

# District 115

## **Board of Education Negotiations Update**



**Lake Forest  
Community  
High School  
District 115**

# Presentation Overview

- I. Major Financial Differences
- II. Board Commitment
- III. 2012-2013 Budget
- IV. District's Ability to Attract and Retain
- V. Overview of Current Market
- VI. Detailed Board Proposal
- VII. Recap

# Major Financial Differences

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<b>Compensation</b>			
	<b>Board Proposal</b>	<b>LFEA Proposal</b>	<b>CPI</b>
<b>FY 2013</b>	2.6%	5.6%	1.5%
<b>FY 2014</b>	3.4%	6.5%	2.7%
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*Formula based on a CPI of 2.9			

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LFEA proposal is more than double CPI

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**For most plans, LFEA is requesting the Board pay a greater % of premium costs**

# Board Commitment



# Board of Education Commitment

- Maintaining highly competitive salary and benefit packages to attract and retain exceptional employees
- Protecting educational offerings and extra-curricular programs
- Addressing ongoing facility needs
- Restoring fund balances that were depleted as a result of the economic downturn and the loss of revenues
- Remaining fiscally responsible to our community

# 2012-2013 Budget

# 2012-2013 Budget

- On agenda for BOE Approval – September 11, 2012
- Placed on public display – July 17, 2012

# FY 13 Budget Summary

Fund	Direct Revenue	Direct Expenses
Educational	31,405,108	31,204,705
Operations & Maintenance	5,810,431	4,545,708
Transportation	695,555	746,185
I.M.R.	1,398,662	1,208,895
Capital Projects	10,000	978,533
Working Cash	-	-
<b>Totals:</b>	<b><u>\$39,319,756</u></b>	<b><u>\$38,684,026</u></b>
Bond and Interest	4,637,070	5,198,850
<b>All Fund Totals:</b>	<b><u>\$43,956,826</u></b>	<b><u>\$43,882,876</u></b>
<b>Revenue Over Expenses</b>		<b>\$73,950</b>

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LFEA projects an ending fund balance of 10 million for 2013 - requiring a surplus of 7 million.

# 2012-2013 Ending Fund Balance

- To Increase Fund Balance
  1. Increase revenue
  2. Decrease expenses
  3. Combination of 1 & 2
  
- FY 2012 revenue projections were within \$3,200 therefore it would need to be a reduction in expenses.

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I.M.R.	1,398,662	1,208,895
Capital Projects	10,000	<u>978,533</u>
Working Cash	-	-
		\$32,413,600
<b>Totals:</b>	<b><u>\$39,319,756</u></b>	<b><u>\$38,684,026</u></b>
Bond and Interest	4,637,070	5,198,850
		\$3
		\$37,612,450
<b>All Fund Totals:</b>	<b><u>\$43,956,826</u></b>	<b><u>\$43,882,876</u></b>
		\$6,344,379
<b>Revenue Over Expenses</b>		<b><u>\$73,950</u></b>

Elimination of entire funds still would not be enough



## 2012-2013 Ending Fund Balance

- To achieve a fund balance of over \$10 million by the end of 2013, district expenses would need to be less than they were 6 years ago.

# **District's Ability to Attract and Retain**

# Ability to Attract and Retain

- November of 2011, the *Chicago Tribune* reported that Lake Forest High School had the *second highest average teacher salary in the state of Illinois*.
- Sun-Times recently published an analysis of Illinois School District Salaries. *LFHS beginning Bachelor and Masters salaries ranked in top 2%, Top Masters and High Salary ranked in top 1%*

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**District has been able to attract and retain an educated and experienced staff**

