

GLENBROOK HIGH SCHOOLS
Office of the Assistant Superintendent for Business Affairs
Regular Meeting – Monday, August 30, 2010

TO: Dr. Michael Riggle

FROM: Hillarie Siena

DATE: August 30, 2010

RE: Budget Documents for Budget Hearing

Following are documents from Section 1 of the FY2010/2011 Tentative Budget that was adopted on July 26, 2010. These documents are contained in the FY2010/2011 Tentative Budget binders that were included in the Board packet for the July 26, 2010 meeting and are being provided here for purposes of reference during the budget hearing. There have been no changes to the Tentative Budget as originally presented. The Final Budget will be presented to the Board for adoption at the September 27, 2010 meeting. Any changes to the final budget will be notated at that time.

HS/hjs
Attachment(s)

GLENBROOK HIGH SCHOOLS
Office of the Assistant Superintendent for Business Affairs
Regular Meeting – Monday, July 26, 2010

TO: Dr. Michael Riggle

FROM: Hillarie Siena

DATE: July 26, 2010

RE: Adoption of a Tentative 2010-2011 Budget

That the Board of Education

Adopt the 2010-2011 tentative budget as presented; direct that copies be made available for public inspection for a period of not less than 30 days beginning on or before July 29th, 2010; hold a public hearing on said budget on August 30, 2010, at 7:00 p.m., and direct the secretary to have inserted in the local newspaper the attached notice of said availability for inspection.

Background Data

The Illinois School Code requires that the Board of Education adopt a Tentative Budget, publish notice of same, make it available for public inspection for a period of not less than 30 days, and hold a public hearing prior to adoption. The budget must be adopted in final form by the Board of Education no later than September 30, 2010. The tentative budget may be amended and changed up until the time it is adopted in its final form.

As noted in the recommendation, a public hearing will be held on August 30, 2010, followed by adoption of the final budget on September 27, 2010. (Please see notice of public hearing, attached).

Copies of the 2010/2011 Tentative District Budget, as well as the Glenbrook North and Glenbrook South operating budgets can be found, in PDF format, at the district's website, www.glenbrook225.org, for viewing and/or printing. Please note that a summary of the budget can be found in the first section of the budget document.

HS/hjs

Attachment

PUBLIC NOTICE

Notice is hereby given by the Board of Education, Northfield Township High School District No. 225, Cook County, Illinois, that a tentative budget for said school district for the fiscal year beginning July 1, 2010, will be on file and conveniently available for public inspection on the District's website at www.glenbrook225.org, or at the District Office Reception desk of said school district, Glenbrook High Schools, 3801 W. Lake Ave., Suite 200, Northfield Township, Glenview, Illinois 60026, from and after 8:30 a.m. on the 29th of July, 2010.

Notice is further hereby given that a public hearing on said budget will be held at 7:00 p.m. on the 30th day of August, 2010, at Glenbrook South High School Student Activity Center, 4000 W. Lake Ave., Glenview, Illinois 60026.

SKIP SHEIN
President - Board of Education

ROSANNE WILLIAMSON
Secretary - Board of Education

Dated this 26th day of July, 2010.



Tentative Budget 2010-2011

**NORTHFIELD TOWNSHIP
HIGH SCHOOL DISTRICT NUMBER 225**

Hillarie Siena, Assistant Superintendent for Business Affairs
Kimberly Ptak, Director of Purchasing and Operations
Julie Bezanes, Director of Business Affairs

July 26, 2010

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SUMMARY – Overview of the 2010/11 Budget

Northfield Township High School District Number 225

The 2010/11 Tentative Budget, which is being presented, reflects input from staff, administration and the Board of Education. The budget process begins in October, with an update of budget projections, enrollment, educational planning materials, staffing, facilities and technology.

