

# Proposed Budget Fiscal Year 2021

September 21, 2020



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# Proposed Budget Fiscal Year 2021

## District Funds



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Education	(Fund 10)
Operations & Maintenance	(Fund 20)
Debt Services	(Fund 30)
Transportation	(Fund 40)
Municipal Retirement	(Fund 50)
Capital Projects	(Fund 60)
Working Cash	(Fund 70)
Tort	(Fund 80)

# Budget-Finance Calendar



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- August, 2020. Presentation of Tentative Budget Draft to Building and Finance Committee
- August, 2020 Presentation of Tentative Budget Draft to BOE  
BOE Direction to Post Budget Draft
- September, 2020 Public Hearing and Approval FY 22 Budget
- December, 2020 BOE Approval FY20 Levy, submitted to County Clerk
- February, 2021 Authorization to prepare the FY22 Budget
- February, 2021 Presentation of Budget Forecast

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# Fiscal Year 2020 Year End Budget Revenues



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Revenues by Source	<u>2019-20 Budget</u>	<u>2019-20 Unaudited Actuals</u>	<u>Percent Received</u>
Tax Levy	13,150,135	13,186,616	100.28%
Other Local Revenue	571,944	858,519	150.11%
State Revenue	353,084	324,765	91.98%
Federal Revenue	70,411	31,466	44.69%
Other Financial Sources	0.00	0.00	0.00%
<b>Total revenues - All Funds</b>	<b>14,145,574</b>	<b>14,401,366</b>	<b>101.81%</b>

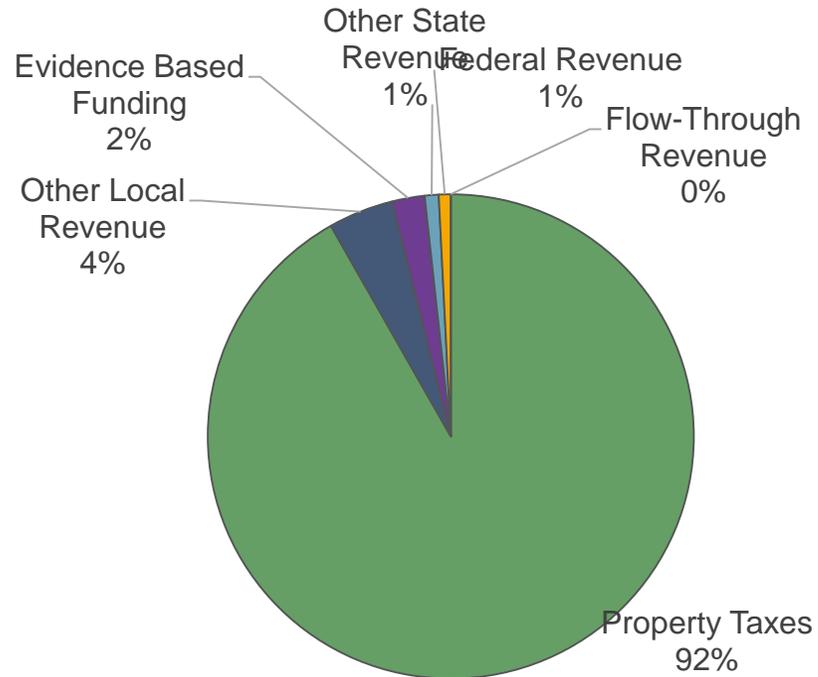
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# Budgeted Revenues FY20



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**Budgeted Revenue Allocation by Source**



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# Fiscal Year 2020 Year End Budget Revenues

