OAK PARK AND RIVER FOREST HIGH SCHOOL
201 North Scoville Ave.
Oak Park, IL 60302

FINANCE COMMITTEE MEETING
November 06, 2007

A Finance Committee meeting was held on Tuesday, November 6, 2007. Mr. Rigas called the meeting to order at 7:35 a.m. in the Board Room. Committee members present were: John Allen, Jacques A. Conway, Valerie J. Fisher; Dr. Ralph H. Lee, Sharon Patchak-Layman, and John P. Rigas. Also present were: Dr. Attila J. Weninger, Superintendent; Cheryl L. Witham, Chief Financial Officer; Jack Lanenga, Assistant Superintendent for Operations; Amy Hill, Director of Assessment and Research, and Gail Kalmerton, Executive Assistant/Clerk of the Board.

Visitors: Kay Foran, Communications and Community Relations Coordinator; James Hunter, FSEC Chair; Doug Wiley, Supervisor of Finance; Jacqui Charette-BassiriRad; Eric Gershenson and Chris Meier of the Collaboration on Early Childhood Education; and Terry Dean of the *Wednesday Journal*.

Acceptance of the October Finance Committee Minutes

The October Finance Committee Minutes were accepted, as presented.

Construction Update

Mr. Lanenga updated the Committee members on the condition of the artificial turf on the athletic field. He noted that the turf is delaminating, meaning the fibers in the field are coming apart. The District has no recourse with the company who manufactured the artificial turf, as it went bankrupt. This was advance notice that the turf should be replaced in the summer of 2008. It is anticipated to cost $500,000, with another $25,000 for the services of Terra Engineering to supervise the infrastructure project, and $125,000 to rip up the old field.

Mr. Lanenga also noted that Wight & Company completed the ten-year life safety plan. A presentation was made by two Wight representatives to DLT. The administration is in the process of determining the priorities of the capital improvement projects yet to be complete.

Mr. Conway asked Mr. Lanenga to arrange for the Park District to make representation on Ridgeland Commons to the Board of Education.

Early Childhood Funding

Dr. Lee had presented a proposal to the Board of Education at its November 15 meeting to assist in the funding of a grant for the Collaboration on Early Childhood Care and Education (Collaboration). The Collaboration is a unique, voluntary public/private partnership whose participants include the Village of Oak Park, the Park District of Oak Park, The Oak Park Township, both elementary and high school districts, Library, Concordia University, Triton College, preschools, childcare centers and home providers. The total grant would be for $50,000 of which Dr. Lee proposed that $15,000 be dedicated by the District with the majority of the balance dedicated by the Village of Oak Park. Both Eric Gershenson and Chris Meier of the Collaboration were available for questions.

Included in the packet was a letter from Mr. Gershenson to President Conway and Superintendent Weninger and a summary of the proposal to create a Partnership for Human Development in Oak Park. The Collaboration envisions Oak Park as a community in which all families are supported and enabled to create home environments that support children's cognitive, social, and emotional development and all early childhood providers are engaged in best practices. The outcome of the feasibility study will be a five year roadmap for the initiation of a family support program and expansion of high-quality professional development activities. It will include the case for investment and projected returns on investment; plans for marketing/recruitment, evaluation, sustainability, and a five-year budget. The specific components of the study will include

- Development of an advisory committee with representatives from all local jurisdictions, business, the Collaboration, and health care. The Committee working with a researcher/facilitator with expertise in early childhood planning processes, will review research and data, and determine elements of the plan;
- Development of program outcomes;
- Assessment of the experience and capacity of local providers to provide high-quality family support and early childhood services;
- Analysis of factors that put children at greater risk for abuse, developmental delay, and school failure (although the goal is to provide support for all families, "at-risk" families may need to be a priority when funds are limited);
- Research of best practices and engagement strategies in family support and professional development;
- Research of state, federal, philanthropic initiatives that can be leveraged to support Oak Park's efforts and strategies for long-term sustainability;
- Research of tools and methods for long-term evaluation; and
- Creation of a year-by-year plan for initiation and expansion of an integrated system of family support and professional development for each childhood provider in Oak Park during 2009-2013.