# Overview of Current Market

## Comparison of Proposals to Recent Salary Settlements and Existing Contracts

SALARY	Maine Township 207	Evanston HSD 202	Highland Park 113	Zion-Benton HSD 126	Board Proposal	New Trier 203	Stevenson 125	LFEA Proposal
INCREASE								
FY 13	0.7%	Non-Compounding 1-time Payment \$1,500	2.5%	2.0-3.0%	2.6%	3.0%	3.6%	5.6%
FY 14	2.8%	3.1%	3.0%	2.0-3.0%	3.4%	-	2.7%	6.5%
FY15	3.0%	3.8%	-	-	3.4%	-	-	5.6%

Notes:

- 1) Stipends in Evanston are frozen for four years
- 2) In FY 14 the Stevenson salary increase utilizes a formula based on CPI. For this comparison a CPI of 2.9% was utilized.
- 3) In FY 13 New Trier is adding an extra work day for which they will pay an additional .5% on top of the figure shown above
- 4) In FY 15, Maine, Evanston, Board, and LFEA proposals all utilize formulas based on CPI. For this comparison a CPI of 2.9% was utilized.
- 5) As step costs vary from year to year the above figures are estimates

# Detailed Board Proposal

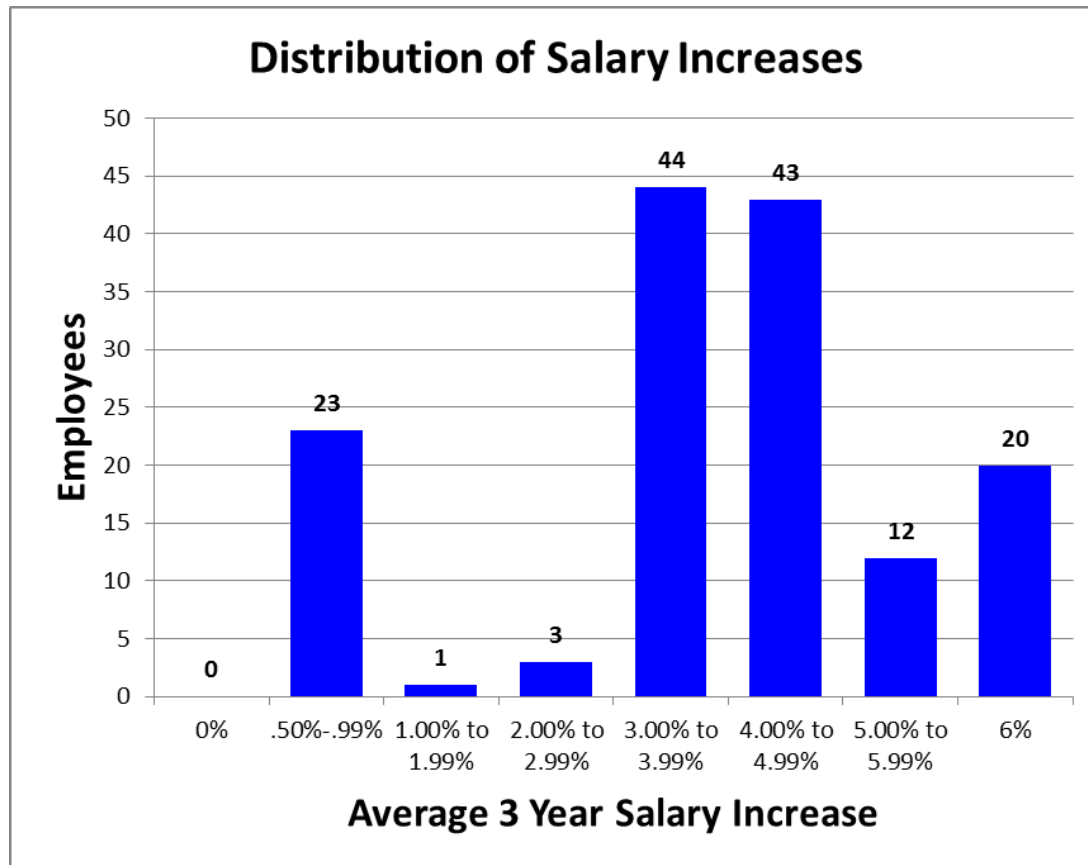
# BOE Proposal - Salaries

- FY 13 - 2.6%
- FY 14 - 3.4%
- FY 15 - 3.4% (Based on CPI Formula)

Average estimated increases – individual increase may vary based on an individual's salary schedule placement.



