

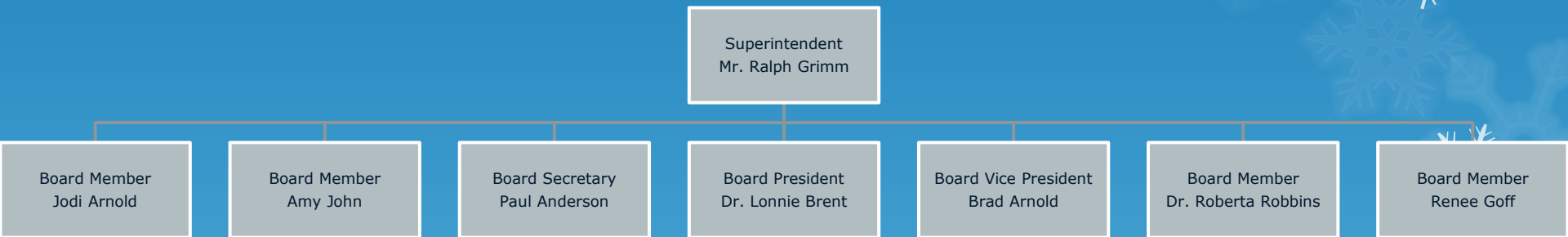
West Central CUSD #235 Community Meeting: Focus on School Finances

Dr. Lonnie Brent & Dr. Roberta Robbins

West Central CUSD #235 Board Members

West Central CUSD #235 Finance Committee Members

CUSD #235 Board of Education



Board Sub-Committees:

Buildings & Grounds: Paul Anderson & Brad Arnold

Finance: Roberta Robbins & Lonnie Brent

Policy: Amy John & Roberta Robbins

Transportation: Renee Goff & Jodi Arnold

Meeting Objectives

- Share important updates about our school districts current and future financial picture
- Share impact of Illinois budget crisis on public education and impact on our school district
- Discuss the School Board's current and future plans to maintain a financially viable school district for years to come

Meeting Outline

- Financial History
- Financial Trends
- Reasons For Financial Trends
- Historical Expenditure Data
- School Board Guidance
- Finance Committee / School Board Actions To Date
- Future Direction
- Q&A

