

OAK PARK AND RIVER FOREST HIGH SCHOOL
201 North Scoville Avenue
Oak Park, IL 60302

Committee of the Whole Meeting
November 5, 2018

A Committee of the Whole Committee meeting was held on November 5, 2018. Dr. Moore called the meeting called to order at 6:35 p.m. in the Board Room. Committee members present were Fred Arkin, Matt Baron, Jennifer Cassell, Thomas F. Cofsky, Craig Iseli, Dr. Jackie Moore, and Sara Dixon Spivy, as well as Dr. Joylynn Pruitt Adams, Superintendent; and Gail Kalmerton, Executive Assistant/Clerk of the Board of Education and FOIA Officer.

Also present were: Michael Carioscio, Chief Operations Officer, Karin Sullivan, Director of Communications; Greg Johnson, Assistant Superintendent of Curriculum and Instruction; Nathaniel L. Rouse, Principal; Chris Thieme, Senior Director of Technology; Roxana Sanders, Senior Director of Human Resources; Dr. Gwendolyn Walker Qualls, Director of Pupil Support Services; and Cyndi Sidor, Interim Chief School Business Officer.

Visitors

Lynn Kamenista and Mike Poirier, co-chairs of IMAGINE; Erika Bachner, Dori and Marty Bernstein, Patti Boblick, Mike Ciccarelli, Kitty Conklin, John Duffy, Jenna Jacobson, Maurine Kleinman, Greg Kolar, Amanda Massie, Denise McDermott, Kevin Peppard, Jim Peters, Jack Powers, Ruth Rankey, Monica Sheehan, Tara Stamps, and other community members; Robert Grossi, OPRFHS Consultant; Steve Schering of the *Oak Leaves*, and Michael Romain of the *Wednesday Journal*.

Public Comments

Kitty Conklin, resident of Oak Park read the following statement: “In April, 2002, the voters of Oak Park and River Forest passed an operating referendum which, by definition, was supposed to be used to cover operating expenses of D200. In 2005, the D200 board unethically manipulated the annual levy rate to get a near-constant increase in surplus cash which today totals in excess of \$100 million. This manipulation was of the operating levy money that voters democratically supported to cover operating expenses.

“Fast forward to a few years ago when a select group began to organize for building a large pool-athletic complex at our high school, knowing full well that academic achievement continues declining and that ADA requirements were not being met in a timely manner. We all know the recent history of attempts around referendums, voting and parking lots to get a new big pool, so I won’t enumerate them again here. Suffice it to say, though, that this community has repeatedly said that we do not want our tax dollars spent on massive athletic complexes, but instead prefer that our operating funds go first and foremost to ADA improvements and to academics for all.

“In tonight’s agenda, there is an attachment titled “Addressing Funding for Imagine Plan”. Within this document, there is repeated discussion of how much of the cash reserve to use for facilities capital improvements. We all sit here tonight as yet another decision looms. This board has already decreased financial transparency by changing the district’s accounting method to cash basis accounting. Now and very simply, you will be deciding whether to add another notch to the history of D200 board manipulation of property tax collections. I request that you do not use operating funds for capital improvements. In very direct terms, this would be a decision that adds to inhibiting the coming ESSA financial transparency requirements.”

“In the last two weeks, over 800 Oak Park and River Forest voters have signed an online petition which has been presented to you this evening. We voters assert our right to vote on D200’s capital works

projects. At last week's Town Hall, you heard how the majority of those in attendance oppose the current proposal, its price tag, its heavy emphasis on PE and athletics and especially how we oppose any effort to bypass voters to fund this capital project."

"Here's the point that we petition signers wish to make: if as our representative body, you opt to bypass us to begin funding what will likely be the most expensive capital project at a public high school ever in Illinois, you will be using operating funds to represent primarily a special interest group, the 100 or so unique students on the school's aquatic teams, and the local private swim clubs."

Amanda Massie and Dori Bernstein shared some of the comments written by some of the signers of the online petitioners to assert their right to vote on D200's major projects.

- 1) Let's provide the support promised to students in the District's mission statement.
- 2) We embrace diversity and believe in an excellent educational environment that creates critical thinking and communication skills.
- 3) We believe in support of equity and excellence for all students
- 4) We believe in adult learning and leadership that supports equity and excellence for all students.
- 5) We believe in academic and social support for all students.
- 6) Taxpayers have the right to vote on what is spent on programs.
- 7) OPRFHS used to be ranked top in country; now it is not even ranked top in Illinois. Let's get back to reality and invest in the children's future.
- 8) This plan does not address the needs at OPRFHS and pushes those things off to the future. The District does not need an Olympic-sized pool and other athletic and physical education facilities. A referendum is needed on this issue.
- 9) Voters deserve a say in how the money is being spent and they should have a voice.
- 10) The voters need to speak when it comes to costs this large
- 11) We need a budget and then a plan, not the other way around.
- 12) It is our money, not the Board of Education's money.
- 13) All Oak Parkers have a stake in the plans being proposed. Two-thirds of the property taxes go to District 200 and District 97 and are paid for by renters, condo owners, and homeowners. This will affect current and new generations of the villages.
- 14) This is a waste of taxpayer monies.
- 15) Racial disparities. I will vote and campaign to not vote for anyone who passes on this.
- 16) OP and RF voters have a right to vote on where their tax dollars are spent.
- 17) We are creating a fiscally unsustainable environment.
- 18) Athletics is not the highest priority of the kids.
- 19) This is much money over many years. Do not bypass the people.
- 20) Our community deserves to know the details, and alternatives must be offered on how we want the money spent.

