

Welcome District 24 families



May 20



May 24

INFORMATIONAL FORUM

INTRODUCTION

BOARD PRESENTATION

WHERE WE WANT TO GO

WHERE WE ARE

THE GAP

THE ROADS UP TO THIS POINT

THE ROADS FORWARD

OUR NEXT STEPS

PUBLIC COMMENTS

DISTRICT WEBSITE

THIS POWERPOINT PRESENTATION

**24 PAGE PDF EXPANDED NARRATIVE OF THIS
PRESENTATION WITH HYPERLINKS TO
SOURCES AND MORE DETAILS**

SURVEY

WHERE WE WANT TO GO

WHERE WE ARE

THE GAP

THE ROAD UP TO THIS POINT

THE ROADS FORWARD

OUR NEXT STEPS

WHERE WE WANT TO GO

WHERE WE WANT TO GO

OUR GOALS

- High academic standards
- Well-rounded educational offerings
- Reasonable class sizes
- Solid financial position

WHERE WE WANT TO GO

GOAL: HIGH ACADEMIC STANDARDS

- **Illinois Standards Achievement Test (ISAT scores among the top 5% in Illinois**
- **Continued improvement toward Adequate Yearly Progress (AYP) goals**
- **All students show growth on Measure of Academic Progress (MAP) scores over the course of the year**

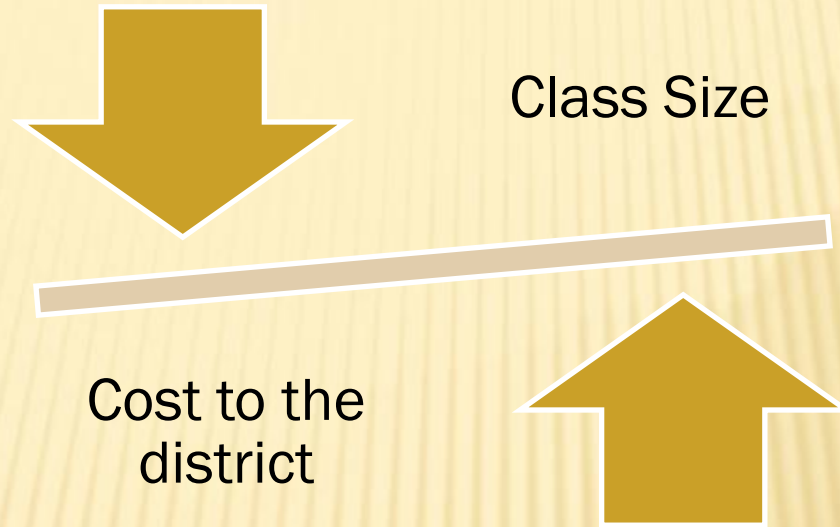
WHERE WE WANT TO GO

GOAL: WELL ROUNDED EDUCATION

- Students should have opportunities in the following areas:
 - Art, technology, music, band, learning resource center, and physical education
 - A variety of extracurricular activities from which to choose
 - State-of-the-art curriculum and varied course offerings
 - Excellent preparation for high school

WHERE WE WANT TO GO

GOAL: REASONABLE CLASS SIZES



- Personal attention
- Differentiating instruction
- Test scores
- Social factors
- More impact on youngest students

WHERE WE WANT TO GO

GOAL: SOLID FINANCIAL POSITION

- **Balanced budget**
- **Elimination of debt**
- **25% contingency fund**

WHERE WE WANT TO GO

WHERE WE ARE

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WHERE WE ARE

WHERE WE ARE

GOAL: HIGH ACADEMIC STANDARDS

- Top 5% on ISAT test
- 2009 Bright A+ Award recipient
- 94.3% of Millburn students met or exceeded AYP in 2009
- Students continue to meet targeted growth standards on MAP (NWEA) tests

WHERE WE ARE

GOAL: WELL ROUNDED EDUCATION

- Millburn offers students a strong academic program.
- Millburn is not eligible to receive the Blue Ribbon Award because it does not offer Foreign Language.
- We have suspended the updating of curriculum and textbooks for the past 2 years.
- Millburn graduates perform well at the high school level.

WHERE WE ARE

GOAL: REASONABLE CLASS SIZES

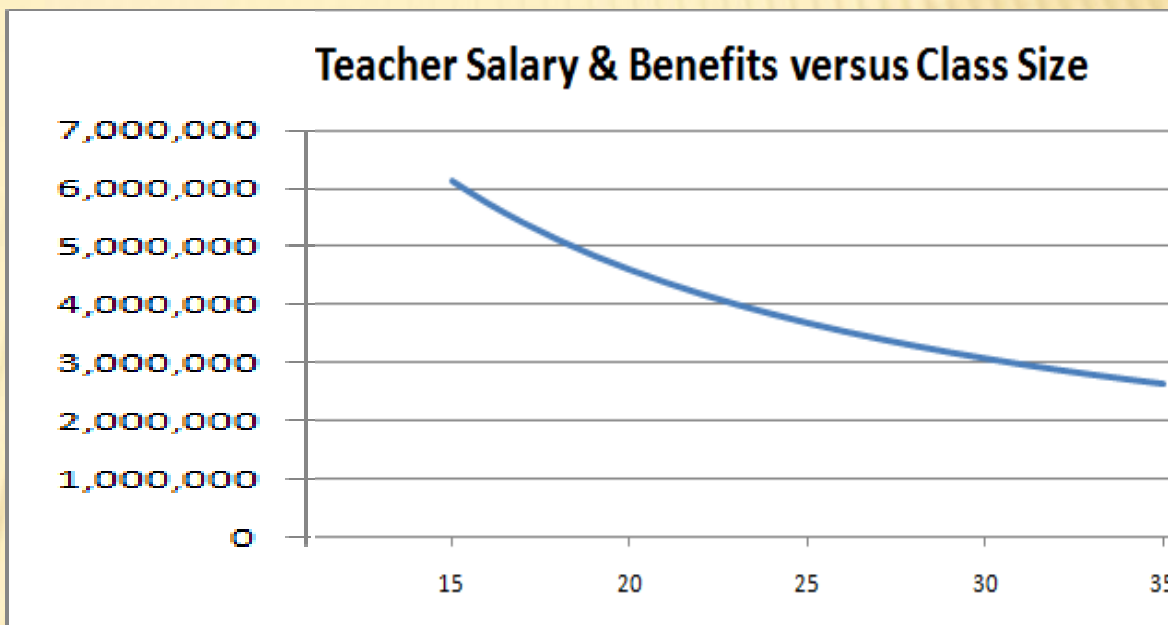
Enrollment and staffing projections for 2011-12:

	Central			West		
	Enrollment	Class Size	# Staff	Enrollment	Class Size	# Staff
K	100	20.00	2.5	26	26.00	0.5
1	109	21.80	5.0	34	17.00	2.0
2	109	21.80	5.0	36	18.00	2.0
3	105	21.00	5.0	49	24.50	2.0
4	132	26.40	5.0	51	25.50	2.0
5	145	29.00	5.0	64	21.33	3.0
6	137	27.40	5.0	56	28.00	2.0
7	113	28.25	4.0	65	26.00	2.5
8	123	24.60	5.0	77	25.67	3.0
Total	1,073	24.39	41.5	458	23.49	19.0

WHERE WE ARE

GOAL: REASONABLE CLASS SIZES

Class Size	Salaries & Benefits	Change
15	6,124,000	382,750
16	5,741,250	337,721
17	5,403,529	300,196
18	5,103,333	268,596
19	4,834,737	241,737
20	4,593,000	218,714
21	4,374,286	198,831
22	4,175,455	181,542
23	3,993,913	166,413
24	3,827,500	153,100
25	3,674,400	141,323
26	3,533,077	130,855
27	3,402,222	121,508
28	3,280,714	113,128
29	3,167,586	105,586
30	3,062,000	98,774
31	2,963,226	92,601
32	2,870,625	86,989
33	2,783,636	81,872
34	2,701,765	77,193
35	2,624,571	



WHERE WE ARE

GOAL: SOLID FINANCIAL POSITION

- We have a balanced budget this year.
- We owe \$3.7 million in Tax Anticipation Warrants (TAWs), \$1,792 per student.
- We have a 0% contingency fund.
- In our state, our district was rated **LAST** of 869 districts in Illinois.

