



**Arlington
Heights**
SCHOOL DISTRICT 25

Embracing Today – Inspiring Tomorrow

PATTON | OLIVE | IVY HILL | GREENBRIER | THOMAS
WINDSOR | WESTGATE | DRYDEN | SOUTH

2020-21 TENTATIVE BUDGET

Presented
August 13, 2020

By
Stacey Mallek, Asst. Supt. For
Business/CSBO



2020-21 Budget Assumptions

■ Revenues

■ Property Taxes

- CPI = 1.9% for 2019 and 2.3% for 2020
- 99% collection rate
- Reallocating between funds

■ Interest income = 0.5% (down from 2.0%)

■ Food service revenues decrease

■ No building rental revenue other than lease agreements

■ CPPRT decrease \$650K

■ State Funds

- Reduction in Transportation reimbursement as a result of lower 2019-20 expenditures due to COVID-19
- Summer Food Service Revenues

■ Federal Funds

- No significant changes
- ESSE Emergency Relief Grant \$200K

Arlington Heights School District #25

Summary of Revenues 2019-20 and 2020-21

| | Budget 2019-20 | Unaudited Actual* 2019-20 | Difference 2019-20 | Budget 2020-21 | % Change over 2019-20 Budget |
|--|----------------------|---------------------------------|-----------------------|----------------------|------------------------------------|
| <i>Operating Funds</i> | | | | | |
| Education (excludes State "on-be | \$ 63,880,518 | \$ 63,092,952 | \$ (787,566) | \$ 63,146,078 | -1.15% |
| Operations & Maintenance | \$ 7,794,447 | \$ 7,649,860 | \$ (144,587) | \$ 7,610,323 | -2.36% |
| Transportation | \$ 2,764,581 | \$ 1,836,280 | \$ (928,301) | \$ 3,082,122 | 11.49% |
| Capital Projects Fund | \$ 27,502 | \$ 36,759 | \$ 9,257 | \$ 69,667 | |
| Working Cash | \$ 167,400 | \$ 110,622 | \$ (56,778) | \$ 39,100 | |
| Operating Fund Totals: | \$ 74,634,448 | \$ 72,726,473 | \$ (1,907,975) | \$ 73,947,290 | -0.92% |
| IMRF/FICA | \$ 1,896,378 | \$ 1,735,419 | \$ (160,959) | \$ 2,375,399 | 25.26% |
| Tort Fund | \$ 238,295 | \$ 351,791 | \$ 113,496 | \$ 117,496 | -50.69% |
| Life Safety | \$ 36,600 | \$ 33,552 | \$ (3,048) | \$ 35,442 | -3.16% |
| Other Funds Sub-Total | \$ 2,171,273 | \$ 2,120,762 | \$ (50,511) | \$ 2,528,337 | 16.44% |
| Sub-Total Funds less Bond & | \$ 76,805,721 | \$ 74,847,235 | \$ (1,958,486) | \$ 76,475,627 | -0.43% |
| Bond & Interest | \$ 4,473,804 | \$ 4,335,603 | \$ (138,201) | \$ 4,426,954 | |
| Total All Funds (\$376,944) | \$ 81,279,525 | \$ 79,182,838 | \$ (2,096,687) | \$ 80,902,581 | -0.46% |

Changes in Revenue Budget

| REVENUES | | | | |
|----------------|--------------------------|------------------------------|--------------------------|----------------------------------|
| | 2019-20 <u>Budget</u> | 2019-20 <u>Est Actual</u> | 2020-21 <u>Budget</u> | % Chg Budget <u>to Budget</u> |
| Property Taxes | \$67,334,559 | \$65,423,968 | \$69,430,871 | 3.1% |
| CPPRT | 1,098,819 | 1,039,008 | 613,350 | -44.2% |
| Interest | 1,143,000 | 942,081 | 289,500 | -74.7% |
| Food Service | 1,851,520 | 1,667,327 | 934,040 | -49.6% |
| Textbooks | 287,100 | 297,893 | 285,700 | -0.5% |
| Tuition | 197,000 | 93,707 | 197,000 | 0.0% |
| Rentals | 993,300 | 1,062,336 | 916,890 | -7.7% |
| Other Local | 537,752 | 398,356 | 504,999 | -6.1% |
| State | 5,776,292 | 5,534,010 | 5,150,283 | -10.8% |
| Federal | 2,060,184 | 2,724,152 | 2,579,949 | 25.2% |
| | \$81,279,525 | \$79,182,838 | \$80,902,581 | -0.5% |

