

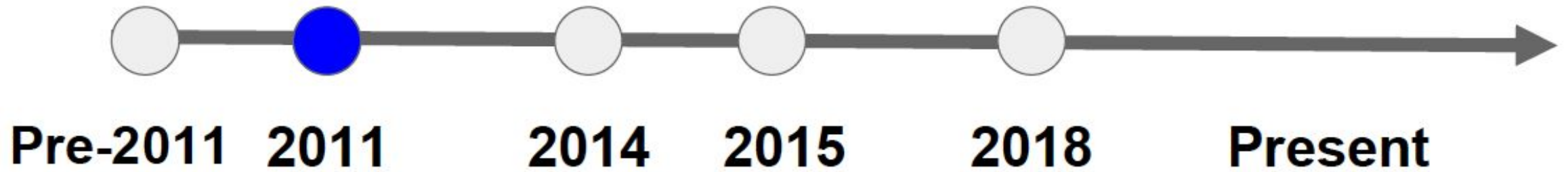
Leadership Council Meeting

May 11, 2022

Financial History and Related Strategic Plan Goal Progress

Kurt A. Schneider, Ph.D.
Superintendent
May 11, 2022

NSSED/TrueNorth Historical Overview Slides: Leadership Council 8/28/19



2011

ALERT - Districts Withdrawing

WHY - Costs, Capacity, Vision

RESULTED IN REVIEW OF FINANCIAL MODEL

IDEA Allocation

Administrative and District Services Costs Allocation

Membership Fee

Non-member Tuition Rates

1:1 Teacher Assistants



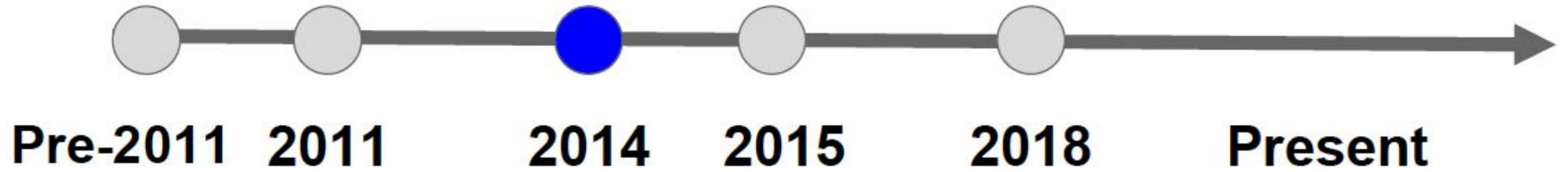
2011 Financial Model

Cooperative Membership

- Administration and Support Staff
- Technology
- Buildings and Grounds
- Transportation
- Professional Development
- District Services Support
- Community Relations/Partnerships
- Transition/DRS Consultants
- Health Services/Nursing Coordinator

Membership Fees

- Based on prior year general education enrollment
- HS \$24.40 per general education student
- ELE \$24.40 per general education student AND an additional \$19.50 supplemental fee per general education student



2014

ALERT - Districts Withdrawing

WHY - Costs, Capacity, Vision

RESULTED IN REVIEW OF FINANCIAL MODEL

IDEA Allocation

Administrative and District Services Costs Allocation

Membership Fee

Non-member Tuition Rates

1:1 Teacher Assistants



2014 Financial Model

Cooperative Membership

- Superintendent
- Costs associated with supporting this position (*i.e.* executive assistant)
- Costs of operating the District Services Center (*e.g.* utilities, maintenance of building)

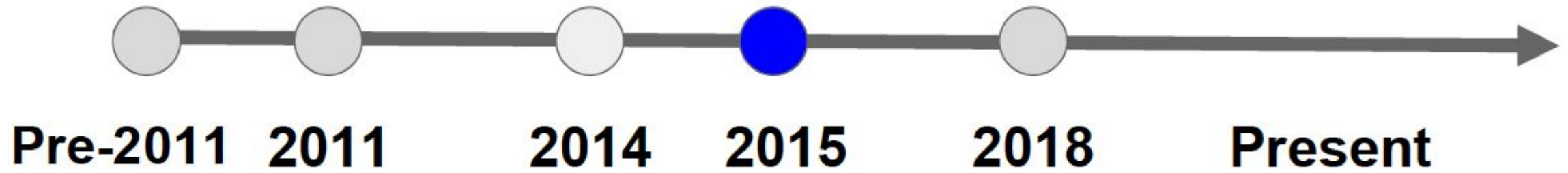
Membership Fees

- Based on prior year general education enrollment
- In FY15: \$16.44 per general education student

