

# ***Butler School District 53***

**Budget Hearing Presentation  
Board of Education Meeting**

***September 9, 2019***



# Presentation Overview

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- I. Legal Requirements for Budget Adoption & Budget Development Process
- II. Overview of Revenues and Expenditures
- III. Budget Highlights
- IV. Budget Summary
- V. Peer Group Comparisons

# Legal Requirements for Budget Adoption



# Legal Requirements for Budget Adoption

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- School Districts must adopt a Budget by the end of the first quarter of the fiscal year
- Prior to adoption, a School Board must:
  1. Place the Tentative Budget on Public Display for at least 30 days
  2. Schedule a date and time for a Public Hearing on the Proposed Budget
  3. Publish a “Notice of Public Hearing” in a newspaper of general circulation within the District
  4. Conduct a Public Hearing on the date and at the time specified in the “Notice of Public Hearing”

# Budget Development Process

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- Reflects Board of Education & District Goals
- Utilizes a Zero-based Budgeting Model
- Incorporates Longitudinal Data & Projections
- Maintains Strong Educational Services
- Supports Instruction, Technology & Professional Development
- Supports Special Education Services
- Maintains our S & P AAA Bond Rating
- Allocates Resources for Capital Improvements
- Goal: A “balanced” budget

# Overview of Revenues and Expenditures



# Overview of Revenues

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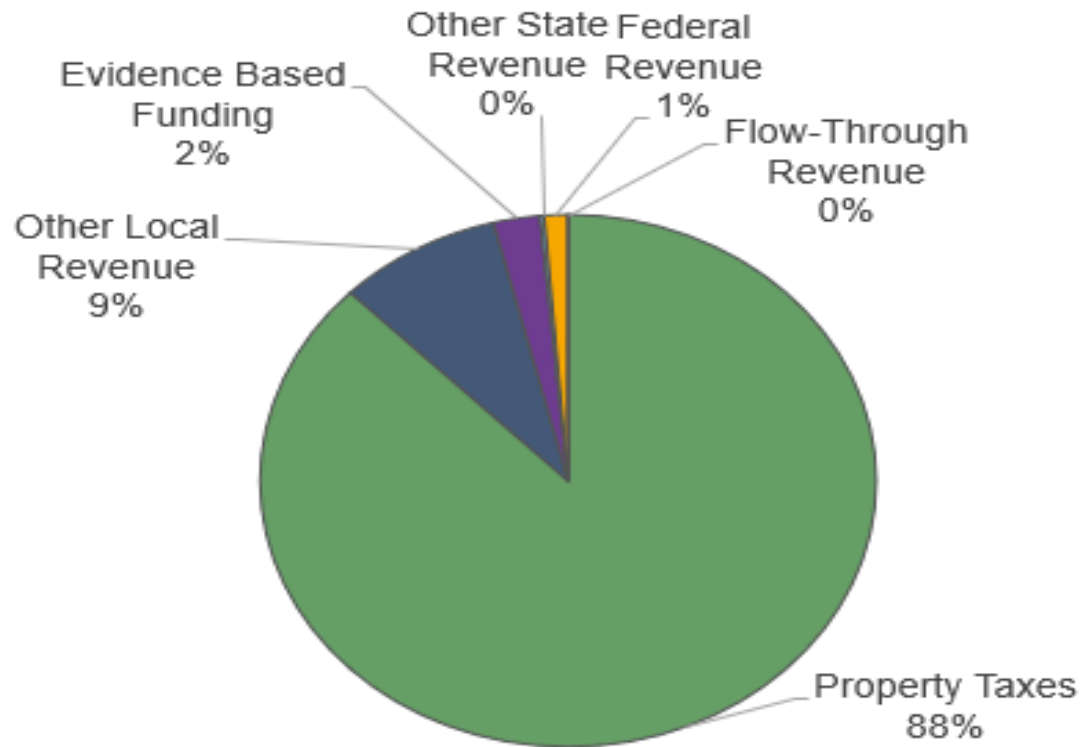
- Revenues allocated to District Funds based on Accounting Standards
- Revenues are derived from four sources:
  - **Local**
    - Taxes, Payments in Lieu of Taxes (CPPRT), Tuition, Fees, Earnings on Investments, Food Service, Activities, Textbooks, Other
  - **Flow Through**
    - State or Federal
  - **State**
    - General State Aid (Unrestricted) or Categorical Aid (Restricted)
  - **Federal**
    - Unrestricted or Restricted

# Major Revenue Sources

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- Operating Funds – Ed, O&M, Trans, IMRF, WC

**Budgeted Revenue Allocation by Source**





# Local Property Taxes--CPI

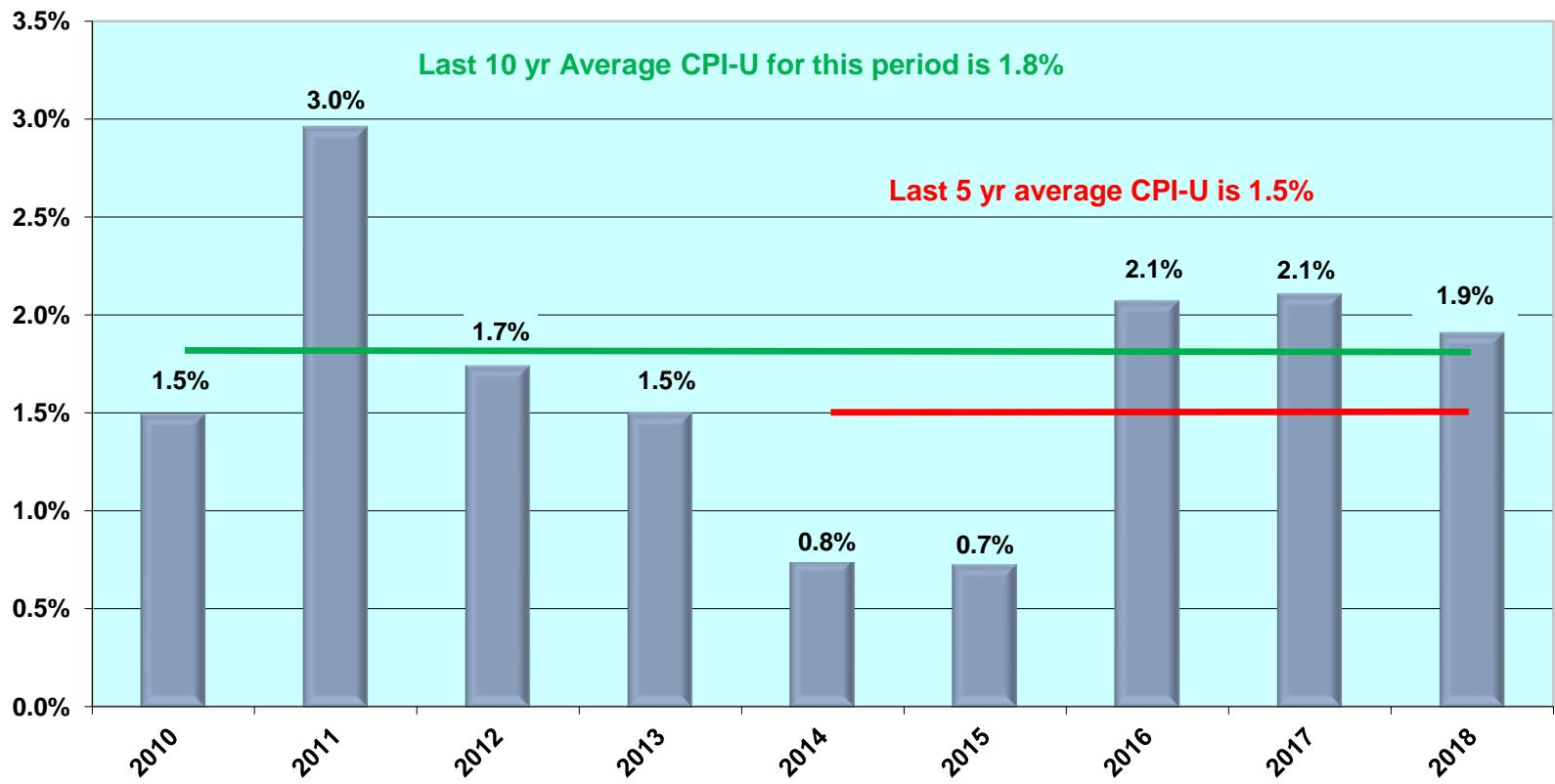
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Year CPI Determined	CPI Rate
2018	1.9%
2017	2.1%
2016	2.1%
2015	0.7%
2014	0.8%
2013	1.5%
2012	1.7%
2011	3.0%
2010	1.5%
2009	2.7%
2008	0.1%
2007	4.1%
2006	2.5%