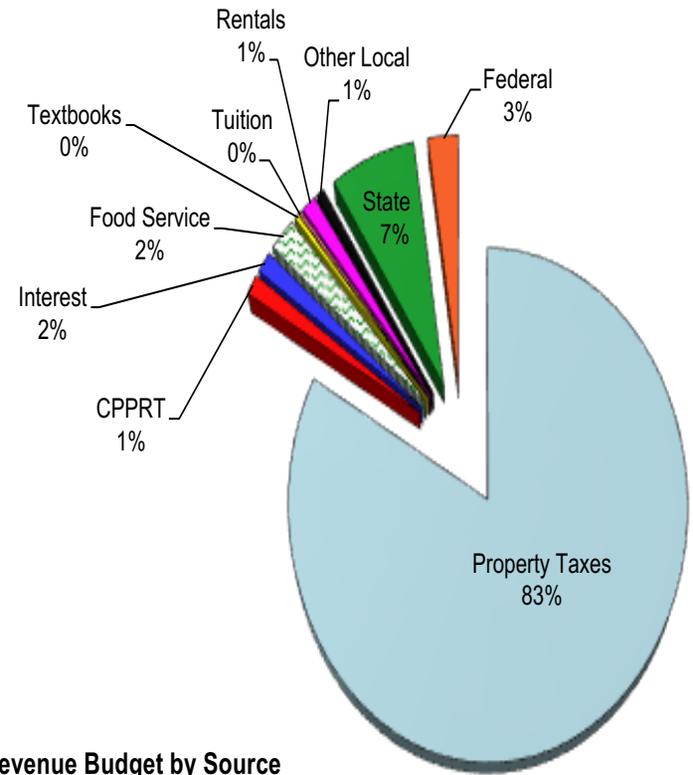
Total Revenue Budget Decrease

(\$376,944)

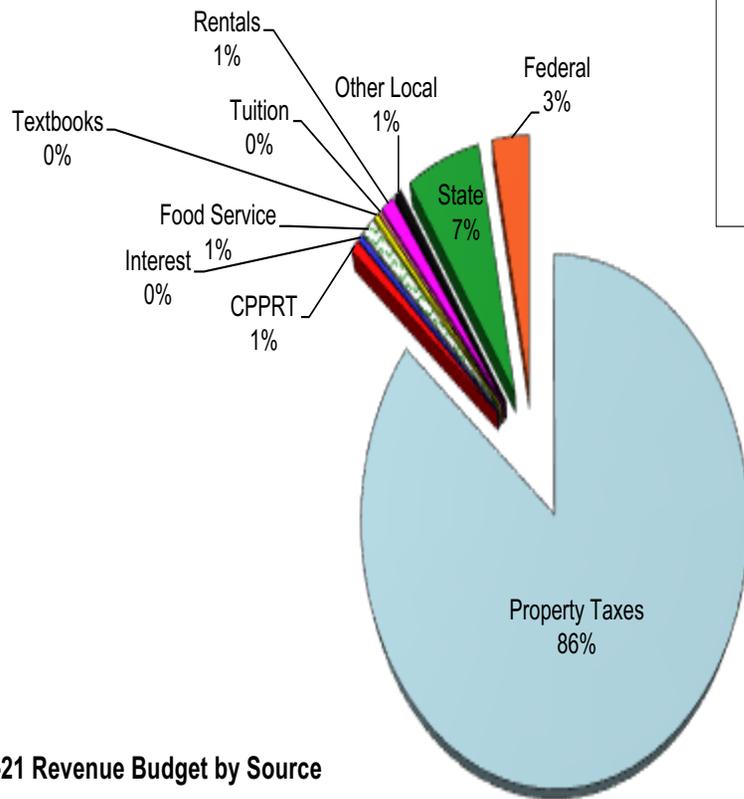
Major Changes in Revenue Budget from 2019-20