2014 Financial Model

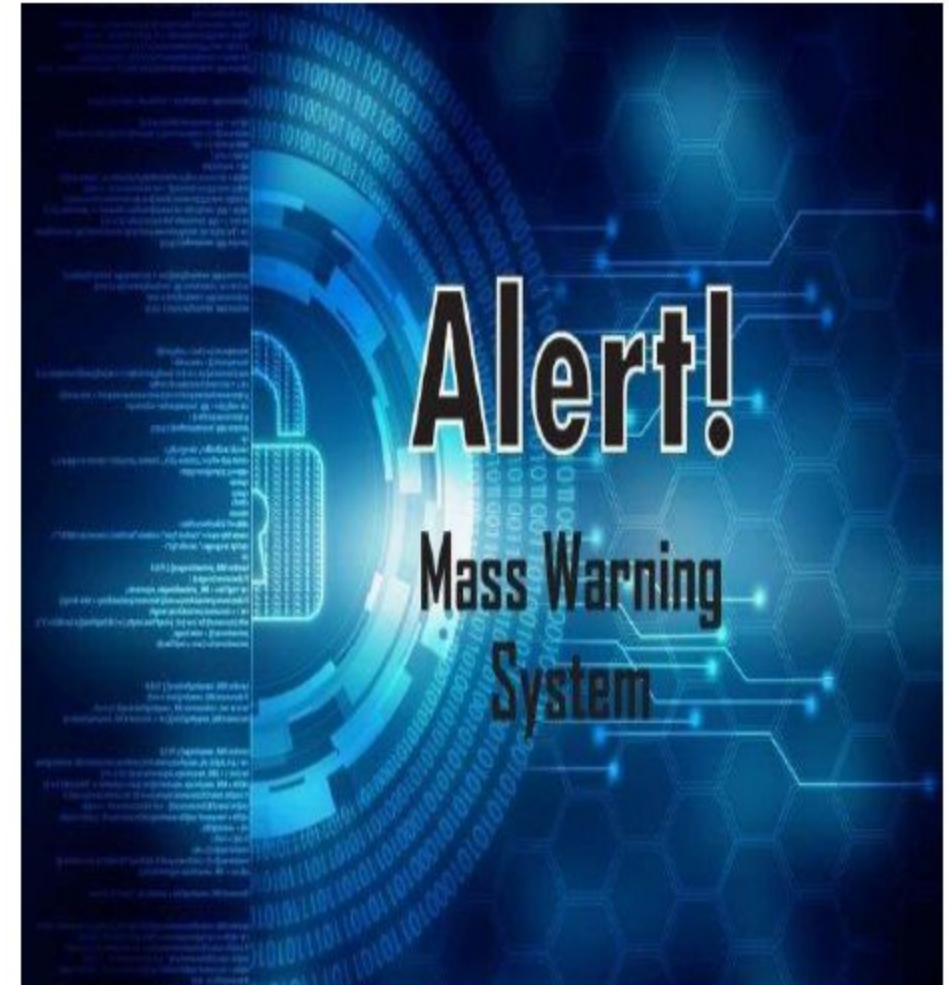
Other New Funding Parameters

- IDEA Allocation Based on District Enrollment
 - 0-1,500: 25% of IDEA funds
 - > 1,501: 15% of IDEA funds
- Tuition (Program)
 - 4.5% program administrative surcharge is included in tuition to offset reduced IDEA revenue
- Reductions
 - making ongoing necessary expenditure reductions



2015

ALERT - Costs, Capacity, Vision Concerns



2015

Superintendent Search Firm Data: Needed Growth (SchoolExec, 10/14/15)

NSSED (10)

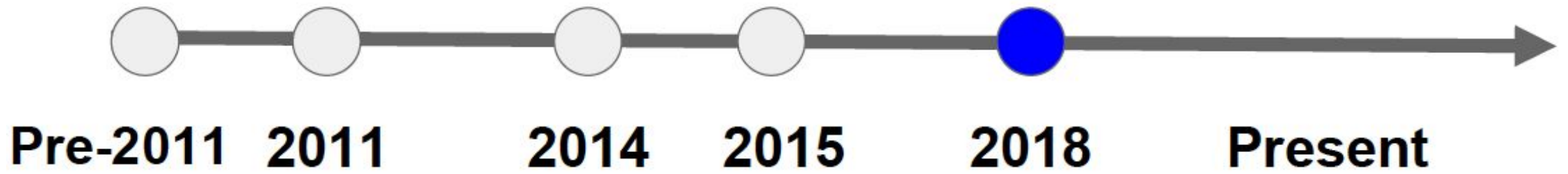
AT
Unhappy districts
Withdrawl
Build on what we have
Open to possibilities
Grow and Change
Disconnect bet. Admins
Celebrate Successes
Need Core Mission
Responsiveness

Member District Admin (4)