WHERE WE ARE

GOAL: SOLID FINANCIAL POSITION

Historical Aggregate Revenues vs. Expenditures (Educational, O&M, Transportation, IMRF, Working, Cash and Tort Funds)

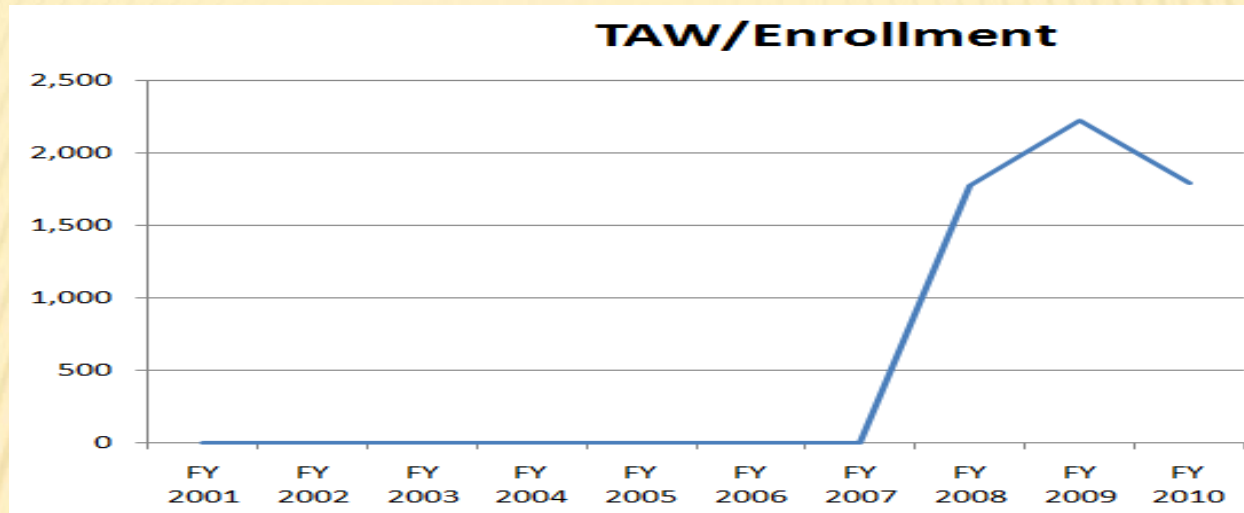
Millburn School District 24

Aggregate View - History Analysis

		ACTUAL REVENUE / EXPENDITURES								BUDGET		
			%		%		%		%		%	
REVENUE		FY 2005	FY 2006	Change	FY 2007	Change	FY 2008	Change	FY 2009	Change	FY 2010	Change
Local		\$7,066,941	\$7,725,727	9.32%	\$8,200,204	6.14%	\$8,399,283	2.43%	\$8,948,895	6.54%	\$9,201,878	2.83%
State		\$3,044,498	\$2,754,066	-9.54%	\$2,932,417	6.48%	\$4,297,206	46.54%	\$3,831,974	-10.83%	\$4,327,078	12.92%
Federal		\$56,433	\$90,555	60.46%	\$88,332	-2.45%	\$80,533	-8.83%	\$854,480	961.03%	\$1,045,673	22.38%
Other		\$35,278	\$6,462	-81.68%	\$7,587	17.41%	\$0	-100.00%	\$0		\$20,270	
TOTAL REVENUE		\$10,203,150	\$10,576,810	3.66%	\$11,228,540	6.16%	\$12,777,022	13.79%	\$13,635,349	6.72%	\$14,594,899	7.04%
EXPENDITURES												
Salary and Benefit Costs		\$7,400,921	\$9,522,406	28.67%	\$10,819,124	13.62%	\$11,551,451	6.77%	\$12,070,829	4.50%	\$11,407,908	-5.49%
Other		\$2,256,713	\$2,743,795	21.58%	\$2,791,215	1.73%	\$3,083,189	10.46%	\$3,111,868	0.93%	\$2,715,287	-12.74%
TOTAL EXPENDITURES		\$9,657,634	\$12,266,201	27.01%	\$13,610,339	10.96%	\$14,634,640	7.53%	\$15,182,697	3.74%	\$14,123,195	-6.98%
EXCESS / DEFICIT												
		\$545,516	(\$1,689,391)		(\$2,381,799)		(\$1,857,618)		(\$1,547,348)		\$471,704	
OTHER FIN. SOURCES/USES												
Transfer Among Funds (Net)		\$299,012	\$126,843		\$101,321		\$84,547		(\$119,854)		\$40,120	
Sale of Bonds		\$167,828	\$354,398		\$0		\$245,884		\$205,284		\$0	
Other Financing Sources		\$138,995	\$0		\$0		\$0		\$0		\$0	
Other Financing Uses		\$0	\$0		\$0		\$0		\$0		\$0	
TOTAL OTHER FIN. SOURCES/USES		\$605,835	\$481,241		\$101,321		\$330,431		\$85,430		\$40,120	
BEGINNING FUND BALANCE												
		\$4,526,211	\$5,677,562		\$4,469,412		\$2,188,934		\$661,747		(\$800,171)	
YEAR-END FUND BALANCE												
		\$5,677,562	\$4,469,412		\$2,188,934		\$661,747		(\$800,171)		(\$288,347)	
FUND BALANCE AS % OF EXPENDITURES												
		58.79%	36.44%		16.08%		4.52%		-5.27%		-2.04%	
FUND BALANCE AS # OF MONTHS OF EXPENDITURES												
		7.05	4.37		1.93		0.54		(0.63)		(0.24)	

WHERE WE ARE

GOAL: SOLID FINANCIAL POSITION



Year	TAW	Enrollment	TAW/Enrollment
FY 2001	0	1,068	0
FY 2002	0	1,165	0
FY 2003	0	1,245	0
FY 2004	0	1,322	0
FY 2005	0	1,447	0
FY 2006	0	1,541	0
FY 2007	0	1,617	0
FY 2008	2,900,000	1,637	1,772
FY 2009	3,700,000	1,662	2,226
FY 2010	3,000,000	1,674	1,792

WHERE WE ARE

GOAL: SOLID FINANCIAL POSITION

- In Lake County, of the 29 elementary school districts, only 2 have short term debt: Emmons and Millburn.



Emmons' debt per student (2009)



Millburn's debt per student (2009)
*8 times as much as any other
elementary school in Lake
County*

WHERE WE WANT TO GO

WHERE WE ARE

THE GAP

THE ROAD UP TO THIS POINT

THE ROADS FORWARD

OUR NEXT STEPS

THE GAP

REPORT CARD

- A** High academic standards
- B** Well rounded education
- B** Reasonable class sizes
- F** Solid financial position

SETTING OUR COURSE

- Solve our long run financial problems
- Preserve our gains in other areas
- Set the stage to reach our goals in the future

