



To: Dr. Mike Riggle
Board of Education

From: Dr. R.J. Gravel
Dr. Kimberly Ptak
Ms. Vicki Tarver

Date: Monday, February 26, 2018

Re: School Operating Budgets for FY2018-19

Recommendation

It is recommended that the Board of Education approve the school operating budgets for the 2018-2019 fiscal year as follows:

- Glenbrook North High School - \$2,578,985;
- Glenbrook South High School - \$3,438,740.

Background

Each spring the Board of Education approves a school operating budget for the upcoming fiscal year for both Glenbrook North and Glenbrook South. The purpose of the school operating budget is to provide for the operational needs of each school which include:

- Department and Program Budgets
- Discretionary Student Activity Stipends
- Substitute Expenses for Professional Development Activities
- Employee Overtime Expenses
- Equipment and Capital Item Purchases
- Small Building Projects
- Building Maintenance Supplies
- Charter Transportation Expenses (Athletics, Field Trips, Student Activities)

As we move toward further implementation of a zero-based budget model, school leadership teams will continue to work to identify the financial needs of each department and program area. Historically, the school operating budgets have been calculated based on three components: basic allocation, per student allocation, and facilities allocation (based on a per square foot value). The purpose of each component, and calculations for the 2018-19 fiscal year are described within this memo.

Basic Allocation

The basic allocation is for specific expenses that each school incurs, regardless of the size of the school. Examples of these expenses include employee overtime, professional development activities, additional student activity sponsors, and substitute teacher compensation.

The basic allocation is determined by taking the prior year's allocation, and increasing the amount by the value of the Consumer Price Index for All Urban Consumers (CPI-U) indicated on the prior year's tax levy. For the 2018-19 fiscal year, the basic allocation was increased by 2.1%.

After the basic allocation has been calculated, the amount is divided equally between Glenbrook North and Glenbrook South.

Per Student Allocation

The per student allocation is to provide for instructional materials and other expenses related to the student experience in academics, athletics, and activities. Examples of expenditures include duplication expenses, assessment materials, intangible course materials, and non-capitalized equipment to support classroom needs.

The per student allocation is determined by taking the prior year's per student allocation, and increasing the amount by the value of CPI-U indicated on the prior year's tax levy. For the 2018-19 fiscal year, the basic allocation was increased by 2.1%, or \$13.57 per student.

After the per student allocation has been calculated, the amount is multiplied by the estimated student enrollment for the upcoming school year based on Dr. McKibben's enrollment forecast. For the 2018-2019 school year, Dr. McKibben estimates that Glenbrook North will have a population of 2,053 students, and Glenbrook South will have a population of 3,146 students.

Change in Accounting Practice: Transition of Towel Fee Expense to Schools

Historically, each student has been assessed a \$10.50 towel fee which was deposited into a revenue account. As expenses for towel service were incurred, they were charged against an expense account classified as a district-wide account, as opposed to a site-based account. As a result of an accounting change for the 2018-19 fiscal year, the expense for towel service will be transitioned from a district-wide account, to a site-based account for each school. This change is reflected by further increasing the per student allocation by \$10.50. This change is technical in nature, and does not change the amount of revenue or expenses in relation to towel service.

Allocation Adjustment: Transition of Non-Tangible Course Fees

In the development of the 2018-19 school operating budget, we recognized that additional funds are made available to each school through the collection of course fees. Over time, these fees have been assessed to provide for the equipment and materials necessary to support the student learning experience, such as non-tangible supplies (e.g. science lab chemicals, general use equipment, shared art supplies). It is worthy to note that the District has been waiving or reducing these fees for students of lower income. In consultation with the school leadership teams, it was determined that these types of expenses should be funded by the school operating budgets, not as individual course fees.

As a result, it is recommended that individual course fees collections (with the exception of Driver Education) be eliminated for the 2018-19 fiscal year, and the school operating budgets be increased to account for necessary non-tangible course supply expenses. This change is reflected by further increasing the per student allocation by \$36.55. It should be noted that students will continue to be responsible for tangible course supplies such as textbooks, art kits, and physical education uniforms.

Facilities Allocation

The facilities allocation is to provide for expenses related to the operation of the physical plant of each school, as well as approved building projects. Examples of expenditures include the purchase of cleaning supplies, repair and upkeep of facilities, custodial overtime compensation, and capital expenditures such as carpet replacement and painting.