Reinvent Itself
Redefine Model
Reconnect with Members
Districts Pulling Out

**What stands out as
significant?**

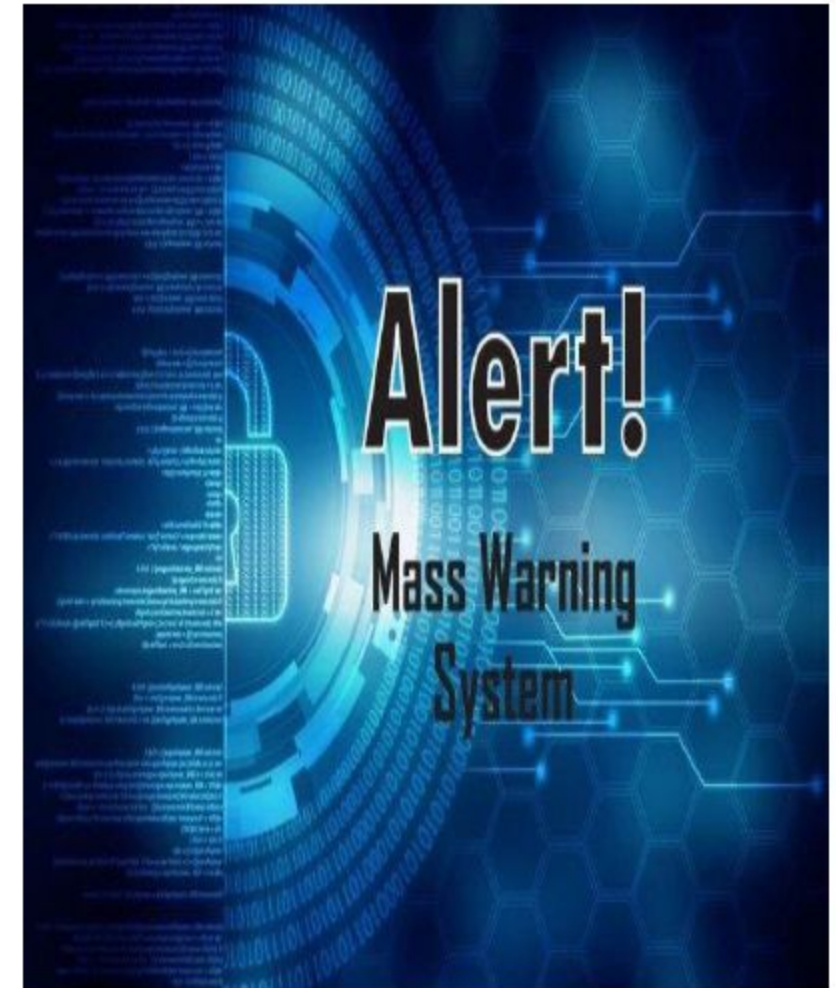
* Not Ranked



FALL 2018

ALERT - ISBE REALLOCATION
OF IDEA FUNDING NOW TO
DISTRICTS

ALERT - DECADE-LONG
ENROLLMENT DECLINES
REINFORCES NEED FOR
STRATEGIC PLAN'S FINANCIAL
MODEL



Listening / Reducing Costs / Culture Shifting / Build Trust
(Up Until June 2019)

NO TUITION RATE INCREASES (exception EC)	NO MEMBERSHIP RATE INCREASES	STAFF/ADMIN REDUCTIONS
---	---	-----------------------------------

Factors outside of NSSED control are challenging the budget...

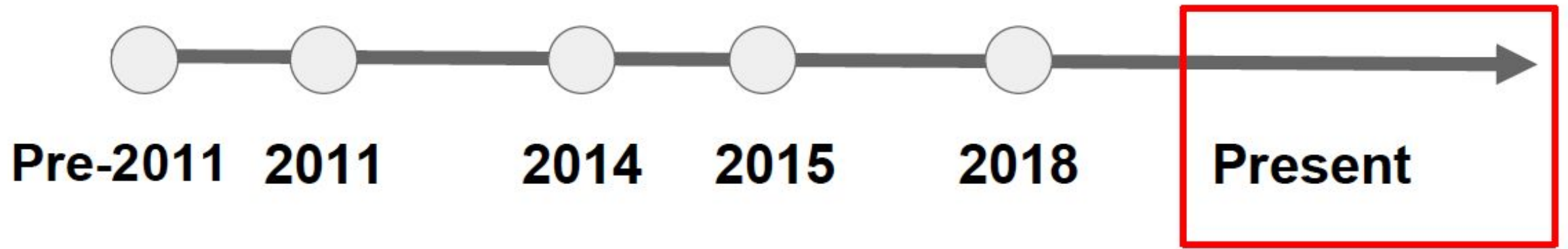
Member-districts returning classrooms/staff to their districts have in some instances left tenured high-cost certified personnel at NSSED, which has kept expenditures at higher amounts.

Changes in member-district space have sometimes lost revenue/enrollment for NSSED programs.

Cumulative effect of program and service enrollment reductions; we are often unable to multi-year plan like a member district.

Program enrollment reductions by member-districts are occurring faster than NSSED financial model can be restructured; IDEA grant transfer (ISBE).

What is best practice for students, presents financial challenges for NSSED.



Fall 2019

Financial Model Courageous Conversations:
Underlying Issues to Resolve

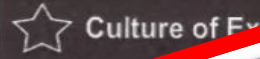
Are we all truly committed to the values of a cooperative?

How do we want to financially support it?

What is everyone's definition of "fair and equitable"?

Over a Decade Financial Tension Impacting the Cooperative's Success

2018 - 2021 Strategic Plan



Culture of Excellence



Fiscal Responsibility and
Resource Allocation



Relationships and
Communication

Objective: Facilitate collaboration and sharing of knowledge among all stakeholders in partnership with member districts

Objective: Build a structure for customized support and mutual sharing of information between each of the member districts and cooperatives.

- Develop a new website
- Create platform to gather and disseminate information among member districts
- Acquire board management software
- Refresh NSSED master brand



Unity

Objective: Districts will commit and contribute to the collaborative work of the region.

- Develop stakeholder meeting schedule with expectations and summary notes
- Attend state and national conferences in education and legislative advocacy
- Develop and implement a strategic plan oversight structure
- Create awards/celebration banquets honoring work across the region
- Assist member-districts in preparing for ESSA and IDEA disability requirements

The Leadership Council approved the Goal Focus Areas and the Objectives on February 7, 2018. Administrative Action Step Bullets are for informational purposes only



Fiscal Responsibility and
Resource Allocation

Objective: Develop a sustainable, equitable and flexible financial model that provides affordable access to a full continuum of services.

- Revise the NSSED financial model

Objective: Utilize resources efficiently while identifying alternative revenue sources.

- Create 5-year facility plan

Objective: Systematically align all resources.

- Support each goal team and ensure appropriate resource levels to meet goals

- Identify systemic barriers to growth through and flexible solutions
- Present summary of learning and equity and access analysis
- Develop process for increasing student achievement through access to general education curriculum per ESSA goals and IDEA requirements of students with disabilities