← Two Years  
Used to  
Generate  
FY20  
Property Taxes

# Historical Perspective

Percent of YOY Change in December CPI-U for the Last 10 Years

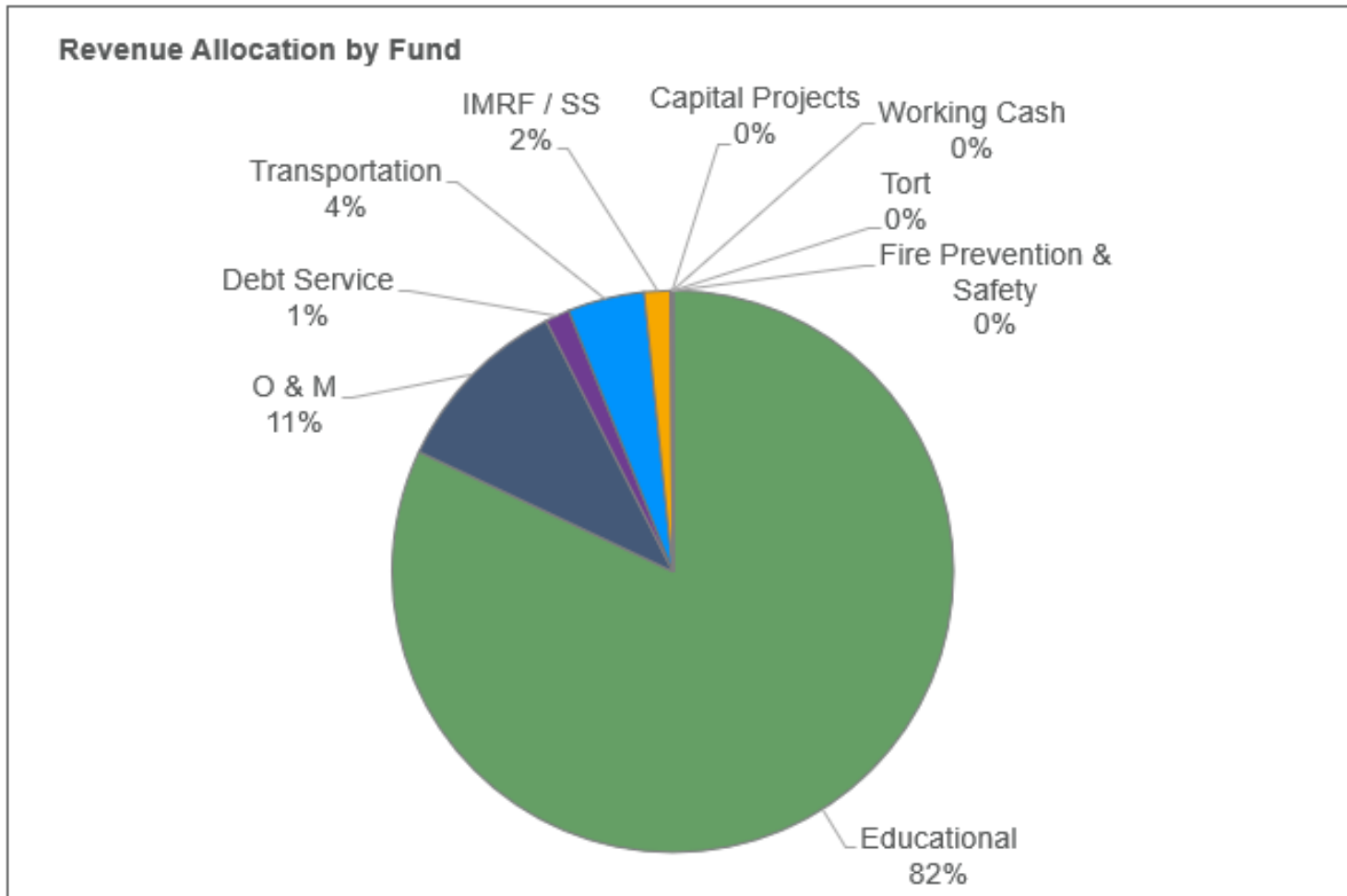


# Other Revenue Details

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- 88% from Property Taxes (Collected 50.53% in FY19 for 2018 Levy)
- Limited \$s from State Grants: Transportation, Special Education
- EBF Model—Tier 4 (3% of our total revenue)
- Funds from Federal Grants Conservative—Title I, Title II & Title IV
- Interest Income—Budgeted @ FY19 Level
- Estimated Corporate PPRT in Ed Fund—Increased
- Contributions from Newsletter Sponsors
- Revenue Student Registration, Tech, Kindergarten & Transportation
- Technology Repair Fees
- Planned Transfer of \$1,000,000 from the Education Fund to Operations & Maintenance, and then add \$500,000 from the O&M Fund to the Capital Projects Fund (legal requirement) = \$1.5M