The 2010/11 estimated ending fund balance in the operating funds is projected to be 63.4%, as compared to a 2010 projection of 49.3%, an increase of 14.1%. The 2010 and 2011 fund balances are affected by a number of factors, the most significant of which are:

- The Illinois State Legislature increased the distribution percentage for the spring 2010 tax collections by 10% from 45% to 55%. This increased distribution percentage was implemented subsequent to the adoption of the final FY2009/10 budget and resulted in early tax revenue of approximately \$7.9M. Conversely, the fall 2010 collections, which are reflected in the FY2010/11 tentative budget, have been reduced by 10% from 55% to 45%, resulting in a lesser amount of tax revenue collected in the fall of 2010. The District's financial projections are not affected by this redistribution of tax collections, however, this calendar year change impacts two different budget years.
- For FY2010/11, revenue from Corporate Personal Property Replacement Taxes has been reclassified from non-operating to the operating funds.
- The FY2010/11 budget includes no revenue from General State Aid, reduced revenue from categorical grants, and reduced revenue from Federal sources resulting from the elimination of ARRA stimulus funding.

It should be noted that included in the budget (in accordance with board policy) are contingencies in each of the operating funds. These contingencies are as follows:

Education Fund	\$500,000
Operations & Maintenance Fund	50,000
Transportation Fund	50,000
IMRF Fund	25,000
FICA/MED Fund	25,000

