

Intended Outcomes

- Review previous budget projections and the impact of previous board decisions
- Understand District's cost containments and reductions over the past eight years
- Review enrollment trends and discuss impact to future budget projections
- Discuss current and future needs to provide a relevant learning environment
- Consider next steps to plan for the future

Fund Balance Policy #300:20

- Drafted in 2011
- States benchmarks that should be used to monitor the adequacy of the Operating Funds' Fund Balance
 - Maintain a positive cash balance
 - Minimum reserve level of 50% of the next year's projected annual expenditure of the Operating Funds as of June 30th
 - Minimum reserve level of 10% after deferring the first installment of annual property tax collection received in June
- Reserves are critical when State does not make payment on time

Projections (January 2011)

- Reviewed January 2011 Projections
 - Showed district issuing Tax Anticipation Warrants in FY15
 - Trajectory lines shows FY End Balances June 30th (high point) and Fund Balance less Early Taxes
 - Tax receipts on June 1st and 15th don't help for previous school year expenses and are deferred for upcoming school year (after July)
 - Purple trajectory line added to projections after 2011 which indicates low cash balance
- Bond referendum is for building maintenance and improvements, rate increase is for operating needs.
 - 2008 voters passed a \$24.8M bond referendum for facility improvements and repairs
 - Typically districts issue new bonds close to year when old bonds are paid off

2009-2011 Community Forum Feedback and 2011 Recommendations

- Reviewed feedback from 2011 Finance Committee recommendations and community forums
- District office was purchased in August 2004
 - Recent appraisal showed building is not worth what it was purchased for
 - Do not own entire parking lot; only spots abutting building
 - Parking lot shared with theater, permanent easement
 - During recession, DuPage County office buildings' value tanked due to over saturation and have not rebounded
- Renting schools/buildings
 - Cannot rent as a profit center
 - Only rent to other non-tax paying entities
- Very limited with what you can invest money in

- Do not want school districts to invest in anything too risky
- Can't raise fees enough to balance a million-dollar deficit
- In groups committee members brainstormed possible areas for increased revenue or future cuts:
 - Fundraising with corporate sponsors
 - CCSD89 does not have a large commercial (business) base
 - PTCs currently fundraise for schools
 - Network purchasing
 - District already partners with area districts for transportation costs and Special Education (CASE) and participates in a cooperative for health care insurance
 - District is legally responsible to provide busing for parochial schools within district's boundaries
 - Consolidation
 - Discussion regarding consolidation with other districts. There are bodies of research that show benefits and that are not in favor. Much of what occurs with consolidation is the sharing of services. CCSD89 does this with Special Education (CASE) and transportation already.
 - National School Lunch program
 - Use to lose \$200K; now only lose \$60K
 - Cannot run as a profit
 - Students who participate in the National School Lunch Program are not singled out; better for students
 - Grant writing
 - CCSD89 takes advantage of all available grants, however, grants are not a funding solution and not a stable fund source
 - To take advantage of many grants must have 40% of students on the free/reduced lunch program. District 89 is at approximately 25%.
 - Must keep perspectives of all who live in the district
- Assistant Superintendent Jones then reviewed details of cost reduction and revenue enhancements

District's Strategic Spend

- Board approved implementation of full-day Kindergarten for 2015-2016 school year
- Decision made to close the opportunity gap
 - Research shows students coming from less language spoken in home or low-income families enter Kindergarten at two to three years behind student who do not
 - Doubled FTE at the Kindergarten level
 - Money spent on front end reduces money spent on remedial services, Special Education, Intervention and support services
- Offered to all students not just families of low income at no additional cost
- Committee members questioned why district didn't decide to charge those who could afford to pay.
- Superintendent Tammaru provided some CCSD89 information
 - Trend over last five years is families prefer full-day kindergarten
 - 25% of CCSD89 students qualify for free and reduced lunch
 - District has students speaking 58 different languages
 - Increase to 11% students in EL
 - Wants to dispel myth that students requiring English services come from low income homes

Fiscal Responsibility

- Avoided costs to taxpayers
 - Board advance refunded \$9M of 2008 bonds
 - Legislature has eliminated the ability to advance refund bonds at lower interest rates
 - Some remaining bonds are up for refinancing soon
 - Assistant Superintendent Jones will investigate opportunity
 - Administrative Transfer Policy
 - Avoided need to hire 15.0FTE teachers
 - Kept Arbor View open
 - Equalized class sizes
 - Eliminated transfer routes for FY17-18
 - Students no longer missing instructional minutes but on buses longer

Future Challenges

- Increasing enrollment
 - Demographer, Dr. John Kasarda, has completed District's last five studies
 - Has been within 2% accuracy in every study
- Potential legislative 2-year property tax freeze
- Cost shift to Teacher's Retirement System pension to D89
 - \$76K/year additional expense

February 2017 BOE Presentation with Projections

- Assistant Superintendent Jones will update financial projections now that teacher's contract was approved at January 22, 2018 Board of Education meeting
- None of the assumptions will make a huge impact on updated projections
- Further cuts would impact education
- Projected deficit for next five years is about \$1M/year

Next Meeting Preparation

- What do you value most in your schools?
- Why did you move to this area?
- What additional reductions would you consider?
- What funding ideas would you explore?

Takeaways

- Board of Education has a history of fiscal responsibility
- Addressed nearly all of the financial recommendations made by 2011 Community Finance Committee and the Community Forum events in 2010-2011
- District has reduced expenditures nearly \$3M since 2008, while increasing revenues by \$750K since 2009, expenditures outpacing inflation and tax caps continue to cause deficit spending
- The Community Finance Committee drafted a Fund Balance policy in 2011, which mandates Administration recommend a course of action when fund balances fall below certain levels

Absent: Melissa Bartolli, Tina Chivardi, Victor Moore