



## Board of Education Meeting - Bensenville School District 2 September 20, 2023

### Conference/Action Item

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#### **A. Adoption of 2023-2024 Budget**

##### Background

The Board will hold a public hearing concerning the budget on September 20.

Public review of the tentative budget began on Monday, August 21. The required notice was published on August 17, 2023.

After publication of the tentative budget, both revenues and expenses have been further revised for the final budget.

##### Administrative Considerations

This memorandum summarizes the proposed budget. The full budget document is linked [here](#).

- The budget surplus is about \$16,000. This amount is best considered in two parts: Operations and Construction.
  - For Operations, the projected surplus is about \$1,800,000, or 4% of revenue. See the next page.
  - For Construction, spending of about \$1,800,000 is projected, all of it for the Blackhawk renovation.
- Revenues are detailed on page 3.
  - Basic Operating Revenues are projected to increase about \$1,000,000 from the prior year, or about 2%.
  - Special-purpose revenues are projected to decrease about \$1,100,000. The COVID-recovery grants known as ESSER are in this group, as are grants for food service, Community Schools, and School Climate Transformation.
- Expenses are detailed on page 4.
  - Costs are projected to increase about \$3,000,000 over the prior year, before allowing for construction or contingencies.
- Fund balances are shown on page 5. They will all be positive. Fund transfers will be proposed in October to the Transportation Fund.
- Contingencies of \$850,000 are included in expenditures.

##### Options Considered

This year's budget is the third one with substantial spending from the ESSERs grants. In general, those grants pay for expenses that would not otherwise have been incurred.

These changes are proposed from the Tentative Budget:

- Revenue is increased about \$200,000 for additional interest income and reduced about \$100,000 due to lower-than-expected refund from NDSEC of prior year costs.
- Expenses are increased \$240,000 for greater lunch and breakfast volumes than last year; \$52,000 to replace out-of-date HVAC software at two buildings; \$49,000 to replace projector and screen systems in school cafeterias; and \$44,000 to replace a playground surface at Johnson School.

##### Fund Affected

All funds.

##### Recommendation

That the Board of Education adopt the [2023-24 Budget](#) is recommended.

# Overview, Cash Position

Beginning Cash Balance	41,245,925
Operating Surplus <sup>/1/</sup>	1,802,668
BMS Construction	-1,786,667
Overall Budget Surplus	16,001
BCPL loan repayment	60,000
Projected June 30, 2024 Balance	41,321,926
Projected May 31, 2024 Balance	28,007,706

<sup>/1/</sup> Assumes full spending of \$850,000 of contingencies.

## Revenue By Source

	As % of Revenue	Budget 23-24	Results 22-23	Comments
Property Tax	69%	\$31,785,018	\$30,404,711	Increase of 4.5%.
Illinois Corporate Income Tax	6%	\$2,554,512	\$3,542,341	Decrease of 28% due to recalculation of 2022 receipts.
General State Aid	10%	\$4,597,516	\$4,558,362	Increase of 0.9%. ISBE assigned a lower Tier than 2022-23.
Special Ed, Fed & State	2%	\$773,956	\$708,210	Illinois will reimburse higher SpEd costs this year.
Title Grants	1%	\$376,554	\$559,834	Lower Title allocations.
PreK for all	1%	\$357,872	\$353,472	About same as prior year.
Birth-to-3	1%	\$304,604	\$315,627	About same as prior year.
Other Grants, Federal	0%	\$128,499	\$191,136	Medicaid grant estimated conservatively; could be greater.
Other Grants, State and Private	1%	\$277,000	\$387,787	IL maint. grant, \$50k last year, not announced for 2024.
NDSEC refunds and miscellaneous	4%	\$2,066,529	\$1,170,309	Interest income is projected to be higher than prior year.
<b>Basic Operating Revenue, S/T</b>	<b>93%</b>	<b>\$43,222,060</b>	<b>\$42,191,789</b>	<b>Basic Operations: Property tax and Interest Income are higher; Corporate Tax is lower.</b>
<i>Full-Service Community Schools</i>	0%	\$90,000	\$653,937	<i>Grant ends this September.</i>
<i>School Climate Transformation Grant</i>	2%	\$726,824	\$746,003	<i>About same as prior year. Continues thru Sep 2024.</i>
<i>Food Service (Grants &amp; Sales)</i>	2%	\$1,146,000	\$1,102,375	<i>This revenue dedicated to food service.</i>
<i>COVID-related grants for 2020-2024</i>	2%	\$1,136,596	\$1,680,628	<i>For COVID recovery expenses. Continues thru Sep 2024.</i>
<b>Special Purpose Grants, S/T</b>	<b>7%</b>	<b>\$3,099,420</b>	<b>\$4,182,943</b>	<i>25% decrease in Special Purpose Grants.</i>
<b>All Operating Revenues</b>	<b>100%</b>	<b>\$46,321,480</b>	<b>\$46,374,732</b>	<b>Overall Revenue decreases 0.1%.</b>