Monica Sheehan read the following statement. "As you consider facility improvements to address the school's needs for today and tomorrow, it's reasonable that you review the school's approaches to education, including physical education or PE, and update them BEFORE investing scores or hundreds of millions of taxpayer dollars and demolishing a structurally sound building. The fact is that D200 has conducted no PE review, and the actual need for PE space is declining. The time is overdue for D200's gym classes to get a 21st-century makeover.

"D200 offers students the option of taking education classes online. Why not PE? Please consider implementing a virtual PE class, similar to one that's been offered at Charlottesville High School in Virginia, since 2014. Students enrolled in the course wear a wristband that logs daily movement and complete an online course on exercise, healthy eating and general fitness principles.

“There's another progressive program, also offered at a Charlottesville school that provides swim lessons for elementary students. This makes sense as, according to the park district, children who don't learn to swim by the third grade are less likely to ever learn how to swim. Waiting to teach swimming in the ninth grade is not a best practice in the 21st century.

“At the Town Hall meeting last week, it was concerning that the superintendent stated that Illinois requires five days of PE each week. That's incorrect. In August 2017, the state reduced the number of days from five to three and also exempted all student athletes from gym class, while in season.

“According to D200, 1429 students participated in at least one sport during the 2017-2018 academic year, and 466 students participated in multiple sports. That would be a lot of PE exemptions! Why hasn't D200 updated its PE requirements? What are you waiting for?

“The state still issues PE waivers. For example, Fenwick requires its students to take two semesters, in total, of gym. Classes meet 3 days a week, and the other 2 days are generally used for extra lab time. The one year PE requirement allows more time for electives and AP classes too.

“An acquaintance emailed me the information on Fenwick's PE requirement. She wrote and I quote, "My family chose Fenwick for our kids in part because of the increasing influence of special interest groups and the increased interest in spending focused on athletics at OPRF, both of which the board seems to prioritize over academic outcomes for all students."

“And, one final comment, it's a fallacy that a large pool is a racial equity issue. An organizer of last night's rally held up a sign that said, “Ditch the Pool.” Thank you.”

Marty Bernstein provided the following list of things the Board of Education should address: 1) consider first ADA compliance, safety, and classroom space before PE and athletic space in the IMAGINE plan; 2) use the work of Jessica Stovall in the school, and 3) run town hall meetings like the *New York Times* did and had more of them. He continued that some Board of Education members had suggested that tradition was a good reason to support the IMAGINE plan. He asked what tradition. Is that the tradition of educational programming that maintains the status quo and does not treat everyone equally?

Jack Powers thanked the Board of Education members for doing this thankless job. While he would like to see IMAGINE implemented, it would be unaffordable with tax dollars. He spoke to the amount of property tax money that he pays to school districts. He felt that because this was the third largest metro district in the country with many foundations and wealthy alumni, private sources should be enlisted. He then gave examples of private funding of athletic facilities. He had no access to a pool growing up. He suggested utilizing the Ridgeland Pool facilities.

Jim Peters, a resident, complimented the Board of Education on the comprehensiveness of the IMAGINE plan. However, the taxpayers needed to understand when and how they would pay for this and they needed the District's 5-year financial projections. The most recent document is a 2017 projection that does not include rebuilding, a capital plan, or the funding mechanisms that are included in the meeting's packet. Some funds will be shifted to capital project funds, reducing their balances. The October 5-year plan has a strong reference to going for a referendum in 2023. If those balances are reduced, the referendum may be slated earlier. He wanted a 5-year plan presented to the public.

Jenna Jacobson, an Oak Park resident, a mother to a future Huskie, and a Spanish Professor at Dominican University, read the following statement: “Thank you for your time tonight, and all that you do for District 200.

“I am here tonight to speak in opposition to the Illinois Association of School Boards’ resolutions to support and advocate for legislation that will allow local school districts to arm teachers and school staff. “Guns do not belong in our schools. School buildings are meant to be places of learning, sanctuary, and safety for our children. The presence of guns adds an unpredictable element that puts educators and students at increased risk, and layers even more safety concerns on top of the heavy responsibilities already placed on teachers. Although I understand the frustration and fear that would lead one to think that arming teachers would protect our kids, it is critical that we let data drive this decision. There is no evidence that shows that arming teachers will make our schools safer.