# Revenue by Fund



# Overview of Expenditures

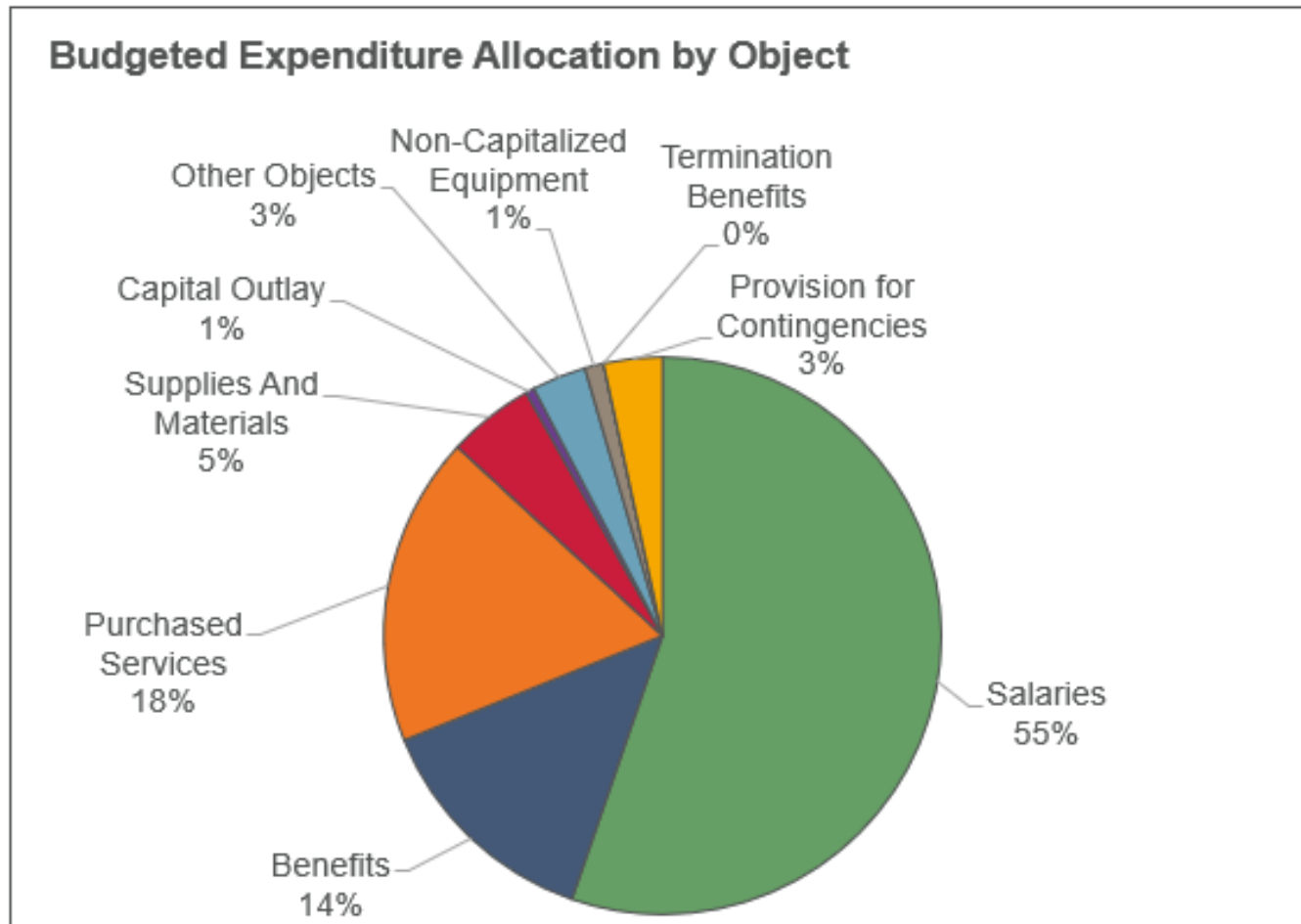
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- Expenditures allocated to District Funds based on Accounting Standards
- Expenditures are classified by one of 8 objects:
  - Salaries
  - Benefits
  - Purchased Services
  - Supplies
  - Capital Outlay
  - Other Objects (Including Debt and Tuition Payments)
  - Non-Capitalized Equipment
  - Termination Benefits

