

BOARD OF EDUCATION
COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64

COMMITTEE-OF-THE-WHOLE: FINANCE
Monday, February 6, 2017
7:15 p.m.

Jefferson School – Multipurpose Room
8200 Greendale Avenue
Niles, IL 60714

AGENDA

APPENDIX

1. Call to Order and Roll Call
2. Enrollment Projections for 2017-18 School-Year and Discussion on Staffing 2017-18 1
3. Funding of District Construction Projects 2
4. Financial Projections 3
5. Adjournment

To: Board of Education
Laurie Heinz, Superintendent

From: Luann Kolstad, Chief School Business Official
Joel Martin, Assistant Superintendent for Human Resources
Brian Imhoff, Assistant Chief School Business Official

Date: February 6, 2017

Subject: Enrollment Projections for 2017-18 School Year and Discussion on Staffing 2017-18

Background on Enrollment Projection Methods

Projecting student enrollment is the first step in predicting staffing needs for the upcoming 2017–2018 school year. In previous years the District used the rollover method for projecting enrollment. The rollover method moves all students currently enrolled into the next grade level for the upcoming school year and assumes the incoming kindergarten class will be the same size as the current kindergarten class. Last year the District began using a new method called the cohort survival method. The cohort survival method is a more reliable projection than a straight rollover projection because it takes into account live birth data and previous enrollment experience to determine whether enrollment will increase or decrease each year.

It's important to remember that every set of enrollment projections contains many assumptions that could cause actual enrollment to vary. The cohort survival method does not take into account the current housing market, new building developments, or community age demographics. However, it is a relatively easy, cost-free method that allows District administration to update projections annually.

Explanation of the Cohort Survival Method

Here is a quick recap of how the cohort survival method works. A cohort is a group of students within a grade level (e.g. kindergarten). The model projects increases or decreases to the enrollment of the cohort as it advances to each subsequent grade level by averaging the increases or decreases of cohorts at the same grade level in previous years.

Projecting Kindergarten Enrollment

The most difficult part of each year's enrollment projection is predicting the kindergarten cohort. The District uses live birth data from the Cook County Department of Public Health for the zip codes served by the District (60068 and 60714). The number of births is compared to the number of kindergarten students that enroll in the District five years later to calculate an average enrollment percentage. The five-year lag between a child's birth and enrollment in the District is very important.

Since Cook County is consistently late in publishing live birth data, the District does not always have the information needed to predict kindergarten enrollments more than 2-3 years into the future.

District 64 Trends

The District developed the current projections by using ten years of historical enrollment data. There were certainly some years that were outliers, but in general, the District experiences the following enrollment trends:

- An increase in enrollment of about 12% between kindergarten and 1st grade
- An increase in enrollment of about 4% between 1st and 2nd grade
- An increase in enrollment of between 1% and 3% for remaining grades

Even though all of these trends indicate enrollment increases, there is still potential for a decrease in total enrollment if the incoming kindergarten cohort is smaller than the graduating 8th grade cohort it is replacing.

Recap of Prior Year Projections

A summary of the 2016-17 enrollment projections using the cohort survival method versus the rollover method is shown below.

	2016-17 6th Day of Attendance	Cohort Survival Projection	Cohort Survival Variance	Rollover Method Projection	Rollover Method Variance
Enrollment	4,428	4,366	-62	4,254	-174
Class Sections	187	188	+1	185	-2

While no enrollment model will ever be perfect, the cohort survival method was a significant improvement over the old rollover method. A closer look at the data indicates that a large fluctuation of families with school-age children have moved into the District within the last five years. This is evident by the ratio of enrolled kindergarten students to live births increasing 10-15% during that same timeframe. The District’s kindergarten enrollment prediction in 2016-17 was too low by 43 students because the current cohort survival model uses ten years worth of enrollment history. If the same trend of families moving into the District continues again this year, the model will need to be modified to use fewer years of historical enrollment in the projection.

Reduction in Force

In preparation of the 2017–18 budget, the administration is continually analyzing staffing needs. This always includes a review of current staffing for efficiencies with an understanding that any proposed changes in certified and/or classified staff will be made in accordance with collective bargaining agreements (CBAs), the Illinois School Code, and any other applicable state and federal laws. Actual

employment, dismissals or reductions in force of staff occur when the Board of Education approves personnel reports in the consent agenda or is asked to pass specific resolutions as an action item (e.g. reduction in force resolutions). By law, Reduction in Force (RIF) for certified staff must occur seventy-five days prior to the end of the school year.