“Arming civilians is not an effective way to stop active shooters. Law enforcement officers are extensively trained to handle the chaos and dynamics of an active shooter situation. Civilians are not. According to a recent FBI active shooter incidents report, out of 250 active shooter incidents, there were only seven successful armed civilian interventions compared with 22 successful unarmed interventions. The notion that a teacher with less training would hit an active shooter is unrealistic, and there is actually more risk of unintended injuries to students and school employees.

“America’s teachers, school safety experts, and law enforcement oppose arming teachers. The American Federation of Teachers, the National Education Association, the Major Cities Chiefs Association and the American Medical Association have all expressed opposition to arming teachers. In March, the Illinois Federation of Teachers passed a resolution to oppose arming teachers. The National Association of School Resource Officers also opposes this idea because of the risk it would pose to students, the school community, and law enforcement. Liability insurers also recognize the increased risks and sometimes refuse coverage or raise premiums for schools that allow employees to carry guns. Arming teachers would thereby burden our schools with new expenses for insurance and security, not to mention training, the firearms, and ammunition. This financial burden will ultimately reach the taxpayers, and it’s not how I want my tax dollars spent.

“I recognize that this may seem like an obvious response to a dangerous proposal and that you’re in agreement. But it is imperative that District 200 cast its vote in opposition to the “School Safety and Protection” resolution. We fear that a sense of over-confidence that our community would never place firearms in our classrooms underestimates the political and organizational power of the gun lobby in Illinois. 30 Illinois counties have already passed “firearms sanctuary” resolutions, declaring that they will not enforce state-level laws that, in their opinion, infringe on the Second Amendment. This effort has been swiftly organized and implemented as an alarmist reaction to bipartisan support for real common-sense gun legislation around the state.”

Denise McDermott, a resident of River Forest, and a member of MOMS - Demand Action, asked the Board of Education to send a representative to the Joint Annual Conference and to vote no on the IASB’s proposal that the legislature allows each district to decide on whether their teachers can be armed.

Mike Ciccarelli, resident of Oak Park, graduated from OPRFHS last year and is now at UCLA. He did well at OPRFHS, and she thanked the Board of Education for keeping her safe. She noted that there were lots of things to be scared of in high school and she had joined MOMS Demand Action and asked the Board of Education to send a delegate to the Joint Conference and vote no on the IASB Proposal. She preferred spending money on special education teacher needs and not for gun training.

Erika Bachner, a resident of Oak Park and parent, also spoke in support of sending a delegate to the Joint Conference to vote no to the proposed against the resolution. She could not see sending a child to a school that had armed teachers.

Kevin Peppard, an Oak Park resident, was concerned about the lack of Board of Education deliberation about IMAGINE. The current proposal was impractical. He felt many conversations about the fund balance, referendum timeline, sequencing, etc. needed to occur. Dr. Grossi, the District's consultant, felt a referendum would be needed, but Mr. Peppard felt it would fail. He felt that drawing down the fund balance by \$84 million proposal was absurd. The District could finance this in 40 years with two layers of 20-year bonds or overlap the bonds and double up the debt service. If so, the District would run out of tricks and need to go to referendum, and it will not complete this, and the plan will be half finished. He did not want that for the District. Some of the opponents on this plan do support capital improvements. If the District draws the cash down by \$84 million, it would force an operating referendum and violate the principles that future users should pay for what they get and a huge intergenerational transfer of money, and that is inequitable. Trapped money in various funds that are not allowed to transfer. He had ideas on how to finance which he said he would provide at a later time. He believed consultant Dr. Grossi was giving useful advice, because the District does not have in-house staff or the financial community involved.

Maurine Kleinman made the following statement: "The video presented at the Town Hall on October 30 and posted on the OPRF website shows some significant building issues at OPRFHS. Many of us in the community WANT the school to undertake the work necessary to correct the issues highlighted in that video in order to improve the educational experience for our students.

"While many are anxious to see this work get underway, there is a small, highly vocal faction of OPRF naysayers that believe any capital improvement to our high school that includes a new, reasonably-sized swimming pool of 8-lanes by 25 yards is a waste of money. For years, this small group has insisted any facility improvement must include a much larger 40-yard, 10-lane pool with seating for 500+ spectators. This small group insists this stretch pool takes HIGH priority over many other needs at the high school.

"The Imagine team did a masterful job outlining specific needs, their costs and their rationale in a 56-page assessment* of shortcomings with the high school's facilities. This document starts by describing ADA-related issues, issues around equity, access to resources and collaborative spaces, and classroom shortcomings.

"Guided by this assessment and the Imagine sequencing flowchart** certain facility improvements should be fast-tracked to be done FIRST as they will have the greatest impact on equity and educational outcomes for all students. Totalling about \$46 million, these improvements could be paid from reserves – they include:

Components C; I&F; L; G,J,&K; T&U; V; W; BB; S/1-4; R; and P/1-4 for new a Student Resource & Tutoring Center, a new Commons area and entrance, approximately 94 new or reconfigured classrooms, All-Gender toilet rooms, Elevator, Special Education classrooms, and Science labs.