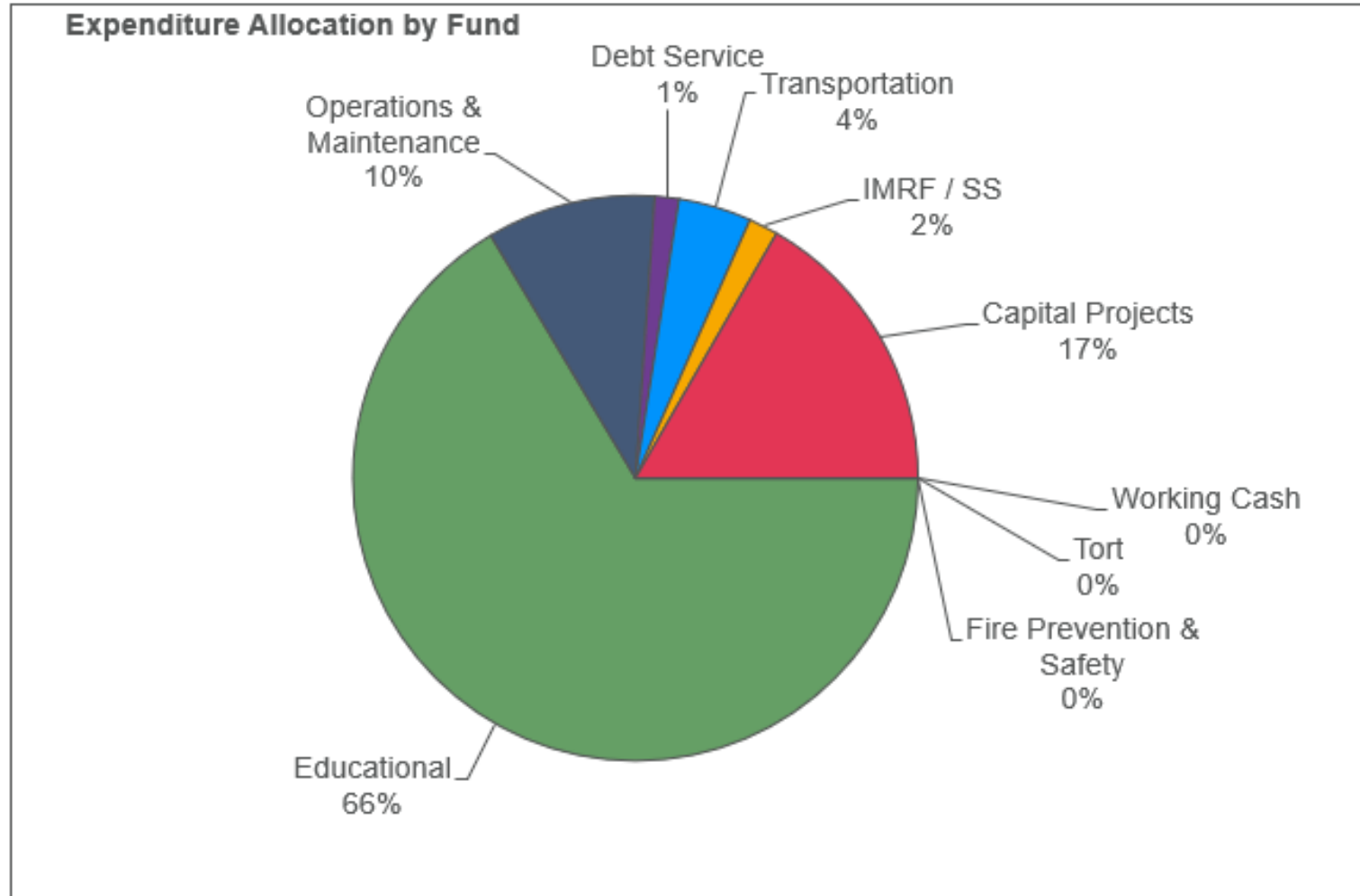
# Major Expenditures

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## □ Operating Funds – Ed, O&M, Trans, IMRF, WC



# Expenditure Allocation by Fund



## Budget Highlights





# Ed Fund Expenditures Highlights

## Certified Faculty Members

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<b>Year</b>	<b>FTE</b>	<b>Enrollment</b>
FY20	54.6	483
FY19	50.87	525
FY18	54.2	524
FY17	51.53	529
FY16	51.19	505
FY15	50.57	482
FY14	47.1	467
FY13	44.0	446

# Faculty Salary and Benefits

Year	Salaries	Benefits	Total		%
2018-2019	\$3,916,348	\$651,796	\$4,568,144		
2019-2020	\$4,335,901	\$909,213	\$5,245,114	est.	
Difference +/-	\$419,553	\$257,417	\$676,970		14.8%

Year 2 of collective bargaining agreement with OBEA.  
Average salary increase over five year is 3.5%  
Expires August 31, 2023

# Ed Fund Expenditure Highlights

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- Commitment to:
  - ▣ Professional Development \$137,500
  - ▣ Commitment to Special Education \$1.65M
  - ▣ Instructional Technology \$540K
    - Site Licenses (\$120K)
    - Model Classroom @ BJH
    - Network Upgrades
    - Projectors
    - Chromebooks & iPads (\$63K)
    - Teacher Laptops (\$22K)
    - STEM
- Legal Fees \$150,000
- New Financial Software—Skyward & Transition \$35,000
- Health Insurance Premiums—5% increase budgeted with 1/1/20 renewal

# O&M Fund Expenditure Highlights

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- ❑ Architect Fees
- ❑ Snow Removal
- ❑ Cleaning Service
- ❑ Telephones, Internet, Cell Phones
- ❑ General Maintenance
- ❑ Gas/Electric
- ❑ New District Truck

# Transportation Fund Expenditures

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- Rebid Transportation Spring 2017
- Increase of 3% for FY20
- Increased fees in FY19
- Total transportation expenses increased \$100,000 in FY18 over FY17
- New OBPD at Dismissal
- Total estimate for FY20 =  
\$584,719



# Capital Project Fund FY20

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- Adler Payment \$81,000
- Model Classroom Renovation \$50,000
- Office Furniture Updates & Student Desks \$25,000
- Food Service Equipment \$ 6,700



# Projects and Funding Source

Date	FY	Project & Amount	Amount	Funding Source
7/19	FY20	Capital Projects Fund Balance	\$1,078,469	
4/20	FY20	Misc. Projects plus 2017 Roof Payment \$162,700	\$1,500,000	Transfer
9/20	FY21	BJH—Life Safety Work, Replace 156 Door Leafs, Complete 2008 Air Conditioning Project (10 Rooms, New Chiller, All Classrooms in 1959 Wing, Temperature Controls, Related Work BF—Life Safety Work, Temperature Controls, Replace 10 Door Leafs \$ 2.4M	\$1,000,000	Transfer
2021	FY22	BJH—Repaint Interior BF Wireless Security Interior Doors, Remodel Main Office, Handicapped Access to Gym \$355,000		
2022	FY23	BJH--Roof Replacement, Tuck-pointing, Life Safety Work BF—Tuck-pointing, Life Safety Work \$2M	\$1,800,000 est.	Bonds
2023	FY24	BJH Boiler Replacement \$500,000		
		TOTAL: \$5,432,292	\$5,378,469	

## Budget Summary





# Budget Overview—Includes Transfers

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Funds	Revenue	Expenditures	Difference
Education	\$10,001,592	(\$10,506,002)	(\$504,410)
O&M	\$2,278,944	(\$2,859,548)	(\$580,604)
Bond & Interest	\$198,036	(\$198,417)	(\$5,381)
Transportation	\$537,777	(\$584,719)	(\$46,942)
IMRF	\$87,075	(\$147,792)	(\$60,717)
Capital Projects	\$1,515,000	(166,000)	1,349,000
Working Cash	\$1,400	---	\$1,400
Life Safety	\$50	---	\$50
<b>TOTALS</b>	<b>\$14,709,949</b>	<b>(\$14,553,837)</b>	<b>156,112</b>