WHERE WE WANT TO GO

WHERE WE ARE

THE GAP

THE ROAD UP TO THIS POINT

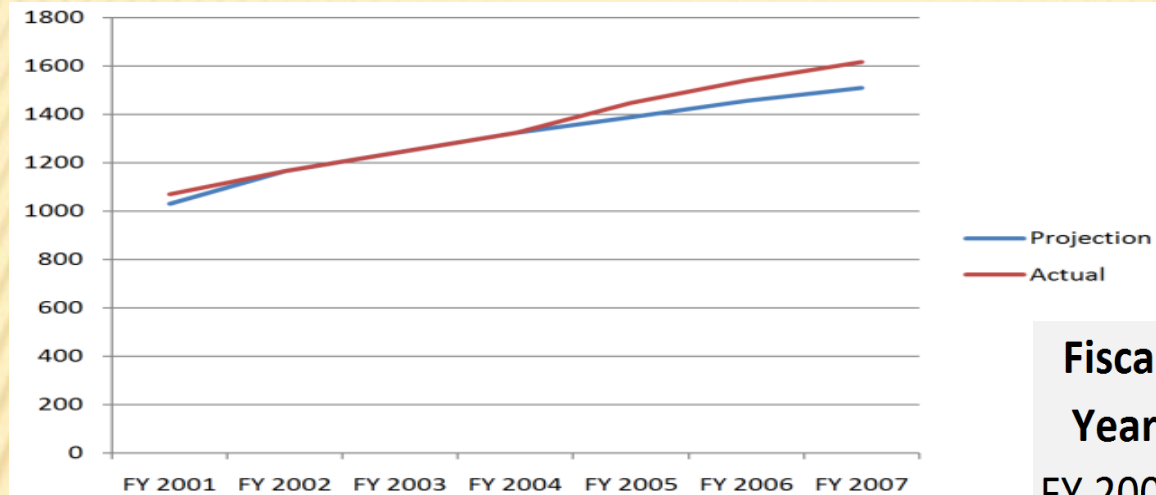
THE ROADS FORWARD

OUR NEXT STEPS

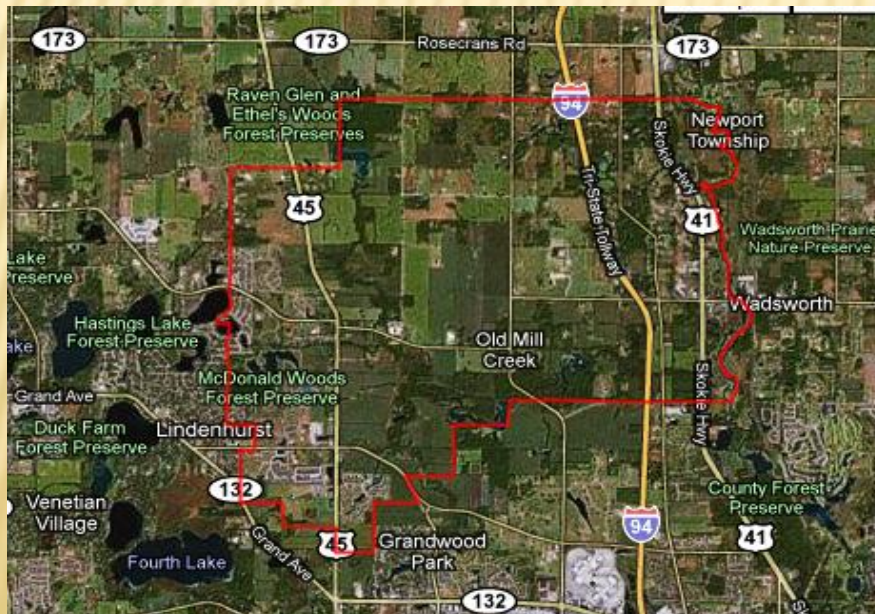
THE ROAD UP TO THIS POINT

THE ROAD UP TO THIS POINT

FINANCIAL HISTORY – PREPARING FOR GROWTH



Fiscal Year	2001 Projection	Actual	Actual - Projection
FY 2001	1030	1068	38
FY 2002	1166	1165	-1
FY 2003	1243	1245	2
FY 2004	1324	1322	-2
FY 2005	1389	1447	58
FY 2006	1456	1541	85
FY 2007	1508	1617	109



THE ROAD UP TO THIS POINT

FINANCIAL HISTORY

2001 October

- Enrollment growth exceeds high predictions

2004 March

- Passed issuance of building bonds to build Millburn West
- Passed Ed Fund rate increase by 37 votes

2005 August

- Opening of Millburn West

2007

- Plans for continued growth included a proposed 1,000 home development
- Began short-term borrowing as referendum money ran out
- Millburn placed on state financial watch list

2008 December

- Forced to balance budget in order to continue short-term borrowing (TAWs)

2009 March

- Cut \$1.3 million from budget

2009 Summer

- Consumer Price Index (CPI) fell to 0.1%, reducing tax revenues

2009 Fall

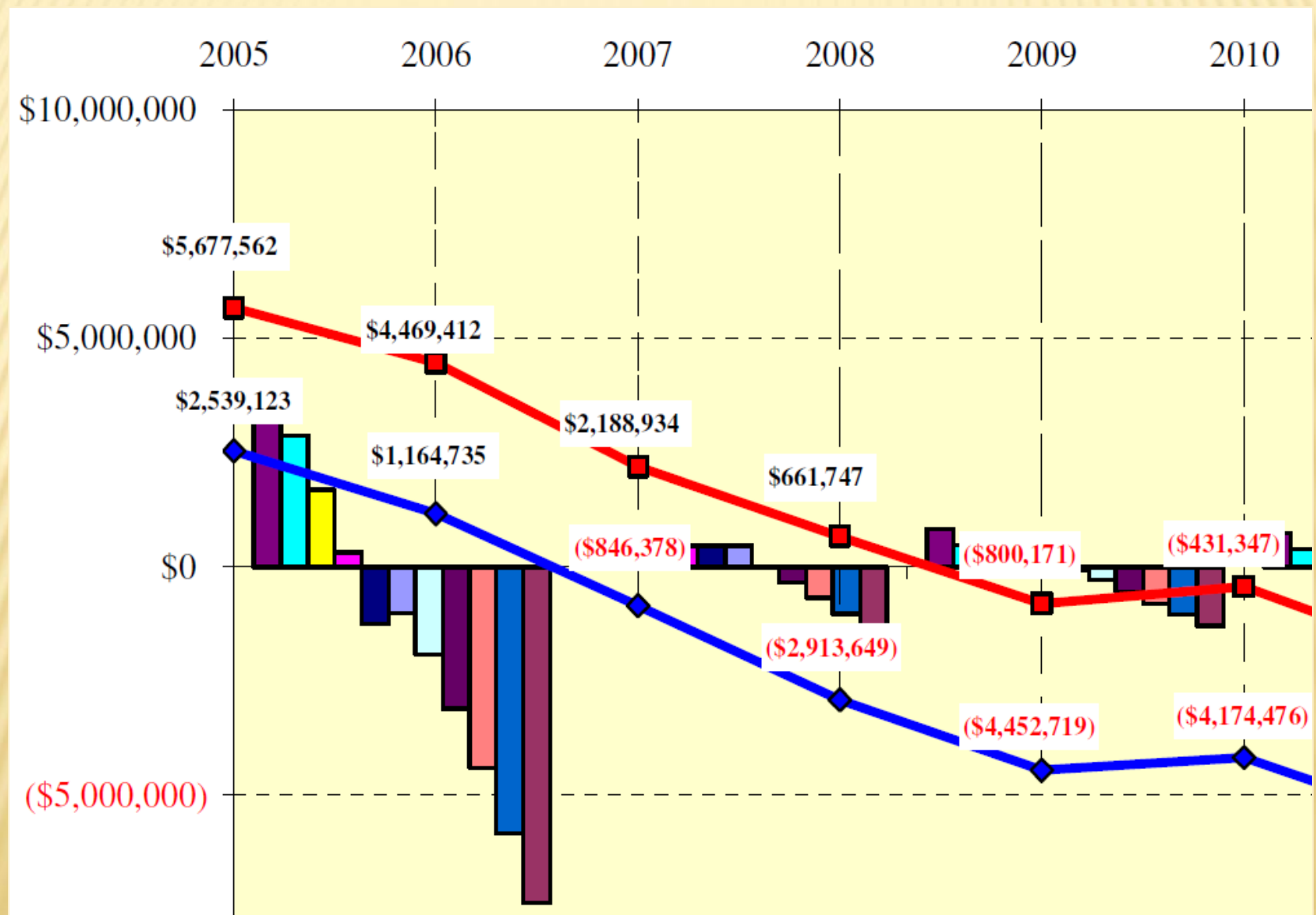
- Projected \$500,000 - \$800,000 cuts for the 2011/12 school year

