



FY14 Final Budget

Carol L. Rogers, C.P.A.

Assistant Superintendent for Business Services and Operations

Warren Township High School District #121
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Board of Education:

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David Grum – Vice President
Barb Conway – Secretary
Larry Stried – Board Member
Michael Munda – Board Member
Catherine Campbell – Board Member
Liz Biondi – Board Member

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Building Administration:

O'Plaine Campus:

Greg Meyer – Principal
Chuck Maurer – Associate Principal
Michele Bertola – Assistant Principal
Rafael Soto – Dean
Sandy Ridker – Dean
Pat Shea – Dean
Kory Geisser – Special Education Supervisor

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Laura Kirk – Dean
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**Warren Township High School District #121
2013-2014 Budget**

September 24, 2013

Members of the Board of Education and
Citizens of Warren Township High School District #121
Gurnee, Illinois

Dear Members of the Board of Education and Citizens:

Presented to you is the final 2013-2014 budget of Warren Township High School District #121. The purpose of the financial information presented in this document is to provide its readers transparency and an understanding of the financial structure and budgeting process of the District. The budget was developed with input from the staff, administration and Board of Education beginning in November 2012.

Strategic Plan

The budget has been developed to support the strategic plan of the District developed for 2012 – 2015. The strategic plan mission and beliefs are:

Mission

To maximize the achievement and growth of every student through rigor, support and innovation

Beliefs

We believe that student achievement and growth are maximized when:

- the school focuses its energies on continuous improvement.
- both rigor and support are infused throughout student programs and staff development.
- data and best practices drive decision making throughout the school community.
- innovation and creativity are promoted and supported.
- the school provides a safe and inviting hearing environment.
- diversity is honored as an asset.

In this document, we will highlight specific initiatives that support the strategic plan.

Budget Process

The development process begins with the strategic plan developed by the Board of Education and various stakeholders. The administrative staff determines major event timelines to guide discussions, recommendations and actions by the Board. Curriculum, programs, and staffing are developed to meet the needs of students enrolled. Large issues like health care reform, pension legislation, state funding, class sizes and potential deficits are brought to the Board and Administration to discuss implications as factors outside of the current control of the District. Recommendations are made to reduce any budget deficits as the process progresses.

Budget Schedule Timeline

- December 18, 2012: First Board of Education budget meeting to discuss major issues
- January 3 – 8: Possible legislation on pension reform
- January 2013: preliminary insurance rates
- January 2013: presentation to the insurance committee
- January 28, 2013: Staffing due
- February 12, 2013: Board of Education budget meeting
- February 2013: Possible RIF (reduction in force) decisions need to be made and non-renewals or hires
- February 28, 2013: Technology plan due
- February 2013: Superintendent recommendation
- March 2013: Board approval of potential RIF February to March
- March department budgets/bids
- March 19, 2013: Board of Education budget meeting
- Revisions in operations possible
- April 2013: Recommendations from Strategic Planning Committees
- April 2013: Final Insurance rates
- April – May 2013: Possible decision by Board on insurance changes due to Obama Care
- May 14, 2013: Board of Education budget meeting
- June 4, 2013: Board of Education budget meeting
- June 25, 2013: Board of Education budget meeting
- August 20, 2013: Board of Education budget meeting
- August 2013: Tentative budget posted
- September 2013: Final budget adopted

Budget as an Estimate

The budget is based on the most up-to-date information that we have. But a budget is intended as a guideline and will never be exact. Under the *Illinois School Code*, the budget is the ceiling of what a district can spend. Variations of 10% between expenditures are allowed by Board approval. The Board of Education also can amend its budget through a public hearing and approval after a 30-day notice.

Method of Accounting

The District budgets revenues and expenditures on the accrual method of accounting rather than the cash method.