With the exception of staff listed on the attached chart, it is anticipated that all other current positions will be factored into the 2017-18 school budget.

2017-18 Enrollment Projections

The District's enrollment projections anticipate an increase of 45 students and four additional sections for the 2017-18 school year (one at Field, two at Roosevelt, and one at Emerson). Additionally, there are four "bubble sections" that are within three students of exceeding the class size guideline. A "bubble section" is a cohort of students at a particular building with the potential of exceeding the class size guideline prior to the start of the school year. Historically, if a "bubble section" does exceed the class size guideline prior to the start of the school year, the District opens another section and hires a teacher. The result of adding a new section at a specific grade level in turn, results in the addition of a special section (Art, Music, P.E., Spanish) which may require additional staff or an increase in Full Time Equivalent (F.T.E.) in one or more of those areas.

As in past years the administration is requesting authorization from the Board of Education to hire the appropriate staff should the need arise due to enrollment changes at a particular grade level that exceed class size guidelines (bursting of a "bubble). Please note that the administration does not move forward with the hiring of any staff member until all students in the particular cohort that has exceeded the class size guideline have proven residency and completed the enrollment process. As always, once the registration period begins for the 2017-18 school year, the District will be better able to determine if any additional staff is required.

As noted in Attachment 1, the administration is not recommending the hiring of any additional staff due to changes in programs or services for 2017-18. The only staffing changes we foresee at this time are those resulting from fluctuations in enrollment.

Since the enrollment projections are calling for an increase in both enrollment and sections for the 2017-18 school year, administration will not be recommending a RIF of K-8 teachers strictly based on enrollment projections. However, the District may need to RIF teachers to account for staff returning from leaves, returning to full-time from part-time, the end of job-shares, or changes in enrollment in other programs. Annually the District releases its entire non-tenured part-time staff, as we are unable to identify at this time if there will be a need for part-time staff for the 2017-18 school year. As a reminder if the District does not dismiss this group of employees the District would be obligated to rehire them at the same part-time F.T.E. status for the upcoming school year.

Park Ridge-Niles School District 64
2017-18 Enrollment/Section Projections with Average Class Size
Cohort Survival Method

	K	1	2	3	4	5	6	7	8	Totals		
<i>Class Size Guideline</i>	22	24	24	26	26	28	28	28	28			
							2017-18	2016-17	Change			
Carpenter	64	82	68	85	77	87				463	460	3
Sections	3	4	3	4	3	4				21	21	0
Avg Class Size	21.33	20.50	22.67	21.25	25.67	21.75						
Field	92	123	104	100	128	122				669	665	4
Sections	5	6	5	4	5	5				30	29	1
Avg Class Size	18.40	20.50	20.80	25.00	25.60	24.40						
Franklin	68	84	88	94	82	81				497	511	-14
Sections	4	4	4	4	4	3				23	23	0
Avg Class Size	17.00	21.00	22.00	23.50	20.50	27.00						
Roosevelt	91	110	102	134	97	142				676	670	6
Sections	5	5	5	6	4	6				31	29	2
Avg Class Size	18.20	22.00	20.40	22.33	24.25	23.67						
Washington	88	100	125	98	119	109				639	625	14
Sections	4	5	6	4	5	4				28	28	0
Avg Class Size	22.00	20.00	20.83	24.50	23.80	27.25						
Emerson							299	288	267	854	815	39
Sections							11	11	10	32	31	1
Avg Class Size							27.18	26.18	26.70			
Lincoln							211	247	244	702	709	-7
Sections							8	9	9	26	26	0
Avg Class Size							26.38	27.44	27.11			
Total Students	403	499	487	511	503	541	510	535	511	4,500	4,455	45
Total Sections	21	24	23	22	21	22	19	20	19	191	187	4
2016-17 Sections	22	21	23	21	23	20	20	19	18			
Change	-1	3	0	1	-2	2	-1	1	1			

DISTRICT-WIDE ENROLLMENT PROJECTIONS

School Year	K	1	2	3	4	5	6	7	8	Total	Change from Prior
2016-17	444	468	500	489	534	496	529	509	486	4,455	