Revenue Summary - Operating Funds

Northfield Township High School District 225

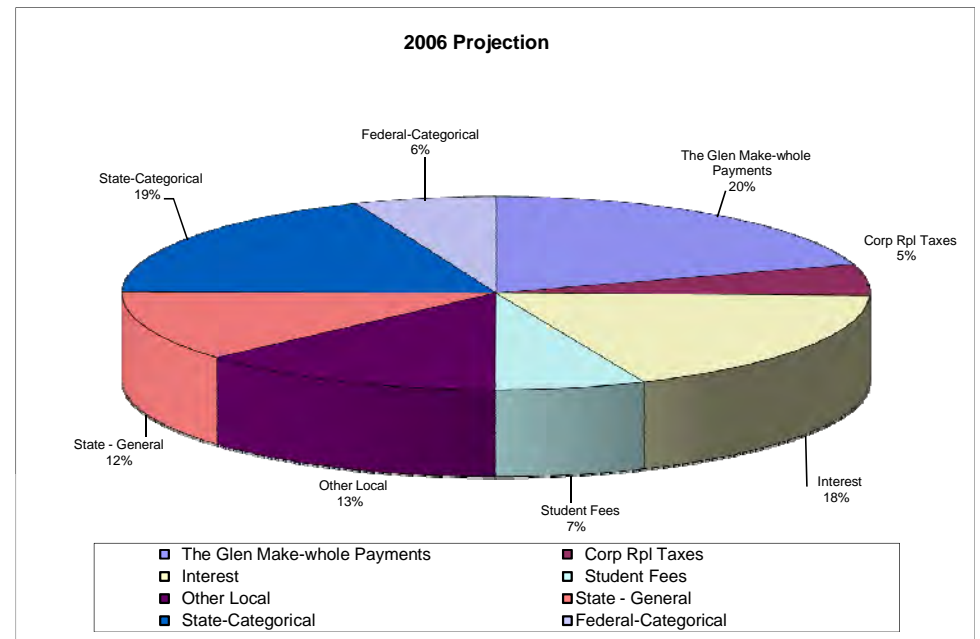
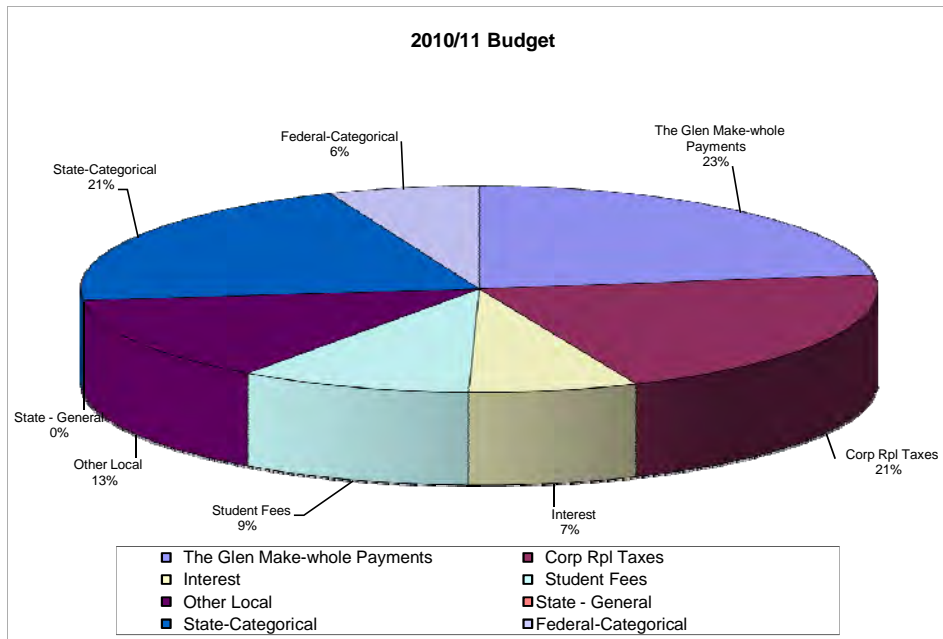
Est Actual 2010	2011 Budget	Actual vs Budget \$	%	Revenue Sources	Footnote	2011 Budget	2006 Projection	Budget vs Projection \$	%
\$				Local					
89,346,938	\$ 85,291,896	4,055,042	4.5	Property Taxes	r1	\$ 85,291,896	\$ 87,009,651	(1,717,755)	(2.0)
(305,153)	(1,252,000)	946,847	(310.3)	Less: Prior Year Refunds		(1,252,000)	(838,880)	(413,120)	33.0
2,557,345	2,200,000	357,345	-	The Glen Make-whole Payments	r2	2,200,000	2,500,913	(300,913)	-
320,000	2,000,000	(1,680,000)	(525.0)	Corp Rpl Taxes	r3	2,000,000	640,000	1,360,000	68.0
658,509	661,000	(2,491)	(0.4)	Interest	r4	661,000	2,237,508	(1,576,508)	(238.5)
904,621	907,000	(2,379)	(0.3)	Student Fees	r5	907,000	806,651	100,349	11.1
1,472,270	1,295,000	177,270	12.0	Other Local	r6	1,295,000	1,645,109	(350,109)	(27.0)
1,280,893	-	1,280,893	100.0	State - General	r7	-	1,459,877	(1,459,877)	-
2,531,152	1,987,450	543,702	21.5	State-Categorical	r8	1,987,450	2,312,393	(324,943)	(16.3)
2,176,625	590,000	1,586,625	72.9	Federal-Categorical	r9	590,000	756,673	(166,673)	(28.2)
60,000	50,000	10,000	-	Transfers	r10	50,000	-	50,000	100.0
\$ 101,003,200	\$ 93,730,346	\$ 7,272,854	7.2	Sub-total		\$ 93,730,346	\$ 98,529,895	\$ (4,799,549)	(5.1)

Operating Funds are defined as the Education, Operations & Maintenance, Transportation, IMRF and Working Cash Funds exclusive of one-time facilities improvements.

Revenue Comparison - Operating Funds

Northfield Township High School District 225

2010/11 Budget versus 2006 Projection - Revenue Categories Exclusive of Property Taxes



FOOTNOTES TO REVENUE SUMMARY

Northfield Township High School District Number 225

(r1) – Property Taxes

Property taxes are levied each year and are limited by the Property Tax Extension Limit Act (PTELA) to no more than five percent (5%) or the Consumer Price Index (CPI), whichever is less. In addition to CPI increases, the district also receives additional property tax revenue for new construction within the district. The CPI which will be used for the 2010/11 budget is 0.1%.

