



Superintendent's Citizen Finance Advisory Committee Report

February 21, 2012

The mission of North Shore School District 112, a community partnership committed to a world-class education, is to nurture every child to become an inspired learner, a well-rounded individual and contributing member of a global community by striving for excellence within an environment that fosters innovation, respect, engagement and intellectual inquiry.



SUPERINTENDENT’S CITIZEN FINANCE ADVISORY COMMITTEE REPORT

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SCFAC Committee Members

Robert Bernat, Resident, Braeside Parent

Bradly Burke, Resident, Wayne Thomas Parent

Matt Eriksen, Employee, Edgewood Middle School Principal

Courtney Fedacsek, Resident, Green Bay Parent

Kevin Huh, Resident, Oak Terrace and Northwood Parent

Pamela Kramer, Employee, Teacher Union President

Dan Leib, Resident, Ravinia Parent

Dan Littman, Resident, Lincoln Parent

Karla Livney, Resident, Ravinia Parent

Dina Nanberg, Resident, Sherwood Parent

Todd Needlman, Resident, Parent of children in programs outside the district

Tony Minorini, Employee, President, Support Staff Union

Steve Putzel, Resident, Braeside Parent

Tammie Beckwith Schallmo, Resident, Oak Terrace Parent

Anne Stern, Resident, Red Oak Parent

Paul Tatelli, Resident, Oak Terrace Parent

Leonard Tenner, Resident, Parent of district alumni, Lincoln and Edgewood grandparent

Shawn Walker, Employee, Principal, Sherwood School



Superintendent's Citizen Finance Advisory Committee (SCFAC)

Purpose:

- To insure that a broad cross-section of the district has in-depth knowledge of the district's finances and the particular challenges it faces in maintaining long-term financial sustainability
- To provide community members an opportunity to ask questions and offer meaningful input to the administration and superintendent

Responsibilities:

The committee will examine the driving forces that impact the district's revenues and expenditures, and offer broad recommendations to the superintendent regarding fiscal priorities to ensure the district's long-term financial sustainability, including ideas for cost containment or revenue enhancement. It is expected that the committee will provide a summary report to the superintendent that will:

- Identify the district's financial strengths and concerns
- Provide reaction to the district's financial assumptions and input on types of data we should be looking at that we're not currently examining
- Prioritize areas of revenue enhancement or expenditure reduction
- Develop general recommendations on how financial concerns should be addressed moving forward in a way that maintains both quality of education and financial sustainability

Member Expectations:

- Learn and study the issues that impact North Shore School District 112 Finances
- Attend all scheduled committee meetings
- Hold in confidence the detailed conversations held during committee meetings
- Respectfully ask questions and provide feedback during meetings

INTRODUCTION

Like many Illinois school districts, North Shore School District 112 is facing financial challenges. The district's primary source of revenue is from local property taxes, increases in which are capped by state law at the lesser of 5% or the rate of the Consumer Price Index (CPI), plus any tax generated from new construction. Historically low CPI rates over the last three years and the depressed real estate market, combined with increased staff costs due to contractual obligations and staff additions, have contributed to a situation where expenditures are growing faster than revenues. Even though the district has trimmed more than \$3 million from its budget in the last two fiscal years, it has run operating deficits, and has had to draw from its financial reserves. If expenditures and revenues continue at the current pace, financial projections show that the district's reserves will be depleted by the year 2017. Solutions need to be found to ensure the district's long-term financial health.

Embedded in the first line of the district's mission statement is the idea of community partnership, and working together to provide children with a world-class education. All district residents and staff members are important and valuable community partners, and their knowledge and input is essential in shaping the district's future. In this spirit, District Superintendent David L. Behlow, Ph.D. convened an advisory committee made up of a representative group of district stakeholders, with the purpose of educating a broader segment of the community about the district's financial challenges, and asking for direction on possible solutions.

The members of the Superintendent's Citizen Finance Advisory Committee would like to thank the superintendent and the board for allowing us the opportunity to participate and learn about the financial health of our district. Many of the representatives on the committee chose to live in North Shore School District 112 because of its outstanding schools, and hope that a fiscally sound district will support property values and/or are proud to be teachers and administrators in the district.

While the process was beneficial to furthering our understanding, it is also noteworthy that because of a compressed time frame and the solely financial nature of the information provided, there are many more questions than answers that result from a process like this. It is important to note the recommendations from the committee were informed by financial information, and not on information about educational merits or community philosophy. For example, we did not have substantive conversation on the tradeoffs of larger class sizes, if necessary, and their impact on learning nor did we discuss how strongly the community might feel about small neighborhood schools and their potential benefit on learning, community and development.

