

Budget Discussion and Presentation of Preliminary FY 2021 Financial Results

Date: July 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

Late July – Early August 2021

Meet 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 12, 2021

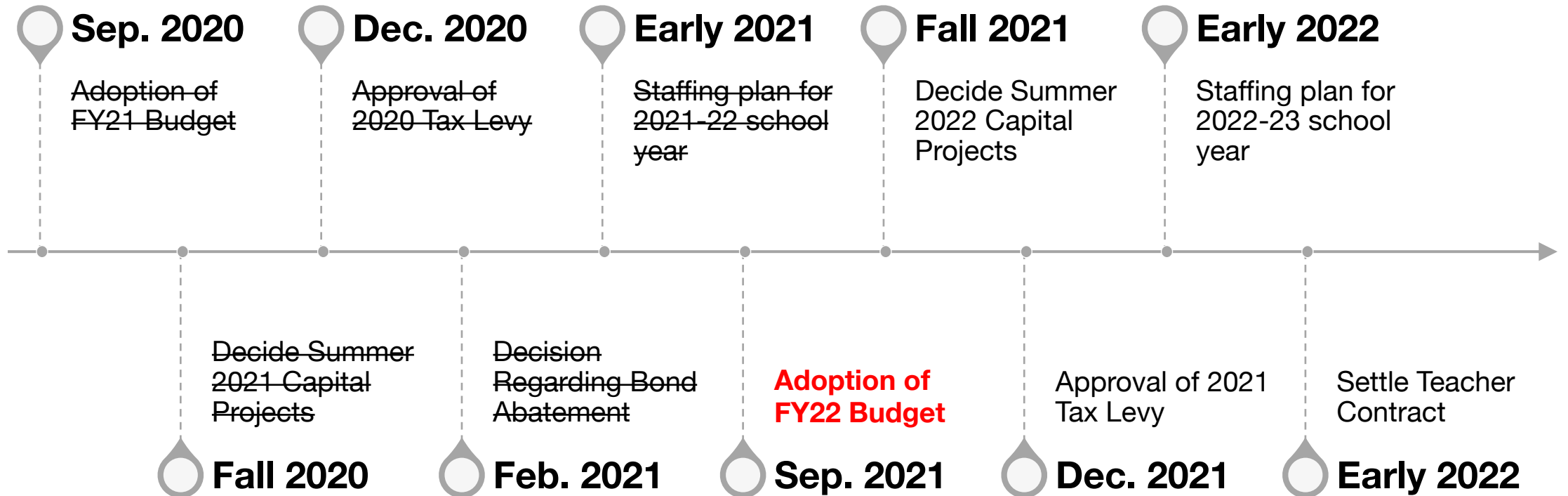
Tentative budget goes on display in District office and notice of the public hearing is placed in newspaper.

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 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