(r2) – Tax Increment Financing District (TIF)

The Glen (Make Whole Payments): The Glen is a multi-use development created out of the old Glenview Naval Air Station plus an additional 200 acres. The Glen is under a TIF agreement for a period not to exceed 23 years. As such, the district receives no property tax revenue from this area. The district does, however, receive “make whole payments” based on the number of students enrolled at Glenbrook South High School living in the Glen and Navy housing.

(r3) – Corporate Personal Property Replacement Taxes

Corporate Personal Property Replacement Taxes are paid by corporations within the district. These taxes make up lost revenue as a result of the elimination of the personal property tax on business in 1978.

(r4) – Interest

Interest income from investments.

FOOTNOTES TO REVENUE SUMMARY (continued)

Northfield Township High School District Number 225

(r5) – Student Fees

Includes transportation, parking, driver’s education, evening high school and the Glenbrook Aquatics Program.

(r6) – Other Local

Includes tuition, athletic admissions and other local fees.

(r7) – State - General

State aid provided to the district. This aid is usually unrestricted revenue and can be utilized in any fund. Due to current financial constraints facing the State of Illinois, the FY2011 budget contains no revenue from General State Aid.

(r8) – State - Categorical

Revenues that are restricted. These revenues emanate from bilingual education, driver’s education, special education, vocational education, etc. Due to the financial position of the State of Illinois, these revenues have been reduced for FY2011.

(r9) – Federal - Categorical

Revenues which are restricted. These revenues include grants for IDEA, vocational education, Medicaid, etc.

(r10)- Transfers

Transfers from other operating funds.

