

**PROSPECT HEIGHTS SCHOOL DISTRICT 23**  
**FINANCE COMMITTEE MEETING**  
TUESDAY, AUGUST 1, 2017  
GRODSKY ADMINISTRATION CENTER at 10:00 AM

**AGENDA**

**CALL TO ORDER**

- I. Call to order
- II. Discussion item(s)
  - A. Disposal resolutions for action at BOE meeting  
The BOE will need to approve 3 different disposal resolutions:
    - 1. Garage sale items and those disposed of that are not sold
    - 2. Textbook sales and those disposed that are not sold
    - 3. Tech -- laptop computer
  - B. Garage sale earnings and update  
The funds raised as well as the funds spent in the garage sale held from Thursday, July 27th to Saturday, July 29th will be discussed. In addition, the items to be disposed/donated due to remaining from the garage sale will be discussed.
  - C. FY2018 proposed expenditure budget 2  
The proposed expenditure budget will be discussed. In addition, revenue projections will be discussed.
- III. Old business -- Item(s) discussed at previous Finance committee meeting(s)
- IV. New business -- Item(s) to be discussed at future Finance committee meeting(s)
- V. Adjournment



## FINANCE COMMITTEE

---

**Date:** July 27, 2017  
**Title:** Summary of FY 2018 Tentative Expense Budget  
**Contact:** Micheal DeBartolo, Business Manager

---

Attached please find the tentative expense budget for FY2018. It is with great pleasure that we can report that this budget comes with a zero net increase to all objects other than salaries, benefits and transportation. As you know, it has been the goal of the administration to streamline the budgeting practices of the District in order to present a budget that contains the most accurate projections. This expenditure budget accomplishes that goal.

The expenses in the 4 major funds that the District actually spends money and controls that spending includes Fund 10 – Education, Fund 20 – Operations and Maintenance, Fund 40 – Transportation and Fund 80 – Tort. While Fund 30 – Debt Service, Fund 60 – Capital Projects and Fund 70 – Working Cash have all been provided, the District either (a) does not spend in these funds OR (b) is bound by the terms of contracts/agreements that it has entered into and does not control the expenditure OR the levy for this Fund (i.e. Fund 30 – Debt Service).

In the 4 funds discussed above, Fund 10 – Education, Fund 20 – Operations and Maintenance, Fund 40 – Transportation and Fund 80 – Tort, the FY2017 adopted expenditure budget was \$20,653,185.27. The FY 2018 proposed expenditure budget for the same funds is \$21,416,706.41. This represents an increase of \$763,521.22 OR 3.70% higher than FY 2017.

However, in terms of the increased expenditures, \$401,532.82 is specifically related to the salaries and benefits paid to employees (\$175,277.18 salaries and \$226,255.64 benefits – health and dental ONLY); salaries and benefits rose by 2.863% total with overall benefits increasing by approximately 9.5%. This salary and benefits increase represents 52.59% of the total increase in expenditures. In addition, in terms of remaining increased expenditures, \$228,342.64 is specifically related to the transportation increase due to the District's inability to continue pairing its bus routes with District 214. This transportation increase is 18.62% over FY2017 transportation costs and represents 29.63% of the total increase in expenditures. Therefore, 82.22% of the total increase in expenditures is represented in the salaries and benefits as well as the transportation costs of the District.

The remaining 17% increase, or \$135,732.76, in expenditures is tied to a few significant one-time events. These events include the \$40,000 increase in Information Technology Department monies dedicated to the infrastructure upgrades being funded by the Federal eRate program. The District budgeted \$40,000 last year and did not utilize that money it received. Instead, the money was carried over to this fiscal year and the line item changed from \$40,000 to \$80,000. The District is paying \$46,625 in post retirement bonuses to employees per contracts and Board policy – however, these payments allow the District to cut over \$200,000 in salary expenses due to the replacement costs of the employees and/or elimination of positions. Further, the District has budgeted \$18,000 for the MacArthur School outdoor learning project, ALL of which has been privately funded. Also, the District had to carry over approximately \$30,000 in expenses from FY2017 due to the goods not being received until FY2018 that requires these items to be paid for from FY2018 funds (although the money was unspent in FY2017). Therefore, all 17% of the remaining increases in expenditures are accounted for through these one time expenses delineated above.