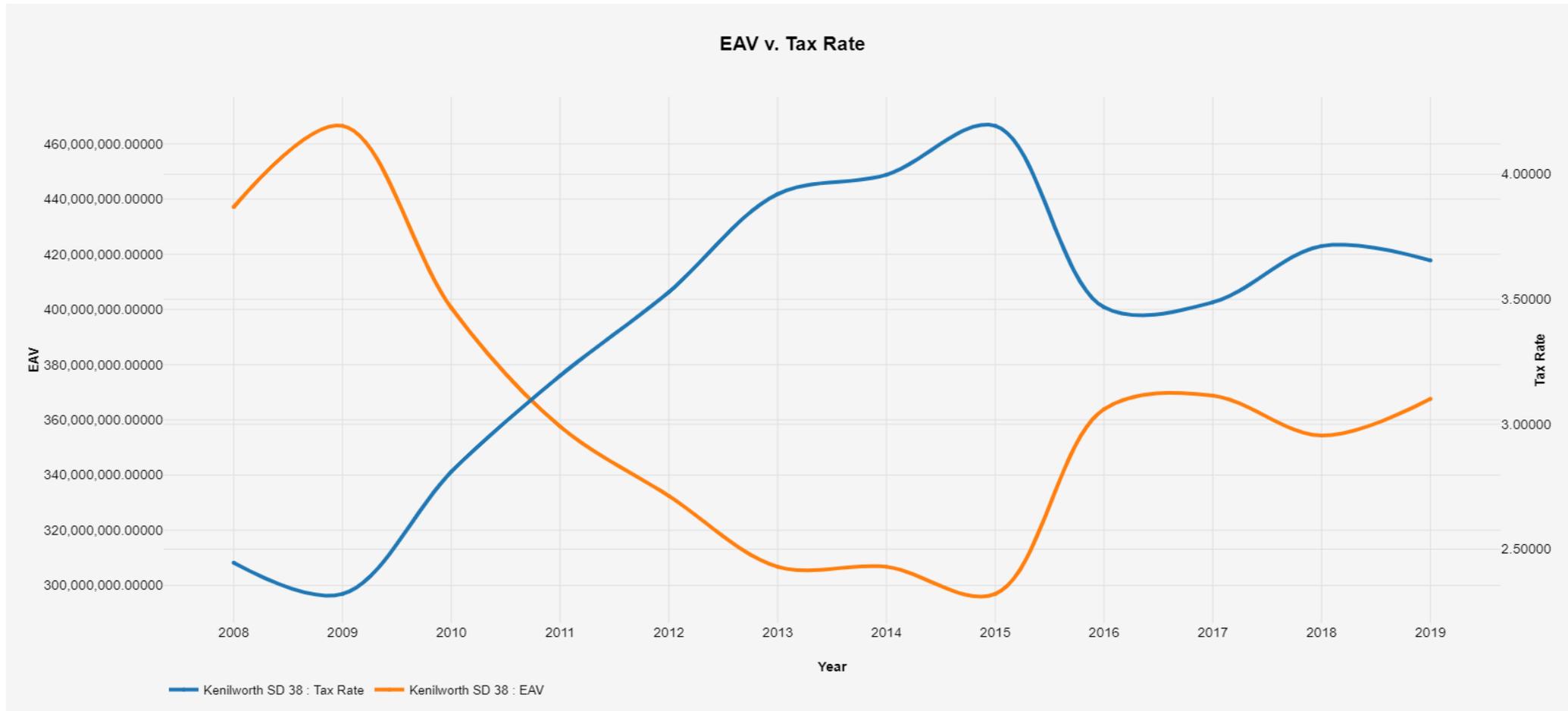


- Budgeting for revenue at the state and federal level continues to be a challenge. Fortunately (or, unfortunately, as it may be) the District is most heavily reliant on local property taxes for its revenue needs and therefore, less exposed to the vagaries of state and federal level funding issues.
- The surplus in *other local revenue* was primarily due to the annual New Trier Township Education Cooperative (NTTEC) distribution of approximately \$152,211. This is an annual occurrence (last year, we received \$351,778 and \$35,730 in FY17) However, the amount changes from year to year and would not be prudent to put in the budget except as a placeholder.

# Kenilworth 38 EAV vs. Tax Rate Historical



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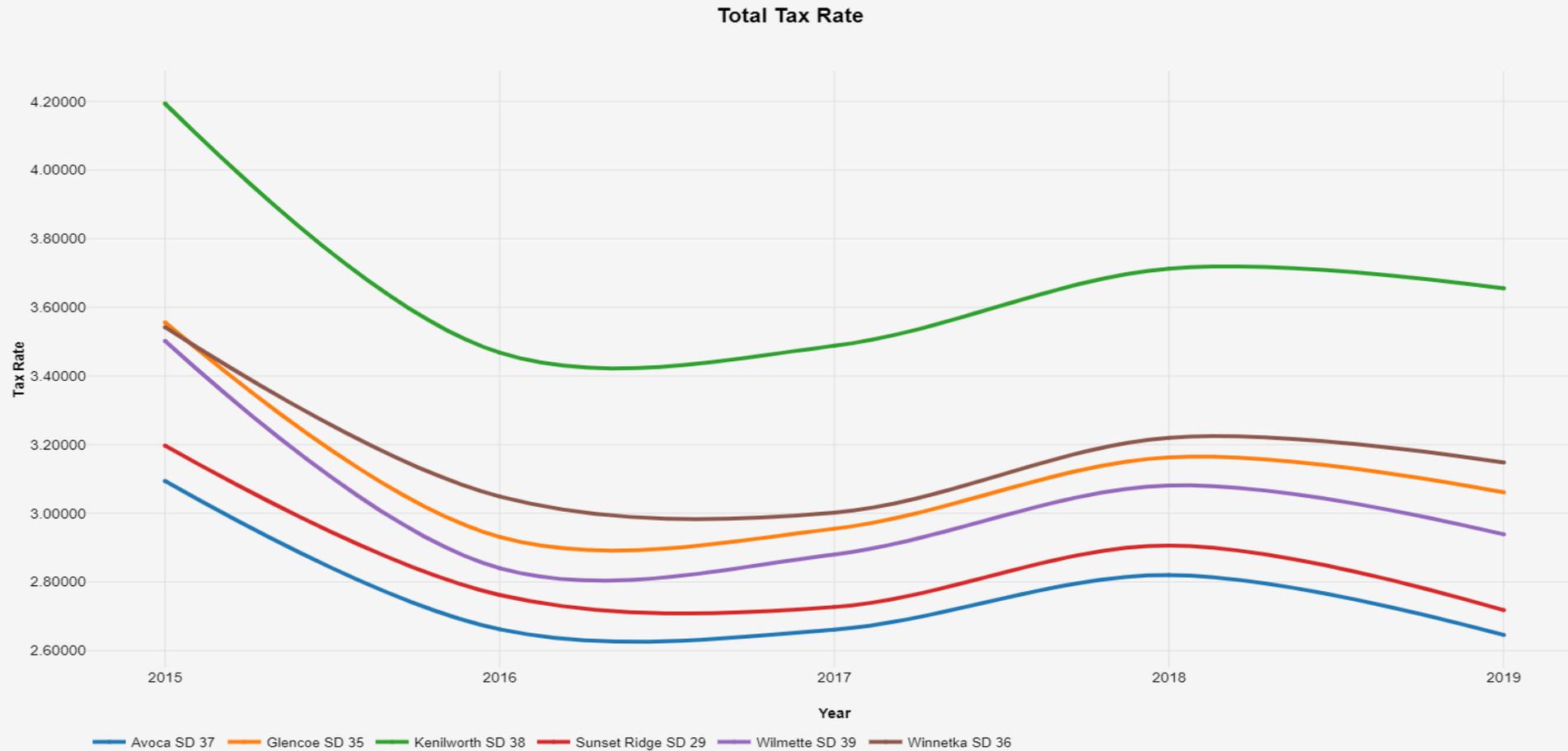


