

PUBLIC NOTICE

The Board of Education, Northfield Township High School District #225 has scheduled a Finance Committee Meeting on **Tuesday, February 4, 2020, at 7:30 AM**. The agenda for the Finance Committee meeting is attached to this notice.

The meeting will be held in the Public Meeting Room, 100A, at the District Administration Building, 3801 W. Lake Avenue, Glenview, IL.

The meetings will be open to the public, with the exception of the closed sessions.

BRUCE DOUGHTY
BOARD PRESIDENT

ROSANNE WILLIAMSON
BOARD SECRETARY

**BOARD OF EDUCATION
GLENBROOK HIGH SCHOOL DISTRICT 225
3801 W. LAKE AVENUE
GLENVIEW, IL 60026
Public Meeting Room - 100A
Tuesday, February 4, 2020 - 7:30 AM**

FINANCE COMMITTEE MEETING

Members

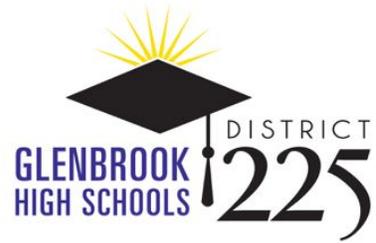
Bruce Doughty
Lauren Fagel
John Finan
Karen Geddeis
R.J. Gravel
Karen Hanley
Charles Johns

Kim Ptak
Alice Raflores
Brad Swanson
Vicki Tarver
Joel Taub
Scott Williams
Casey Wright

Agenda

1. (7:30 AM) Call to Order
2. (7:31 AM) Recognition of Community Visitors
3. (7:32 AM) Financial Model Forecast Update
4. (8:00 AM) School Operating Budgets for Fiscal Year 2020-21
5. (8:15 AM) Student Fees for the 2020-21 School Year
6. (8:25 AM) Transportation Fee for the 2020-21 School Year
7. (8:45 AM) Procurement Card Program Update
8. (8:55 AM) Other Topics
9. (9:00 AM) Adjournment

DRAFT



To: Dr. Charles Johns
Board of Education

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

Date: Tuesday, February 4, 2020

Re: Financial Forecast Model Update

Background

This fall the Business Services team partnered with Forecast5 Analytics to update our existing, financial forecast. Our financial forecast tool, 5Cast, has been widely adopted by school districts and other municipal organizations throughout our region. A primary reason for the high adoption rate is the solution's overall toolset, comprehensive reporting suite, and ability to develop multiple 'what-if' scenarios to predict the impact of different local, state, and federal conditions. As part of Forecast5's commitment to projection integrity, their product 5Cast references several data sources to develop a projection, including:

- Audited, historical budget performance and fund balances from the Annual Financial Report;
- Current year budget as stated on the ISBE Budget Form;
- Current and future year tax extension as stated on the Cook County Levy Report;
- General ledger data including budgeted and actual account activity;
- Calculated revenue and salary/benefit expenditures based on District-defined values entered into 5Cast's calculators;
- Revenue and expenditures projections based on District-defined values.

In an effort to develop a working 5Cast projection model, we utilized a set of assumptions. These assumptions are similar to those which have been historically utilized by the District, with some modifications due to actual budget performance, and trend analysis. The assumptions are outlined in the table that follows.

Attached is a graphical representation of the financial projection based on data available as of January 28, 2020. This projection represents a concerted effort of the school district's leadership team to evaluate the needs of our students while balancing those demands with the financial resources available. Several key considerations implemented into the model effective with the 2020-21 fiscal year include:

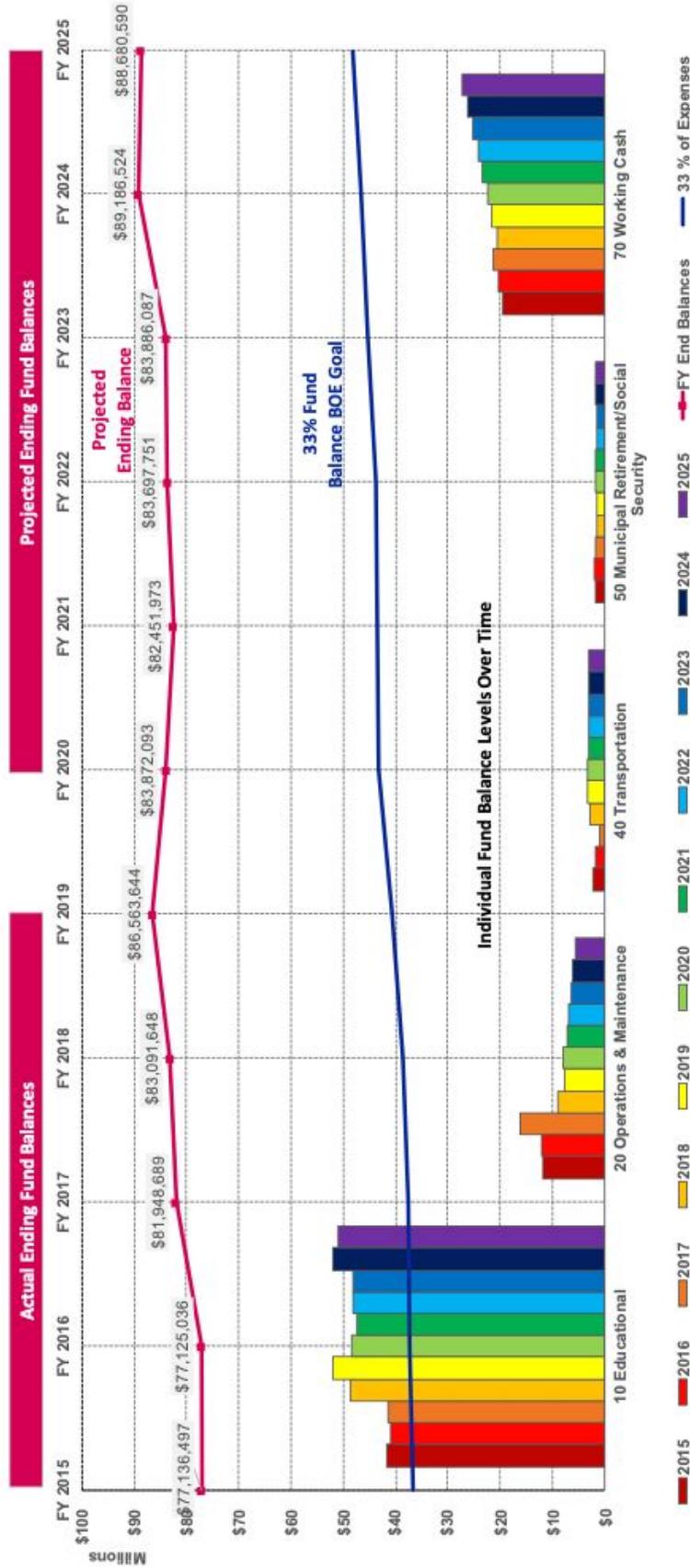
- Identification of new revenue streams;
- Review of all non-personnel related expenditures;
- Implementation of a 3-year capital project plan, reducing the number of enhancement and modernization projects;
- Review and renegotiation of contracted service agreements;
- Reevaluate all positions and associated work calendars through attrition;
- Application of the teacher FTE formula as in previous years; the assignment of FTE will be judicious and mindful of the larger financial picture.

