



# Oak Park Elementary School District 97

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TO: Board of Education  
Dr. Carol Kelley, Superintendent of Schools

FROM: Robert Grossi – Financial Consultant to the District

SUBJECT: Waiver on Limitation of Administrative Cost for FY 2019

DATE: May 23, 2019

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Section 17-1.5 of the School Code states that a school district's budgeted administrative expenditures cannot increase more than 5% over their prior year actual administrative expenditures. The following functions are included under administrative expenditures:

- 2320 Executive Administration Services
- 2330 Special Area Administration Services
- 2490 Other Support Services - School Administration
- 2510 Direction of Business Support Services
- 2570 Internal Services
- 2610 Direction of Central Support Services

While we do not anticipate that actual administrative expenses for FY 2019 will be greater than 5% above the actual administrative expenses for FY 2018, the original budget adopted by the Board was in excess of 5% of the final audited figures in these functions, which were not known at the time of the budget.

Since Oak Park District 97's administrative expenses per pupil are in the 25<sup>th</sup> percentile and below, the statute allows the District to waive the limitation. It is therefore recommended that the Board of Education hold a public hearing at its June 11<sup>th</sup> Board meeting and then approve a resolution to waive the limitation for FY 2019. The form of the resolution was provided to me by ISBE.

Again, it is important to stress that the District is expected to end the fiscal year under the budgeted figures approved by the Board in these functions and subsequently below an actual growth rate of 5%.