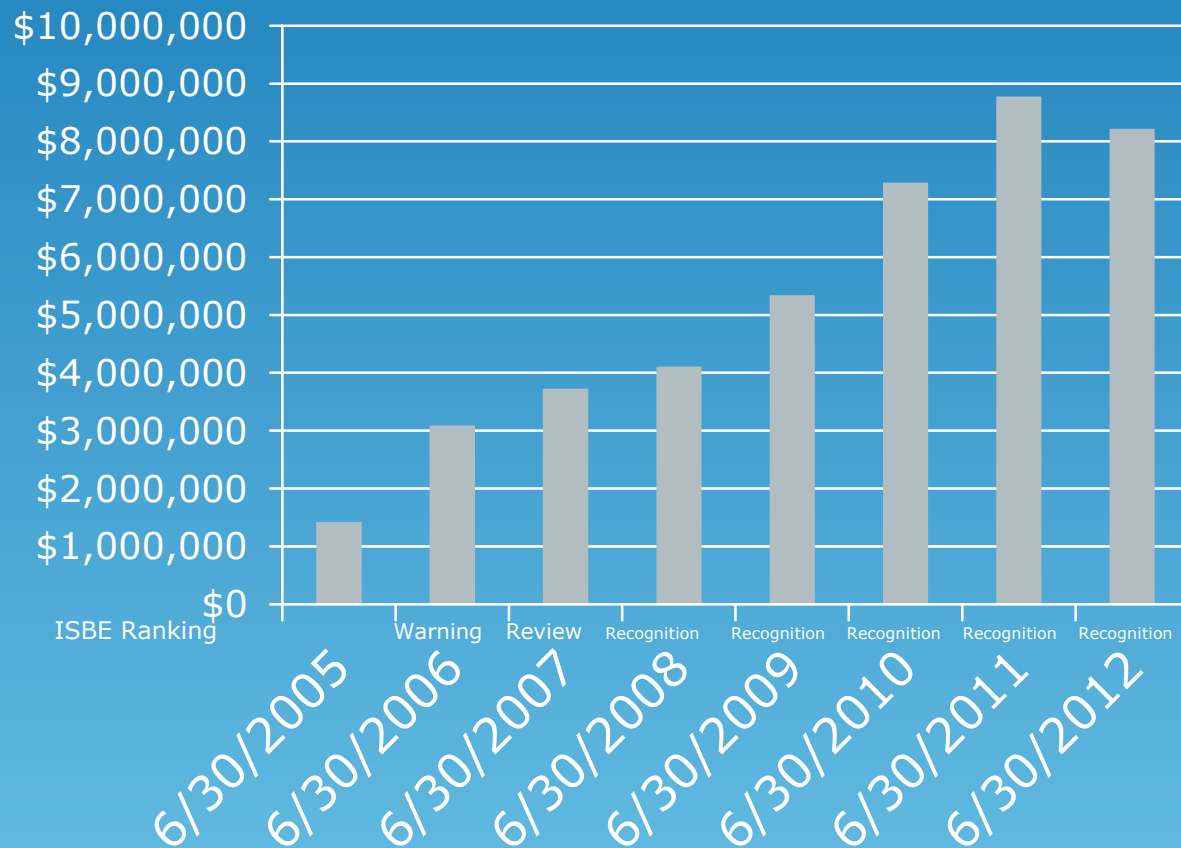


Financial History

- District currently has \$8,000,000 in reserves
- Prior to last year, district had maintained highest financial rating possible from ISBE
- In the eight year history of West Central, this past year marked the first year ever for an annual “deficit budget” (\$559,304)
- Current school year budget calls for a \$1,150,000 deficit budget

