



NEWS

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64 Park Ridge-Niles

164 S. Prospect Avenue

Park Ridge, IL60068-4079

(847) 318-4300

FAX: (847) 318-4351

For information, contact:

Dr. Sally Pryor, Superintendent, 847-318-4300

Bernadette Tramm, Public Information Coordinator, 847-318-4343

FOR IMMEDIATE RELEASE:

October 24, 2006

District 64 agrees to financial "planning scenario"

The District 64 Board of Education will be updating its official financial forecast model to reflect input received from the Community Finance Committee this fall. Meeting as a Committee-of-the-Whole on Finance on October 23, the Board heard a side-by-side analysis from Business Manager Bruce Martin of the District's original 2005 model compared with a scenario from the CFC's Financial Structure Subcommittee report presented to the Board in September. The CFC is an independent advisory group of almost 30 members established in February 2004 to analyze and recommend strategies to maintain and improve the District's financial health.

"Overall, both sets of assumptions identify the same key variables that have the greatest impact on the District's financial performance," Martin told the Board. He noted the CFC projections extend through 2014-15, while the District estimates are carried forward only four more years. Board Members Steve Latreille and Marty Joyce also reviewed the CFC model, which was based largely on the District's projections. "We found it to be very robust, and that it's a reasonable set of assumptions that would be a prudent planning stance for District 64," they said. The CFC model confirms that a "chronic structural imbalance" exists between rising expenses compared to tax-capped revenues, and that this imbalance will continue under the current operating environment. "While the previous District 64 projections show smaller annual deficits compared to the CFC model, both show the Operating Fund balance quickly dropping to about 10%. We know that a 10% fund balance is insufficient to meet the District's cash flow needs on an ongoing basis," Latreille added.

Based on this discussion, the Board asked Martin to extend District 64's projections further into the future, to update the forecasts to include 2006 data, and to modify some of the assumptions for key variables based on the CFC report. The Board agreed that this "planning scenario" would guide its financial analysis in coming weeks when it studies the impact on both taxpayers and the District of a possible referendum to provide additional revenue for schools.

For more information, please see the District 64 Web site: www.d64.org.

#