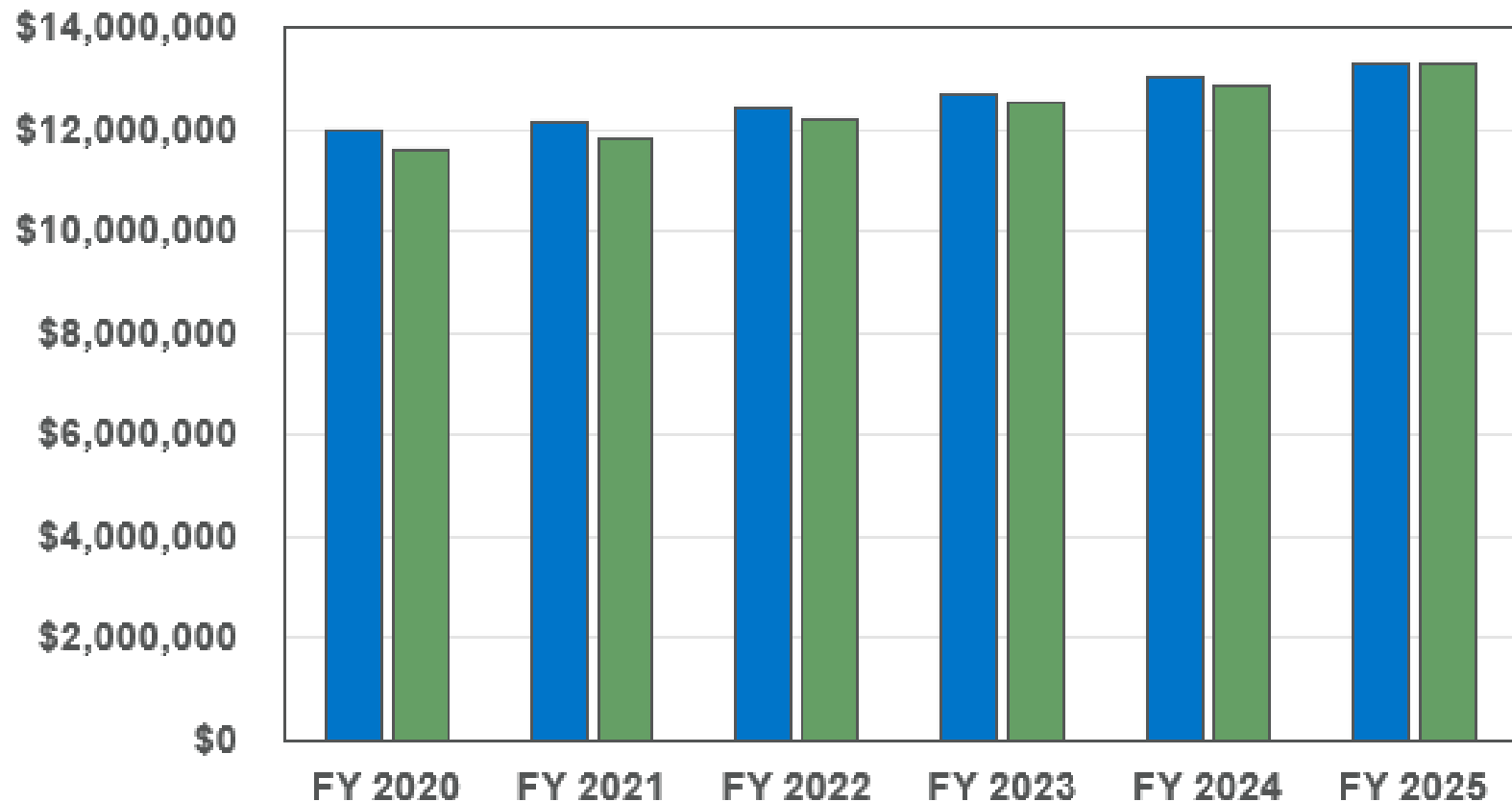
# Contingencies

Account	Amount
Special Education	\$50,000
Education Fund	\$150,000
O&M Fund	\$200,000
Transportation Fund	\$40,000
IMRF/FICA	\$5,000
<b>TOTAL:</b>	<b>\$445,000</b>