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# Kenilworth 38 Total Tax Rate Comparison



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# Fiscal Year 2020 Year End Budget Expenditures



<b>Expenditures by Object</b>	<b><u>2019-2020 Budget</u></b>	<b><u>Budget Balance</u></b>	<b><u>2019-20 Unaudited Actuals</u></b>	<b><u>Percent Remaining</u></b>
Salaries	8,601,077	386,217	8,214,860	5.53%
Benefits	1,853,368	20,039	1,833,329	1.11%
Purchased Services	1,672,302	486,342	1,185,960	29.08%
Supplies	843,276	159,243	683,410	18.88%
Capital Outlay	3,639,529	3,421,066	218,463	94%
Other Expenses	1,402,151	(27,629)	1,429,780	(101.97%)
Non-Capitalized Equipment	85,000	(2,179)	87,179	(102.56%)
<b>Total Expenditures - All Funds</b>	<b>18,096,703</b>	<b>4,443,099</b>	<b>13,652,981</b>	<b>24.56%</b>

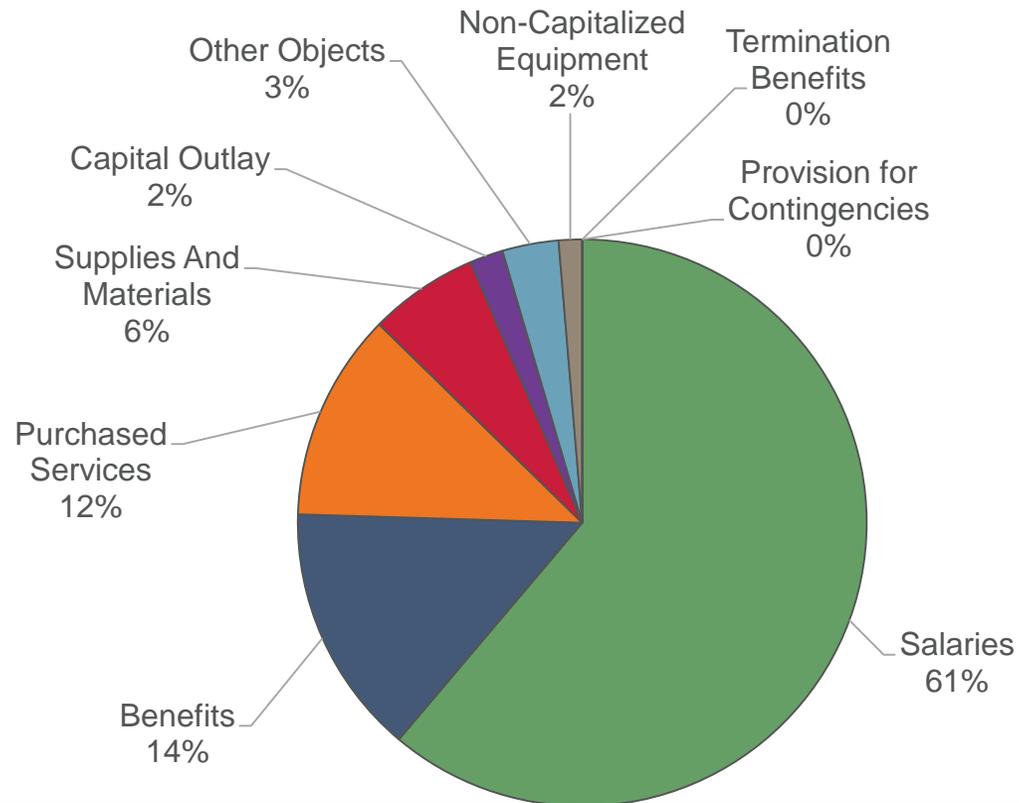
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# Budgeted Expenditures for FY20



