



FY 2024 Budget Presentation

August 21, 2023

Budget Alignment to Strategic Plan



U46 STRATEGIC PLAN AUG 2022 Revised



Student Success

It is our responsibility to ensure all students are engaged in rigorous learning, receive quality core instruction, and can develop the skills they need for better life chances and opportunities. By helping students develop self and peer agency, they will develop a growth mindset as they learn to expand their perspectives.

Effective & Engaged Staff

We will value, develop, recruit, and retain a forward-thinking, highly qualified, and diverse workforce. We will establish a robust process for measuring employee engagement to identify and proactively address employee engagement issues.

Culture, Climate & Community

We will engage in meaningful and effective relationships with our students, families and the greater community and will ensure that our schools are welcoming and inviting places for all of our U-46 students and families. We will become a choice district that inspires families to join us.

Excellence, Efficiency & Accountability

We will advocate for and utilize systems and resources that promote fiscal equity, operational excellence, efficiency and accountability. It is our moral imperative to change until all our systems measurably work for all students.

Executing the STRATEGIC PLAN



Excellence, Efficiency, & Accountability... Financial Operations strives daily to execute the mission of the district with the focus on the 4th pillar of the U-46 Strategic Plan. The work culminates in the highest recognition provided to School District Budgets - the Meritorious Budget Award - given by the Association of School Business Officials International.



- U-46 is 1 of 15 Illinois Districts
- Awarded
 - FY23
 - FY22
 - FY21
 - FY20
 - FY19
 - FY18
 - FY17



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

- Factors Considered to Determine Award
 - Skills in developing and analyzing an effective budget
 - Communication between departments to develop long-term and short-term strategies
 - Clear budget guidelines
 - Confidence building in our community with a reader-friendly budget

Executing the STRATEGIC PLAN



Budgeting with an Equity Mindset... Equity Plan - Pillar 4: Assure equity by explicitly allocating additional resources to areas of greater need as well as addressing climate and culture issues by establishing structures and guidelines for strong, positive communication among all district stakeholder groups. The Operations Leadership thus created the goal of **Fiscal Equity** that creates a vision to allocate both in classroom and capital funds based on need rather than enrollment alone.

- Multi-year, living, agile process
- Steps taken in FY24
 - Location based allocation - allowed each school and department to create needs-based requests
 - Analyzed all submissions with an equity lens
 - Analyze Evidence-Based Funding (EBF) revenue with an equity lens
- Outcome considerations
 - Increase spending in the Capital Project Plan with focus on more equitable facilities at all levels for all students
 - Established perspectives for equity of per classroom funding
 - Established perspectives for Culture Building for students and families
 - Established perspectives for Culture Building for staff



Executing the STRATEGIC PLAN



Fiscal Equity... Implementing the Strategic Goal of Fiscal Equity is a multi-year process. Factors that will continue to be studied with a fiscal lens are student characteristics (low-income, special education, and English language learner status), school type (elementary, middle, high), and equitable distribution of funding to all schools. The execution will rely heavily on collaboration with all stakeholders!

- Future Considerations
 - Weighted Student Funding Formula taking into account grant access - both Federal and State
 - Perspective for
 - New teacher classroom establishment
 - Equitable out of classroom experiences
 - Equitable extracurricular funding
 - Social, emotional learning needs
 - Analyzing the Capital Project Plan and maintenance projects
 - Federal and State analysis for best grant alignment programming
 - Continued analysis on EBF formula and allocation of resources



