

April 2017 Operating & Capital Funds Referenda

January 10, 2017 Update

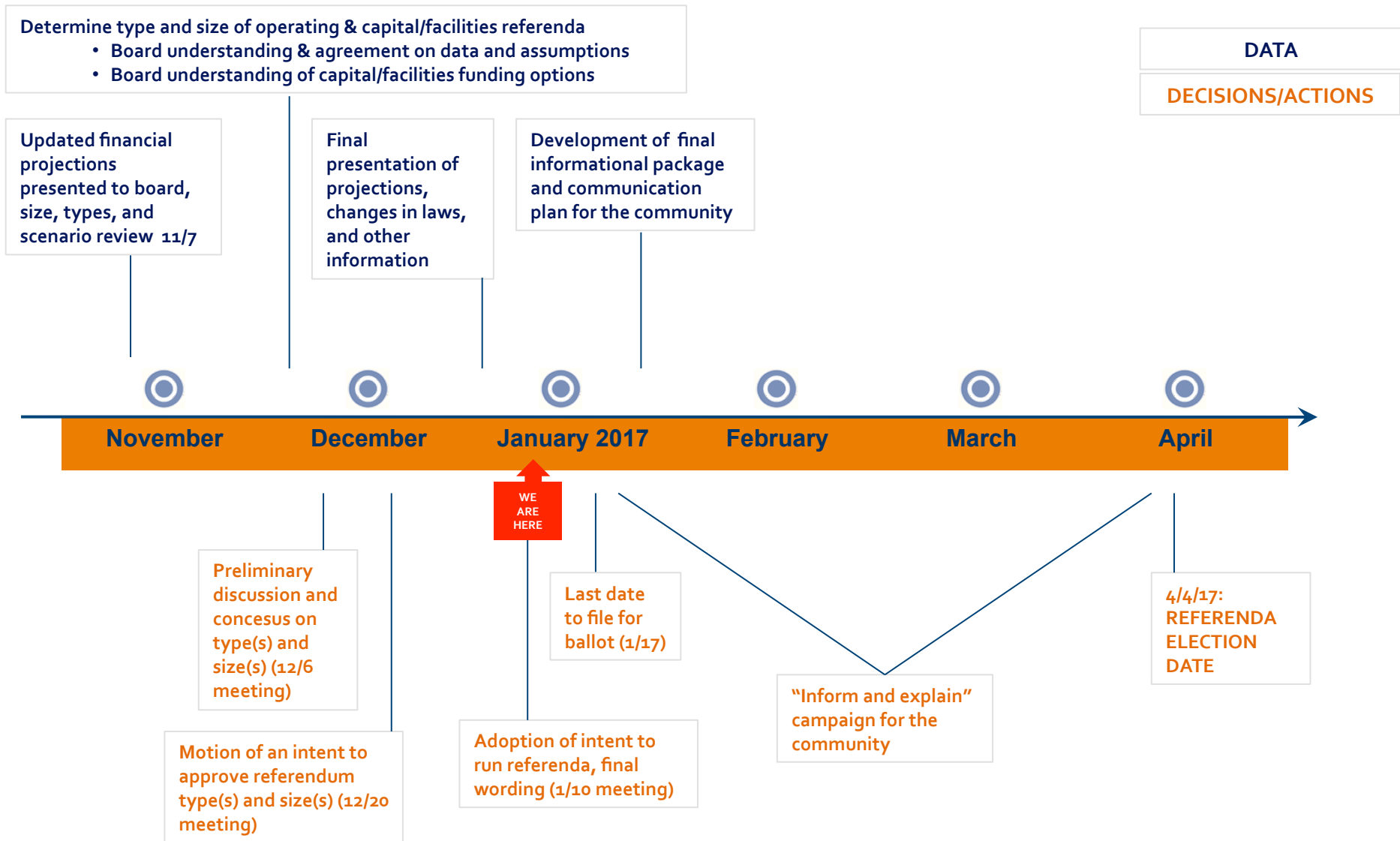


DRAFT WIP –FOR DISCUSSION PURPOSES ONLY

Rev. 5 January 2017



TENTATIVE TIMELINE OF DATA AND DECISIONS



EXECUTIVE SUMMARY



Based on extensive planning and analysis over the past year, the board has determined to run two separate referenda ballot questions on the April 4, 2017 Cook County Consolidated General Election:

1. **1.000% limiting rate property tax extension to provide additional funds for operating expenses**
 - Net impact to taxpayers: \$74 per \$1,000 (or \$740 per \$10,000) of current tax bill
2. **Authorization to issue up to \$57.5MM in 20-year capital infrastructure bonds**
 - Net impact to taxpayers: None; the debt payments will essentially renew the existing capital bonds issued in 1999 that funded the middle schools and elementary building upgrades

Although it creates more complexity to feature two separate questions on the ballot, the board's rationale for doing so included the following reasons:

- Greater transparency
- The "ask" represents the minimum necessary to comply with D97 fiscal policies and ISBE guidelines while meeting the needs of the district's surging student enrollment
- No co-mingling of operating and capital funds



OPERATING FUNDS REFERENDUM QUESTION – REQUIRED BALLOT LANGUAGE

FORM OF BALLOT PROPOSITION – LIMITING RATE INCREASE

Shall the limiting rate under the Property Tax Extension Limitation Law for Oak Park School District Number 97, Cook County, Illinois, be increased by an additional amount equal to 1.000% above the limiting rate for school purposes for levy year 2015 and be equal to 4.982% of the equalized assessed value of the taxable property therein for levy year 2016?	YES	
	NO	

- (1) The approximate amount of taxes extendable at the most recently extended limiting rate is \$53,137,461, and the approximate amount of taxes extendable if the proposition is approved is \$66,481,876.
- (2) For the 2016 levy year the approximate amount of the additional tax extendable against property containing a single family residence and having a fair market value at the time of the referendum of \$100,000 is estimated to be \$266.85.
- (3) If the proposition is approved, the aggregate extension for 2016 will be determined by the limiting rate set forth in the proposition, rather than the otherwise applicable limiting rate calculated under the provisions of the Property Tax Extension Limitation Law (commonly known as the Property Tax Cap Law).

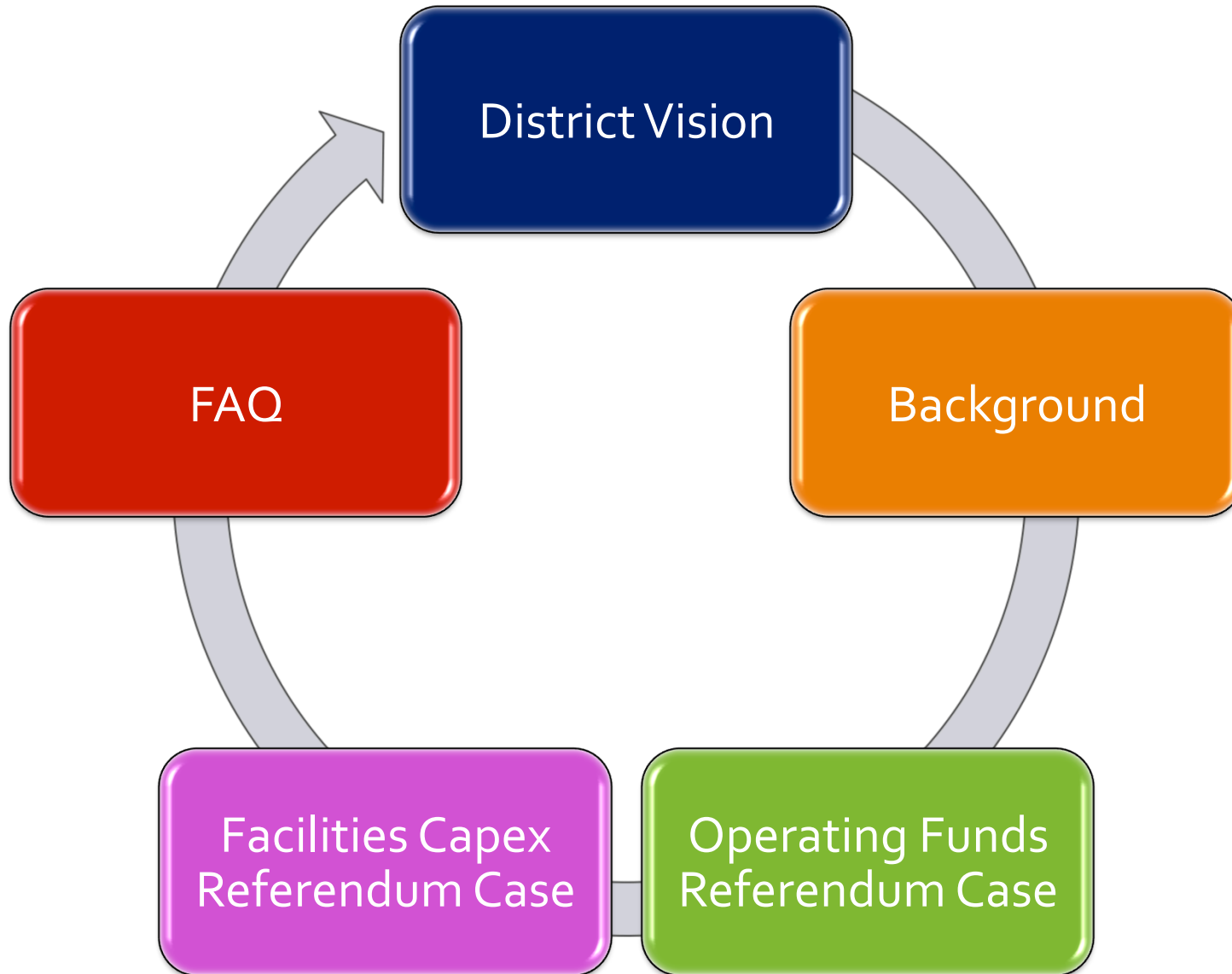
This language is
mandatory and
cannot be
altered

CAPEX FACILITIES REFERENDUM QUESTION – BALLOT LANGUAGE



Shall the Board of Education of Oak Park School District Number 97, Cook County, Illinois, improve the sites of, build and equip additions to, and alter, repair and equip school buildings of said School District and issue bonds of said School District to the amount of \$57,500,000 for the purpose of paying the costs thereof?	YES	
	No	

CONTENTS





VISION

D97: A TEN YEAR HISTORY OF INVESTMENT & INNOVATION



DELIVERING FOR KIDS

Innovative new teacher contract provides meaningful leadership roles, higher starting salaries, and National Board incentives to help attract and retain the best teachers in America

New athletic fields at Brooks and Julian

District partners with D200 and the Village of Oak Park to fund groundbreaking 0-18 early childhood education initiative (Collaboration for Early Childhood Development)