2010 Spring

- Governor Quinn's budget proposes several significant cuts in school funding

THE ROAD UP TO THIS POINT

CUMMULATIVE EFFECT ON FUND BALANCES

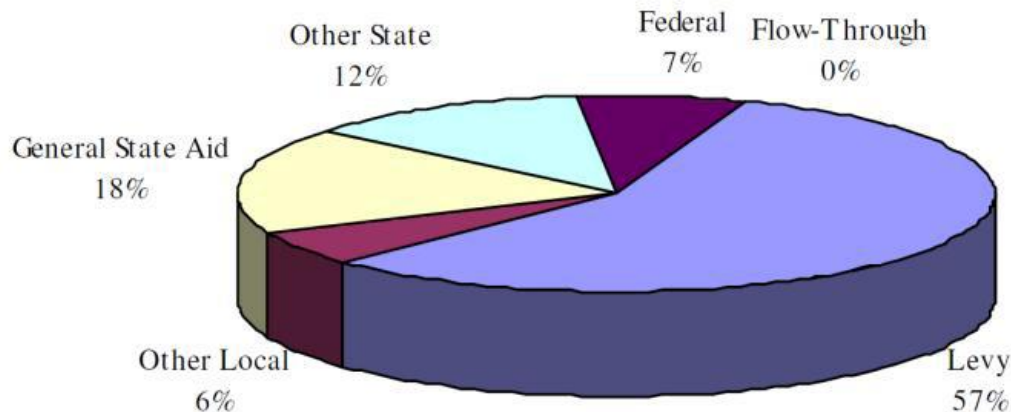


THE ROAD UP TO THIS POINT

A SIDE TRIP: SOURCES OF REVENUE

FY2010 Budget – Operating Funds

REVENUE BY SOURCE - FY 2010



Includes: Educational, Operations & Maintenance, Transportation, Illinois Municipal Retirement Fund, Working Cash and Tort Funds

THE ROAD UP TO THIS POINT

A SIDE TRIP: SOURCES OF REVENUE

The table below shows how our district's sources of revenue compares with nearby districts:

Compare Districts
District Financial Information - Revenue Amounts

[About this Report](#)

District Name	Fiscal Year	Local Property Taxes (\$)	Other Local Funding (\$)	General State Aid (\$)	Other State Funding (\$)	Federal Funding (\$)
MILLBURN CCSD 24	2007 - 08	9,198,108	846,215	2,916,867	1,380,339	80,533
WOODLAND CCSD 50	2007 - 08	60,347,036	4,821,954	2,459,853	7,059,254	1,178,224
GURNEE SD 56	2007 - 08	20,459,034	1,570,267	929,391	1,823,867	493,674
HAWTHORN CCSD 73	2007 - 08	38,807,451	2,092,126	1,342,181	2,620,357	971,926
GRAYSLAKE CCSD 46	2007 - 08	26,347,317	3,452,165	8,467,208	4,569,366	883,009
ANTIOCH CCSD 34	2007 - 08	22,074,875	1,819,280	2,125,280	2,520,293	601,070

THE ROAD UP TO THIS POINT

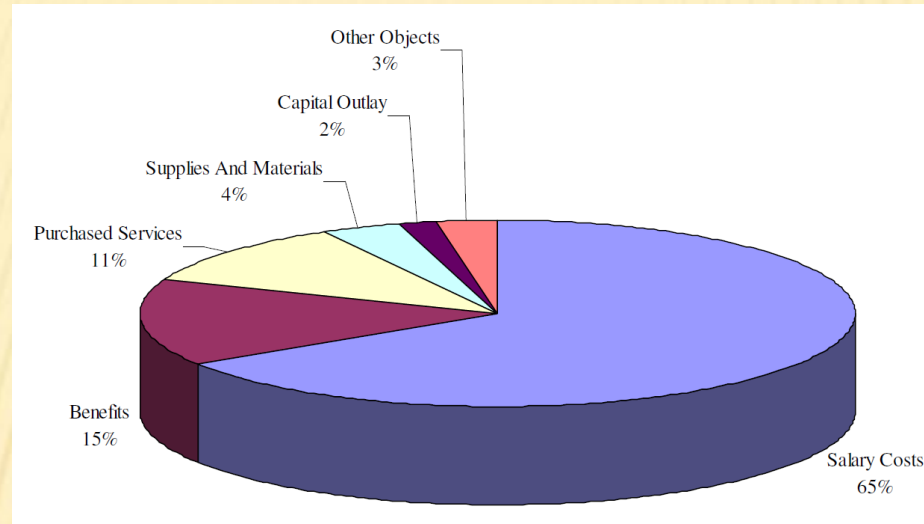
A SIDE TRIP: SOURCES OF REVENUE

- As the table below illustrates, District 24 is a relatively poor district in terms of equalized assessed valuation (EAV) due to:
 - fewer homes
 - a higher proportion of residential to commercial
 - lower market value per home compared to surrounding districts

Elementary School District	2008 Operating Tax Rate	If I own a \$200,000 home, this is the portion of my taxes that goes to the school	2008 EAV
Grayslake CCSD #46	3.42%	\$2,280.64	\$829,604,580
Gurnee SD #56	3.29%	\$2,193.31	\$651,555,879
Hawthorne SD #73	2.88%	\$1,918.65	\$1,427,096,908
Lake Villa SD #41	2.84%	\$1,895.31	\$630,893,634
Millburn SD #24	3.42%	\$2,282.64	\$295,596,148
Woodland SD #50	3.15%	\$2,099.31	\$1,994,091,557

THE ROAD UP TO THIS POINT

A SIDE TRIP: USES OF REVENUE



Finding the optimal allocation of resources translates into price, quantity, and mix components.

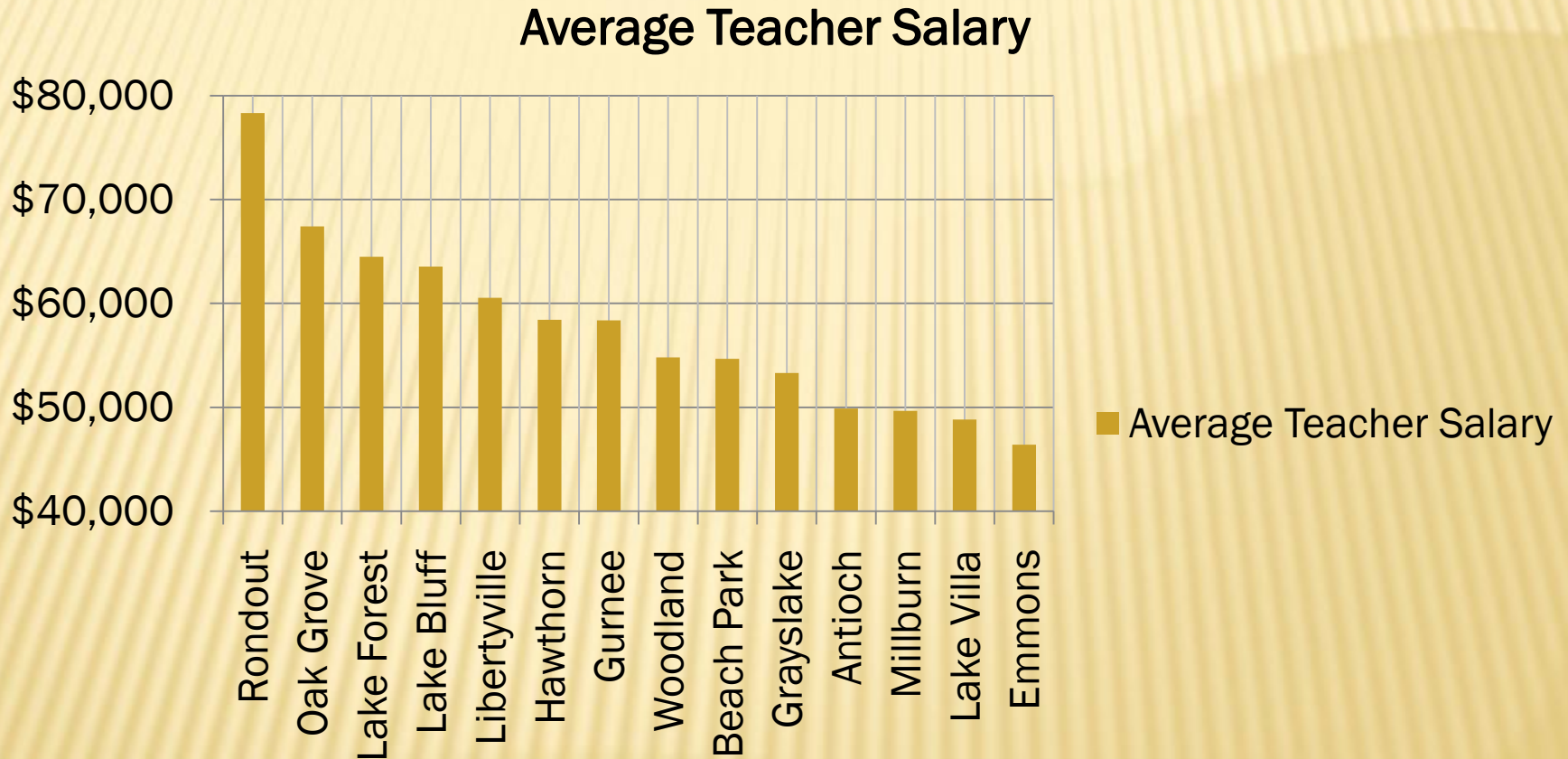
Price: paying competitive salaries and benefits to attract the best teachers and administrators