| | |
|----------------------------|---------------------|
| Property Taxes | \$ 2,096,311 |
| Food Service Revenues | \$ (733,287) |
| Building Rentals | \$ (75,410) |
| CPPRT | \$ (652,581) |
| SPED Private Tuition | \$ (62,024) |
| Transportation Fees | \$ (49,180) |
| State Transportation Reimb | \$ (563,985) |
| Title I Grant | \$ (51,179) |
| Title II Grant | \$ (29,537) |
| Title III Grant | \$ 20,000 |
| ESSA Emergency Relief | \$ 200,439 |
| IDEA Flowthrough | \$ 189,571 |
| Interest Income | \$ (652,581) |
| Erate | \$ (25,000) |
| Total | \$ (388,443) |

Total Revenue Budget Decrease (\$376,944)



2019-20 Revenue Budget by Source



2020-21 Revenue Budget by Source

2020-21 Budget Assumptions

■ Expenditures

- 2020-21 Personnel Plan approved in spring
- Personnel Costs
 - Salaries based on negotiated agreements or tied to CPI
 - Health Insurance costs increased by 6%
 - No pension shift incorporated at this time
- Cost neutral to the extent possible
- Technology Plan budget of \$1,357,500
- Increased 1:1 technology (ESSA Emergency Relief)
- Decrease in Special Education Tuition
- Decrease in community food service supplies

2020-21 Budget Assumptions

■ Expenditures

- Continue District vehicle replacement
- Telephone/fiber cost decrease
- Insurance Premiums increase (prop/liab/WC)
- Capital Projects
 - Summer Projects of \$5.3 million
- Debt service on bond issues
- Contingency Funds
 - 5 certified staff
 - 6 non-certified staff
 - \$100,000 non-staff in Ed Fund
 - \$50,000 in Capital Projects Fund

Arlington Heights School District #25

Summary of Expenditures 2019-20 and 2020-21

| | Budget 2019-20 | Unaudited Actual 2019-20 | Difference 2019-20 | Budget 2020-21 | % Change over 2019-20 Budget |
|---|----------------------|--------------------------------|-----------------------|----------------------|------------------------------------|
| <i>Operating Funds</i> | | | | | |
| Education (excludes State "on-behalf" payments) | \$ 64,268,860 | \$ 61,511,918 | \$ 2,756,942 | \$ 65,707,983 | 2.24% |
| Operations & Maintenance | \$ 5,720,885 | \$ 5,156,220 | \$ 564,665 | \$ 5,558,370 | -2.84% |
| Transportation | \$ 2,932,400 | \$ 2,100,406 | \$ 831,994 | \$ 2,995,600 | 2.16% |
| Capital Projects Fund | \$ 2,622,900 | \$ 2,705,012 | \$ (82,112) | \$ 5,340,027 | 103.59% |
| Working Cash | | | \$ - | | |
| Operating Fund Totals: | \$ 75,545,045 | \$ 71,473,557 | \$ 4,071,488 | \$ 79,601,980 | 5.37% |
| IMRF/FICA | \$ 2,386,510 | \$ 2,085,720 | \$ 300,790 | \$ 2,495,490 | 4.57% |
| Tort Fund | \$ 277,000 | \$ 319,945 | \$ (42,945) | \$ 355,000 | 28.16% |
| Life Safety | \$ 425,000 | \$ 262,885 | \$ 162,115 | \$ 200,000 | -52.94% |
| Other Funds Sub-Total | \$ 3,088,510 | \$ 2,668,550 | \$ 419,960 | \$ 3,050,490 | -1.23% |
| Sub-Total Funds less Bond & Interest | \$ 78,633,555 | \$ 74,142,107 | \$ 4,491,448 | \$ 82,652,470 | 5.11% |
| Bond & Interest | \$ 4,414,590 | \$ 4,414,542 | \$ 48 | \$ 4,419,364 | |
| Total All Funds | \$ 83,048,145 | \$ 78,556,649 | \$ 4,491,496 | \$ 87,071,834 | 4.85% |
| Without Capital Projects | \$ 80,425,245 | \$ 75,851,637 | +\$ 1,306,562 | \$ 81,731,807 | 1.625% |