Projected:

2017-18	403	499	487	511	503	541	510	535	511	4,500	45
2018-19	407	454	518	497	526	510	556	517	537	4,522	22
2019-20	452	459	472	529	512	532	524	563	519	4,562	40
2020-21	414	510	477	482	545	518	547	531	565	4,589	27
2021-22	414	467	530	487	495	552	532	554	533	4,564	-25

CARPENTER - ENROLLMENT HISTORY & PROJECTIONS

School Year	K	1	2	3	4	5	Total	Change from Prior
2007-08	65	53	59	52	66	76	371	
2008-09	48	75	53	60	53	63	352	-19
2009-10	62	49	73	57	59	53	353	1
2010-11	79	67	52	75	57	60	390	37
2011-12	59	77	66	55	72	55	384	-6
2012-13	72	66	79	67	55	75	414	30
2013-14	61	82	70	85	65	60	423	9
2014-15	73	68	82	73	83	66	445	22
2015-16	60	79	74	83	76	82	454	9
2016-17	73	65	83	75	86	78	460	6

Projected:

2017-18	64	82	68	85	77	87	463	3
2018-19	64	72	85	69	87	78	455	-8
2019-20	72	72	75	87	71	88	465	10
2020-21	66	81	75	77	90	72	461	-4
2021-22	66	74	84	77	79	91	471	10

FIELD - ENROLLMENT HISTORY & PROJECTIONS

School Year	K	1	2	3	4	5	Total	Change from Prior
2007-08	97	102	100	114	97	111	621	
2008-09	99	103	111	102	121	101	637	16
2009-10	91	108	113	112	110	124	658	21
2010-11	84	99	112	120	121	109	645	-13
2011-12	76	105	110	116	123	123	653	8
2012-13	86	91	108	108	123	123	639	-14
2013-14	106	102	103	114	110	122	657	18
2014-15	85	119	109	106	116	116	651	-6
2015-16	84	99	122	115	107	122	649	-2
2016-17	109	100	98	124	120	114	665	16

Projected:

2017-18	92	123	104	100	128	122	669	4
2018-19	93	104	128	106	103	130	664	-5
2019-20	101	105	108	131	109	104	658	-6
2020-21	93	114	109	110	135	110	671	13
2021-22	93	105	119	111	113	137	678	7

FRANKLIN - ENROLLMENT HISTORY & PROJECTIONS

School Year	K	1	2	3	4	5	Total	Change from Prior
2007-08	75	83	77	69	75	84	463	
2008-09	79	78	81	77	74	79	468	5
2009-10	54	83	83	78	83	71	452	-16
2010-11	67	68	83	90	77	85	470	18
2011-12	73	72	70	87	86	79	467	-3
2012-13	53	82	71	66	91	90	453	-14
2013-14	65	71	90	70	71	89	456	3
2014-15	72	79	73	92	71	75	462	6
2015-16	74	86	87	79	95	72	493	31
2016-17	75	85	92	80	80	99	511	18

Projected:

2017-18	68	84	88	94	82	81	497	-14
2018-19	69	77	87	90	97	83	503	6
2019-20	76	78	80	89	93	98	514	11
2020-21	69	86	81	82	92	94	504	-10
2021-22	69	78	89	83	84	93	496	-8

ROOSEVELT - ENROLLMENT HISTORY & PROJECTIONS

School Year	K	1	2	3	4	5	Total	Change from Prior
2007-08	114	116	101	116	134	119	700	
2008-09	78	119	114	100	115	135	661	-39
2009-10	94	88	121	117	101	118	639	-22
2010-11	105	103	93	128	121	103	653	14
2011-12	82	118	104	90	129	117	640	-13
2012-13	111	97	129	105	95	130	667	27
2013-14	69	131	99	130	105	94	628	-39
2014-15	104	88	132	106	128	102	660	32
2015-16	85	124	90	135	113	136	683	23
2016-17	98	98	131	94	140	109	670	-13

Projected:

2017-18	91	110	102	134	97	142	676	6
2018-19	92	102	114	104	138	98	648	-28
2019-20	103	104	106	116	107	140	676	28
2020-21	94	116	108	108	119	108	653	-23
2021-22	94	106	121	110	111	121	663	10