That said, the information we received tells a story of a district that has a fiscal problem. The district operates old, small and inefficient buildings, and has a structural expense/revenue problem that needs to be solved, as more than 70% of its costs (primarily salaries and benefits) are growing more quickly than its revenues. After a series of three meetings where the committee was presented with in-depth financial

information from District CFO Mohsin Dada and other district administrators, committee members compiled a list of the district's financial strengths, as well as its short-term and long-term financial challenges, all outlined later in this report. It also reviewed a list of 54 recommendations, including those generated in prior year discussions as well as those generated by the committee, and each member gave individual input about how they would prioritize these items and potential actions.

SUMMARY OF KEY FINDINGS

An analysis of the survey results demonstrates that to make an appreciable difference in rectifying the finances of the district and to create financial sustainability for the long-term, SCFAC committee members believe **the only way to have a meaningful impact is to address certain key cost-drivers and revenue producers**. The committee identified key cost drivers and revenue producers in five broad categories, and believes **all items listed below deserve high-priority attention from the Board of Education:**

Compensation

- Consider a review of the employee healthcare and benefits structure (plan design and employee/employer cost share) with the goal of reducing District expenditures. (16 out of 17 gave this medium or high priority)
- Consider restructuring the salary model to include performance and merit-based pay. (15 out of 17 gave this medium or high priority)
- Consider restructuring teacher lane advancement. (15 out of 17 gave this medium or high priority)

Facilities

- Consider a reduction in the number of school buildings. (16 out of 17 gave this medium or high priority)
- Consider reorganizing District schools into grade level centers to achieve economies of scale. (15 out of 17 gave this medium or high priority)

Education Programs

- Consider changes to the Dual Language and World Language programs to obtain greater economic efficiency, including the possibility of implementing fees for Dual Language or consolidating the program into fewer buildings. (16 out of 17 gave this medium or high priority)
- Consider developing District in-house programs to reduce North Shore Special Education Districts program costs. (15 out of 17 gave this medium or high priority)

Personnel

- Consider further personnel reductions to get to staff/student ratios in line with district policies. (15 out of 17 gave this medium or high priority)
- Review how district allocation guidelines with respect to special education conform to national best practices, and apply such standards to reduce personnel costs, specifically with respect to special education teachers, social workers, speech therapists, classroom aides and other paraprofessional staff. (13 out of 17 gave this medium or high priority)
- Consider reducing the number of building and/or district level administrative and administrative support positions, and the reduction of paraprofessional support staff. (12 out of 17 gave this medium or high priority)

Revenues

- Consider pursuing a building bond referendum that would allow the district to issue bonds to fund capital improvements. (16 out of 17 gave this medium or high priority)
- Consider sale of real estate that would be made possible if the number of district buildings are reduced. (15 out of 17 gave this medium or high priority)
- Although support was less well defined for a referendum to increase taxes to fund District operations, the importance of consideration of such a recommendation is apparent. (12 out of 17 gave this medium or high priority)

The committee recognizes many of the above recommendations are controversial if not hot button issues. However, if these third rail issues of District finances are not directly and openly addressed, it is clear to the SCFAC that **within the next one to two year period NSSD112 will pass the tipping point beyond which its financial failure may well become inevitable.**

The changes the board undertakes should be holistic and designed to create the best education system, supported by the most qualified and passionate teachers and administrators. The community values quality education, and if presented properly, residents would embrace investment in education that produces tangible results.

While a potential logical solution revolves around consolidating schools to lower ongoing operating costs, and leverage building maintenance and technology upgrades, we believe there is a long-term challenge not addressed by consolidation alone. As we reviewed the information, it was voiced by some that the model is broken. An operation with 70% of its costs growing more quickly than its revenue year after year is headed for financial challenge. While revenue growth is limited by the Consumer Price Index (CPI), which has averaged just 2.5% over the past 20 years, teacher salaries increased last year by 5.95%. While reducing fixed-cost infrastructure through consolidation can provide a head start and some cushion, the underlying structural problem of revenue vs. expense must be addressed if the district is to achieve long-term financial sustainability.

It would seem that the district's operating deficit of \$1.3 million would be solvable through cost control alone, by balancing diverging trends in staffing and enrollment. In the last ten years, student count is down by only two, while staff is up 114 (and has increased every year except in 2004 when it was down 2 teachers). Had staff numbers kept pace with the student population, the district would not be operating with a deficit at this time. The ratio of staff to students is part of the long-term financial challenge.

A good stable property tax base producing a high revenue per student is a foundation to create a sustained model for the district without the need to tap the \$22.9 million reserve balance. With no debt on the books after this year and historically low borrowing rates, it seems now is the time to undertake a referendum to fund the building and system of the future.

BACKGROUND

Committee Selection Process

On October 28, 2011, an email message was sent via the District's BlackBoard Connect system describing the purpose of the Superintendent's Citizen Finance Advisory Committee and inviting interested parties to apply. The announcement seeking committee members was also posted on the district and all school websites, and included in each school's weekly or daily bulletin. To get word out to community members who do not have children in the school district, Dr. Behlow authored a guest essay published in the Highland Park News on November 10, 2011, briefly describing the district's financial challenges and inviting community members to apply to serve on the committee.