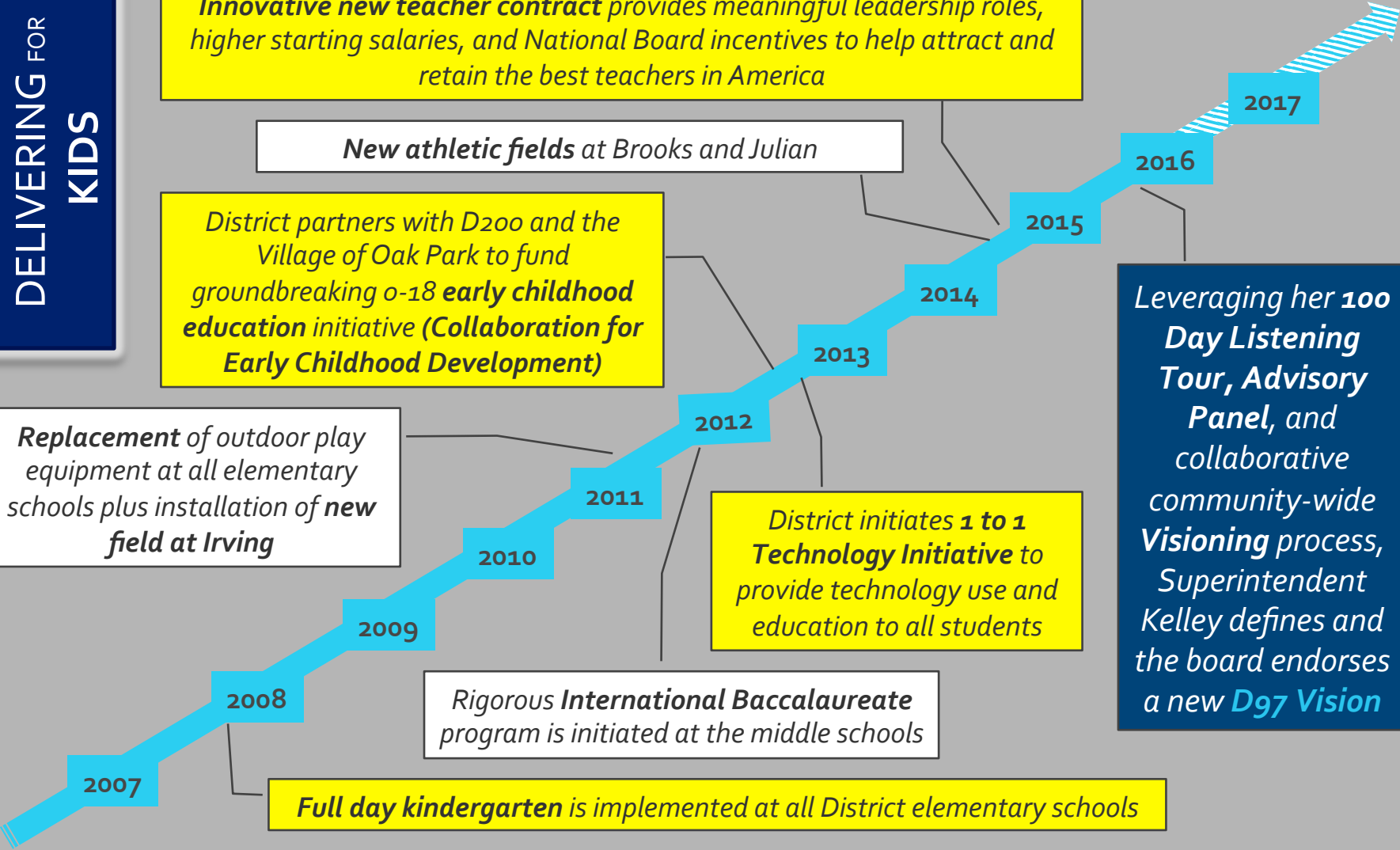
Replacement of outdoor play equipment at all elementary schools plus installation of new field at Irving

District initiates 1 to 1 Technology Initiative to provide technology use and education to all students

Leveraging her 100 Day Listening Tour, Advisory Panel, and collaborative community-wide Visioning process, Superintendent Kelley defines and the board endorses a new D97 Vision

Rigorous International Baccalaureate program is initiated at the middle schools

Full day kindergarten is implemented at all District elementary schools



VISION



- ◆ Reflective of Oak Park values
- ◆ Arrived at through robust community and stakeholder input
 - 100 Day Listening Tour
 - Multiple advisory panels comprised of community leaders, parents, staff, students, and others
 - 13 "Community Conversations" with outside facilitation
 - National Equity Project (NEP) support to help refine and articulate goals

Oak Park Elementary School District 97 will create a positive learning environment for all students that is equitable, inclusive and focused on the whole child

2016-17 GOALS TO SUPPORT THE VISION (THE "BIG ROCKS"):

1. Align D97 systems, structures, and processes to reflect our stated value of educating the whole child (e.g. we act in ways that reflect our understanding of supporting the successful development of each and every student)
2. Establish a comprehensive system of support for all District 97 staff





KEY TERM: POSITIVE LEARNING ENVIRONMENT

IS A PLACE WHERE ALL MEMBERS OF THE SCHOOL COMMUNITY ARE ENGAGED IN HANDS-ON, REAL-WORLD EXPERIENCES AND FEEL SAFE, EMPOWERED, SUPPORTED AND VALUED.

EXAMPLES OF WORK & INVESTMENTS

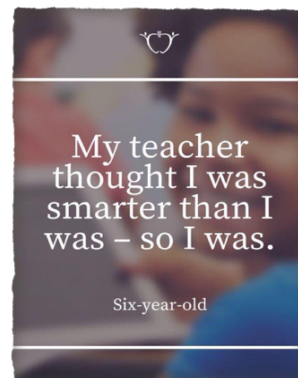
- Enhance home/school connections
- Social workers, nurses in each building
- Enhancing safety/crisis response protocols

OBJECTIVES

- Provide all students with language and tools to feel empowered
- Provide staff with time, training and resources to build and support positive adult-student relationships
- Engage the entire community in support of our schools and each & every student
- Respect/value the perspectives and needs of students and teachers

GOALS

- ✓ Every community member feels like a partner in supporting our schools & each & every student
- ✓ Students & staff feel empowered, valued, & respected



KEY METRICS

- 5Essentials survey responses
- EFF survey responses



KEY TERM: INCLUSION

IS THE COLLECTIVE RESPONSIBILITY TO PROVIDE EQUITABLE OPPORTUNITIES FOR ACCESS AND PROMOTE THE ACTIVE PARTICIPATION OF ALL STAKEHOLDERS IN AN ACCEPTING AND SUPPORTING ENVIRONMENT



EXAMPLES OF WORK & INVESTMENTS

- Expansion of “push-in” support model
- Expansion of “co-teaching” model
- Strengthen our Multi Tiered System of Support (MTSS)
- Monitoring tools to ensure that resources are allocated for students who need support the most

OBJECTIVES

- Meet the diverse needs of all students
- Support students to develop tolerance, empathy, & care for each other & the world
- Address concerns raised by community about students being “silo-ed” or separated from their peers
- All district to create co-teaching, “push-in” services for all students requiring related services

GOALS

- Students are known for who they are
- Students feel safe and have a sense of belonging
- Students unique needs are met

KEY METRICS

- % of identified students moving up/out of MTSS academic support
- % students meeting/exceeding NWEA MAP growth targets
- EFF survey responses



KEY TERM: WHOLE CHILD FOCUS

THE PRACTICE OF SUPPORTING, MEASURING AND CELEBRATING ALL ASPECTS OF A STUDENT'S DEVELOPMENT (SOCIAL/EMOTIONAL, ACADEMIC, PHYSICAL, ARTISTIC EXPRESSION) THROUGH CARING AND RESPECTFUL RELATIONS

EXAMPLES OF WORK & INVESTMENTS

- ★ Enhance professional learning experiences (cultural responsiveness, high expectations teaching, Formative Assessment for Results)
- ★ Provide “wrap-around” services for students (before- and after-school)
- ★ Enhance learning spaces (science labs, media centers)

OBJECTIVES

- Expand variation of assessments, focus on the whole child (know all aspects of our students, soft skills and academic skills)
- Attend to the “whole child”
- Expand our programming to preschool in order to close the opportunity gap in middle and high school

GOALS

- ✓ Caring adult-student relationships
- ✓ Students lead their own learning & become lifelong learners

KEY METRICS

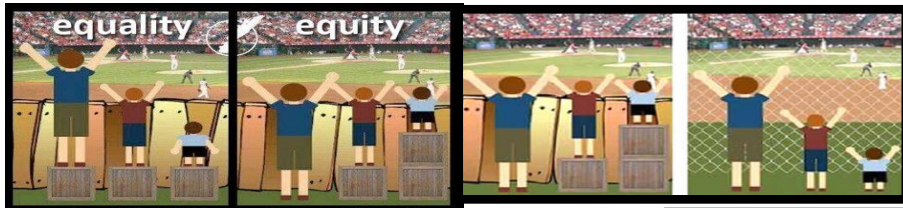
- EFF survey responses





KEY TERM: EQUITY

THE PRACTICE OF BELIEFS AND CREATION OF SYSTEMS THAT PROVIDE ACCESS AND OPPORTUNITIES FOR ALL STUDENTS IN ORDER TO ELIMINATE THE PREDICTABILITY OF OUTCOMES ASSOCIATED WITH RACE, GENDER AND SOCIOECONOMIC STATUS



EXAMPLES OF WORK & INVESTMENTS

- International Baccalaureate
- Project Lead the Way
- K-5 Writing Units of Study
- K-5 Eureka Math
- FOSS aligned to NGSS
- Literacy written curriculum framework
- 1:1 digital devices for grades 3-8

OBJECTIVES

- Address inequities in student outcomes based on achievement and discipline data
- Provide students' access to and participation in educational programming, classes, and extracurricular activities that will support students in high school and beyond

GOALS

- Every student is challenged and engaged
- All students have access to programs and supports to prepare them for success in high school and beyond
- We support every student to be a critical thinker who is ready to contribute to his/her community

KEY METRICS

- EFF survey responses
- % of students with >95% attendance
- % of students placing into advanced math courses in 9th grade
- % student access to behavioral supports & practices
- % of students meeting or exceeding expectations on PARCC



BACKGROUND

WHY ARE WE SEEKING AN OPERATING FUNDS REFERENDUM?

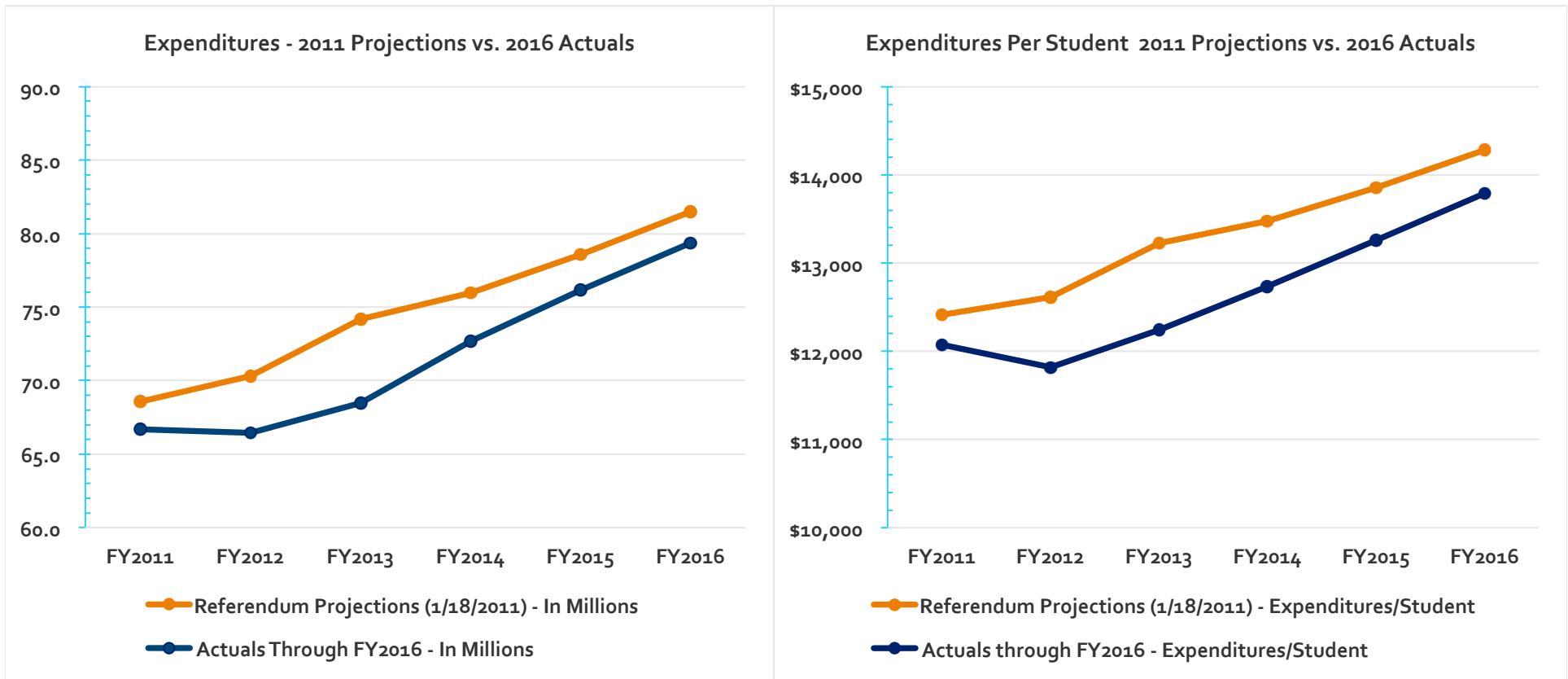


Recent History

- ◆ In 2011, the District sought its first operating funds referendum in 20 years
 - At the time, the district had successfully managed its finances to extended resources as much as possible before unacceptable program cuts would have been required
 - All D97 employees, including bargaining group partners and administrators, shared the sacrifice by freezing salaries
 - Timing was less than ideal following recession, but referendum passed with 54% of the 11,172 votes cast
 - Financial and enrollment projections were used to “size” the referendum to sustain the district until approximately 2018, when the 1999 capital referendum (“middle school”) bonds will be fully paid
 - 2011 referendum was a “stopgap” – **the board projected that a new referendum would be required in the 2017-2019 time frame**



