



...the educational prism through which students realize meaning and purpose in their lives...

TO: Members, Board of Education
Dr. Constance Collins, Superintendent

FROM: Therese M. O'Neill, Assistant Superintendent for Finance & Operations

RE: Cost Efficiencies – From 2009-10 Budget for 2010-11 Budget

DATE: April 13, 2010

Several months ago, when District 97 was contemplating the absorption of crossing guards and school resource officers into the 2010-11 budget, I indicated that the Administrative Leadership team was working earnestly to make this cost neutral to the District. Since then, Dr. Collins has identified other initiatives (two assistant principals and one student support specialist) worthy of inclusion in the 2010-11 budget due to substantial increases in student enrollment at the Lincoln, Longfellow and Mann schools respectively. Further with the retirement of over 40 teachers at the close of this school year, as well as the addition of some other teachers due to enrollment increases, recognition of the need for one additional teacher leader for mentoring has surfaced.

Attached is a spreadsheet delineating cost reductions totaling \$780,043 (page 1) and potential cost additions of \$749,001 (top of page 2), resulting in a net savings of \$31,042. If any of the potential cost additions are not realized, then that number of \$31,042 will further increase. I would like to thank my Administrative Leadership colleagues for their earnest investment of energy and sensitivity in making these efficiencies/additions cost neutral. I believe it demonstrates their individual and collective desire to serve District 97 efficiently and respectfully.

The bottom of page 2 delineates cost associated with the proposed technology plan. Last year, the Board approved one-time technology enhancements totaling \$1,377,982. Included in the District's projections for 2010-11 was a significant decrease in that number to \$500,000. However, in reviewing on-going technology costs, separate from the proposed technology plan, is an additional \$373,000, for a total of \$873,000. This amount (\$373,000) plus the cost of the first year of the proposed technology plan (\$883,976) totals \$1,256,976. For the 2011-12 budget year, that \$873,000 amount will become \$600,000. Clearly, the cost efficiencies earlier mentioned do not cover these additional technology costs (\$1,256,976).

However, embedded in the District's overall Debt Service Fund is approximately \$1,750,000, the result of an accumulation of double-digit years of application of the loss and cost factor (5%) applied to the Debt Service component of the annual levy. Board members may recall that well over a year ago, I had shared this fact at one of our budget meetings. These dollars can only be used to issue debt in the form of Limited Tax Bonds (typically District 97 has opted for Working Cash Bonds), and then converted to the cash necessary to support timely and important District initiatives.

