

Introductions of Committee Members

Board Request

- Update Strategic Plan – Community engagement group (administrators, staff, parents and students). Committee reviewed what it means to educate students today and in the future as well as what future education should look in CCSD89.
- Review Enrollment/Boundary – Committee convened to look into enrollment and building usage. Experienced years of declining enrollment, took advantage of attrition. Last few years district has grown 11%. Over-crowding at Park View but space available at other schools. Adopted new boundaries in December 2017 effective for the 2018-2019 school year.
- Finance Committee – Not a decision-making group; utilize committee as a sounding board. What committee values in schools and community.

Intended Outcomes

- Provide transparency to the community on the District's financial position and financial planning.
- Review district finances, previous cost containments and financial projections.
- Committee will provide feedback on community priorities as well as steps to providing financial security for the District moving forward.

Review of D89 Finances

- Revenue Sources
 - Where money comes from (State, Local and Federal)
 - Operating fund revenues; little over \$28M
 - **Local Sources:**
 - Local revenue sources make up the biggest piece (93%) (\$25.6M)
 - Property taxes (91% of local sources) \$23.8M
 - Investment earnings
 - CPPRT – Tax on net income of corporations, partnerships and trusts
 - Registration, Lunch, Milk and Rental fees
 - Out of District and Pre-K Tuition
 - E-Rate – Reimbursement proportional to the amount a district spends on telecommunication expenses (tax implemented on all phone bills)
 - IDEA (Individuals with Disabilities Education Act) – Special Ed funding
 - Property Tax Cycle
 - Assessment Process – township estimates fair market value of your property
 - Review Process
 - Board of Review – property owners can challenge assessments
 - Property Tax Appeals Board (PTAB) – final level of appeal – corporations can challenge assessment
 - Application for Tax Exempt Status
 - College of DuPage (\$222K @ risk)

- Levy Process
 - Request for money (your taxes; our perspective)
 - Must capture new property – ask for more than will receive
- Extension Process
 - Limits the extension of the real estate tax levy
 - Limited to an increase of CPI or 5% whichever is lower
 - CPI has historically averaged 2.23% (since tax caps implemented)
- Tax Rate
 - Calculated by dividing number of dollars in the capped levy by the total Assessed Value of all property in the district.
- Glenbard Feeder District Comparison (2015 Total Tax Rate)
 - CCSD89 – 3.501
 - Glen Ellyn 41 – 3.758
 - Lombard – 4.309
 - CCSD93 – 5.095
 - Marquardt 15 – 6.513
 - Queen Bee 16 – 6.538
 - All districts except CCSD89, have gone for a tax rate increase at least once, if not twice, within the last 30 years.
 - CCSD89 Board has made conscious effort to work within the Districts means
- **State Sources**
 - Special Education Private Facilities Reimbursement – Reimbursement for some expenditures made for privately placed Special Education students in the year after expenditure is made. (\$131 for FY17)
 - Transportation Reimbursement (regular and special education)
 - Always subject to “proration” by legislature – based on state appropriation
 - Evidence Based Funding (EBF) Senate Bill 1947 – changed state funding to an evidence based model.
 - Designed to identify the level of funding needed to provide a high-quality education to every student in the state.
 - CCSD89 identified as a Tier 4 (funded at 100%+ State’s adequacy target).
 - CCSD89 will continue to receive \$1.47M in state funding based on preliminary calculations each year into future.
- **Federal Sources**
 - Title Grants
 - Title I (Low Income)
 - Title II (Teacher Quality)
 - ELL/LIPLEP (English Language Learners)
 - Medicaid Reimbursement
 - National School Lunch Program (not allowed to make money on program)
- Expenditures
 - Operating Funds
 - Education Fund – Everything other than expended in other funds
 - Operations & Maintenance Fund
 - Maintenance of buildings, gas, electric
 - Transportation Fund

- IMRF/Social Security – retirement costs for non-teaching staff
 - Working Cash Fund – can only make loans to other funds
 - Debt Service Fund – debt payments only
 - Capital Projects Funds – bond proceeds only
 - Expenditure Types
 - 75% of expenditure comes from people (Salaries/Benefits)
 - Purchased Services – money paid for services rendered by personnel not a district payroll (custodial, bus and food services)
- Deficit Spending
 - Spending more money than what is taken in
 - Have deficit spent the last two years – anticipate \$1M deficit in 2017-18
 - Deficit spending does not necessarily mean that fund balances have been depleted
 - Balance Budget Act – Law requires districts currently deficit spending to submit plan on how they will resolve the problem.

Takeaways

- Local resources are the greatest portion of school funding
- Education is a people-intensive business
- CCSD89 is deficit spending and reserves are dwindling
- School funding creates opportunities for children
- Be transparent and spread the word

Next Meeting

- Discussion on what has happened since last Finance Committee convened in 2010-2011
- Committee members asked to think about what they value most in a school system or in a community and why they live in CCSD89?
- Meeting date changed to **TUESDAY, January 23, 2018 @ 6:30PM**

Absent: Dr. Penny Belke, Victor Moore, Greg Smaistrila