Changes in Expenditure Budget

| EXPENDITURES | | | | |
|--------------------|---------------------|---------------------|---------------------|------------------|
| | 2019-20 | 2019-20 | 2020-21 | % Chg Budget |
| | <u>Budget</u> | <u>Est Actual</u> | <u>Budget</u> | <u>to Budget</u> |
| Salaries | \$50,000,064 | \$48,378,912 | \$51,559,213 | 3.1% |
| Employee Benefits | 10,466,738 | 10,025,674 | 10,801,949 | 3.2% |
| Purchased Svcs | 5,965,385 | 4,816,059 | 5,942,198 | -0.4% |
| Supplies | 5,263,738 | 4,517,182 | 4,996,629 | -5.1% |
| Capital Outlay | 825,909 | 632,905 | 949,544 | 15.0% |
| Construction | 2,622,900 | 2,705,012 | 5,340,027 | 103.6% |
| Other | 223,130 | 169,149 | 223,182 | 0.0% |
| Special Ed Tuition | 2,878,716 | 2,635,754 | 2,681,030 | -6.9% |
| Debt | 4,376,565 | 4,413,117 | 4,378,062 | 0.0% |
| Life Safety | 425,000 | 262,885 | 200,000 | -52.9% |
| | \$83,048,145 | \$78,556,649 | \$87,071,834 | 4.8% |

