

**GLENBROOK HIGH SCHOOLS**  
**Office of the Assistant Superintendent for Business Affairs**  
**Regular Meeting – Monday, February 23, 2012**

**TO: Dr. Michael Riggle**

**FROM: Hillarie Siena**

**DATE: February 23, 2012**

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

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 3.0%
- Future year projections are based upon a 2.5% 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 2011 report
- Make-whole payments from The Glen are calculated using current enrollment projections
- Student fees for FY2013 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 FY2013 - 2017
- 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 (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

**GLENBROOK HIGH SCHOOLS**  
**Office of the Assistant Superintendent for Business Affairs**

**TO: Dr. Michael Riggle**

**FROM: Hillarie Siena**

**DATE: November 7, 2011**

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

**Overview**

The financial projections as presented to the Finance Committee on November 7, 2011, contain budgetary data for fiscal year ended June 30, 2012, plus five years FY2013 through FY2017. The projection also includes three years of prior data for historical purposes.

**Assumptions**

The updated projections are based upon the following budget assumptions:

- Revenue from General State Aid is included for FY2012 only
- 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

**Final Budget – Revenue: FY2012 (+\$60K)**

- New revenue from Federal Impact Aid (+\$100K)
- Reduction in General State Aid final appropriation (-\$40K)

**Final Budget – Expenditures: FY2012 (-\$520K)**

- Building budget allocation CPI freeze from 2.7% to 0% for FY2012 (-\$30K)
- Staffing reductions per approved staffing plan (\$-490K)

**Budget Adjustments – Expenditures: FY2013 (-\$620K)**

- Future building budget impact of 0% CPI increase from FY2012 (-\$30K)
- Staffing reductions per attrition GBN (Cert -.4, ESP -2.5) (-\$155K)
- Staffing reductions per attrition GBS (Cert -.6, ESP -3.1) (-\$200K)
- Reduction in benefits, including pension costs, for staffing reductions (-\$90K)
- Reduction in building budget facilities allocation GBN (-\$45K)
- District-wide ongoing reductions through efficiencies (-\$100K)

**Budget Adjustments – Expenditures: FY2014 (-\$605K)**

- Future building budget impact of 0% CPI increase from FY2012 (-\$30K)
- Staffing reductions per attrition GBN (Cert -1.0, ESP -1.0) (-\$125K)
- Staffing reductions per attrition GBS (Cert -.4, ESP -3.0) (-\$180K)
- Reduction in benefits, including pension costs, for staffing reductions (-\$72K)
- Reduction through book sale efficiencies (-\$30K)
- Reduction in building budget facilities allocation GBN (-\$68K)
- District-wide ongoing reductions through efficiencies (-\$100K)

**PROJECTED FUND BALANCES - REVISED 2/09/12**

**CPI = 3.0% TAX YEAR 2012; 2.5% TAX YEAR 2013 AND FORWARD**

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Current 2/09/12	55.6%	64.3%	65.4%	63.7%	60.0%	54.7%	47.2%	37.4%	25.4%
Revised 11/14/11	55.6%	64.3%	65.4%	63.2%	59.3%	52.8%	44.8%	34.3%	22.0%
Revised 7/19/11	55.6%	64.6%	65.9%	63.4%	57.4%	48.6%	37.5%	23.7%	
O6 Benchmark	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%