Overview of the Budget (Exhibit A)

The budget is discussed in two components; the operating fund budget and the total budget. The operating fund budget includes the Education, Operations and Maintenance, Transportation, Municipal retirement/Social Security and Tort Funds. These funds make up the monies used to support the day-to-day operations of the District. The total budget includes restricted funds and the operating funds for a total of the nine funds in the school budget form.

The overall operating budget includes revenue of \$50.7 million or a decrease of -.7% from prior year revenues. The overall operating expenditures budget is \$52.7 million resulting in a budgeted deficit of approximately -\$2.0 million. The District has budgeted a deficit for the last several years based on our zero-based budget method. We work throughout the year to improve our results. The District has not had an operating deficit for at least six years. The fiscal year 2012-2013 operating budget is projected to be a surplus. The budgeted deficit includes \$.6 million of transfers to the Debt Service Fund to cover debt certificate payments which are not supported by a tax levy.

The Districts Operating and Working Cash Fund Balances are budgeted to be \$22.5 million at June 30, 2014 or 43% of expenditures which is 5.13 months of funds on hand.

Revenues

Total operating revenues are expected to decrease by about -\$300,000 or -.7%. Property taxes are budgeted to increase about 2.7% or \$1,038,000 because of a 3.0% increase in the 2012 levy and a 1.7% increase in the consumer price index for the 2013 levy. Corporate personal property taxes which represent income taxes received by the state are expected to increase over 7% because of increased income tax collections by the State of Illinois.

Local fees are estimated to increase slightly due to increases in registration fees, athletic fees and parking fees.

State revenue decreased by -\$1.2 million. In fiscal year 2013, the State caught up with back payments. The District has budgeted four quarterly categorical state aid payments for fiscal year 2014. General state aid decreased about -\$400,000 due to decreases in student enrollment. The District will not receive the \$50,000 maintenance grant it received in fiscal year 2013.

Federal revenue declined by about -\$300,000 or -17.23% due to decreases of approximately -\$40,000 in the IDEA grant, -\$18,000 in the Title I grant and -\$6,000 LIPLEPS grant and -\$70,000 in room and board.

Expenditures

Expenditures are budgeted to increase 3.3% or \$52.7 million. Salaries and benefits are expected to increase about 3.3%. The District added 1.5 certified staff and 8 paraprofessionals. The District will make significant expenditures in the technology area which increased capital expenditures. The District is expanding its iPad program to extent the program in math started last year and to expand into other program areas. The District invested about \$180,000 in a data warehouse solution which is a goal outlined in the strategic plan.

Special education continues to bring more programs in-house. This has kept tuition costs at a modest increase of out 1.4%. The Special Education District of Lake County (SEDOL) has already notified the District of significant tuition increases because of their declining enrollment so the District has hopefully preempted a greater increase in tuition costs.

In order to cut unnecessary idling time with the District's buses, nearly 300 bus stops were consolidated or moved. Studies show that most accidents occur when a bus is stopped.

The District contracted for a second police liaison officer so there is a police presence at each campus. This meets the strategic plan goal of having a safe environment four our students.

Detailed Information

In addition to exhibit A, this document includes the required Illinois State Board of Education budget form, detailed budgets, which include revenue by account and four years of historical data, expenditures by department which also include the current budget and historical expenditures. Copies of the presentations at budget (finance committee) meetings with corresponding

minutes provide additional details supporting the initiatives of the District and the development of the budget.

Questions and Answers

Please feel free to address any questions to Carol Rogers, CPA Assistant Superintendent of Business Services and Operations at 847-548-7055 or crogers@wths.net

Enrollment

Enrollment determines many aspects of the budget. Enrollment decreased from the prior year by about 30 students. Historical enrollment is as follows:

07-08 District Enrollment:				07-08 Out-Of-House Enrollment:				07-08 In-House Enrollment: 12/18/07							
9th Grade		1115	Ombudsman	17	9th Grade		1,097	9th Grade		6					
10th Grade		1069	Special Education/ROE	102	10th Grade		1,035	10th Grade		10					
11th Grade		965	Night School	78	11th Grade		0	11th Grade		904					
12th Grade		1059			12th Grade		0	12th Grade		959					
Total:		4208			O'Plaine Total-		2,132	Almond Total-		1,879					
DISTRICT TOTAL:		4,208	OUT OF HOUSE TOTAL:		197	ALMOND/O'PLAINE TOTAL:		4,011							
08-09 District Enrollment:				08-09 Out-Of-House Enrollment:				08-09 In-House Enrollment: 8/25/08							
9th Grade		1165	Ombudsman	12	9th Grade		1,134	9th Grade		14					
10th Grade		1099	Special Education/ROE	85	10th Grade		1,074	10th Grade		7					
11th Grade		1039	Night School	75	11th Grade		0	11th Grade		1004					
12th Grade		978			12th Grade		0	12th Grade		876					
Total:		4281			O'Plaine Total-		2,208	Almond Total-		1,901					
DISTRICT TOTAL:		4,281	OUT OF HOUSE TOTAL:		172	ALMOND/O'PLAINE TOTAL:		4,109							
09-10 District Enrollment:				09-10 Out-Of-House Enrollment:				09-10 In-House Enrollment: 8/26/09							
9th Grade		1141	Ombudsman	9	9th Grade		1,120	9th Grade		11					
10th Grade		1185	Special Education/ROE	85	10th Grade		1,148	10th Grade		14					
11th Grade		1089	Night School	64	11th Grade		0	11th Grade		1051					
12th Grade		1078			12th Grade		0	12th Grade		991					
Total:		4493			O'Plaine Total-		2,268	Almond Total-		2,067					
DISTRICT TOTAL:		4,493	OUT OF HOUSE TOTAL:		158	ALMOND/O'PLAINE TOTAL:		4,335							
10-11 District Enrollment:				10-11 Out-Of-House Enrollment:				10-11 In-House Enrollment: 8/25/2010							
9th Grade		1111	Alternative School (ROE)	5	9th Grade		1,098	9th Grade		5					
10th Grade		1108	Out of House Special Education	69	10th Grade		1,080	10th Grade		12					
11th Grade		1154	Bridges Evening Program	21	11th Grade		0	11th Grade		1131					
12th Grade		1095			12th Grade		0	12th Grade		1049					
Total:		4468			O'Plaine Total-		2,178	Almond Total-		2,197					
DISTRICT TOTAL:		4,470	OUT OF HOUSE TOTAL:		95	ALMOND/O'PLAINE TOTAL:		4,375							
11-12 District Enrollment:				11-12 Out-Of-House Enrollment:				11-12 In-House Enrollment: 8/24/2011							
9th Grade		1150	Alternative School (ROE)	4	9th Grade		1,126	9th Grade		9					
10th Grade		1115	Out of House Special Education	73	10th Grade		1,037	10th Grade		45					
11th Grade		1087	Bridges Evening Program	51	11th Grade		0	11th Grade		1060					
12th Grade		1161			12th Grade		0	12th Grade		1108					
Total:		4513			O'Plaine Total-		2,163	Almond Total-		2,222					
DISTRICT TOTAL:		4,513	OUT OF HOUSE TOTAL:		128	ALMOND/O'PLAINE TOTAL:		4,385							
12-13 District Enrollment:				12-13 Out-Of-House Enrollment:				12-13 In-House Enrollment: 8/23/2012							
9th Grade		1056	Alternative School (ROE)	3	9th Grade		1,038	9th Grade		9					
10th Grade		1155	Out of House Special Education	80	10th Grade		1,043	10th Grade		77					
11th Grade		1101	Bridges Evening Program	49	11th Grade		2	11th Grade		1061					
12th Grade		1054			12th Grade		0	12th Grade		1004					
Total:		4366			O'Plaine Total-		2,083	Almond Total-		2,151					
DISTRICT TOTAL:		4,366	OUT OF HOUSE TOTAL:		132	ALMOND/O'PLAINE TOTAL:		4,234							
13-14 District Enrollment:				13-14 Out-Of-House Enrollment:				13-14 In-House Enrollment: 8/22/2013							
9th Grade		1087	Alternative School (ROE)	8	9th Grade		1,065	9th Grade		11					
10th Grade		1067	Out of House Special Education	83	10th Grade		1,004	10th Grade		38					
11th Grade		1116	Bridges Evening Program	53	11th Grade		0	11th Grade		1068					
12th Grade		1066			12th Grade		0	12th Grade		1006					
Total:		4336			O'Plaine Total-		2,069	Almond Total-		2,123					
DISTRICT TOTAL:		4,336	OUT OF HOUSE TOTAL:		144	ALMOND/O'PLAINE TOTAL:		4,192							
07-08 Technology Campus Enrollment:				299 Students				11-12 Technology Campus Enrollment:				345 Students			
08-09 Technology Campus Enrollment:				313 Students				12-13 Technology Campus Enrollment:				328 Students			
09-10 Technology Campus Enrollment:				369 Students				13-14 Technology Campus Enrollment:				377 Students			
10-11 Technology Campus Enrollment:				422 Students											