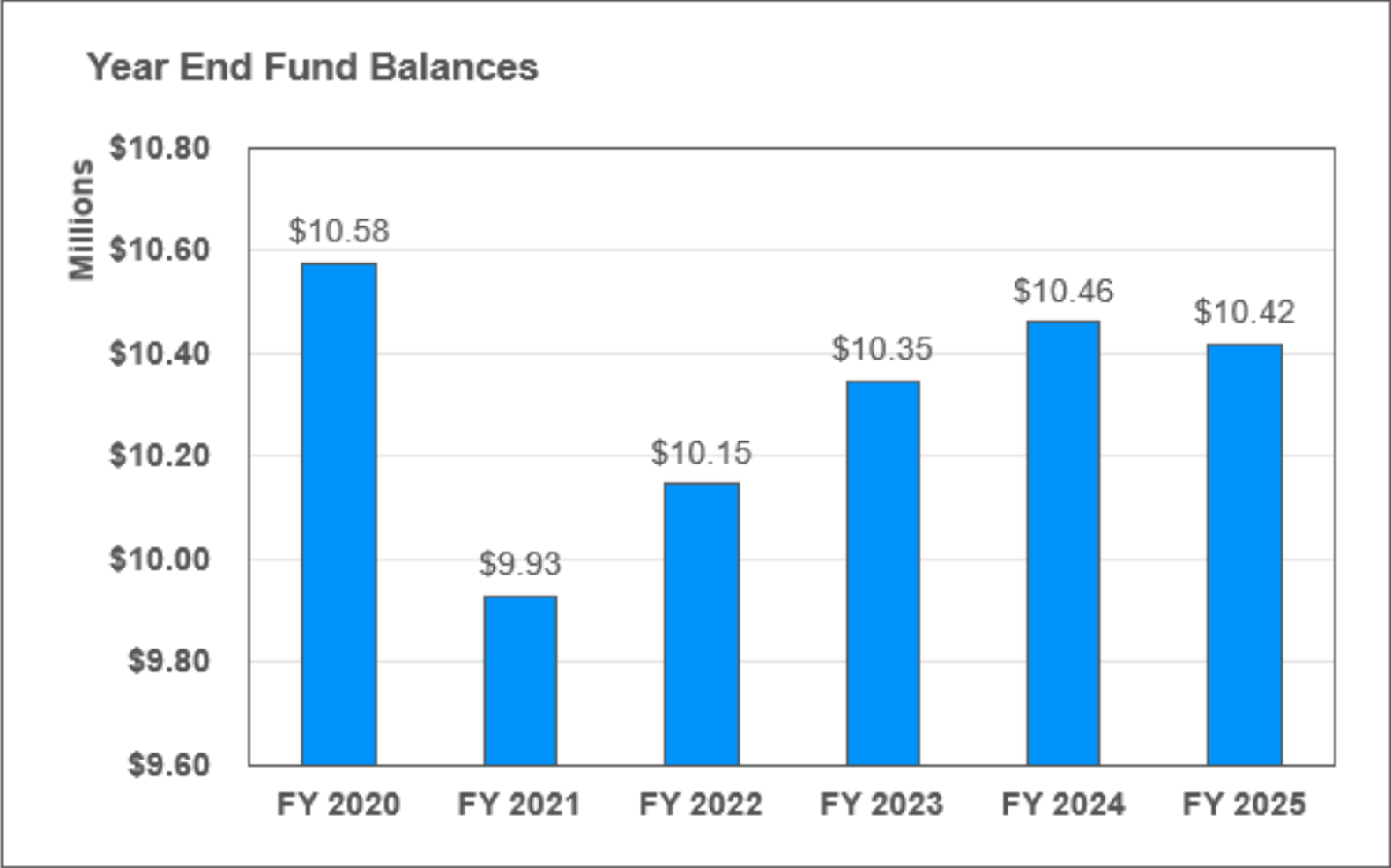
# Budget Summary Projections

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■ Revenues ■ Expenditures



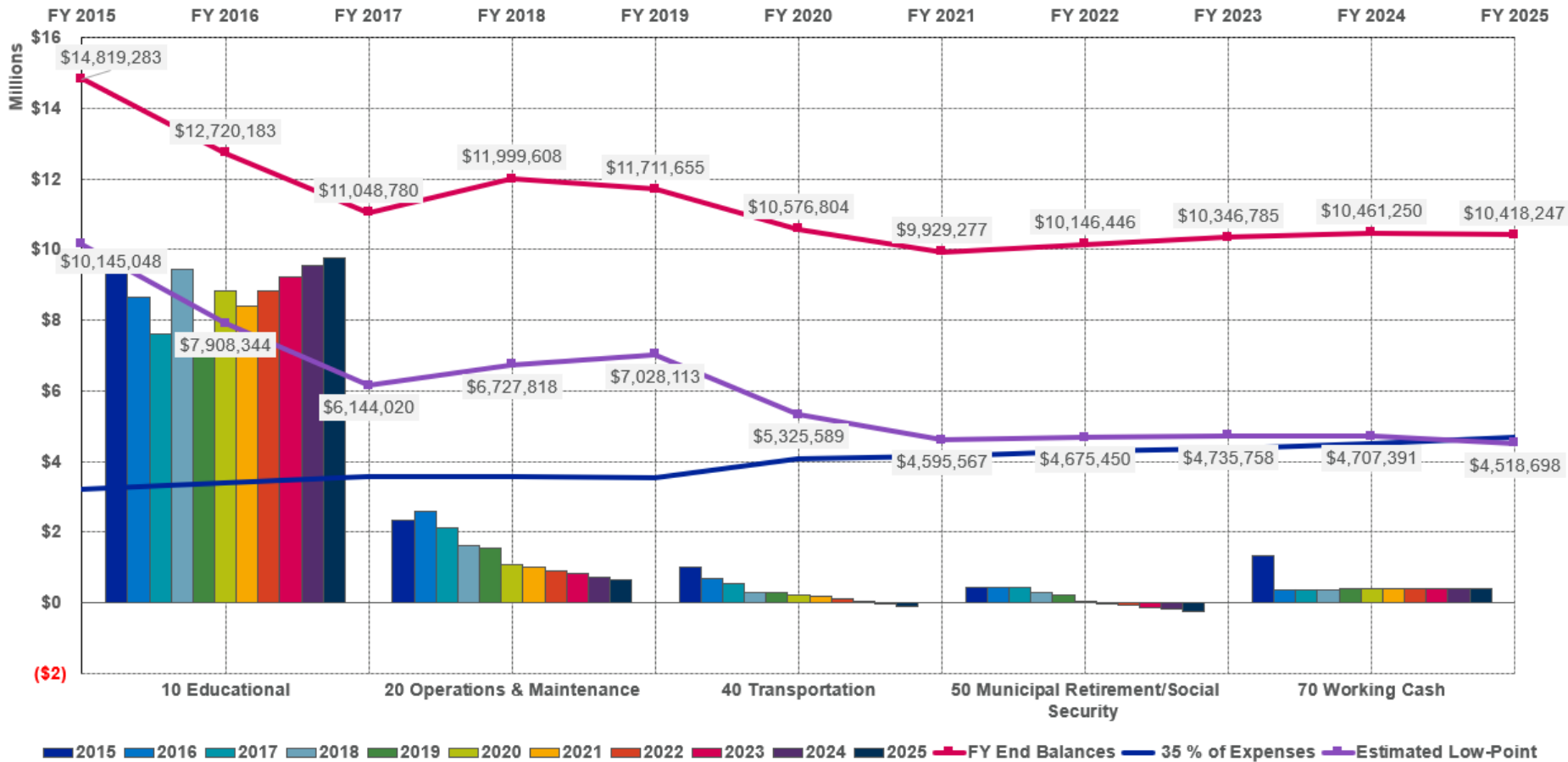
# Projected Year-End Fund Balances



# Budget Summary with Planned Capital Projects

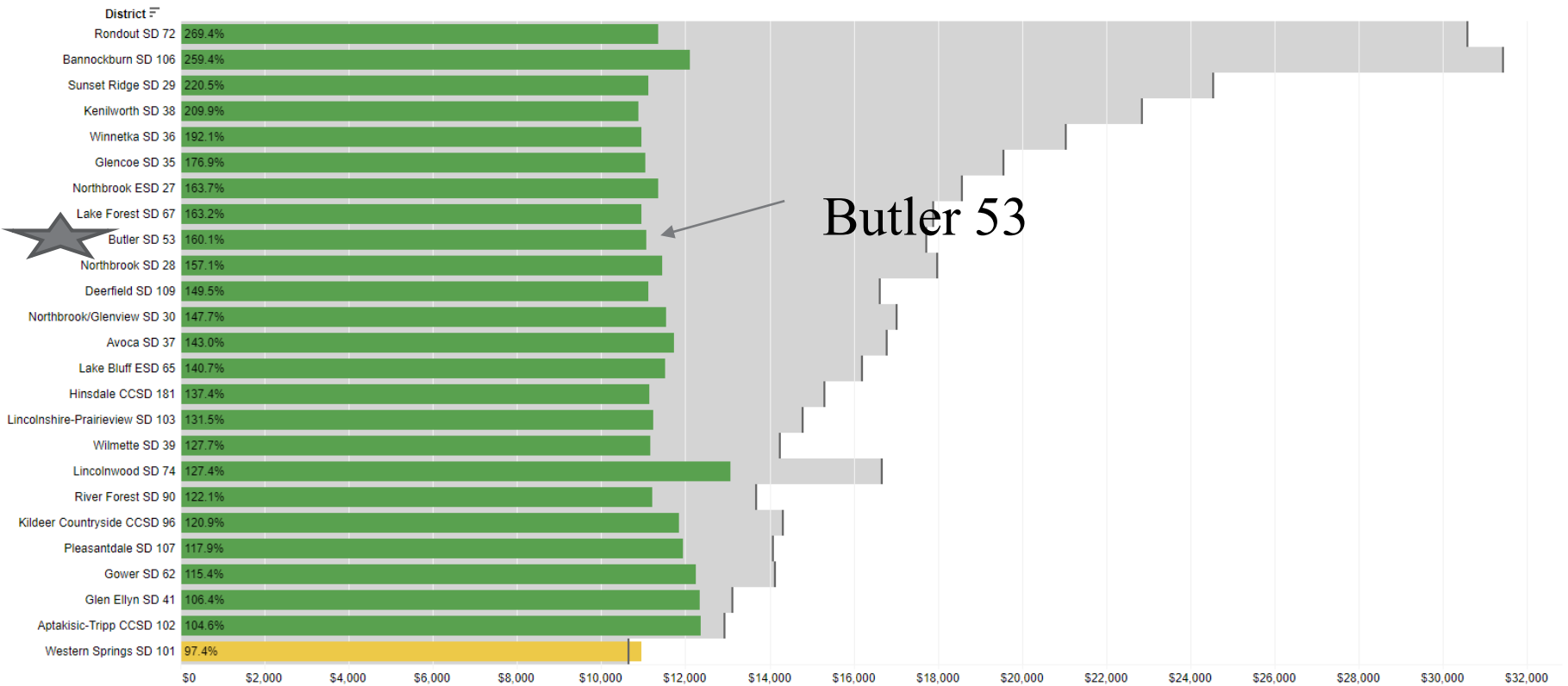
## Capital Projects

Projected Year-End Balances