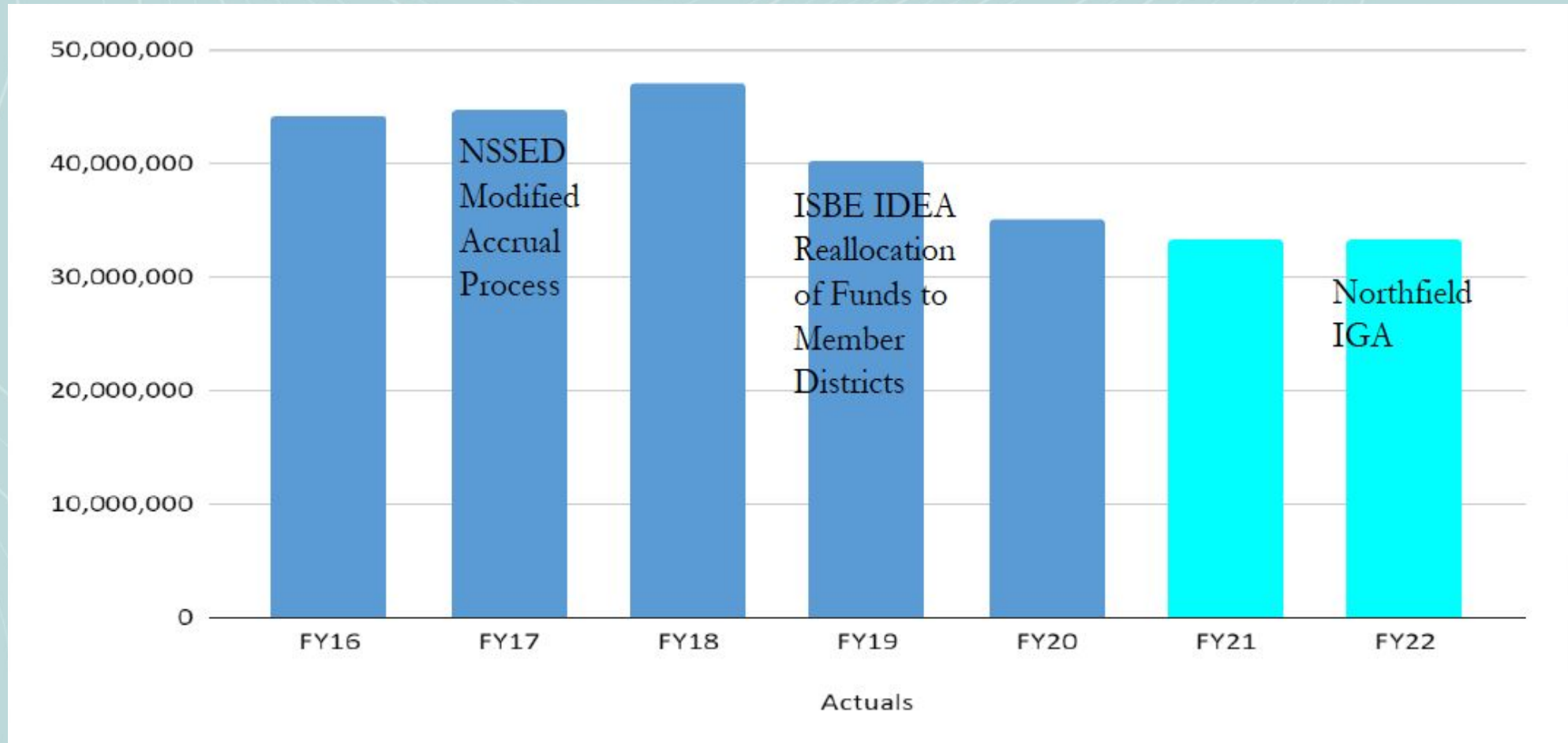
FRRA Goal Results

1. Annual Operating Budget Reductions
2. Staffing / Cost Containment
3. Administrative Reductions
4. Facility Savings
5. Flat Tuition Rates
6. Built New Financial Model; Internal Controls Audit Completed
7. Successful Impact on Learning