Financial Trends

Total Fund Balances

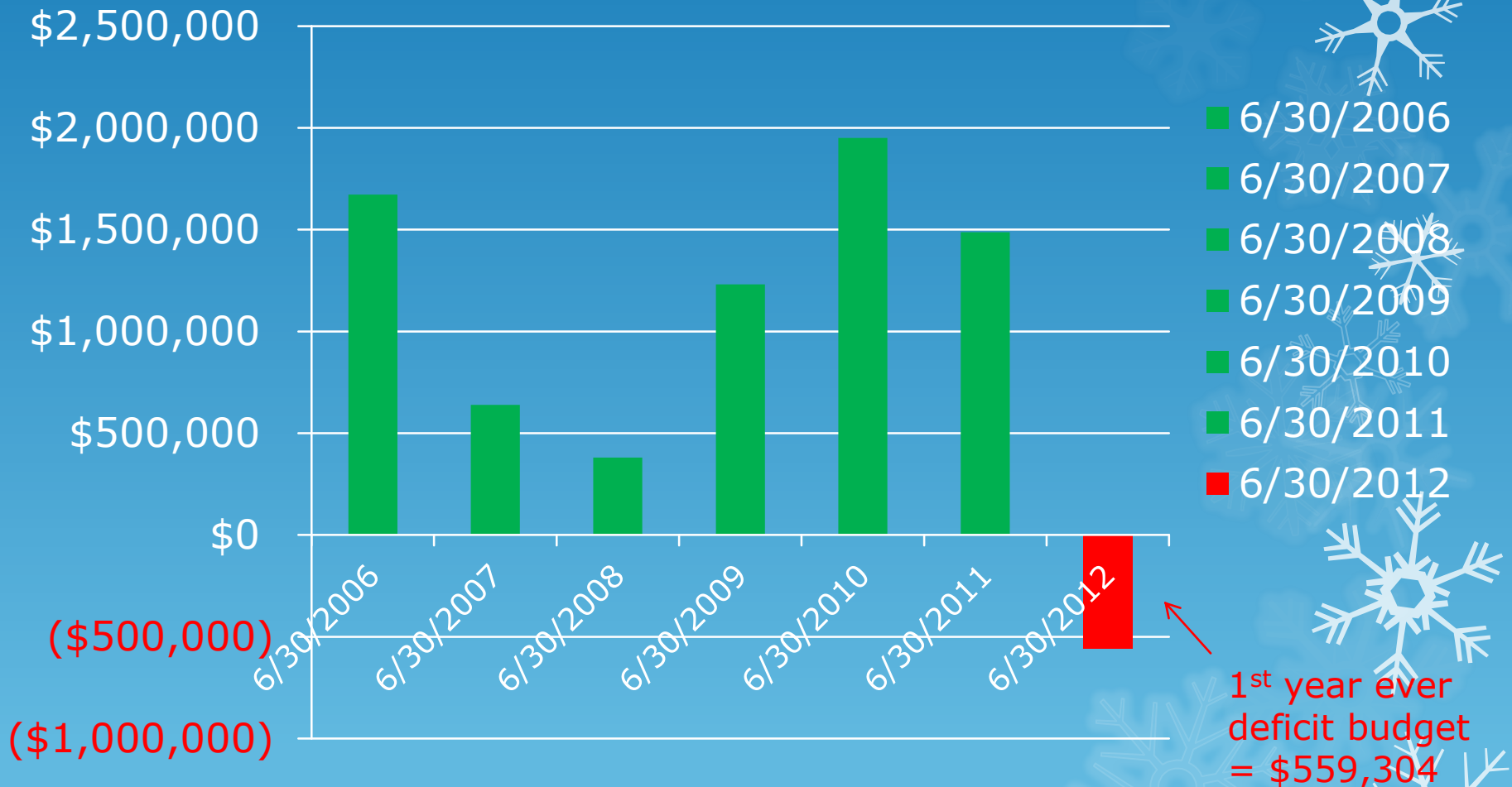


■ Total Fund Balances

1st year
ever deficit
budget =
\$559,304

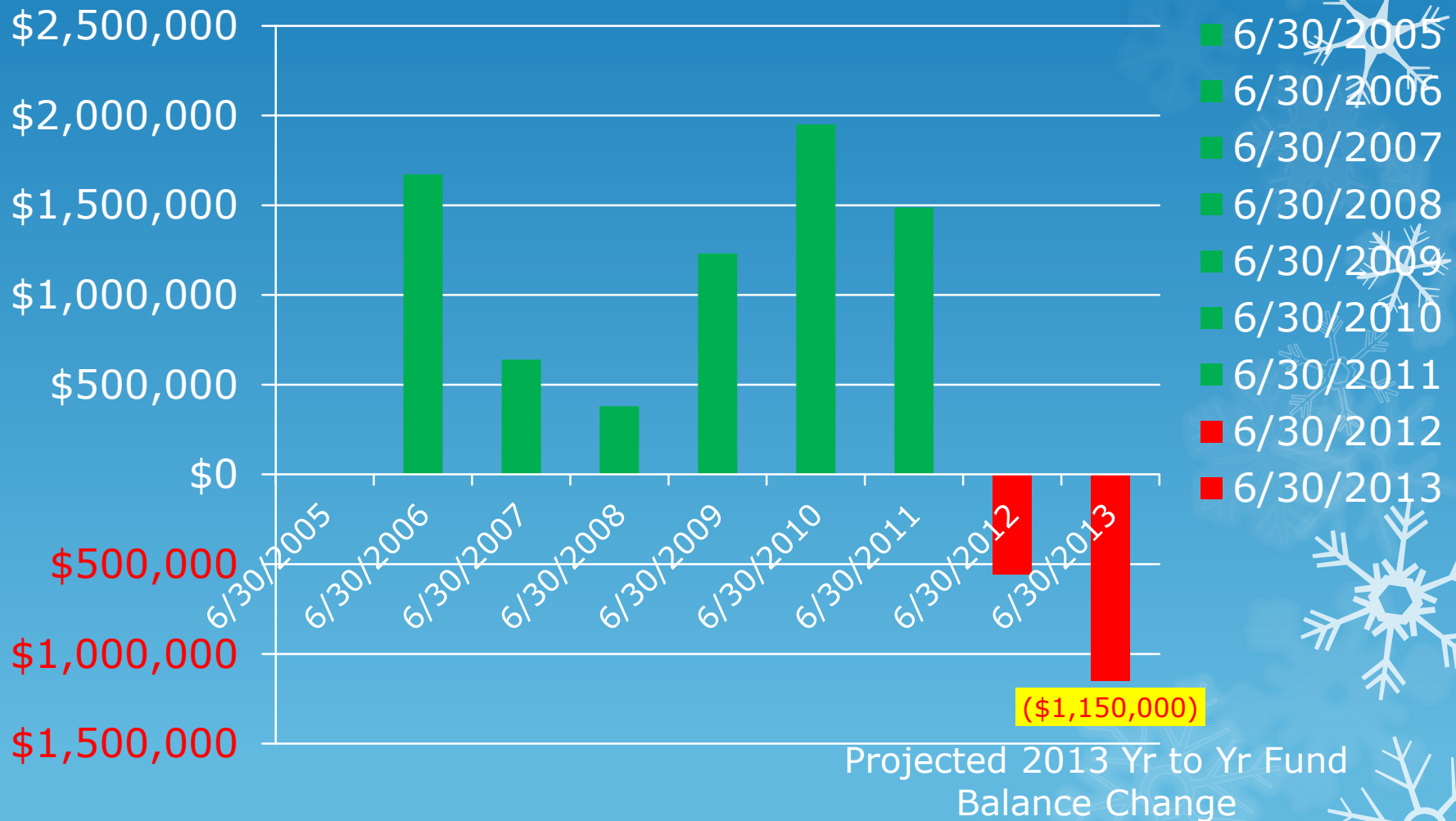
Financial Trends

Yr To Yr Fund Balance Change



Financial Trends With 2013 Budget

Yr To Yr Fund Balance Change