Ms. Patchak-Layman inquired as to why the funds for this proposal would not come out of the Collaboration's general budget which is $140,000. Mr. Gershenson stated that the Collaboration's supports a number of projects, i.e., current professional development efforts, the annual publication of the Early Childhood Directory, continuing with directors of the Roundtable which pulls together leadership of the early childhood programs, and early literacy projects, the reading to children and parents. It also enables the Collaboration to retain Chris Meier and leverage about 5,000 hours of volunteer time.

Mr. Conway asked about the cooperation of the providers, either full-time or part-time, and when they receive training. Mr. Gershenson replied that some providers had an immediate understanding and for others, the Collaboration had to work to make them see the Collaboration as a support system and not a threat. Now there is enthusiasm for what it does. The Collaboration been able to engage centers and has conducts trainings onsite during a naptime on an hourly basis. The Collaboration has brought a three-hour Triton course to Oak Park. Some day care directors immediately saw the benefit of learning from each other and they bring topics to study and address.

When asked why this was not a part of the Village Community Block Grant, Mr. Gershenson stated that an initial proposal was made to the Village Trustees, but he did not know the reason it was not approved. He understands that the Collaboration is still in the Village's budget for consideration. He continued that the Collaboration has now only contacted the Village and District 200 for this funding. The Collaboration has not approached District 97 because of its fiscal constraints and the fact that it has taken over the other critical component of going to a full day kindergarten. District 90 is not a current participant in the Collaboration. The River Forest Community Center is involved because the Collaboration works with them on the location of the Head Start Program.

Ms. Patchak-Layman asked about the Collaboration with O.P.R.F.H.S.'s Childcare Center. Mr. Gershenson stated that when the Collaboration does its annual funding proposal, it enters into a contract with District 200 to provide programs to the center. The Childcare Director is a member of the Roundtable and the Collaboration has provided onsite training, and staff development training at Triton in Early Childhood Literacy. The Collaboration has also assisted the administration in developing the criteria to select its curriculum.

Dr. Weninger suggested collaborating on an important component in terms of raising student achievement. He suggested looking at a formal training/development program for students at the high school. With the curricular program and activities clubs, there is the opportunity to develop a cadre of students who can give back to the community.

The time period to receive these funds would be early in 2008, which means that the O.P.R.F.H.S. 2007-08 Budget would have to be amended.

While Mr. Conway, Dr. Lee, Ms. Fisher, Mr. Rigas and Ms. Patchak-Layman were in favor of dedicating these funds so long as an agreement could be developed with consideration of agreement going to District 200 students, Mr. Allen was hesitant because the Village of River Forest was not presently supporting it financially. When the proposal was developed, the Collaboration had hoped that it could look to a single jurisdiction for this support, e.g., the lead ones are District 97, District 200, and the Village of Oak Park. The support provided by others is substantially lower. At the onset, the Collaboration thought of the Village of Oak Park, but the Village has its own fiscal constraints. Dr. Lee thought it might be possible for District 200. Every effort has been made to get every jurisdictions involved. Mr. Gershenson felt if District 200 provided the leadership, perhaps, others would participate at a later date. If District 200 and the Village are able to provide this support, then the Collaboration will proceed. It is too important at this point not to do so.

Mr. Allen asked why the school would devote money to this endeavor if the Village of River Forest Board has not supported the organization financially previously. He felt there must be justification for this money. Dr. Lee said the justification was basically the achievement gap. Mr. Rigas responded that the Village of River Forest, as a whole, versus the actions of the taxing bodies, does not mean a direct link. Mr. Gershenson noted that River Forest benefits directly and indirectly. River Forest providers are always invited to participate, they are listed in the directory and they take part of symposiums. In addition, Concordia and Dominican Universities are strong participants. He was not adverse to welcoming River Forest into the equation, but at this point, the jurisdiction has not shown great interest.