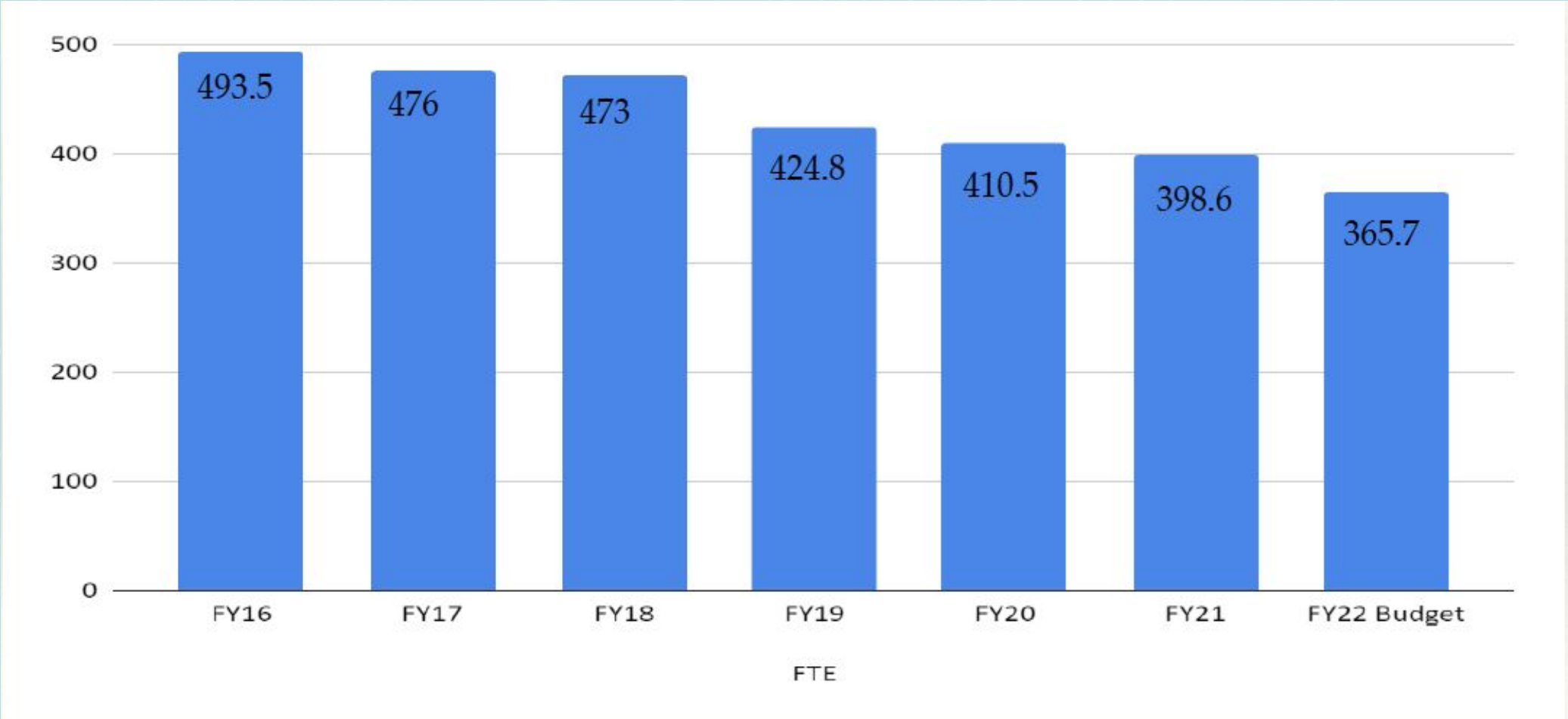


Annual Operating Budget Reductions

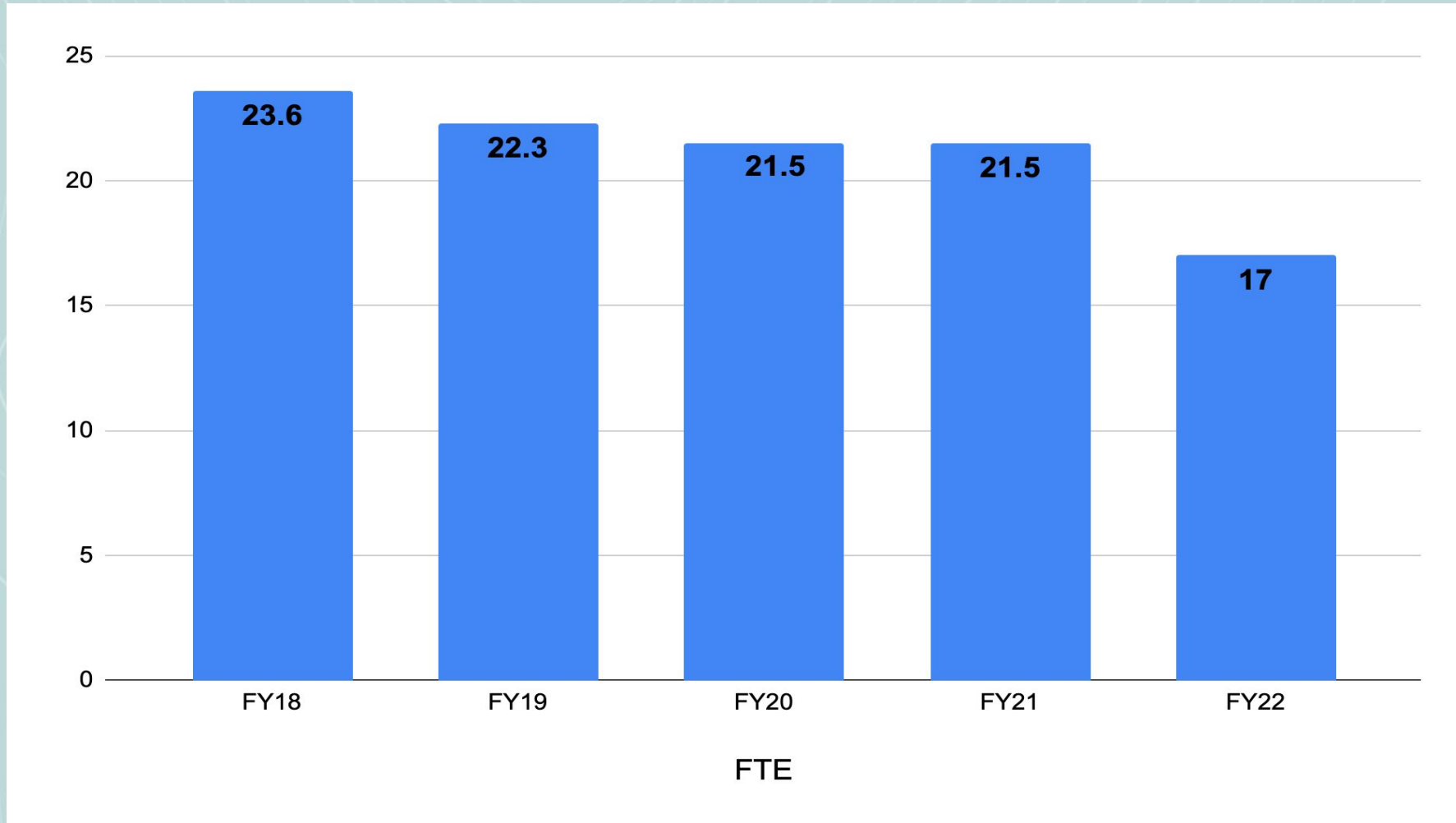
(No Deficit Spending)