"And with enough money left to build a nice, new 8-lane, 25-yard pool and locker rooms to meet the needs of all OPRFHS students AND still leave funds in reserve. Please don't let a big pool get in the way of improvements for equity."

Tara Stamps, mother two OPRFHS students, noted that one of her child's teachers, Ms. Carrow, asked that the music being played be turned down and when that was done, her son asked if it were now OK. The teacher replied that it was better than that "Nigger" music. Ms. Stamps felt her interaction with the school about this situation had been inadequate and neglectful. She was told that students could do an independent study if they felt uncomfortable with the teacher being in the classroom. She felt more should be done to discipline the teacher.

Minutes

Dr. Moore moved to approve the minutes of the October 16, 2018 Committee of the Whole meeting; seconded by Ms. Cassell. A voice vote resulted in motion carried.

Presentation of State Report Card

On October 31, ISBE released the 2018 Illinois School Report Card data for public school districts. The Report Card includes demographic, academic, operational, school climate, and finance data across a number of categories. It is the most comprehensive, publically available data set for OPRFHS. OPRFHS does not have an exact rank from the state at this point.

This year, in accordance with the Every Student Succeeds Act (ESSA), all public schools in the state of Illinois have received a “Summative Designation” designed to help school districts build on existing strengths and close academic achievement gaps. This designation is based on a subset of data found in the Report Card consisting of 2018 SAT and DLM-AA proficiency scores, Chronic Absenteeism, 9th Grade on Track, and Graduation Rates. The administration noted that the SAT provided a snapshot in time of two cohorts of students: it does not illustrate growth. The new model of the PSAT in 9th and 10th grades will help to understand real growth. However, growth had occurred since 2017.

There are four levels of designation: Lowest Performing, Underperforming, Commendable, and Exemplary. OPRF has earned Commendable status for the 2018-2019 school year, described as “A school that has no underperforming student demographic groups at or below the ‘all students’ group of the lowest 5 percent of all Title 1 schools, a graduation rate greater than 67 percent, and whose performance is not in the top 10 percent of schools statewide.

The information provided highlights those data points that were used to determine our Summative Designation as defined above, as well as three other data sets related to last year’s Board report: Early College Coursework, Post-Secondary Enrollment, and Teacher Demographics.

The Report Card helps to illustrate what is known. OPRFHS is a strong school that continually produces outcomes for students higher than the state average in many areas. Gaps in achievement still exist, however, most prominently for the Black, Low Income, and Special Education students. The data does show positive trends regarding student access, evident in both Advanced Placement and Dual Credit course enrollment.

The Illinois Report Card, along with additional information about OPRFHS, is available for review on the Illinois Interactive Report Card (IIRC) website - www.illinoisreportcard.com. For the past two years, OPRFHS has consistently performed significantly higher than the state.

The DLM-AA is used for students who do not take the SAT because of an IEP. There is a trend over the past three years but the population is very small, and fewer than ten students took the DLM--AA three years ago.

Included in the report were the Indicators that go into chronic absenteeism, the 9th grade on track report and graduation rates.

Two areas of strength were the percentage of students taking one AP course and the numbers taking dual credit courses. The overall representation has decreased from 16.9 to 11.5, and black representation has gone from 14.2% to 10.6%. It is promising that the representation is moving in the right direction. The EOS efforts and the District’s standardized process of having counselors market to students have increased enrollment in dual-credit and AP courses. The EOS survey identifies students who have grit, not necessarily those who have academic ability. However; it takes a combination of both to succeed.

The District planned to continue this survey in the future, most recently it was administered October 10. About remediation rates, the administration stated that Triton and community colleges throughout the state acknowledged that remediation classes are problematic. It is their admission tests that determine who must take remediation classes.

The administration did not officially approve the report card because the Illinois State Board of Education could not provide correct data. The administration was confident of the data that the District provided. A narrative must be included in the interactive report card.

Discussion ensued about what levers would help OPRFHS more to the level of being an exemplary school district. The administration stated that the District knows what percentage of math, English, and science will be calculated to make 75% and the other that will make up 5% of the total score. Right now OPRFHS is above 5% in the students of college and AP courses. If that percentage falls, it could move the District out of the Commended Range. Brooks and Julian's schools fall into the needs improvement category. Having that data will help in the instructional programming for these students. That is the only area that would have kept the District out of the Commended Range. Graduation rates could improve, but across all demographic groups, the percentages are already high. The District is uncomfortable that it is in the Commendable Range.

Discussion ensued about 26% the black population is in the "partially meets" category. The administration said it is a universal dilemma, but there are systematic things to be done for this population, i.e., how students are sorted, what data points are used to inform the process, what currency is provided.