D97 PERFORMANCE IN MANAGING EXPENSES VS. 2011 REFERENDUM PROMISES AND PROJECTIONS

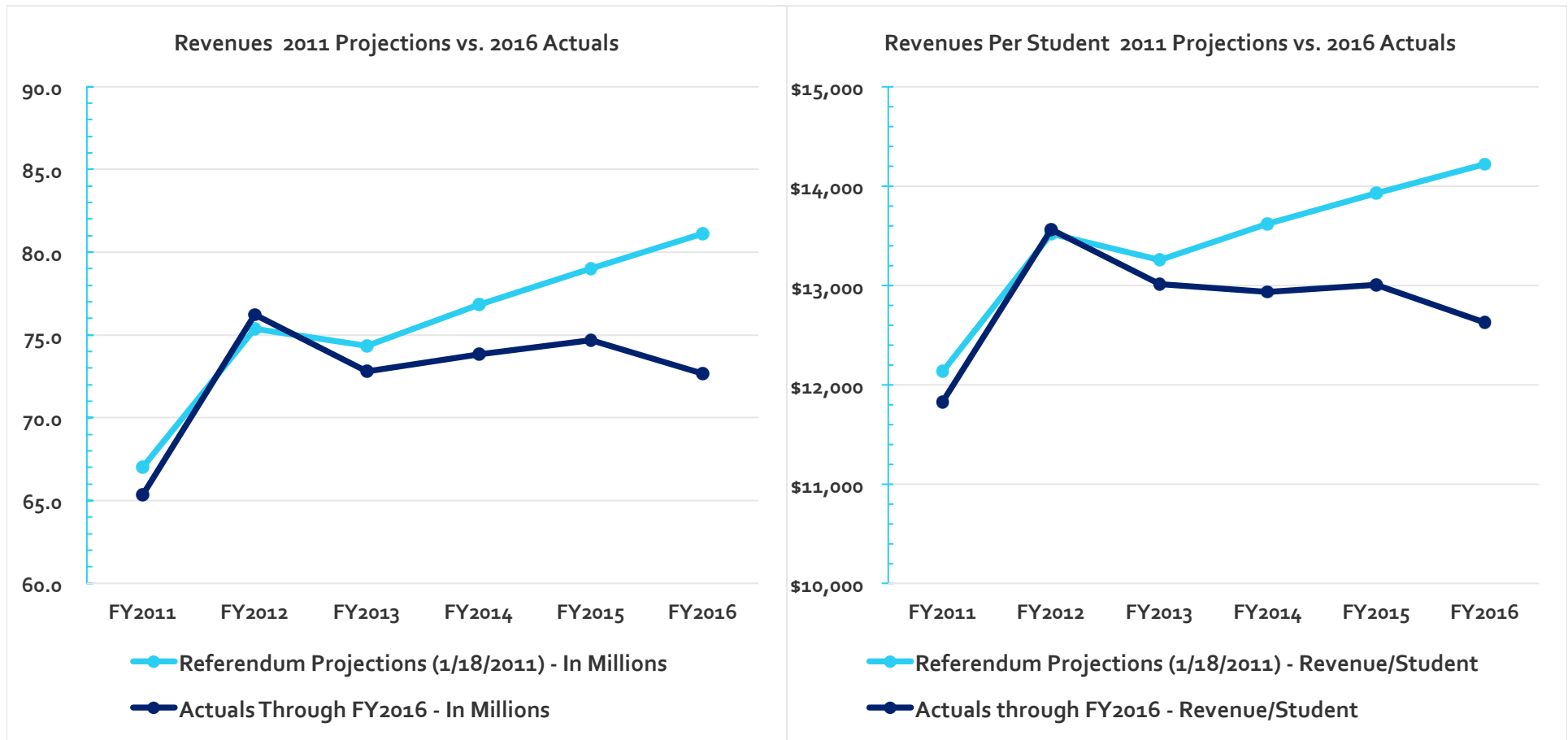


On both a total cost and per-student basis, D97 consistently maintained expenditures below budget and referendum commitments despite an increase of over 300 students above the enrollment projections through 2018*

*2011 enrollment was approximately 5,500 students; current enrollment for 2016 has already exceeded the 2018-projected level of 6,000 students



ACTUAL REVENUES VS. 2011 REFERENDUM PROJECTIONS



On both a total cost and per-student basis, revenues have not kept pace with 2011 referendum projections

WHY ARE WE SEEKING AN OPERATING FUNDS REFERENDUM? (continued)



Current Situation

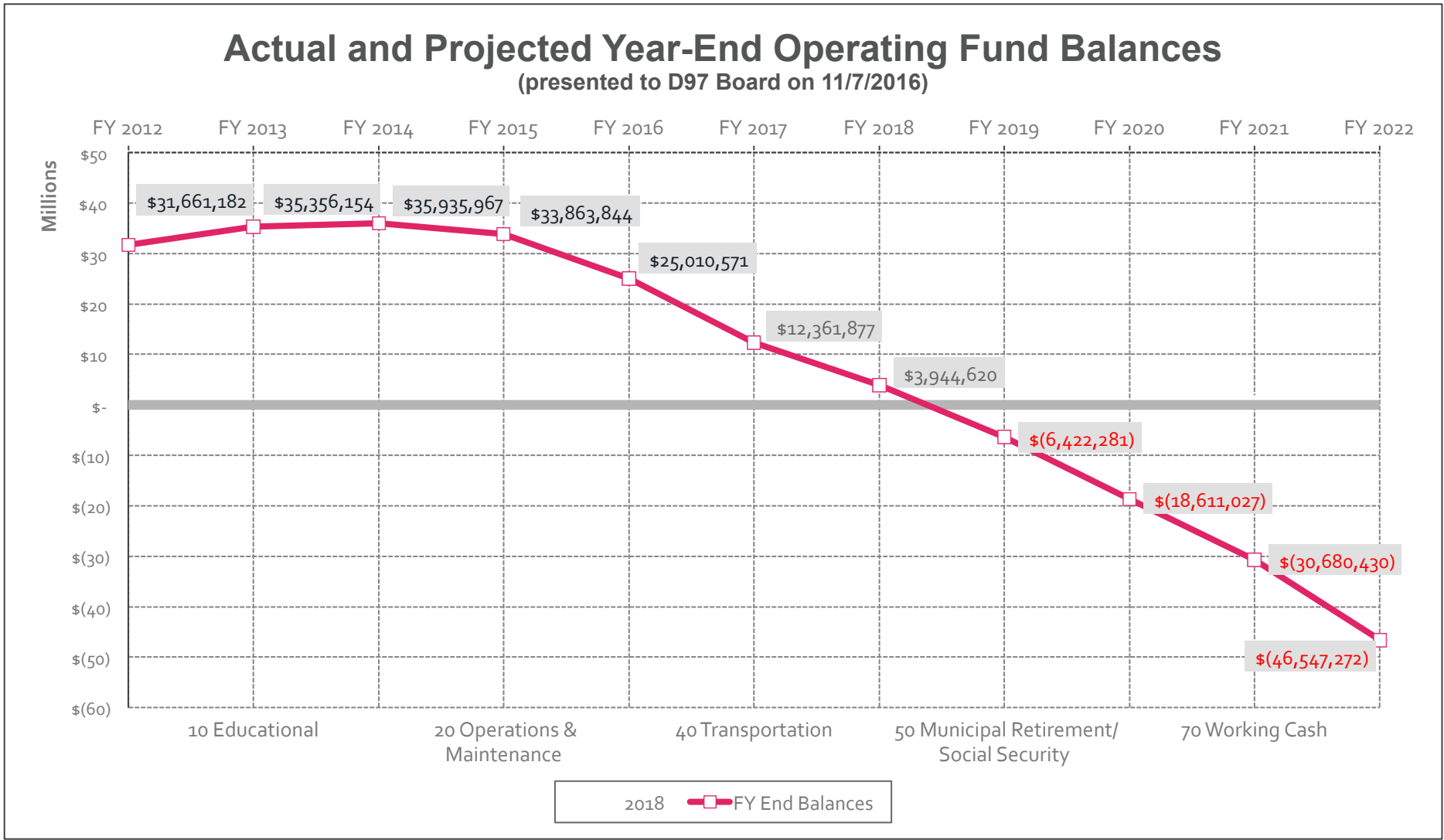
- ◆ Forecast5 projections indicate that without an increase in revenue, decrease in costs (programs, staff), or both, the District will fall below ISBE guidelines and D97 fund balance policy requirements in FY 2016-17. **D97 has already exceeded policy boundary conditions now >>**
- ◆ Per policy 4:12, *"when one or more of the financial boundary conditions...of this policy are being violated the Board and Administration shall take appropriate actions. Actions...may include, but are not limited to (in no specific order):*
 - A curtailment in hiring;
 - A curtailment in implementation of new programs or in the initiation of the next phase of an existing program
 - Enacting an expenditure budget for the next fiscal year...
 - Personnel reductions...
 - Reduced salary and benefits increases and/or salary freezes...
 - **Recommendation of a referendum to address the financial situation..."**

D97 Fiscal Policy Warning Indicator	
SELECTED BOUNDARY CONDITIONS	STATUS
<input type="checkbox"/> Projected monthly fund balances go negative over next two years	<input checked="" type="checkbox"/> YES – fund balances go negative in 2018
<input type="checkbox"/> Average fund balance drops below 25% of operating expenses within 3 years	<input checked="" type="checkbox"/> YES – fund balance drops below 25% of operating expenses in 2017
<input type="checkbox"/> The district is continuously reducing debt capacity by issuing debt to fund operating expenses	<input checked="" type="checkbox"/> No – the district is not using DSEB or other debt instruments to fund operations
<input type="checkbox"/> The district cannot maintain at least Moody's Aa2 or equivalent credit rating	<input checked="" type="checkbox"/> No – the district's credit rating is Aa2

PROJECTED OPERATING FUND BALANCE IF NO ACTION IS TAKEN



Actual and Projected Year-End Operating Fund Balances (presented to D97 Board on 11/7/2016)

