



CSD 113A Finance Committee

Report to Board of Education



CSD 113A Finance Committee

Our Process



Finance Committee Charge Statement

The Board of Education hereby authorizes the formation of a broad-based coalition of community members and staff. The charge to this group is to make recommendations to the Board of Education regarding a 3-5 year financial plan for the District.



Finance Committee Members

Community Members

Duane Bradley

Mary Corrigan, Secretary

Tim Goodwin

Mario Mollo

Al Malley

Staff

Sue Ruane, 3rd grade teacher

Ernie Schmidt, Custodial Staff

Board of Education

Kevin Doherty, Chairperson

Gwenn O'Malley

Karen Siston

Administrative Support

Tim Ricker, Superintendent

Bob Beckwith, Business Mgr



Finance Committee Process

- Held regular open committee meetings.
- Analyzed FY09 revenue and expense in detail.
- Reviewed FY10 budget including detailed staffing.
- When applicable, obtained outside, independent advice.
- There was complete transparency; we had complete access to district's financial and salary information for FY09 and FY10
- Collaborated with district administration throughout process.
- Did not spend significant time analyzing historical deficits due to pending budget deadline.



CSD 113A Finance Committee

Review of Deficit Spending



CSD 113A Deficit Spending

■ FY05 ACTUAL	(\$1,600,000)
■ FY06 ACTUAL	(\$1,250,000)
■ FY07 ACTUAL *	(\$2,050,000)
■ FY08 ACTUAL	(\$3,140,000)
■ FY09 ACTUAL (unaudited)	(\$2,400,000)

* Includes upgrades to Central School



Deficit Reduction Plan

- Required by state law
- Due 09/30/09
- Balance budget within three years
- DRP requires specific details regarding how the deficit will be eliminated; however, plan changes are allowed



Deficit Reduction Plan cont'd

- Reduction Timeline
 - FY 10 – \$ 500,000
 - FY 11 – \$1,500,000
 - FY 12 – \$ 500,000



Deficit Reduction for FY10

To achieve \$500,000 savings in FY10:

- New health care network (\$300,000)
- Administrative staff reductions (\$37,000)
- Minimum requirements for summer school programs and transportation (\$ pending)
- Evaluate co-generator costs and opportunities (\$ pending)



Current School Year

- FY10 BUDGET (initial) (\$2.5 million)
- FY10 BUDGET (target) (\$2.0 million)

- Cash Balance at 06/30/09 \$3.2 million
(UNAUDITED)
- Estimated Cash at 06/30/10 \$1.2 million



Focus of Finance Committee

- Reduction Timeline
 - FY 10 – \$ 500,000
 - FY 11 – \$1,500,000
 - FY 12 – \$ 500,000



CSD 113A Finance Committee

Financial Overview



The Challenge

- CSD 113A Revenues come from primarily local sources
- CSD 113A Expenses are primarily labor costs



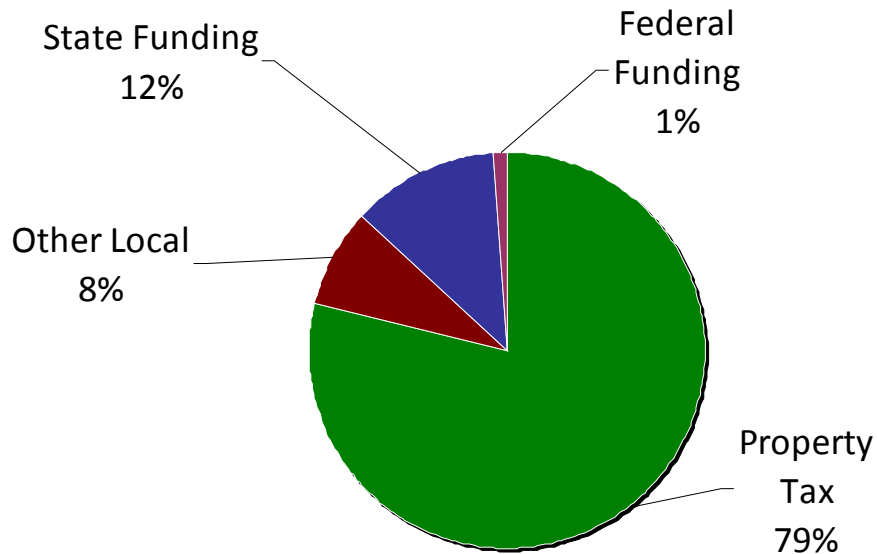
CSD 113A Revenue Sources

<u>Source</u>	<u>Total</u>	<u>%</u>	
Property Taxes	\$17,367,719	79%	} 87%
Other Local Sources	\$1,824,356	8%	
State Funding	\$2,720,213	12%	
Federal Funding	<u>\$212,376</u>	<u>1%</u>	
Total Revenue	\$22,124,664	100%	