The administration is looking at the retention and attendance data, as well as student attendance rates. It is questioning whether students are being penalized when they go on field trips and how are teachers coded when going on professional leave.

Discussion ensued about searching for those schools similar in demographics to OPRFHS around the school for best practices or a better approach to solving the performance gap issue.

[Consideration of IASB's Recommended Resolution Regarding](#)

It was the consensus of the Committee of the Whole members that Fred Arkin would be the delegate at the Joint Conference scheduled for November 15 - 17, the vote will take place on November 17, and carry the Committee's direction to vote NO on the following IASB's Recommended Resolution.

"BE IT RESOLVED THAT the Illinois Association of School Boards shall: support and advocate for legislation which provides local school boards the option of developing Student Safety and Protection Plans which may include administrators, faculty, and/or other staff who have completed a state-approved training course above and beyond concealed carry training, who have passed the multiple background checks and qualifications required for a concealed carry license, or have a current concealed carry license issued under the Law Enforcement Officers Safety Act. Only staff who fulfill all requirements listed would be eligible as an active and armed part of the Student Safety and Protection Plan, upon being granted board approval."

Mr. Arkin felt that only trained, updated law enforcement officers should carry guns in the school. He was concerned about going to another campus where there may be a teacher that has a gun who does not have the updated protocols and training that officers get. A suggestion was made to have a future agenda item on OPRFHS students going to schools where teachers have guns. Dr. Pruitt-Adams noted that nothing good could come from this, as it puts teachers and

administrators in danger. Responders do not know the teachers, and if they see them with a gun, they are in the line of danger.

Presentation of Strategic Plan Summary Update

On June 22, 2017, the Board of Education approved the Oak Park and River Forest High School Strategic Plan 2017-2022. The plan encompasses six broad goals: Holistic Community Education, Equity, Supportive Learning Environment, Transformational Teaching and Learning, Transformational Leadership, and Facilities and Finance. Last year was the initial year of implementation of the plan. Dr. Pruitt-Adams reviewed those things that were wholly or partially completed.

CCB Student and Family Voice and Belonging Recommendation 2 is to create a welcoming environment for all students, staff, and families. The Accountability Committee is scheduled to meet in December and will provide a report to the Board of Education in January.

One member felt that data sharing between districts was critical and needed aggressive pursuit. Data-sharing will be an agenda item for the tri-board special meeting on equity in January. A suggestion might be to allow parents to opt-out of sharing data on the registration forms.

Presentation of Evidence-Based Funding Plan

In FY18 ISBE replaced General State Aid, General State Aid Summer School, General State Aid SP/ED Summer School, Funding for Children Requiring SP/ED Services and TPI/TBE with Evidence-Based Funding (EBF). As anticipated, we have been placed in Tier 4, resulting in no additional state aid compared to earlier years. Included in this report is a 5-year comparison of funds received and how the funds are currently being spent, and an overview of our EBF Funding Plan, which was submitted to the state in September. This plan must be shared publicly.

The comparison of the five years illustrates what has been anticipated: there has not been a significant change in funds received from ISBE. For FY 18, OPRFHS received just over 2.4 million in state aid. The EBF Funding Plan, created from a drop-down menu of options provided by the state, is designed to identify those school improvement initiatives that it is committed to as part of our Strategic Planning process.

The 5-Year Funding From ISBE was as follows:

2019 - \$2,451,724
2018 - \$2,459,544
2017 - \$2,454,841
2016 - \$2,327,212
2015 - \$2,192,675

The GSA, GSA-Summer School, GSA-Special Education Summer School, and Personnel funding are now included in Evidence-based Funding.

The EBF Allocations for this year are as follows:

FY 2017 Net Evidence-based Funding (=base funding minimum plus tier funding) =	\$2,451,723.83
Resources for low-income students:	\$266,625.67
Resources for English learners:	\$4.85
Resources for Special Education:	\$1,001,902.96
Computer Technology and Equipment Investment	\$0.00

The questions that the state asked to frame the goals the schools use to know that it is adhering to the measures to meet the goals.

Based on the investments, which goals does your LEA intend to make progress on during the fiscal year 2019?

- Ninety percent or more of 9th-grade students are on track to graduate.
- Ninety percent or more of students graduate from high school ready for college and career.
- All students are supported by highly prepared and effective teachers and school leaders.
- Every school offers a safe and healthy learning environment for all students.

How will the LEA utilize its Evidence-Based Funding?

- Employ highly qualified licensed educators.
 - Talent Management Framework identified and being implemented.
- Provide educator professional development.
 - Various professional development opportunities focused on student growth
- Purchase curriculum and learning tools.
 - Funds utilized for Curriculum Evaluation process
- Provide parent, family, and community engagement activities.
 - Various forums and town-hall meetings
 - Targeted parent and community engagement activities

How does the LEA expect to achieve student growth during this fiscal year?