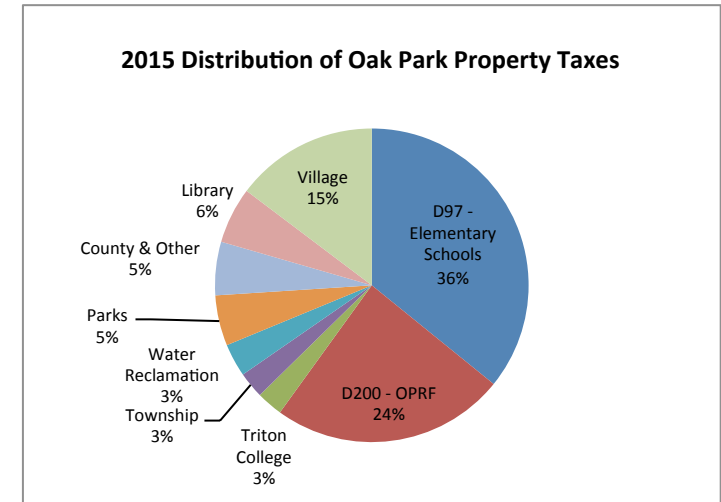


Source: Forecast5 Analytics, November 2016

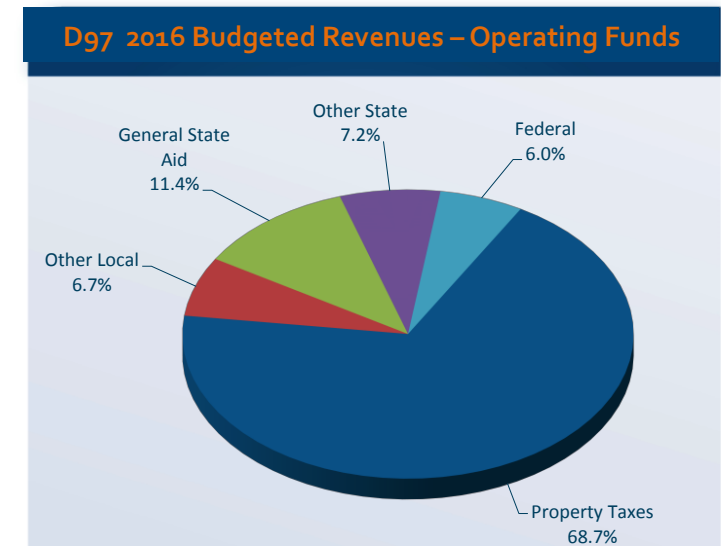
BASICS OF SCHOOL FINANCING



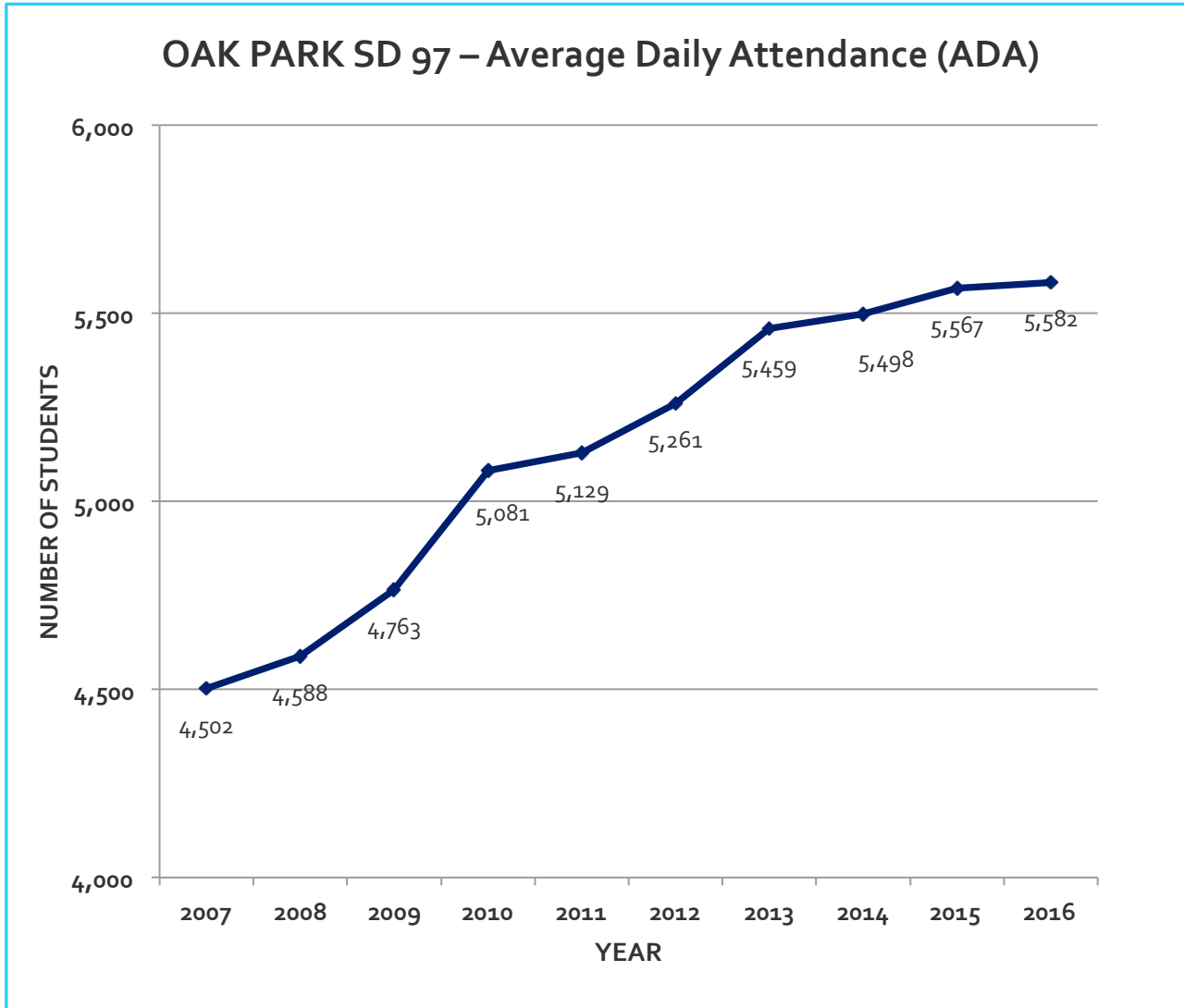
- ◆ More than any other state, districts in Illinois rely on local property taxes to provide approximately 70-75% of public school funding
- ◆ D97 is subject to the Property Tax Extension Limitation Law (PTELL), a.k.a. “Tax Cap” laws of Cook County
 - Limits D97’s revenue from local property taxes to the lesser of inflation (CPI) or 5%
 - Exists as a mechanism to require school districts to solicit community approval for increases outside of those limits
 - However, the growth in property tax revenue does not increase at the same rate as the increase in student-driven expenditures



Source: Oak Park Township Assessor's Office, January 2016



D97: A TEN YEAR HISTORY OF ADA GROWTH



- ADA up 24% (1,080 kids) since 2007
- ADA up 9% (453 kids) since referendum year 2011, exceeding projections by 300 students
- Fall 2016 enrollment has broken the 6,000 mark for the first time in 40 years**

SCHOOLS CONTINUE TO DRIVE POPULATION GROWTH AND RETENTION IN OAK PARK



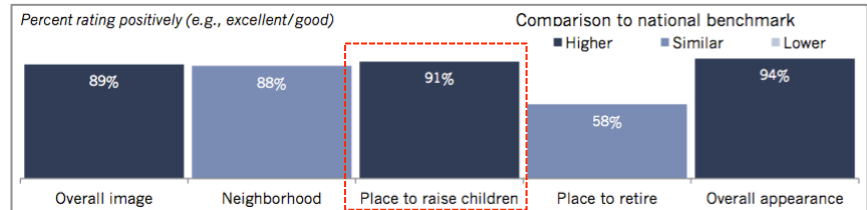
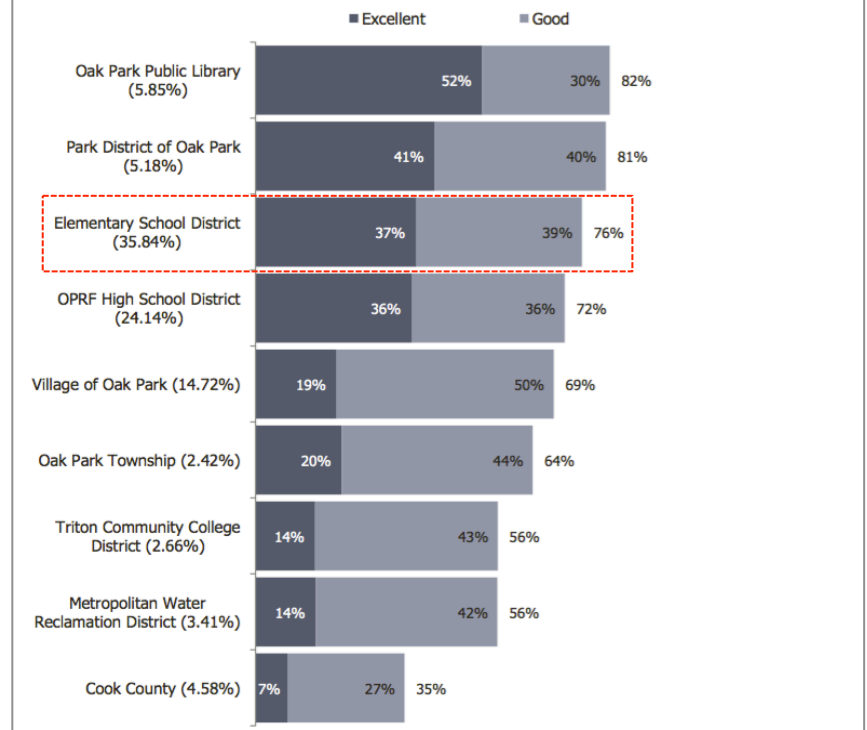
"Schools are by far the number one reason people move to Oak Park."

John Lawrence, President
Oak Park Area Association of Realtors
4th Annual IGOV Assembly, October 2016



Oak Park Resident Responses – 2015 National Citizen Survey

Figure 7: Value of Services for Property Taxes Paid
Please rate the value of services for the taxes paid to each of the following taxing bodies (percent of your property tax bill):

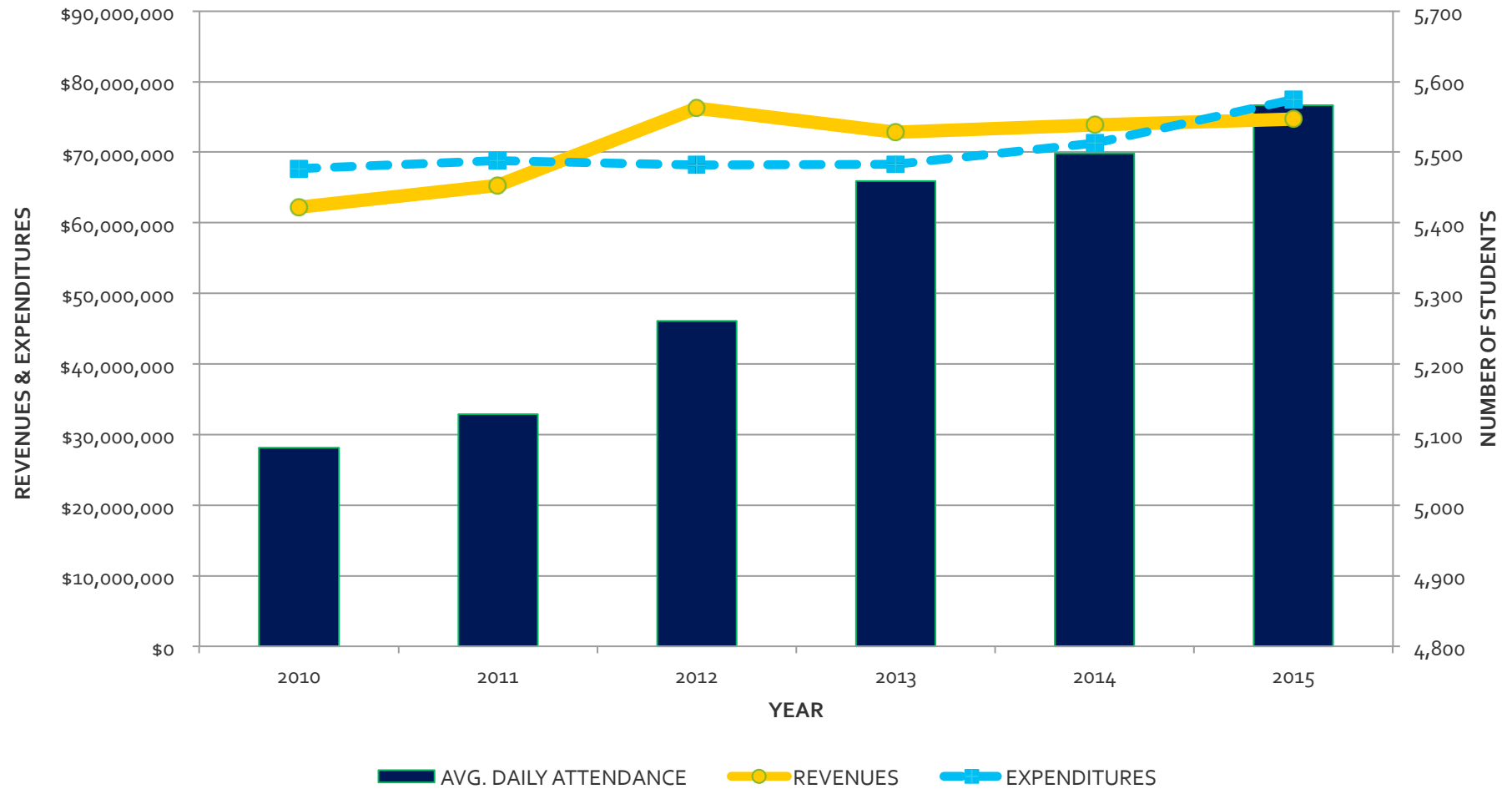


Source: National Citizen Survey, National Research Center, Inc. (NRC) and International City/County Management Association (ICMA) 2015

