



*...the educational prism through which students realize meaning and purpose in their lives...*

---

**TO: Dr. Albert G. Roberts, Superintendent of Schools**

**FROM: Therese M. O'Neill, Asst. Supt. for Finance & Operations**

**RE: Five-Year Financial Projections – August 24, 2010 Board Meeting**

**DATE: August 19, 2010**

Attached are the five-year financial projections prepared by Steve Miller and me for the Board's review at its August 24, 2010 meeting. These projections:

1. Include the unaudited actuals from the 2009-10 fiscal year.
2. Include the tentative 2010-11 budget as presented at the July 13, 2010 meeting.
3. Include 2009-10 state receipts of \$1,583,000 received in early August. DO NOT include any other state monies due from 2009-10.
4. Include the current revenue projections from the Downtown TIF.
5. DO NOT include any projected receipts from the Madison Street TIF until we have a clear understanding of language regarding repayment of the Sale/Leaseback monies.
6. Include the 5-year technology plan previously presented to the Board although authority to proceed was only given for the first year (2010-11).
7. With the exception of the Education Fund, all operating funds maintain a positive year-end fund balance through Fiscal Year 2015.
8. As anticipated, the Tort Fund (non-operating) zeroes itself out during Fiscal Year 2012 and all expenditures once allocated here return to the Education Fund.

As has been past practice, when financial projections are presented to the Board, Steve Miller has attended these meetings and presented with me. His schedule includes attendance at the August 24, 2010 meeting.

On a separate note, a message was received from the State Superintendent of Schools, Chris Koch, this past Monday morning, August 17, 2010, which read as follows:

Last week, Congress passed and the President signed a \$26 billion Education Jobs Fund bill that will mean an additional \$415 million for Illinois schools. I know there are a lot of questions about this legislation.

We are in the process of reviewing the application which was posted Friday and hope to be able to turn it around soon for federal approval. The state must meet certain maintenance of effort requirements and the governor must provide other assurances, but I do not believe these will be barriers to our receipt of these funds.

The agency will take the lead in filling out the application, much like we did with the State Fiscal Stabilization Fund dollars, and will work with Governor Quinn to submit it as quickly as possible. Federal officials say they should be able to begin sending money back to the states within a couple of weeks of receiving a completed application.

I know many of you were concerned that the state would use this money for cash-flow purposes, or simply to pay off what already owed to you. That is not the case. This indeed will mean additional funds to be disbursed to school districts based on the General State Aid Formula. Instead of looking at a \$311 million cut from FY 2010, the Education Jobs Fund will actually translate into an increase of approximately \$100 million for our schools in FY 2011.

In a call late last week with U. S. Department of Education officials, it was clear these are one time funds to support salary and benefits for teachers and building level administrative and support staff. You will not be required to fill out a new application, but the same transparency and accountability measures required under the provisions of American recovery and Reinvestment Act State Fiscal Stabilization Funds (ARRA-SFSF) funds are required of these funds. You will be expected to provide quarterly reports on jobs retained, saved or created. These funds will be available during the upcoming school year and it is expected that they will be spent during that time. Guidance on local use of funds can be found at <http://www2.ed.gov/programs/educationjobsfund/applicant.html>.

At 5:19 p.m. on Monday, August 17, 2010, State Superintendent Chris Koch, sent this message (only delineating a portion):

Governor Pat Quinn submitted Illinois' application for its share of the \$26 billion Education Jobs Fund bill. Illinois schools will receive an additional \$415 million through this legislation.

To assist you in your planning, we have posted preliminary calculations for gross GSA and Education Jobs Funds (single sheet attached). These are preliminary numbers that will likely change and should only be used for planning purposes at this time, but will give you a good idea of what you can expect to receive.

For District 97, utilizing the full foundation level (\$6,199), our overall GSA should be \$8,905,605.86 and the preliminary benefit to be received has been demonstrated as \$823,660.56; however, we chose to use a \$450 reduction, or \$5,669, or a reduction of approximately 7.35%. Reducing the preliminary \$823,660.56 by 7.35% suggests an additional amount of \$763,121.51. None of these proposed monies have been included in these projections.

tmo

Attachment (1)