- Improve programs, curriculum, and learning tools.
 - Curriculum and Program Evaluation Processes
- Increase quality of professional development opportunities.
 - Advanced Placement trainings for all staff teaching AP courses
 - Continued focus on racial equity professional development through Pacific Education Group
 - Various professional development opportunities related to curriculum development
- Invest in facilities, maintenance, infrastructure, and operations.
 - Various investments detailed in previous Board reports

Special Education will get no more money for services other than what is now allocated. Any additional monies for services must be paid for out of District funds. ELA and Special Education have standard allocations and they are weighted. The formula is \$4.85 was generated for ELA, but that is not reflective of what the District does.

[Presentation of Estimated Levy](#)

This Board of Education must approve a tentative tax levy at its November 15, 2018 Board meeting pursuant to the Illinois School Code (35 ILCS 200/18-60 and 35 ILCS 200/18-101.15) which reads that “not less than 20 days prior to adoption of its aggregate tax levy” the District must estimate the amounts necessary to be raised by property tax.” Based upon Board deliberation and discussion, the Board may direct the administration to amend the 2018 tentative levy prior to adopting the final tax levy at its December 20, 2018 Board of Education meeting. The District may consider holding a truth in taxation meeting on the date of the adoption of the final tax levy, but is not required to do so since the levy request is less than 5% higher than the prior year’s tax extension.

Approximately 80% of the total revenues received by Oak Park and River Forest High School District 200 are derived from real estate taxes. Therefore, the decision made by the Board of Education regarding the tax levy is the main driver in determining future revenue growth and fiscal stability in the District. It appears that the District is in a current financial position whereby total revenues and total expenses are

essentially balanced. The Board of Education must recognize that its decision regarding the tax levy will impact the probability of future balanced budgets and the level of fund balance reserves available for major capital projects.

The level of taxation in the Village of Oak Park is a major topic in the community. This concern is certainly a factor in the decision process. It is important to note the High School's role in property tax growth over the past six years. During this time, The Board of Education of Oak Park and River Forest High School District 200 levied \$32.2 million less than it was entitled to receive under the law and instead depleted approximately 20% of its fund balance reserve to cover operating deficits.

The Village of Oak Park, Oak Park School District 97 and Oak Park and River Forest High School District 200 make up approximately 78% of the total tax bill within Oak Park. The total percentage and dollar increase in the tax levy during these six years is as follows:

	2011 Tax Year	2017 Tax Year	Increase	% Increase
Village of Oak Park	\$22,707,972	\$33,049,292	\$10,341,320	45.5%
School District 97	\$57,424,660	\$74,327,791	\$16,903,131	29.4%
OPRF High School D20	\$66,141,852	\$66,657,009	\$515,157	0.8%

It is recommended that the Board of Education consider adopting a tax levy that captures the full growth allowed under the Property Tax Extension Limitation Law, which for this 2018 tax levy represents a 2.1% increase in tax dollars, plus a nominal increase for taxable new property in the District. The following is the recommended tentative tax levy. The total tax levy request is \$68,036,000, which represents an increase of 2.1% versus the final 2017 tax extension of \$66,657,009. Based on historical data, we are projecting total new taxable property to be \$2.5 million. This would generate an additional \$77,000 in tax revenues. This levy would increase the annual taxes of a \$400,000 market value home by approximately \$68.

To avoid or minimize deficit spending, the District will need to attempt to match future revenue growth to future expenditure growth. A long-term scenario whereby expenditure growth exceeds revenue growth by 2% annually will result in a decrease of fund balances more than \$25 million and annual deficits of more than \$8 million. This is not sustainable.

A decision that produces a deficit spending gap of this magnitude, such as a decision to not increase tax revenues, is a de facto decision to utilize fund balance reserves primarily to pay for deficit spending rather than for capital projects. Additionally, a decision to allow growing deficit spending is a decision to accelerate the timetable in which the District will need to go to referendum for an operating tax increase.

The administration recommended a more gradual, long-term increase in tax revenues matching the rate of inflation, which is in line with the recommendation of the Community Task Force, rather than flat growth followed by a large tax increase. Concurrent with this recommendation, we then recommend that to the best of the District's abilities, we maintain expenditure growth at an approximate rate of growth as revenues to avoid or significantly defer the need to go to referendum.

Dr. Grossi explained that with the levy increase the District was essentially at a structured, balanced budget. If expenditures outpace revenue, the District will go into deficit spending. If there were no increase, and the expenditure growth exceeded revenue growth, the District would need to go for an operating referendum. If the District were to keep its growth in line with its revenue from taxes,

mathematically the District would never have to go for an operating referendum, a task worth trying to pursue. Essentially the District is at a balanced budget. If there is not an increase in CPI, the fund balances will be drained.

How does the District balance the budget in the future, as last year the District paid no debt service and spent less on capital projects to balance the budget? IMAGINE is a perfect example of how unsustainable that goal would be. Dr. Grossi responded that the District could either do 1) levy 2.1% and reduce expenses, keep the budget in line, and delay going out for a referendum for as long as possible, or 2) have no increase to the levy, spend the fund balance down in IMAGINE, and go for an operating referendum in a couple of years.