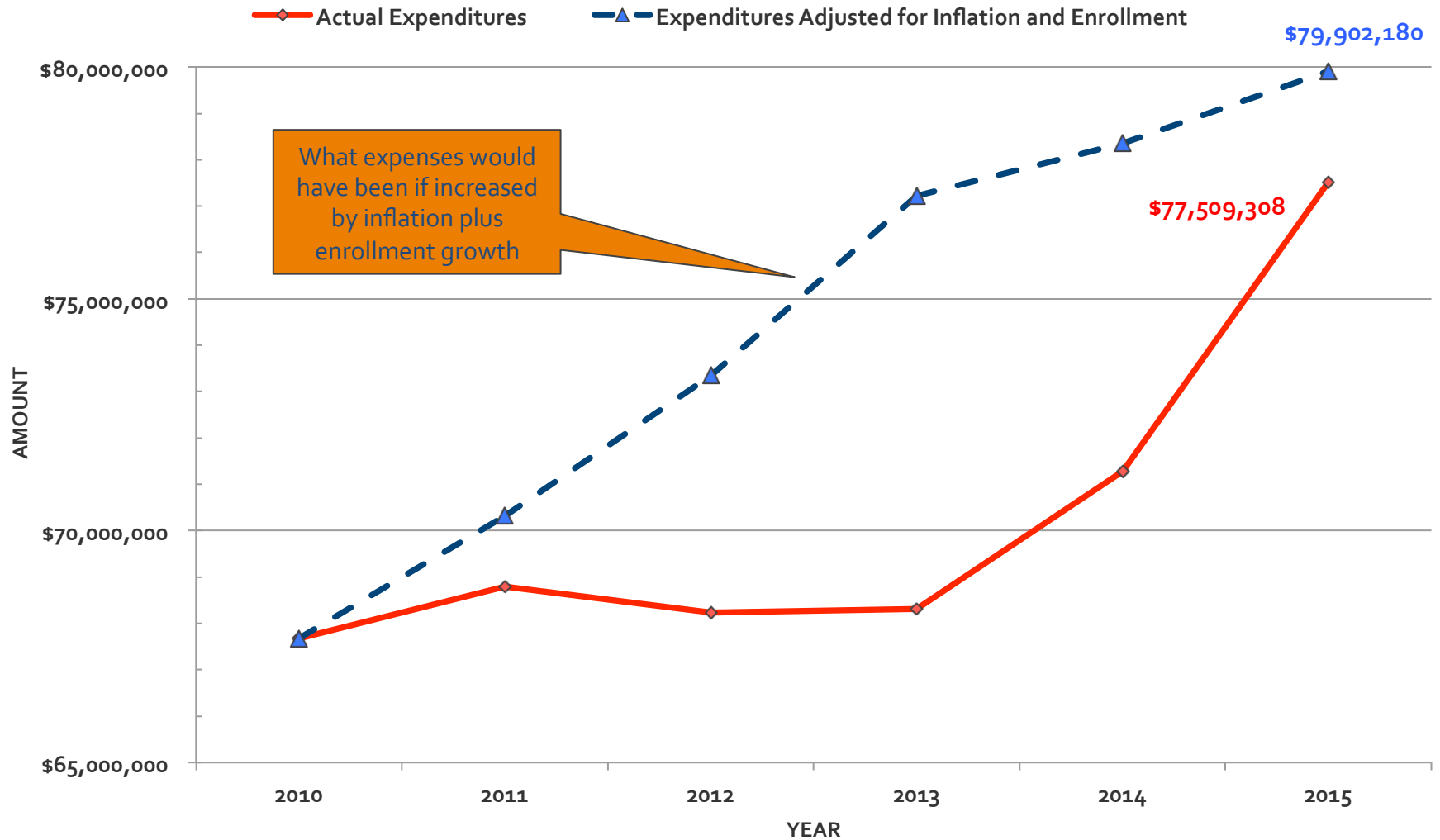
THE DISCONNECT BETWEEN REVENUE AND STUDENTS SERVED/PROGRAMMING



D97 OPERATING REVENUES VS EXPENDITURES VS AVG. DAILY ENROLLMENT TRENDS



ACTUAL EXPENSES VS. ADJUSTED EXPENSES

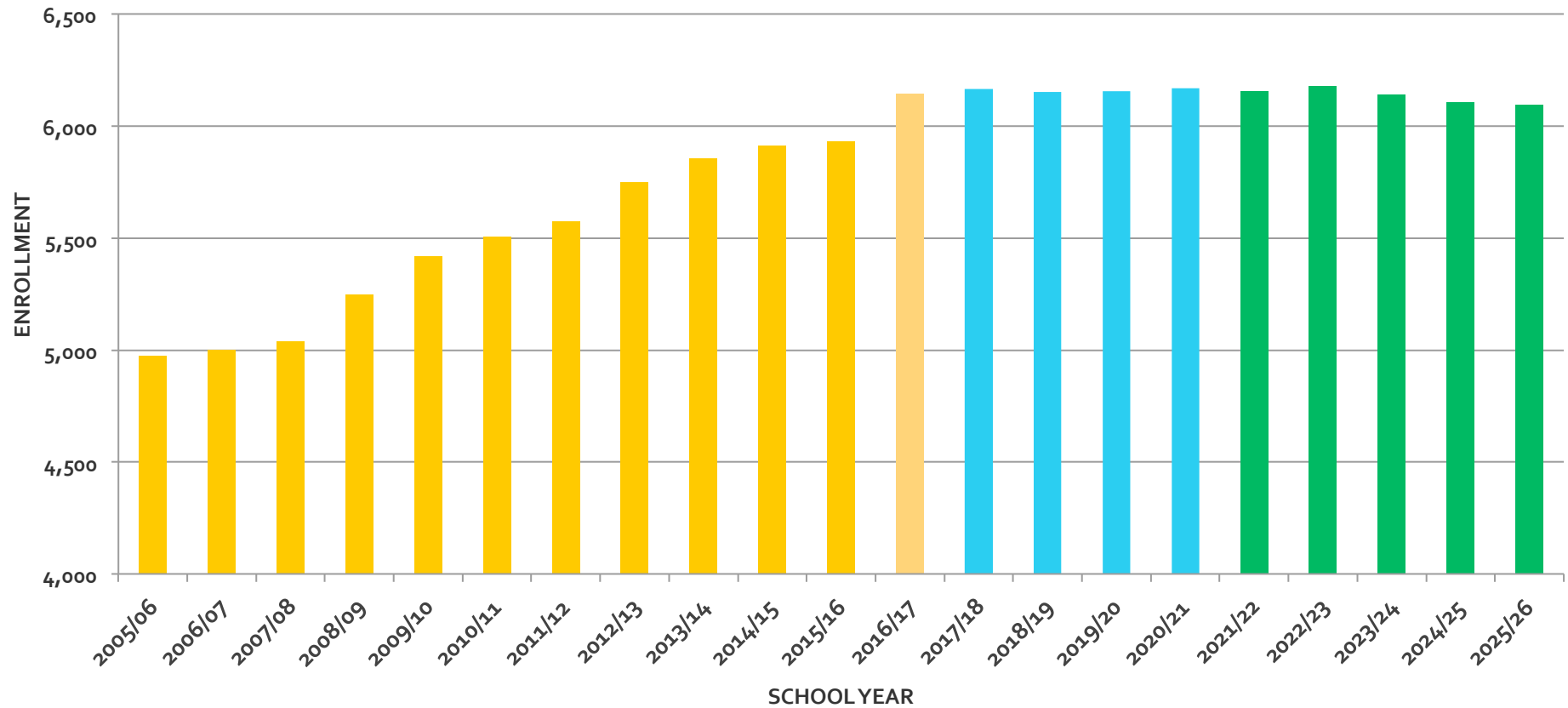


ENROLLMENT FORECAST



Oak Park Elem. School District 97 Enrollment

2005/06 Through 2016/17 Actual
 2017/18 Through 2020/21 Projected
 Trend through 2025/26



Source: Ehlers 2016 Enrollment Projection Update, January 2016 and D97 enrollment data



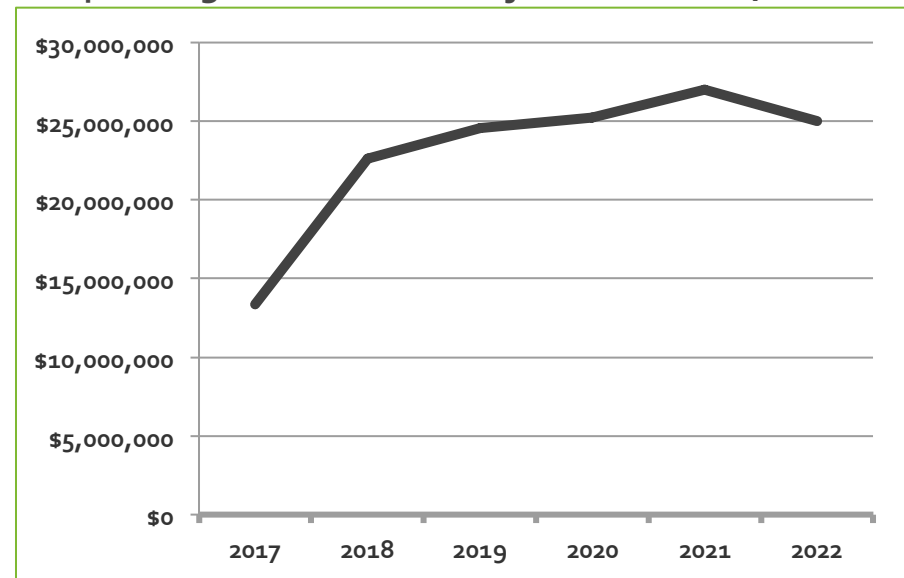
OPERATING FUNDS REFERENDUM

OPERATING FUNDS REFERENDUM SIZE DECISION



- ◆ As part of the referendum planning process, the administration answered the board’s question “what do you need to achieve the Vision” with a budget-neutral set of key investments offset by reductions (resource reallocations)
- ◆ Therefore, the board’s referendum size decision was not driven by programming choices, but rather by a target fund balance (TFB) level five years out (2022)
- ◆ The board selected a target fund balance of 27% for reasons including the following:
 - Is the minimum needed that allows the board to regain compliance with policy 4:12 (as projected) and ISBE guidelines and also maintain current levels of services, staffing and programming
 - Provides some flexibility to cover state or federal funding shortfalls from projections and/or enrollment increases

Operating Fund Balance Projection Under 27% TFB



Operating Funds Referendum	
Proposed Limiting Rate Increase	1.000%
Proposed New Rate	\$4.982%
Proposed D97 Levy Increase	\$13,344,415
Proposed New D97 Operating Levy	\$66,481,876
Increase per current \$1,000 of tax bill	\$74
Increase for current \$10,000 annual tax bill	\$740



FACILITIES CAPEX REFERENDUM



REFERENDUM SCENARIOS – FACILITIES CAPEX FUNDS

✧ Several factors forced consideration of a possible facilities capex funds referendum that could run in conjunction with or at a later date from the planned April 2017 operating funds referendum

1. Life Safety work is mandated by the state and is an ongoing required investment
2. Anticipated maintenance work is significant in areas of Core Functionality (i.e. electrical, plumbing, roof, structural, lighting) and proactive maintenance provides a better learning environment and is more cost effective than emergency repairs
3. The surge in enrollment is also creating a need to address capacity issues at several buildings
 - Can be addressed through facility infrastructure expansions, or
 - Other strategies to increase capacity can be explored such as school boundary changes, building usage, grade level centers, and/or class sizes
4. The district has aspirational goals around improving accessibility
5. The district has aspirational goals around 21st century learning environments, including the important Vision investment of enhanced learning spaces
6. Some in the community have voiced a strong interest in providing air conditioning at our elementary schools

✧ FAC and the Administration recommend consideration of projects over a five-year horizon

The board evaluated several options and chose to run a 2017 Facilities Capex Bond referendum concurrent with Operating Limiting Rate referendum

- Most transparent - restricts funds to capital uses; no footnoting of operating expenditures
- Best supports advance planning of work, which reduces cost and program disruption
- Most likely able to capture lower interest rates
- Allows for lower operating rate
- Best option to smooth the tax rates across 1999 bonds payoff

FACILITIES CAPITAL INVESTMENTS BY CATEGORY AND YEAR



Category	2018	2019	2020	2021	Total
<p><u>Anticipated Maintenance to Support Core Functionality of Buildings</u></p> <p>(This work includes ADA work and upgrades to fire alarms, lighting systems, power distribution, plumbing repairs and roof repairs across all buildings)</p>		\$11,723,800	\$12,957,700	\$12,907,000	\$37,588,500
<p><u>Enhanced Learning Spaces*, Capacity Expansions, & Climate Control</u></p> <p>(This work includes converting existing non-classroom space into renovated learning spaces and additional classrooms at Lincoln and Longfellow)</p>	\$4,656,900	\$9,626,382	\$3,977,861	\$1,702,559	\$19,963,702
Total	\$4,656,900	\$21,350,182	\$16,935,561	\$14,609,559	\$57,552,202