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**Budgeted Expenditure Allocation by Object**



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# Fiscal Year 2020 Year End Budget Expenditures



- Purchased Services
  - The surplus is appears to be related to budgeted work being “held over” until a long term facility plan is in place.
- Supplies
  - The surplus was primarily due to intentional budget decreases in the overall *Supplies* budget.
- Capital Outlay (Surplus of \$3,590,357)
  - \$3,000,000 budgeted for future facility projects.
  - \$300,000 budget for architect fees for future facility projects.
  - \$290,000 in annual maintenance projects placed on hold pending future facility projects.

# *Fiscal Year 2020 Year End Budget Expenditures*



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- Salaries
  - Salary expenditures, which make up the “lion’s share” of the budget, had a remaining budget of 5.5%. It is a good idea to budget additional positions that may be added during a school year due to changing circumstances, which is part of the reason for this. In addition, there appears to be a reduction of extra-duty types of salary costs as the year progressed, which may also have attributed to the surplus. Certainly, the COVID-19 shutdown also had an impact on budgeted salaries, as well.

# Proposed Budget Fiscal Year 2021 Revenues



Revenues by Source		2019-2020	2019-2020	2020-2021	% Increase/Decrease 2019-2020 Budget
		<u>Budget</u>	<u>YTD</u>	<u>Proposed Budget</u>	<u>FY21 Budget</u>
Tax Levy	Tax Levy	13,150,135.28	13,186,616.36	13,438,325.00	102.22%
Other Local Revenue	Other Local Revenue	571,944.99	858,519.49	463,916.00	81.11%
State Revenue	State Revenue	353,083.82	324,765.47	331,804.00	93.97%
Federal Revenue	Federal Revenue	70,411.27	31,466.00	50,000	71.01%
<b>Total Operating Revenues - All Funds</b>	<b>Total revenues - All Funds</b>	<b>14,145,575.36</b>	<b>14,401,367.32</b>	<b>14,284,045.00</b>	<b>100.01%</b>

# FY21 Budget Assumptions and Notes

## Revenues



### *Tax Levy*

Assumes CPI increase of 2.3 percent for FY19, estimated new growth and property tax refunds.

### *Other Local*

Assumes a decrease based on the NTTEC distribution received in FY20 and flat interest earned based on interest rates remaining stagnant.

### *State Revenue*

Assumes flat revenues from state sources based on FY20 state funding information.

### *Federal Revenue*

Assumes a decrease based on non-eligibility for Title I Funds/ESSA Funds.

# Proposed Budget Fiscal Year 2021 Expenditures



	2019-2020	2019-2020 Actuals	2020-2021	Percent Increase/Decrease
	<u>Budget</u>	<u>YTD</u>	<u>Proposed Budget</u>	<u>FY21 Budget</u>
<b>Expenditures by Object</b>				
Salaries	8,601,077.38	8,214,859.96	8,009,774.75	93.00%
Benefits	1,853,368.06	1,833,220.20	1,807,559.63	98.00%
Purchased Services	1,672,302.41	1,185,959.99	1,499,262.03	90.00%
Supplies	843,275.84	683,409.65	903,918.85	83.23%
Capital Outlay	3,639,529.12	218,463.40	3,324,694.27	91.00%
Other Expenses	1,402,150.58	1,429,779.95	1,368,704.00	98.00%
Non-Capitalized Equipment	85,000.00	87,179.11	50,000.00	59.00%
<b>Total Expenditures - All Funds</b>	18,096,703.39	13,652,872.26	16,963,913.53	94.00%
<b>Excess or (Deficit) Revenues</b>	-3,951,128.03	-492,703.10		
<b>Over Expenditures</b>				
<b>Budget as of July 1st</b>	14,145,575.40	13,652,872.26		