It was the consensus of the Committee to provide a resolution in support of the Collaboration's request to the Board of Education for approval at its regular November Board of Education meeting and to include in the resolution support to the high school. Ms. Witham will review the budget to see where she can take these funds.

Mr. Gershenson thanked the high school for acting as a leader and a catalyst.

Books and Fees

Ms. Jacqui Charette-BassiriRad prepared a written report on books and fees (attached to and made a part of the minutes of the meeting).

This year the Bookstore combined the master schedule with the book list, showing the books needed for the classes on student schedules. Ms. Charette-BassiriRad thanked Margie Downs of Data Processing for assisting in this endeavor.

An Automatic Installment Plan was instituted this year. Two types of installment plans were offered, both requiring a $50.00 down payment. The Automatic Installment Plan (AIP) allowed the Bookstore to charge a parent's credit card a $50.00 minimum each month beginning October 1, so that the balance could be paid by April 1, 2008. The school collected one-third of the $61,764.94 owed. If parents could not take advantage of the AIP, they could use the Special Payment Agreement (SPA), with the expressed expectation of monthly payments of $50 would be made. Today, only $1,254.77 of the $34,487.50 billed has been received. For those who owed monetary obligations from prior years and were unable to clear them during registration, special payment agreements were set up. This amounted to $3,872.24. Currently, there are 643 individual installment plans: 393 AIPs, 219 SPAs, and 31 Prior Year SPAs.

The Bookstore had a loss of $10,334.00, which included approximately $24,000.00 in overdue balances from the 2006-07 installment plans, most of which were paid upon registration for 2007-08.

O.P.R.F.H.S. used the $123,120 received from the Illinois State Board of Education State Loan to replace the outdated books for ChemCom, Child Development, Parenting, Housing Design and 10 math titles. With the exception of 3 math courses (sophomore Geometry, Statistics, AP Computer Science), all levels of math are now in the State Loan system.

For the first year the Bookstore also processed all AP testing fees. A total of 751 student forms were processed for a total of 1,694 tests.

As of October 23, 2007, 411 students were eligible for loan books, which included 7 medical loans and 58 IEP loans. For the school year of 2006-07, the totals were 408 students, which included 8 medical loans and 53 IEP loans.

Each summer the Bookstore becomes the depository of unwanted, obsolete books that have been cleared from classrooms or cannot be bought back. Again this year Linda Stolz, an OPRFHS parent, of the *Global Alliance for Africa*, was contacted to take any unwanted books.

Other items accomplished this year were:

1. Sold and tracked 2123 Tabulas for $74,305.00
2. Sold 1955 pieces of Booster wear for a total of $43,742.85 for the Booster Club.
3. Sold/disseminated the PTO’s directory and calendar for those who didn’t take advantage of the PTO’s preorder/pre-paid mailing program.
4. Issued all temporary ID’s – totaling 8121.
5. Sold 759 Pace Bus Student Passes at cost for $18,645.00
6. Sold 80 CTA Student Riding Permits
7. Provided 20 OPRFHS students an opportunity to work part-time and learn what it means to “work” in the Bookstore over the summer, with it being the first job for approximately half. They learned how to get books ready for the fall sale, the importance of being accurate when doing inventory or filling pre-orders, what good customer service is, how to punch a time clock and the significance of calling in before an absence.

Mr. Conway inquired as to how staff was hired. Ms. Charette-BassiriRad responded that the students are selected to work in the Bookstore by checking their references and their persistence. Students have to be good citizens, as the Bookstore is customer-service oriented. Ms. Patchak-Layman asked if the school has a centralized system for hiring students. Do students fill out job applications? Ms. Charette-BassiriRad responded that there was no centralized system, but they do have standardized pay. While Ms. Charette-BassiriRad stated that the workforce in the Bookstore mirrors the demographics of the school, she was not sure about other areas in school for which students are hired.