* Key investment to support Vision

\$57.5MM BOND SALE OPTIONS



**Oak Park SD 97, Cook County, IL
Summary of Options - Bond Referendum April 4, 2017**

	No New Referendum Bonds	\$57.5M* Referendum Bonds	\$57.5M* Referendum Bonds	\$57.5M* Referendum Bonds
Bond Proceeds DSEB	16,000,000	16,000,000	16,000,000	16,000,000
Estimated Bond Proceeds Referendum	-	57,500,000	57,500,000	57,500,000
Timing of Receipt of Proceeds DSEB Bonds (Bank Qualified)	\$6M Dec 2016 \$10M Dec 2017	\$6M Dec 2016 \$10M Dec 2017	\$6M Dec 2016 \$10M Dec 2017	\$6M Dec 2016 \$10M Dec 2017
Timing of Receipt of Proceeds Referendum Bonds	NA	\$57.5M Feb 2018	\$40M Feb 2018 \$17.5M Feb 2019	\$20M Feb 2018 \$20M Feb 2019 \$17.5M Feb 2020
Current Average Annual Payments 1999 Referendum Bonds	NA	4,456,850	4,456,850	4,456,850
Proposed Average Annual Referendum Debt Service	NA	4,532,876	4,249,206	4,389,084
Tax Rate Increase/Decrease in levy Year 2018 Over 2017**	(0.33)	0.01	(0.00)	0
Impact of Tax Rate Increase/Decrease in Levy Year 2018 over 2017 on \$357,100 Market Value Home	\$ (294.97)	\$ 4.88	\$ (0.10)	\$ -
Length of Maturity Referendum Bonds	NA	20 Years	21 Years	19 Years
Final Maturity Proposed Referendum Bonds	NA	1-Jan-38	1-Jan-39	1-Jan-37

*** The debt service on all bond issues is estimated based on current market conditions. There is NO GUARANTEE that the debt service on the proposed bond issues won't be higher in the future depending on bond market conditions.**

Source: William Blair & Co., December 2016



EXPECTED FISCAL POLICY COMPLIANCE/NON-COMPLIANCE BASED ON VARIOUS CAPEX FUNDING OPTIONS

Policy 4:42 – Capital Expenditures and Debt Service Goals and Objectives Scorecard – December 14, 2016

	Debt level is below boundary condition, indicator of possible under investment in infrastructure		Debt level is above boundary condition, indicator that debt burden to tax payers may be too high		Debt level is within the boundary condition
--	--	--	--	--	---

Metric	Long Term Indebtedness - Principal outstanding divided by statutory limit	Debt Service - Principal and Interest divided by Operating Expenses	DSEB Duration	District's Credit Rating	
Boundary Condition	Percent within 25 th (19.4%) and 75 th (81.0%) percentile of peer group for next five years	Illinois Financial Profile Score of 2 (50%-75%) or 3 (25%-50%) in the past year and current budget year.	Percent within 25 th (7.6%) and 75 th (16.2%) percentile of peer group for next five years	Durations less than or equal to five years.	District rating maintained at AA2 or higher
Scenario A – The sale of \$6M of DSEB in December 2016, but no sale of the remaining \$10M of DSEB and no referendum bonds in the next five years.	Jun 2017 ~22% Jun 2020 ~ 5% Jun 2022 ~ 2%	Since these are backward looking metrics, they are the same for all five scenarios. FY 2016 ~24% FY 2017 ~22%	FY 2017 9.2% FY 2020 1.6% FY 2022 1.5%	Longest outstanding DSEB is 5 years.	District most recent rating is AA2, but this is being scored as "Not Applicable," because the district has not been rated since Fall 2013
Scenario B – The sale of \$6M of DSEB in December 2016, and the remaining \$10M of DSEB is sold in FY2018, and no referendum bonds in the next five years.	Jun 2017 ~22% Jun 2020 ~ 10% Jun 2022 ~ 4%		FY 2017 9.2% FY 2020 3.6% FY 2022 3.5%	Longest outstanding DSEB would be 5 years.	
Scenario C – The sale of \$6M of DSEB in December 2016, and the remaining \$10M of DSEB and sold in FY2018, and a 20yr \$40M bond sold to in February 2018.	Jun 2017 ~22% Jun 2020 ~50% Jun 2022 ~35%		FY 2017 9.2% FY 2020 7.1% FY 2022 6.9%	Longest outstanding DSEB would be 5 years.	
Scenario D – he sale of \$6M of DSEB in December 2016, and the remaining \$10M of DSEB and sold in FY2018, and a 20yr \$60M bond sold in February 2018.	Jun 2017 ~22% Jun 2020 ~ 85% Jun 2022 ~ 70%		FY 2017 9.2% FY 2020 8.9% FY 2022 8.5%	Longest outstanding DSEB would be 5 years.	
Scenario E – The sale of \$6M of DSEB in December 2016, the remaining \$10M of DSEB and sold in FY2018, plus three \$23M 20-yr bonds sold in February 2018,2020,2022.	Jun 2017 ~22% Jun 2020 ~50% Jun 2022 ~75%		FY 2017 9.2% FY 2020 8.5% FY 2022 8.2%	Longest outstanding DSEB would be 5 years.	



FREQUENTLY-ASKED QUESTIONS

WHY IS D97 TRYING TO BUILD A NEW SWIMMING POOL?



- We have no pools, and are not trying to build any
- Oak Park and River Forest High School District 200, which ran the November 2016 pool referendum, is a completely separate district from Oak Park Elementary School District 97



IS D97 A GOOD STEWARD OF PUBLIC FINANCES?

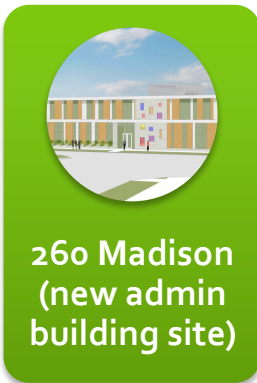
- Since 2008 the district has maintained the Financial Oversight and Review Committee (FORC), a standing board committee comprised of outside citizen advisors with expertise in both public and private financial management. FORC acts as an independent, second set of “eyes and ears” on the districts finances, expenditures, revenues, budgets, fiscal policies, and decision-making.
- The D97 board is just one of a handful of districts statewide (among 850) to earn the prestigious Illinois Association of School Board’s biennial **Governance Recognition** for sound governance, receiving the award in 2013 and 2015
- For the past four years D97 has received the highest “unqualified/unmodified” audit rating from its outside accountants (RSM McGladrey)
- The district’s most recent credit rating was Aa2, among the highest in the state
- Developed in conjunction with FORC, D97’s robust fiscal policies (<http://www.op97.org/BOE/Policies.cfm>) are among the strongest in the state of Illinois
 - Governs uses of debt, including prohibits use of debt for operating expenses
 - Tight risk tolerance for investments
 - One of only three districts in the state with a fund balance target policy that has both a floor (25%) and a ceiling (75%)



HOW WAS THE NEW ADMINISTRATION BUILDING PAID FOR?



- First occupied in 1970 – intended to be temporary (max. 5 years)
- District maximized use and value of the asset for over 40 years
- Facing \$2.7MM in repairs for continued occupancy, including roof and HVAC system
- At capacity, but any major remodeling would trigger expensive building code and ADA compliance requirements



- New Inter-Governmental Agreement (IGA) with the Village provided \$6.3MM in TIF dollars for new building
- Allowed 970 Madison plus D97 warehouse at 541 Madison to be redeveloped to improve Madison commercial district and expand tax base
- Intergovernmental cooperation included 40 year shared facilities agreement for D97 Buildings & Grounds department at Village Public Works garage
- “Right sized” building with 22,100 square feet, fully ADA compliant, built to “green” design standards for energy efficiency and healthy working environment; 50-year useful life

SOURCES – ONE TIME FUNDS	
\$6.3MM	TIF dollars
\$0.8MM	Sale of 541 Madison*
\$7.1MM	



AVOIDED COSTS	
\$2.7MM	Repair of 970 Madison
\$2.7MM	



NEW BUILDING COSTS	
\$0.5MM	Architecture
\$8.1MM	Construction
\$0.3MM	Furniture & equipment
\$8.9MM	



<u>BENEFITS TO DISTRICT</u>	
<ul style="list-style-type: none"> • No educational programs or resources diminished • No long-term debt incurred • Long-term operational savings • Supports redevelopment/EAV growth 	
\$0.9MM	
Net savings vs. staying at 970 Madison	

* Estimated sale price; sale not yet completed as of December 2016

HOW DOES D97 COMPARE TO ITS PEER DISTRICTS?



In 2014 FORC recommended and then developed a list of peer districts for D97 in order to provide an objective reference standard for financial, academic, policy, and other criteria

Methodology

- Use objective criteria from structural (input) variables
- To ensure transparency, use only publically available information
- To prevent self-fulfilling prophecies, the outputs will not be checked prior to peer selection
- To facilitate understanding, the criteria and variables are kept as simple as possible
- To provide stability over time, the initial selection process required a peer district to meet the criteria for at least three consecutive years

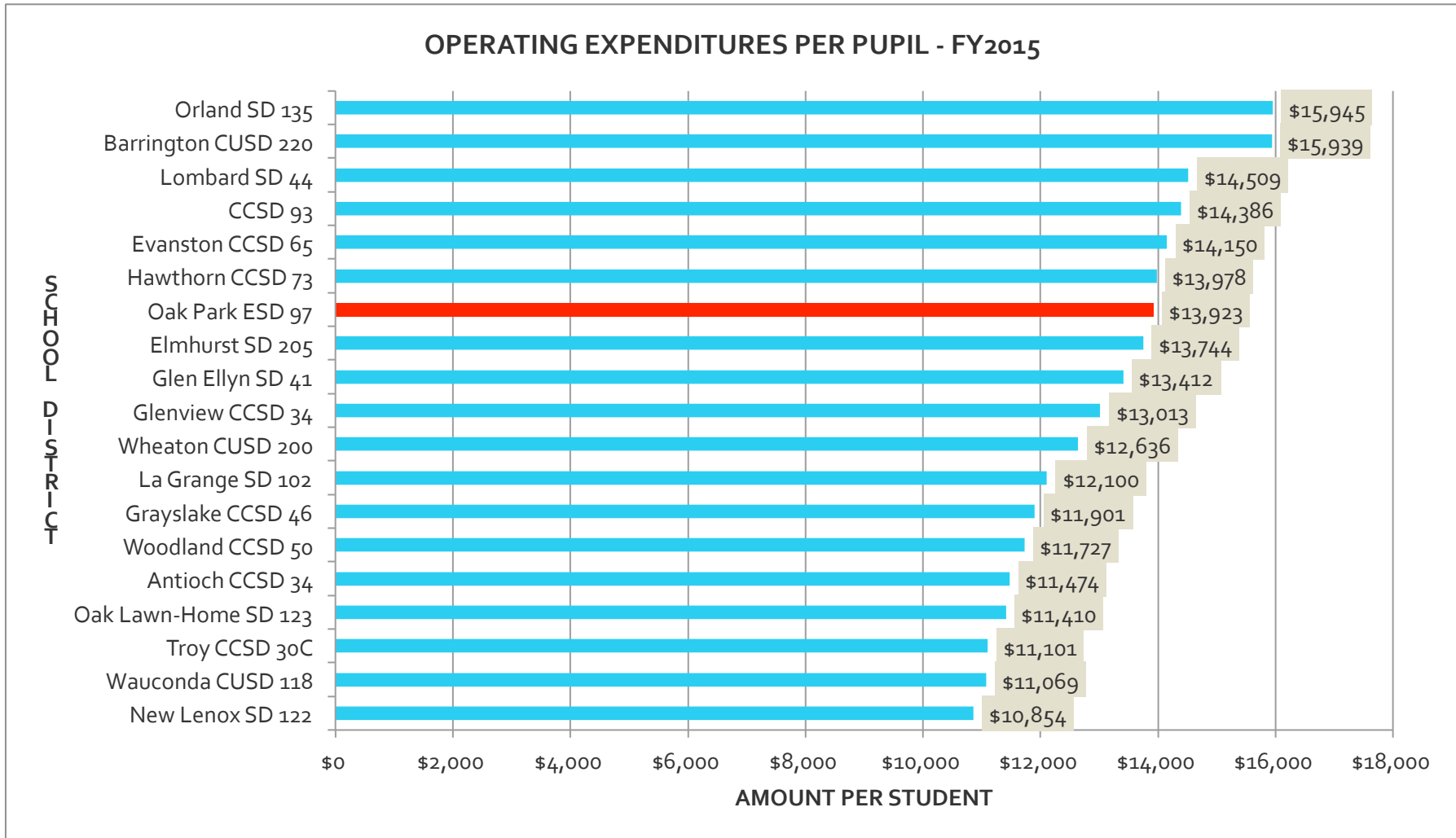
Input Variables and Criteria

- County** – Restricted to tax-capped counties in roughly the same employment market region (Cook, Lake, DuPage, Will)
- District Type** – High school-only districts are excluded; unit districts are included but some variables scaled separately
- Number of Students** – To make like comparisons among elementary and unit districts and those districts with and without pre-K, only the enrollment of K-8 students are used
- Equalized Assessed Value (EAV) per Student** – As with number of students, in order to make like comparisons, the EAV will be divided by the number of K-8 students
- Percent of Low Income Students**

For the three numeric variables (C, D, and E), included districts are between .5-2x D97's values, which allows D97 to be roughly at the median for those values among identified peers.