# FY21 Budget Assumptions and Notes

## Expenditures



### *Salaries*

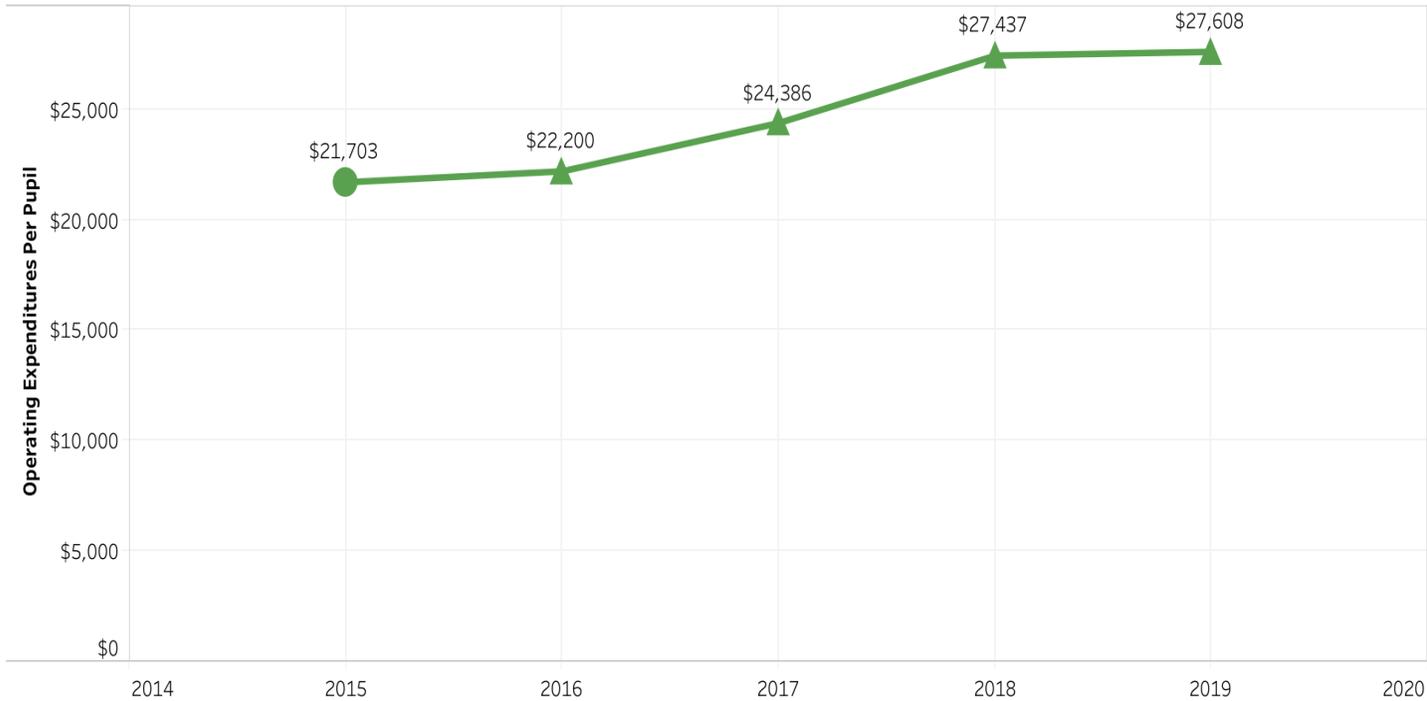
- Salaries are based on the current faculty and staff projections, with salary estimates for new hires.
- Includes all new administrator contracts and reflects reconfiguration of titles, roles, and duties.
- Includes additional *other salaries* for multiple leaves of absences substitute coverage, if necessary.
- Salary projections and perhaps other accounts, will continue to be updated based on new information becoming available prior to the September budget hearing.

### *Benefits*

- Assumes Medical Premium increase of 4.5%
- Assumes Dental Increase of 0%
- Assumes flat/net usage of District health benefits.
- Assumes increase in Employer contribution rate to Illinois Municipal Retirement

## Kenilworth SD 38 Budget Prep Story

Operating Expenditures per Pupil (OEPP) is a reflection of available resources and student needs. The chart below shows the district's OEPP trend for the last five years.



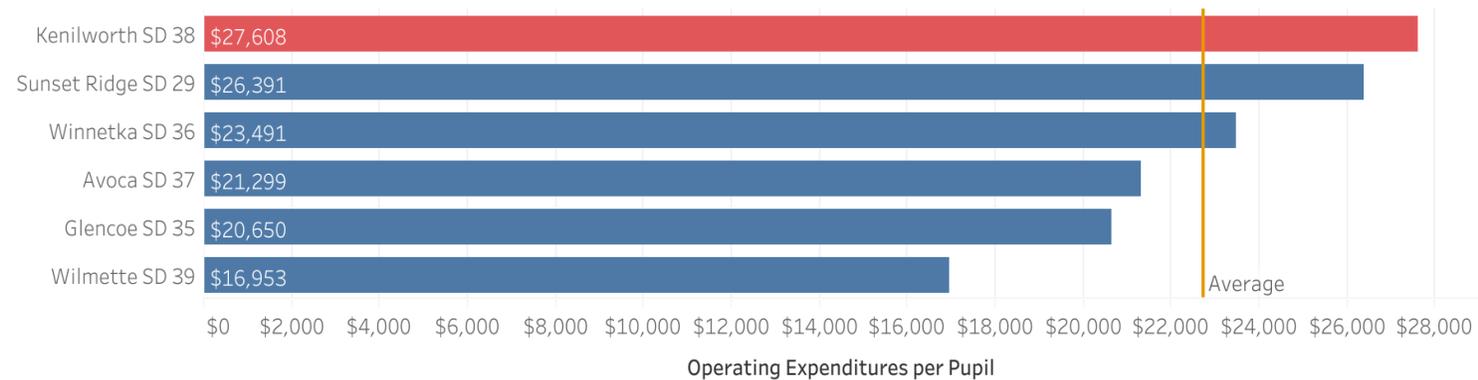
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## Kenilworth SD 38 Budget Prep Story

Operating Expenditures per Pupil (OEPP) is a reflection of available resources and student needs. The chart below shows the district's OEPP for 2019 compared to its peers.



