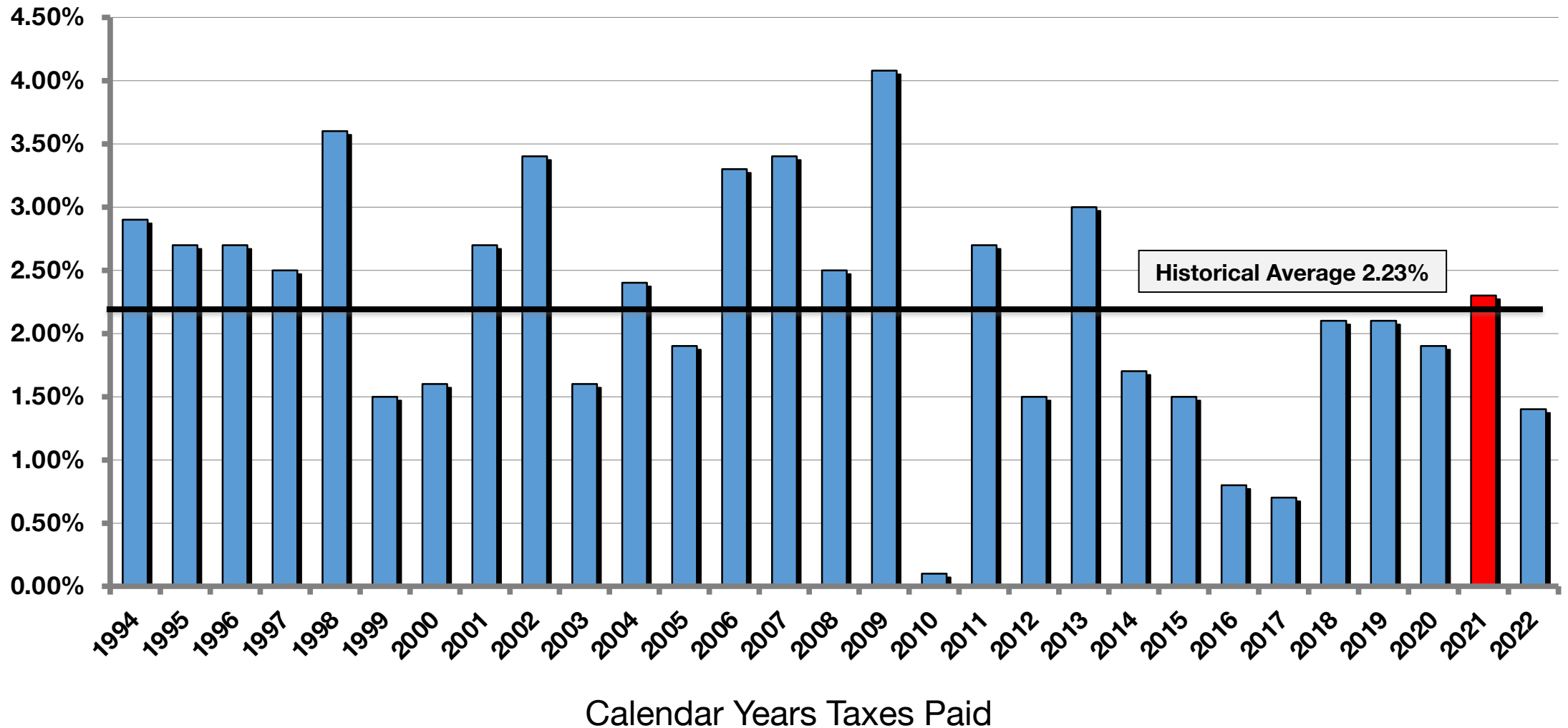


Major Drivers of FY 2022 Budget

Revenues

Approximately 80% of D97's Revenue Growth Tied to Inflation

Most of D97's Revenue Growth Tied to 2.3% CPI Figure



New Taxable Property Growth in District

New Taxable Property Allows for Tax Revenue Growth to Exceed CPI

\$1 million in new property EAV (\$3 million in market value) generates approximately \$41,000 of additional revenues above tax cap limits.

For FY 2022 Budget:

\$25 million in new taxable property will generate approximately \$1 million in additional revenues above CPI.