Revenue Assumptions	
Assumption	2020-21 Model
Property Tax Revenue	52% of LY2019 48% of LY2020 97.5% Collection Rate CPI of 2.3% for LY2019 CPI of 2.0% for LY2020+ \$35,000,000 New EAV Growth for LY2019, 2020, and 2021, 2023 \$450,000,000 New EAV Growth for LY2022 (The Glen)
Make-Whole Payments	Actual Receipts for FY2020 for FY2021 and FY2022
Interest Income	Remain Flat
Student Fees	Remain Flat
Evidence-Based Funding Formula	Actual Receipts for FY2020
State and Federal Categorical Grants	Outstanding Payments and Estimated New Payments to be Received
Debt Service	Debt Book Values

Expenditure Assumptions	
Assumption	2020-21 Model
Staffing Projections	Implementation of Teacher Staffing Formula and GEA Contractual Commitments for the 2020-21 School Year
Salaries and FICA / Medicare (Increase w/ Lane and Step)	3.75% for Teachers for FY2021+ 3.75% for Non-Licensed Personnel for FY2021+ 3.50% for Administration for FY2021+ (Note: Anticipated Retirement Announcements) 2.00% for Extra Duty for FY2021+ 10.00% for Licensed Substitute
Employer IMRF	10%
Health Benefits	5% for Medical / Dental for FY2021+ 1% for Life / LTD for FY2021+
Retirement Contributions and Lane Changes	\$100,000
Non-Personnel Expenditures	Based on Contractual Agreements, New Initiatives, and CPI
Dues, Fees, and Other	\$2,000,000 for FY2021 (Note: Allstate Settlement)
Capital Projects	\$1,450,000 for FY2021 \$1,000,000 for FY2022+

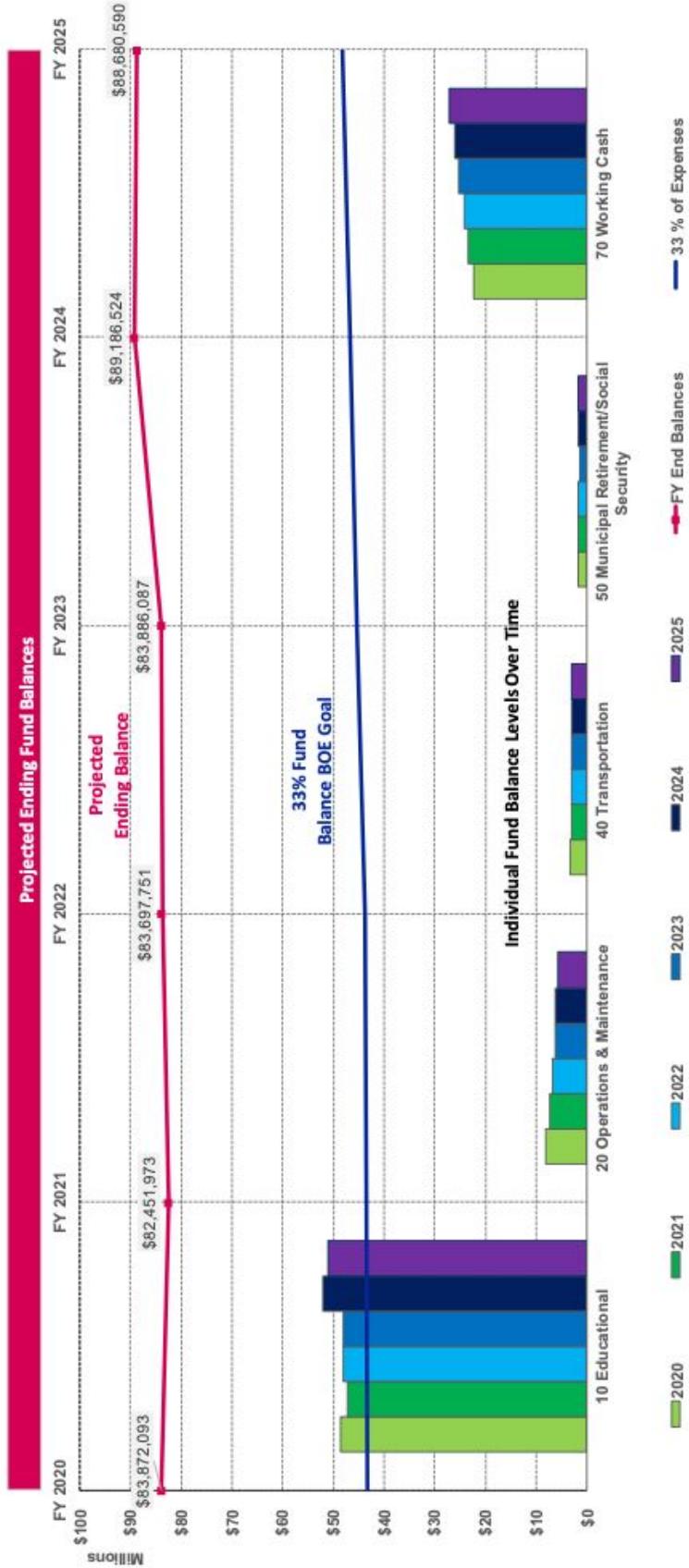
Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort