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

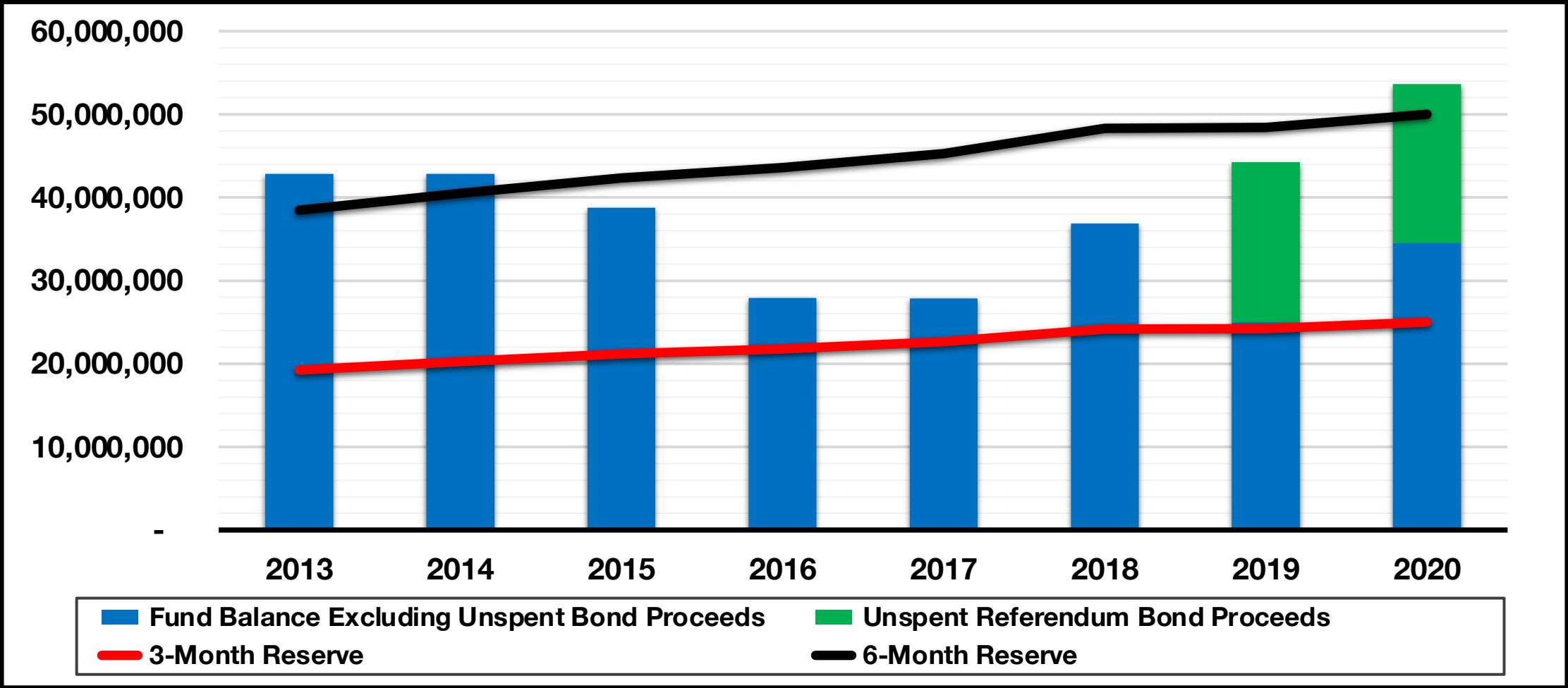
Expenditure Type – Cash Basis

	<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

Excluding capital projects fund, the preliminary ending surplus (revenues over expenses) is \$7,204,000. This compares to a budgetary surplus of \$1,509,000.

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



Budget Considerations

FY 2022

The background of the slide is a close-up, blue-tinted photograph of a pen writing on a document. A line graph is visible on the page, with a pen tip positioned at the end of a line. The numbers '2,47' are visible on the right side of the graph. The overall scene is focused on financial or administrative work.

Major Goal for Budget Development

Continue to incur annual surpluses in order to pay for future capital projects and increase fund balance reserves

D97 must continue to focus on improving efficiencies in all areas of operations in order to keep expenditure growth rates below expected low revenue growth rates.