It also must be mentioned that the District has budgeted \$185,000 in contingencies – dollars is does NOT believe it will need to spend. These monies are for items such as private tuition (there has not been an expense in 2 years), salaries for substitutes or replacements in case of long term need, and liabilities that are not foreseen, but could occur. As such, if the contingency funds are not needed, the District's overall non-salary, non-benefits and non-transportation FY2018 expenditure budget is actually LESS than the FY2017 adopted budget.

As was stated in the discussions regarding the budget, long range plan and future goals, the District anticipated a large increase in the 3 areas identified above, but promised to bring forward a flat budget in all other areas. Based upon the budget being presented, this goal has been accomplished. This was only accomplished through the efforts of the building principals in conjunction with their staff members, directors, assistant superintendents and superintendents – both Don AND Deb.

In an effort to provide more information on the function items that increased by 10% or \$10,000 from the previous year, the following information is provided for your review:

#### FUND 10 – Education Fund:

The areas below represent movement from building level control to District level control. Often times, these function codes change because of the department now managing the accounts. Most of these function codes have been moved to the Student Services, Technology or Curriculum and Instruction departments. The function lines below are controlled in the District and, as such, have been increased by larger amounts and required this explanation.

10.1111 – Reading	10.1205 – Special Education
10.1225 – Early Childhood	10.1800 – Bi-lingual
10.2112 – Support Services	10.2113 – Social Work Services
10.2130 – Occupational Therapists	10.2131 – Physical Therapists
10.2134 – Nurse Services	10.2159 – Assistive Technology Services

These above functions are increased based upon being moved from building level control to District level control (i.e. special education line items, social services line items, and items not actually under the control of the building level administration).

Also, numerous areas appear to meet the requirement for description, but the increases are based upon placing the expenses into the more appropriate functions and objects that allow the Business Office to track items, guaranteeing that all related expenses are considered together should future modifications need to occur. For example, items that were in the Superintendent function (2321) but were more appropriate to the Board function (2310) now increase such functions over the threshold for description. Those functions are below:

- 10.1118 – Orchestra (also, lease of instruments budgeted for explains increase)
- 10.2130 -- Occupational Therapists (track position accurately)
- 10.2131 – Physical Therapists (track position accurately)
- 10.2159 – Assistive Technology Services (additional need also accounts for increase)
- 10.2210 – Improvement of Instruction Services (track curriculum/instruction more closely)
- 10.2211 – Office of Assistant Superintendent of Curriculum (track position accurately)
- 10.2310 – Board of Education (more accurate placement of actual expenditures)
- 10.2321 – Superintendent (more accurate placement of actual expenditures)
- 10.2510 – Business Office (more accurate placement of actual expenditures/position)
- 10.2520 – Fiscal Services (more accurate placement of actual expenditures)

#### OTHER FUNDS:

As previously stated, the remaining increases are tied to salary and benefits and/or transportation.

Fund 20 – Salaries and benefits amount to \$46,707,71 of the \$52,963.98, or 88.20% of increased costs in the Operations and Maintenance Fund. The remaining monies are budgeted for necessary items in capital improvements that the District hopes to obtain for less than budgeted based upon previous history and aggressive pricing/bidding practices.

Fund 40 – The increased transportation costs due to the bid awarded account for 100% of the increased costs in the Transportation Fund.