Quantity: hiring enough teachers to maintain target class sizes and enough administrators for smooth operation of the schools

Mix: balancing the ratio of administrators to teachers.

THE ROAD UP TO THIS POINT

A SIDE TRIP: USES OF REVENUE



*Based on 2009 School Report Cards

THE ROAD UP TO THIS POINT

A SIDE TRIP: USES OF REVENUE

NEARBY ELEMENTARY SCHOOLS

District Name	Total Teacher FTE (N)	Avg. Teacher Experience (Years) ?	Avg. Teacher Salary (\$) ?	Teachers with Bachelor's Degree (%) ?	Teachers with Master's Degree (%) ?	Pupil-Teacher Ratio (Elementary) ?	Pupil-Teacher Ratio (HighSchool) ?	Teachers w/ Emergency or Provisional Creds (%) ?	Class not taught by Hi Qual Teachers (%) ?
ANTIOCH CCSD 34	185	10.7	49,872	32.1	67.9	19.3	-	-	-
BEACH PARK CCSD 3	170	10.6	54,651	34.6	65.4	17.6	-	1.2	0.5
EMMONS SD 33	29	10.7	46,389	62.1	37.9	14.4	-	-	-
GURNEE SD 56	151	12.5	58,353	39.5	60.5	15.9	-	0.7	-
LAKE VILLA CCSD 41	201	10.1	48,815	49.3	50.7	17.8	-	1.5	-
WOODLAND CCSD 50	477	10	54,797	43	57	16.4	-	0.8	0.6
MILLBURN CCSD 24	125	10.1	49,647	45.7	54.3	14.6	-	-	-

*Based on 2009 School Report Cards

THE ROAD UP TO THIS POINT

A SIDE TRIP: USES OF REVENUE

ELEMENTARY SCHOOLS WITH SIMILAR ISATS

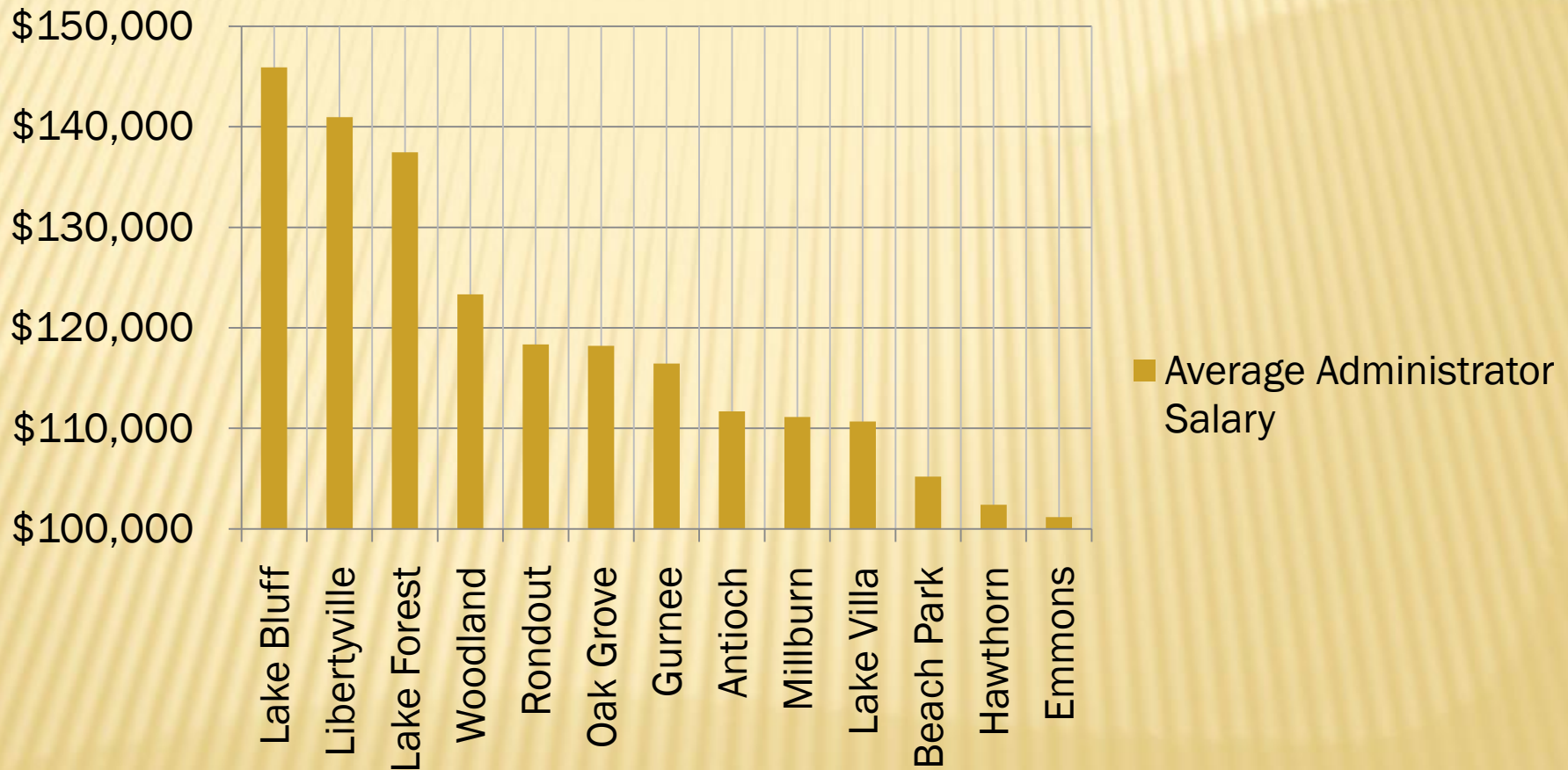
District Name	Total Teacher FTE (N)	Avg. Teacher Experience (Years) ⓘ	Avg. Teacher Salary (\$) ⓘ	Teachers with Bachelor's Degree (%) ⓘ	Teachers with Master's Degree (%) ⓘ	Pupil-Teacher Ratio (Elementary) ⓘ	Pupil-Teacher Ratio (HighSchool) ⓘ	Teachers w/ Emergency or Provisional Creds (%) ⓘ	Class not taught by Hi Qual Teachers (%) ⓘ
MILLBURN CCSD 24	125	10.1	49,647	45.7	54.3	14.6	-	-	-
OAK GROVE SD 68	81	12.8	67,415	15.1	84.9	14.7	-	1.2	-
LIBERTYVILLE SD 70	163	11.8	60,530	17.9	82.1	17	-	0.6	-
RONDOUT SD 72	19	15.7	78,319	12.1	87.9	9.9	-	-	-
LAKE BLUFF ESD 65	77	11.5	63,541	40.4	59.6	14.6	-	1.3	-
LAKE FOREST SD 67	180	11.4	64,494	26.2	73.8	13.1	-	0.3	-
HAWTHORN CCSD 73	253	12.9	58,434	37.2	62.8	16	-	1.6	-