FY24 Budget Focus



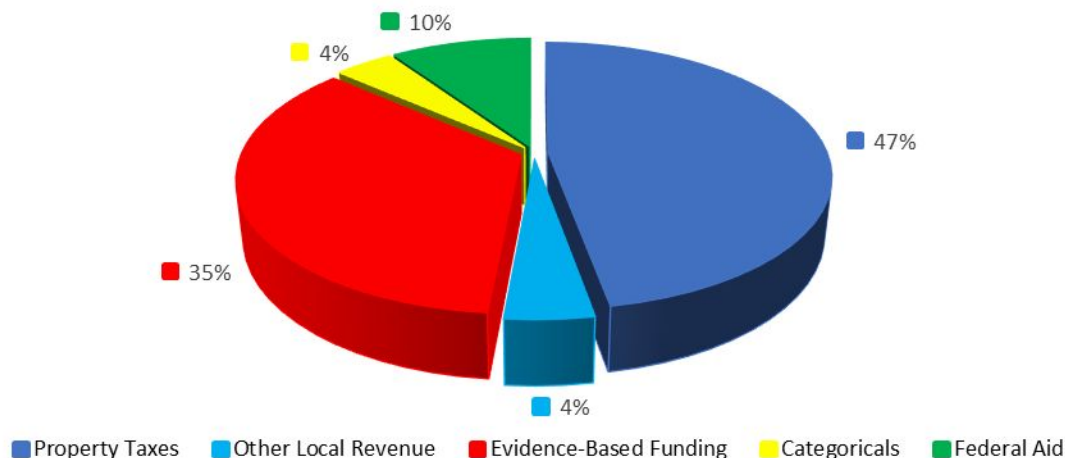
All Funds	<u>FY 2023 Final Budget</u>	<u>FY 2024 Tent. Budget</u>	<u>Change from Prior Budget</u>
Revenue			
Taxes	\$332,661,971	\$342,757,991	\$10,096,020
Local Revenue	\$18,338,128	\$30,969,000	\$12,630,872
Evidence Based Funding	\$233,248,949	\$254,241,354	\$20,992,405
Categoricals	\$31,838,793	\$29,190,904	-\$2,647,889
Federal Aid	\$74,435,033	\$69,356,400	-\$5,078,633
Other Revenue	\$0	\$0	\$0
Total Revenue	\$690,522,874	\$726,515,649	\$35,992,775
Expenditures			
Salaries	\$347,402,077	\$361,495,905	\$14,093,828
Employee Benefits	\$118,060,191	\$124,434,913	\$6,374,722
Purchased Services	\$67,187,142	\$70,896,016	\$3,708,874
Supplies and Materials	\$47,092,219	\$52,210,860	\$5,118,641
Capital Outlay	\$52,976,202	\$111,191,479	\$58,215,277
Other Expenditures	\$56,575,383	\$49,643,452	-\$6,931,931
Non-Cap Equip	\$7,089,370	\$5,446,644	-\$1,642,726
Total Expenditures	\$696,382,584	\$775,319,269	\$78,936,685
Other Financing Sources	\$0	\$50,000,000	\$50,000,000
Net Change in Fund Balance	-\$5,859,710	\$1,196,380	\$7,056,090

FY24 Budget Focus



Revenue... Revenue for school districts comes from three main sources: local, state, and federal. Through educational analysis, the Finance Team projects anticipated incoming cash.

Revenue	FY24 Budget
Local Sources	
Property Taxes	\$ 342,757,991
Other Local Revenue	30,969,000
Total Local Sources	373,726,991
State Sources	
Evidence-Based Funding	254,241,354
Categoricals	29,190,904
Total State Sources	283,432,258
Federal Sources	69,356,400
Total Revenue	\$ 726,515,649



FY24 Budget Focus



Local revenue... Local revenue is primarily generated from property taxes, interest received on investment/cash, and fees for items such as facility rentals. **Property taxes** are estimated to be 91% of our local revenue.

- Property tax revenue is projected to grow 3.0% or \$10.1 million.
- CPI (Consumer Price Index) was 7.0% for calendar year 2021 and was 6.5% for calendar year 2022.
- Due to the PTELL (Property Tax Extension Limitation Law), the district's tax levy will be limited to a 5.0% increase for levy years 2022 and 2023.
- Property tax revenue is collected based on the calendar year, so the receipts are split by fiscal year.