#### OTHER ITEMS FOR CONSIDERATION:

By judiciously determining staffing needs, placement of individuals, replacement of positions from which individuals resigned and/or retired, the District was able to lessen the increase in total salaries. This also assists in maintaining lower health and dental insurance costs that have been increasingly expensive due to high premium increases over the last 2 years. Also, by allowing building control over budgets specific to the principals and their staff, a thorough process has been undertaken involving ALL District employees to maintain a zero dollar, or insignificant dollar, increase to the total budget.

Should you have any questions in advance of the Finance Committee meeting on Tuesday, August 1<sup>st</sup>, please contact me. At that meeting, we will also discuss the financial revenue projections as has been the practice prior to posting for the BOE meeting where the tentative budget and posting thereof is approved. Again, please contact me with any questions.

**FY 2018 Education Fund Expenditures**

<b>Function Code</b>	<b>Function Description</b>	<b>FY 17 Adopted Budget</b>	<b>FY 18 Proposed Budget</b>	<b>FY17 to FY18 \$ Change</b>	<b>FY17 to FY18 % Change</b>
10.1110	Elementary Education	\$3,860,192.23	\$3,789,421.57	-\$70,770.66	-1.83%
10.1111	Reading Resource Programs	\$482,250.80	\$519,982.77	\$37,731.97	7.82%
10.1113	Art Program	\$178,157.86	\$194,862.16	\$16,704.30	9.38%
10.1114	Band Program	\$172,292.29	\$180,951.31	\$8,659.02	5.03%
10.1115	Music Program	\$34,295.00	\$37,140.19	\$2,845.19	8.30%
10.1116	P.E. Program	\$593,182.44	\$562,954.00	-\$30,228.44	-5.10%
10.1117	Chorus Program	\$68,719.47	\$71,354.66	\$2,635.19	3.83%
10.1118	Orchestra Program	\$51,776.00	\$79,688.68	\$27,912.68	53.91%
10.1119	Foreign Language Program	\$500.00	\$385.00	-\$115.00	-23.00%
10.1120	Middle School Education	\$1,765,121.71	\$1,870,767.04	\$105,645.33	5.99%
10.1121	6th Grade Education	\$2,250.00	\$1,887.50	-\$362.50	-16.11%
10.1122	7th Grade Education	\$2,000.00	\$2,887.50	\$887.50	44.38%

**FY 2018 Education Fund Expenditures**

<b>Function Code</b>	<b>Function Description</b>	<b>FY 17 Adopted Budget</b>	<b>FY 18 Proposed Budget</b>	<b>FY17 to FY18 \$ Change</b>	<b>FY17 to FY18 % Change</b>
10.1123	8th Grade Education	\$2,000.00	\$1,887.50	-\$112.50	-5.63%
10.1205	Special Education	\$2,378,687.51	\$2,487,944.95	\$109,257.44	4.59%
10.1225	Pre-K Special Education Program	\$254,536.28	\$222,747.70	-\$31,788.58	-12.49%
10.1250	Title I - 4300 Program	\$115,179.00	\$0.00	-\$115,179.00	-100.00%
10.1410	STEM Program	\$50,838.58	\$58,469.32	\$7,630.74	15.01%
10.1412	Family & Consumer Sciences Program	\$59,983.00	\$66,688.08	\$6,705.08	11.18%
10.1501	Clubs	\$10,750.00	\$125,210.17	\$114,460.17	1064.75%
10.1502	Fine/Performing Arts Activities	\$20,000.00	\$0.00	-\$20,000.00	-100.00%
10.1503	Interscholastic Sports	\$73,700.00	\$10,500.00	-\$63,200.00	-85.75%
10.1504	Intramural Sports	\$17,250.00	\$250.00	-\$17,000.00	-98.55%
10.1610	ESY Summer School Program	\$121,223.15	\$83,939.15	-\$37,284.00	-30.76%
10.1800	Bilingual Programs	\$547,770.89	\$678,889.73	\$131,118.84	23.94%
10.1912	K-8 Programs - Private Tuition	\$100,000.00	\$0.00	-\$100,000.00	-100.00%