Staffing

Based on course selections and enrollment, certified staff decreased by -1.0 full-time equivalent (FTE). Non-certified staff increased by 8 full-time equivalent positions. Administrative staff decreased in the central office by -1.0 FTEs and were replaced by 2.0 Assistant Principals at the building level to focus on curriculum. A .5 FTE social worker was added to support additional special education needs. The additions were paraprofessional staff for special education programs brought in-house. The District has a staff of approximately 462 employees.

13-14 MASTER						Projected Average Class Sizes with FTE's for 2013-14						13-Mar-13							
Almond	13-14 FTE's Projected	12-13 FTE's Projected	13-14 Average Projected Class Size	12-13 Average Projected Class Size	Net FTE's Almond	O'Plaine	13-14 FTE's Projected	12-13 FTE's Projected	13-14 Average Projected Class Size	12-13 Average Projected Class Size	Net FTE's O'Plaine								
Art	2.8	2.8	21.8	25.8	0.0	Art	3.0	3.0	29.6	27.5	0.0							District Wide:	
Business Ed	3.0	3.0	26.1	28.2	0.0	Business Ed	3.8	3.8	22.6	25.1	0.0							Art	0.0
ELL	0.8	0.8	8.3	10.9	0.0	ELL	0.8	0.8	15.5	10.8	0.0							Bus	0.0
English	18.6	18.6	22.7	22.6	0.0	English	17.2	18.2	22.9	21.4	-1.0							ELL	0.0
Theatre	0.4	0.4	25.0	28.5	0.0	Theatre	0.4	0.4	29.0	23.0	0.0							Eng	-1.0
German	1.0	1.0	19.9	17.5	0.0	German	1.0	1.0	25.0	26.2	0.0							The	0.0
Spanish	7.6	7.0	26.7	27.4	0.6	Spanish	9.4	10.0	27.3	24.5	-0.6							Ger	0.0
Chinese	0.2	0.0	10.0	0.0	0.2	Chinese	0.0	0.0	0.0	0.0	0.0							Span	0.0
French	1.0	1.0	25.6	22.1	0.0	French	1.8	2.0	23.9	21.7	-0.2							Chin	0.2
Industrial Tech	3.0	3.0	24.2	24.2	0.0	Industrial Tech	5.8	5.8	24.0	24.7	0.0							Fren	-0.2
Math	16.4	16.0	24.4	24.0	0.4	Math	17.6	18.0	24.3	22.5	-0.4							Ind	0.0
Music	2.4	2.4	29.6	32.0	0.0	Music	1.6	1.6	27.6	30.4	0.0							Math	0.0
Drivers Ed.	0.0	0.0	NA	NA	0.0	Drivers Ed.	0.8	0.8	30.0	30.0	0.0							Music	0.0
Health/Sports Med	0.6	0.6	23.3	26.0	0.0	Health/Sports Med	3.6	3.6	28.0	25.2	0.0							Dr Ed	0.0
Life Fitness	9.4	10.4	29.9	31.2	-1.0	Life Fitness	8.6	8.6	32.6	32.2	0.0							Hea/Athl	0.0
Science	17.0	17.0	21.5	20.9	0.0	Science	18.0	18.0	21.5	21.6	0.0							Life Fit	-1.0
Social Studies	19.0	19.0	23.9	25.0	0.0	Social Studies	15.4	15.4	25.7	25.2	0.0							Sci	0.0
Work Base Learning	2.0	2.0			0.0	ED / BD	0.0	0.0			0.0							Soc	0.0