Expenditure Summary - Operating Funds

Northfield Township High School District 225

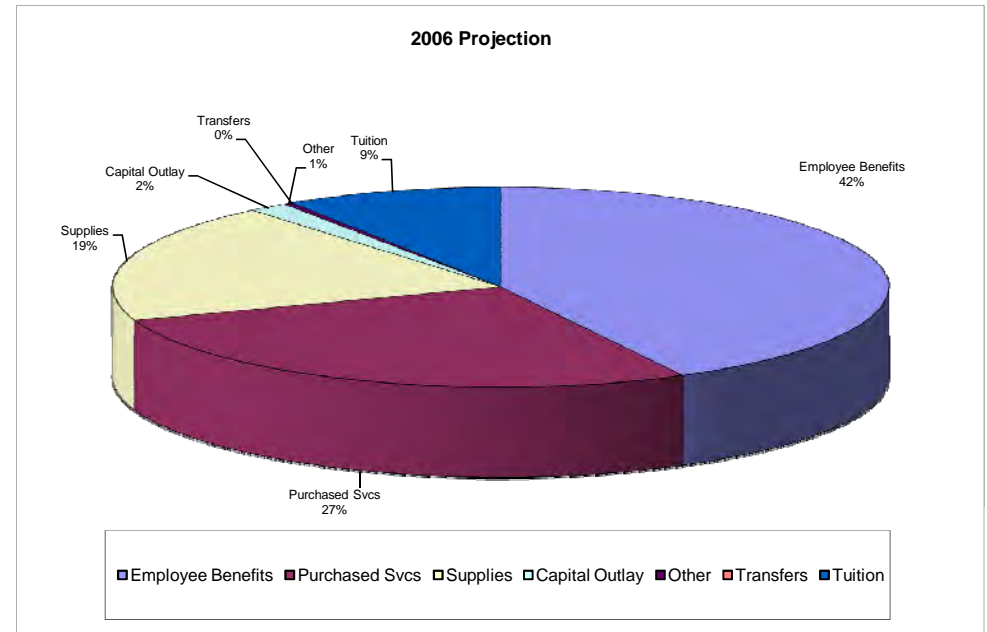
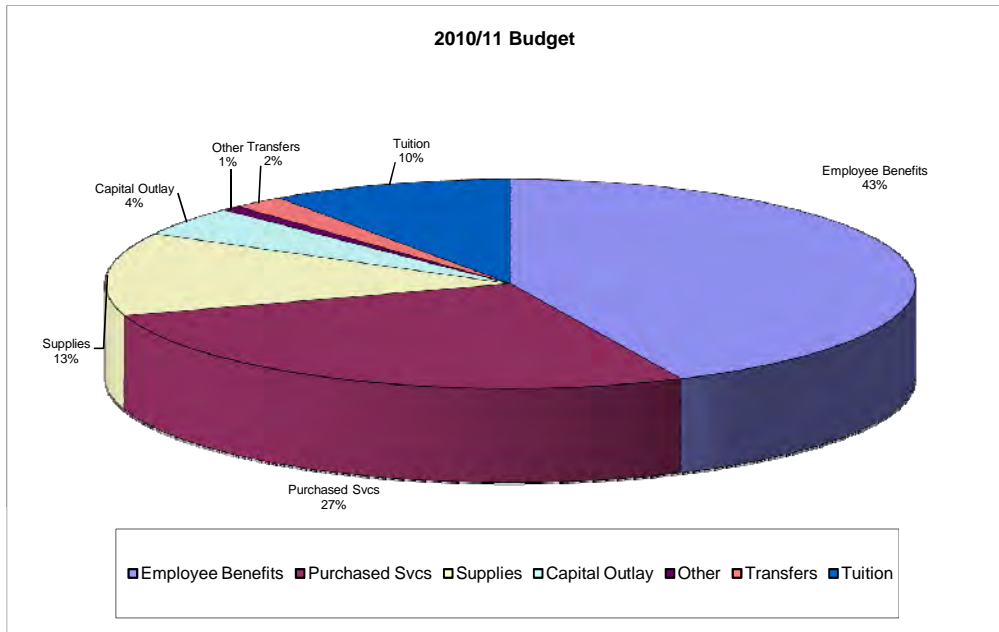
Est Actual 2010	2011 Budget	Actual vs Budget \$	%	Expenditure Categories	Footnote	2011 Budget	2006 Projection	Budget vs Projection \$	%
59,107,561	61,972,360	(2,864,799)	(4.8)	Salaries	e1	61,972,360	64,785,561	(2,813,201)	(4.5)
13,042,448	13,584,159	(541,711)	(4.2)	Employee Benefits	e2	13,584,159	14,115,559	(531,400)	(3.9)
8,036,953	8,491,539	(454,586)	(5.7)	Purchased Svcs	e3	8,491,539	9,132,806	(641,267)	(7.6)
4,007,751	4,060,352	(52,601)	(1.3)	Supplies	e4	4,060,352	6,461,851	(2,401,499)	(59.1)
1,569,614	1,437,833	131,781	8.4	Capital Outlay	e5	1,437,833	547,534	890,299	61.9
200,756	241,375	(40,619)	(20.2)	Other	e6	241,375	122,553	118,822	49.2
3,635,495	653,130	2,982,365	-	Transfers	e7	653,130	-	653,130	100.0
3,078,877	3,049,600	29,277	1.0	Tuition	e8	3,049,600	3,025,702	23,898	0.8
\$ 92,679,455	\$ 93,490,348	\$ (810,893)	(0.9)	Sub-total		\$ 93,490,348	\$ 98,191,566	\$ (4,701,218)	(5.0)

Operating Funds are defined as the Education, Operations & Maintenance, Transportation, IMRF and Working Cash Funds exclusive of one-time facilities improvements. Contingencies are excluded from the budget for comparability purposes.

Expenditure Comparison - Operating Funds

Northfield Township High School District 225

2010/11 Budget versus 2006 Projection - Expenditure Categories Exclusive of Salaries



FOOTNOTES TO EXPENDITURE SUMMARY

Northfield Township High School District Number 225

(e1) - Salaries

Certified staffing falls into three general categories: administrative, regular teaching staff and special education program staff. General certified staff are allocated to each building based on the number of class registrations at each school. This number is adjusted by the projected enrollment. In addition to general staffing, each school has a number of full-time staff who are special allocation. Examples of special allocation include: Team, Academy, etc. Also included in this category are the salary costs for all educational support staff.