Staffing / Cost Containment

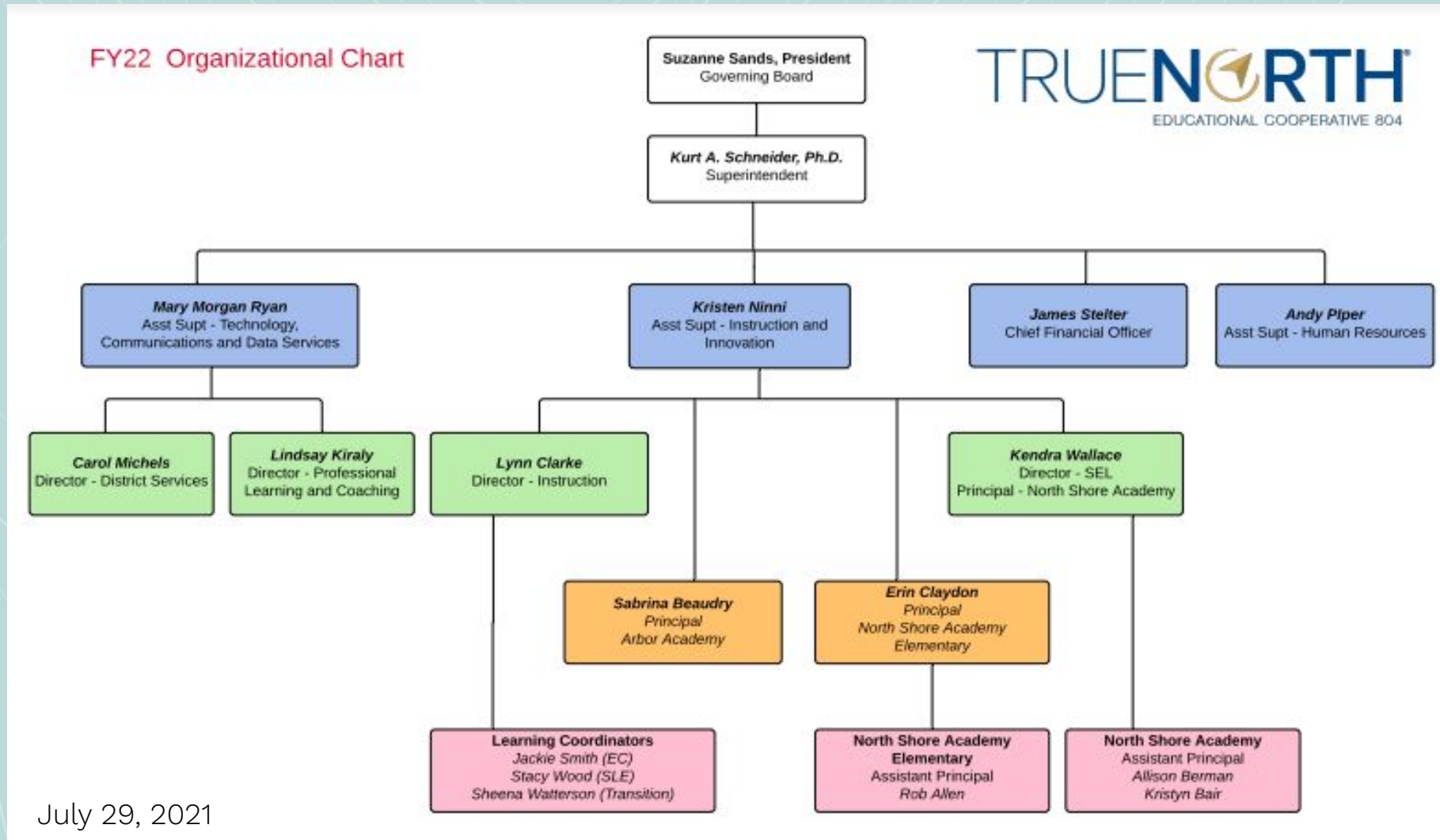


Administrative Reductions



Administrator compensation FY22: 1.4%; members median 3%

Administrative Reorganizations and Cross Disciplinary Responsibilities



Facility Savings

- Transition Lease Savings
 - \$167K
- Rubloff Purchase FY18
 - negotiated down from asking price of ~\$2.5M to purchase for \$1.2M

Facility Planning Next Steps

- Long-Term Planning
 - Consolidation and maximum use of Red Oak Campus buildings
 - upfront costs to save over time
 - Capital Improvements and Technology Infrastructure
 - proactive maintenance and improvement

Flat Program Tuition Rates

- FY17 to FY22 tuition rates
 - Nominal increases over 5 years
 - Exceptions
 - Early Childhood (70/30 state requirement)
 - Arbor Academy (student improvement in LRE reduced enrollment)



New Financial Model Outcomes

Proposed Model Components

1. Maintaining a membership fee
 2. Accessing professional learning
 3. Averaging salaries and wages
 4. Crediting evidence based funding (EBF)
 5. Charging
 - a. Facility maintenance charge
 - b. Service usage charged by FTE
 - c. Program usage charged by ADE
 6. IDEA and Medicaid funds retained by district
 7. Non-member surcharges
 8. Year-end reconciliation
- **TrueNorth is one of few, if any, Illinois cooperatives who provide a “Guaranteed Priority Placement” (GPP) as a benefit to members.**

Medicaid Dollars returned to Member Districts

\$102,000*

*Excluding \$300,000 retroactive payment remitted to member districts in May 2020.