# Proposed Salary Distribution



- 82% will receive an increase of more than 3%
- 100% of non-tenured teachers will receive an increase of more than 4%
- Most teachers receiving less than 3% are or will be retirement eligible.

# BOE Proposal - Dual Salary Schedule

Board Intent: Reduce the long term cost associated with a step increase\*

*\*A step increase is an increase in salary as a result of an additional year of experience.*

# Step Increase

2012-13 Salary Schedule for Existing Employees									
	Lane	BA	BA-15	MA	MA-15	MA-30	MA-45	MA-60	PHD
	Step								
A	1	50,116	53,318	56,007	58,169	60,166	62,140	63,072	65,578
B	2	52,607	55,990	58,805	61,073	63,172	65,174	66,152	68,658
C	3	55,201	58,719	61,702	64,079	66,281	68,308	69,333	71,839
D	4	57,852	61,553	64,657	67,133	69,447	71,502	72,574	75,080
E	5	60,446	64,320	67,570	70,160	72,578	74,660	75,780	78,286
F	6	63,054	67,073	70,464	73,180	75,706	77,811	78,978	81,484
G	7	65,688	69,899	73,421	76,263	78,874	81,010	82,226	84,732
H	8	68,320	72,690	76,377	79,303	82,042	84,205	85,469	87,975
I	9	70,910	75,461	79,271	82,326	85,152	87,340	88,651	91,157
J	10	73,541	78,253	82,204	85,366	88,302	90,517	91,874	94,380
K	11			85,162	88,425	91,487	93,727	95,133	97,639
L	12			88,137	91,531	94,698	96,966	98,421	100,927
M	13			91,051	94,555	97,804	100,101	101,602	104,108
N	14			93,970	97,570	100,935	103,255	104,804	107,310
O	15			96,884	100,594	104,063	106,412	108,008	110,514
P	16			99,778	103,617	107,194	109,566	111,210	113,716
Q	17			102,774	106,735	110,400	112,803	114,495	117,001
R	18			105,647	109,720	113,506	115,939	117,678	120,184
S	19			108,605	112,801	116,681	119,135	120,920	123,426
T	20			111,541	115,841	119,826	122,310	124,143	126,649

# BOE Proposal - Dual Salary Schedule

Board Intent: Reduce the long term cost associated with a step increase.

**District 115 step cost is approximately 2.5%,  
or almost \$300,000 per year.**

# BOE Proposal - Dual Salary Schedule

- Aligned with recent state-wide pension law changes
- No impact on current employees
- Impacts new employees hired after effective date of the agreement

# BOE Proposal - Salary Schedules

- Maine Township 207 - lengthened the salary schedule for all employees
- Highland Park District 113 - implemented a new schedule for future employees
- Zion-Benton High School District 126 -eliminated the salary schedule
- Addison District 4 - eliminated the salary schedule

# BOE Proposal - Salary Schedules

- Palatine District 15 - implemented a new schedule for future employees
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**These changes are all in line with pension reform and changing revenue streams of districts.**



# BOE Proposal - Retirement

- No change to current financial package
- Enhancement of current program
  - Employee may rescind their intent to retire
    - Under certain circumstances
    - With BOE approval

**Recap**

# Major Financial Differences

Health Insurance - Existing Employees		
	Board Proposal	LFEA Proposal
HMO Single Premium Split	100/0% -- (No change)	
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**Board requesting 1 change to existing employee's health insurance contributions**

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LFEA requesting the Board pay more for 5 of the 10 health insurance plans. 4 other plans are already 100% Board paid.

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