Northfield Twp HSD 225 | February 4, 2020 • Finance Committee

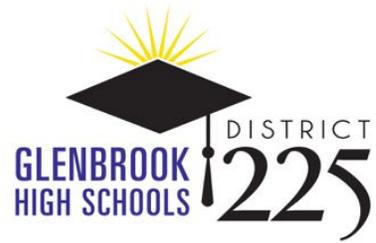


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DRAFT



To: Dr. Charles Johns
Board of Education

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

Date: Monday, February 10, 2020

Re: School Operating Budgets for Fiscal Year 2020-21

Recommendation

It is recommended that the Board of Education approve the school operating budgets for the 2020-21 fiscal year as follows:

- Glenbrook North High School - \$2,649,080;
- Glenbrook South High School - \$2,948,530.

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;
- Athletic Event Officials and Supervision Expenses;
- Substitute Expenses for Professional Development Activities and Use of Internal Substitutes;
- Employee Overtime Expenses;
- Small Equipment Purchases;
- Building Maintenance Supplies, Service Agreements and Repair;
- Charter Transportation Expenses (Athletics, Field Trips, Student Activities).

Review of the School Operating Budget Allocation Formula

During last year's discussion of the school operating budgets, it was recommended that the administration review the method for which these budgets are formulated, to ensure that it provides for the operational needs of each school. In response to this recommendation, the business services and school leadership teams conducted a detailed review of expenditure trends. The process provided an opportunity to review how funds have been allocated and utilized over the past four years in several different ways. For example, actual expenditure data information was analyzed:

- By fund (e.g., education fund, operations and maintenance fund, transportation fund);
- By program (e.g., science, world languages);
- By expenditure object (e.g., athletic officials, custodial overtime, duplication expense, instructional materials, professional development).
- By the amount of expenditures per student course registration for a program;
- By the amount of expenditures per staff member in the department for a program;

- By the amount of expenditures per student enrolled in the school by an object; and
- By the amount of expenditures per staff member in the school by an object.

Formula Revision 1: Transition of Capitalized Expenditure Budgets

As part of the process, a comparative analysis was performed to determine the differences between how each school allocated its funds. In reviewing the data one variance stood out, which is the amount spent on capitalized expenditures (e.g., building projects, furniture replacement, large equipment). Table 1 illustrates the amounts both schools spent on capitalized expenditures over the past several years:

Table 1
Capitalized Expenditures by School

	2016-17	2017-18	2018-19	2019-20*
Glenbrook North	\$148,824	\$331,108	\$486,918	\$380,000
Glenbrook South	\$254,080	\$728,139	\$751,796	\$591,181
	\$492,894	\$1,059,247	\$1,238,714	\$971,181

* Reflects budgeted amounts, not actual expenditures.

This particular variance was anticipated, given the historical approach for budgeting capital projects in the school district (e.g., infrastructure projects were funded through the district capital projects budget, learning space enhancements and smaller projects were funded through the school operating budgets). Given the complexity related to capital projects and the need for architectural and construction management services, it has been the intent of the district to consolidate all capital projects into a single district-wide program budget. As the school district returns to a wholly pay-as-you model for capital projects for the summer of 2020, it makes sense to move forward with this transition in the upcoming 2020-21 fiscal year.

In preparation for the change for capital projects, the administrative team created a 3-year master facility plan. This plan was presented to the Board of Education on Tuesday, November 12, 2019, and included all of the capital projects anticipated for summer 2020, and those anticipated in summers of 2021 and 2022. With this updated approach to planning and funding capital projects, the funds previously budgeted in each school's budget will be transferred to a district-level capital projects budget. This one-time change in accounting practice results in an overall reduction in the amount of \$837,275 when compared to the prior fiscal year's allocation. However, these funds have been simply reallocated to the district capital projects fund to support \$1,482,390 in projects that would have previously been supported by the school operating budgets.

Formula Revision 2: Restructuring of the Basic, Facility, and Per-Student Allocation

Under the historical school operating budget allocation formula, 57% of the allocation is based on student enrollment, 21% based on square footage, and 22% is divided equally between the two buildings. In an effort to refine the calculation and validate the cost drivers with respect to how funds are actually spent, the team analyzed each expenditure by object code and categorized expenses by cost driver. The following findings were determined:

- Square footage should not be used as a driver in the allocation calculation. Although Glenbrook South has approximately 15% more square footage than Glenbrook North, the areas that tend to

be most costly to maintain have similar footprints at each school. These areas include the CPA/auditorium, cafeterias, natatorium, main gym, auxiliary gyms, music rooms, fieldhouse, library, and athletic fields. Considering this finding, it is recommended that the facilities allocation be eliminated from the allocation formula.