Ms. Patchak-Layman asked for a master list of books and asked if the price of books was increasing. Ms.Charette-BassiriRad noted that some were and that publishers were quick to change editions.

Ms. Charette-BassiriRad also noted that the Bookstore was working to revise the preorder option next year to make it more efficient.

Health Insurance Renewal

Ms. Witham presented an overview of the proposal for health insurance renewal as follows:

"December 31, 2007 marks the close of the first year of a self-funded PPO medical plan. As of September 30, 2007, the plan has performed well and we are on track to meet our required reserve levels at the close of the first year. Thus far there has been no individual claim which has reached the individual stop loss attachment point of $100,000. Only four claims have exceeded $25,000.

"In addition, we will now earn interest income on the reserve balances and have additional information about the health demographics of our group. We intend to use this broad data to target health wellness programs to the areas of greatest concern. For our population, 66% of claims related to males were generated by the 55 – 64 age groups which are 33% of the male population. 67% of all claims for females were generated by the 55-64 age groups which are 40% of the female population. Over time the percent of claims from these age groups should be significantly reduced because as of June 30, 2007, new faculty retirees will have medical and pharmacy coverage under the state medical plan (TRIP) or a third party plan.

"The self-funded pharmacy costs continue to escalate, particularly for HMO participants. We have learned that 5 individuals spent 15% of the total pharmacy costs last year. The largest costs for drug use related to self-injectable drugs. The second highest drug utilization relates to high cholesterol issues. We are exploring ways to introduce greater consumerism on the part of the employee and have implemented a plan for coordination of benefits. Drug Card will also send each participant a summary of the previous years charges incurred and a list of generic drugs that could have been used by the participant.

"Broker fees for the services of Catherine Loney have remained unchanged since FY 2004 at the rate of $9.60 per member/per month (pm/pm). However, the BCBS administrative fees will increase from $38.66 pm/pm to $44.77 pm/pm, an increase of 15.8%. The BCBS access fee will be reduced to 3.5% of claims from 4% of claims. Individual stop loss premium will increase from $22.52 pm/pm to $29.78 pm/pm and aggregate stop loss premium will increase to $32,721 from $28,254. The Drug Card administrative fee will remain $20.00 pm/pm. The increase in administrative costs is estimated to be $40,361.00 (see the Administrative Costs table below)

Administrative Costs

	2007	2008	% increase
Access Fees	$ 88,295.00	$ 91,103.00	
BCBS admin fees	171,191.00	190,720.00	
Individual Stop Loss	113,306.00	126,863.00	
Aggregate Stop Loss	28,254.00	32,721.00	
Broker Fees	40,896.00	40,896.00	
Drug Card Admin Fee	10,540.00	10,540.00	
Total Fees	$ 452,482.00	$ 492,843.00	8.9%

"MEDICAL

The gross premium will actually decrease for FY 2008. This decrease from $5,645,317 to approximately $5,486,137 is due primarily to fewer participants on the plan as retiree participation is reduced. There are now 16 retirees on the TRIP or other third party plan. Additionally, the deductibles and co-pays have changed due to Faculty Senate negotiations (see the plan summary table). If the number of participants had remained the same the entire cost in medical premiums would have increased approximately 4.4% to a total premium of $5,893,711. However, due to fewer participants and plan design changes the premium will actually decrease. The District portion will decrease year over year by approximately $245,223 or 4.78%.

"The BCBS HMO policy is fully insured for medical and self insured for pharmacy. The BCBS portion of the annual premium will increase by 7.3%. The PPO plans are self-insured for medical and pharmacy. The BCBS medical portion of the premium will increase 2.5%. The remainder of the increase relates to the pharmacy portion of the premium and it is based on utilization, with the largest increases in the employee plus spouse and in the HMO products.