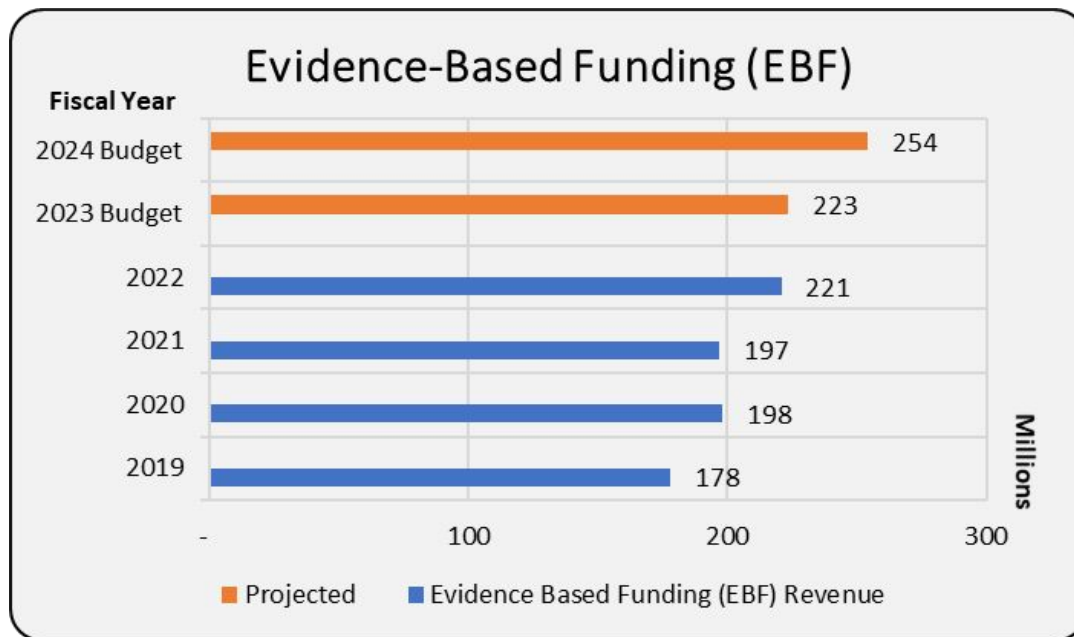


FY24 Budget Focus



State revenue... The EBF (Evidence-Based Funding) formula is the method used to determine the amount of cash the state contributes to U-46 in order for us to meet our local educational needs. U-46 remains a Tier 1 school district, which receives the largest proration of new money contributed to education spending.

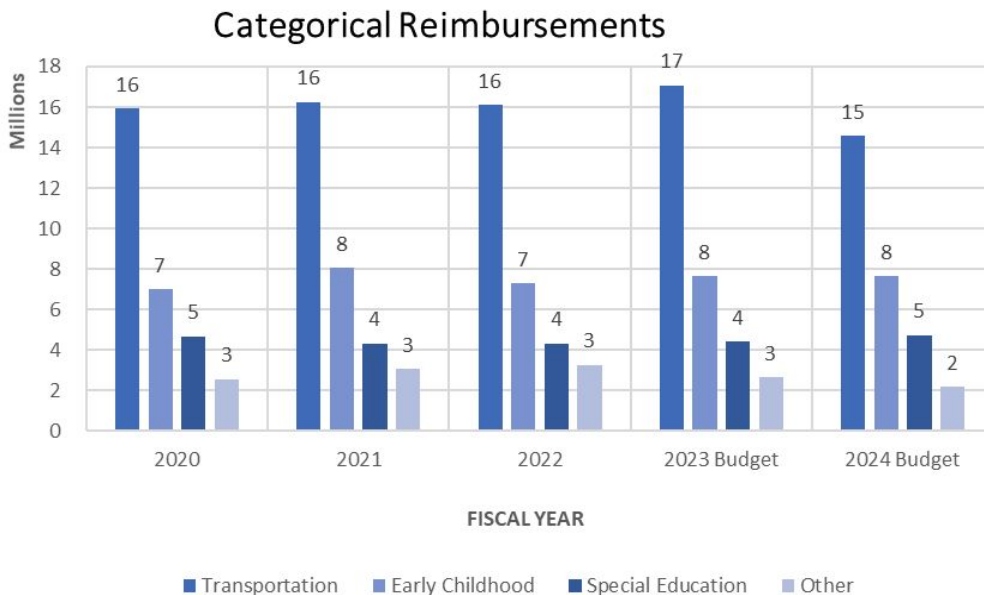
- EBF is projected to increase 9.0% or \$21.0 million.
- Strategically placing into Fund 20 with anticipation of increase in Capital Projects.