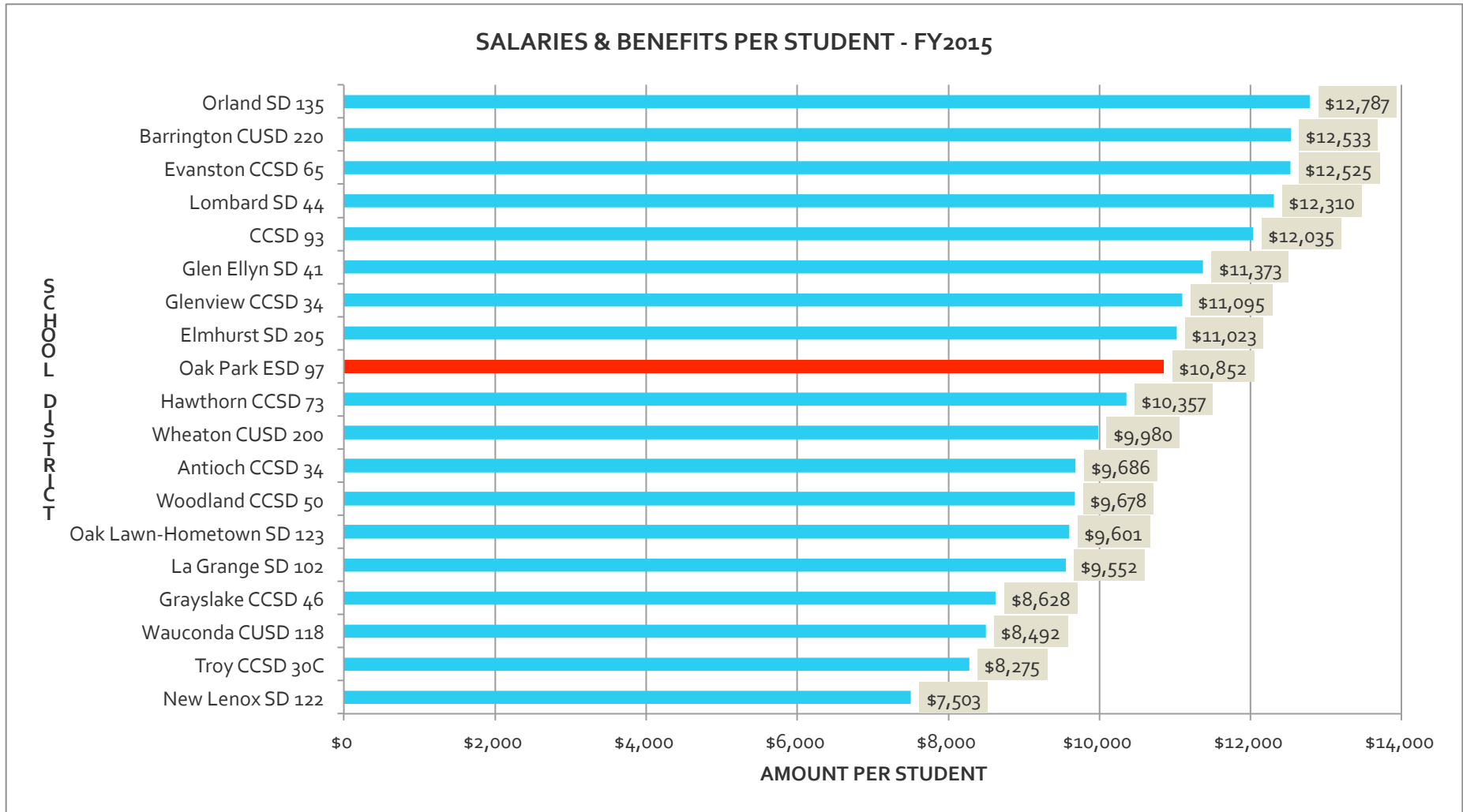
D97 Peer Districts		
District	County	District Type
Oak Park ESD 97	COOK	Elementary District
Antioch CCSD 34	LAKE	Elementary District
Barrington CUSD 220	LAKE	Unit District (K-12)
CCSD 93 (Carol Stream)	DUPAGE	Elementary District
CUSD 200 (Wheaton)	DUPAGE	Unit District (K-12)
ELMHURST SD 205	DUPAGE	Unit District (K-12)
Evanston CCSD 65	COOK	Elementary District
GLEN ELLYN SD 41	DUPAGE	Elementary District
Glenview CCSD 34	COOK	Elementary District
Grayslake CCSD 46	LAKE	Elementary District
HAWTHORN CCSD 73	LAKE	Elementary District
La Grange SD 102	COOK	Elementary District
Lombard SD 44	DUPAGE	Elementary District
New Lenox SD 122	WILL	Elementary District
Oak Lawn-Hometown SD 123	COOK	Elementary District
Orland SD 135	COOK	Elementary District
Troy CCSD 30C (Joliet/Plainfield)	WILL	Elementary District
Wauconda CUSD 118	LAKE	Unit District (K-12)
WOODLAND CCSD 50 (Gurnee)	LAKE	Elementary District

PEER DISTRICT COMPARISON: PER-PUPIL SPENDING



Average operating expenditures per pupil among peer districts is \$13,014; D97 is within 7% of average

PEER DISTRICT COMPARISON: SALARIES & BENEFITS EXPENSE PER STUDENT

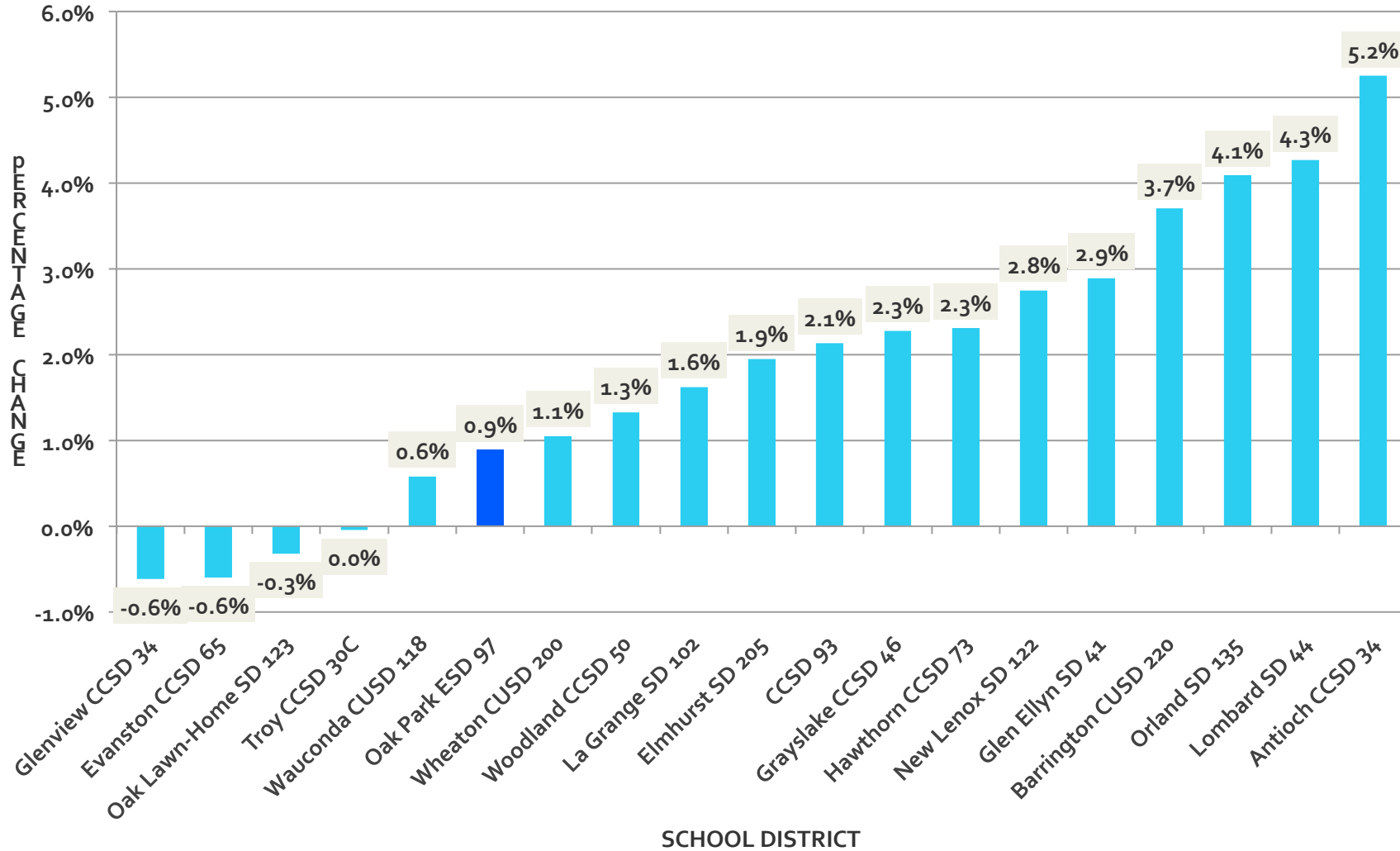


Average salaries and benefits per pupil among peer districts is \$10,436; D97 is within 4% of average

PEER DISTRICT COMPARISON: PER PUPIL EXPENDITURE GROWTH



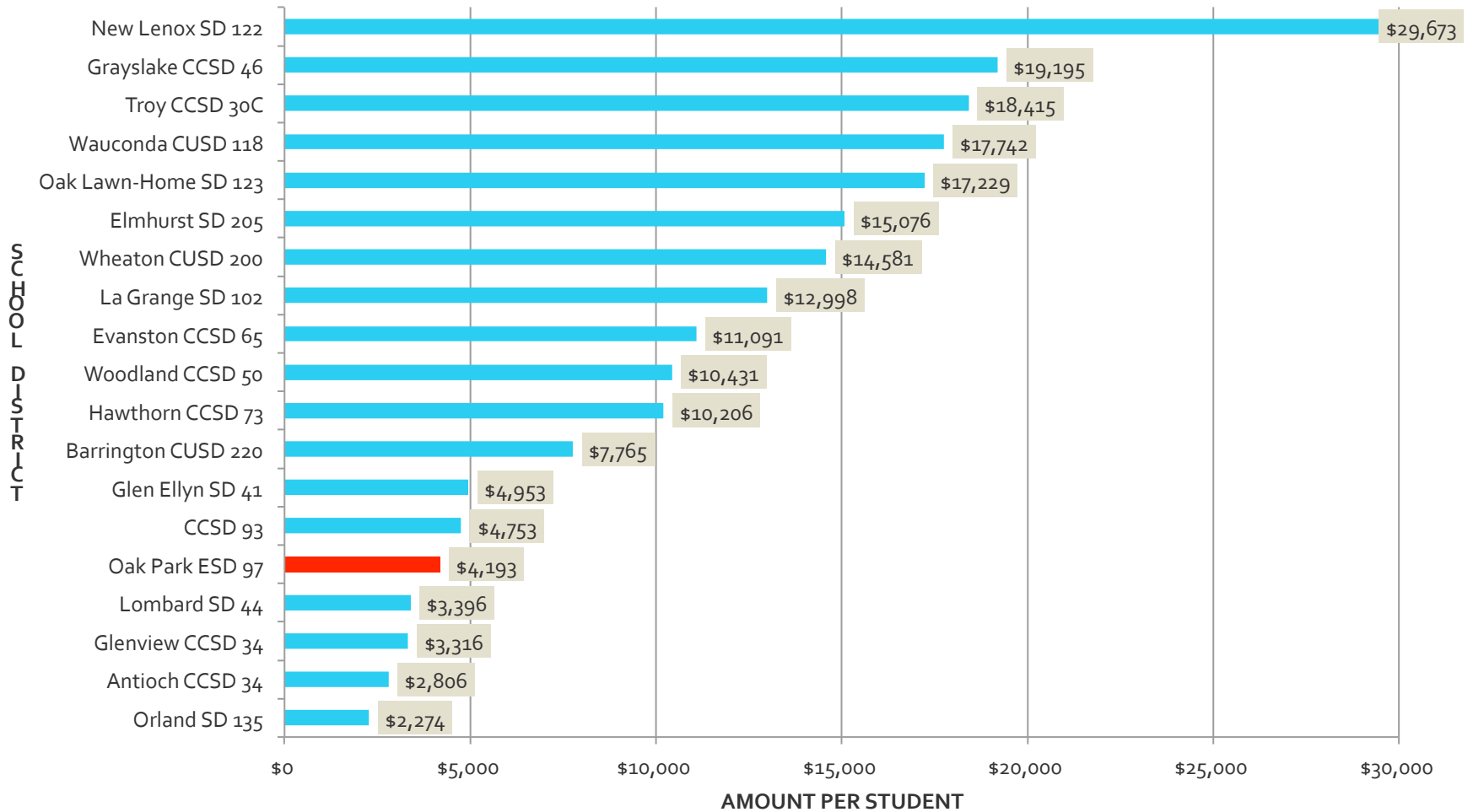
OPERATING EXPENDITURES PER PUPIL (5 YEAR ANNUALIZED % CHANGE FY2010 - FY2015)