*Based on 2009 School Report Cards

THE ROADS FORWARD: ALTERNATIVES

A SIDE TRIP: USES OF REVENUE

Average Administrator Salary



*Based on 2009 School Report Cards

THE ROADS FORWARD: ALTERNATIVES

A SIDE TRIP: USES OF REVENUE

ADMINISTRATIVE COSTS PER PUPIL RANKING

FISCAL YEAR 2008 DATA

(FOR USE WITH ACTUAL EXPENDITURES FY 2009/BUDGETED EXPENDITURES FY 2010 WORKSHEETS)

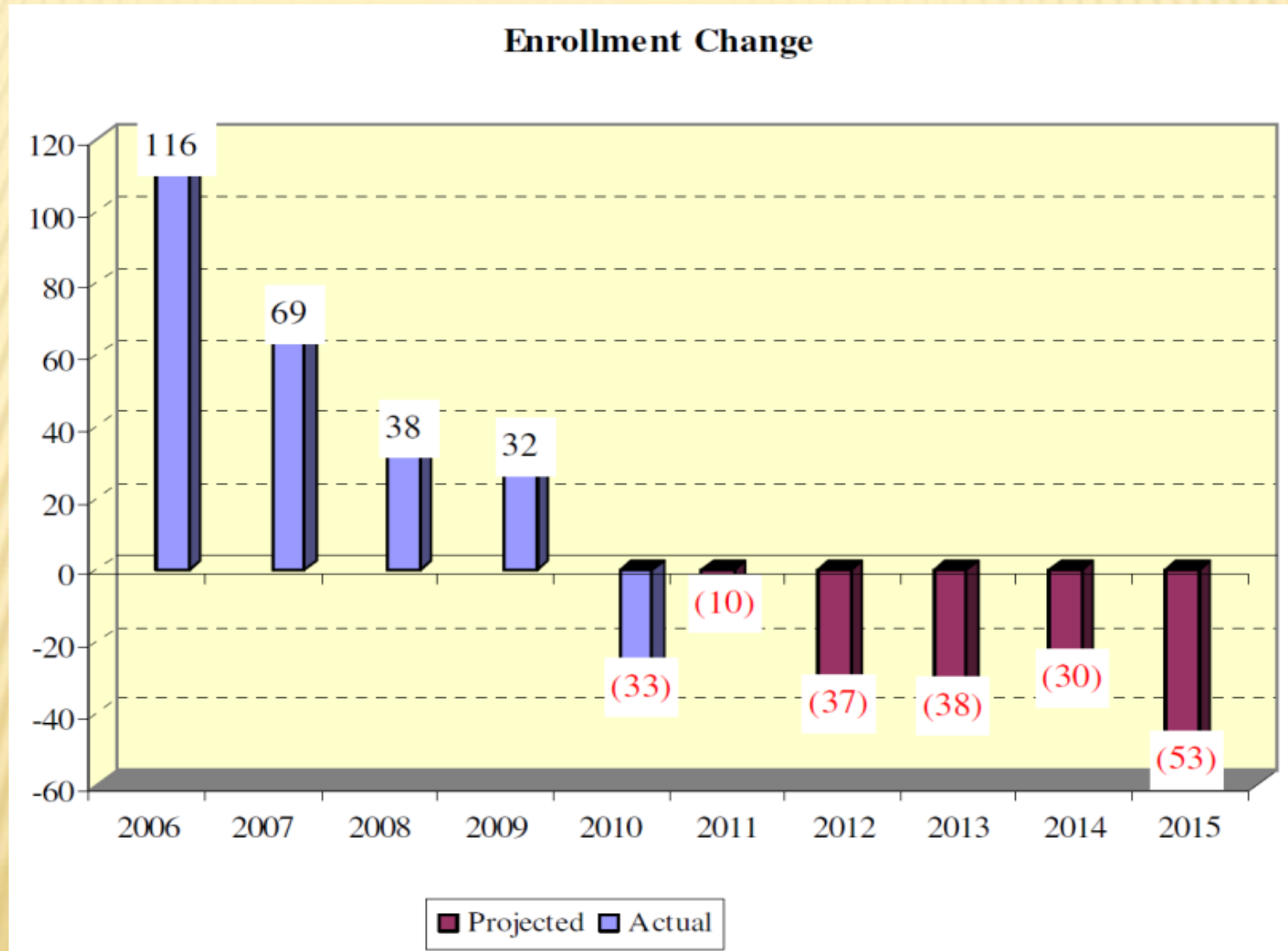
	ELEMENTARY	HS	UNIT
QUARTILE	RANKING	RANKING	RANKING
1	1-94	1-25	1-97
2	95-188	26-50	98-194
3	189-283	51-76	195-291
4	284-378	77-102	292-389

REGION 34 - LAKE

District RCDT	District Name	Admin Costs	ADA	Costs/ADA	Rank
LAKE COUNTY					
34-049-0010-02	Winthrop Harbor SD 1	\$191,917	646.52	\$296.85	256
34-049-0030-04	Beach Park CCSD 3	\$405,118	2,448.51	\$165.45	353
34-049-0060-02	Zion ESD 6	\$1,099,329	2,576.62	\$426.66	151
34-049-0240-04	Millburn CCSD 24	\$185,796	1,478.69	\$125.65	370