# FY21 Budget Assumptions and Notes

## Expenditures



- *Purchased Services*
  - Assumes annual service/maintenance agreement increases of 3%
- *Capital Outlay* assumes \$3,200,000 allotment to cover potential facility projects and \$300,000 in project fees
  - Reflects flat expenditures in technology updates.
- *Other Expenses (+5.0%)*
  - Assumes a 5.0% increase in out of placement tuition costs.

# Where Kenilworth 38 is below peers?

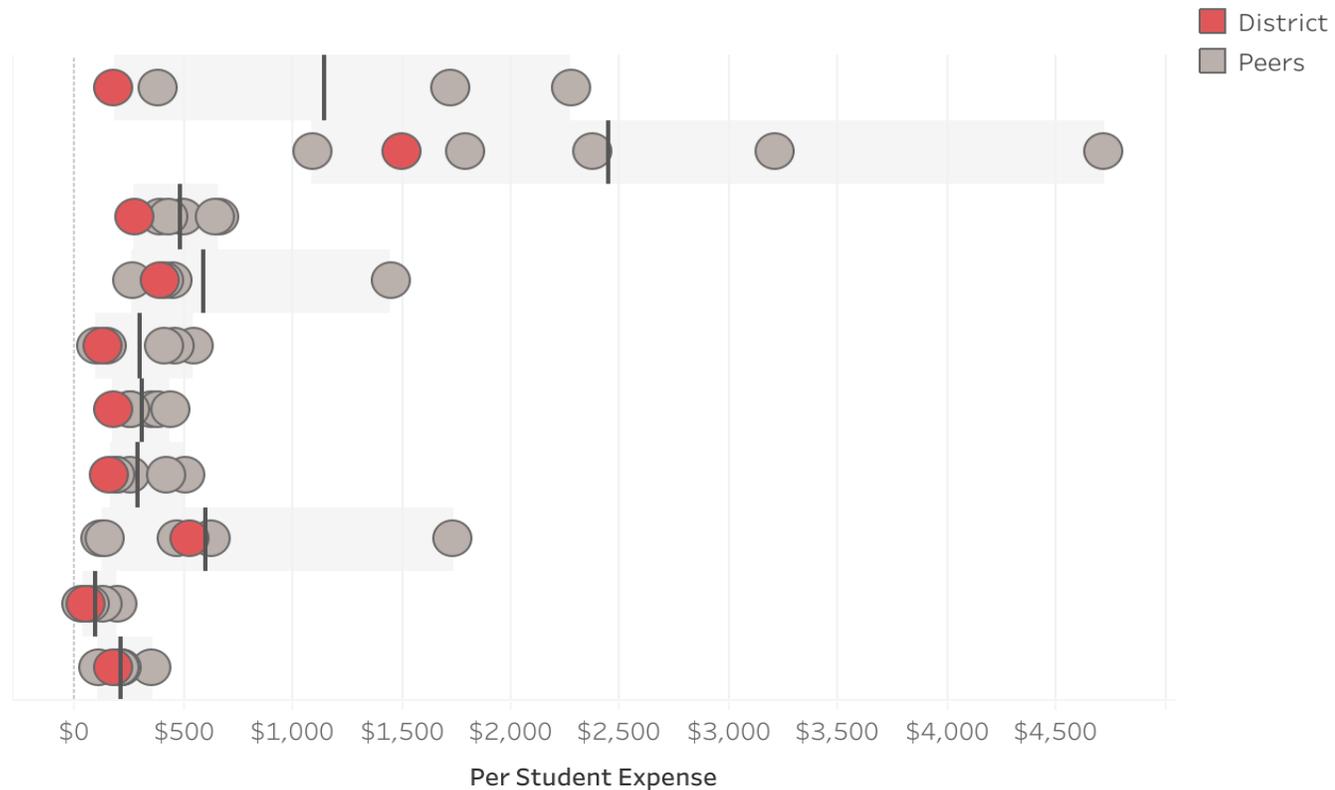


## Kenilworth SD 38 Budget Prep Story

The functional areas in 2019 where our per student spending is most below the average for this peer group. The district is represented by the red circle and each peer district by a gray circle.

