

School District U-46
Elgin, Illinois
June 6, 2022

The Finance Committee of the Board of Education met at 4:00 p.m. via Zoom and made available to the public in Room 140 of the Educational Services Center, 355 East Chicago Street, Elgin, Illinois, to present and discuss the fiscal year 2023 tentative budget. In attendance were Board members Sue Kerr, Dawn Martin, and Melissa Owens as well as Tony Sanders, Superintendent, Ann Williams, Deputy Superintendent of Operations, Trisha Olson, Chief Legal Officer, Joshua Carpenter, Assistant Superintendent of Teaching and Learning, Dale Burnidge, Director of Financial Operations, and Patricia Waldau, Interim Director of Plant Operations.

1. Open Meeting and Introduction

Ms. Owens opened the meeting and stated everyone present.

2. Presentation and Discussion of the Fiscal Year 2023 Tentative Budget

Mr. Burnidge began the presentation by providing the five-year planning factors. The planning factors included higher inflation, increasing the potential property tax revenue, and increasing the costs of goods and services purchased. Mr. Burnidge stated the Consumer Price Index (CPI) for 2021 was 7% and further stated the prior 10-year average was 1.8%.

Mr. Burnidge stated the Brewster Creek Business Park TIF district in Bartlett will expire in 2022 increasing revenue by about five million once the property becomes taxable.

Mr. Burnidge provided additional planning factors to consider over the next five years. Evidence Based Funding and categorical revenue is a factor as the question remains whether the state will be able to increase their Evidence Based Funding schedule to offset the ESSER funds once the ESSER funds cease. The expiration of the ESSER funds received by the federal government is also a factor, as the funds must be used by September 30, 2024.

Included in the five-year planning factors are the shift to a middle school model to include grades 6th through 8th allowing the expansion of the district's preschool program to all elementary schools and closing, rebuilding, repurposing, or remodeling the oldest elementary school buildings.

Mr. Burnidge stated rising interest rates will increase investment income and help fund capital projects. Pension reform should not impact fiscal year 2023 although the Teachers Retirement System (TRS) Tier 3 will shift additional costs to the district.

Regarding fiscal year 2023 revenue assumptions, Mr. Burnidge discussed the property tax levy increase of 5% for tax year 2022 payable in 2023 and stated tax year 2021 revenue payable in 2022, was levied at 1.4% on existing property. Mr. Burnidge stated there is no abatement for tax year 2022 due to the decline in debt service payments.

Evidence Based Funding is expected to increase by an estimated \$20.9 million. Mr. Burnidge stated the district will receive four categorical payments in fiscal year 2023 and

will continue to receive additional federal funds from the Elementary and Secondary School Emergency Relief (ESSER) funds for fiscal year 2023.

Mr. Burnidge presented an ESSER fund summary wherein he discussed the ESSER II – Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act 2021 that provided a total allocation of \$29.3 million. These funds must be spent by September 30, 2023 and its primary uses are for student technology purchases (interactive boards and Chromebooks) and waiver of instructional materials fees.

Mr. Burnidge also discussed the ESSER III – American Rescue Plan (ARP) Act, March 2021 that provided a total allocation of \$82.7 million. These funds must be spent by September 30, 2024 and its primary uses are for summer learning and enrichment as well as after school programs. These funds will also be used for Instructional Empowerment (formerly Learning Sciences International) work to create schools of rigor and equity totaling nine new schools in fiscal year 2023.

Mr. Burnidge went on to discuss the changes between the fiscal year 2022 and fiscal year 2023 budgets as it pertains to the following revenues: taxes, local, evidence based funding, categorical, federal, as well as others.

Mr. Burnidge also discussed expenditure assumptions for fiscal year 2023. Mr. Burnidge discussed salaries, benefits, and capital outlay as the district's expenditure assumptions. Mr. Burnidge stated three additional teaching staff have been added to each of the nine schools for rigor and equity, assistant principals were added to each elementary school, and ten FTE (Full Time Employees) for social workers and/or guidance counselors. Mr. Burnidge stated a 5% increase is estimated medical insurance and pension costs as well as an added \$700,000 for the tuition reimbursement program. Additionally, Mr. Burnidge stated capital outlay has increased by \$12 million for buildings.

The district's next steps will be to review department budgets for non-salary and benefit expenditures, update revenue and expenditure accounts as more information becomes available, and to present an updated budget.


3. Public Participation

There were no public comments.


4. Adjournment

Ms. Owens adjourned the meeting.

Approved this 22nd day of August 2022.



President



Secretary