Reasons For Financial Trends

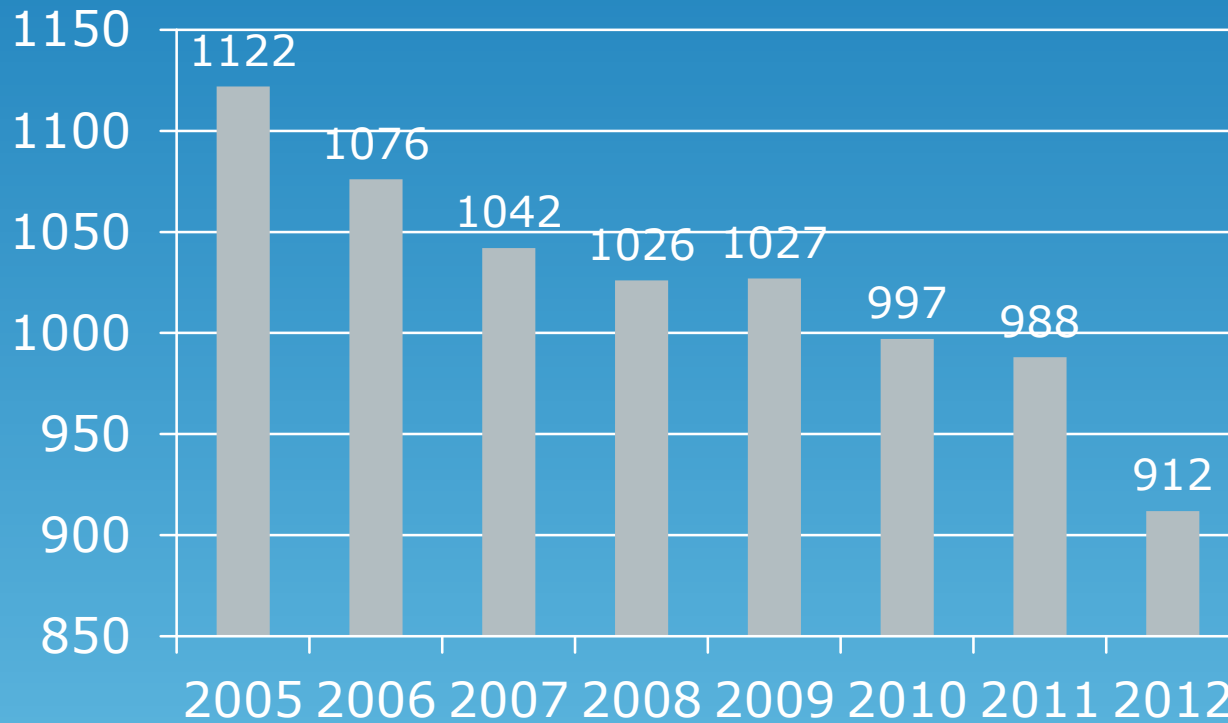


Reasons For Financial Trends

- Declining Enrollment
- Decreased Total Dollars From State Due To Declining Enrollment
- Decreased Total Dollars From State Due to Lower Reimbursement Rates
- Expenditures have been and continue to be managed closely