Member District IDEA Dollars Retained

\$1,518,810

- **Total FY21 Member District IDEA Funds = ~\$14M**

Member Districts Evidence Based Funding Credits

\$2,513,094

- Reminder: Per FRED, EBF is now not immediately built into tuitions

Member Districts Total Savings

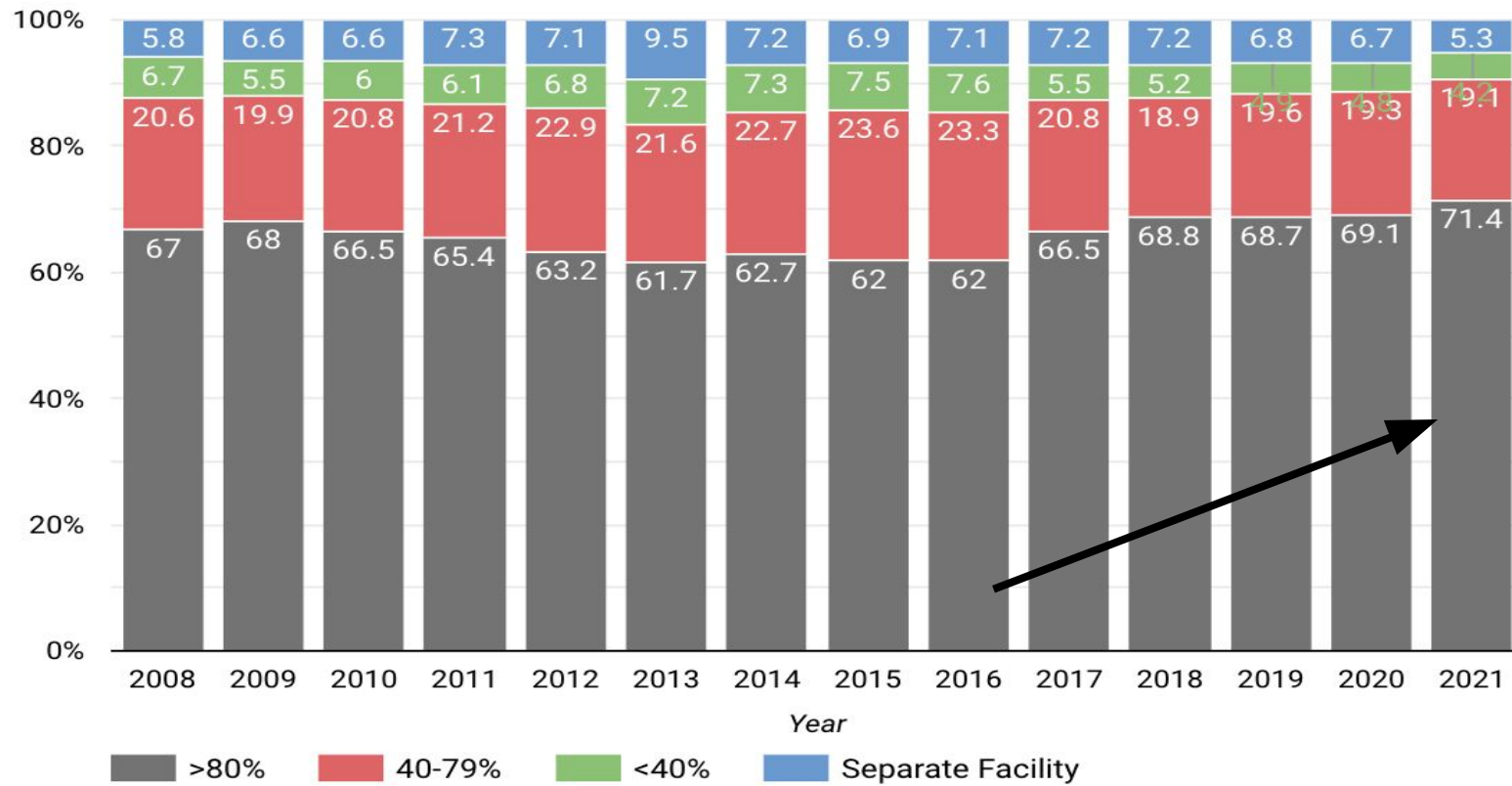
\$4,133,904

Sikich Internal Controls Audit Conducted/Completed FY21-22

Impact on Student Learning

Least Restrictive Environment