A reference was made to the 2013 Finance Advisory Committee's recommendation to phase down the fund balance to less than 100% of the budget by June 2018. However, the District has performed better than thought and has more money now than what was projected in 2013. Mr. Arkin believed in a balanced budget, but to continue to right size this situation, he could not support an increase. Dr. Grossi's concern was about the long-term strength of the district financially if structural deficits start, pension freeze shifts, governor's salary, etc. If a pension freeze comes, it could mean an \$8 million deficit every year. He reiterated that the District needed to be cautious.

Mr. Cofsky stated that in his opinion, the FAC was a key guide. The District has not spent any money on facilities. Because interest rates have edged up, the District is making more money on its fund balances. The FAC's plan called for the District to return to levy plus CPI, but that has not been done for some years. Taxes have been held from that perspective. On the cost side, a couple of things have changed. Enrollment is not what was projected; instead of 3,700 students, the enrollment is 3,500 students. The District has continued to invest in its staff and added supports in the area of special education and counselors. The student cost has thus increased. From a positive standpoint, the District supported resources where needed, beyond enrollment increases. The plan of the FAC called for the fund balance to be below 100% in four years. The District has eliminated its debt and absorbed spend in the area of resources. The things that have changed his mind include: 1) The District is at a balanced budget and that terms needs to be part of the District's vernacular; 2) more is known about the needs of the facilities, and they will require resources; and 3) it is clear that taxpayers are tapped out, and going for a referendum needs to be deferred as long as possible, while maintaining balance. He supported a more gradual increase in the levy but with a commitment to balancing the budget.

Dr. Moore concurred, noting that the District needed to be clear about its priorities and how to move forward. The District needs to be able to show what it is doing is working, whether it be programs or access to facilities.

Mr. Iseli did not support the creation of operating deficits, because the risk was too great. Thus he supported the 2.1% CPI and balancing the budget to the best of the District's ability.

Mr. Arkin advocated going one more year with a flat levy to get the District under the 100% benchmark.

The levy does not have to be finalized until December. The recommendation is for the tentative levy. The District has the right to change it before the December meeting.

Discussion ensued about the property tax relief grant. Dr. Grossi stated that two years ago with Evidence-Based Funding Model, it was tweaked at the end that shifted money away from Cook County to Chicago Public Schools to get the bills passed. He expressed concerns about this, and he worked with Madigan's office on the fact that taxes were too high in Cook County. As such a \$50 million grant for property relief was created for those districts with the highest tax rates in the state. OPRFHS can take advantage of this

grant. As the grant is currently written, the District would have to approve a resolution that it would abate taxes one time by \$5.8 million by January, and the state would then give it \$3.7 million to offset the increase. The risk would be that the state would not continue to provide the offset in perpetuity. This grant will be a future agenda item, as this opportunity just happened last week.

To avoid or minimize deficit spending, the District will need to attempt to match future revenue growth to future expenditure growth. A long-term scenario whereby expenditure growth exceeds revenue growth by 2% annually will result in a decrease of fund balances in excess of \$25 million and annual deficits in excess of \$8 million. This is not sustainable.

A decision that produces a deficit spending gap of this magnitude, such as a decision to not increase tax revenues, is a de facto decision to utilize fund balance reserves primarily to pay for deficit spending rather than for capital projects. Additionally, a decision to allow growing deficit spending is a decision to accelerate the timetable in which the District will need to go to referendum for an operating tax increase.

The administration recommended a more gradual, long-term increase in tax revenues matching the rate of inflation, which is in line with the recommendation of the Community Task Force, rather than flat growth followed by a large tax increase. Concurrent with this recommendation, to the best of the District's abilities, to maintain expenditure growth at an approximate rate of growth as revenues to avoid or significantly defer the need to go to referendum.

Presentation of Facilities Master Plan Funding Options

The Business Office, along with Dr. Grossi, prepared a presentation to outline the funding options for the long-term facilities recommendations. The presentation will address the funding decision points, capital commitment, reserve level, managing the gap between revenue and expense growth, financial risk that may impact the fund balance, and other issues pertinent to funding these projects.

The Board will receive a report from the IMAGINE team that will include the following:

- ① A comprehensive listing of capital improvement recommendations developed to align District facilities to the needs of current and future generations of all students attending OPRF High School District 200.
- ① Recommended sequencing of the conceptual plan with consideration to need, efficiencies and necessary ordering due to construction constraints.

The decision process could include two decision points.

- I. Decision Point 1
 - A. Receive Imagine Plan
 - B. Determine capital commitment
 - C. Identify and construct projects within committed capital budget.
- II. Decision Point 2
 - A. Consider remaining items in Master Facilities Plan
 - B. Assess Financial Condition
 - C. Determine capital commitment
 - D. Consider taxpayer referendum

The major decisions to be made by the Board of education will include:

- I. How much current capital is the District willing to commit to the Master Plan (fund balance reserves)?
- II. How much additional capital is the District willing to commit to addressing the Master Plan? Future Operating budgets (including debt certificates or issuance of non-referendum bonds.