To keep the group at a manageable size and to allow for meaningful discussion and dialogue, participation was capped at 21 members. The district received 48 applications from interested community members. Applicants were asked to provide a brief statement of interest, describe what in their background would make them effective members of a finance advisory committee, state their relationship with the district (parent, employee or community member), and list other areas of district involvement. Most of the applications received were from district parents, many with very strong credentials in finance. All would have been good committee members, so the **selection came down to choosing a group that represented a cross-section of the district.** The original group consisted of 21 members, including five district employees (2 school principals, one teacher, and the president of each collective bargaining union); 13 parents of children currently enrolled in district schools, and three community members who do not currently have children enrolled in district schools. Three original members either never showed up or did not attend after the first meeting, leaving the final group at four district employees, 12 parents and two other community members.

Meeting Structure and Process

The group was initially scheduled to meet for two hours over the course of four Wednesday evenings: November 30, December 14, January 4 and February 8. After the second meeting, it was decided it would be beneficial to add a fifth meeting on January 25 to have time to adequately cover the amount and depth of the material being presented, and to allow adequate time for discussion and questions. All documents and presentations shared with the committee are available on the district website. In between meetings, members were able to ask for additional information, and the documents shared with them are also posted on the district website.

District CFO Mohsin Dada presided over all the meetings. Many district central office administrators were also present at most meetings to answer specific questions, including Assistant Superintendent of Teaching, Learning and Technology Heidi Wennstrom, Assistant Superintendent of Student Services Matt Barbini, Executive Director for Personnel Services John Sprangers, Director of Facilities and Operations John Fuhrer and Community Relations Specialist Andrea Rosen.

Meeting Recap:

November 30: Dr. Behlow welcomed committee members and introduced District CFO Dada, who presented an in-depth overview of district finances, reviewed the reasons district expenditures have been rising faster than revenues, and gave some historical information about budget deficit reductions in prior years.

December 14: Dr. Wennstrom reviewed the District's five-year Strategic Plan, adopted in 2010. John Fuhrer presented a report about the district's aging facilities and discussed the financial challenges of maintaining older buildings. Of the district's 12 schools, only Oak Terrace is less than 50 years old. CFO Dada gave additional financial information about the district's level of debt, and more detailed information about district salaries.

January 4: CFO Dada presented more in-depth information about the district's revenue and expenditures, including historical CPI information, flat or declining state and federal aid, an in-depth breakdown of salary and lane change expenditures, and an in-depth discussion of health insurance costs.

January 25th: In the first part of the evening, the group was divided into four small groups, with the purpose of brainstorming answers to the following questions:

- Identify the District's Financial Strengths
- Identify the District's Short-Term Financial Challenges
- Identify the District's Long-Term Financial Challenges

Members reconvened as a large group to share answers. Next, members reviewed a list of BDR options that had been considered during the prior two years of budget deficit reduction discussions. They returned to their small groups to brainstorm additional ideas

and suggestions. Ideas from prior years and the new ideas generated that evening were compiled into a survey, and members were asked to individually react to each idea by choosing one of the following four statements:

1. This should be a high priority for consideration.
2. This should be a medium priority for consideration.
3. This should be a low priority for consideration.
4. This should not be considered.

The results of the discussions and the survey from this special 3-hour meeting make up the bulk of the rest of the report.

FINANCIAL STRENGTHS:

Despite the financial challenges facing the district, it also has key strengths that it can leverage to find solutions. The committee identified the following items as financial strong points:

- A healthy fund reserve balance
- An affluent area with a strong and stable property tax base that provides stable revenue
- Good Financial Management and Experienced CFO
- Financial Transparency
- Expenditures focused on students
- Low debt level and capacity for additional debt
- Strong real estate assets
- Strong credit rating
- High tax collection rates
- Significant art collection
- Precedent of cost reductions
- High revenue per student
- High investment percentage per student
- Historically low borrowing cost
- Engaged community perceives high value
- Board commitment and transparency
- Focus on attracting, retaining and developing high quality personnel

SHORT-TERM FINANCIAL CHALLENGES

Throughout the course of its meetings, the Committee concluded the District faces significant structural challenges to achieve sustainable balanced budgets in the future and must take action soon to improve revenues, reduce costs, and retain a good credit rating. The small groups identified the following short-term financial challenges facing North Shore School District 112:

- **Recent Deficit Spending:** In each of the last two fiscal years, the District has drawn upon existing reserves to fund operations. In Fiscal Year 2010, deficit spending resulted in a drawdown of reserves of just over \$41,000. In Fiscal Year 2011, the amount taken from reserves was over \$1.2 million, and current projections indicate a projected deficit of \$1.3 million in Fiscal Year 2012. Deficit spending in recent years is placing the District in a challenging position to develop near term balanced budgets.
- **Stagnant / Declining Revenues:** District 112 revenues are affected by a number of factors including:
 - **Property Tax Levy:** The recent economic downturn has significantly impacted the increase in the Consumer Price Index (CPI), which in turn has a direct affect on the amount of annual property taxes available to the District. Existing tax cap laws limit increases to the lesser the CPI or 5%. In the last three years the CPI has been .1% (FY10), 2.7% (FY11), and 1.5% (FY12). The state tax cap has significantly limited increases in the District primary revenue source when expenditures over the same periods have increased by more than the tax cap. The CPI for FY13 is 3.0%, which will still not keep pace with possible increases in salaries and benefits.
 - **Declining New Construction:** The recent economic downturn has resulted in a corresponding decline in new construction within the District. This affects the amount of the incremental increase in property tax revenues that results from new construction, reinvestment in existing properties, and redevelopment. The eight year average increase in the total equalized assessed value for the District is 1.43%; however, the average of new construction in the last three years is 0.89%.
 - **Declining / Unstable State and Federal Revenues:** Recently the District has experienced declines in General State Aid, State Categorical Aid for Special Education and Transportation, and Military Impact Aid from the Federal Government. Adding to the pressure of these revenue declines are delays in the actual release of funds due from the State of Illinois to the District.
- **Aging/Decaying Physical Plant:** The District's buildings are aging and in need of significant near-term repair. Routine and needed maintenance issues have been deferred. **A comprehensive building assessment and the development of a**

long-term capital plan must be developed. This plan will need to address immediate facility needs as well as identify options such as possible building replacement and/or consolidation of existing schools/buildings to achieve improved economies in operations. In addition to the general maintenance needs of the facilities and developing a long-term capital plan for the District's facilities, the Committee identified a need to address concerns relating to meeting requirements of the Americans with Disabilities Act for building accessibility and also addressing Environmental Issues (lead paint, asbestos, stable climate control).

- **Rising Personnel Costs:** Expenses related to personnel were identified as the single greatest driver of the District's financial challenges. Wages and benefits account for nearly 70% of the District total expenditures. Existing Collective Bargaining Agreements that may have been negotiated during a different economic climate are limiting the District's flexibility to address current fiscal challenges. Negotiations on a new Collective Bargaining Agreement are to begin soon, and this discussion will bring personnel cost pressures related to the existing salary plan design, health care plan design, and employee share of health insurance costs all to the forefront for consideration by the District.
- **Increasing Number of Children of Military Families without Commensurate Aid:** Property in the district that is owned by the U.S. military does not generate property tax revenues, and to compensate for that the U.S. government provides impact aid. However, the dollar amount per student covers less than half of the educational costs, and future military impact aid is uncertain.
- **Special Education Costs:** While State reimbursement for mandated Special Education services has been flat in recent years, program costs continue to increase. This has resulted in a growing disparity between revenues received to fund Special Education programs, and the cost of providing these services.
- **Funding District Strategic Plan Initiatives:** The District's existing fiscal challenges and recent deficit spending affects the implementation of its five-year Strategic Plan, which it adopted in 2010. Decisions are being made regarding whether to defer certain plan priorities for later years due to current budget constraints, which only pushes the expenses to future years.
- **Building Consensus with Staff and Community Members:** The District will face a challenge in educating the community about its financial issues, and in helping community members coalesce around a particular possible solution. Members noted possible questionable support for a future referendum. Committee members noted that the low percentage of residents with students in grades PreK-8 may hinder the process of educating and building consensus around a particular solution. Additionally, some Committee members noted the District may be challenged in generating community support for and consensus around any solution due to "competition" for limited taxpayer dollars and a potential referendum by Township High School District 113.

- **Deferred Curriculum Expense:** Near term budget constraints have lead to deferrals in expenditures related to the development of new curriculum or implementation of curriculum changes related to the District Strategic Plan.
- **Staying Current with Technology:** Given current financial constraints, decisions may be made now that affect the District's ability to keep up with changing technology. Deferred projects and expenditures in the near term may already be impacting the District's ability to keep up with changes in this area.
- **Need for Increased Financial Analysis:** To aid in developing short and long term financial plans, increased financial analysis and review is needed.
- **High Expense Base Per Student:** District 112 provides a high level and high quality of service to students, and the community expects this to continue. Maintaining the same level of "investment" in students and meeting community expectations is a significant challenge to the District.
- **Changing Demographics:** District 112 is challenged by the changing demographics of the community. Near term challenges related to changes in demographics include maintaining current class size averages, and increasing numbers of low-income students, non-native English speakers and students requiring special education services.