THE ROADS FORWARD: ALTERNATIVES

A SIDE TRIP: ENROLLMENT



THE ROAD UP TO THIS POINT

OUR RESPONSE TO RECENT CHANGES

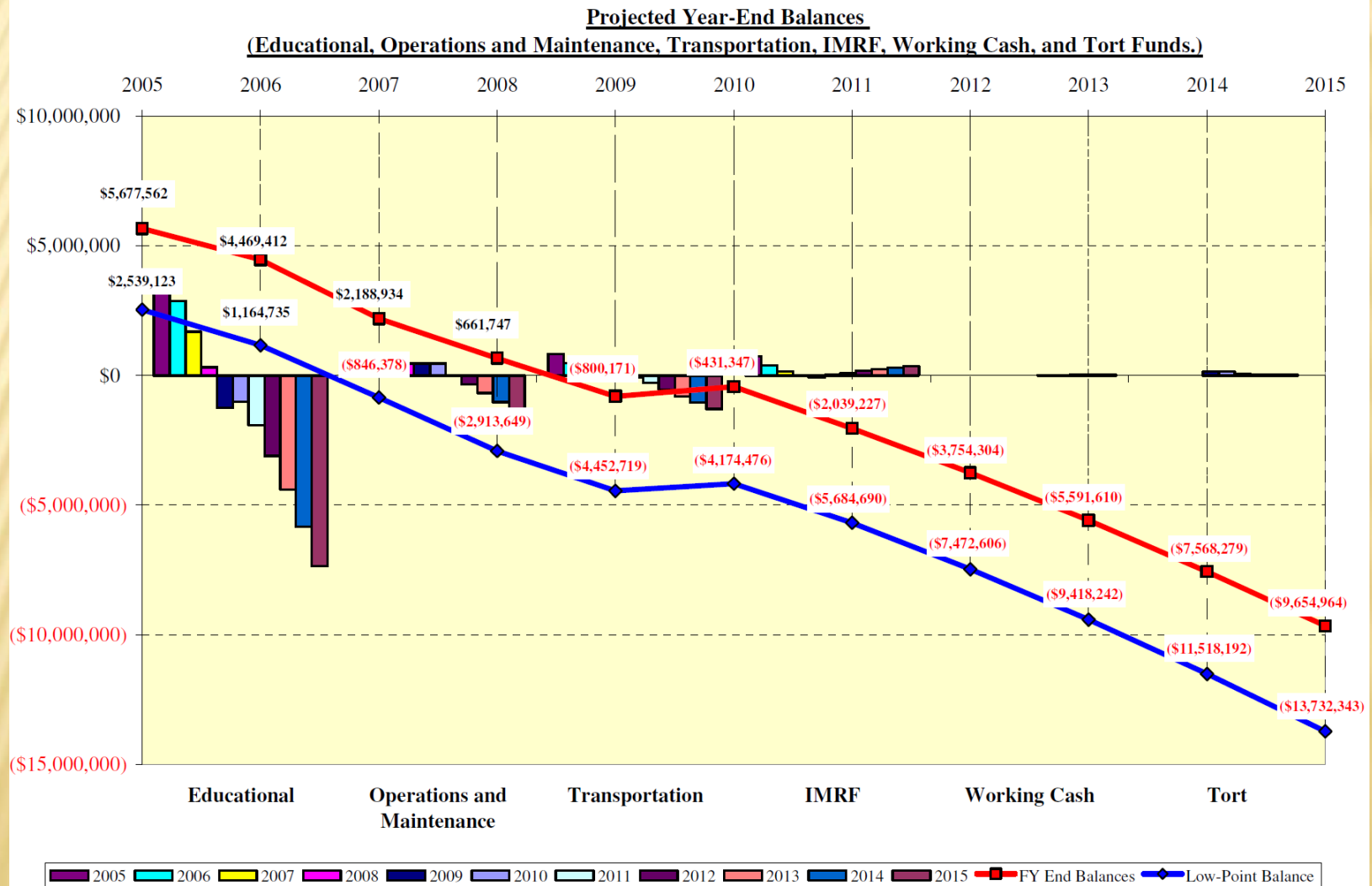
- Suspended textbook/curriculum updates
- Implemented building usage fees
- Raised activity fees
- Raised registration fees
- Converted to paperless
- Refinanced 1999B bonds at lower interest rate
- Initiated automated sub-calling system
- Hired Business Manager
- Reviewed and changed transportation system
- Hired PMA to create projections
- Sought free cost-saving recommendations from Chevron
- Restructured bus driver compensation
- Began teacher contract negotiations process

WHERE WE WANT TO GO
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OUR NEXT STEPS

THE ROADS FORWARD

THE ECONOMIC FORECAST

Historical & Projected Fund Balances



ALTERNATIVES TO CONSIDER

- Do nothing
- Changing Millburn Central vs. West boundaries
- Consolidating with another school district
- Borrowing more money
- Closing West and moving to Central
- Cutting programs not mandated by the state
- Raising class sizes
- Grade level centers rather than K-8 schools
- Running a building fund referendum
- Running a general referendum to tread water
- Running a general referendum to reach our goals

THE ROADS FORWARD: ALTERNATIVES

DO NOTHING

- We will have to live without new curriculum, software, etc.
- Within a year, we will have to cut staff, potentially raising class sizes to 30+.
- The district would risk State take-over which might lead to the following possibilities:
 - Loss of local control of Millburn District
 - Tax referendum without voter approval
 - Dissolution of Millburn District and absorption into neighboring districts (e.g., Woodland, Lake Villa, or Antioch)

CHANGING MILLBURN CENTRAL / WEST BOUNDARIES

- Due to a smaller student population, class sizes at West tend to fluctuate to a wider degree.
- Administrators tried numerous school boundary scenarios in order to even out class sizes district-wide.
- Instead of increasing flexibility at West, Central suffered the challenges of a smaller school.
- Fluctuations in population and grade-level distribution may lead to further complications.

THE ROADS FORWARD: ALTERNATIVES

CONSOLIDATING WITH ANOTHER SCHOOL DISTRICT

- Potential curricular advantages
- No significant financial advantage
- Unlikely that another district would want to take on our debt

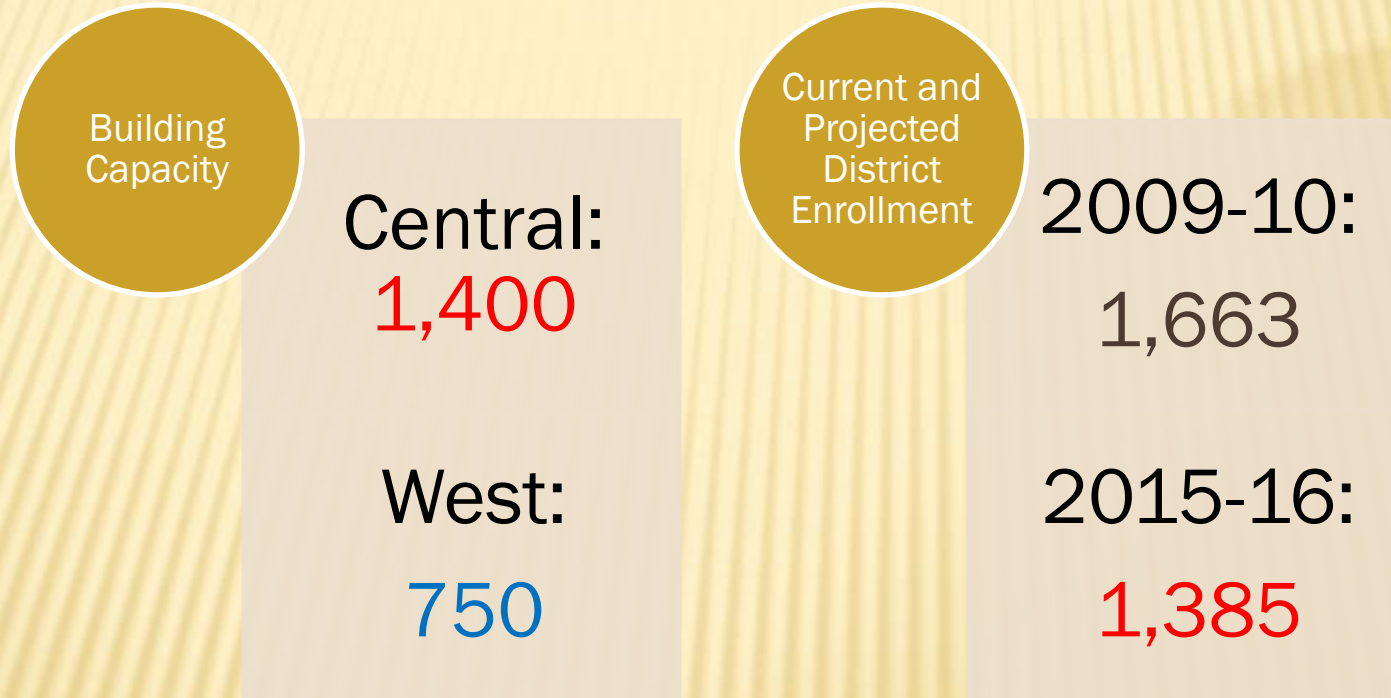
THE ROADS FORWARD: ALTERNATIVES

BORROWING MORE MONEY

- Will require us to request state intervention

THE ROADS FORWARD: ALTERNATIVES

CLOSING WEST AND MOVING TO CENTRAL



CLOSING WEST AND MOVING TO CENTRAL

- No room to house SEDOL (loss of \$100,000)
- Trailers needed to house overflow
- Ancillary programs on a cart or out of the library
- Shortened PE periods, some in the hallway
- Potential difficulty with Central's well and septic systems
- Limited parking for staff and at evening parent activities