WASHINGTON - ENROLLMENT HISTORY & PROJECTIONS

School Year	K	1	2	3	4	5	Total	Change from Prior
2007-08	95	110	96	95	106	105	607	
2008-09	87	104	116	96	98	104	605	-2
2009-10	104	95	102	119	102	97	619	14
2010-11	79	111	102	103	126	101	622	3
2011-12	81	81	110	105	101	129	607	-15
2012-13	91	84	88	115	109	107	594	-13
2013-14	92	103	88	88	121	110	602	8
2014-15	88	107	109	89	99	121	613	11
2015-16	97	95	111	105	89	98	595	-18
2016-17	89	120	96	116	108	96	625	30

Projected:

2017-18	88	100	125	98	119	109	639	14
2018-19	89	99	104	128	101	121	642	3
2019-20	100	100	103	106	132	102	643	1
2020-21	92	113	104	105	109	134	657	14
2021-22	92	104	117	106	108	110	637	-20

EMERSON - ENROLLMENT HISTORY & PROJECTIONS

School Year	6	7	8	Total	Change from Prior
2007-08	253	281	263	797	
2008-09	261	266	282	809	12
2009-10	236	266	272	774	-35
2010-11	260	243	266	769	-5
2011-12	258	254	248	760	-9
2012-13	269	258	260	787	27
2013-14	291	279	259	829	42
2014-15	272	288	276	836	7
2015-16	258	265	283	806	-30
2016-17	285	266	264	815	9

Projected:

2017-18	299	288	267	854	39
2018-19	298	303	289	890	36
2019-20	299	302	304	905	15
2020-21	298	303	303	904	-1
2021-22	283	302	304	889	-15

LINCOLN - ENROLLMENT HISTORY & PROJECTIONS

School Year	6	7	8	Total	Change from Prior
2007-08	248	275	243	766	
2008-09	239	247	274	760	-6
2009-10	248	242	251	741	-19
2010-11	231	245	240	716	-25
2011-12	212	232	238	682	-34
2012-13	257	223	240	720	38
2013-14	245	260	228	733	13
2014-15	209	245	263	717	-16
2015-16	234	216	238	688	-29
2016-17	244	243	222	709	21

Projected:

2017-18	211	247	244	702	-7
2018-19	258	214	248	720	18
2019-20	225	261	215	701	-19
2020-21	249	228	262	739	38
2021-22	249	252	229	730	-9

Park Ridge - Niles Community Consolidated School District 64
 2017-18 Staff Requests

Position	FTE Change	Comments	Cost Impact	Employee Category
Enrollment Changes				
PREA - Teacher	0.00	No reduction in grades 1-8 due to enrollment fluctuations	\$0	PREA
PREA - Teacher	4.00	Classes that have exceeded the class size guide using the cohort survival method	\$212,224	PREA
PREA - Teacher	4.00	Classes within 3 of exceeding the class size guide (bubbles)	\$212,224	PREA
PREA - Teacher	2.50	"Bubble" sections for specials (Art, Music, P.E., etc.) should extra section be needed	\$132,640	PREA
			\$557,088	
Changes in Programs or Services				
			\$0	
			\$0	
Summary of Board Approved Positions				

<i>Total Estimated Salary Impact</i>	\$557,088
<i>Total Estimated Benefit Impact</i>	\$111,418
<i>Total Estimated Cost</i>	\$668,506

To: Board of Education
 Dr. Laurie Heinz, Superintendent
 From: Luann Kolstad, Chief School Business Official
 Date: February 6, 2017
 Subject: Funding of District Construction Projects

At the November 28, 2017 Board of Education Meeting, Elizabeth Hennessy from William Blair reviewed with the Board the Outstanding Debt Service and potential funding options for summer 2017 construction. Since that time, both the series 1997 Referendum Bonds issued for the construction of Emerson School and the series 1997 Working Cash Bonds have been paid off. Currently, the District has outstanding series 2001 bonds in the amount of \$805,200 and series 2014 bonds (used for Field School projects) in the amount of \$8,841,300.

Now that the Health Life Safety, Critical Infrastructure and Capital Projects have been identified, the administration is recommending that the Board consider adopting a resolution giving the Board the authority to issue \$33M in a combination of Working Cash bonds and debt certificates to pay for all of the HLS category B projects (required), Critical Infrastructure category 2 projects, secure vestibules in the remaining seven schools, and replacement of all flooring at six of the schools. Emerson is not included in the flooring replacement at this time. Jefferson School also is omitted; it will need further analysis and review to determine what the District should do with the facility long term. The key is that the \$33M **will be issued over the next three years** with the Board voting each year to issue the bonds/debt certificates.