### Detail Function

- 2530 Facility Acquisition & Construction Services
- 2540 Operation & Maintenance of Plant Services
- 2550 Pupil Transportation Services
- 2110 Attendance & Social Work Services
- 2560 Food Services
- 2150 Speech Pathology and Audiology Services
- 2140 Psychological Services
- 5200 Interest on Long-term Debt
- 1600 Summer School Programs
- 2130 Health Services



# Where Kenilworth 38 is above peers...



## Kenilworth SD 38 Budget Prep Story

The functional areas in 2019 where our per student spending is most above the average for this peer group. The district is represented by the red circle and each peer district by a gray circle.

### Detail Function

1100 Regular Programs K-12

1200 Special Education Programs K-12

2220 Educational Media Services

2410 Office of the Principal Services

2330 Special Area Administration Services

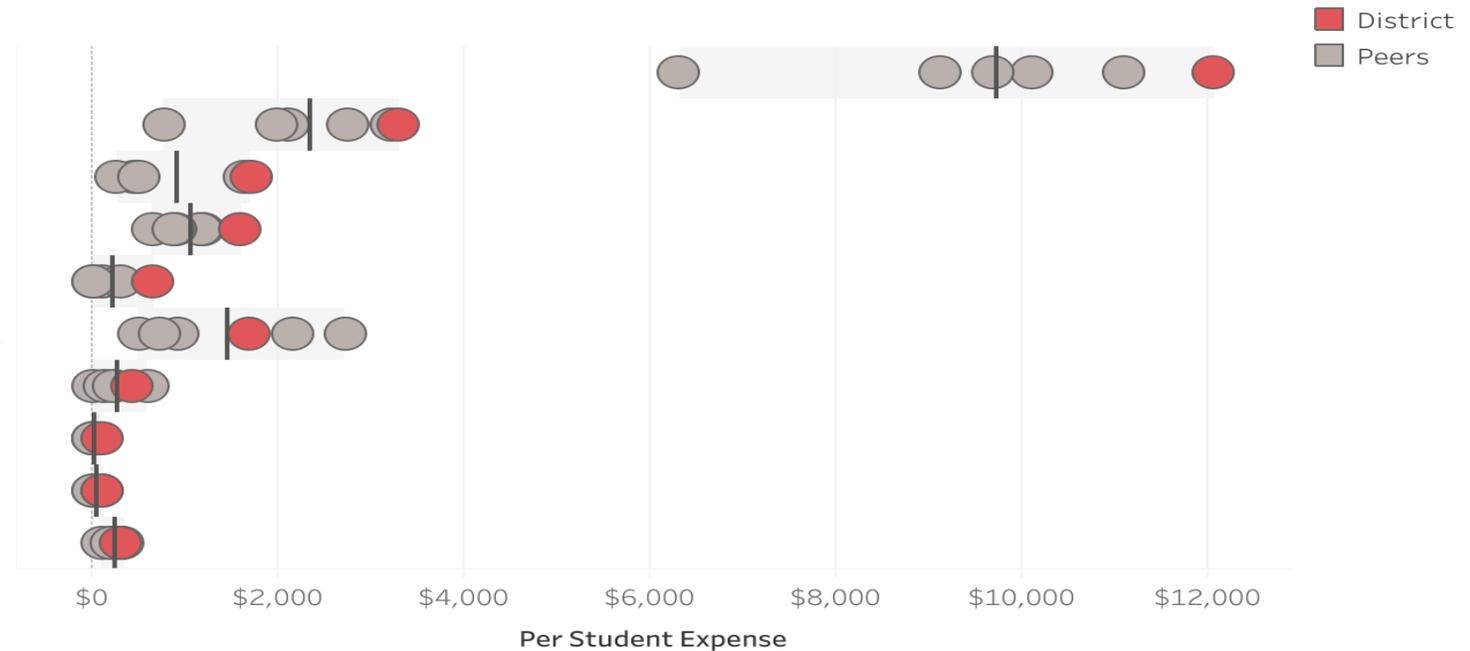
5300 Debt Services - Payments of Principal on Long-term ...