Cross Categorical	9.0	12.0			-3.0	Cross Categorical	16.0	14.0			2.0							SPZ	0.0
Educational Life Skills	3.0	2.0			1.0	Educational Life Skills					0.0							CC	-1.0
Functional Educational	3.0	3.0			0.0	Functional Educational					0.0							ELS	1.0
Transition	3.0	3.0			0.0	Transition					0.0							Fun	0.0
Sped Support Staff	24.6	24.3			0.3	Sped Support Staff	6.4	6.2			0.2							Trans	0.0
Sped Ed Totals	44.6	46.3	7.1	7.3	-1.7	Sped Ed Totals	22.4	20.2	7.2	9.0	2.2							Supp	0.5
SWS	NA	NA	NA	NA		SWS	3.0	3.0	24.7	21.0	0.0							Sped	0.5
Lead Teachers	0.2	0.2	NA	NA	0.0	Lead Teachers	0.4	0.4	N/A	N/A	0.0							Sws	0.0
Counselor	6.0	6.0	NA	NA	0.0	Counselor	6.0	6.0	N/A	N/A	0.0							Lead T	0.0
Others	12.4	12.2	NA	NA	0.2	Others	11.0	10.7	N/A	N/A	0.3							Couns	0.0
FTE's	166.4	167.7			-1.3	FTE's	151.6	151.3			0.3							Others	0.5
Overloads	0.0	0.0			0.0	Overloads	0.0	0.0			0							TOTAL	-1.0
TOTAL:	166.4	167.7	24.5	24.6	-1.3	TOTAL:	151.6	151.3	24.9	24.0	0.3								
Projected:						District Wide FTE Change:						-1.0							
2005-2006	1,848		1,975			2005-2006	1,848		1,975					2005-2006	1,848		1,975		
2006-2007	1,983	1.8	1,992	-1.5	0.3	2006-2007	1,983	1.8	1,992	-1.5	0.3			2006-2007	1,983	1.8	1,992	-1.5	0.3
2007-2008	1,871	-3	2,131	3.8	0.8	2007-2008	1,871	-3	2,131	3.8	0.8			2007-2008	1,871	-3	2,131	3.8	0.8
2008-2009	1,915	1.1	2,211	3.2	4.3	2008-2009	1,915	1.1	2,211	3.2	4.3			2008-2009	1,915	1.1	2,211	3.2	4.3
2009-2010	2,059	6.9	2,228	-0.3	6.6	2009-2010	2,059	6.9	2,228	-0.3	6.6			2009-2010	2,059	6.9	2,228	-0.3	6.6
2010-2011	2,191	-3.2	2,220	-6.0	-9.2	2010-2011	2,191	-3.2	2,220	-6.0	-9.2			2010-2011	2,191	-3.2	2,220	-6.0	-9.2
2011-2012	2,227	12.7	2,162	1.7	14.4	2011-2012	2,227	12.7	2,162	1.7	14.4			2011-2012	2,227	12.7	2,162	1.7	14.4
2012-2013	2,176	8.6	2,116	-2.6	6	2012-2013	2,176	8.6	2,116	-2.6	6			2012-2013	2,176	8.6	2,116	-2.6	6
2013-2014	2,155	-1.3	2,114	0.3	-1.0	2013-2014	2,155	-1.3	2,114	0.3	-1.0			2013-2014	2,155	-1.3	2,114	0.3	-1.0
Change since 0506	307	23.6	139	-1.4	22.2	Change since 0506	307	23.6	139	-1.4	22.2			Change since 0506	307	23.6	139	-1.4	22.2
						District Projected Avg 12-13						24.3							
						District Projected Avg 13-14						24.7							
						Grade						In House							
						9						1,099							
						10						1,015							
						11						1,061							
						12						1,094							
						Current 12						1,098							