Total Expenditure Budget Increase

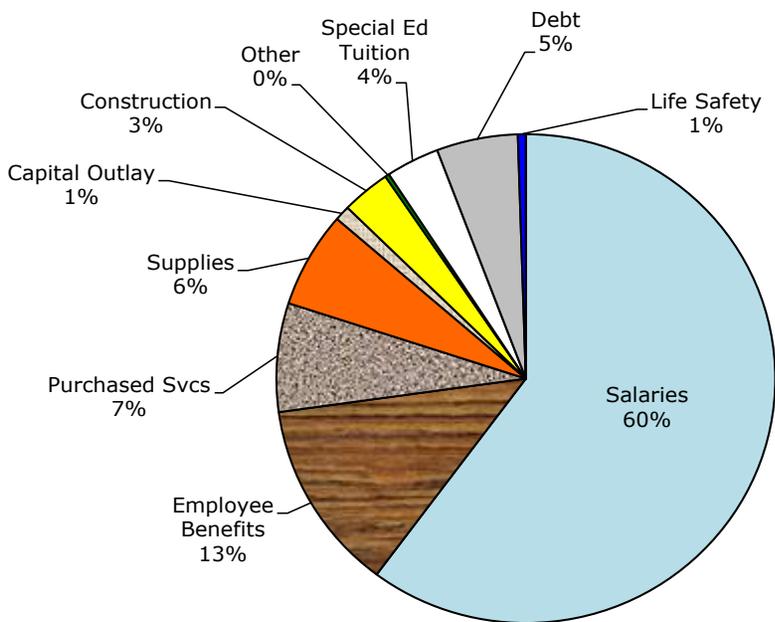
\$4,023,689

Major Changes in Expenditure Budget from 2019-20

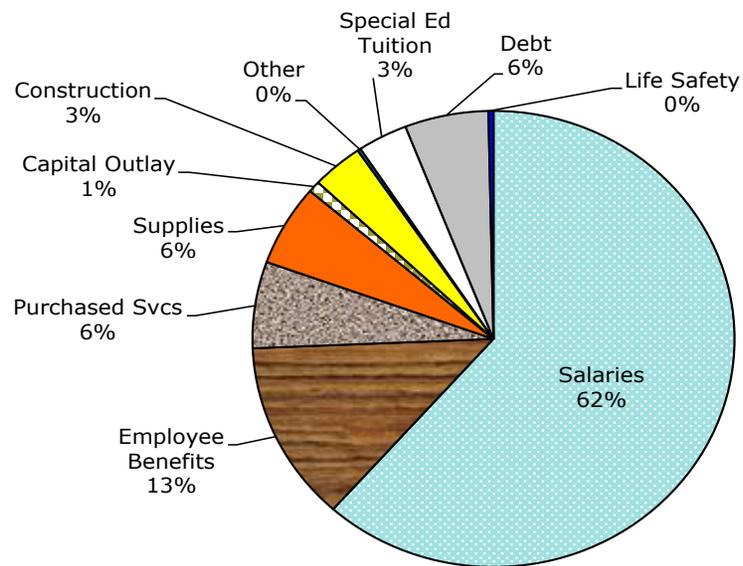
| | |
|---|---------------------|
| Salaries | \$ 1,559,149 |
| Employee Benefits | \$ 335,211 |
| Prof Services-Admin (enrollmt study/fingerprinting) | \$ 40,000 |
| Food Service Supplies | \$ (182,000) |
| Insurance Premiums (Prop/Liab & Wrkrs Comp) | \$ 138,025 |
| Telephone/Fiber | \$ (269,000) |
| Transportation | \$ 56,700 |
| SPED Tuition | \$ (197,686) |
| Construction (life safety) | \$ (225,000) |
| Construction (capital projects) | \$ 2,717,127 |
| Total | \$ 3,972,526 |

Total Expenditure Budget Increase

\$4,023,689

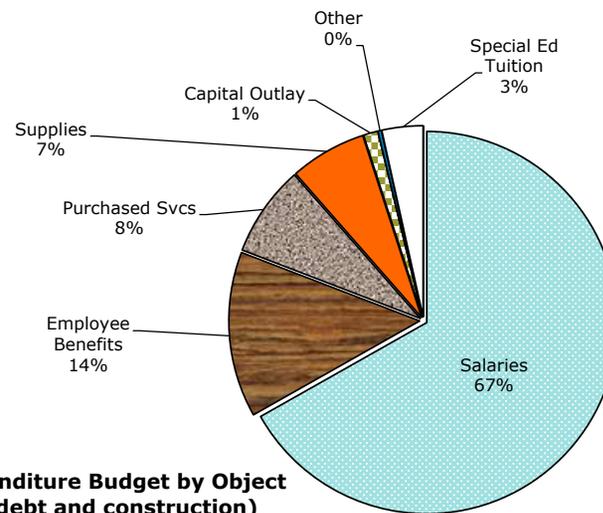


2019-20 Expenditure Budget by Object



2020-21 Expenditure Budget by Object

Personnel Costs = 81% of Budget
(Excluding Debt & Construction)



**2020-21 Expenditure Budget by Object
(excluding debt and construction)**

Arlington Heights School District #25
Summary of Fund Balance 2020-21 Budget

| | Unaudited Fund Balance 6/30/20 | Revenue Projection | Transfers In | Expenditure Projection | Transfers Out | Projected Fund Balance 6/30/21 | Surplus (Deficit) |
|---|--------------------------------------|-----------------------|---------------------|---------------------------|---------------------|--------------------------------------|-----------------------|
| <i>Operating Funds</i> | | | | | | | |
| Education: | \$ 41,307,099 | \$ 63,146,078 | | \$ 65,707,983 | \$ 39,877 | \$ 38,705,317 | \$ (2,601,782) |
| Operations & Maintenance | \$ 4,701,292 | \$ 7,610,323 | \$ 250,000 | \$ 5,558,370 | \$ 5,421,642 | \$ 1,581,603 | \$ (3,119,689) |
| Transportation | \$ 932,606 | \$ 3,082,122 | | \$ 2,995,600 | | \$ 1,019,128 | \$ 86,522 |
| Capital Projects Fund | \$ (101,282) | \$ 69,667 | \$ 5,421,642 | \$ 5,340,027 | | \$ 50,000 | \$ 151,282 |
| Working Cash | \$ 7,800,635 | \$ 39,100 | | \$ - | \$ 250,000 | \$ 7,589,735 | \$ (210,900) |
| Operating Fund Totals: | \$ 54,640,351 | \$ 73,947,290 | \$ 5,671,642 | \$ 79,601,980 | \$ 5,711,519 | \$ 48,945,784 | \$ (5,694,567) |
| IMRF/FICA | \$ 1,358,889 | \$ 2,375,399 | | \$ 2,495,490 | | \$ 1,238,798 | \$ (120,091) |
| Tort Fund | \$ 355,463 | \$ 117,496 | | \$ 355,000 | | \$ 117,959 | \$ (237,504) |
| Life Safety | \$ 284,710 | \$ 35,442 | | \$ 200,000 | | \$ 120,152 | \$ (164,558) |
| Other Funds Sub-total | \$ 1,999,061 | \$ 2,528,337 | \$ - | \$ 3,050,490 | \$ - | \$ 1,476,908 | \$ (522,153) |
| Sub-Total Funds less Bond & Interest | \$ 56,639,412 | \$ 76,475,627 | \$ 5,671,642 | \$ 82,652,470 | \$ 5,711,519 | \$ 50,422,692 | \$ (6,216,720) |
| Bond & Interest | \$ 1,125,236 | \$ 4,426,954 | \$ 39,877 | \$ 4,419,364 | | \$ 1,172,703 | \$ 47,467 |
| Total All Funds | \$ 57,764,648 | \$ 80,902,581 | \$ 5,711,519 | \$ 87,071,834 | \$ 5,711,519 | \$ 51,595,395 | \$ (6,169,253) |

