



ROSELLE SCHOOL DISTRICT 12

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To: Board of Education

From: Dr. Gregory Harris, Assistant Superintendent of Finance & Operations

Re: Final FY 21 Budget

Date: September 22, 2020

According to state law in Illinois, school districts have the unique ability to pass an annual budget nearly three months into their fiscal years. This is due to the fact that districts need that extra time to get a full understanding of revenues in any given year. In Roselle SD 12, during FY 2021, this extra time has also been used by the administration to do exactly that. Additionally, however, the administration has used that time to gain a more complete understanding of how the Covid-19 crisis will impact our expenditures, and the board is being presented with a more accurate final budget on which it will vote.

As has been communicated to the board previously, the greatest risk the district faces this year is the double whammy of facing possibly diminished revenue coupled with having to absorb unforeseen costs as we continue to prepare for and respond to the danger of Covid-19 in our community. As it pertains to revenue, Evidence-Based Funding from the state of Illinois and federal grants are meeting projections. With the state of Illinois in particular being in financial dire straits, this most welcome news. Other revenue sources--including local property taxes and CPPRT--have been received, but it is still too early to draw any firm conclusions about potential interruptions over the course of the year. At this point, investment income remains worrisome. As tax receipts come in from DuPage County, the district looks to invest cash in order to earn some interest. At this time, we are not receiving positive feedback from our third-party partner about the potential to get meaningful returns on investments.

The Covid-19 crisis is impacting district expenditures as it has required the district to invest tens of thousands of dollars on PPE, cleaning materials, and other supplies necessary for the reopening of our schools to students this fall. Some of this will be paid for with federal grant money specifically for this purpose, but the rest will come from local funds. The board tonight will be asked to vote on resolutions to approve new laptops for teachers, which represents another investment by the board that was deemed necessary, in part, because of the Covid-19 crisis. There remains uncertainty in how this crisis will continue to unfold throughout the school year. Several significant question marks remain for the administration, such as the possible impact of substitute teacher costs as we approach cold and flu season and a potential uptick in positive Covid cases in our community and surrounding areas.

The administration will continue to adapt in order to adhere to the proposed FY2021 Final Budget as closely as possible while remaining flexible enough to adapt to the unexpected. Every large and small expenditure is being scrutinized, and district "needs" are being prioritized over "wants." The administration is looking to minimize strain on this year's budget by investigating the pros and cons of financing supplies and equipment versus purchasing them outright and by borrowing items such as furniture from neighboring districts instead of purchasing new items. Additionally, non-essential projects are being put on hold while we wait and see what else this year will deliver.

The vision of Roselle District 12 is to prepare students to ethically engage in our global society.