



## **FINANCE COMMITTEE**

**February 7, 2018**

**SASED Administration Center  
2900 Ogden Ave., Lisle, IL 60532**

### **Minutes**

1. The meeting was convened at 5:38 p.m. with the following in attendance:

Benjamin School District #25	Jack Buscemi
Salt Creek School District #48	Dr. John Correll
Cass School District #63	Dr. Kerry Foderaro
Dr. Michael Volpe	SASED
Sam Cannata	SASED
Anita Howard	SASED

2. **Tuition and Fee Rates**—Dr. Volpe reviewed the presentation highlighting the budget assumptions for FY 19 focusing on the “3M” goals of **1) Minimize Tuition and Service Rate Increases; 2) Maximize Classroom Enrollment; 3) Maintain Quality.**

SASED is seeing stable or increasing program enrollments except in DHH and is also seeing a declining use of Assistive Technology Services (mostly related to capacity building at the district level.) The target is to keep classroom enrollment to minimum of 10 students and administration is always looking at efficiencies through leases and utilization of staff. As with districts, wages/benefits are the largest component of the budget and the budget projects increases as follows: 2.3% for certified staff, 3% for non-certified staff and 2.1% for OT/PT and the remainder of non-bargaining staff. It should be noted that the last 3-4 years didn’t have insurance increases, but this year is seeing a 7% increase in rates. As has been practice for the past few years, there is a benchmark holder for potential pension cost shift of 1%. There is no change in the annual lease rates paid to districts. Committee discussion included that special education has different staffing requirements and it is important that administration keep the tuition rates, even when anticipating peaks in enrollment, as close as possible to what districts budget.

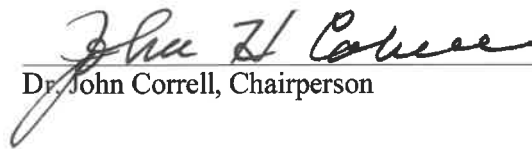
3. **Fund Balance and Cash Balance discussion**

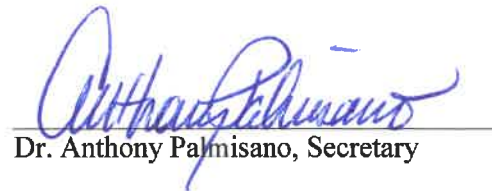
Based on the January Board of Control meeting discussions, the Finance Committee was charged with reviewing the fund balance topic. Sam Cannata presented an overview of SASED’s fund balance process and how it is different from school districts. He did apply the ISBE financial watch levels to the SASED finances and using three of the five calculations that apply, SASED would be in financial early warning, and if used the mid-August point, would be in a lower category. Administration polled other cooperatives and none have written fund balance policies. The committee members made suggestions on how to present the discussion to the full Board so there is a clear understanding that the SASED revenues are for students in the classroom, not for facilities. The major difference between districts and SASED is that SASED cannot borrow money as districts can if there is a low fund balance.

Administration initiated a discussion of utilizing IDEA reserves for Southeast work. There is currently \$700,000 available which could possibly be used towards the construction or maintenance/repair costs. It is Federal money that has not part of the budget and administration has not been adding to the reserve, especially in past years. There would be a different ISBE approval process if it is utilized for a building and it is possible it would not be approved and/or it may be too late to get approval for this year. The committee members voiced concern

that this information was not known when discussing options at the January meeting. It was explained that because there are specific restrictions on the expenditure of these reserves it was not an initial consideration by the administration for application to this project. Different options were discussed including possibly move up a maintenance project, having the Board of Control act to pull away from assessment and paying as go along. The final idea was to have the Board take action to cut the assessment and keep the length of time as that will insure that all districts will share in costs.

4. Special Education Transportation Update—Sam updated the committee that the transportation bid involves 12 of 18 districts. This year's process yielded a better response than when we explored this last year. There was a 25% cost increase, which seems to be similar across cooperatives. He reminded the committee of the SEPTRAN concerns and stated that the each district has to take action with their boards after the SASSED action.
5. Adjournment—7:36 p.m.

  
Dr. John Correll, Chairperson

  
Dr. Anthony Palmisano, Secretary