THE ROADS FORWARD: ALTERNATIVES

CUTTING PROGRAMS NOT MANDATED BY THE STATE

Program	Cost per year	Participants	Cost per student
Art	\$208,048	1605	\$129.62
Music	\$123,922	1605	\$77.21
Band	\$144,331	221	\$653.08
Choir	\$12,909	87	\$148.38
AIM	\$169,834	510	\$331.01
Library	\$216,415	1605	\$134.84
Technology Classes	\$137,093	1605	\$85.42
Athletics	\$113,299	587	\$193.01
Clubs	\$13,200	128	\$103.13

THE ROADS FORWARD: ALTERNATIVES

REDUCING STAFF

- Reducing staff will create higher class sizes.
- Millburn's student-to-teacher ratio, as compared to other area districts:

District	Students to Teacher
Millburn #24	14.6
Oak Grove #68	14.7
Gurnee #56	15.9
Woodland #50	16.4
Libertyville #70	17.0
Lake Villa #41	17.8
Grayslake #46	18.1
Antioch #34	19.3
STATE OF ILLINOIS	18.4

*Based on 2009 School Report Cards

THE ROADS FORWARD: ALTERNATIVES

REDUCING STAFF

- Millburn's student-to-administrator ratio, as compared to other area districts:

District	Students to Administrator
Oak Grove #68	175.2
Gurnee #56	196.7
Libertyville #70	217.1
Woodland #50	240.6
Antioch #34	245.4
Grayslake #46	265.2
Millburn #24	274.8
Lake Villa #41	323.3
STATE OF ILLINOIS	201.8

*Based on 2009 School Report Cards

THE ROADS FORWARD: ALTERNATIVES

SALARY REDUCTION

- The current teacher contract runs through the end of the 2010-11 school year. Contract negotiations are currently under way.

THE ROADS FORWARD: ALTERNATIVES

GRADE LEVEL CENTERS RATHER THAN K-8 SCHOOLS

Advantages

- Avoids duplication of services
- Less costly to expand curricular offerings
- Allows for reduction in staff without dramatically affecting class size

Disadvantages

- West would no longer be a neighborhood school
- Transitions
- Loss of mentoring relationships within each building
- Increased competition for spots on teams/activities
- Less involvement from middle school parents
- More disciplinary issues at middle school level

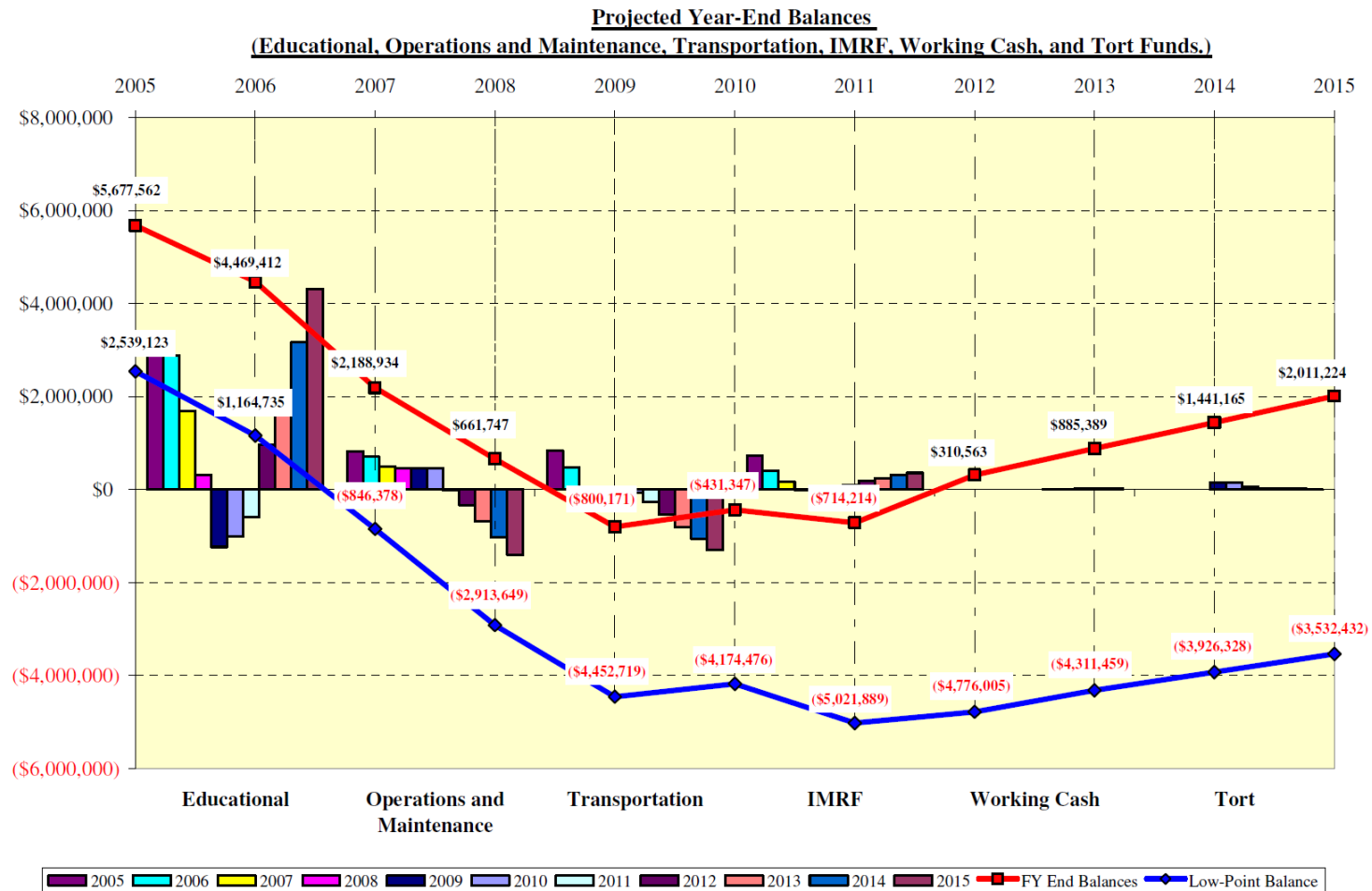
RUNNING A BUILDING FUND REFERENDUM

- We could run a building fund referendum for future expansion of the district.
- In the short-term, this money could be used for intra-fund borrowing, reducing or eliminating our need for TAW borrowing.

THE ROADS FORWARD: ALTERNATIVES

RUNNING A GENERAL REFERENDUM TO TREAD WATER

Impact of Limiting Rate Increase of \$1.00



THE ROADS FORWARD: ALTERNATIVES

RUNNING A GENERAL REFERENDUM TO TREAD WATER

- Allows district to maintain curricular and extracurricular offerings
- Allows district to maintain class sizes at current levels
- Allows district to continue to operate with a balanced budget
- We retain control of our school system until economy recovers and growth resumes
- Will not allow us to decrease debt load

RUNNING A GENERAL REFERENDUM TO TREAD WATER

- The more our revenue increases, the fewer the cuts we will be required to make.
- Given the state of the economy, voters may not be inclined to support a referendum large enough to move us forward.

THE ROADS FORWARD: ALTERNATIVES

RUNNING A GENERAL REFERENDUM TO REACH OUR GOALS

- **Balanced budget**
- **Debt-free**
- **Enhancement and improvement in areas of academic achievement, educational offerings, and class size**

WHERE WE WANT TO GO
WHERE WE ARE
THE GAP
THE ROAD UP TO THIS POINT
THE ROADS FORWARD
OUR NEXT STEPS

NEXT STEPS

OUR NEXT STEPS

- Review online PDF narrative of this slideshow and click on links for more details
- Discuss alternatives with your friends and neighbors in the district
- Complete the survey to help the board decide what to do

PUBLIC COMMENTS

DON'T FORGET

- Review online PDF with an expanded narrative of the PowerPoint presentation and hyperlinks to sources and details
- Discuss alternatives
- Complete the survey