West Central CUSD #235 Enrollment Trends

Pre-K - 12 Enrollment



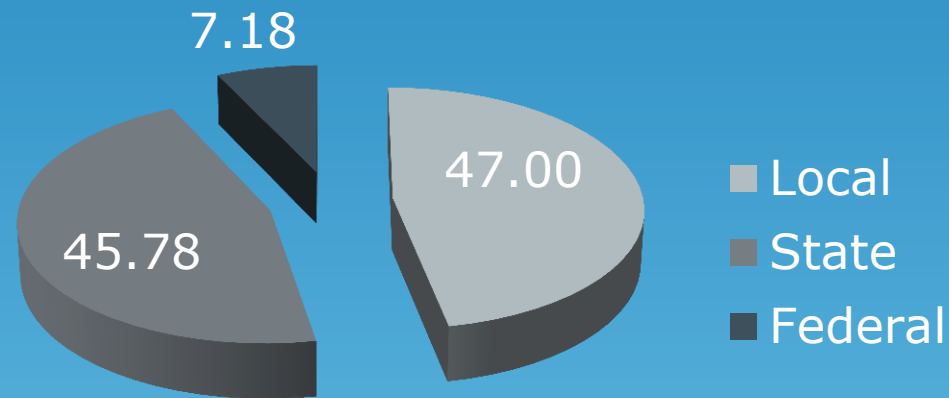
■ Pre-K - 12 Enrollment

West Central CUSD #235 Enrollment Trends (6th Day Numbers)

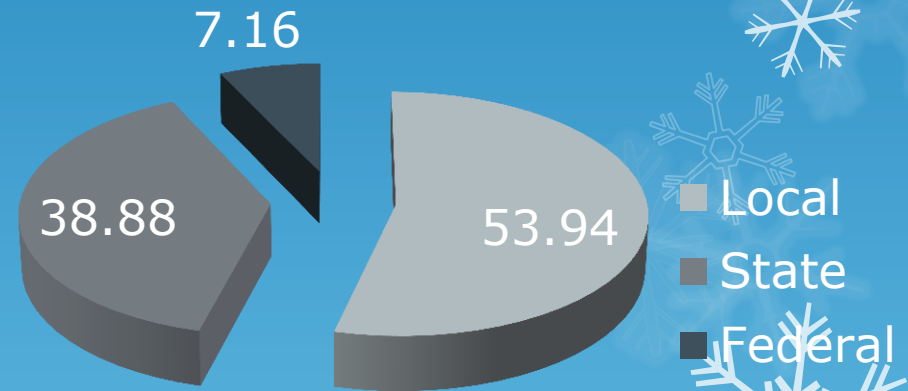
	2005	2006	2007	2008	2009	2010	2011	2012
Pre-K	58	50	55	59	62	62	70	64
K	65	71	59	66	67	64	47	52
1 st	68	70	66	60	62	69	65	42
2 nd	79	76	70	69	62	58	69	64
3 rd	80	78	72	76	72	59	60	61
4 th	77	80	70	71	72	73	60	60
5 th	88	77	83	76	72	69	76	60
6 th	80	89	77	83	76	72	72	73
7 th	94	78	89	75	80	74	71	62
8 th	88	93	77	88	77	77	78	75
9 th	77	88	89	79	89	77	90	70
10 th	92	67	90	85	79	85	75	85
11 th	70	91	59	83	84	78	82	72
12 th	106	68	86	56	73	80	73	72
Total	1122	1076	1042	1026	1027	997	988	912

Percent of School Budget: Where Do The Dollars Come From?

