

North Boone Community Unit School District No. 200
Minutes of the Business Services Committee Meeting
District Office
6248 North Boone School Road
Poplar Grove, Illinois 61065
Wednesday, May 14, 2014
6:00 p.m.

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chairperson Collin Crull at 6:05 p.m. The following Committee members were present: Dr. Steven Baule, Mrs. Denise Balsley, Mr. Collin Crull, Mrs. Jeannine Plath, Mrs. Mary Piskie, Mr. Brian Reininger and Mrs. Deb Torrison.

AUDIENCE TO VISITORS

Miss Olyvea Smith, 5th grade student, expressed her concerns with the tablets and feels that they don't work well due to glitches. She mentioned she'd rather work while looking at a teacher than at a computer. She also said her classmates don't like the tablets.

OTHER ITEMS FOR DISCUSSION

Draft Budget

Dr. Baule said the state hasn't yet completed the FY15 budget form, however, he's looked at the anticipated expenses and provided PMA with the figures to enter into their projection model. He also mentioned there are many variables in a \$16 million budget, and the numbers are changing constantly.

Mr. Greg Kubitz, Senior Financial Consultant from PMA, provided handouts and gave a presentation to the committee. Mr. Kubitz said that of the \$15.6 million in revenues, more than half comes from property taxes and the other portion is from state reimbursements. He noted that GSA is 30% of our revenue budget and that we are expecting an 85% proration. He pointed out that every 1% of proration equals \$56-60K for our district. He said that Senate Bill 16 could possibly have a positive impact for us, but it has not even been called to vote. He felt it was possible, but unlikely that this bill will pass in May. Dr. Baule mentioned he has viewed scenarios showing we could receive \$212K, and PMA has seen up to \$900K. Mr. Kubitz warned that we have to be careful as these are based on many uncertain factors such as enrollment and property taxes, but noted the funding formula has not changed in 20 years. Mr. Kubitz said we lost \$600K in proration this year. Dr. Baule said we would have had a balanced budget the past couple of years if not for the prorations. He also mentioned that staffing reductions have been built into the PMA numbers, and noted the PMA charts represent staffing levels maintained through 2019. He also pointed out that the insurance costs are projected to rise due to the affordable care act.

Dr. Baule said at the Facilities Committee meeting held yesterday, the \$725K allocated for

operational projects, including building upkeep was discussed. He received notification today that we have received \$27K in security grants. Dr. Baule said we are also in the process of leaving a worker's compensation co-op, since we didn't feel they were well managed and the rates were increasing. However, they are now asking us for \$82K to be reimbursed for 2009 and 2010 as they had under-funded their payments, and it is now clear they were mismanaged. He said if we stay in the co-op, we can pay over three years, but if we leave the co-op, we may have to pay the entire amount in one year. Mrs. Plath asked if the expenditures in the presentation included administrative raises. Dr. Baule confirmed that the figures were inclusive of the increases for all staff. He said that right now the state says they are funding at 89% of GSA, however, this could change. He mentioned that SB16 still needs to address how poverty, Special Education and homeless students will be weighted.

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Mr. Ward joined the meeting at 6:35 p.m.

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Mr. Kubitz said if Governor Quinn extended the temporary income tax to a permanent income tax, 89% funding is a possibility, but not a certainty. However, we may not know until January 2015. Dr. Baule said originally we were told we'd get 80% GSA. Mr. Kubitz said 65% funding is possible if the temporary income tax is not extended. Dr. Baule said there are three potential variables that play into the fact that could make the 65% a real scenario: pension reform, the income tax issue, and Governor's election.

Mr. Ward asked if the PMA projections include the District running into the maximum tax rate limit. Mr. Kubitz confirmed and said we are already at the limit in the education fund, we have a little room in the special education fund, but some extra dollars are being captured in transportation.

Dr. Baule said the \$348K deficit includes all of the items the Facilities Committee worked through yesterday, with the exception of the \$150K high school camera. It also includes all of the Capital Outlay that was presented to the Board in April. We could have \$100K in variations of numbers by removing the furniture items and moving them to the O&M budget. Dr. Baule will get an updated set of numbers by the Board meeting on Monday, May 19th. He did note that the number of 2018 retirees has increased, so the numbers will change slightly, and he also wants to ensure our insurance and Capital Outlay numbers are accurate.

Capital Outlay Budget

Mr. Crull asked Dr. Baule if there were any changes to the Capital Outlay. Dr. Baule said that some of the items such as tables have been moved to the O&M budget from the education fund.

Mrs. Balsley said she had asked for all the expenditures, not just Capital Outlay, for the next Board meeting. She requested a line item comparison to last year for the entire budget. Dr. Baule said projected expenditures were included in the PMA presentation. He said he cannot provide this by Monday due to time constraints. He said we will be about -\$300K based on assumptions.

Mr. Crull reviewed the 2014-2015 budget page and noticed expenditures not tied to salary and benefits show a decrease of almost 8% from FY2014 to FY2015. He confirmed with Dr. Baule that in FY2015, we included all of our Capital Outlay in that scope. Dr. Baule thought this was the easiest way to present the budget. Mrs. Balsley asked how much we are spending for Special Education this year that were classified as purchased services that will be under salaries and benefits next year. Dr. Baule said approximately \$350-400K for seven employees.

Tablet Cost Analysis

Dr. Baule had previously sent the tablet cost analysis information to the Board. He said if it was implemented in grades 5-12, it would be slightly less than rotating out current equipment that supports the carts and computer labs. This doesn't include savings from moving toward digital textbooks or reduced paper costs. For instance, to replace the Spanish text it would cost about \$20K, but an electronic license would cost about \$150/year. Part of the savings is based on the fact that parents are paying the additional \$50.00 technology fee. We have 300 laptops in the district, and long term, 200 won't have to be replaced. Mrs. Plath asked if computer labs would be eliminated at the schools. Dr. Baule said there would still be a lab at the middle school and the number of labs at the high school wouldn't change. He said it would take out the majority of the computers at NBUE and the high school library and also take away the desktop computers that are in some of the classrooms in 5-8. He mentioned 7th grade teachers previously used the lab a lot, but don't use it nearly as much since they have the tablets. Mrs. Balsley said she would like to see tablets at grades 7-8 only, and not at the 5-6 grade level, as she doesn't feel we are ready for all four grades using tablets. She'd also like to see Capital Outlay numbers using just grades 7-8. Dr. Baule said there is very little difference in cost by going 7-8 than 5-8. Mr. Crull asked if the Board decided to go 7-8 this time and at a later date to expand to grades 5-6, if we could still see a cost savings. Dr. Baule said there is a fiscal advantage to buying in bulk and mentioned if we purchased in phases, we may end up with two types of devices. Mrs. Balsley said she doesn't feel we have the IT staff to support grades 5-8. She mentioned there were at least three middle school students that forgot their tablets, and with Mrs. Ellingson at NBUE, they were unable to check out loaner devices. Dr. Baule said the building secretary should be able to back up Mrs. Ellingson in those types of situations. He will follow up with the middle school.

Mr. Crull asked if there were any other questions. There were no other comments.

ANNOUNCEMENTS

The next meeting date has not been scheduled.

ADJOURNMENT

The meeting adjourned at 7:26 p.m.

Submitted by:

Collin Crull /S/
Collin Crull, Chair