"DENTAL

The self-funded Dental Plan also experienced modest utilization and we are recommending no increase in premium because the premium required to meet expected claims and to maintain reserves are adequate to meet future needs. In addition there has been no increase in administrative costs of $3.84 pm/pm. The total costs of the dental benefit will be approximately $454,000 in FY 2008.

Mr. Edgecombe expressed his appreciation for the work of the Insurance Committee, which is composed of representatives from various bargaining units.

Ms. Patchak-Layman noted District 97 blends the HMO and PPO to get an average; Ms. Witham responded that the committee explored that alternative. She continued that it has been the District's philosophy to fund up to the aggregate stop loss attachment point plus three months of claims. In response to Ms. Patchak-Layman's comment concerning D97's action to reduce medical reserves, Mrs. Witham responded that the philosophy has not been to return reserves to the Education Fund. It would be used in order to gain more control over the premium from one year to another and has been carefully managing that from the start.

It was the consensus of the Finance Committee members to recommend that the Board of Education approve the renewal of the health and dental insurance at its regular November Board of Education meeting.

Preliminary Levy

Ms. Witham presented the same information relative to the Preliminary Levy that had been presented previously, noting that this was another opportunity for the Board of Education to review this information before being presented for a vote at the regular Board of Education member in December.

Fund		Actual 2005 Levy		Tentative 2006 Levy
Education	$	42,184,411	$	43,090,781
Liability Insurance		1,030,000		1,081,500
Special Education		321,758		395,136
O&M		4,021,972		4,866,247
Transp.		761,657		787,553
IMRF		888,759		968,977
SS		888,759		968,977
Working Cash		784,905		987,841
Life Safety		804,394		987,841
Bond & Interest		$2,999,447		$2,863,765
TOTAL LEVY		**$54,686,062**		**$56,998,618**

The following is the Timeline for the Levy

October 17	Finance Meeting	Preliminary Levy
November 9	Finance Meeting	Preliminary Levy
December 21	BOE Meeting	Public Hearing
December 21	BOE Meeting	Final Adoption of Levy

Ms. Patchak-Layman preferred decreasing the levy amount by ten percent because she felt the Board of Education had an obligation to the community to do so.

Five-Year Plan

Ms. Witham presented the five-year financial projections. In the written report, she stated:

"The District maintains a financial projection model based on various assumptions concerning future revenue and expenditure expectations. These assumptions are based on historical data, analysis of legislative changes, future enrollment trends and required staffing levels, estimated CPI increases, estimated future property values and Board of Education approved goals and objectives.

Actual data from previous years and future projections are incorporated into the model after reported to and approved by the Board of Education. The model currently includes updated information including the FY 2006 actual results, the FY 2007 amended budget, the FY 2008 original budget, the November 2006 enrollment projections, the 2006 final levy, and the October 2007 staffing levels.

Revenue

"The most complex and also most critical area of the *OPRF 5 Year Plan* is the projection of property tax revenue. Property taxes are the District's largest revenue source (76% in FY 2008), and the calculation process is quite cumbersome. Variables that must be analyzed include equalized assessed valuation (EAV), new property additions, and the Consumer Price Index (CPI). Additionally, due to the fact that the District's fiscal year ends on June 30, each fiscal year represents the collection of one installment from each of two tax levy years. The Property Tax Extension Limitation Law (PTELL or "tax cap") limits the annual increase to the lesser of 5% or the CPI. Due to the funding structural imbalance in Illinois public education funding and the limited access to new property EAV value in Oak Park and River Forest, it is necessary for the school district to eventually request a referendum, as the majority of costs related to public education exceed CPI.

"The 2005 levy reflected the final year of the phase-in option for the 2002 referendum. The Board of Education approved a partial phase-in of approximately $4.5 million dollars, approximately ½ the amount permitted by the rate increase factor law, increasing the total extension of capped funds to approximately $50 million dollars.