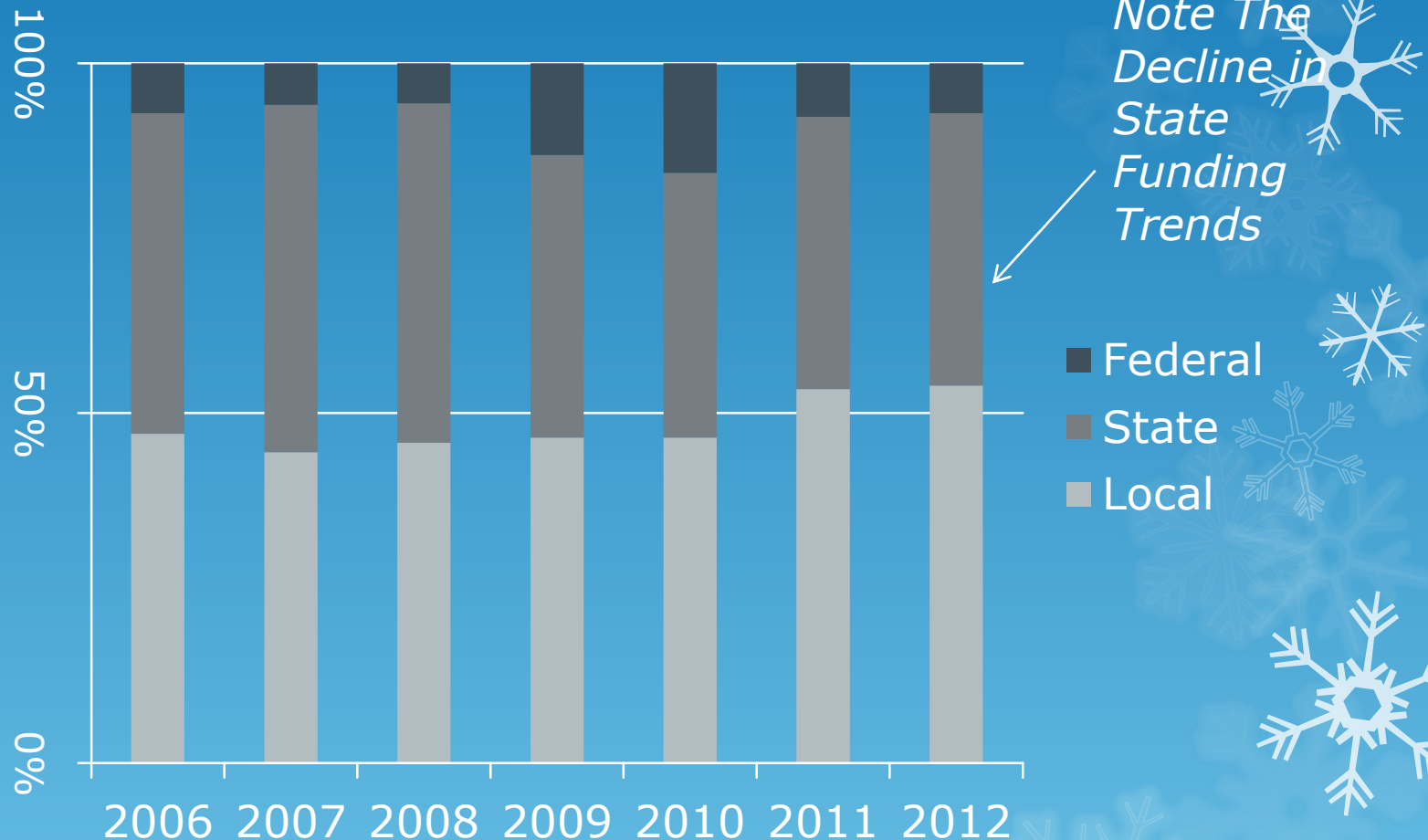
2006



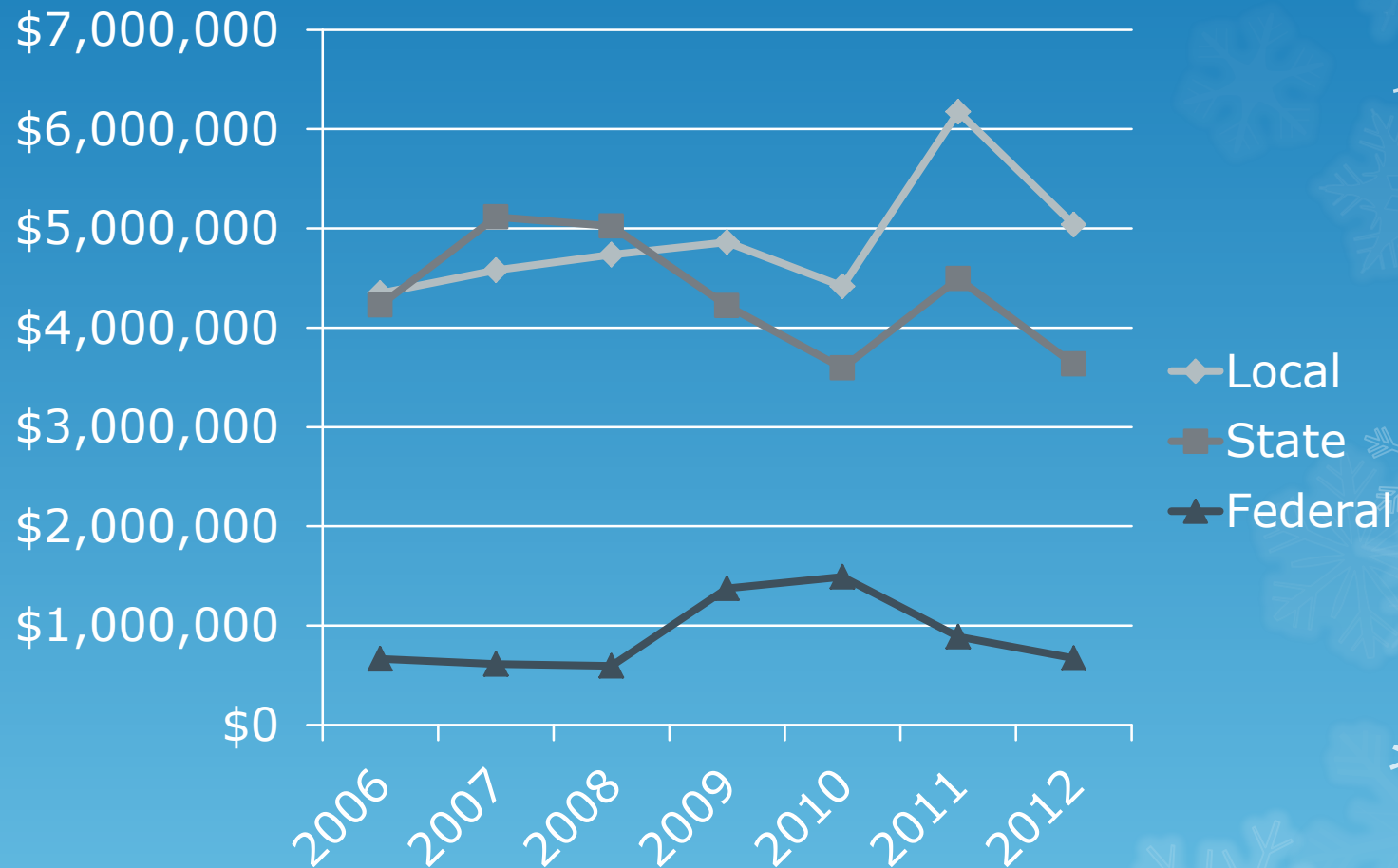
2012



State Portion of West Central Revenue Is Declining & Will Continue To Decline



Understanding Where Dollars Come From



West Central CUSD #235: EAVs and Tax Rates

	EAV	WC Total Tax Rate*
2005	\$73,321,387	\$4.53
2006	\$78,429,604	\$4.51
2007	\$84,825,932	\$4.36
2008	\$89,568,281	\$4.32
2009	\$94,969,352	\$4.26
2010	\$100,222,778	\$4.22

- Includes Life Safety Bond & Interest
- Former 115 Life Safety Bond & Interest Finished in 2009 and not included in above numbers

WC CUSD #235 Expenditure History

Item	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Education	6,733,609	6,598,209	6,915,936	6,703,650	6,922,810	6,750,804	6,686,742
O&M	1,137,089	919,776	973,856	732,336	754,448	752,888	755,349
Transportation	603,113	596,989	688,383	670,975	704,340	715,304	713,471
IMRF/SS	251,684	270,773	298,855	307,721	312,200	321,016	333,309
Tort Immunity	0	0	0	136,925	148,504	154,440	170,801
Fire, Prevention, & Safety	116,846	902,954	447,806	116,199	135,773	139,232	98,457
Bond & Interest	425,178	424,884	652,458	653,700	654,377	333,745	227,035
Total	9,267,483	9,713,585	9,977,294	9,321,506	9,632,452	9,167,429	8,985,164
Total Employee Count	181.5	187	186.5	184	181	173	168.5
Expense Per Student	7,395	7,672	8,513	8,325	8,648	8,777	8,859

Salary & Benefits As Percent of Total Budget

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Salary	\$4,703,958	\$4,906,494	\$4,950,077	\$5,026,195	\$4,980,690	\$4,957,628
Benefits	\$828,066	\$841,357	\$817,467	\$885,132	\$855,579	\$896,656
Salary + Benefits	\$5,532,024	\$5,747,851	\$5,767,544	\$5,911,327	\$5,836,269	\$5,854,284
All Total District Expenditures	\$9,713,585	\$9,977,294	\$9,321,506	\$9,632,452	\$9,167,429	\$8,991,022
S&B As Percent of Total Expenditures	56.95%	57.61%	61.87%	61.37%	63.66%	65.11%

