



To: Dr. Mike Riggle
Board of Education

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

Date: Monday, February 11, 2019

Re: School Operating Budgets for FY 2019-20

Recommendation

It is recommended that the Board of Education approve the school operating budgets for the 2019-20 fiscal year as follows:

- Glenbrook North High School - \$2,765,105.65;
- Glenbrook South High School - \$3,669,779.38.

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 Supervision Expenses
- Substitute Expenses for Professional Development Activities
- Employee Overtime Expenses
- Equipment and Capital Item Purchases
- Small Building Projects (including Carpet Replacement, Painting)
- Building Maintenance Supplies
- Charter Transportation Expenses (Athletics, Field Trips, Student Activities)

As we move toward further implementation of a zero-based budget model, school leadership teams will continue to work to identify the financial needs of each department and program area. Historically, the school operating budgets have been calculated based on three components: basic allocation, per student allocation, and facilities allocation (based on a per square foot value). The purpose of each component, and calculations for the 2019-20 fiscal year are described within this memo.

Basic Allocation

The basic allocation is for specific expenses that each school incurs, regardless of the size of the school. Examples of these expenses include athletic event supervision, professional development activities, additional student activity sponsors, and substitute teacher compensation.

The basic allocation is determined by taking the prior year's allocation, and increasing the amount by the value of the Consumer Price Index for All Urban Consumers (CPI-U) indicated on the prior year's tax levy. For the 2019-20 fiscal year, the basic allocation was increased by 2.1%.

After the basic allocation has been calculated, the amount is divided equally between Glenbrook North and Glenbrook South.

Change in Accounting Practice: Transition of Athletic Event Supervision and Peer Group Summer Training to Site Based Accounts

In the development of the 2019-20 tentative budget, we recognized that additional funds are made available to each school for the purpose of athletic event supervision and peer group summer training. These funds are assigned to each school, but are not part of the current school operating budget structure. Alternatively, they are part of the overall district operating budget, with expenditure reviews performed by the Athletic Director and/or the Associate Principal for Administrative Services at each school.

In an effort to align the placement of these accounts within the general ledger with the roles responsible for budgetary oversight of expenditures, the athletic event supervision and peer group summer training funds will be transitioned from a district-wide account, to a site-based account for each school. This change is reflected by increasing the basic allocation by \$250,000, which would equate to a \$105,000 per-school budget for athletic supervision, and \$20,000 per-school budget for peer group summer training. This change is technical in nature, and does not reflect a change in expenses in relation to either program.

Per Student Allocation

The per student allocation is to provide for instructional materials and other expenses related to the student experience in academics, athletics, and activities. Examples of expenditures include employee overtime, duplication expenses, assessment materials, intangible course materials, and non-capitalized equipment to support classroom needs.

The per student allocation is determined by taking the prior year's per student allocation, and increasing the amount by the value of CPI-U indicated on the prior year's tax levy. For the 2019-20 fiscal year, the basic allocation was increased by 2.1%, or \$14.84 per student.

After the per student allocation has been calculated, the amount is multiplied by the estimated student enrollment for the upcoming school year based on Dr. McKibben's enrollment forecast. For the 2019-20 school year, Dr. McKibben estimates that Glenbrook North will have a population of 2,060 students, and Glenbrook South will have a population of 3,190 students.

Facilities Allocation

The facilities allocation is to provide for expenses related to the operation of the physical plant of each school, as well as approved building projects. Examples of expenditures include the purchase of cleaning supplies, repair and upkeep of facilities, custodial overtime compensation, and capital expenditures such as carpet replacement and painting.

The facilities allocation is determined by taking the prior year's per square foot value, and increasing the amount by the value of CPI-U indicated on the prior year's tax levy. For the 2019-20 fiscal year, the per square foot value was increased by 2.1%, or \$0.02 per square foot.

After the per square foot value has been calculated, the amount is multiplied by the total amount of facility coverage to calculate each school's facilities allocation. Glenbrook North is comprised of 580,000 sq ft, and Glenbrook South is comprised of 670,000 sq ft, as validated by the District's architect.

School Operating Budgets - FY 2019-20 - Recommendation

| | | <i>Historical</i> | | | | | <i>Recommendation</i> | <i>Year-Over-Year % Increase</i> |
|---|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------------|
| | | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | |
| Consumer Price Index for All Urban Consumers (CPI-U)* | | 1.7% | 1.5% | 0.8% | 0.7% | 2.1% | 2.1% | |
| Basic Allocation | Total Budget | \$1,149,641.18 | \$1,166,885.80 | \$1,176,220.88 | \$1,184,454.43 | \$1,209,327.97 | \$1,484,723.86 | 22.77% ** |
| | Glenbrook North High School | 50% \$574,820.59 | 50% \$583,442.90 | 50% \$588,110.44 | 50% \$592,227.21 | 50% \$604,663.99 | 50% \$742,361.93 | |
| | Glenbrook South High School | 50% \$574,820.59 | 50% \$583,442.90 | 50% \$588,110.44 | 50% \$592,227.21 | 50% \$604,663.99 | 50% \$742,361.93 | |
| Per Student Allocation | Per Student Budget | \$663.46 | \$635.86 | \$641.57 | \$646.06 | \$706.68 | \$721.52 | 2.10% |
| | Glenbrook North High School | 2,038 \$1,352,140.00 | 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 | 0.34% |
| | Glenbrook South High School | 2,895 \$1,920,729.00 | 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 | 1.40% |
| Facilities Allocation | Per Square Foot (sq ft) | \$1.01 | \$1.02 | \$1.03 | \$1.04 | \$1.06 | \$1.08 | 2.10% |
| | Glenbrook North High School | 580,000 \$585,440.00 | 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 \$673,571.00 | 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 | \$2,512,400.59 | \$2,471,880.90 | \$2,476,092.44 | \$2,501,080.14 | \$2,669,985.33 | \$2,856,105.65 | |
| | Reduction - Field Turf Contribution | \$125,000.00 | | | | | | |
| | Reduction - District Technology Budget | | \$91,000.00 | | \$91,000.00 | \$91,000.00 | \$91,000.00 | |
| | Grand Total | \$2,387,400.59 | \$2,380,880.90 | \$2,476,092.44 | \$2,410,080.14 | \$2,578,985.33 | \$2,765,105.65 | 7.22% |
| Glenbrook South High School | Glenbrook South High School Subtotal | \$3,169,120.59 | \$3,189,712.90 | \$3,262,180.44 | \$3,294,158.25 | \$3,537,740.01 | \$3,768,779.38 | |
| | Reduction - Field Turf Contribution | \$85,000.00 | \$165,000.00 | | | | | |
| | Reduction - Parking Lot / Maintenance Bldg. | \$15,000.00 | \$235,000.00 | | | | | |
| | Reduction - District Technology Budget | | \$99,000.00 | | \$99,000.00 | \$99,000.00 | \$99,000.00 | |
| Grand Total | \$3,069,120.59 | \$2,690,712.90 | \$3,262,180.44 | \$3,195,158.25 | \$3,438,740.01 | \$3,669,779.38 | 6.72% | |
| Total School Operating Budgets | | \$5,456,521.18 | \$5,071,593.80 | \$5,738,272.88 | \$5,605,238.38 | \$6,017,725.34 | \$6,434,885.03 | 6.93% |

* 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).

** The Basic Allocation has been adjusted for the 2019-20 to reflect a change in accounting practice. The budget for athletic supervision and peer group previously in a general district operating program have been moved to the respective school operating programs. Without this change, the increase to the Basic Allocation would only represent a 2.1% year-over-year increase.