

**GLENBROOK HIGH SCHOOLS**  
**Office of the Assistant Superintendent for Business Affairs**  
**Regular Meeting – Monday, February 25, 2013**

**TO: Dr. Michael Riggle**

**FROM: Hillarie Siena**

**DATE: February 25, 2013**

**RE: Update of 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 1.7%
- Future year projections are based upon a 2.4% CPI (rolling 10-year average)
- 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 reductions)
- Property tax rates are calculated under the tax cap
- Collection rates are estimated at 52% for the spring and 48% for the fall installments
- Total collection rate is estimated at 97.5% (includes -1.5% for tax appeal refunds)
- Enrollment projections are per the November 2012 report
- Make-whole payments from The Glen are calculated using current enrollment projections
- Student fees for FY2014 will remain flat
- Interest income is projected to remain flat
- Corporate Personal Property Replacement Tax is projected to remain pro-rated, with \$1.9M budgeted to the operating funds
- General State Aid is NOT included for FY2013 – 2018 (Glenbrook is a flat grant district)
- State and Federal categorical are budgeted at a 79% funding level

**Expenditure Assumptions**

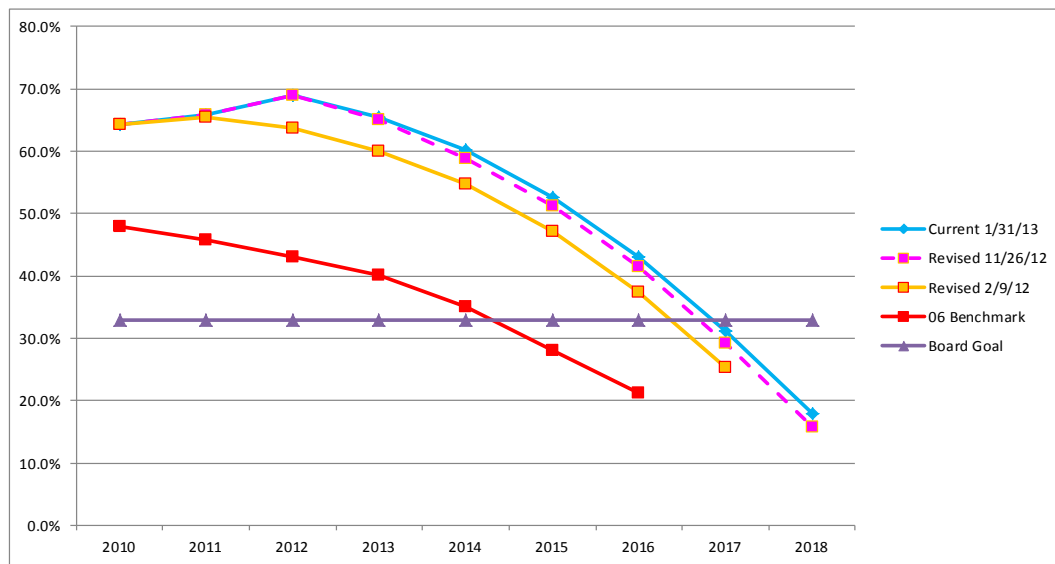
- Estimated salary increases are calculated using the average of 3% and applicable CPI (current formula)
- Employee benefits are estimated to increase an average of 9% per year
- IMRF is estimated to increase by 10% per year (based on actual rate)
- FICA/Medicare estimates are in line with salary increases
- 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

# Staff Financial Update

## Projected Fund Balances

PROJECTED FUND BALANCES - REVISED 1/31/13 CPI = 1.7% TAX YEAR 2013; 2.4% TAX YEAR 2014 AND FORWARD

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Current 1/31/13	64.3%	65.9%	68.9%	65.5%	60.1%	52.6%	43.0%	31.1%	17.9%
Revised 11/26/12	64.3%	65.9%	68.9%	65.0%	58.9%	51.3%	41.5%	29.3%	15.8%
Revised 2/9/12	64.3%	65.4%	63.7%	60.0%	54.7%	47.2%	37.4%	25.4%	
06 Benchmark	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%



## Budget Reductions - Actual FY2011

### Budget Adjustments - Revenue FY2011

Targeted Increase = \$127,000 | Actual Increase = \$145,329

- Reinstate towel/material fees
- Increase Driver Education behind the wheel fee
- Increase Parking Sticker Fee
- Participation in the EnerNOC energy grid program
- Reduction to revenue for Board of Ed bus subsidy for 50% sibling rider discount

### Budget Adjustments - Expenditures FY2011

Targeted Reductions = \$730,000 | Actual Reductions = \$704,646

- Implement on-line convenience fee to reduce expenditures for credit card fees
- Permanent reduction to building budget allocations
- Overall reductions to technology budget
- Outsource food service web store to reduce expenditures for credit card fees
- Reduction in ADM color copying

## Budget Reductions – Actual FY2012

### **Budget Adjustments – Revenue FY2012**

**Targeted Increase = \$60,000 | Actual Increase = \$60,112**

- New revenue from Federal Impact Aid
- Reduction to revenue for General State Aid final appropriation (Loss of last June payment)

### **Budget Adjustments – Expenditures FY2012**

**Targeted Decrease = \$520,000 | Actual Decrease = \$519,195**

- Building budget allocation CPI freeze from 2.7% to 0% for FY2012
- Staffing reductions per approved staffing plan

## Budget Reductions – Projected FY2013 & FY2014

### **Budget Adjustments – Expenditures FY2013 | Targeted Decrease = \$620,000**

- Future building budget impact of 0% CPI increase from FY2012
- Staffing reductions per attrition GBN (Cert -.6, ESP -3.1)
- Staffing reductions per attrition GBS (Cert -.6, ESP -3.1)
- Reduction in benefits, including pension costs, for staffing reductions
- District-wide ongoing reductions through efficiencies

### **Budget Adjustments – Expenditures FY2014 | Targeted Decrease = \$1,000,000**

## Summary of Initial Savings

- Over the last two years the District has increased reserves by \$1,429,282
- Over the next two years the District projects to save \$1,620,000
- Total increase in fund balance through FY2014 = \$3,049,282

## Salaries & Benefits as % of Operating Revenue

