

Finance and Facilities Committee

Presentation to NCUSD203 Board of Education

June 7, 2004

Our Charge

Finance

- Review the assumptions utilized in the District's Five-Year Financial Projection and assess, based on these assumptions, the overall reasonableness of the projection and the progress toward meeting the July 2006 goal.

Facilities

- Identify and recommend a facility assessment process based on instructional, enrollment, and community needs that evaluates current facilities, identifies and prioritizes future facility requirements and explores financing options for any needed improvements.

Finance

Glenn Rabinak

Background Info

- **Information Reviewed**
 - Financial Projections (Five-Year Plan) as of May 2003
 - “Budget / Projection Update” of April 19, 2004
- **Aspects of the Projections that Were Discussed**
 - Property Taxes
 - Corporate Personal Property Replacement Taxes
 - Interest Earnings
 - General State Aid
 - Categorical Aid
 - Federal Aid
 - Salaries
 - Benefits
 - Health Insurance
 - All Other Benefits Collectively

How Accurate Have the Projections Been?

An example – Ed Fund Salaries – Projected versus Actual

Dollars in millions

| Fiscal Year | Projected | Actual | Projected - Actual | |
|----------------|-----------|--------|--------------------|-------|
| | | | Amount | % |
| 2000 | \$79.7 | \$77.8 | \$1.9 | 2.4% |
| 2001 | \$85.4 | \$84.7 | \$0.7 | 0.8% |
| 2002 | \$88.4 | \$88.7 | (\$0.3) | -0.3% |
| 2003 | \$93.3 | \$94.8 | (\$1.5) | -1.6% |

Excellent agreement between projected and actual

Two Initial Observations

- **The financial projections are highly dependent upon actions and/or financial situations out of the District's control**
 - Rate of change in Consumer Price Index
 - Interest rates
 - State funding
 - Federal funding

- **The expense item most subject to district control, employee salaries, benefits and number of employees, is also subject to the collective bargaining process**

Finance Consensus Statements

- **Relevant issues and assumptions are being properly considered in determining the District's Five-Year Financial Projections.**
- **The financial projections are developed conservatively to minimize understatement of expenses and/or overstatement of revenues**
- **The projections show District 203 is moving to reduce the accumulated deficit by having annual budgets that are balanced or in surplus positions.**
- **The assumptions and projections appear reasonable and prudent.**

Facilities

Pat Harrison

Master Facility
Planning Process
Initiated
Board of Education

Continuity

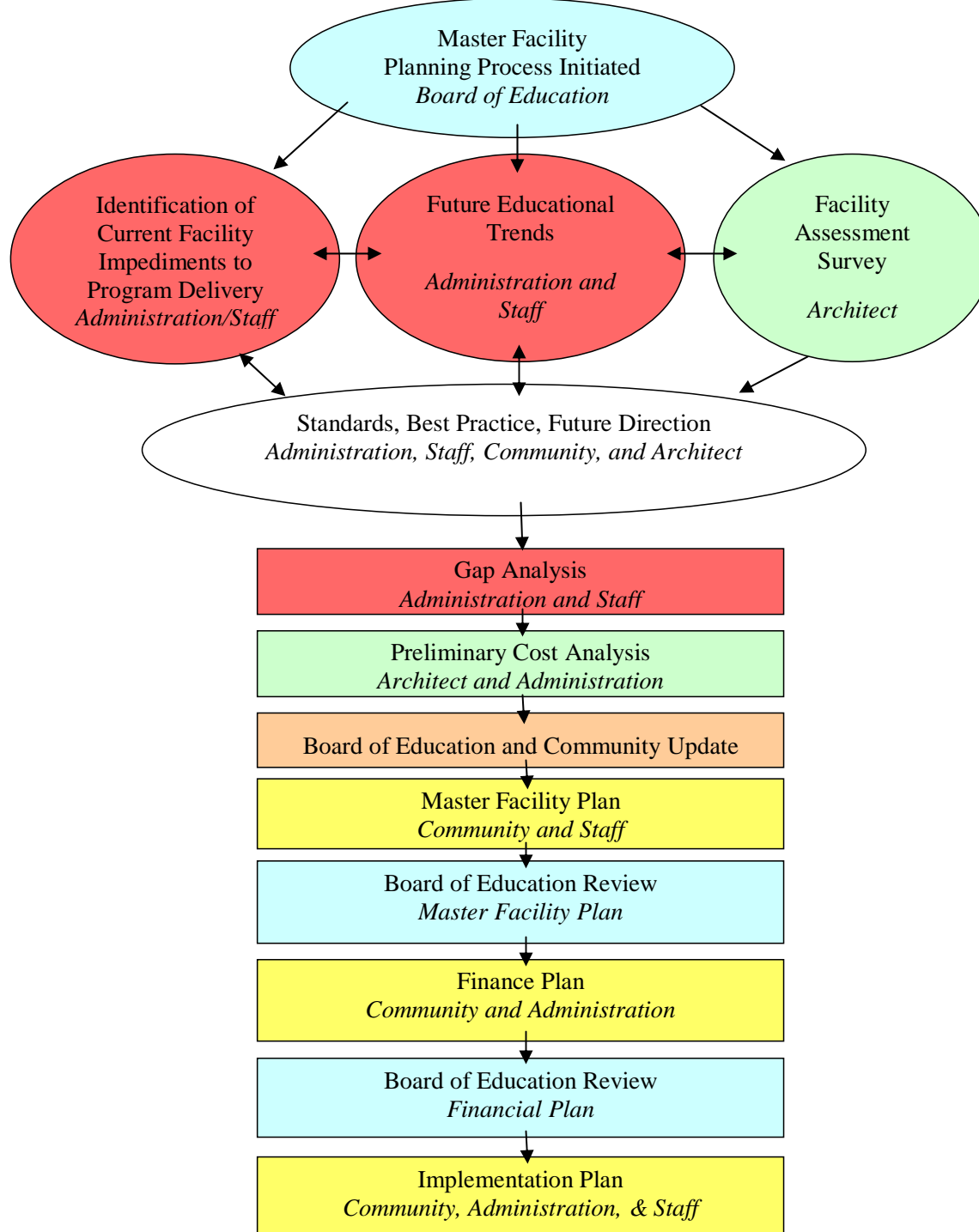
Communication

Criteria

Critical Timing

Master Facility Planning Process

- **Consultant to District 203's Architectural Firm (Healy-Bender).**
- **Elmhurst Community unit School District 205 (Stakeholder Support Approach).**
- **Constant Communication.**
- **“Curriculum Drives Facilities”**



Recommendations

- **Adopt and Implement the Master Facility Planning Process Model that this committee has developed.**
- **BOE to Continue Progress Toward Meeting the July, 2006 Fiscal Goal**