



**Finance Committee
October 11, 2018
SASED Administrative Center
2900 Ogden Avenue
Lisle, Illinois
Minutes**

1. Meeting convened at 6:03 p.m. with the following members in attendance:
 - Jack Buscemi, Benjamin School #25
 - Dr. John Correll, Salt Creek District 48
 - Dr. Kerry Foderaro, Cass School #63
 - Tom Ruggio, Woodridge District 68
 - Sam Cannata, SASED
 - Dr. Michael Volpe, SASED
 - Anita Howard, SASED

2. Southeast Alternative School Assessment/Maintenance Fund---Dr. Volpe reviewed the history of the renovation work at Southeast School. Based on previous Board discussion, administration is now looking at how to build a long-term maintenance fund for projected repair work. The recommendation is a \$1,000 additional per student assessment (\$2,000 total) in a formalized structure/plan. Discussion included that other programs costs are higher because SASED pays rent to districts for classroom space. This building is owned and the assessment replaces rent similar to other programs-- changes/improvements are paid one way or another. 100% of member districts utilize Southeast services each year and 14 of 18 districts have equity in the building. Discussion included a framework for presentation to the full Board. The assessment would be a component of the budget parameters.

3. Southeast Alternative School Maintenance/Life-safety work—Administration is requesting approving project work because of the need to start the bidding process asap for immediate construction in May. ESY has been moved out of Southeast for next summer to allow for the needed flooring, etc. to be completed as expeditiously as possible. The costs will be covered partially though the new assessment and partially though cash reserves. Administration will also talk to the architect about the timing of bidding, etc.

4. Discuss preliminary Budget issues—Sam reported SASED is doing well in terms of enrollment and budget projections. He added that interest rates are on the increase and Medicaid is stable. He also stated that with the economy picking up, there is pressure to increase wages but SASED has contracts in place for most employees. Health insurance rates were flat for a few years and now there have been a few high claims which have forced an increase. The IMRF rate has decreased to 8.5% and there are upcoming administrative retirements, so those savings will be reflected in the budget. As always CPI is cap for any increases to operating costs in the Budget.

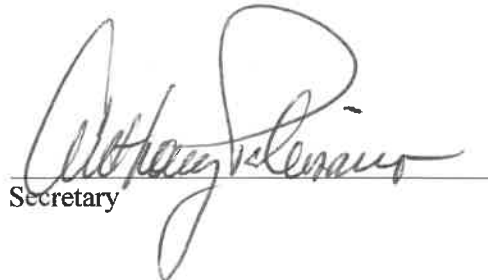
5. Updates on IDEA FY20 and 3% TRS Cap issues—Dr. Volpe started the discussion with while the proposed changes in IDEA distribution will impact districts and their responsibilities for reporting, the task for the finance committee is how does SASED capture the funds that offset administrative and professional development costs. The state will be providing a great deal of training and TA to districts but SASED will help member districts where and when needed. Many organizations are pushing to postpone implementation, especially given that it isn't a federal mandate. Member district administrators and CSBOs have been informed by SASED and are aware of the changes. Most are concerned about

the maintenance of effort, other reporting issues and the support they will receive. Upon discussion of three various options for recouping administrative/operating funds, the committee agreed to recommend the option of assessing the districts the same amount that would have been received from IDEA funds (5% of funding) and listing it as "IDEA Replacement funds" on the menu of services. This will be revenue neutral to districts. Nothing would be changed except the structure of how it is processed. Districts will have to have direct contact with the state but SASED will provide any necessary support to districts. There will need to be action taken on the proposal before the Budget cycle begins in January, but it was agreed that we would wait for any further movement/communication from ISBE.

Final information/regulation has yet to be disseminated regarding the 3% cap (penalty threshold in TRS). Dr. Volpe reported he was at a legislative panel and there was direct conversation about legislation being introduced to repeal the law. If there is no change and we tried to apply the phased in TRS payment to our administrators. SASED would incur a penalty (approximately \$30,000 total). While there is still the possibility of our Board action being considered a "contract" with our administrators and therefore being grandfathered in, the Board may have to come back to it. The conversation needs to be kept open, especially considering the promise made to the administrators.

6. Develop agenda/date for next finance committee meeting—The committee discussed suggestion of meetings with districts' business officials. Discussion included that there is no need or intention to create another advisory group to the administration and Board on financial matters. It was determined that it will be helpful for the new executive director and CSBO to interact with district business officers on an informal or topic specific basis. Consensus was to invite them to a budget presentation and a once a year lunch/forum to share awareness of concerns and issues.
7. Meeting adjourned at 7:48 p.m.


Chairperson


Secretary