WC CUSD #235 Expenditure History



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School Board Guidance



School Board Guidance

- September 19 2012: Board of Education appointed a Finance Committee to work closely with Mr. Grimm to assess how we can best avoid or reduce future deficits
- Finance Committee directed to look at all revenue sources and expenditure categories to bring recommendations to the Board for consideration
- Finance Committee has since met on multiple occasions and have brought many recommendations to the board for review and approval over the past six months
- As of the February 20th board meeting, the West Central CUSD #235 Board of Education has approved the recommendations that follow and the Board, Administrative Team, Faculty and Staff are currently working to implement these recommendations

School Board Approved Actions To Reduce Deficit



Board Approved Guidance For Reducing Future Annual Deficits

- Three Prong Approach To Addressing Current & Future Deficit Budgets

- 1) REVENUE: Consider increases in local property tax extension including annual extension increases that may exceed 5%
- 2) EXPENDITURES: Create a list of possible budget reduction items to reduce expenditures
- 3) DISTRICT RESERVES: Set a limit of how much of the districts reserves should be spent on an annual basis

Board Approved Actions To Reduce Projected 2014 FY Deficit

- The district should spend no more than \$500,000 from district reserves in the aggregate from all funds
- The district will levy a tax extension increase of 4.8% above the previous years extension. This represents an additional \$192,346 of new revenue during the 2013 calendar year (will impact FY 2014 Budget).
- The district will implement an expenditure reduction plan that calls for a minimum \$457,654 of expenditure reductions for the FY 14 Budget

Board Approved Action Regarding New Ten Year Life Safety Survey

- West Central CUSD #235 is due for the 10 Year Life-Safety Survey in two years
- Board has approved to accelerate the 10 Year Life Safety Survey now
 - Take advantage of and lock in low interest rates
 - Take advantage of low project demand / high vendor project need in market place
 - Consider implications of 10 Yr Life Safety Needs as mandated by ISBE as part of other financial planning and budget implications

Board Approval To Sell Working Cash Bonds

- Board has approved the sell of working cash bonds
- This approval is the first step in a two step process
- First step has been completed so if there is ever a short term cash flow need, working bonds can be sold immediately and cash flow can be generated quickly
- It is the Board's hope this will not be necessary, but has taken this proactive step to reduce time to cash in hand if a need ever arises

Board Approval of Change To District Employee Health Care Plan

- The Board has approved a SIGNIFICANT change to the district employee health care plan
- Changes were implemented as of January 2013
- The district employee health insurance program has changed from a fully funded program to a partially self-funded program
- Making such a change significantly lowered the districts cost on insurance premiums while at the same time not negatively impacting our employees
- Significant savings from this change are expected and will positively impact the budget this year

Board Approval of Moving West Central Early Childhood Program From Media Campus to Biggsville Campus

- Amount of state funding of early childhood program continues to decline
- Despite the decrease in funding, the Board of Education feels this component of our educational system is critical for the future success of many of our students
- In order to continue with the program while reducing expenditures related to the program, a move to the Biggsville campus is needed
- Space to house this program in Biggsville is now available as result of declining enrollment
- Decision on how to transition Media facility is pending

Board Planned Reductions in Positions / Head Count

- The Board recognizes our faculty and staff are the life line of our district
- The Board recognizes the largest budget item in our district is salary and benefits
- The Board recognizes our enrollment is declining and our expenditure per pupil educated ratio is increasing
- The Board has asked our administrative team to assess our staffing level and recommend staffing reductions where possible
- The Board anticipates staff reduction announcements later this Spring

Board Discussions & Current Guidance on Extra-Curriculars

- The Finance Committee and Board of Education have discussed expenditures for extracurricular offerings
- At this time, the Board is recommending no changes to extracurricular offerings
- The Board has discussed a participation fee for extra-curriculars, but has decided to NOT adopt such a fee at this time

Additional Board Approved Items With Budget Impact

- Eliminate the Summer Driver Ed Program (classroom portion)
- Eliminate the participation in Incoming Freshman Academy – Monmouth College
- Eliminate summer transportation to “College For Kids”
- Eliminate printing and mailing of Heat Index
 - Post the newsletter to district web page with alerts via Connect Ed
 - Continue to create, print, and mail summer “Registration” edition

Board Guidance on Areas To Maintain Current Funding

- The Board has discussed critical areas in which funding should be maintained at current levels if at all possible:
 - Curriculum
 - Technology
 - Transportation Funding
 - Food Service

Board Discussions On Other Miscellaneous Items

- It is not feasible at this time to consider combining the north and south campus into one campus
- We have been and need to continue to engage our state and federal legislators
- At the current time, the Board is not recommending changes in the level of administration we currently have

Questions?