Class Sizes

Class sizes increased on average .4 students to 24.7.

Curriculum and Instructional Changes

The District is adding three new courses this year to support its strategic goals of supporting all students academically and to increase rigor. These include AP Environmental Science, Honors Discrete Math, and Honors Calculus 3 Topics.

The iPad 1:1 initiative is continuing in Algebra Concepts and Skills and Physical Science. It is being expanded to students in Geometry Concepts and American Studies. Google Chrome Books are being used as classroom sets in English and other courses.

Professional learning teams are expanded and are working to improve student learning.

Technology

In addition to the 1:1 iPad expansion, classroom computing, the District is purchasing software to allow mining of data to provide for analysis and decision making which is critical to student success. This is a priority goal in the strategic plan.

Capital Improvements

The District has budgeted \$1,330,000 in capital improvements. This is the minimum amount of \$330,000 needed to support repair of existing facilities. The District is involved in a joint venture with Gurnee 56 to build a bus parking facility to park buses for both districts. Currently, neither district has adequate space to park existing buses.

Transportation

The District is continuing its joint transportation system with Gurnee School District #56 to provide regular transportation. The District is also continuing its van service for special needs students with Gurnee School District #56 and Woodland District #50. This replaces the use of taxi service to certain private special education schools.

Debt Service

While it has not been included in this budget the District will continue to review its options for refinance of existing debt.

Transfers from Working Cash

Warren's budget includes a transfer of \$1,800,000 from working cash to cover the remaining costs of the existing O'Plaine Campus renovation project and \$1,000,000 for the joint transportation parking project.

Warren Township High School (Exhibit A)
 FY 2013 and Preliminary FY 2014 Operating and Total Budgets
 Presented September 24, 2013 (Accrual Basis of Accounting)

	FY 2013 Adjusted Budget	FY 2013 Projected Actual	FY 2014 Preliminary Budget	% Change FY 14 Budget to FY 13 Projected Actual
Operating Funds:				
Revenue by Source:				
Local revenue:				
Property Tax Revenue	37,787,844	38,002,715	39,071,311	2.81%
CPPRT	616,602	770,229	825,000	7.11%
Fees and other local revenue	4,564,019	4,046,318	4,099,918	1.32%
State Revenue:	5,701,179	6,612,341	5,378,247	-18.66%
Federal Revenue:	1,358,127	1,601,891	1,330,640	-16.93%
Total Revenue	50,027,771	51,033,494	50,705,116	-0.64%
Expenditures by Category:				
Salary	29,613,100	29,797,853	30,788,409	3.32%
Benefits	6,087,965	5,979,759	6,334,571	5.93%
Purchased Services	6,401,917	6,409,759	6,605,491	3.05%
Supplies	2,676,524	2,740,785	2,884,398	5.24%
Capital Assets	515,871	359,200	614,569	71.09%
Tuition and Other	4,219,639	4,525,686	4,677,495	3.35%
Non-Capital Purchases	724,888	762,705	739,414	-3.05%
Transfers for Debt Service	-	434,802	-	-100.00%
Total Expenditures	50,239,904	51,010,549	52,644,347	3.20%
(Deficit) Surplus Operating Funds	(212,133)	22,945	(1,939,231)	