III. Once this dollar amount is determined, what specific areas of the master facilities plan will be addressed with these resources?

The fund balance on June 30, 2018, is estimated to be \$107 million. Policy 4:20, suggests that the District have reserves in the 25% to 75% range (3 to 9 months of annual expenses). At the maximum of 75%, the District would have nine months of reserve or \$65 million funds above the policy minimum would be \$42 million. At the minimum of 25%, the District would have three months of reserves or \$22 million and funds above the policy minimum would be \$84 million. Each one-percent gap in revenue versus expense growth over five years impacts fund balance reserves by approximately \$13 million. A slide allowed one to see how this change affected the fund balance reserves.

The Board needs to consider the issues that may impact the fund balance reserves over the next five years and beyond:

- 1) Local Issues include the management of expenditure growth versus revenue growth. Again, each one-percent gap in revenue versus expense growth over five years impacts fund balance reserves by approximately \$13 million.
- 2) State Issues include shifting of pension burden to school districts. The maximum impact is assuming cost equal to 9% of credit earnings. New benefit expenses of \$3 million beginning in year two would result in a loss of \$12million in fund balance reserves over the next five years. And, State imposed property tax freeze. The maximum impact assuming 2.1% inflation and two-year freeze would be a \$2.8 million loss in potential real estate tax growth annually beginning in year two or \$13 million over five years.

These issues are not new.

OPRFHS spends approximately \$5 to \$6 million on major capital expenses annually within its operating budget for non-IMAGINE projects, i.e., operations and maintenance, transportation and technology. Perhaps a portion of these items would be clear up through the IMAGINE plan in the five years going forward. Projects that overlap both maintenance projects are the roof, flooring, and plumbing.

Also, the District has \$5.1 million for Life Safety projects. Questions to be asked are if items are pushed on down before five years. Is there a window available to address some of the capital projects and if so part of current capital projects?

The next major decision might be as to how much non-referendum debt should be applied to the project? The District could issue non-referendum bonds (maximum of \$40 million) because it is debt-free, one of the few school districts in Illinois that is currently debt-free. This would equate to the maximum the annual tax levy can increase through the issuance of non-referendum the debt would be is \$150 for a home with a market value of \$400,000. The District could issue Life Safety Bonds which are not subject to backdoor referendum, and future tax levies would pay off the debt, and it would cover repairs/renovations deemed by the state as significant health safety concerns for students. Or, the District could issue debt certificates which also are not subject to backdoor referendum, the future general operating funds would pay off debt with no additional tax levy. An example would be that the District receives \$40 million upfront and commits approximately \$3 million of the annual operating budget over the next 20 years to pay off the loan.

Unless and until the District is willing to commit to projects more than the capital commitment, this Board of Education would not have to decide to go to a referendum.

The Administration noted that it could come forward with recommendation(s) to fund the IMAGINE plan, but it needs to know the Board of Education's thoughts. However, it will be the Board of Education's decision as to which recommendation to accept.

Discussion ensued about private fundraising. It is an option that has been discussed, and it is worth pursuing. One member wanted to see the 5-year projections to understand that if revenue does not grow and there is a 1% increase in expenditures, what that additional cost or what that deficit will be. Then the Board of Education can value the risks. Dr. Grossi agreed that projection with variables made sense. Mr. Arkin supported the use of private funding, and he has talked to people about this for some time. He looked to raise \$50 million over the next five years, but if it were only \$15 million, it would still be helpful. Mr. Grossi noted that debt certificates would be used if there was not a big fund balance (in the 75% to 25% range) and running a surplus. If the District has money in the bank, why issue debt? If the District were running a deficit, it could not borrow against the deficit. The District would be better off using a debt certificate rather than going for bonding.

In Mr. Iseli's opinion, the District should use its excess fund balance to fund IMAGINE, up to \$50 million, depending on the levy. He also suggested spending monies from the capital project budget and consolidating capital spending in the summer. He felt that the District could make decisions on Sequence 1 and elements of Sequence 4 and 5 that had to do with classrooms, facilities, etc. Smaller summer projects could be decided upon one at a time. He felt the District should ask the community about projects for the south end. The District should have the latitude to take monies from the fund balance for the classroom, etc. and to reserve going for a referendum for bigger projects or look at raising additional monies.

The Board of Education will be asked to accept the IMAGINE plan on November 15 and have a discussion about funding in December. The Administration will ask the Board for a decision on financing at its December 20 meeting.

Future Agenda Items

None

Adjournment

At 10:22 p.m., Dr. Moore moved to adjourn, seconded by Mr. Baron. A voice vote resulted in the motion carried.

Submitted by Gail Kalmerton
Clerk of the Board