LONG-TERM FINANCIAL CHALLENGES

The small groups identified the following long-term financial challenges facing North Shore School District 112:

- **Costs exceeding revenues:** The District's annual increases in revenue are tied to the Consumer Price Index, which has averaged 2.5% for the last 20 years. At the same time, the District's expenses (tied largely to salaries and benefits, which make up about 70% of the District's operating budget) are increasing at a faster pace.
- **Maintaining reserves:** To this point the District has been able to maintain a healthy fund balance level, but if it does not address its structural deficit, fund balances will decline significantly over the next five years.
- **Class size:** While the community has historically expected smaller class sizes, this will be difficult to continue without jeopardizing the District's financial health.
- **New technology:** As it is always changing and improving, the District will be challenged to implement it going forward, given the associated costs.
- **State financial support:** While the District's reliance upon state funding is relatively small (6% for fiscal year 2012), any drop in this funding source will

negatively affect the District. Given the State's ongoing financial hurdles, it seems likely that it will continue to be challenged in meeting its financial commitments to the District.

- **Federal funding:** The future status of Federal Impact Aid remains uncertain. The District is dependent on the will of Congress; at best, uncertainty for this funding source will likely continue.
- **Staffing challenges**
 - Attracting high quality administrators – this is relevant as it pertains to the District's ability to pay, and to the demands placed on these individuals. The committee noted the high turnover rate among administrators, and wondered how that rate compares to other districts.
 - New teaching staff – high replacement costs for new staff, as well as the ongoing need for professional development for all teachers
 - Ratio of staff to students – as enrollment declines, the ratios will get larger and will not be as cost effective
 - The current salary schedule – it appears to be very complex. The District may need to consider another model, including a two-tiered system that has been implemented in other Districts.
- **Facilities needs:** The District's buildings are in need of significant repair (and in some cases, possible replacement). While the administration is aware that there are needs in this area, there is not a detailed facilities plan that lays out all of the needs and recommendations. Also, there seem to be significant inefficiencies in buildings throughout the District (e.g.: small buildings and class sizes), which may warrant school consolidation.
- **Community expectations:** The expectations and demands for quality education are high in the District. How can this be balanced with the District's forecasted financial challenges?
- **Special education:** The District's reputation for a very strong special education program may be resulting in adverse selection by parents from other communities. Special education costs also continue to increase.
- **Cost of differentiation:** Special programs carry additional costs.
- **Changing demographics:** District demographics continue to change, and may drive the need for expanded or additional programs for students, thus increasing costs.

SUMMARY OF SURVEY RESULTS: OPTIONS AND PRIORITIES

The culminating activity at the January 25, 2012 SCFAC meeting was to consider a list of 54 items that might help restore District finances to an economically sustainable footing, and provide feedback as to how high a priority each should be given for further consideration. The 54 items on the list included ideas generated by administrators, staff and community members during the prior two years of budget deficit reductions (BDR), as well as those generated by the committee. The items fell into nine general categories: Personnel, Classrooms, Compensation/Benefits, Technology, Education Programs, Facilities/Real Estate, Legal/Mediation, Revenue Production and General Matters.

The 17 committee members who were present on January 25 responded to each question. The items below are in descending order based on a total of their high and medium priority rankings. When items had the same number of high and medium priority responses, the items that had more high priority numbers are listed first. In parentheses after each question, it is noted where the idea came from (PYBDR for prior year BDR ideas or SCFAC for committee-generated ideas), and where it fit in with the nine categories listed above. Explanatory text is provided where it was felt necessary.

Consider a building bond referendum for construction purposes:

(SCFAC, Revenue)

The committee was aware of but did not specifically address the fact that Township High School District 113 may also pursue a referendum having sustained a rejection in the past election cycle.

High or medium: 16/17

Priority Level	Number	Percentage
High	15	88
Medium	1	6
Low	1	6
Do not consider	0	0

Consider reducing the number of District schools:

(SCFAC; Facilities/Real Estate)

High or Medium: 16/17

Priority Level	Number	Percentage
High	14	82
Medium	2	12
Low	1	6
Do not consider	0	0

Consider reviewing employee healthcare and benefits structure with the goal of reducing District expenditures:
(SCFAC; Compensation/Benefits)

High or Medium: 16/17

Priority Level	Number	Percentage
High	14	82
Medium	2	12
Low	0	0
Do not consider	1	6

Consider shared services with other districts:
(SCFAC; General Matters)

The SCFAC members felt strongly that NSSD112 should pursue this. Other specific recommendations with respect to jointly negotiating or bidding for food services and student transportation services did not receive high priority in the same proportion as the general recommendations, but nevertheless did receive support.

High or Medium: 16/17

Priority Level	Number	Percentage
High	13	76
Medium	3	18
Low	1	6
Do not consider	0	0

Consider changes to the Dual Language and World Language Programs:
(PYBDR; Educational Programs)

High or medium: 16/17

Priority Level	Number	Percentage
High	10	59
Medium	6	35
Low	0	0
Do not consider	1	6

Consider undertaking an in-depth analysis of all contractual cost-drivers and benchmarking:

Interestingly, this tied for having the highest high priority score of all recommendations. It appears that the SCFAC members felt it is essential that this type of requisite information be available to all decision makers and to the community in order to appropriately make and evaluate decisions.