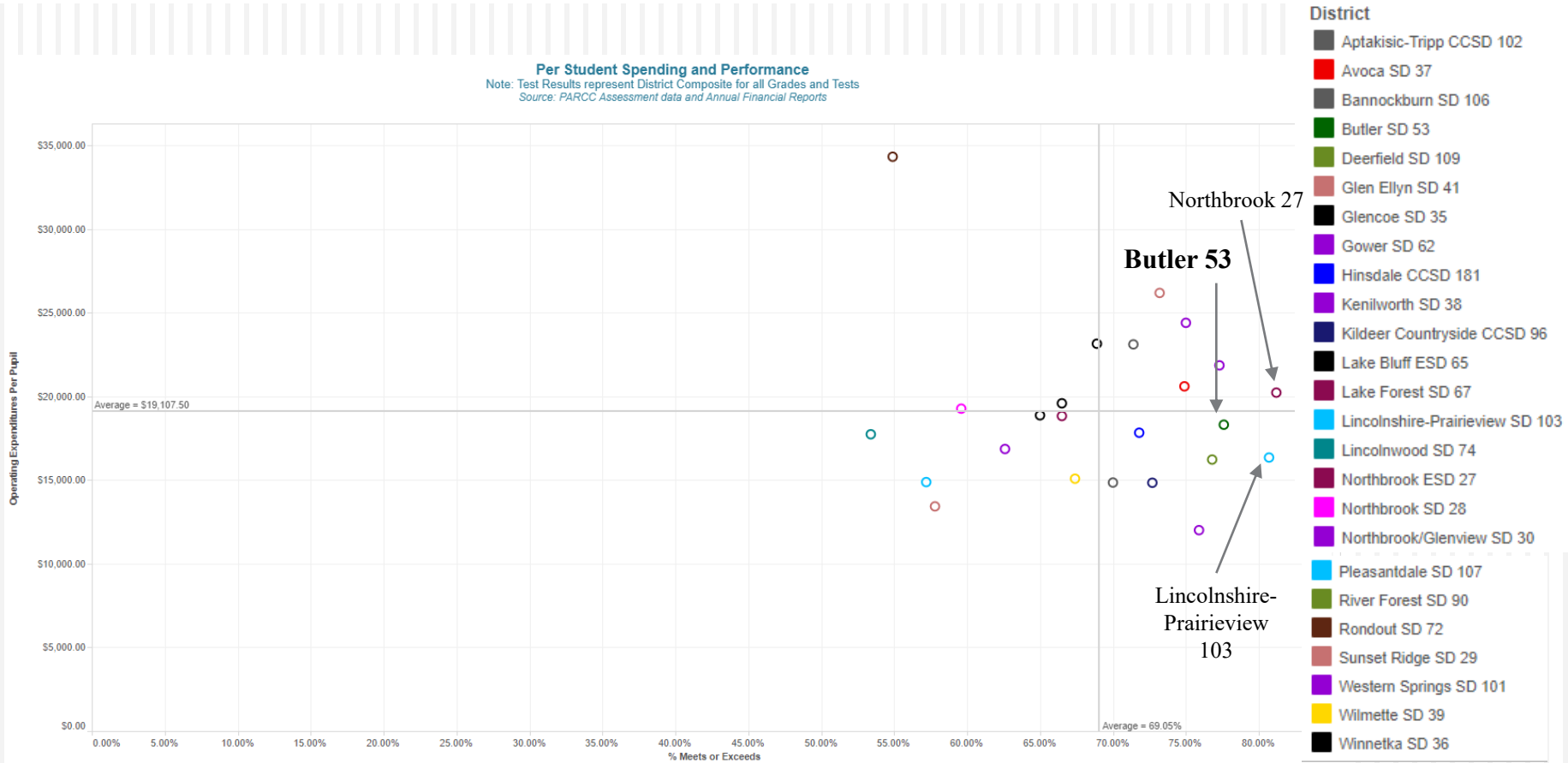
# Butler Compared to Peer School Districts

EBF Adequacy Level  
Funding Per Pupil  
Source: ISBE EBF detailed calculations 2020



# Student Spending & Performance

**Per Student Spending and Performance**  
 Note: Test Results represent District Composite for all Grades and Tests  
 Source: PARCC Assessment data and Annual Financial Reports