Tax Year	New Property EAV
2006	\$ 4,406,000
2007	9,235,000
2008	10,100,000
2009	1,509,000
2010	2,043,000
2011	17,136,000
2012	827,000
2013	806,000
2014	3,317,000
2015	553,000
2016	1,470,000
2017	8,225,000
2018	7,937,000
2019	134,904,000
2020	25,093,000

Evidenced-Based Funding Distributions

D97 Receives a Very Small Percentage of New EBF Dollars

School Year	New EBF Dollars -Statewide	New EBF Dollars - D97
2017-18	\$367,000,000	\$231,000
2018-19	\$300,000,000	\$167,000
2019-20	\$312,000,000	\$214,000
2020-21	0	0
2021-22 (est.)	\$300,000,000	\$194,000

Elementary and Secondary School Emergency Relief Grants (“ESSER”)

Purpose: To provide vital support to reopen schools safely, maximize in-person instruction time and address impact of COVID-19 on students, educators and families

Grant Type	Estimated Amount	Last Obligation Date	Required Use of Funds
ESSER 1	\$320,000	September 30, 2022	general purpose
ESSER 2	\$1,220,000	September 30, 2023	general purpose
ESSER 3	\$3,018,000	September 30, 2024	80% general purpose, 20% learning loss
ESSER Set-Aside	\$194,000	September 30, 2022	71% learning loss, 14% summer enrichment, 14% after school

Most of the ESSER 1 fund were spent and received in FY21. The budget will assume the District will spend and receive the remaining ESSER 1 dollars, all the ESSER 2 dollars and all the ESSER 3 Set-aside dollars in FY22.

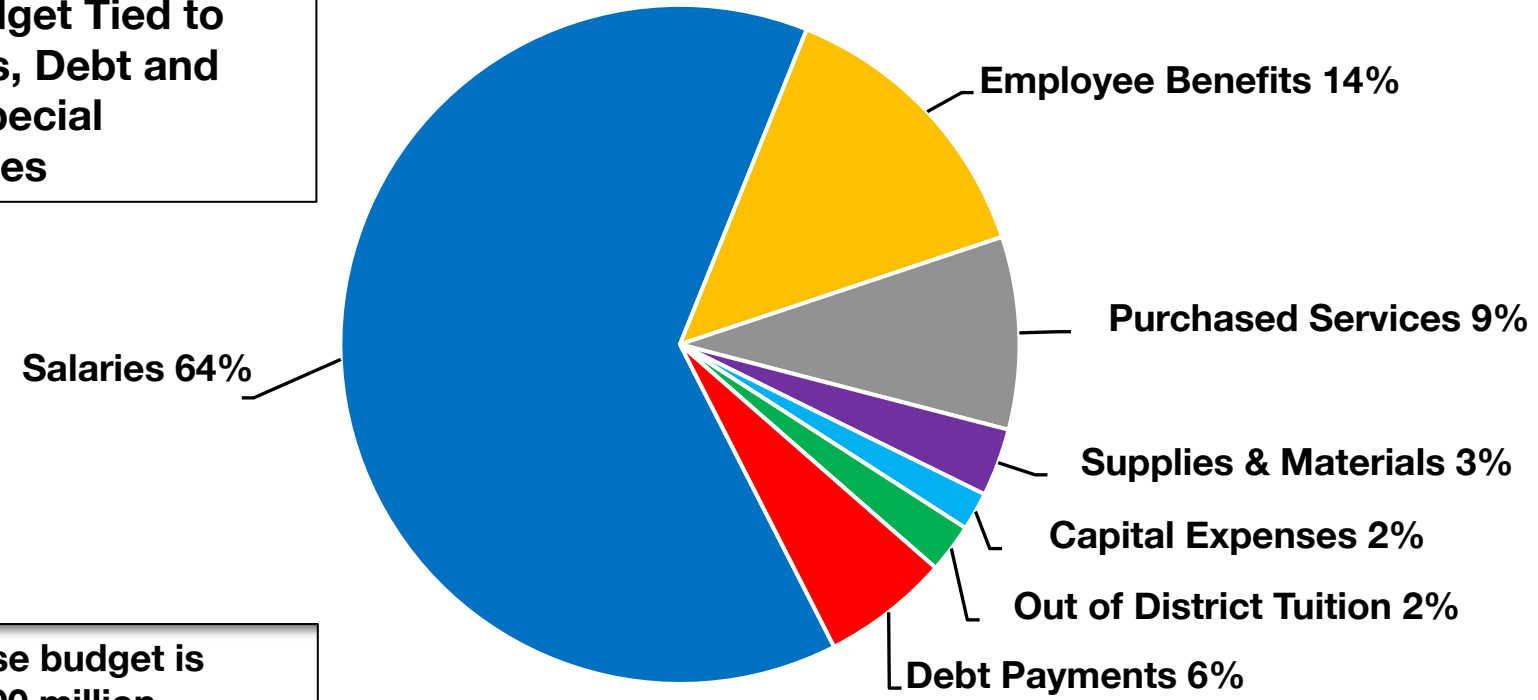


Major Drivers of FY 2022 Budget Expenditures

Breakdown of Expense by Type – FY 2021

Excluding Capital Projects Fund 60

88% of Total Budget Tied to Salaries, Benefits, Debt and Out of District Special Education Services



D97's total expense budget is approximately \$100 million

Staffing Plan for 2021-2022 School Year

- Reduce general teaching staff by five based on decreasing K-5 enrollment
 - We may have to add staff back depending on trends in enrollment as the District goes back to full face to face instruction.
- Add two math interventionists
- Add two remote special education teachers
- Add two social workers
- Look to hire 26 permanent substitutes to address sub teacher crisis.