"Although, the property tax is a fairly consistent tax the District experiences unanticipated fluctuations in property tax collections due to reassessments and uncollected amounts. Therefore, the District estimates property tax collection at 98%.

"The communities of Oak Park and River Forest contain several Tax Increment Finance (TIF) districts. There are three TIF districts in Oak Park and one in River Forest. TIF districts divert property taxes to village-controlled funds for the purposes of economic development. Over time, incremental EAV has accumulated in the majority of these TIF districts. OPRFHS has been able to secure agreements for distribution of funds and early carve outs of property in three of the districts. These revenue streams have been added to the projection model in the appropriate years. The River Forest TIF is expected to expire in tax levy year 2010 and the Oak Park Downtown TIF will expire in tax levy year 2019.

"The District is currently estimating taxes per fund by calculating the total extension under the cap. The model then estimates the amount required for Life Safety obligations, Tort obligations, IMRF obligations, O & M obligations and Transportation obligations.

"The amount required for each of these funds is compared to the maximum levy rate and the maximum amount or required amount whichever is lower is established as the levy amount. The remainder is levied in the Education Fund. Following is a table of the maximum rate per fund for the 2005 levy and new legislation effective with the 2006 levy.

FUND	***Max 2005***	***Max 2006***
Education	2.95	2.95
Operations & Maintenance	.25	.55
Transportation	.12	.20
Special Education	.02	.40
Life Safety	.05	.10
Working Cash	.05	.05

"EAV is projected to increase at the historical trend of 9% at the triennium reassessment followed by a decrease of 1% and then an increase of 1%. CPI is projected at 3.5 % for 2007, 3.0% for 2008, 2.5% for 2009, 2.5% for 2010, 3.0% for 2011 and then 3% thereafter. Following is a historical analysis of actual CPI and EAV and future estimates incorporated into the five-year projections.

Levy Year	***CPI***		***EAV***	***% Increase***	
1995	2.20%	$	807,929,036	0.55%	Actual
1996	2.50%	$	882,475,609	9.23%	Actual
1997	3.30%	$	876,602,437	-0.67%	Actual
1998	1.70%	$	888,191,638	1.32%	Actual
1999	1.60%	$	1,014,461,583	14.22%	Actual
2000	2.70%	$	997,025,802	-1.72%	Actual
2001	3.00%	$	1,049,586,419	5.27%	Actual
2002	2.50%	$	1,513,988,694	44.25%	Actual
2003	2.40%	$	1,507,098,940	-0.46%	Actual
2004	1.90%	$	1,551,572,998	2.95%	Actual
2005	3.30%	$	1,970,385,120	26.99%	Actual
2006	3.40%	$	1,953,712,946	-0.85%	Actual
2007	2.50%	$	1,998,595,245	2.30%	Projected
2008	3.50%	$	2,184,263,088	9.29%	Projected
2009	3.00%	$	2,173,751,784	-0.48%	Projected
2010	2.50%	$	2,244,232,080	3.24%	Projected
2011	2.50%	$	2,469,520,657	10.04%	Projected
2012	3.00%	$	2,449,825,450	-0.80%	Projected
2013	3.00%	$	2,483,913,857	1.39%	Projected

"The District's state revenues are comprised of both restricted and unrestricted grants. The largest component (59.3% in FY 2008) of state aid is general state aid. General state aid is a function of the State's total education appropriation (Foundation Level), the District's Average Daily Attendance (ADA) and EAV. Enrollment projections are used to estimate general state aid based on projected per pupil Foundation Level less "available local resources." The remaining state aid is primarily special education categorical reimbursements. The District receives minimal federal aid (1.9% of total revenue in FY 2008), the majority of which is special education reimbursement through Medicaid and IDEA. Because of its political nature, it is difficult to project state and federal aid beyond the current year because of the uncertainty of funding in Washington DC and Springfield. The District assumes the status quo in funding unless there is information to the contrary.