7

**FY 2018 Education Fund Expenditures**

<b>Function Code</b>	<b>Function Description</b>	<b>FY 17 Adopted Budget</b>	<b>FY 18 Proposed Budget</b>	<b>FY17 to FY18 \$ Change</b>	<b>FY17 to FY18 % Change</b>
10.2112	Support Services	\$23,000.00	\$30,000.00	\$7,000.00	30.43%
10.2113	Social Work Services	\$289,014.08	\$326,966.24	\$37,952.16	13.13%
10.2130	Occupational Therapist Services	\$323,921.42	\$243,011.52	<b>-\$80,909.90</b>	-24.98%
10.2131	Physical Therapist	\$107,540.00	\$134,495.66	\$26,955.66	25.07%
10.2134	Nurse Services	\$202,001.80	\$224,095.23	\$22,093.43	10.94%
∞ 10.2140	Psychological Services	\$254,927.78	\$287,936.98	\$33,009.20	12.95%
10.2150	Speech Pathology/Audiology Services	\$453,195.34	\$464,156.80	\$10,961.46	2.42%
10.2159	Assistive Technology	\$17,800.00	\$50,284.48	\$32,484.48	182.50%
10.2190	Other Support Services	\$2,250.00	\$2,250.00	\$0.00	0.00%
10.2191	Crossing Guards	\$40,000.00	\$40,000.00	\$0.00	0.00%
10.2192	PALS Program	\$2,250.00	\$2,250.00	\$0.00	0.00%
10.2210	Improvement of Instruction Services	\$296,373.89	\$149,604.65	<b>-\$146,769.24</b>	-49.52%

**FY 2018 Education Fund Expenditures**

<b>Function Code</b>	<b>Function Description</b>	<b>FY 17 Adopted Budget</b>	<b>FY 18 Proposed Budget</b>	<b>FY17 to FY18 \$ Change</b>	<b>FY17 to FY18 % Change</b>
10.2221	Office of Assistant Superintendent Curriculum (NEW)	\$0.00	\$172,093.28	\$172,093.28	
10.2222	School Library Services	\$393,677.17	\$409,071.16	\$15,393.99	3.91%
10.2225	Computer Assisted Instructional Services	\$829,122.02	\$908,286.71	\$79,164.69	9.55%
10.2230	Assessment/Testing Services	\$35,000.00	\$40,000.00	\$5,000.00	14.29%
10.2310	Board of Education Services	\$48,500.00	\$76,850.00	\$28,350.00	58.45%
10.2321	Office of Superintendent Services	\$310,316.48	\$399,210.36	\$88,893.88	28.65%
10.2369	Legal Services	\$60,000.00	\$45,000.00	-\$15,000.00	-25.00%
10.2410	Office of Principal Services	\$1,145,706.30	\$1,133,564.80	-\$12,141.50	-1.06%
10.2510	Office of Business Manager Services	\$142,846.05	\$152,552.87	\$9,706.82	6.80%
10.2520	Fiscal Services	\$214,733.58	\$176,931.36	-\$37,802.22	-17.60%
10.2560	Food Services	\$403,000.00	\$460,898.51	\$57,898.51	14.37%
10.2570	Internal Services	\$35,000.00	\$36,500.00	\$1,500.00	4.29%