FY24 Budget Focus



State Revenue... In addition to EBF, U-46 receives state funding from state grants such as Career Technical Education (CTE)/Early Childhood Education and categoricals such as CPPRT, transportation, and food service.



FY24 Budget Focus

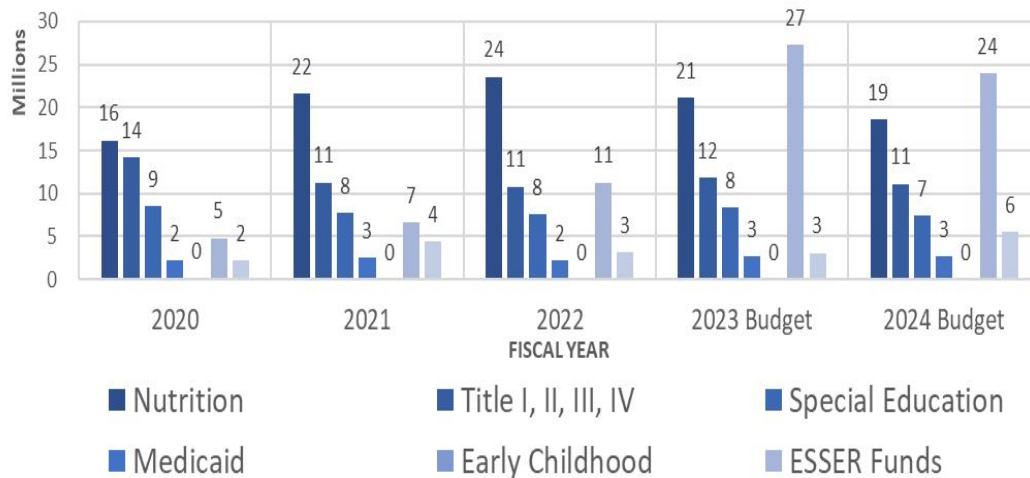


Federal Revenue... Revenue from the Federal Government consists of federal grants such as IDEA, Title, Nutrition, and Medicaid. In addition to these revenues, the Federal Government has been providing three rounds of ESSER funding since 2020 with ESSER III expiring in September 2024.

- Federal reimbursements are projected to decline 6.8% or \$5.1 million.
- ESSER I - expired September 2022
- ESSER II - expires September 2023
- ESSER III - expires September 2024



Federal Reimbursements

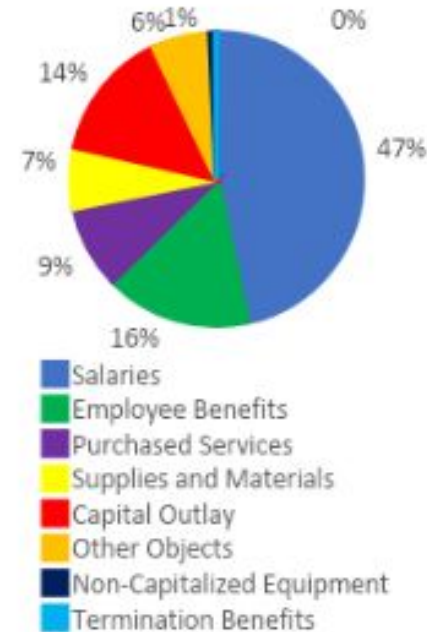


FY24 Budget Focus



Expenditures... Expenditures are charges estimated during the fiscal year that involve the disbursement of cash or the establishment of an obligation. The district will need to consider fund, function, and object classifications when determining expenditures.