- A basic and per-student allocation should be used as drivers in the allocation calculation, however, the current percentages need to be recalibrated. Each school has costs that are impacted by the number of students enrolled, as well as expenses that are associated with the general operation of the school. To establish a new baseline year, and determine what percent of the overall allocation should be based on student enrollment, the business services team grouped expenses into the following categories:

Table 2
Expenditures Categorized by Student Enrollment Impact

Enrollment-Driven Expenditures Approximately 25% of All Expenditures	General School Expenditures Approximately 75% of All Expenditures
“Per-Student Allocation”	“Basic Allocation”
<ul style="list-style-type: none"> • Professional Development • Supplies/Materials • Instructional/Test Materials • Books • Electronic Resources • Scholastic Contests/Fees 	<ul style="list-style-type: none"> • Supervision/Security • Officials Services • Curriculum Evaluation • Repairs/Maintenance Services • Electrical, Mechanical, Plumbing Service • Charter Bus • Sanitation Services • Food and Beverage • Capital Outlay, Building/Site Improvements

- The detailed historical analysis revealed that, on average, Glenbrook North and Glenbrook South have spent 25% of their building budgets on student-driven expenses and 75% on non-student driven expenses. This translates to an average expense of \$265 per student for the student-driven expenses. Considering this finding, the recommended revision to the basic and per-student allocations are as follows:
 - 25% of the overall building budget based on student enrollment which equates to \$265 per student; and
 - 75% of the allocation is equally divided between the buildings.

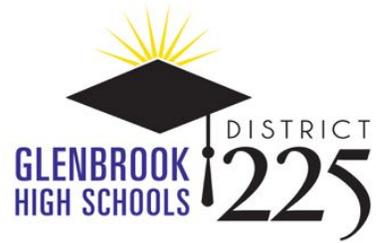
A summary of the historical school operating budget allocations is presented in the table that follows, as well as the recommendation for the 2020-21 fiscal year.

School Operating Budget Calculation

		Historical										Recommendation	
		FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	
Consumer Price Index for All Urban Consumers (CPI-U)*		1.5%		0.8%		0.7%		2.1%		2.1%		Revised Formula	
Basic Allocation	Total Budget	\$1,166,885.80		\$1,176,220.88		\$1,184,454.43		\$1,209,327.97		\$1,484,723.86		\$4,200,000	
	Glenbrook North High School	50%	\$583,442.90	50%	\$588,110.44	50%	\$592,227.21	50%	\$604,663.99	50%	\$742,361.93	50%	\$2,100,000.00
	Glenbrook South High School	50%	\$583,442.90	50%	\$588,110.44	50%	\$592,227.21	50%	\$604,663.99	50%	\$742,361.93	50%	\$2,100,000.00
Per Student Allocation	Per Student Budget	\$635.86		\$641.57		\$646.06		\$706.68		\$721.52		\$265.00	
	Glenbrook North High School	2,057	\$1,294,217.00	2,033	\$1,289,007.00	2,023	\$1,306,981.90	2,053	\$1,450,811.02	2,060	\$1,486,328.69	2,072	\$549,080.00
	Glenbrook South High School	3,002	\$1,922,595.00	3,070	\$1,984,926.00	3,106	\$2,006,666.23	3,146	\$2,223,210.66	3,190	\$2,301,644.91	3,202	\$848,530.00
Facilities Allocation	Per Square Foot (sq ft)	\$1.02		\$1.03		\$1.04		\$1.06		\$1.08			
	Glenbrook North High School	580,000	\$594,221.00	580,000	\$598,975.00	580,000	\$601,871.03	580,000	\$614,510.32	580,000	\$627,415.03		
	Glenbrook South High School	670,000	\$683,675.00	670,000	\$689,144.00	670,000	\$695,264.81	670,000	\$709,865.37	670,000	\$724,772.54		
Glenbrook North High School	Glenbrook North High School Subtotal	\$2,471,880.90		\$2,476,092.44		\$2,501,080.14		\$2,669,985.33		\$2,856,105.65		\$2,649,080.00	
	Reduction - Field Turf Contribution												
	Reduction - District Technology Budget	\$91,000.00				\$91,000.00		\$91,000.00		\$91,000.00			
	Grand Total	\$2,380,880.90		\$2,476,092.44		\$2,410,080.14		\$2,578,985.33		\$2,765,105.65		\$2,649,080.00	
Glenbrook South High School	Glenbrook South High School Subtotal	\$3,189,712.90		\$3,262,180.44		\$3,294,158.25		\$3,537,740.01		\$3,768,779.38		\$2,948,530.00	
	Reduction - Field Turf Contribution	\$165,000.00											
	Reduction - Parking Lot / Maintenance Bldg.	\$235,000.00											
	Reduction - District Technology Budget	\$99,000.00				\$99,000.00		\$99,000.00		\$99,000.00			
Grand Total	\$2,690,712.90		\$3,262,180.44		\$3,195,158.25		\$3,438,740.01		\$3,669,779.38		\$2,948,530.00		
Total School Operating Budgets		\$5,071,593.80		\$5,738,272.88		\$5,605,238.38		\$6,017,725.34		\$6,434,885.03		\$5,597,610.00	

* Historically the school operating budget has used the CPI-U level indicated on the prior year's tax levy. For example, the 2019-20 school operating budget will be calculated based on the CPI-U level indicated on the 2018 Tax Year levy (adopted in December 2018).

DRAFT



To: Dr. Charles Johns
Board of Education

From: Dr. R.J. Gravel

Date: Monday, February 10, 2020

Re: Student Fees for the 2020-21 School Year

Recommendation

It is recommended that the Board of Education approve student fees for the 2019-20 school year as presented.

Background

In accordance with Board Policy 4040, the Board of Education is presented each year with a list of recommended student fees for approval. Several of the fees presented in this document will be reviewed in detail by the Board of Education and/or the Finance Committee separately, and are simply summarized here. These fees, **indicated with a yellow cell**, include the Chromebook and transportation fee.

General Fees

All students attending Glenbrook High Schools, or receiving educational services through the school district are assessed two general fees: Chromebook fee, registration fee.