The attached chart (Attachment 1) shows in simplified form the anticipated spending each year. This is subject to change as needs surface/change in the buildings. The chart below identifies the projects at a very high level to summarize what is included in the \$33M and what is not.

Projects Included in Funding Request		Projects Not Included in Funding Request
100% Health Life Safety (HLS) B	\$5,820,779.00	Remodeled LRC's at 7 Schools
100% Critical Infrastructure 2	\$12,558,402.00	Redesign of Auditoriums
100% Secure Vestibules in all Schools	\$8,576,726.00	Jefferson School ???
Lincoln LRC	\$636,000.00	Furniture, Fixtures & Equipment
Critical Infrastructure 3	\$802,234.00	Energy Saving Initiatives:
Tuckpointing at Lincoln		LED Lighting
New Flooring in 8 Buildings	\$4,610,000.00	Occupancy Sensors
		New PA and Clocks Systems
Total	\$33,004,141.00	
		<i>Above Projects Need to be further estimated by Studio GC</i>

If the consensus of the Board is to move forward, administration would have the necessary resolutions prepared for action on February 21, 2017 or March 13, 2017. These resolution would give the Board authority to issue a total of \$33 million in Working Cash bonds and/or debt

certificates over three years. However, the Board would still be required to approve the issuance of each individual funding as it is brought forward. It is anticipated that the first issuance (most likely debt certificates) would be in spring 2017 to fund summer 2017 projects and potentially summer 2018.

Park Ridge Niles SD 64

Priority Code	Summer	Estimate Amount
B	2017	\$ 1,707,817
2	2017	\$ 1,816,603
Capital SV	2017	\$ 1,081,080
Capital LRC	2017	\$ 636,000
Total		\$ 5,241,500
B	2018	\$ 450,512
2	2018	\$ 2,534,511
Capital SV R	2018	\$ 2,193,746
Total		\$ 5,178,769
B	2019	\$ 1,215,447
2	2019	\$ 2,499,838
3	2019	\$ 802,234
Capital SV C	2019	\$ 659,291
Capital SV F	2019	\$ 911,831
Total		\$ 6,088,641
B	2020	\$ 1,329,623
2	2020	\$ 3,696,402
Capital SV J	2020	\$ 787,210
Capital SV E	2020	\$ 787,163
Total		\$ 6,600,398
B	2021	\$ 1,117,380
2	2021	\$ 2,011,048
Capital SV F	2021	\$ 2,156,405
Total		\$ 5,284,833
New Flooring		\$ 4,600,000
Total		\$ 32,994,141

To: Board of Education
Dr. Laurie Heinz, Superintendent
From: Luann Kolstad, Chief School Business Official
Date: February 6, 2017
Subject: Financial Projections

As part of our annual financial cycle, once the current year tax levy has been adopted in December and the CPI-U for the next tax levy is released in mid-January, administration brings to the Board updated long-term financial projections.

On the revenue side, this year's CPI-U of 2.1% is considerably higher than the last three years: 1.5% in 2014, .80% in 2015, and .70% in 2016. The CPI-U of 2.1% will directly impact funding during the 2017-18 and 2018-19 fiscal years.

On the expense side, the projections this year also reflect the savings that will be realized from the new Collective Bargaining Agreements reached with the Park Ridge Education Association (PREA) and the Park Ridge Teacher's Assistant Association (PRTAA). The agreements span four years from 2016-17 through 2019-20. Based on current known retirements, the net savings each year are estimated as follows: 2017-18 \$409,000; 2018-19 \$1,417,000; and 2019-20 \$1,615,000. These amounts could potentially be used to issue debt certificates to finance facility improvements.

Additionally, actual salaries have been calculated for existing employees for the next two years under the new PREA and PRTAA contracts. The fourth year of the contract is based on a CPI-U estimate.

Expenses also have been adjusted to include the net cost increase of placing Registered Nurses instead of Health Assistants at all schools, as approved by the Board on November 14, 2016.

Assumptions used previously for other key indicators are unchanged. Administration will review this data and the detailed fund balance projections at the meeting.