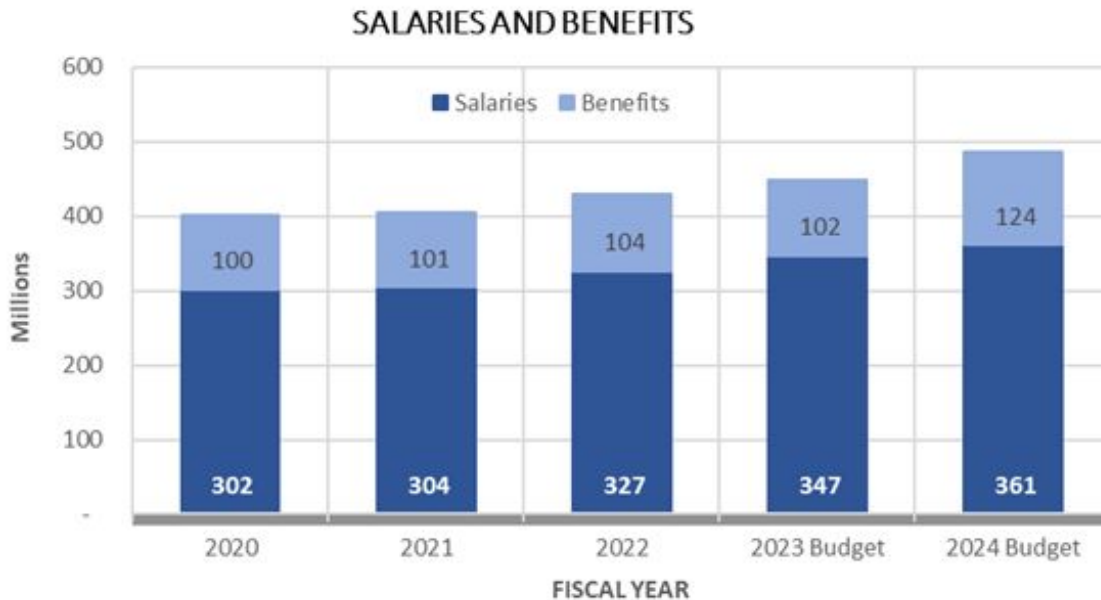
Expenditures	FY24 Budget
Salaries	\$ 361,495,905.00
Employee Benefits	124,434,913
Purchased Services	70,896,016
Supplies and Materials	52,210,860
Capital Outlay	111,191,479
Other Objects	49,643,452
Non-Capitalized Equipment	4,921,644
Termination Benefits	525,000
Total Expenditures	\$ 775,319,269



FY24 Budget Focus



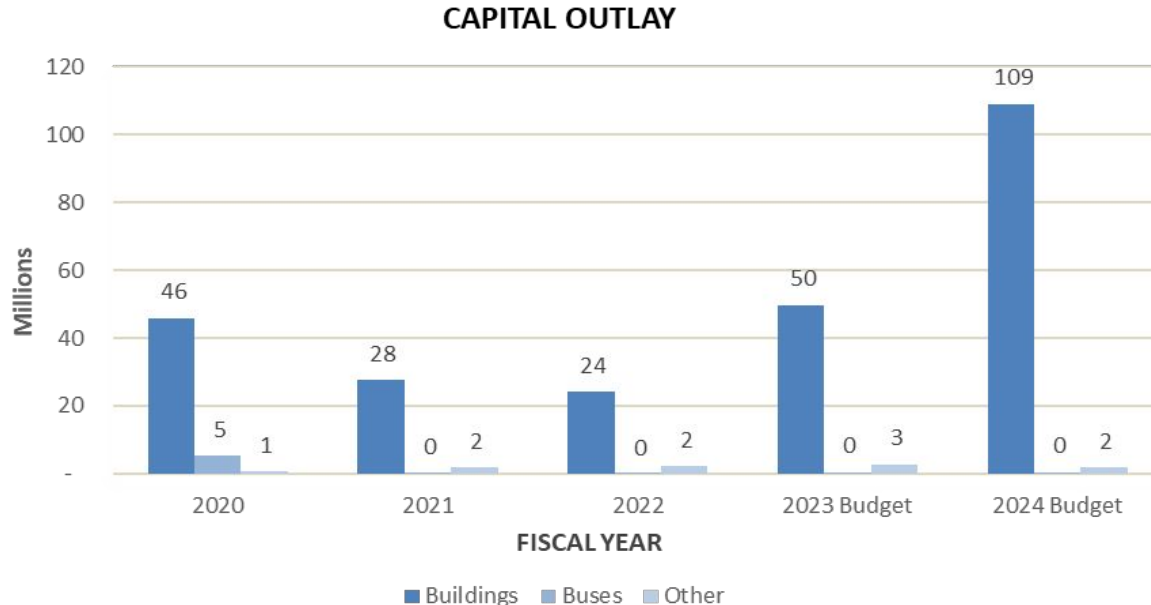
Expenditures... The largest main expense for the district are employees. In FY24, there is \$361,495,905.00 budgeted for salaries/retirement/taxes.