(SCFAC; General Matters)

High or medium: 15/17

Priority Level	Number	Percentage
High	15	88
Medium	0	0
Low	1	6
Do not consider	1	6

Consider restructuring the entire salary model to include performance and merit based pay:

(SCFAC; Compensation/Benefits)

High or Medium: 15/17

Priority Level	Number	Percentage
High	14	82
Medium	1	6
Low	1	6
Do not consider	1	6

Consider re-organizing District schools into “grade level centers” (Buildings would house K-2, 3-5, 6-8):

(SCFAC; Facilities/Real Estate)

This would change the neighborhood school concept in which each elementary school provides instruction in K-5 and each middle school covers grades 6-8.

High or Medium: 15/17

Priority Level	Number	Percentage
High	13	76
Medium	2	12
Low	2	12
Do not consider	0	0

Consider further personnel cuts to get to better student/staff ratios:
(SCFAC, Personnel)

High or Medium: 15/17

Priority Level	Number	Percentage
High	12	71
Medium	3	18
Low	2	12
Do not consider	0	0

Consider the sale of District real estate:
(SCFAC; Facilities/Real Estate)

High or medium: 15/17

Priority Level	Number	Percentage
High	12	71
Medium	3	18
Low	2	12
Do not consider	0	0

Consider changes to the structure of teacher lane advancement:
(PYBDR; Compensation/Benefits)

This recommendation centered upon changing the structure of teacher lane advancement in order to lower the currently high compensation expenses now associated with this.

High or Medium: 15/17

Priority Level	Number	Percentage
High	12	71
Medium	3	18
Low	1	6
Do not consider	1	6

Consider going to the market to borrow for capital improvement given the low interest rate environment.

(SCFAC; Revenue)

This idea was one of the most strongly supported on the list. The committee did not address the issue of the current bond rating enjoyed by the District although it was advised that NSSD112 may not be able to maintain its existing triple A bond rating if the current course of deficit spending continues.

High or medium: 15/17

Priority Level	Number	Percentage
High	12	71
Medium	3	18
Low	1	6
Do not consider	1	6

Consider further reducing North Shore Special Education District (“NSSED”) program costs by the District developing its own in-house programs:

(PYBDR; Educational Programs)

High or Medium: 15/17

Priority Level	Number	Percentage
High	11	65
Medium	4	24
Low	2	12
Do not consider	1	6

Consider reducing costs for purchased legal services:

(PYBDR; Legal/Mediation)

High or Medium: 15/17

Priority Level	Number	Percentage
High	10	59
Medium	5	29
Low	2	12
Do not consider	0	0

Consider bidding a joint transportation contract with Township High School District 113:
(SCFAC; General Matters)

High or Medium: 15/17

Priority Level	Number	Percentage
High	10	59
Medium	5	29
Low	2	12
Do not consider	0	0

Consider further analysis of the service model used by the NSSD to improve program quality and reduce cost:
(PYBDR; Educational Programs)

High or medium: 14/17

Priority Level	Number	Percentage
High	12	71
Medium	2	12
Low	3	18
Do not consider	1	6

Consider implementing a two-tier salary structure parallel to a two-tier pension structure:
(SCFAC; Compensation/Benefits)

High or medium: 14/17

Priority Level	Number	Percentage
High	9	53
Medium	5	29
Low	2	12
Do not consider	1	6

Consider increasing class size guidelines (current guidelines call for a maximum of 23 students in Grades K-3 classrooms and 25 students in Grades 4-8 classrooms.):
(PYBDR; Classroom)

High or Medium: 13/17

Priority Level	Number	Percentage
High	9	53
Medium	4	24
Low	3	18
Do not consider	1	6

Consider implementing a four-day workweek in the summer to save building operation costs:
(SCFAC; Facilities)

High or Medium: 13/17

Priority Level	Number	Percentage
High	8	47
Medium	5	29
Low	3	18
Do not consider	1	6

Consider further review of allocation guidelines and best practices and apply such standards to reduce personnel costs in special education, specifically special education teachers, social workers, speech therapists, aides and other paraprofessional staff:
(PYBDR; Personnel)

High or Medium: 13/17

Priority Level	Number	Percentage
High	7	41
Medium	6	35
Low	3	18
Do not consider	1	6

Consider ways to use and/or increase technology to reduce the use of consumables such as textbooks.

