

OFFICE OF THE BUSINESS MANAGER

Millburn Public Schools

INFORMATIONAL ITEM

June 6, 2011

To: Board of Education Members

From: Mary Taylor

Subject: Public hearing and Resolution to waive the 5% Administrative Cap Limitation

BACKGROUND INFORMATION

Each year a District's administrative costs can increase no more than 5% from the previous year. If it does, the district must hold a public hearing to approve the increase. This year we did increase over the 5% threshold, not because we increased administrative costs, but because we moved part of the superintendent's salary out of the Tort Fund back into the Education fund. This fund transfer put us over the legal limit.

The Tort Fund is usually reserved for paying liability insurance and any litigation of the District. At the suggestion of PMA and Milburn Cain, our auditors, we moved partial salaries out of that fund.

Because our administrative costs per pupil are in the 25<sup>th</sup> percentile or below we may waive the limitation. This waiver is good for only one year.

It is important to note that there are no increased administrative costs. This is simply a fund transfer and it allows us to be more transparent to the public.

MILLBURN SCHOOL DISTRICT 24

**RESOLUTION**

WHEREAS, Section 17-1.5 of the School Code states: “School districts with administrative expenditures per pupil in the 25<sup>th</sup> percentile and below for all districts of the same type, as defined by the State Board of Education, may waive the limitation imposed under this section for any year with the affirmative vote of at least two-thirds of the members of the school board of the district,” and

WHEREAS, the administrative expenditures per pupil of this district are in or below the 25<sup>th</sup> percentile for districts of the same type for school year 2008-2009, the most recent year for which such data is available.

WHEREAS, a public hearing was held on this resolution on June 6, 2011 at 18550 Millburn Road, Wadsworth, IL 60083,

NOW, THEREFORE, BE IT RESOLVED that the Board of Education waives the limitation on administrative costs for school year 2010-2011 as authorized by Section 17-1.5 of the School Code and the Superintendent is directed to notify the State Board of Education within 45 days of the date of this action.

PASSED this 6th day of June, 2011.

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President, Board of Education  
Millburn School District 24  
Lake County, Illinois

ATTEST:

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Secretary, Board of Education  
Millburn School District 24  
Lake County, Illinois