**FY 2018 Education Fund Expenditures**

<b>Function Code</b>	<b>Function Description</b>	<b>FY 17 Adopted Budget</b>	<b>FY 18 Proposed Budget</b>	<b>FY17 to FY18 \$ Change</b>	<b>FY17 to FY18 % Change</b>
10.2620	Planning & Research Services	\$25,000.00	\$25,000.00	\$0.00	0.00%
10.2630	Information Services	\$100,600.00	\$110,950.00	\$10,350.00	10.29%
10.2640	Staff Services	\$125,798.66	\$143,736.88	\$17,938.22	14.26%
10.2660	Data Processing Services	\$33,500.00	\$28,250.00	-\$5,250.00	-15.67%
10.2900	Other Support Services	\$350.00	\$0.00	-\$350.00	-100.00%
10.2910	Medicaid Claim Services	\$2,000.00	\$500.00	-\$1,500.00	-75.00%
10.2920	Translation Services	\$3,250.00	\$3,250.00	\$0.00	0.00%
10.3500	Extended Day Program (EDP) Services	\$151,147.61	\$150,972.62	-\$174.99	-0.12%
10.3900	Other Community Services	\$750.00	\$0.00	-\$750.00	-100.00%
10.4120	Payments Special Education Programs - Services	\$215,000.00	\$215,000.00	\$0.00	0.00%
10.4220	Payments Special Education Programs - Tuition	\$392,000.00	\$368,018.00	-\$23,982.00	-6.12%
10.6000	Provision for Contingencies	\$85,000.00	\$186,704.90	\$101,704.90	119.65%
<b>Total Budgeted Amount</b>		<b>\$17,727,228.39</b>	<b>\$18,247,201.99</b>	<b>\$519,973.60</b>	

**FY 2018 Education Fund Expenditures**

<b>Function Code</b>	<b>Function Description</b>	<b>FY 17 Adopted Budget</b>	<b>FY 18 Proposed Budget</b>	<b>FY17 to FY18 \$ Change</b>	<b>FY17 to FY18 % Change</b>
	<b>Total \$ Increase/Decrease Over FY 2017</b>		\$519,973.60		
	<b>Total % Increase/Decrease Over FY 2017</b>		2.93%		

**FY 2018 Operations & Maintenance Fund Expenditures**

<b>Function Code</b>	<b>Function Description</b>	<b>FY 17 Adopted Budget</b>	<b>FY 18 Proposed Budget</b>	<b>FY17 to FY18 \$ Change</b>	<b>FY17 to FY18 % Change</b>
20.2541	Office of Buildings & Grounds Supervisor	\$96,200.00	\$123,207.24	\$27,007.24	28.07%
20.2542	Care & Upkeep of Buildings Services	\$1,311,244.98	\$1,297,291.72	-\$13,953.26	-1.06%
20.2543	Care & Upkeep of Grounds Services	\$77,500.00	\$108,370.00	\$30,870.00	39.83%
20.2544	Care & Upkeep of Equipment Services	\$5,000.00	\$13,800.00	\$8,800.00	176.00%
20.2545	Care & Upkeep of Vehicles Services	\$10,500.00	\$10,540.00	\$40.00	0.38%
	<b>Total Budgeted Amount</b>	\$1,500,444.98	\$1,553,208.96	\$52,763.98	
	<b>Total \$ Increase/Decrease Over FY 2017</b>		\$52,763.98		
	<b>Total % Increase/Decrease Over FY 2017</b>		3.52%		

**FY 2018 Debt Service Fund Expenditures**

<b>Function Code</b>	<b>Function Description</b>	<b>FY 17 Adopted Budget</b>	<b>FY 18 Proposed Budget</b>	<b>FY17 to FY18 \$ Change</b>	<b>FY17 to FY18 % Change</b>
30.5220	Interest on Long-Term Debt	\$342,012.00	\$304,813.00	-\$37,199.00	-10.88%
30.5320	Principal Payment on Long-Term Debt	\$842,000.00	\$885,000.00	\$43,000.00	5.11%
30.5370	Capital Lease Principal	\$190,767.00	\$135,128.22	-\$55,638.78	-29.17%
	<b>Total Budgeted Amount</b>	\$1,374,779.00	\$1,324,941.22	-\$49,837.78	
	<b>Total \$ Increase/Decrease Over FY 2017</b>		-\$49,837.78		
	<b>Total % Increase/Decrease Over FY 2017</b>		-3.63%		

