

Financial Projections Show Generally Balanced Budgets Through 2017 Fiscal Year

District 34 will have generally balanced budgets through the 2017 fiscal year within the operating funds based on forecasts for revenue and expenditures prepared by a citizen's committee. This financial future was reported to the Board of Education by the Citizen's Finance Advisory Committee (CFAC) in February.

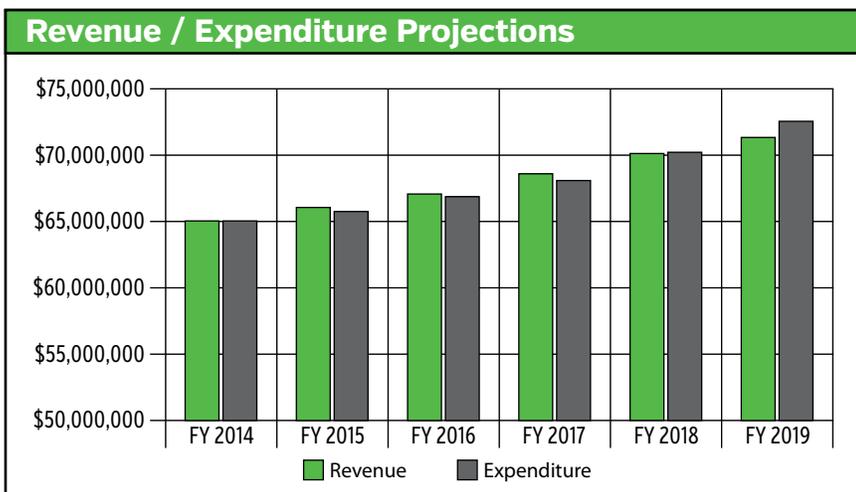
This projection is a substantial change in financial outlook when compared with two years ago when it was reported by CFAC that District 34 would cumulatively outspend revenues by \$20 million by the end of the 2017 fiscal

year. Several factors changed the district's financial outlook including:

- A Board decision in April 2012, to reduce the budget by \$1.8 million. Those reductions included class size increases, the elimination of positions, and the restructuring of programs.
- A contract with the teacher's union that ties salary increases to the Consumer Price Index [CPI].
- A contract with the support staff union that ties salary increases to the CPI.

CFAC reported that the three-year average expense for salary and benefits is projected to be a 2.5% growth, while the long term historical average CPI is projected at 2.4%. The CFAC report stated that "salary increases indexed to CPI help maintain projected balanced budgets and fund balanced reserves."

The committee reported a decline in expenses during the 2013 fiscal year due to strong expense control.



Facility Projects Approved

District to address \$5 million of the \$21 million in needs

In order to address the more than \$20 million in facilities needs at its eight schools, the Board of Education recently approved \$5 million in work that will be completed this summer. The work will begin addressing the most urgent facility needs, including emergency generator replacements, boiler removals, HVAC replacements, lighting replacements, roof repairs, water pipe upgrades, asphalt work, and paving replacements.

Plan to fund projects is in place

The District 34 Board of Education has been discussing its facility needs for the past several years and elected to issue \$3.4 million in Working Cash fund bonds and \$1.6 million in Life Safety bonds to address the facility items at the top of the priority list. The remaining \$16 million of needs will be further considered, though current plans are for that work to be completed over the next five years.

Low interest rate secured

The bonding capacity of the district will allow for this \$5 million to be borrowed without raising taxes, while maintaining the same tax rate in the Debt Service Fund.



Asphalt and paving work are part of the identified projects.

The money will be borrowed at a highly competitive interest rate following the district's recent renewal of Moody's Aaa bond rating, the highest possible rating (see related story below).

Justin Attaway, Director of Operations, is the contact for this story. He can be reached at jattaway@glenview34.org or 847-998-5011.

District 34 Earns Aaa Bond Rating

Only 20 of the 866 school districts in the State have earned this rating

Moody's Investors Service recently assigned a Aaa rating to District 34, the highest possible for municipal bond issuance. A rating of Aaa is awarded to entities that possess "an extremely strong capacity to meet financial obligations." Higher ratings can bring a lower cost of borrowing. Just 20 of the 866 school districts in the State of Illinois have earned the Aaa rating.