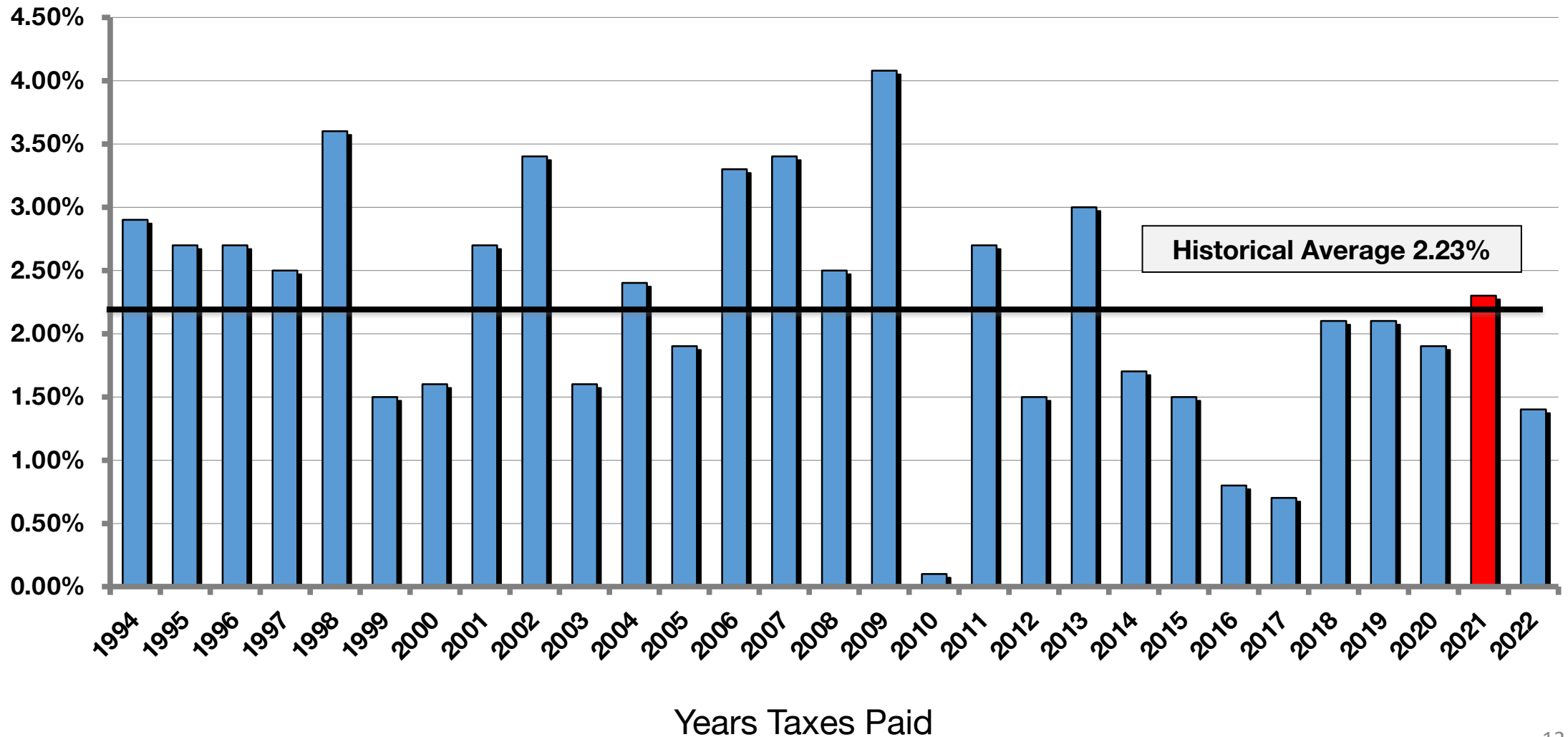
Revenue Matters

FY 2022 Budget



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

CPI History – Since Tax Caps



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

Expense Matters

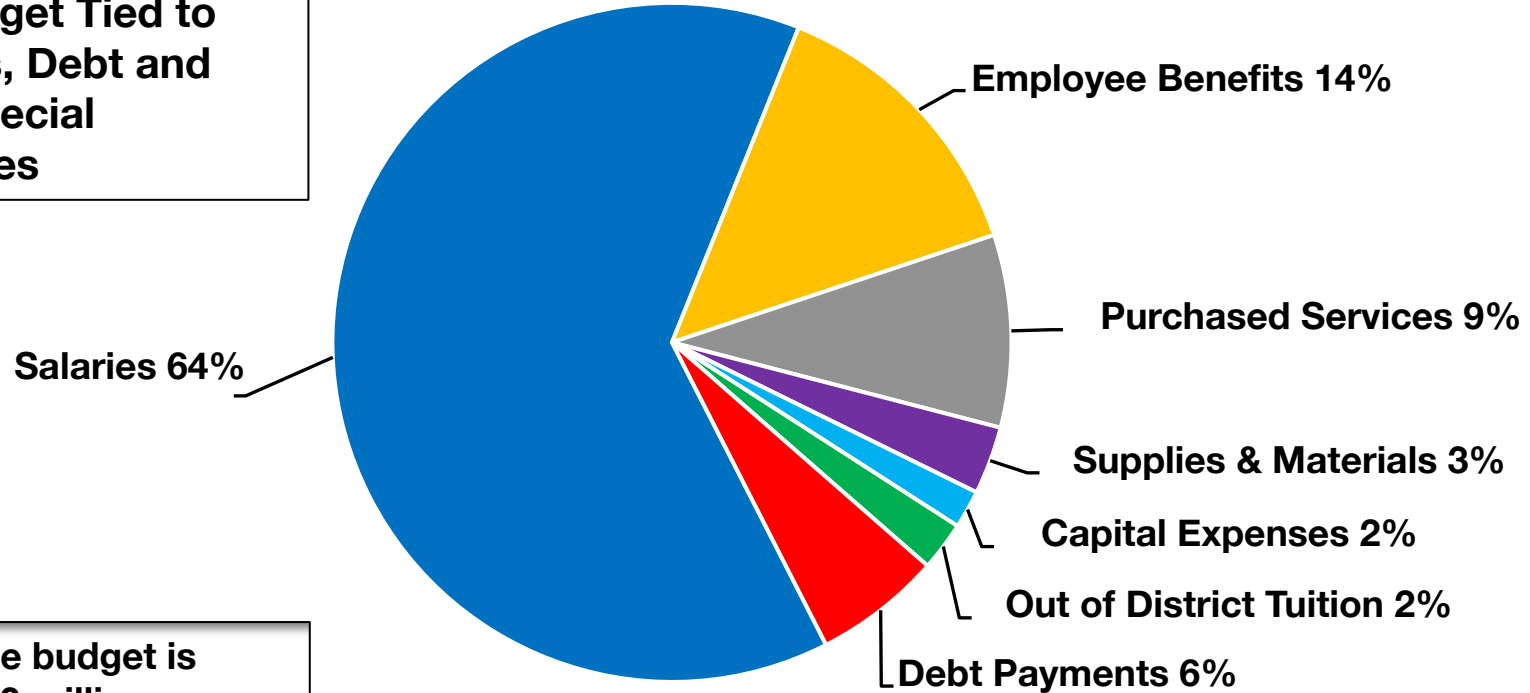
FY 2022 Budget



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 EXPENSE MATTERS FOR BUDGET

- Expenses such as transportation and staffing, which were reduced in prior two years due to virtual learning, will be budgeted to pre-COVID levels. This will increase base expenses by several million dollars.
- The District will reinstate all student fees and include a new technology fee for K-3 students.
- Total revenues are currently anticipated to increase approximately 2% above FY21 figures.
- The percentage salary increases in the final year of the OPTA contract will be above the currently anticipated growth in revenues.
- Non-employee benefit insurances will increase approximately 30% versus the prior year due to market conditions.
- ESSER revenues and ESSER expenses will match in the budget, therefore having no effect on the bottom line.
- The budget will again reflect freezes in total discretionary spending

**End of
Presentation**