## Expense by Type

	Budget w/o Contingencies	Contingencies	Total Budget	Compare Prior Year Actuals	Comments
Salaries	23,392,463	195,000	23,587,463	22,248,562	Increased over prior year for higher salaries.
Employee Benefits	6,401,453	73,000	6,474,453	6,077,199	Same as salaries.
Purchased Services	6,709,814	160,000	6,869,814	5,683,349	Higher costs and new purchases.
Tuition	1,653,340	125,000	1,778,340	1,491,931	Higher student count at non-D2 schools.
Supplies & Materials	2,511,261	147,000	2,658,261	2,723,384	Small decrease forecasted.
Capital Outlay (w/o construction)	1,276,456	150,000	1,426,456	737,811	New buses.
Debt Service	1,462,214	0	1,462,214	1,462,892	Same as prior year.
Other Objects	12,945	0	12,945	25,522	Not a significant category.
Non-Capitalized Equipment	248,866	0	248,866	215,636	Not a significant category.
<b>Operating Expenditures</b>	<b>43,668,812</b>	<b>850,000</b>	<b>44,518,812</b>	<b>40,666,287</b>	<b>Without contingences, ~7% increase over prior year</b>
Construction	1,786,667	0	1,786,667	432,096	BMS renovation costs
<b>Total Expenditures</b>	<b>45,455,479</b>	<b>850,000</b>	<b>46,305,479</b>	<b>41,098,384</b>	

## Budget By Fund

	Cash Balance at Prior Year- End	Revenues	Expenses	Surplus (Deficit)	Fund Transfer (Out) In	BCPL Loan Payment Received	Balance at Year-End
Education	\$34,246,151	\$38,820,551	\$36,768,849	\$2,051,702	(\$500,000)	\$60,000	\$35,857,853
Operations & Maintenance	3,691,712	4,072,217	5,151,113	(1,078,896)			\$2,612,816
Bond	1,839,744 <sup>1</sup>	1,290,450	1,467,214	(176,764)			\$1,662,980
Transportation	386,670	1,148,682	2,056,990	(908,308)	\$600,000		\$78,362
IMRF & Social Security	297,219	759,197	627,308	131,889		\$0	\$429,108
Working Cash	563,284	9,825	0	9,825	(\$100,000)		\$473,109
Tort	219,713	220,544	234,005	(13,461)			\$206,252
Construction & Life Safety	1,432	14	0	14			\$1,446
<b>Totals All Funds</b>	<b>\$41,245,925</b>	<b>\$46,321,480</b>	<b>\$46,305,479</b>	<b>\$16,001</b>	<b>\$0</b>	<b>\$60,000</b>	<b>\$41,321,926</b>

<sup>1</sup> Total debt obligations were \$34.216M at June 30, 2023. Cash in the Bond Fund secures obligations due in the next year.