	Historical				Proposed
	2016-17	2017-18	2018-19	2019-20	2020-21
Chromebook Fee	\$110.00 4 Years	\$100.00 4 Years	\$100.00 3 Years*	\$100.00 3 Years*	\$100.00 3 Years*
Registration Fee			\$25.50	\$25.50	\$25.50
Materials Fee	\$15.00	\$15.00			
Towel Fee	\$10.50	\$10.50			
<i>Total per Student</i>	\$135.50	\$135.50	\$125.50	\$125.50	

* Due to lower purchase costs for the Chromebook starting with the 2018-19 school year, the fee will only be assessed for (3) years as opposed to (4) years. This will apply to the Classes of 2022 and 2023.

User Fees

Additional user fees are assessed to students and families upon request. These fees are deposited into District revenue accounts and used for the purpose designated. The majority of our user fees are calculated based on the total amount of estimated expenses for the upcoming school year.

Please note that the transportation fee proposed represents an increase that corresponds to a 12.5% increase in service costs for the next fiscal year from our provider. This amount was discussed by the Finance Committee on February 4, 2020.

	Historical				Proposed
	2016-17	2017-18	2018-19	2019-20	2020-21
Driver Education Behind the Wheel	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00
Instrument Rental	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Parking Fee	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
Transportation Fee (Regular) Individual Rate	\$700.00	\$750.00	\$775.00	\$800.00	\$900.00
Transportation Fee (Regular) Sibling Rate	\$350.00	\$375.00	\$387.50	\$400.00	\$450.00
Transportation Fee (Late - 20%) Individual Rate	\$830.00	\$900.00	\$930.00		
Transportation Fee (Late - 20%) Sibling Rate	\$415.00	\$450.00	\$465.00		

* The Transportation Fee will be reviewed separately by the Board of Education during the February 10, 2020 meeting.

Preschool Tuition

This fall the business services department and CTE instructional supervisors performed a review of the preschool program's finances. As part of that review, it was determined that tuition (fees) have historically accounted for approximately 40% of expenditures. It is recommended that this rate increase from \$160.00 to \$180.00 per day of enrollment in the program, which provides for 40% of projected expenditures for the 2020-21 fiscal year.

Fees are assessed twice a year for each child. Children enrolled in Glenbrook's program benefit from a 2-hour laboratory preschool experience supervised by a full-time instructional assistant, with the assistance and support of students enrolled in child development courses.

	Historical				Proposed
	2016-17	2017-18	2018-19	2019-20	2020-21
Preschool Tuition (5 Days / Week) Per Semester - GBN	\$800.00	\$800.00	\$800.00	\$800.00	\$900.00
Preschool Tuition (4 Days / Week) Per Semester - GBS	\$640.00	\$640.00	\$640.00	\$640.00	\$720.00

Financial Fees

The Board of Education has historically approved two financial fees to be charged on an as-needed basis.

Credit Card Convenience Fee

The credit card convenience fee is assessed to all credit card transactions that are processed in-person or online. Beginning with the 2017-18 school year, the Board of Education determined that any credit card processing expenses would be passed on to consumers choosing to use a credit card. This transition was communicated to parents prior to the start of the school year and has resulted in significant cost savings to the District. As a result of not incurring credit card processing expenses, we have been able to keep student fees as low as possible for our families.

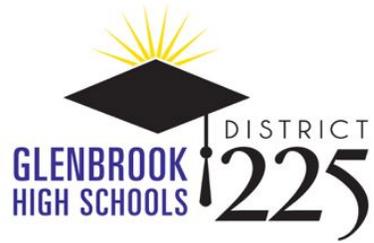
Non-Sufficient Funds (NSF) Check Fee

The non-sufficient funds (NSF) check fee is assessed to a student account in the event that a check provided has been returned back our bank due to insufficient funds. Only the amount that is charged by the bank will be passed on to a student.

	Historical				Proposed
	2015-16	2017-18	2018-19	2019-20	2020-21
Credit Card Convenience Fee Online Transactions	\$2.65	\$2.65 per \$100.00 Increment	\$2.65 per \$100.00 Increment	\$2.65 per \$100.00 Increment	\$2.65 per \$100.00 Increment
Credit Card Surcharge Fee In-Person Transactions *		3.2% + \$0.20	3.2% + \$0.20	3.2% + \$0.20	3.2% + \$0.20
NSF Check Fee	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00

* Due to bank agreements with MasterCard and Visa, credit card processing expenses passed-on to consumers for in-person transactions must be calculated on a percentage basis, as opposed to a flat-fee.

DRAFT



To: Dr. Charles Johns
Board of Education

From: Dr. R.J. Gravel

Date: Tuesday, February 4, 2020

Re: Historical Overview of Transportation Services at Glenbrook

Background

Historical Philosophy of Transportation at Glenbrook

In reviewing historical documents, the Board of Education first took action to establish a transportation policy in January 1973. At that time, the Board adopted a policy titled, "Student Transportation Between Home and School" which outlined a procedure for how student information should be shared with approved transportation providers. The Board discussion in 1973 emphasized that while the school district will identify approved transportation providers, any transportation agreement is "between the parents of the student and the bus company [and] will be a private contract" and that "tax monies shall not be expended for such transportation" (Minutes from January 8, 1973). It should be noted that the Board of Education previously sought voter approval to establish a transportation rate in 1958 which failed, leading to the "necessity of the children paying their own transportation costs" (Minutes from May 5, 1958).

Since 1973, Board Policy 5070 has only been updated once. In November 1986 the policy was updated to incorporate references concerning student conduct on buses. The Board discussion at that time reinforced its philosophy regarding the management of student transportation. "The fundamental provision of our policy on student transportation is contained in Section A of the policy, which states that the school district does not desire to operate a bus service. This has been the ongoing policy of our Boards of Education since the district was organized" (Board Packet Materials from November 24, 1986).