(e2) – Employee Benefits

This line represents the sum total of all employee benefits, such as health, dental, disability, life insurance and all pension costs.

(e3) – Purchased Services

This figure represents the sum total of all purchased services, such as consultants.

(e4) – Supplies

This is a general category for all supplies within the district. Included under this heading are utilities, consumable as well as non-consumable supplies.

(e5) – Capital Outlay

This is the category for general capital outlay purchases.

FOOTNOTES TO EXPENDITURE SUMMARY (continued)

Northfield Township High School District Number 225

(e6) - Other

This figure includes contingencies, dues and fees.

(e7) – Transfers

Transfers to other funds.

(e8) – Tuition

This line represents the district's total payment to outside agencies for special education tuition. Outside agencies can include both public schools as well as private day and/or residential facilities.

Summary - Operating Funds

Northfield Township High School District 225

Actual 2010	2011 Budget	Actual vs Budget	Change in Financial Status	Footnote	2011 Budget	2006 Projection	Budget vs Projection
\$ 8,323,745	\$ 239,998	\$ 8,083,747	Budget Surplus/Shortfall	c1	\$ 239,998	\$ 338,329	\$ (98,331)
59,263,108	59,503,106	\$ (239,998)	Estimate Ending Balance	c2	59,503,106	47,500,393	\$ 12,002,713
63.4%	61.3%	2.1%	% of Next Year's Expenditures	c3	61.3%	45.8%	15.5%
48.0%	45.8%	2.2%	FY06 Benchmark	c4	45.8%	45.8%	0.0%
15.4%	15.5%	-0.1%	Difference	c5	15.5%	0.0%	15.5%

FOOTNOTES TO OPERATING FUND SUMMARY

Northfield Township High School District Number 225

(c1) – Budget Surplus/Shortfall

This line indicates whether or not the district spent or is projecting to spend more money than it receives in revenues in a given year.

(c2) – Estimate Ending Balance

This figure represents the total of reserves for the operating funds (education, operations and maintenance, IMRF, transportation and working cash) at the end of each fiscal year.

(c3) - % of Next Year's Expenditures

The figure shown is the percentage of reserves against next year's expenditure budget.

(c4) – FY06 Benchmark

This figure shows the FY06 projected benchmark.

(c5) - Difference

This figure shows the difference between the percentage of reserves against next year's expenditure budget and the FY06 benchmark percentage.

SUMMARY - Comments on Revenue

Northfield Township High School District Number 225

PROPERTY TAXES

Over 93% of the district's revenue is derived from local resources. Of this percentage, the largest revenue source is property taxes. It is important for the Board of Education to understand that within the 2010/11 budget, property tax revenues have been offset by anticipated PTAB and tax court granted refunds. FY2010/11 budgeted property tax revenue in the operating funds has been reduced by approximately \$1.2M.

THE GLEN

Make-whole payments from the Glen redevelopment project are based upon FY2010 enrollment data. No adjustment has been made resulting from any changes to naval housing.

INTEREST INCOME

With interest rates at historic lows, budgeted interest for FY2010/11, is conservatively estimated at approximately \$660K in the operating funds, as well as projected interest income of \$89K in non-operating funds.

SUMMARY - Comments on Revenue (continued)

Northfield Township High School District Number 225

STUDENT FEES

With the exception of Parking and Driver Education behind the wheel, student fees will not increase. The towel and material fees, which were temporarily suspended for one year, will be reinstated at the FY2009 level. Transportation will not increase and for FY2011, the Board of Education will provide a 50% discount for each sibling rider. In FY2010, to offset the cost of processing credit cards, the District implemented a convenience fee for online sales transactions.

BOOKSTORE

In an effort to further increase efficiencies and reduce costs, the district outsourced its bookstore to Follett Higher Education Group. Follett manages the majority of college bookstores and private high school bookstores in the area. FY2010/11 budget line items relative to bookstore operations reflect the impact of this outsourcing.