Cooperative-wide Educational Environment

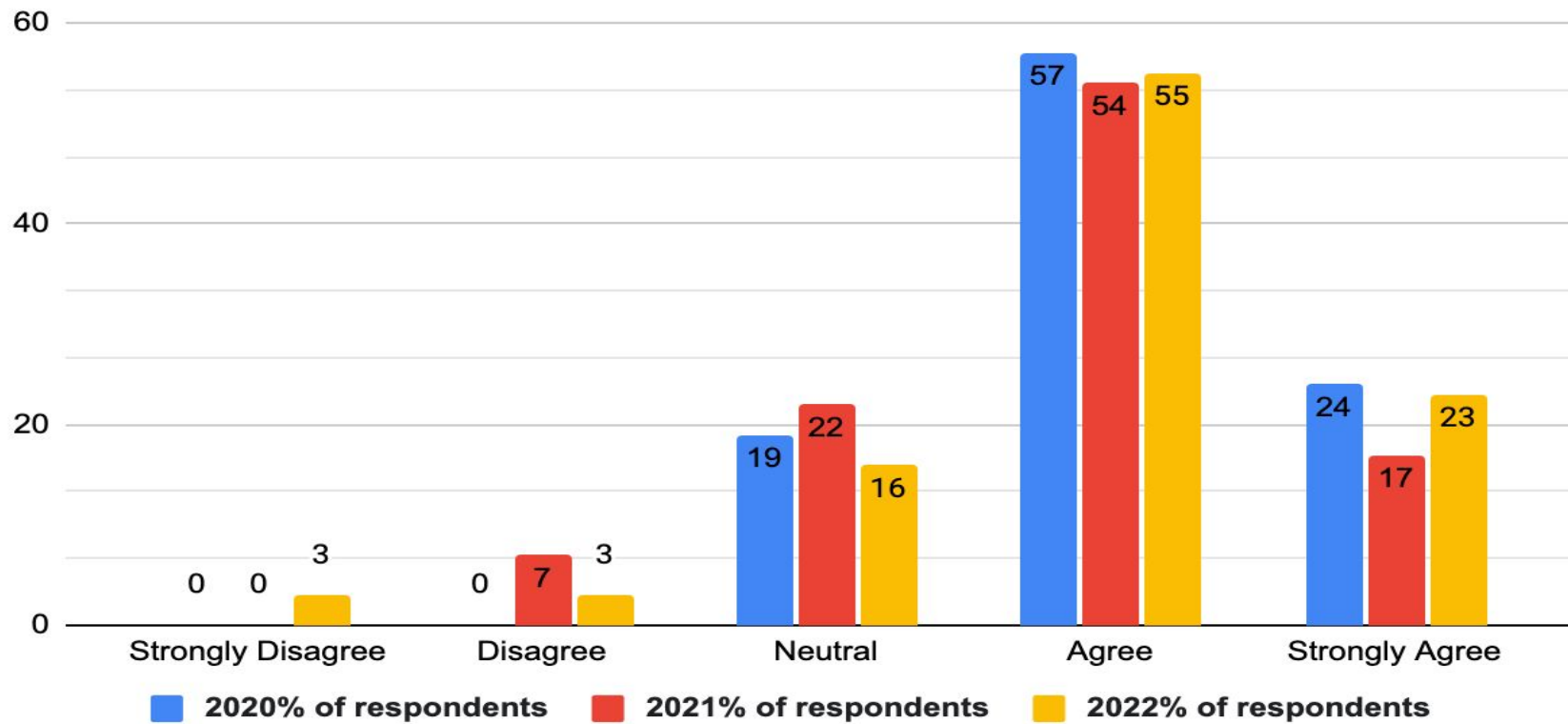


Other Student Learning Successes:

In-Person Learning During COVID

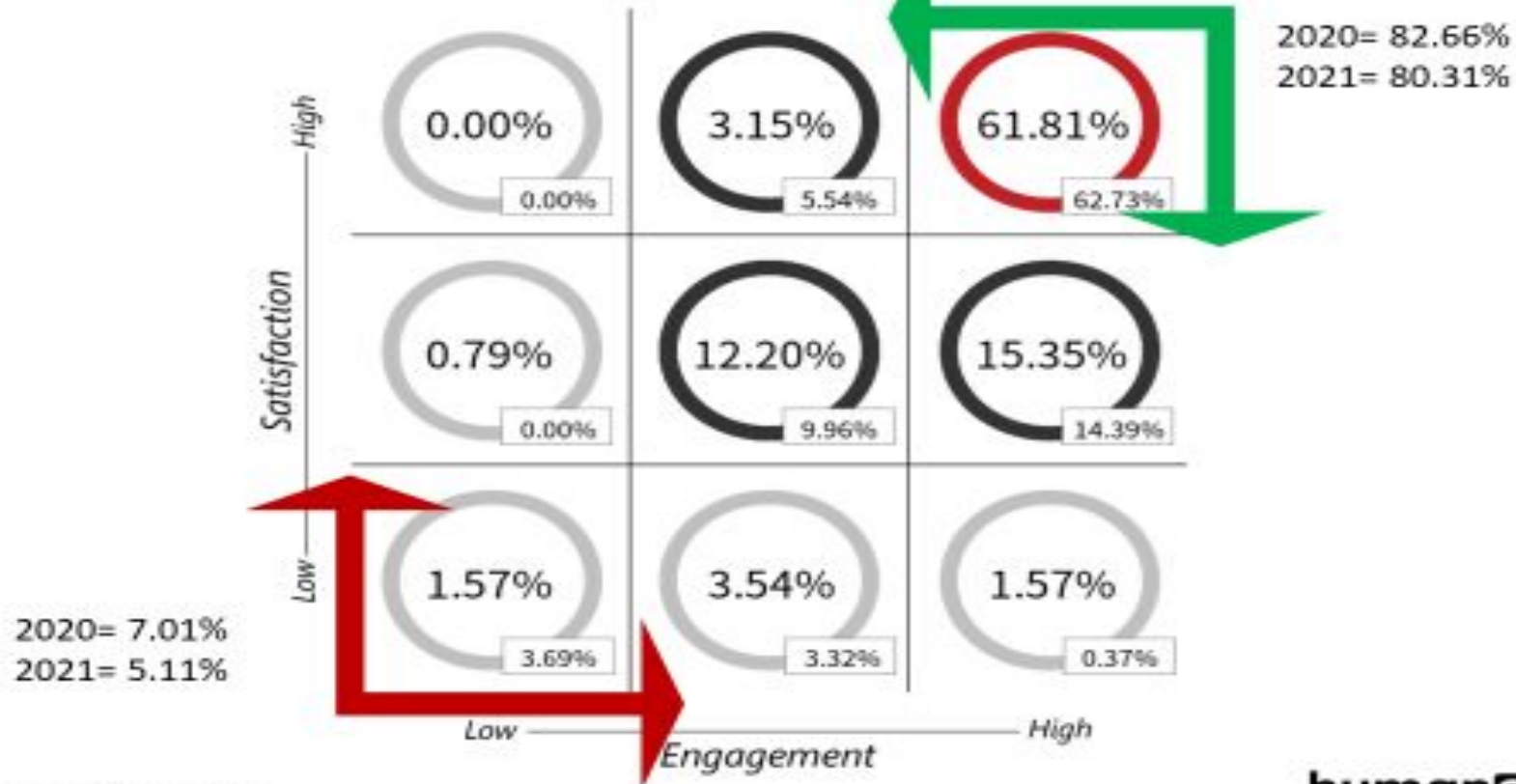
Member District Satisfaction

TrueNorth supports and/or services meet our district's needs



Staff Satisfaction: Climate and Culture

True North (n=254/334) 76% Participation 2021
INSIGHTeX 3x3



© 2021 Humanex Ventures

humanex
VENTURES

TRUENORTH[®]
EDUCATIONAL COOPERATIVE 804