Requirement to Provide Transportation

Illinois School Code requires certain types of school districts to provide free transportation for those students "residing at a distance of one and one-half miles or more from any school to which they are assigned for attendance maintained within the district, except for those pupils for whom . . . adequate transportation for the public is available" (105 ILCS 5/29-3).

As a township high school district, Glenbrook High School District 225 is not required to provide free transportation services to students, unless required as part of an IEP. It is important to note that while the District may choose to provide free transportation services to other students, it is not eligible to receive reimbursement from the Illinois State Board of Education for those services, "provided for regular public . . . residing less than one and one-half miles from their assigned attendance center for which there is no safety hazard approv[ed] by the Department of Transportation" (23 Ill Admin Code, Section 120.40).

Illinois School Code (105 ILCS 5/14-1.02; 105 ILCS 5/14-13.01) and Illinois Administrative Code (23 Ill Admin Code, Section 226.750) requires that students eligible for special education with transportation services included in their IEP, be provided such services. Board Policy 7140 (Transportation for Special Education Students) responds to this requirement stating, “it is the policy of the Board of Education . . . to pay for transportation for special education students under [certain] terms and conditions”. The terms and conditions stated include when a student’s educational program is located in a school other than the one the student would normally attend; when the nature of the student’s disability is such that special transportation is required; and/or when the nature of the student’s special program is such that special transportation is required.

Transportation Service Initiatives

Through a review of historical documents provided to the Board of Education (e.g. transportation service bids results; student fee memos; minutes from meetings), the following timeline of transportation service initiatives was developed.

- **1998-99 School Year**
 - Ryder Bus Company (now First Student) coordinated all administrative services (setting/collection of fees; preparation of bus passes; route design; manage concerns and questions from parents)
 - Students offered “virtually door-to-door service”
 - Offered bus passes based on the type of service
 - Round trip
 - Round trip with activity
 - AM only
 - PM only
 - PM with activity
 - District responsible for subsidizing the cost of students receiving financial assistance

- **1999-00 School Year**
 - Ryder no longer was willing to coordinate a full-service transportation system (described above), due to it not being profitable
 - The District needed to determine what services, if any, would be offered for the 1999-2000 school year
 - The Board of Education considered whether to offer free bus transportation, let the service expire and no longer offer transportation, or take over the responsibility of administering a program on behalf of the parents
 - Emphasized that it is the responsibility of parents to arrange for the transportation of their students to and from school
 - Recognized that although there is no legal requirement to provide student transportation, it is in the District’s educational interest to ensure that all student have a means to and from school each day, especially for those students at lower income levels
 - Determined that the District would take over the responsibilities of administering the student transportation program, and would continue to provide similar services as previously offered
 - In lieu of substantially increasing bus pass fees to pay for all of the expenses related to the new system, the Board approved subsidizing transportation fees for

all students riding the bus for one year (first-time such fees were subsidized by the Board since the district was established), in the amount of \$318,000

- Offered the same bus pass structure that was designed by Ryder, but assigned stops within 2-5 blocks of the student's residence
- **2000-01 School Year**
 - Entered into a new service agreement with Alltown
 - Subsidized transportation fees in the amount of \$302,952
- **2001-02 School Year**
 - Changed bus pass structure to offer limited, tiered rates
 - Round trip under 1.5 miles; round trip over 1.5 miles
 - Paid in full by May 15th; paid in full after May 15th
 - All bus passes include access to activity buses
 - Subsidized transportation fees in the amount of \$309,161
- **2002-2003 School Year**
 - No changes maintained previous practices
- **2003-04 School Year**
 - Implemented an online bus pass application system (RevTrak)
 - Offered a \$25.00 discount for bus pass applications completed online
 - Offered a payment plan option for students receiving reduced benefits under the Student Financial Assistance Program (required credit card pre-authorized charges)
- **2004-05 School Year**
 - No changes maintained previous practices
- **2005-06 School Year**
 - Performed a study of transportation service options, in conjunction with a review of school start time changes
 - Administered a student transportation survey to determine current use and satisfaction of parents; received almost 400 respondents
 - Determined that the service could be provided to 40-60% of current ridership (360-500 students) through implementation of (2) loops
 - First loop commencing at 6:45 AM (for students with early activities)
 - Second loop commencing between 7:15 - 7:30 AM
 - Eliminated bus service for students residing less than 1.5 miles from their school
 - Determined route structure and the number of buses based on bus pass applications paid-in-full by June 3rd
- **2006-07 School Year**
 - Entered into a new service agreement with Laidlaw and First Student.
 - Implemented use of 84-passenger buses to alleviate the waiting list for seats on buses, and allow the District to offer service to more riders, without increasing costs
 - Offered one late activity bus at Glenbrook North, and one late activity bus at Glenbrook South

- A second activity bus will be offered at Glenbrook South from September 11, 2006 - November 17, 2006 only
- **2007-08 School Year**
 - No changes maintained previous practices
- **2008-09 School Year**
 - No changes maintained previous practices
- **2009-10 School Year**
 - Revised Board Policy Procedures 8230, providing a 50% reduction per family for the cost of a bus pass for families receiving reduced benefits under the Student Financial Assistance Program
- **2010-11 School Year**
 - Offered a sibling discount of 50% for families with multiple bus riders
- **2011-12 School Year**
 - No changes maintained previous practices
- **2012-13 School Year**
 - No changes maintained previous practices
- **2013-14 School Year**
 - No changes maintained previous practices
- **2014-15 School Year**
 - Modified the activity bus service
 - Glenbrook North - Offered (1) bus departing at 5:00 PM serving all of Northbrook
 - Glenbrook South - Offered (2) buses departing westbound at 4:45 PM, (1) bus departing eastbound
 - Glenbrook South - Offered (1) bus departing at 5:45 PM serving all of Glenview
- **2015-16 School Year**
 - No changes maintained previous practices
- **2016-17 School Year**
 - No changes maintained previous practices
- **2017-18 School Year**
 - Implemented the VersaTrans Routing and Planning software solution to build routes based on available resources (number of buses), and bus applications received by June 2nd
 - Morning drop-off time range defined as 10-30 minutes before the start of school
 - Afternoon pick-up time range defined as 5-20 minutes after school
 - Student maximum time on bus defined as 35 minutes