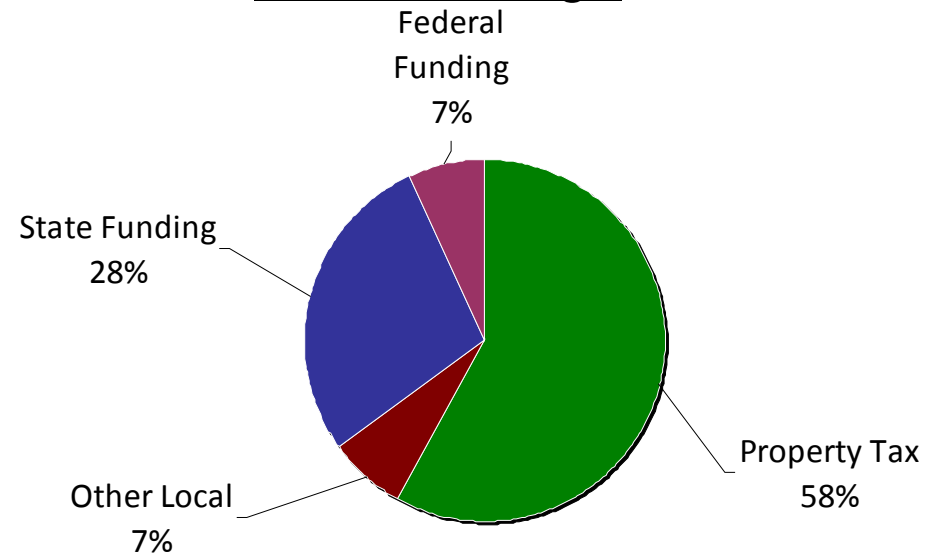
SD113A revenue was \$22.1 million for the 2007-08 school year

SD113A vs State Average

SD113A



State Average



SD113A relies more heavily on property taxes than the average Illinois district



Education Fund - Expense Breakdown

For Every \$1 Spent

Salaries	\$0.69	} \$0.82 labor costs
Benefits	0.13	
Out-of-District Tuition	0.07	- required by law
Purchased Services	0.05	
Supplies	0.04	
Capital Outlays	<u>0.02</u>	
Total	\$1.00	



Per Pupil Spending and Property Tax Rate

	<u>Per Pupil</u>	<u>Tax Rate</u>
State Average	\$9,907	2.89
Downers Grove (SD58)	\$10,611	1.77
Darien Cass (SD63)	\$10,545	2.23
Burr Ridge (SD180)	\$9,454	2.10
Center Cass (SD66)	\$9,132	2.20
Homer Glen (SD33)	\$8,769	3.32
<i>Lemont (SD113A)</i>	<i>\$8,466</i>	<i>1.93</i>



The Conclusion

- For the last several years, our students have received a higher quality education than was justified by our revenues.
- There is not a lot of wasteful spending, and therefore there are no “easy” cuts.
- **Meaningful** deficit reduction will only come from a combination of revenue enhancements and expense cuts that have a direct impact on programs, teachers and staff.



CSD 113A Finance Committee

Expense Reduction and
Revenue Enhancement Recommendations



Non-Program Items

- Administrative reduction FY11 \$ pending

- Eliminate extra-curricular activities \$250,000



Non-Program Items cont'd

- Review transportation for Special Ed students \$ pending
- Continue review of benefits for improved delivery efficiencies and savings \$pending



Program Items

- Eliminate non-core programs
 - Band (including after-school costs) \$260,000
 - Music \$200,000
 - Art \$150,000
- Increase class sizes to a minimum of 30 students \$1,000,000
- Eliminate team planning time at Old Quarry \$300,000



Program Items cont'd

- Alternate Special Ed program \$ pending
- Eliminate gifted program \$ 50,000
- Restructure exploratory scheduling at Old Quarry \$ pending
- Postpone part 2 of literacy series \$160,000
- Lengthen curriculum review cycles \$ pending



Other Items Considered

- Consolidate with District 210 – deemed to have no immediate cost savings
- Refinance bonds – non-callable, and therefore too costly to prepay
- Close all buildings at 4:30pm – minimal savings without investment in automated temp controls
- Eliminate transportation – required by law because no PACE service



Other Items Considered

- Tighten requirements for free lunch program and waived fees – lunch program federally funded; approval consolidated at district office to ensure standard process for waived fees



Revenue Enhancements

- Juice and snack vending machines \$ 15,000
- Charge for building usage \$ 20,000
- Extracurricular fee \$250,000
 - subsidized or non-subsidized?
- Band fee \$250,000
- Activity fee to all students \$500,000
 - tiered structure or flat rate?
- Music and Art Fee \$350,000
- Property tax referendum up to \$3,000,000



Revenue Enhancements cont'd

- Sell property at
131st & Bell Rd. \$ unknown
- CSD113A Foundation \$ unknown



CSD 113A Finance Committee

Summary



Summary

- The deficit **MUST** be addressed now.
- Based on our analysis, there is not a lot of wasteful spending in the district, therefore no cuts will be easy.
- We encourage the board to seek input from all constituents (administration, teachers and staff and community) prior to final decisions.
- We encourage the board to put policies in place that require a balanced annual budget, and the rebuilding of fund balances.
- Finance committee's work is not done.