FY24 Budget Focus



Expenditures...As part of Unite U-46, the district will increase in Capital Project expenditures by \$10 million each year for next few years. These capital expenditures are part of the Unite U-46 campaign and are in addition to the construction projects. These expenditures will be paid for with district reserves.



FY24 Budget Focus



Expiring ESSER Expenditures... With ESSER II fully allocated, ESSER III remains a focal point for expenditures. Conversation amongst district leadership is occurring about absorbing staff and programming into local funding.

Considerations once ESSER III expires - all of these were outlined in the original [ESSER III expenditure plan document](#)

1. *Fees for Summer Enrichment*
 - a. At the outset of ESSER III, the district partnered with local agencies for assistance with summer programming and enrichment for U-46 students
2. *Annual school fees*
 - a. At the outset of ESSER III, the Board of Education made the decision to pay annual school fees for ALL families
3. *After school programming*
 - a. ESSER III funding has been used to support both salaries and educational opportunities
4. *Learning Science*
 - a. ESSER III is funding our five-year relationship with Learning Science for staff Professional Development expiring in FY26
5. *Certified Positions*
 - a. 27 certified positions (3 per 9 schools of Rigor and Equity) are funded with ESSER III dollars
6. *Payments to other Educational Entities*
 - a. ESSER III funding is being used to assist our staff with advancing their educational specialties and degrees

FY24 Budget Summary



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FY24 Budget Focus



	Revenues	Expenditures	Other Sources (Uses)	Net Increase (Decrease)
Operating Funds:				
Educational Fund	\$539,489,472	\$532,705,525	\$0	\$6,783,947
Operations & Maintenance Fund	\$88,775,362	\$87,749,635	\$0	\$1,025,727
Transportation Fund	\$24,598,227	\$29,268,255	\$0	(\$4,670,028)
Total Operating Funds	\$652,863,061	\$649,723,415	\$0	\$3,139,646
Special Revenue Funds:				
Tort Immunity & Judgment Fund	\$6,143,285	\$6,146,301	\$0	(\$3,016)
IMRF/Social Security Fund	\$15,532,416	\$18,869,113	\$0	(\$3,336,697)
Working Cash Fund	\$12,000,000	\$12,000,000	\$0	\$0
Debt Service Fund:				
Debt Service Fund	\$33,821,057	\$31,580,440	\$0	\$2,240,617
Total All Funds Except Capital Projects Funds	\$720,359,819	\$718,319,269	\$0	\$2,040,550
Capital Projects Funds:				
Fire Prevention & Safety Fund	\$5,155,830	\$6,000,000	\$0	(\$844,170)
Capital Projects Fund	\$0	\$50,000,000	\$50,000,000	\$0
Developers Fees Fund	\$1,000,000	\$1,000,000	\$0	\$0
Total All Funds	\$726,515,649	\$775,319,269	\$50,000,000	\$1,196,380

FY24 Budget Focus



Estimated Cash Balances as of June 30, 2023... School code requires Cash Balances are presented to the public at the budget approval. These are estimates as the District audit (presented in October/November) will confirm final FY23 cash balances.

Fund	Estimated Cash Balance
Educational	352,497,756
Operations and Maintenance	22,930,163
Debt Service	24,886,595
Transportation	20,312,827
IMRF/Social Security	16,332,088
Capital Projects	49,033,019
Working Cash	110,888,200
Tort Immunity and Judgement	(432,121)
Fire Prevention and Safety	13,696,115
Total Cash Balances	\$610,144,642

FY24 Budget Focus



On our Radar... The FY24 Budget building process is almost complete; however, there's still work needed to finalize both revenues and expenditures into their respective objects and functions. Additionally, Administration is diligently looking towards future budgets and reviewing cash balances and cash flow.

- Public Hearing on the FY24 Budget on September 11, 2023.
- Update revenue and capital projects projections.
- Receive estimated final fund balances for FY23.
- Final adoption of the Budget on September 25, 2023.