- Earliest pick-up time for Glenbrook North defined as 6:45 AM; Glenbrook South defined as 7:05 AM
 - Implemented the FirstView bus tracking and transportation communications service for parents and school personnel
 - Established that the late purchase surcharge (June 3rd and later) would be set as 20% of the regular individual rate
 - Eliminated the \$25.00 discount for bus pass applications completed online
 - Transitioned responsibility for credit card processing charges to those families choosing to pay by credit card
- **2018-19 School Year**
 - Modified the activity bus service
 - Glenbrook North - Offered (1) bus departing at 5:30 PM serving all of Northbrook (previously offered at 5:00 PM)
- **2019-20 School Year**
 - Eliminated the late purchase surcharge
 - Routes defined based on bus pass purchased by July 25th (all passes purchased after that date are assigned to the closest route/stop available)

Historical Bus Pass Sales

Since taking over the responsibility of coordinating administrative services for the student to/from transportation service during the 2000-21 school year, the Business Services department has maintained a record of historical bus passes. In an effort to summarize the data, we have compiled several data points for review by the Board that encompasses five (5) previous school years, as well as the current school year:

- Total Ridership by School
- Total Enrolment by School
- Ridership by School as a Percentage of Enrollment by School
- Total Ridership by Lunch Status
- Sibling Ridership

**Student To/From Transportation Services
Historical Bus Pass Sales**

Total Ridership by School

	2015-16	2016-17	2017-18	2018-19	2019-20
Glenbrook North	279	316	333	295	296
Glenbrook South	726	670	730	714	771
	1005	986	1063	1009	1067

Total Ridership by Lunch Status

	2015-16	2016-17	2017-18	2018-19	2019-20
Full Pay	490	471	539	538	561
Free	468	399	440	401	437
Reduced	47	116	84	70	69
	1005	986	1063	1009	1067

Sibling Ridership

	2015-16	2016-17	2017-18	2018-19	2019-20
Sibling Riders	20	48	78	89	72

Total Enrollment by School

	2015-16	2016-17	2017-18	2018-19	2019-20
Glenbrook North	2038	2049	2023	2058	2070
Glenbrook South	2895	3026	3128	3140	3187
	4933	5075	5151	5198	5257

Ridership by School as a % of Enrollment by School

	2015-16	2016-17	2017-18	2018-19	2019-20
District-Wide	20.4%	19.4%	20.6%	19.4%	20.3%
Glenbrook North	13.7%	15.4%	16.5%	14.3%	14.3%
Glenbrook South	25.1%	22.1%	23.3%	22.7%	24.2%

Bus Pass Fee Calculation
Curent Year
Student To/From School Transportation - 2019-20 School Year

		Number of Runs	Blended Per Run Rate	Daily Cost	Annual Cost (178 Days)
Purchased Services	AM To/From School Routes	23	\$85.60	\$1,968.80	\$350,446.40
	PM To/From School Routes	23	\$85.60	\$1,968.80	\$350,446.40
	Late Activity To/From School Routes	7	\$85.60	\$599.20	\$106,657.60
				\$4,536.80	\$807,550.40
Bus Pass Cost Per Rider	Total Number of Riders (Includes All Students Regardless of Payment Tier)				1,000
	Calculated Cost Per Rider (Total FY2019 Expenses / Total Number of Riders)				\$807.55
	Board Subsidy Per Rider to Minimize Fee Impact to Households				7.55
	Cost Per Rider				\$800.00

Next Year
Student To/From School Transportation - 2020-21 School Year

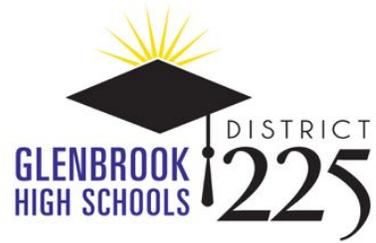
		Number of Runs	Blended Per Run Rate	Daily Cost	Annual Cost (178 Days)
Purchased Services	AM To/From School Routes	23	\$117.91	\$2,711.93	\$482,723.54
	PM To/From School Routes	23	\$117.91	\$2,711.93	\$482,723.54
	Late Activity To/From School Routes	7	\$117.91	\$825.37	\$146,915.86
				\$6,249.23	\$1,112,362.94
Bus Pass Cost Per Rider	Total Number of Riders (Includes All Students Regardless of Payment Tier)				1,000
	Calculated Cost Per Rider (Total FY2019 Expenses / Total Number of Riders)				\$1,112.36
	Board Subsidy Per Rider to Minimize Fee Impact to Households				212.36
	Cost Per Rider				\$900.00

\$ Difference Compared to "Current Year"	
\$304,812.54	

Board Subsidy Cost Summaries	
\$121.36 Reduction	\$121,360
\$212.36 Reduction	\$212,360
\$312.36 Reduction	\$312,360

Per Day Rate	\$5.06
Per Ride Rate	\$2.53

DRAFT



To: Dr. Charles Johns
Board of Education

From: Dr. R.J. Gravel

Date: Tuesday, February 4, 2020

Re: Procurement Card Program Update

Background

On October 25, 2004, the Board of Education authorized the establishment of a procurement card (PCard) program. The PCard program enables the school district to issue limited access credit cards for use in purchasing goods and services for the school district. PCards are primarily issued in the name of a department (e.g., GBS Social Studies, GBN Student Activities), and are checked-out to users on an as-needed basis. Any transaction to be processed with a PCard requires pre-approval from an administrator. Upon using a PCard, a detailed receipt is scanned and uploaded into Skyward, and the transaction is electronically audited and approved. As is the case for all disbursements, each transaction is verified by multiple administrators, including:

1. Assistant Principal or Director or Instructional Supervisor or Manager;
2. Assistant Superintendent or Associate Principal for Administrative Services;
3. Internal Auditor (Business Services Department).

