

**GLENBROOK HIGH SCHOOLS**  
**Office of the Assistant Superintendent for Business Affairs**  
**Regular Meeting – Monday, February 28, 2011**

**TO: Dr. Michael Riggle**

**FROM: Hillarie Siena**

**DATE: February 28, 2011**

**RE: Update of Financial Projections – Comprehensive Budget Reduction Plan**

**Overview**

The financial projections as presented, updated February 28, 2011, contain budgetary data for the current fiscal year plus five years FY2012 through FY2016. The projection also includes three years of prior data for historical purposes. The FY2011 budget adjustments have been notated to report year-to-date progress.

**Assumptions**

The updated projections are based upon the following budget assumptions:

- Revenue from General State Aid is eliminated beginning in FY2012
- Revenue includes categoricals at a 79% funding level (same as FY2011 level)
- It is important to note that reductions that may be considered as one-time occurrences, impact future formula-driven expenditures, resulting in increased cost savings over time.

**Budget Adjustments – Revenue FY2011 (Total Increase = \$127,000) Actual YTD noted in RED (+\$131,170)**

- Reinstate towel/material fees +\$100K **(YTD +\$91,290)**
- Increase Driver Education behind the wheel fee from \$250 to \$350 +\$30K **(YTD +\$30,233)**
- Increase parking sticker fee by 5.6% from \$270 to \$285 +\$17K **(YTD +\$19,608)**
- Participation in the EnerNOC energy grid program ~~+\$60K~~ Revised to +\$35K **(YTD +\$10,039)**
- Board of Ed bus subsidy for zero increase (actual increase 1/10%) and sibling rider 50% discount (\$80K) **(YTD -\$20K)**

**Budget Adjustments – Expenditures: FY2011 (Total Reduction = \$730,000) Actual YTD noted in RED**

- Implement convenience fee FY2011 (\$55K) reduction in expenditures **(YTD on target with budget)**
- Adj the building budget allocation of (\$100K) each building in FY2011 (\$200K reduction to capital projects) **(YTD -\$200K)**
- Reduce technology budget FY2011 (\$430K) reduction in departmental expenditures **(YTD on target with budget)**
- Outsource food service web store FY2011 (\$30K) reduce expenditures for credit card fees **(YTD on target with budget)**
- Reduction in ADM color copying FY2011 (\$15K) reduction in departmental expenditures **(YTD on target with budget)**

**Budget Adjustments – Expenditures: FY2012 (Total Reduction = \$1,048,000)**

- Building budget allocation CPI freeze from 2.7% to 0% for FY2012 (increase based on enrollment only) (\$29K) **(-\$29K)**
- Reduction in certificated staff (1.0 FTE) per building, based upon attrition by FY2012 (\$120K) **(-2.0 FTE)**
- Reduction in certificated staff (1.0 FTE) administrative by FY2012 (\$80K) **(-1.0 FTE)**
- Reduction in ESP staffing (2.0 FTE) per building, based upon attrition by FY2012 (\$140K) **(Staffing in process)**
- Reduction in ESP staffing (1.0 FTE) central office, based upon attrition by FY2012 (\$35K) **(Staffing in process)**
- Reduction in benefits including pension costs, for staffing reductions by FY2012 (\$144K) **(Reduced per certificated FTE)**
- Future additional budget reductions as needed FY2012 (\$500K) **(On target with meeting established goal)**

**Budget Adjustments – Expenditures: FY2013 - 2016 (Total Reduction = \$1,360,000)**

- No ESP staffing increases in FY2013 and FY2014
- Future building budget impact of 0% CPI increase FY2013 - 2016 (\$120K)
- End of the Off Campus lease in FY2013 (\$240K) reduction in expenditures
- Future additional budget reductions as needed FY2013 & FY2014 (\$1M)

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**RE: Preliminary Financial Projections**

Following is preliminary financial data for your review.

**Background Data**

The financial projections as presented contain current budgetary data, as well as a five-year projection. The data also includes three years of prior data for historical purposes. The projections are compiled based on the following broad assumptions:

**Revenue Assumptions**

- Current year consumer price index (CPI) is 1.5%
- Future year projections are based upon a 1.5% CPI
- Debt service includes all projected debt, including all referendum authorized debt
- Future increases in equalized assessed valuation are estimated at 2.0% for non-triennial years and 5.0% for triennial reassessment years (except FY2010 at 2% due to artificial assessment reduction)
- Property tax rates are calculated under the tax cap
- Collection rates are estimated at 50% for the spring and fall installments
- Total collection rate is estimated at 97.5% (includes 1.5% for refunds)
- Enrollment projections are per the November 2010 report
- Make-whole payments from The Glen are calculated using current enrollment projections
- Student fees for FY2012 will remain flat
- Interest income is projected to remain flat
- Corporate Personal Property Replacement Tax is projected to remain flat, with \$2.3M budgeted annually to the operating funds
- General State Aid is NOT included for FY2012 - 2016
- State and Federal categorical are budgeted at an 79% level

**Expenditure Assumptions**

- Estimated salary increases are calculated using the average of 3% and applicable CPI (formula)
- Employee benefits are estimated to increase an average of 8% per year
- IMRF is estimated to increase by 10% per year (based on actual rate)
- FICA/Medicare estimates are in line with salary increases
- Other variables are estimated at approximately 2% each year to capture unexpected fluctuations
- Retirement salary adjustments are estimated at 1% each year
- TRS Early Retirement Option (ERO) penalties are estimated using the TRS employer formula
- Tuition expense is estimated to increase on the average of 2% per year; all "other" expenses at CPI
- Annual operating transfer represents the lease certificate payments per schedule (3801 W. Lake building) and building operating budget transfers
- Staffing projections maintain current ratios and are projected by formula

# PROJECTED FUND BALANCES - REVISED 2/28/11 CPI = 1.5% FY2011 AND FORWARD

	2008	2009	2010	2011	2012	2013	2014	2015	2016
*Current 2/28/11	54.7%	55.6%	65.1%	63.1%	60.6%	55.9%	48.4%	38.5%	26.0%
Revised 11/16/10	54.7%	54.9%	63.7%	61.7%	60.5%	56.3%	49.4%	40.3%	28.7%
Revised 9/27/10	54.7%	54.9%	63.7%	61.5%	61.1%	57.2%	51.3%	43.6%	34.1%
Revised 7/26/10	54.7%	55.0%	63.4%	61.3%	59.8%	55.3%	48.6%	40.3%	30.1%
06 Benchmark	50.1%	49.8%	48.0%	45.8%	43.1%	40.1%	35.1%	28.1%	21.3%
Board Goal	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%

