

Memorandum

To: Dr. Robey, Superintendent

CC: Board of Education

From: Jacqui Parisi, Assistant Superintendent of Business Services

Date: 2/7/2013

Re: Business Services Update

The Consumer Price Index (CPI) for calculating the December 2013 tax levy was released mid-January at 1.7% which is down from the prior year of 3.0%. According to the PTELL law, the district is able to use CPI or 5%, whichever is less. For District 89 (D89), the 1.7% CPI will generate approximately an additional \$200K in taxes to be collected in calendar year 2014.

General State Aid (GSA) represents 54% of D89's total revenue stream. As the State of Illinois prepares its fiscal year 2014 annual budget, we are hearing General State Aid will again be prorated. GSA was prorated in FY12 at 95% and then again in FY13 at 89%. For FY14, they are anticipating an 82% proration, or a 7% decrease over prior year, resulting in D89 receiving approximately \$2.4M less over prior year.

The Business Office in conjunction with Administration is compiling a list of all contracts and subscriptions D89 has with various vendors. We are identifying information on contract terms, costs, expiration, and termination. The list will assist Administration with future budgeting and scheduling of bids and/or securing additional quotes prior to renewals. The contract and subscription list will be reviewed at a future finance committee meeting along with a recommended approving protocol.

The FY12 audit is still in progress with a few open items remaining. We are anticipating a February completion.

D89's National School Breakfast and Lunch Program contract expires June 30, 2013. The Illinois State Board of Education Nutrition department has an established bid process which must be adhered to by each district commencing with the attendance of two webinars. The entire bid process takes 4-5 months and the nutrition department is heavily involved throughout. The specification template is

provided by the State Board and customized by the district. The State Board must approve the bid specification prior to releasing to prospective bidders and they review the bid analysis prior to any award by a District's Board of Education.