Glenbrook was one of the first school districts to adopt the PCard program sponsored by the Illinois Association of School Business Officials, which has subsequently grown in participation to include over 1,100 school districts and municipalities across 21 states. Several benefits of the program that were identified in 2004 still apply today, including:

- Reduction of the amount of paperwork for small dollar transactions;
- Ability to submit a single monthly payment through the accounts payable process, as opposed to multiple payments to multiple vendors;
- Reduction of the need to issue employee reimbursements for petty cash type transactions;
- Reduction of the need to issue emergency checks for urgent purchases (e.g., revolving fund disbursements);
- Ability to take advantage of an expanded network of vendors, through the use of online ordering;
- Earned rebate dollars based on the total purchase volume using the school district's PCard program.

The use of the PCard program at Glenbrook has grown over the past 16 years and is a tool that enables our staff to efficiently procure goods and services at the most competitive price available. But perhaps the most exciting benefit of the PCard program has been additional revenue on an annual basis in the form of a rebate. Through a negotiated contract with a banking partner, Illinois ASBO has secured a rebate for each participant based on the volume of purchasing and the grace period selected (e.g., amount of days a school district has to pay their invoice). For the 2019 fiscal year, the rebate ranged from 1.1 and 1.4%. Table 1 indicates the rebates the school district has received in recent years.

Table 1
PCard Annual Volume and Rebate Earned

Year	Volume	Rebate	Rebate %
2019	\$2,414,661	\$28,662.99	1.2%
2018	\$1,874,411	\$21,649.45	1.2%
2017	\$1,630,349	\$16,955.63	1.0%
2016	\$2,025,509	\$20,052.54	1.0%
2015	\$2,099,237	\$20,152.68	1.0%
2014	\$1,120,464	\$10,375.50	0.9%
2013	\$955,400	\$8,512.61	0.9%

Over the past seven fiscal years, the school district has earned \$126,361.40 by utilizing a PCard in place of a paper check. This revenue has been utilized to minimize the impact of banking fees that the school district incurs each year (e.g., NSF fees, wire transfer fees), and to support the student activity fund and financial assistance programs for each of our schools.

Program Review

While the school district has been served well by the Illinois ASBO PCard program, we have not reviewed the program's structure in recent years. As a result, the business services team initiated a comprehensive review of similar PCard programs in use by school districts in Illinois and offered by local banking institutions. Our objective in conducting this evaluation was to determine the best program in terms of features that meet the needs of the school district along with financial benefits for participating.

After exploring PCard programs offered by several banking institutions, a single vendor emerged as a reliable option. CapitalOne has been actively marketing a corporate card program to Illinois school districts over the past two years. What makes CapitalOne's program especially unique, is that their team proactively contacts school district vendors to identify those that will take credit cards. By taking this approach, CapitalOne has been able to substantially increase the purchase volume, resulting in much higher rebates. An initial evaluation of the school district's purchases that are currently paid using paper checks that could be paid using a PCard indicates that the school district could increase its rebate by over \$50,000 in the first year. Additional features of the CapitalOne program include:

- A comprehensive online portal that enables the school district to manage all facets of the PCard program, including the instant deactivation of a card that is lost/stolen;
- A local, dedicated account manager available to assist with the PCard program, troubleshooting challenges, and continuing to evaluate ways for the school district to increase its rebate revenue;
- Enhanced fraud notifications and resolution toolset (e.g., contacts users electronically via SMS text message), significantly decreasing the challenges of false-positive fraud alerts when staff is with students at a school-sponsored event;
- Full integration with the Skyward financial management system, enabling posted/settled transactions to be downloaded and reconciled on a daily basis by staff;
- Rebates paid on a monthly basis at rates between 1.35% and 2.00%.

In comparing the existing and proposed options, our team was only able to identify advantages in support of a transition to the CapitalOne program. For example, the current PCard program is managed by Illinois ASBO but serviced by BMO in Canada. We have found that simple account actions such as requesting a new card or addressing a fraudulent charge can take multiple business days to achieve a resolution. Under CapitalOne's program, we have a local account manager that can address any of these concerns, and access to an online portal that provides the tools necessary to resolve the majority of our routine needs in a very timely manner. Another compelling advantage is the significantly higher PCard rebate offered by CapitalOne. Table 2 illustrates a comparison of the rebate provided by each program, based on our actual annual volume in 2019:

Table 2
PCard Annual Volume and Rebate Earned Simulation

Year	Volume	Current Program		CapitalOne Program	
		Rebate	Rebate %	Rebate	Rebate %*
2019	\$2,414,661	\$28,662.99	1.2%	\$36,219.91	1.5%

* The actual rebate percentage may vary based on the type of transaction. The minimum rebate for a transaction is 1.35% whereas the maximum rebate is 1.65%.

While Table 2 illustrates an increased rebate by merely using last year's volume, CapitalOne's vendor outreach program to increase our volume will result in an even higher rebate. And what makes the outreach program quite intriguing is that there is no additional work required of the business services team - the CapitalOne team handles the entire process on behalf of the district.

Given the advantages identified, we are confident that CapitalOne's PCard program will be able to fulfill the current needs of the school district and provide tremendous added value in the future. As part of the evaluation process, the business services team plan to begin a pilot program with a limited group of district office departments this spring. Should the pilot program be successful, the PCard program will be fully transitioned to CapitalOne effective July 1, 2020. We will continue to keep the Finance Committee informed regarding this transition, and are optimistic about the possibilities for the future.