(SCFAC; Technology)

High or Medium: 13/17

Priority Level	Number	Percentage
High	7	41
Medium	6	35
Low	3	18
Do not consider	1	6

Consider cooperating with other districts to obtain food services:

(SCFAC; General Matters)

High or Medium: 13/17

Priority Level	Number	Percentage
High	7	41
Medium	6	35
Low	3	18
Do not consider	1	6

Consider increasing the use of early release/late start days to reduce the cost of staff development:

(SCFAC; Personnel)

High or Medium: 13/17

Priority Level	Number	Percentage
High	7	41
Medium	6	35
Low	2	12
Do not consider	2	12

Consider adhering to board guidelines for class size when possible:

(SCFAC; Classroom)

This was a reaction to some class sizes in the district being significantly under the current guidelines.

High or Medium: 13/17

Priority Level	Number	Percentage
High	6	35
Medium	7	41
Low	4	24
Do not consider	0	0

Consider instituting or increasing fees for student extracurricular activities:

(PYBDR; Revenue)

High or medium priority: 13/17

Priority Level	Number	Percentage
High	6	35
Medium	7	41
Low	2	12
Do not consider	2	12

Consider instituting a fee for the Dual Language Program:

(SCFAC; Revenue)

High or medium: 13/17

Priority Level	Number	Percentage
High	5	29
Medium	8	47
Low	1	6
Do not consider	3	18

Consider providing additional in-house professional development, and moving away from outside sources to contain costs:

(SCFAC; Personnel)

High or Medium: 12/17

Priority Level	Number	Percentage
High	11	65
Medium	1	6
Low	5	29
Do not consider	0	0

Consider 11-month contracts for building administrators instead of 12-month contracts:

(SCFAC; Personnel)

High or Medium: 12/17

Priority Level	Number	Percentage
High	9	53
Medium	3	18
Low	3	18
Do not consider	2	12

Consider further reductions in building and/or district-level administrative and administrative support positions:

(PYBDR; Personnel)

High or Medium: 12/17

Priority Level	Number	Percentage
High	8	47
Medium	4	24
Low	4	24
Do not consider	1	6

Consider an operating tax rate (Ed fund) referendum:
(SCFAC; Revenue)

High or medium: 12/17

Priority Level	Number	Percentage
High	8	47
Medium	4	24
Low	3	18
Do not consider	2	12

Consider outsourcing special services, such as speech therapy, occupational therapy and physical therapy, for cost-containment:
(PYBDR; Personnel)

High or Medium: 12/17

Priority Level	Number	Percentage
High	7	41
Medium	5	29
Low	2	12
Do not consider	3	18

Consider reducing paraprofessional support:
(PYBDR; Personnel)

High or Medium: 12/17

Priority Level	Number	Percentage
High	5	29
Medium	7	41
Low	3	18
Do not consider	2	12

Consider reducing the use of substitute teachers:
(PYBDR; Personnel)

High or Medium: 12/17

Priority Level	Number	Percentage
High	2	12
Medium	10	59
Low	4	24
Do not consider	1	6

Consider implementing a requirement that staff development only take place on non-school days (this would have the effect of lowering costs for substitute teachers):
(SCFAC; Personnel)

High or Medium: 11/17

Priority Level	Number	Percentage
High	8	47
Medium	3	18
Low	4	24
Do not consider	2	12

Consider restructuring middle school scheduling (would reduce staff by reducing the number of electives and eliminating class sizes of less than 15):
(PYBDR; Classroom)

High or Medium: 11/17

Priority Level	Number	Percentage
High	7	41
Medium	4	24
Low	4	24
Do not consider	2	12

Consider changing the structure of the paraprofessional day to include supervision costs:

(SCFAC; Personnel)

High or Medium: 11/17

Priority Level	Number	Percentage
High	6	35
Medium	5	29
Low	2	12
Do not consider	2	12

Consider consolidation with Township High School District 113:

(SCFAC; General Matters)

Again, without significantly more information as to what such action entails, the priorities assigned revealed a similar split as seen in the above recommendation. Among all recommendations, this type of recommendation would require greater District staff input and explanation than was afforded the SCFAC given the nature of the SCFAC process.

High or medium: 11/17

Priority Level	Number	Percentage
High	5	29
Medium	6	35
Low	1	6
Do not consider	5	29

Consider only hiring replacement certified staff at the base (beginning of the salary schedule) rate:

(PYBDR; Personnel)

High or Medium: 11/17

Priority Level	Number of Respondents	Percentage
High	4	24
Medium	7	41
Low	5	29
Do not consider	1	6

Consider redesigning the Summer School Program:*(PYBDR; Educational Programs)*

There was no clear trend here. This could have been because this idea was not well understood by SCFAC members.

High or Medium: 11/17

Priority Level	Number	Percentage
High	4	24
Medium	7	41
Low	5	29
Do not consider	1	6

Consider instituting a voluntary mediation process that would offer a non-binding alternative to litigation:*(SCFAC; Legal/Mediation)*

The rationale behind this idea is that it would offer parents a more cost effective resolution than resorting to litigation or the threat of litigation, which would necessitate engagement of counsel, while simultaneously providing the District with a methodology whereby a formal resolution process could serve to allow an airing of concerns and greater leverage to adhere to best policies and practices.