Expected Class Sizes for The 2021-22 School Year Compared to Evidenced-Based Funding (“EBF”) Targets

Grade Level	Expected Class Size	EBF – Low-Income	EBF – Non-Low-Income
Kindergarten	TBD	15	20
1 st Grade	17.00	15	20
2 nd Grade	16.25	15	20
3 rd Grade	18.20	15	20
4 th Grade	20.67	20	25
5 th Grade	20.25	20	25

Other Major Factors Affecting FY2022 Budget

- Expenses such as transportation and staffing will increase to pre-COVID levels. This will increase base expenses by several million dollars.
- The District will realize \$675,000 in new lease payments for technology
- The District will reinstate all student fees and include a new technology fee for K-3 students, generating an additional \$400,000+ in local revenues.
- The percentage salary increases in the final year of the OPTA contract will be above the currently anticipated growth in revenues.
- Medical insurance premiums will be decreasing for all major insurance types.
- Non-employee benefit insurances will increase approximately 30% versus the prior year due primarily to market conditions.
- The new financial software and account code structure will allow for better analysis on non-committed expenses.



Tentative Budget

Fiscal Year Ending
June 30, 2022

Tentative Budget – FY 2022

Cash Basis

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Transfers</u>	<u>Ending Balance</u>
Education	\$ 16,654,000	\$ 91,397,000	\$ 82,960,000	-4,675,000	\$ 20,516,000
Building	5,175,000	10,530,000	9,355,000		6,350,000
Bond & Int.	5,353,000	4,272,000	6,590,000	675,000	3,710,000
Transportation	3,692,000	1,855,000	3,731,000		1,816,000
IMRF/SS	4,419,000	58,000	2,700,000		1,777,000
Capital Projects	8,838,000	15,000	14,000,000	6,000,000	853,000
Working Cash	5,442,000	740,000	0	-2,000,000	4,182,000
Tort	3,821,000	95,000	0		3,916,000
Life Safety	<u>121,000</u>	<u>0</u>	<u>0</u>	<u></u>	<u>121,000</u>
Total	\$ 53,515,000	\$ 108,962,000	\$ 119,236,000	0	\$ 43,241,000

Excluding major capital projects, total revenues are projected to exceed total expenses by \$3.726 million. This compares to a preliminary surplus of \$7.2 million in FY 2022.

Tentative Budget – Revenues

Comparison Versus Prior Years – Cash Basis

Source	FY 2019 Actual	FY 2020 Actual	FY 2021 Unaudited	FY 2022 Budget
Real Estate Taxes	\$ 71,007,000	\$ 80,200,000	\$ 83,971,000	\$ 87,060,000
Other Local Revenues	6,948,000	7,643,000	2,930,000	3,155,000
Evidenced-Based Funding	11,325,000	11,533,000	11,525,000	11,719,000
State Grants	3,976,000	3,912,000	3,355,000	2,700,000
ESSER Grants	0	0	314,000	1,428,000
Federal Grants	<u>2,869,000</u>	<u>2,774,000</u>	<u>2,667,000</u>	<u>2,900,000</u>
Total Expenses	\$96,125,000	\$106,062,000	\$104,762,000	\$108,962,000

Tentative Budget - Expenditures

Comparison Versus Prior Years – Cash Basis

Object Type	FY 2019 Actual	FY 2020 Actual	FY 2021 Unaudited	FY 2022 Budget
Salaries	\$ 57,969,000	\$ 61,164,000	\$ 61,974,000	\$ 65,726,000
Employee Benefits	12,022,000	12,740,000	13,434,000	13,725,000
Purchased Services	10,130,000	10,431,000	8,938,000	11,150,000
Supplies and Materials	3,446,000	3,298,000	3,154,000	3,700,000
Capital & Equipment	23,102,000	24,751,000	16,418,000	15,650,000
Out of District Tuition & Other	2,496,000	2,751,000	2,377,000	2,695,000
Debt Service	<u>7,096,000</u>	<u>7,459,000</u>	<u>5,912,000</u>	<u>6,685,000</u>
Total Expenses	\$116,261,000	\$122,594,000	\$112,207,000	\$119,236,000

End of Presentation

Tentative Budget for Fiscal Year
Ending June 30, 2022

Date: August 2021