2020-21 Budget Impact

| | | |
|---|---|-----------------------|
| Deficit Due to Construction/ Life Safety | ★ | \$ 5.5 million |
| Total Budget Deficit | ★ | <u>\$ 6.2 million</u> |
| Operating Budget Deficit | ★ | \$ 0.7 million |

| | | |
|--------------------------|---|------------------------|
| 2019-20 Budgeted Deficit | - | \$ 1.8 million |
| 2019-20 Est Surplus | ★ | <u>+\$ 0.6 million</u> |
| Fund Balance Impact | + | \$ 2.4 million |

| | Est Actual 2019/20 | Budget 2020/21 |
|------------------------------------|-----------------------|-------------------------|
| Revenues | | |
| Property Taxes | \$ 65,423,965 | \$ 69,430,870 |
| CPPRT | \$ 1,039,008 | \$ 613,350 |
| Interest | \$ 942,081 | \$ 289,500 |
| Food Service | \$ 1,667,327 | \$ 934,040 |
| Rentals | \$ 1,062,336 | \$ 916,890 |
| Other Local (tuition, fees, etc.) | 789,956 | 987,699 |
| Bonds | - | - |
| State | 5,534,010 | 5,150,283 |
| Federal | <u>2,724,152</u> | <u>2,579,949</u> |
| Total Revenues | \$79,182,835 | \$ 80,902,581 |
| Expenditures | | |
| Salaries | 48,378,912 | 51,559,213 |
| Employee Benefits | 10,025,674 | 10,801,949 |
| Purchased Svcs | 4,816,059 | 5,942,198 |
| Supplies | 4,517,182 | 4,996,629 |
| Capital Outlay | 632,905 | 949,544 |
| Other | 169,149 | 183,305 |
| Tuition | 2,635,754 | 2,681,030 |
| Debt | 4,413,117 | 4,417,939 |
| Sub-Total Expenditures | \$75,588,752 | \$ 81,531,807 |
| Sub-Total Surplus/(Deficit) | \$ 3,594,083 | ★ \$ (629,226) |
| Construction/Life Safety | <u>2,967,897</u> | ★ 5,540,027 |
| Total Surplus/(Deficit) | \$ 626,186 | ★ \$ (6,169,253) |
| Ending Fund Balance | 57,764,692 | 51,595,439 |
| Less: Debt Service FB | (1,125,236) | (1,172,703) |
| Net Fund Balance | 56,639,456 | 50,422,736 |
| % of next yr's budget | 68.5% | 62.3% |

Budget Timeline

| | |
|----------------|--|
| Nov 2019 | Adopt tax levy |
| Jan-Mar 2020 | Build budget assumptions |
| Feb - Jun 2020 | Build budget (building allocations, departments, staffing, enrollment) |
| Apr 2020 | Personnel Plan approved by Board |
| Jul 2020 | Presentation of Tentative Budget |
| Aug 2020 | Continue budget updating for changes |
| Sept 2020 | Public Hearing and Final budget adoption |