Strengths cited by Moody's in providing the Aaa rating include:

- Sizeable and affluent tax base located north of Chicago
- Very healthy financial reserve position
- Strong fiscal management demonstrated through a multi-year trend of mostly surplus operations
- Low direct debt burden supported by rapid repayment and limited future borrowing

Weaknesses cited include:

- Multi-year trend of material tax base depreciation
- Exposure to pension cost-shifting and considerable unfunded liability of cost-sharing plan following years of underfunding by the state

The report stated:

"The district's financial operations are expected to remain strong going forward given a history and likely continuation of solid fiscal management. The operating trend is a direct result of strong fiscal management and the district's policy to maintain a solid financial position. Management has made concerted efforts to identify operating efficiencies, both within educational and administrative functions, to control annual cost growth."

Mary Werling, Asst. Superintendent for Business Services, is the contact for this story. She can be reached at mwerling@glenview34.org or 847-998-5008.



DOWNLOAD OUR SMART PHONE APP

District 34 has created a mobile app that can be downloaded on your smart phone if you want to stay up to date with the latest district information. The free app can be downloaded

by visiting iTunes or Google Play.

The app includes news, calendars, Board of Education information, job listings, and links to the district's Facebook and Twitter accounts.



REGISTER YOUR NEW STUDENT TODAY

Parents of children who will be new to District 34 this coming fall, especially kindergartners, should enroll their child as soon as possible.

District 34 offers a half-day kindergarten program and children must be 5 years old on, or before, September 1, 2014 to be eligible. Exceptions are not made to this policy.

For more information, please contact your school:

Henking School 847-998-5035

Lyon School 847-998-5045

Westbrook School 847-998-5055

Learn More About the District 34 Budget

Each year, District 34 produces the "Budget Guide for the Community" to help residents and parents understand the district's nearly \$70 million budget and where the community's resources are utilized for the benefit of students.



Among the many items within the 16-page booklet are:

- Information about the different funds within the budget and how money is spent
- The percentage of funds used on instruction of students (68%), the percentage used for direct support to students (28%), and the amount used on indirect support to students (4%) within the operating fund
- The percentage of revenue from local taxes (89%), state funds (8%) and federal funds (3%)
- The property tax distribution for a local taxpayer and the percentage of the overall bill that goes to District 34 (36%)
- The average per student spending for District 34 and the surrounding school systems
- Information on the budget calendar
- Frequently asked questions and answers
- Student academic achievement information

The booklet can either be viewed at www.glenview34.org or by calling Melanie Walstrom at 847-998-5000 for a printed copy.

Summer School is Around the Corner: Sign Up Today!



District 34 will offer many options for students to enrich their educational experience over the summer that are open to any student living in the District 34 attendance boundaries, including students enrolled in private or parochial schools.

This year the enrichment courses include painting, drama, writing, photography, rock climbing, and several sports offerings.

Additionally, the district will offer reinforcement classes for students attending District 34 schools.

A course catalog and sign up information are available on the district's website at www.glenview34.org.

Art Abrego, Assistant Superintendent for Student Services, is the contact for this story. He can be reached at aabrego@glenview34.org or 847-998-5015.



Keep Up with Board Decisions

Anyone interested in learning more about the discussions and decisions of the Board of Education need to look no further than the District 34 website where all agendas, minutes and supporting documents are available.

On the district website (www.glenview34.org), select "Board" at the top of the page, then "Meeting Agenda and Minutes," then select the link on that page titled "agendas and minutes."

The site, titled Board Docs, also provides all historical information for the past several years related to board discussions and decisions.

Financial Projections

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The report also stated that the financial projections are based upon key inputs and assumptions. Those are more difficult to predict due to the financial condition of the State of Illinois, legislative impacts, and potential changes to the General State Aid formula.

CFAC also reported that during the 2018 and 2019 fiscal years, expenditures will slightly outpace revenues due to:

- The impact of an additional fee paid by organizations if health care benefits offered to employees exceed a

maximum threshold set by the federal government

- Declining revenue from the TIF development due to fewer students from The Glen attending District 34
- Investments in curriculum materials

CFAC is a group of community members with financial backgrounds who work with the district to create a yearly report on the financial outlook of the school system.

The full report is available on the district's website at www.glenview34.org.

Mary Werling, Assistant Superintendent for Business Services, is the contact for this story. She can be reached at mwerling@glenview34.org or 847-998-5008.

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Contact Us

Phone: 847-998-5000 **Internet:** www.glenview34.org
Mail: 1401 Greenwood Road, Glenview, IL 60026

Periodical

POSTAL PATRON

Schoolook (USPS 090370) is published five times per year for citizens residing in the School District by Community Consolidated School District 34.

Periodical postage paid at Glenview, IL Postmaster.

SCHOOLOOK

Volume 52 • Number 4
March, 2014

Our Mission

To empower children to be self-directed learners and responsible decision makers.

Brett Clark, *Editor*
Terry Sinnott, *Photos & Design*