**FY 2018 Transportation Fund Expenditures**

<b>Function Code</b>	<b>Function Description</b>	<b>FY 17 Adopted Budget</b>	<b>FY 18 Proposed Budget</b>	<b>FY17 to FY18 \$ Change</b>	<b>FY17 to FY18 % Change</b>
40.2551	Regular Transportation	\$1,000,512	\$1,208,854.54	\$208,342.64	20.82%
40.2552	Special Education Transportation	\$121,000	\$128,500.00	\$7,500.00	6.20%
40.2900	Other Support Services	\$5,000	\$2,500.00	-\$2,500.00	-50.00%
40.4120	Payments Special Education Program Services	\$100,000	\$115,000.00	\$15,000.00	15.00%
	<b>Total Budgeted Amount</b>	\$1,226,511.90	\$1,454,854.54	\$228,342.64	
	<b>Total \$ Increase/Decrease Over FY 2017</b>		\$228,342.64		
	<b>Total % Increase/Decrease Over FY 2017</b>		18.62%		

**FY 2018 Capital Projects Fund Expenditures**

<b>Function Code</b>	<b>Function Description</b>	<b>FY 17 Adopted Budget</b>	<b>FY 18 Proposed Budget</b>	<b>FY17 to FY18 \$ Change</b>	<b>FY17 to FY18 % Change</b>
60.2530	Construction Services	\$0	\$0	\$0	NA
60.2533	Architect Services	\$0	\$0	\$0	NA
	<b>Total Budgeted Amount</b>	\$0	\$0	\$0	
	<b>Total \$ Increase/Decrease Over FY 2017</b>		\$0		
	<b>Total % Increase/Decrease Over FY 2017</b>		0%		

**FY 2018 Working Cash Fund Expenditures**

<b><i>Function Code</i></b>	<b><i>Function Description</i></b>	<b><i>FY 17 Adopted Budget</i></b>	<b><i>FY 18 Proposed Budget</i></b>	<b><i>FY17 to FY18 \$ Change</i></b>	<b><i>FY17 to FY18 % Change</i></b>
NONE	NONE	NO Expenses Budgeted	No Expenses Proposed	NA	NA
	<b><i>Total Budgeted Amount</i></b>	\$0	\$0		
	<b><i>Total \$ Increase/Decrease Over FY 2017</i></b>		NA		
	<b><i>Total % Increase/Decrease Over FY 2017</i></b>		NA		

**FY 2018 Tort Fund Expenditures**

<b>Function Code</b>	<b>Function Description</b>	<b>FY 17 Adopted Budget</b>	<b>FY 18 Proposed Budget</b>	<b>FY17 to FY18 \$ Change</b>	<b>FY17 to FY18 % Change</b>
80.2362	Workers Compensation	\$116,654.00	\$99,441.00	-\$17,213	-14.76%
80.2363	Unemployment Payment Services	\$15,000.00	\$3,500.00	-\$11,500	-76.67%
80.2364	Property/Liability Insurance Program Services	\$55,000.00	\$58,500.00	\$3,500	6.36%
80.2369	Legal Services	\$0.00	\$0.00	\$0	NA
	<b>Total Budgeted Amount</b>	\$199,000.00	\$161,441.00	-\$37,559	
	<b>Total \$ Increase/Decrease Over FY 2017</b>		-\$37,559.00		
	<b>Total % Increase/Decrease Over FY 2017</b>		-18.87%		

Summary Sheet of District Controlled Expenditures by Fund

Fund	FY17	FY18	Increase/Decrease	
10	\$17,727,228.39	\$18,247,201.99	\$519,973.60	2.93%
20	\$1,500,444.98	\$1,553,208.96	\$52,763.98	3.52%
40	\$1,226,511.90	\$1,454,854.54	\$228,342.64	18.62%
80	\$199,000.00	\$161,441.00	-\$37,559	-18.87%
	\$20,653,185.27	\$21,416,706.49	\$763,521.22	3.70%