"Corporate Personal Property Replacement Tax (CPPRT) revenue is generated based on the taxpayer's liability. This tax is very vulnerable to economic downturns and therefore fluctuates greatly from year to year. The District recognizes CPPRT revenue in the O & M and in the IMRF funds. The District estimates the CPPRT revenue to increase at ½ CPI from year to year due to the uncertainty of the revenue stream.

"Expenditures

"The majority of expenditures in the Education Fund are directly related to compensation and benefits (83.43% in FY 2008). The District projects faculty staffing based on enrollment projections.

OCTOBER 1 ENROLLMENT							
1970	4,269	**1996**	2,715	**2002**	2,962	**2008**	3,098
1975	4,159	**1997**	2,698	**2003**	3,024	**2009 est.**	3,062
1980	3,617	**1998**	2,721	**2004**	3,087	**2010 est.**	3,097
1985	3,438	**1999**	2,727	**2005**	3,089	**2011 est.**	3,104
1990	2,629	**2000**	2,829	**2006**	3,076	**2012 est.**	3,156
1995	2,747	**2001**	2,921	**2007**	3,139	**2013 est.**	3,156

"Method of estimation:
A cohort survival statistical method is utilized via enrollment projections software. This software utilizes historical survival averages and parochial school matriculation as well as enrollment in the elementary school feeder districts.

"The District then estimates salaries based on contract agreements for the length of current contracts plus an estimate for future years based on the contract matrix value for each bargaining unit. Retirement costs are projected based on actual retiree contractual obligations plus projected future obligations based on an analysis of each faculty member's retirement eligibility date. Health insurance is projected to increase at 10% annually. In addition, the District estimates the number of retirees that will be added to or deducted from the health insurance enrollment ranks, based on projected retirements.

"Contract Salary Increases & Length of Contract

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Faculty	6.0%	**4.5%**	4.5%	4.0%	3.6%	3.6%
Clerical	5.5%	**5.5%**	5.5%			

Custodial	3.0%	**2.0%**				
Non-Affiliated	4.5%	**4.5%**				
Security	4.0%	**4.0%**	4.0%			

"Following is a chart of the certified staff, which includes classroom teachers, division heads, counselors, program managers and other certified faculty. The increase in certified staff in 2007 includes the implementation of the approved Initiatives plus an increase for enrollment projections. These estimates are based on an assumption that class size will remain the same, that the average number of courses taken per student will remain the same and that the number of special education students will remain stable at the current rate of total student population. Of course, any component of this analysis will affect the estimated staff required, particularly the special education staffing requirements. Therefore, these estimates are a guideline only and will fluctuate to meet student needs.

CERTIFIED STAFF

Actual 2001	***Actual 2002***	***Actual 2003***	***Actual 2004***	***Actual 2005***	***Actual 2006***	***Actual 2007***
201.5	204.3	214.5	216.6	216.4	219.6	234.3

Projected 2008	***Projected 2009***	***Projected 2009***	***Projected 2010***	***Projected 2011***	***Projected 2012***
233.5	232.4	235.1	235.6	239.6	239.6

"Other expenditures in the Education Fund are estimated to increase at the following rates:

- Supplies at estimated CPI
- Capital Outlay at estimated CPI
- Tuition at 2 ½ times CPI
- Utilities at 2 times CPI
- Other objects at estimated CPI"

Discussion ensued. Ms. Witham emphasized that this was a living document and was constantly changing due to various factors. Mr. Rigas stated that the Board of Education reviews the plan two times per year. At this point, the Board of Education assumes certain variables, e.g., CPI, enrollment, health care costs, new legislation, etc. In the spring, adjustments are made again.

