

GLENBROOK HIGH SCHOOLS
Regular Board Meeting Monday July 13, 2009
District Business Office

TO: Dr. Mike Riggle

FROM: Kimberly L. Ptak

DATE: JULY 13, 2009

RE: BOOKSTORE AND FOOD SERVICES UPDATE

BOOKSTORE

The district outsourced the bookstores to Follett in July 2007. Per the contract, the district pays Follett an annual management fee of \$160,000 versus the approximately \$305,000 it historically cost the district to run the bookstores internally. At the time of the transition, Follett purchased textbook and supply inventory from the district in the amount of \$475,000. An additional \$250,000 of inventory was obsolete and not purchased by Follett; instead it was donated, used as supplemental teaching material in the classrooms or sold to third party wholesalers where approximately \$15,000 was collected.

Summary of Average Cost of Textbooks

It is estimated that 93% of students purchase textbooks from Follett, the remaining 7% purchase from a third party (Amazon, Barnes and Noble etc) or use sibling/friends books from prior years. Following is a chart showing the average cost of textbooks for FY 08/09 and how it compared to FY 07/08. Note, approximately 50-60% of cost is returned to student at buy-back time, unless the school discontinues the textbook. Only 2% of textbooks were discontinued and not bought back in FY 08/09.

	<u>FRESHMAN</u>	<u>SOPHOMORE</u>	<u>JUNIOR</u>	<u>SENIOR</u>
2007/08	\$452.30	\$484.25	\$381.21	\$452.13
<i>Less buyback</i>	<u>(226.15)</u>	<u>(242.13)</u>	<u>(190.60)</u>	<u>(226.07)</u>
Net Cost	226.15	242.13	190.60	226.06
2008/09	\$458.02	\$491.03	\$380.21	\$461.02
<i>Less buyback</i>	<u>(229.01)</u>	<u>(245.52)</u>	<u>(190.11)</u>	<u>(230.51)</u>
Net Cost	229.01	245.52	190.11	230.51
Percentage Increase 08 to 09	1.3%	1.4%	-.003%	2.0%

NOTE: Textbook expense freshman and sophomore year is higher due to mainly core classes being taken. Junior and senior year more electives are offered which tend to have

lower textbook costs. Prices senior year increase again due to classes such as physics and advanced foreign language where bundled packages are required (i.e. textbook and workbooks bundled together.)

E-Book Pilot

We are looking to piloting an eBook/digital version of Traditions and Encounters used in a sophomore academy social studies course. Students will purchase a hard copy version of the text and will be given either a netbook (small personal laptop) with a digital version of the text or a device such as a kindle or Sony reader to use during the year.

FOOD SERVICES

Beginning with the FY 07/08 school year, the district entered into a 5-year “rent based” agreement with Quest Food Services. Under the agreement, Quest incurs any profit or loss and pays the district “rent” in the amount of 10% of sales. The district is still responsible for the purchase of smallwares, equipment maintenance and credit card fees which we budget approx. \$50K per year.

<u>In-house (through 1992)</u>	<u>Sodexho 1992 - 2006</u>	<u>Quest 2007 - traditional</u>	<u>Quest 2008 – rent based</u>	<u>Quest 2009 – rent based</u>
		Rent:	\$193,000	\$252,000
		Expense:	(\$50,000)	(\$50,000)
Average Loss (\$75K)	Average Profit \$35K	Profit \$85K	Net Rent: \$143,000	Net Rent: \$202,000

Prior to 1992, the food services program was managed in house. When Sodexho took over the program in 1992 we were running at a deficit fund balance in Fund 19 of approximately \$1.2M. Over the years we have gradually been reducing this deficit. As of June 30, 2009, Food Services Fund 19 is still running at a deficit of \$203,000. It is expected at the end of FY 2009/10, the fund balance will be close to zero.

It is estimated that 25% of students participate in the breakfast program spending an average of \$1.87 and 83% of students participate in the lunch program spending an average of \$4.25. Quarterly food committee meetings are held to review selection, quality, price and overall feedback.

Effective with the new school year, according to Alliance for a Healthier Generation, we are limited to the beverages we can sell in the cafeteria and vending machines. We will only be allowed to sell diet soda, 12 oz bottles of Gatorade, 10 oz bottles of juice, propel fit water, regular water and milk. This may have an impact on overall cafeteria sales, however currently approximately 75% of beverage sales are water.