The facilities allocation is determined by taking the prior year's per square foot value, and increasing the amount by the value of CPI-U indicated on the prior year's tax levy. For the 2018-19 fiscal year, the per square foot value was increased by 2.1%, or \$0.02 per square foot.

After the per square foot value has been calculated, the amount is multiplied by the total amount of facility coverage to calculate each school's facilities allocation. Glenbrook North is comprised of 580,000 sq ft, and Glenbrook South is comprised of 670,000 sq ft.

School Operating Budgets - FY2018-19 - Recommendation

		<i>Historical</i>					<i>Recommendation</i>	<i>Year-Over-Year % Increase</i>
		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	
Consumer Price Index for All Urban Consumers (CPI-U)*		3.0%	1.7%	1.5%	0.8%	0.7%	2.1%	
Basic Allocation	Total Budget	\$1,130,423.97	\$1,149,641.18	\$1,166,885.80	\$1,176,220.88	\$1,184,454.43	\$1,209,327.97	2.10%
	Glenbrook North High School	50% \$565,211.99	50% \$574,820.59	50% \$583,442.90	50% \$588,110.44	50% \$592,227.21	50% \$604,663.99	
	Glenbrook South High School	50% \$565,211.99	50% \$574,820.59	50% \$583,442.90	50% \$588,110.44	50% \$592,227.21	50% \$604,663.99	
Per Student Allocation	Per Student Budget	\$652.37	\$663.46	\$635.86	\$641.57	\$646.06	\$706.68	9.38%
	Glenbrook North High School	2,087 \$1,361,504.00	2,038 \$1,352,140.00	2,057 \$1,294,217.00	2,033 \$1,289,007.00	2,023 \$1,306,981.90	2,053 \$1,450,811.02	11.00%
	Glenbrook South High School	2,736 \$1,784,895.00	2,895 \$1,920,729.00	3,002 \$1,922,595.00	3,070 \$1,984,926.00	3,106 \$2,006,666.23	3,146 \$2,223,210.66	10.79%
Facilities Allocation	Per Square Foot (sq ft)	\$0.99	\$1.01	\$1.02	\$1.03	\$1.04	\$1.06	2.10%
	Glenbrook North High School	580,000 \$575,654.00	580,000 \$585,440.00	580,000 \$594,221.00	580,000 \$598,975.00	580,000 \$601,871.03	580,000 \$614,510.32	
	Glenbrook South High School	670,000 \$662,312.00	670,000 \$673,571.00	670,000 \$683,675.00	670,000 \$689,144.00	670,000 \$695,264.81	670,000 \$709,865.37	
Glenbrook North High School	Glenbrook North High School Subtotal	\$2,502,369.99	\$2,512,400.59	\$2,471,880.90	\$2,476,092.44	\$2,501,080.14	\$2,669,985.33	
	Reduction - Field Turf Contribution	\$125,000.00	\$125,000.00					
	Reduction - District Technology Budget			\$91,000.00		\$91,000.00	\$91,000.00	
	Grand Total	\$2,377,369.99	\$2,387,400.59	\$2,380,880.90	\$2,476,092.44	\$2,410,080.14	\$2,578,985.33	7.01%
Glenbrook South High School	Glenbrook South High School Subtotal	\$3,012,418.99	\$3,169,120.59	\$3,189,712.90	\$3,262,180.44	\$3,294,158.25	\$3,537,740.01	
	Reduction - Field Turf Contribution		\$85,000.00	\$165,000.00				
	Reduction - Parking Lot / Maintenance Bldg.		\$15,000.00	\$235,000.00				
	Reduction - District Technology Budget			\$99,000.00		\$99,000.00	\$99,000.00	
Grand Total	\$3,012,418.99	\$3,069,120.59	\$2,690,712.90	\$3,262,180.44	\$3,195,158.25	\$3,438,740.01	7.62%	
Total School Operating Budgets		\$5,389,788.97	\$5,456,521.18	\$5,071,593.80	\$5,738,272.88	\$5,605,238.38	\$6,017,725.34	7.36%

* Historically the school operating budget has used the CPI-U level indicated on the prior year's tax levy. For example, the 2018-2019 school operating budget will be calculated based on the CPI-U level indicated on the 2017 Tax Year levy (adopted in December 2017).