2520 Fiscal Services

2570 Internal Services

1125 Regular Programs Pre-K

2310 Board of Education Services



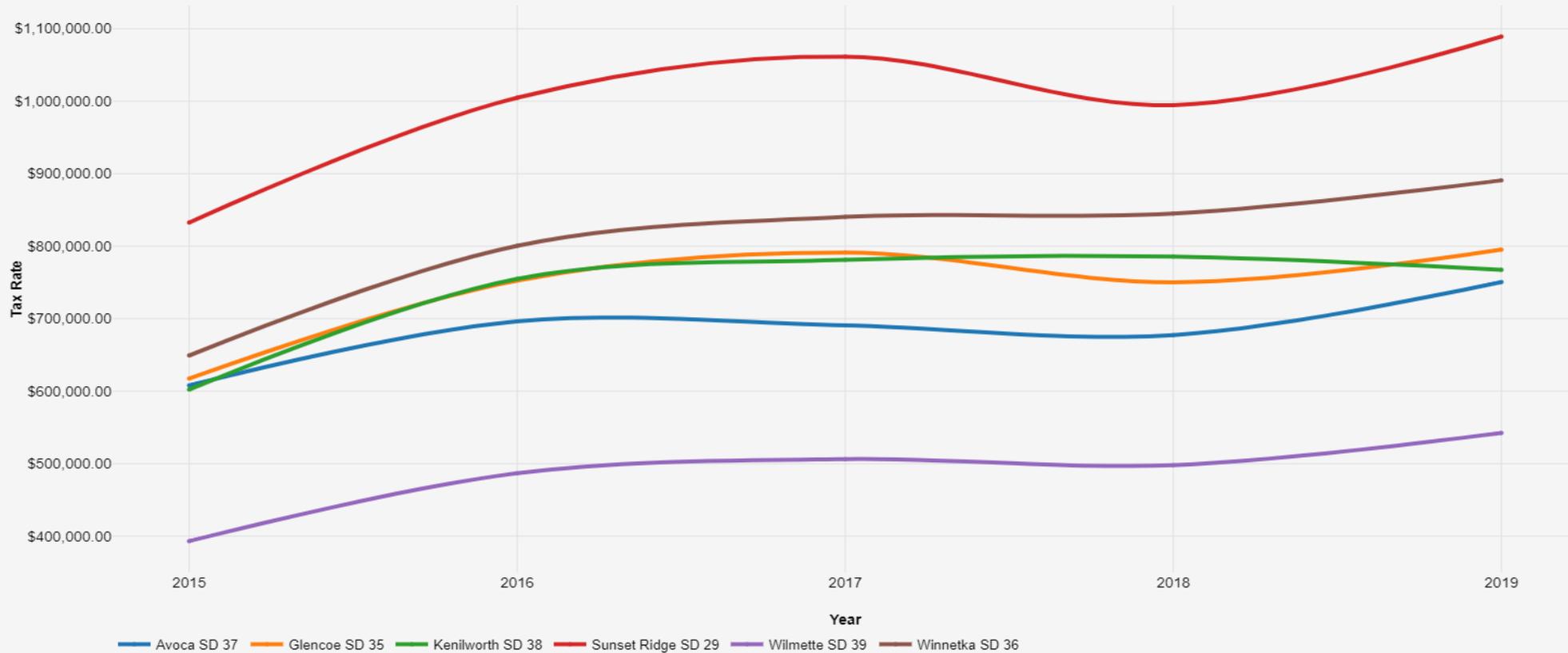
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# Kenilworth 38 EAV per Pupil Historical



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EAV Per Pupil



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# Proposed Budget Fiscal Year 2021



## Summary

- FY21 Budget reflects an overall surplus, however, questions remain...
  - Additional funds have been targeted for COVID-19 expenses.
  - We have planned a deficit to cover the costs for the District's potential facility projects.

## Future Considerations

- Over the past few years, we have continued to align our educational programming with our Strategic Plan. As a result, delivery of education, professional development and facility needs continue to change.
- Further in the future, we should also keep in mind the potential shift in teacher pension costs to local school districts, property tax freeze and other political threats are “out there.”

# Proposed Budget Fiscal Year 2021



## COVID Budget Impact – Contingency Funding

### Potential Cost Impact Areas/Items

- Salaries for additional staff for cleaning/disinfecting \$42,000
- Tents \$120,000 (Added additional \$60,000 to this amount as a contingency)
- Supplies (plexiglass/face shields/air purifiers/PPE/etc.) \$63,000

### Corresponding Cost Reductions and Revenues

- Field Trip Reduction \$20,000
- Professional Growth \$25,000
- Extra Duty \$75,000
- Cares Act revenue \$9,000



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# Threats and Opportunities...

## ➤ Threats

- ❖ Property Tax Freeze
- ❖ Pension Shift
- ❖ Continued /COVID/Related Impact to budget
- ❖ TIME

## ➤ Opportunities

- ❖ Develop collaborative relationship with Village and Park District relative to Facility Projects
- ❖ Financial Health and fund balances
- ❖ Energy and vision of stakeholder leaders

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# Questions?



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# Sources for Information...



## Data Notes

**Financial information** is obtained from the Illinois State Board of Education's Annual Financial Report (AFR) files for each district - <ftp://ftppfinance.isbe.net/AFR>

**Operating Funds** are presented as the Education, Operations and Maintenance, Transportation, IMRF, Working Cash and Tort Funds. Operating Expenditures per Pupil is defined and calculated by the Illinois State Board of Education: <https://www.isbe.net/Pages/Operating-Expense-Per-Pupil.aspx>

The **student count** used for the per student calculations represents the fall student enrollment counts from the Illinois State Board of Education - <https://www.isbe.net/Pages/Fall-Enrollment-Counts.aspx>

5Sight Home page: <https://5share.com/5sight/home.html>