PEER DISTRICT COMPARISON: PER PUPIL LONG-TERM DEBT



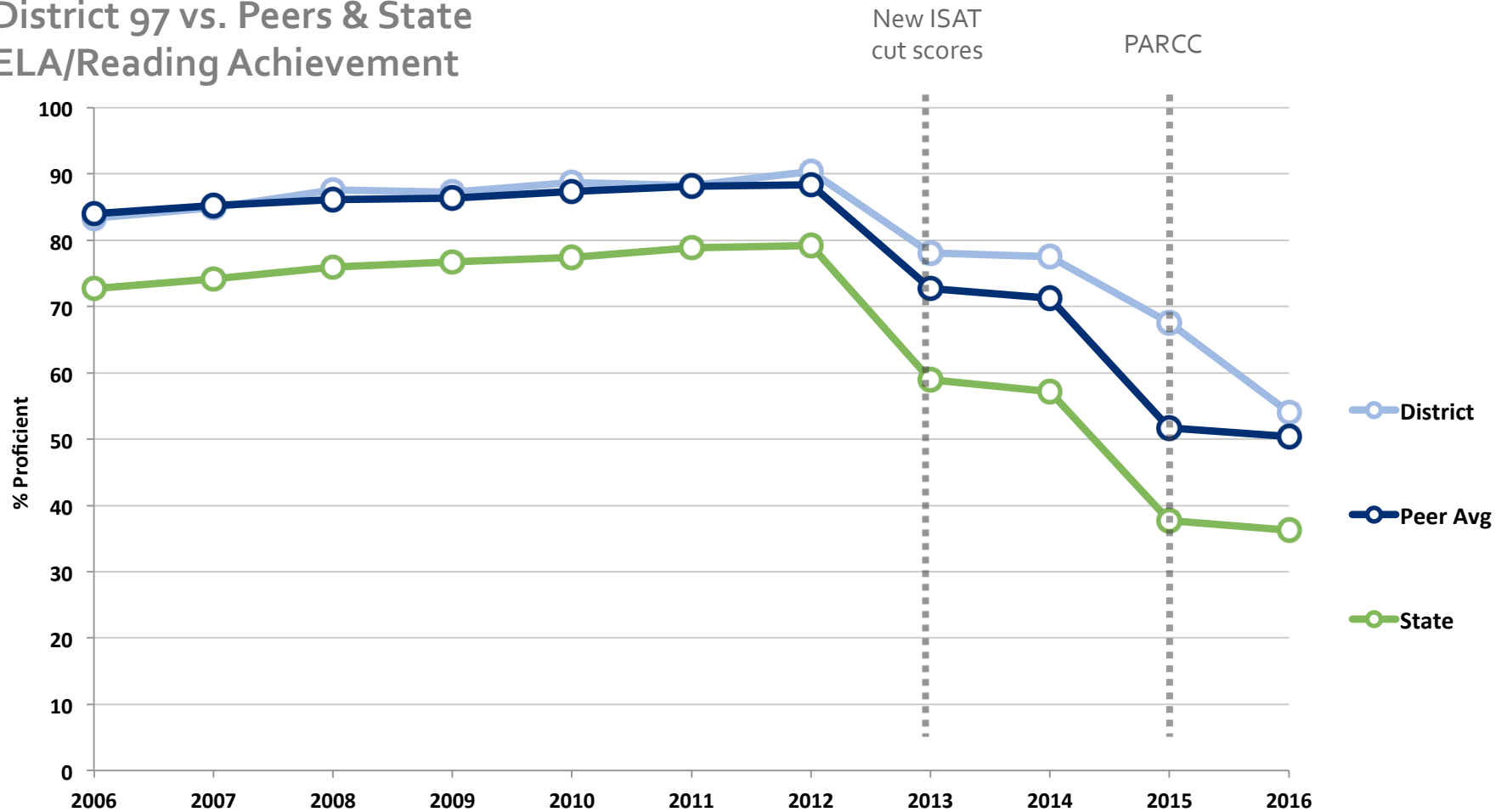
LONG-TERM DEBT PER STUDENT - FY2015



PEER DISTRICT COMPARISON: ELA/READING STUDENT ACHIEVEMENT



District 97 vs. Peers & State ELA/Reading Achievement

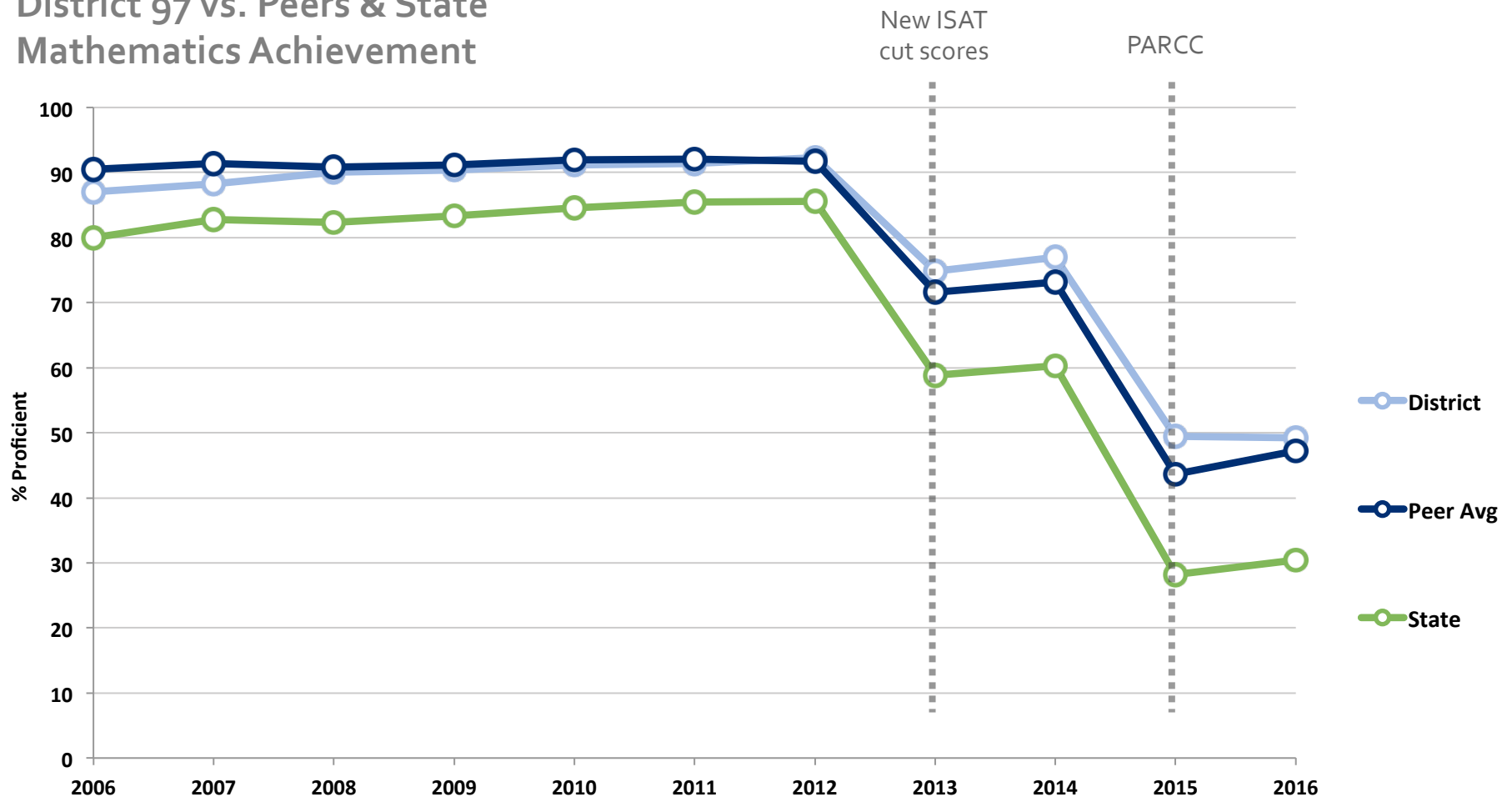


Source: ECRA Group, December 2016



PEER DISTRICT COMPARISON: MATHEMATICS STUDENT ACHIEVEMENT

District 97 vs. Peers & State Mathematics Achievement



Source: ECRA Group, December 2016



WHAT ARE THE KEY FEATURES OF D97'S CURRENT COLLECTIVE BARGAINING AGREEMENT WITH TEACHERS?

- ❖ In January 2015 the board and its OPTA partners concluded a 14 month negotiation process by arriving at a new collective bargaining agreement for certified staff
- ❖ The negotiations were conducted with the 2017 operating funds referendum in mind; one of the objectives being to “tilt” the expense growth trajectory to a more sustainable level
- ❖ The current agreement runs through June 2018

2014-2018 OPTA Collective Bargaining Agreement – Key Outcomes

- Establishment of a sustainable compensation structure
- Replacement of traditional steps and lanes (25 steps with 8 lanes) with a compressed salary schedule featuring four bands and five recognitions that emphasize teacher effectiveness, including National Board certification
- Elimination of automatic increases for any teacher who receives a summative evaluation of unsatisfactory or needs improvement
- Introduction of a higher average starting salary that aligns District 97 more closely with other districts in the area and helps attract and retain highly qualified and skilled teachers
- Creation of a 403(b) plan, which includes a 50 percent district match up to a maximum of two percent for all OPTA members; offers greater stability, enables teachers to diversify their retirement funds, and provides an additional aspect for recruitment and retention
- Phase-out of the “4x6” retirement option (four consecutive years with a six percent increase to salary base; a.k.a. “pension spiking”)
- Transition to a health insurance system in which the district contributes a set dollar amount based on the type of coverage (e.g., single, family, etc.) in order to make contributions more consistent and predictable
- Equal split between the district and individual OPTA members of the cost of annual health insurance premium increases over seven percent on any plan
- Establishment of new leadership opportunities and roles/stipend positions to support key areas such as curriculum development, use of data, and assessment
- Offers professional development opportunities focused specifically on diversity



WHAT HAPPENS IN THE EVENT OF REFERENDA FAILURE?

A key component of the district's referenda planning process is for the administration to identify reductions that it recommends be made if the referenda fail. While the board is not expected to review and vote on the administration's recommendations until January 2017, these types of reductions typically include or result in the following:

1. Reduction-in-force of certified staff
2. Increase in average class sizes
3. Elimination of various programs and services
4. Deferment of expansions to address capacity, necessitating consideration of alternative capacity strategies such as temporary classrooms, grade level centers, larger class sizes, and/or re-drawing of school boundaries
5. Deferment of anticipated maintenance, which may result in emergency repairs that are more costly and/or disruptive to instruction
6. Consideration of future referenda, but from a deeper deficit position
7. Various violations of fiscal policies 4:12 and 4:42
 - Use of DSEB to fund operating expenses
 - Fund balance maintained below 25%
 - Structural deficit spending, triggering state intervention
 - Deterioration of credit rating, increasing borrowing costs
 - Facilities investments well below peer districts

VISION



Oak Park Elementary School District 97 will create a positive learning environment for all students that is equitable, inclusive and focused on the whole child

2016-17 GOALS TO SUPPORT THE VISION (THE "BIG ROCKS"):

1. Align D97 systems, structures, and processes to reflect our stated value of educating the whole child (e.g. we act in ways that reflect our understanding of supporting the successful development of each and every student)
2. Establish a comprehensive system of support for all District 97 staff



THANK YOU!

For follow up questions and
Information, please contact us.



OAK PARK ELEMENTARY SCHOOL DISTRICT 97

Dr. Carol Kelley, Superintendent

BOARD OF EDUCATION

Jim Gates, President

Amy Felton, Vice President

Graham Brisben

A. Rupa Datta

Jim O'Connor

Bob Spatz

Holly Spurlock

Sheryl Marinier, Board Secretary

260 Madison St.

Oak Park, IL 60302

(708) 524-3000

www.op97.org