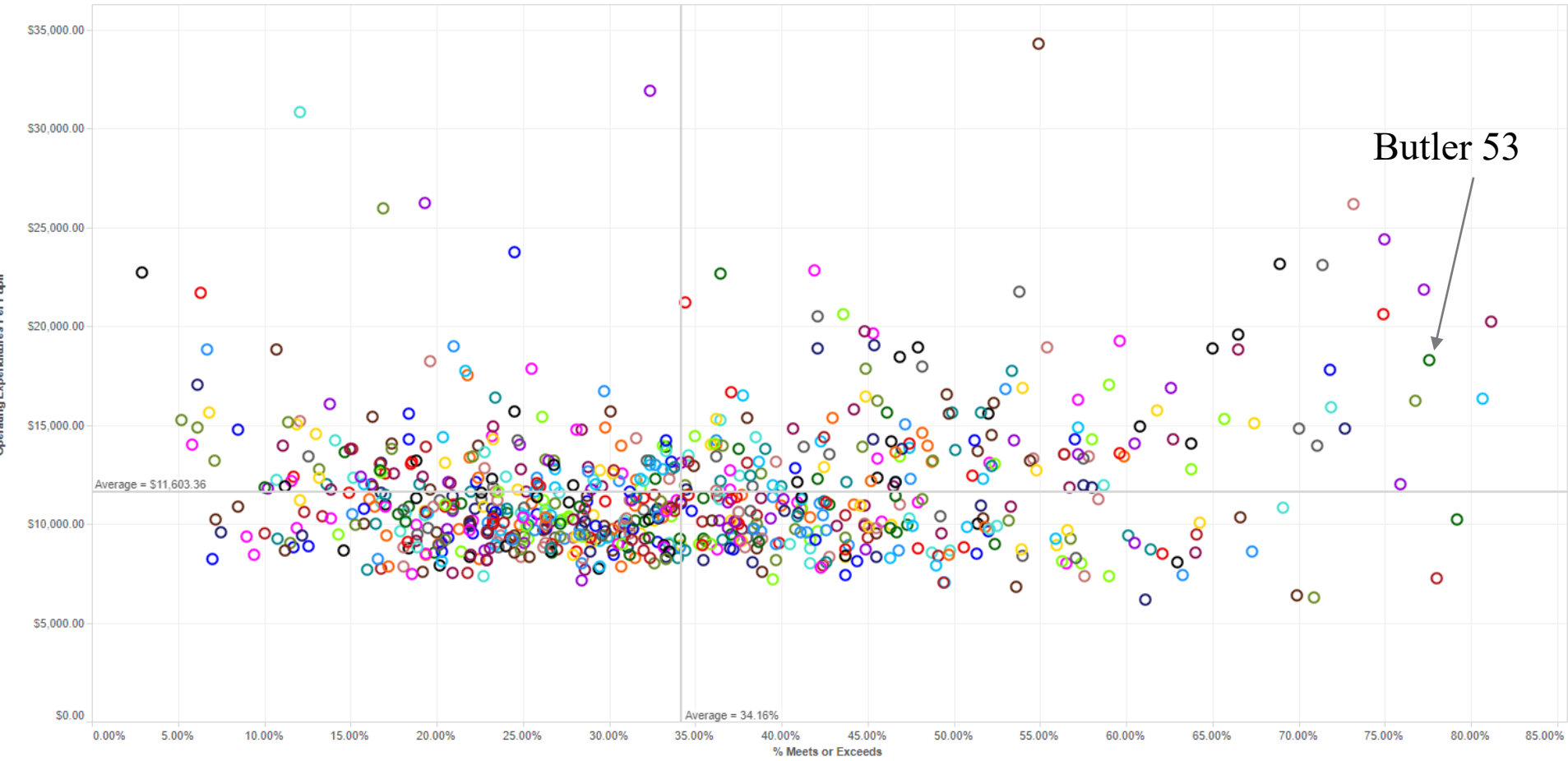


# Entire State...

## Per Student Spending and Performance

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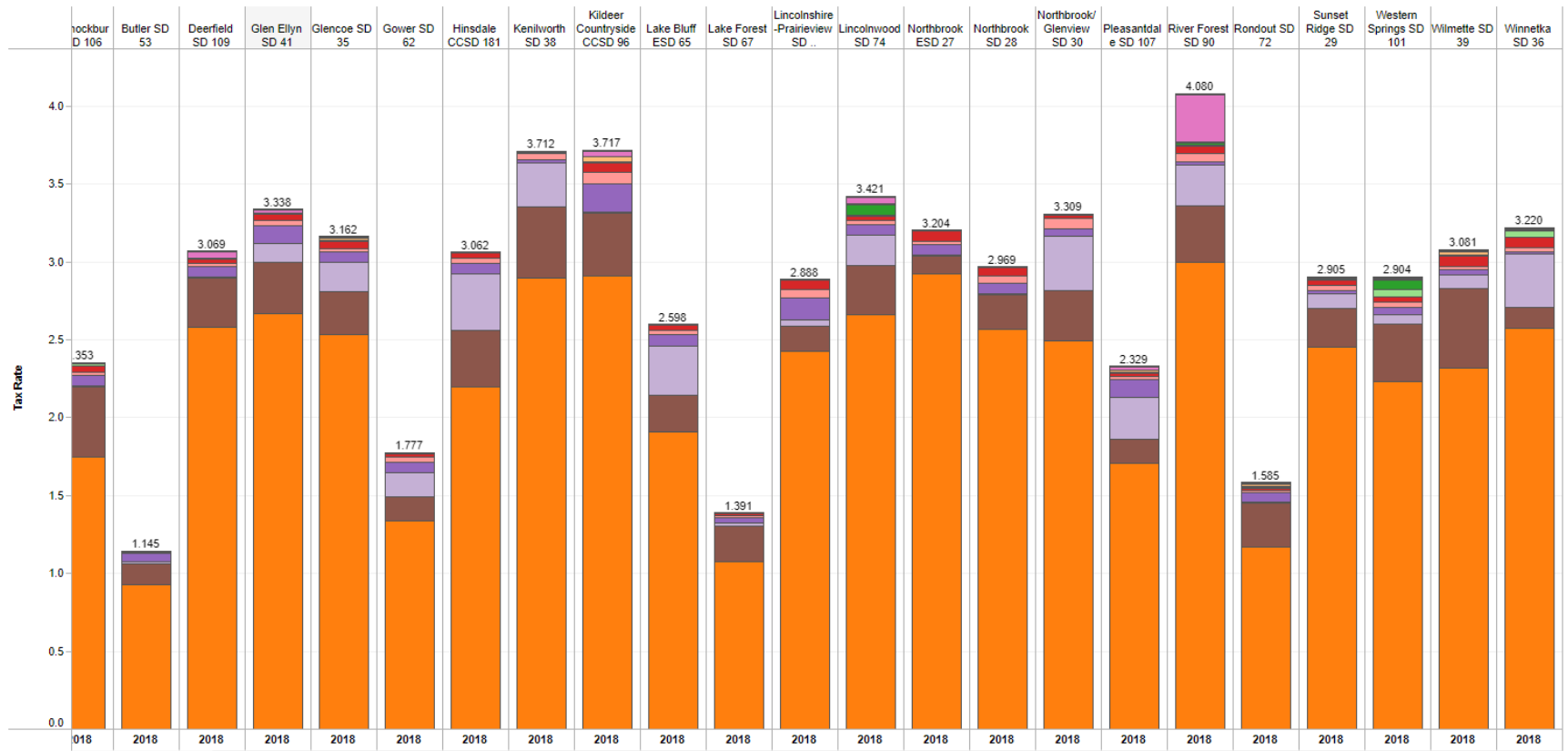




# 2018 Tax Rates Butler Peer Group

Tax Rates

Source: ISBE General State Aid data



# Budget Goals & Summary

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- Monitor Ed Fund Expenditures & Revenues
  - Continue to Evaluate Educational Needs Each Year & Adjust Spending
  - Evaluate Program Offerings, Instructional Staff Considering Enrollment
  - Monitor Investments
  
- Monitor Plan for Building Infrastructure Improvements
  - Continue Preventative Maintenance
  - Use of “in house” Staff for Repairs/Renovations
  - Plan for the Future with Flexibility
  - Monitor Capital Improvement Plan
  - Continue to Align Expenditures to Revenue

*The Administration recommends that the FY20 Budget be approved as presented.*

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