Dr. Lee asked Ms. Patchak-Layman if she were proposing that the current plan be changed so that property taxes could be lowered to what was needed right now and that the school should plan to go for a referendum four years from now, as opposed to waiting until 2018. Ms. Patchak-Layman stated that if the tax rate were lowered by ten percent for the next two years, it would change the projections. The school would continue to look at expenses and either hold them or reduce them in order to be good stewards of the community. Her concern was that the school is collecting tax dollars today in order to pay for operations ten years down the road. People are having difficulty paying their taxes and it is difficult to attract new people to the community. The school has sufficient fund balances and there would be no change to the day-to-day operations at this time. She did not believe services to the students would be reduced. The school would redirect its dollars, review staffing to see if the school was meeting its priorities, and, perhaps, do so at a lesser cost. Mr. Rigas asked Ms. Patchak-Layman for examples of how she would do that with increasing enrollment; when staff is reduced, services are reduced. Ms. Patchak-Layman noted that the class lists given to the Board of Education last month showed that in some classes there was a difference of thirty students between teachers. The school could increase class size. She continued that the State recommends having a three- to six-month reserve, which the school currently has. Dr. Weninger stated that students determine the classes they take and consideration must be given to special education classes, singleton classes, PE classes, music classes, and variables of low class size due to space limitations in labs. The issue of class size is very complex and it is simplistic to suggest that one could reduce costs by leveling out class size without having done a master schedule. Dr. Lee noted that it could be done if the school mandated what classes a student must take. Ms. Patchak-Layman suggested offering singleton classes every other year. She felt this was a worthwhile conversation. Mr. Rigas noted that the taxpayers had voted and supported this funding; no one testified on the budget, reviewed the budget, or told the Board of Education that the Levy or that the school was not using the dollars in the most efficient way possible. He did not want to put the school into financial jeopardy.

Ms. Fisher asked Ms. Patchak-Layman where she would fund her proposal to contract out for services for the current student population before the new plan took effect, as she had suggested at the last Board of Education meeting. While everyone wants to reduce taxes, one must be realistic on how that would be accomplished. Ms. Patchak-Layman responded that each student should have an IEP. Ms. Fisher concurred with that and in the best of all worlds students would have, but the school cannot do that with a tax reduction.

Ms. Patchak-Layman stated that when one begins to look at the budget, one looks to see if it matches the priorities, whether support services are in place. Then one can determine if there can be "batching," e.g., secretarial/clerical, the number of hours in the classroom, and ask if classroom hours could be increased. There are various ways to look at the budget. Dr. Weninger stated that BLT and DLT were having conversations about being more efficient and operating at the same service level to raise student achievement and to delay a referendum.

Jim Hunter stated that the faculty supported the Board of Education reviewing of this budget. He also enjoyed Ms. Patchak-Layman being on the Board because of her interesting ideas. He worried, however, that she did not understand that individual instruction is very expensive, substantiated by research. The budget cannot be cut and individualized instruction offered. Ms. Patchak-Layman felt it was a matter of getting the right professional development in place so that teachers are able to individualize instruction in the classroom, just as the elementary schools do. Ms. Patchak-Layman was championing individualized planning for students versus individualized structure.

Dr. Lee stated that if the school looked at this as its highest priority for the next five years, it could be accomplished. He preferred, however, to look out at the next 12 to 15 years. He would also not choose the lowering of the tax burden as the Board of Education's single, highest priority. While he believed cost savings should be reviewed, he preferred finding effective ways to use the money in what he considered to be higher priority. He supports not increasing the tax burden, but not necessarily lowering the tax burden.

Ms. Witham itemized some of the cost savings that had already been accomplished, e.g., health insurance, TIF carve-out agreements, shifting money from administrative costs to instruction, etc.

Mr. Hunter suggested that as the Board of Education reviews the outcome of decreasing the Levy by 10%, and knowing that the majority of the funds go to instruction, that Ms. Witham demonstrate in the human costs and the rise in classroom students, and the jobs that would be eliminated.

Ms. Witham reiterated that she would present to the Committee next month a scenario of reducing the Levy by ten percent, staying within the budget and cutting staff.

Financial Statements

There were no comments regarding the monthly financial statements.

Adjournment

The Finance Committee adjourned at 9:24 a.m.