

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

Finance Committee Meeting Minutes
October 13, 2015

A Finance Committee meeting was held on October 13, 2015. Chair Cofsky called the meeting to order at 8:35 p.m. in the Board Room. Committee members present were Thomas F. Cofsky, Fred Arkin, and Sara Dixon Spivy. Also present were Dr. Steven T. Isoye, Superintendent; Tod Altenburg, Chief School Business Officer; Amy Hill, Director of Research and Assessment; Philip M. Prale, Assistant Superintendent of Curriculum and Instruction; and Gail Kalmerton, Clerk of the Board

Visitors

None

Public Comments

None

Minutes

Mr. Arkin moved to approve the September 17, 2015 Finance Committee minutes as presented; seconded by Ms. Spivy. A voice vote resulted in motion carried.

ACT District Testing Agreement

The Finance Committee unanimously recommended that the ACT District Testing Agreement be moved to the Board of Education for approval at its October 22, 2015 meeting, with amended dates. The District will pay \$56.50 per ACT Plus Writing exam for all students participating in testing on the initial or makeup date of the exam and to administer the exam under standard testing conditions. ACT agrees to provide test materials, scoring services and other key support for the test administration. The anticipated total cost for the test administration is \$48,025. Either entity can cancel this agreement with 30 days' notice. ACT acknowledges the budgeting issues with the state.

Presentation of Levy Timeline

The Finance Committee unanimously recommended that the Levy Timeline be moved to the Board of Education as an informational item at its October 22, 2015 meeting.

October 13, 2015	Finance Committee Meeting	Present 2015 Levy Timeline
TBD	Special Finance Committee	2015 Levy Work, if deemed necessary
November 10, 2015	Finance Committee Meeting	Present Preliminary 2015 Levy
November 10, 2015	Special Board of Education Meeting	Adopt Preliminary 2015 Levy

November 11, 2015	Administrative Responsibility	Preliminary 2015 Levy Placed on Public Display
December 9, 2015	Administrative Responsibility	Notice of Truth in Taxation Public Hearing published in local newspaper
December 17, 2015	Board of Education Meeting	Truth in Taxation Public Hearing
December 17, 2015	Board of Education Meeting	Official Adoption of 2015 Levy
December 18, 2015	Administrative Responsibility	Board of Education Resolution, Certificate of Tax Levy, and any abatements filed at Cook County Clerk's Office

The amount of the levy will follow the recommendation of the Finance Advisory Committee, unless the present Board of Education made a change to that recommendation. The Levy will be discussed at the special Finance Committee meeting on November 3.

Presentation of Monthly Treasurer's Report

It was the unanimous consensus of the Committee to move forward the monthly Treasurer's Report to the full Board of Education for approval at its regular October meeting.

Board/Finance Committee FY 2016 Goals

Finance Metrics

At the September 17, 2015 Finance Committee meeting, a discussion was held about what metrics would be and are being used at high schools. At that time, the Chief School Business Official was encouraged to compile some of those metrics as a beginning point for discussion for the October 13, 2015 Finance Committee. The finance metrics provided in the packet of materials compared OPRFHS to other schools in the NWPA (Northwest Personnel Association). The statistical information pertains to finance for the 2013-14 school year. The data is current as of August 2015 as garnered from the *2014 Ed.data Databook Volume II: School Finance Data* and PMA's 5Sight database. The data was grouped into five sections: tax impact, overall finances, expenditures per pupil, average teacher salary, and student ACT scores anchored to operating expenditures per pupil and average teacher salary. Any subsequent presentation of this data will include asset information.

Discussion ensued about the comparisons. The Committee members considered whether they were the metrics they wanted to consider and/or should other information be included. How useful is this information?

Questions/considerations/additional information:

- 1) Committee members asked for a comparison as to what the total Tax Rate for 2012 of 3.252 means to the homeowner.
- 2) How can the information relative to cost per student or the tax burden can be compared when other school districts might have multiple buildings or campuses?
- 3) Should the ACT be used as a comparison?

- 4) Items not of interest were fund balances, fund balance as a percent of revenue, and Special Education Expenses per Pupil on the Expenditures Per Pupil chart.
- 5) What is the measure of the tax burden for an individual?
- 6) What is the fund balance as a percent of expenses?
- 7) What is the number of months of cash on hand?
- 8) include the metrics of number of students on the expenditure per pupil slide, the graduation rates, attendance, etc.
- 9) Consider separating out expenses in connection with special education students. The challenge is that Special Education students do not have the same services and, thus, the expenditures would vary, making the comparison not worthwhile. However, it was offered by one committee member the reasons for doing so might be that when comparing expenditures of other schools, it might be beneficial to see if the services being offered were aligned, were being provided efficiently, were more services being provided, and/or are the services mandated by state and/or federal law. A magnitude of work would be required to measure the total dollars spent on special education services and then divide that by the total student population. Also note, the District is required to test a student when a recommendation is made to do so and the District is required to support whatever IEP recommendations are deemed necessary. Another data point would be how to capture OPRFHS's strong educational advocacy.
- 10) Should the ACT Composite score and the operating expense per pupil and PSAT and other scores be included in the comparison. One member noted that student performance was not related to how a student scored on a test. However, one member felt that the cost per student assumes that every student is processed.
- 11) The Finance Committee would recommend any performance metric to the Strategic Plan Operations Committee.
- 12) The dashboard metrics could include such things as years of experience, average degree earned, highest degree, etc. The information provided should be made clear with context so that it is not confusing.

Note: The purpose of the recommendations is to explain the intent and answers the questions as to how the District is managing its finances.

Cost Containment

DLT has started a conversation about the definition of cost containment. Previously, it was defined as considering retirements, rehires, etc., which was aligned with a steady student population of around 3,200. However, the present situation is that the District will have increased enrollment, so new considerations must be found.

Incremental Resources ScoreCard

The Finance Committee reviewed the updated Incremental Resources Scorecard, which included the items of replacing the construction management firm, the savings realized from bidding out transportation, the SRO contract, the testing coordinator, the reduction of the tax levy, the abatement of the Bond and Interest Levy as they are resources, and this year's approval of incremental resources. This tool is being used in the spirit of transparency as to how the District is using its resources. The net impact is that the expenses are greater than those recommended by the FAC and it will affect the health of the District. Discussion ensued. Suggestions: 1) do not put revenue in the same place as expense; 2) report incremental, compare to actual; 3) reconsider the \$400,000 purchase of educational technology as a timing issue, not an incremental

expense; separate the drivers of the increase of FTE, i.e., 6.8 was a decision to maintain faculty to student ratio based on Ehlers and 3.5 was a different driver, etc., as well as the Board's actions at the April 2015 BOE meeting, i.e., what the administration recommended and what the Board of Education approved. An update scorecard will be forthcoming.

Second Draft of Policy 4:20 Fund Balance

The Finance Committee unanimously recommended bringing forth to the full Board of Education at its October meeting a first reading of the Fund Balance Policy with the following amendments:

Page 1, No. 2, 5-year projection model parameters should be updated "when assumptions are updated."

Update 5-year model: Finance Committee will approve assumption changes and record them and

Page 1, A-2, Line 7: replace "addition" with "additional"

Page 2, Item C: Renumber subsections, so that they are not all 1-6.

Page 2, Item 2, add "needed facilities" after "programs or technology"

Additional Finance Matters

None

Adjournment

At 10:15 p.m., Mr. Arkin moved to adjourn; seconded by Ms. Spivy. A voice vote resulted in motion carried.

Submitted by
Gail Kalmerton
Clerk of the Board of Education