High or medium: 11/17

Priority Level	Number	Percentage
High	4	24
Medium	7	41
Low	4	24
Do not consider	2	12

Consider using technology to reduce personnel costs:*(PYBDR; Technology)*

High or medium: 11/17

Priority Level	Number	Percentage
High	3	18
Medium	8	47
Low	6	35
Do not consider	0	0

Consider consolidating with other districts*(PYBDR; General Matters)*

It should be noted that no details were provided as to what district or districts might be the appropriate bodies into which NSSD112 might merge, which could account in part for the lack of direction in the assigned priorities.. Also, very little discussion was had during SCFAC deliberations with respect to the concept and rarity of bifurcated districts as exists between NSSD112 and Township High School District 113. Further, no discussions were had regarding neighboring districts such as Lake Forest. Consequently, it would be problematic to assign much weight to this recommendation absent greater specificity and understanding about what, if any, economic benefit would result from school district consolidation.

High or medium: 10/17

Priority Level	Number	Percentage
High	7	41
Medium	3	18
Low	3	18
Do not consider	4	24

Consider the exploration of the documents pertaining to the lease or sale of the Westridge and Lutz (Kennedy School) complexes specifically with respect to the existence of a reverter clause:*(SCFAC; Revenue)*

High or medium: 10/17

Priority Level	Number	Percentage
High	5	29
Medium	5	29
Low	4	24
Do not consider	3	18

Consider exploring the use of community volunteers to offset costs such as cosmetic repairs:*(SCFAC; Facilities/Real Estate)*

High or medium: 10/17

Priority Level	Number	Percentage
High	5	29
Medium	5	29
Low	3	18
Do not consider	4	24

Consider partnering and/or land swaps with the Park District of Highland Park to allow a more efficient use of resources:

(SCFAC; Facilities/Real Estate)

The idea behind this was that there may be an opportunity to build a new, larger school structure on the land adjacent to Lincoln School.

High or medium: 10/17

Priority Level	Number	Percentage
High	4	24
Medium	6	35
Low	6	35
Do not consider	1	6

Consider further evaluating the Curriculum Adoption Schedules in order to defer expenses to future periods:

(PYBDR; Educational Programs)

This did not garner much support. It was not well understood by the members of the SCFAC how such proposal would result in cost savings of any significance given the District financial position.

High or Medium: 9/17

Priority Level	Number	Percentage
High	1	6
Medium	8	47
Low	5	29
Do not consider	3	18

Consider increasing revenue from facilities rentals:

(PYBDR; Revenue)

High or medium: 9/17

Priority Level	Number	Percentage
High	6	35
Medium	3	18
Low	8	47
Do not consider	0	0

Consider selling facility naming rights:*(PYBDR; Revenue)*

There was no clear trend here. It was not clear whether this was because many SCFAC members felt negative about the proposal or simply believed that it would not work.

High or medium: 9/17

Priority Level	Number	Percentage
High	4	24
Medium	5	29
Low	5	29
Do not consider	3	18

Consider increasing lobbying at the state and federal levels:*(SCFAC; General Matters)*

High or Medium: 7/17

Priority Level	Number	Percentage
High	3	18
Medium	4	24
Low	7	41
Do not consider	3	18

Consider reducing unstructured student time, to minimize supervision costs during lunch, recess and before and after school.*(PYBDR; Personnel)*

It is not clear whether the low prioritization was accorded here as a result of the SCFAC feeling economization in this area would not serve to have much impact on the District's finances, or that the recommendation's impact on students was not well understood by the committee.

High or medium: 7/17

Priority Level	Number	Percentage
High	2	12
Medium	5	29
Low	6	35
Do not consider	4	24

Consider ways to reduce the costs of technology:
(PYBDR; Technology)

High or medium: 6/17

Priority Level	Number	Percentage
High	5	29
Medium	1	6
Low	5	29
Do not consider	6	6

Consider the sale of the District art collection:
(PYBDR; Revenue)

High or medium: 6/17

Priority Level	Number	Percentage
High	5	29
Medium	1	6
Low	7	41
Do not consider	4	24

Consider creating a virtual school to generate revenue.
(PYBDR; Revenue)

Because SCFAC members were unsure of the precise nature of this proposal, it might have contributed to a negative reception.

High or medium: 5/17

Priority Level	Number	Percentage
High	1	6
Medium	4	24
Low	6	35
Do not consider	6	35

Consider changes to the Teacher Mentoring Program:
(PYBDR; Personnel)

High or Medium: 18%

Priority Level	Number of Respondents	Percentage
High	0	0
Medium	3	18
Low	7	41
Do not consider	7	41

Consider multi-grade or combination classrooms:
(PYBDR; Classroom)

High or medium: 6

Priority Level	Number	Percentage
High	1	6
Medium	0	0
Low	2	12
Do not consider	14	82