FOOD SERVICE

A rent-based agreement is in effect with Quest Food Management Service. Under this agreement, Quest will pay the district a percentage of sales. Budgeted FY2010/11 income generated from this agreement is \$220K.

SUMMARY - Comments on Expenditures

Northfield Township High School District Number 225

SALARIES

Approximately 80% of the district's operating expenditure budget is comprised of salaries and benefits. The FY2010/11 budget includes salary increases based on the teachers' contract at 3.9%. FY2010/11 is the third year of a five-year negotiated agreement with the Glenbrook Educational Association.

BENEFITS

The FY2010/11 budget reflects a benefit increase of 5% over actual FY2009/10 expenses.

PENSIONS

IMRF costs reflect an increase of approximately 16.23% over actual FY2009/10 expenses. This significant increase is due to IMRF investment losses resulting in a severe decline in fund balance with IMRF. IMRF has implemented a rolling 30-year rate increase amortization that will have a long term impact upon the District.

RETIREMENTS

Retirement benefits are included for those staff who declared their intent to retire in 2011. In addition, funds are budgeted assuming that an additional 5 certified and educational support staff will declare their intent to retire in 2010/11.

SUMMARY – Comments Regarding the 2009/10 Budget

Northfield Township High School District Number 225

Overall, the District received 110% of its budgeted revenues and spent 98% of its budgeted expenditures in operating funds. The net effect was that the District ended the year with an actual surplus of \$8.3M as compared to a budgeted deficit of (\$2.8M). This is largely due to an early distribution of property taxes, less property tax refunds and overall reduced expenditures.

With respect to expenditures, the operating funds were under spent by approximately \$1.9M. Most of this difference can be accounted for as follows:

	<u>Under Budget</u>	<u>Over Budget</u>
Salaries	\$ 600,000	
Employee Benefits		\$ 60,000
• Medical, Dental, Life and Disability Insurance		
• TRS Health Insurance and TRS 2.2 Benefit Formula		
• IMRF, Social Security and Medicare pensions		
• All Employee Fringe Benefits		
Purchased Services (includes Food Service)	\$ 680,000	
Supplies	\$ 600,000	
Equipment	\$ 180,000	
Other (includes Dues & Fees)	\$ 130,000	
Special Education Tuition		\$ 230,000

2009/10- Actual versus Budget Summary

Northfield Township High School District 225

Categories	Actual	Budget	Difference	%	
Revenue					FY2010 Adj Budget - Revenues
Education	88,586,636	79,899,529	8,687,107	111%	90,778,419 Budget (adopted 9/21/09)
Operations & Maintenance	7,137,306	5,502,882	1,634,424	130%	772,206 Budget transfers for approved grant budgets
Transportation	1,793,019	2,552,412	(759,393)	70%	200,000 Fund 28 now operating
IMRF	2,412,912	2,598,236	(185,324)	93%	
Working Cash	1,073,328	1,197,566	(124,238)	90%	
Sub-total:	<u>101,003,200</u>	<u>91,750,625</u>	<u>9,252,575</u>	110%	<u>91,750,625</u>
Expenditures					FY2010 Adj Budget - Expenditures
Education	77,467,283	78,921,163	(1,453,880)	98%	93,911,083 Budget (adopted 9/21/09)
Operations & Maintenance	10,333,123	10,547,479	(214,356)	98%	(650,000) Less Contingencies
Transportation	2,235,735	2,386,512	(150,777)	94%	772,206 Budget transfers for approved grant budgets
IMRF	2,643,314	2,760,000	(116,686)	96%	581,865 Fund 28 now operating (incl debt service transfer \$370K)
Working Cash	-	-	-	0%	
Sub-total:	<u>92,679,455</u>	<u>94,615,153</u>	<u>(1,935,698)</u>	98%	<u>94,615,154</u>
Rev (+/-) Exp	<u>8,323,745</u>	<u>(2,864,528)</u>	<u>11,188,273</u>		

Operating Funds are defined as the Education, Operations & Maintenance, Transportation, IMRF and Working Cash Funds exclusive of one-time facilities