



## Deerfield Public School District 109 Board Decision re: NSSED this evening

Michael Lubelfeld <mlubelfeld@dps109.org>

Mon, Nov 17, 2014 at 10:11 PM

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 To: Tim Thomas <tthomas@nssed.org>

Dear NSSED Superintendent Colleagues,

I'm writing to inform you of the decision made by the Board of Education of Deerfield Public Schools - District 109 (DPS109) this evening regarding the district's future membership in the Northern Suburban Special Education District (NSSED).

This evening the Board voted 6-1 in favor of approving a Resolution of Intent to Withdraw from Northern Suburban Special Education District (NSSED) June 30, 2016.

We will continue to work with Dr. Thomas and his staff as they present alternate funding mechanisms and we will continue to work on our plan to meet the needs of all students in DPS109. Please feel free to contact me at any time should you have questions or wish to discuss this directly.

Sincerely,

Mike

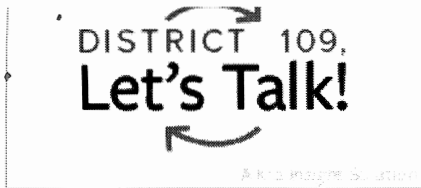
cc: Tim Thomas



**Michael Lubelfeld Ed.D.**

Superintendent of Schools - [click for blog](#)

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TO: NSEED Executive Committee  
NSEED Governing Board

FROM: Tim Thomas

DATE: October 8, 2014

RE: Finance Committee Update: Alternate Billing Structures

The purpose of this memorandum is to provide you an update on the work of the Finance Committee related to Alternate Billing Structures for NSEED Programs, Services and Administrative Costs.

Approximately four years ago a number of districts suggested that NSEED program costs needed to be more transparent and reflective of actual costs. This led to considerable work by the Finance Committee resulting in substantial changes made in 2011-2012. More specifically, all NSEED retained IDEA funds that lowered the program costs were transferred from program costs to membership costs. This addressed making the programs reflective of direct costs. In addition to this outcome, the difference in membership costs between elementary and high school districts was equalized and NSEED's retention of IDEA funds was reduced from 40% to 30%.

This past spring, as a result of some districts expressing an interest in exploring the possibility of a multi-tiered membership structure, the NSEED Governing Board charged the NSEED Administration and the Finance Committee with reviewing the current membership costs and billing structure for programs and services. Therefore the NSEED Administration spent considerable time reviewing possible alternatives and generating some options which have been reviewed by the Finance Committee. The following is intended to provide a summary of this work.

### Guiding Philosophy

The NSEED Administration understood that it is important to remember the original philosophy of why districts banded together in forming the cooperative. Simply put, students will have greater opportunity and greater continuity of support if districts band together creating an economy of scale to sustain quality programs and services over time. While this remains true today, the Administration recognized that districts want to pay for this in a fair and equitable manner. In consideration of this the NSEED Administration utilized the following two guiding core concepts:

1. Costs should be allocated in a manner that ensures high level quality of programming and services available to students.
2. A cost allocation method should allow districts to benefit whether they use the programs extensively or not.

Additionally the NSEED Administration recognized that the member districts expect NSEED to provide (a) high quality programs and services, (b) leadership related to innovative practices and (c) general quality control of programming and services.

## Exploration of Models

The NSSED Administration reviewed existing alternate models from other special education joint agreement cooperatives. In particular, the Special Education District of McHenry County (SEDOM) served as a starting point for this analysis. Models ranged from having different tiers of membership to assessing districts fees based on size and/or capacity. Each model that was examined was viewed in the context of the Guiding Philosophy noted above.

## Finance Committee Directive

After considerable discussion, the Finance Committee requested that the NSSED Administration prepare a model that includes the following changes:

1. IDEA Funds returned to all districts at a higher than current rate and differentiated based on district size. This results in decreased IDEA funds retained for NSSED.
2. General Assessment Fee (Membership) increased slightly and these fees used to pay for Executive Administrative Costs.
3. Program Tuition costs to increase compensating for decreased NSSED IDEA funds as well as to maintain the quality of the programs. The increase also reflects the shifting of some current administrative costs associated with the programs from Executive Administration into the Program Tuition costs.
4. Clearly demarcate the different expenditures that are offset by Membership fees, IDEA dollars retained and Tuitions.

## Communication Process

The first step in the communication process is to share these key concepts with the Governing Board to ensure that this direction meets the expectations of districts. In addition, we have scheduled a series of three meetings inviting all Superintendents, Business Officials, Directors of Special Education and District Board Members to receive more detailed information on the process and current alternate billing structure. Additionally, we invited districts to have the NSSED Cabinet provide differentiated more detailed information based on their unique needs. Our hope is to gather feedback from you and additional stakeholders so that the Finance Committee can further analyze an alternate billing structure. As a result it is possible that a recommendation for an alternate billing model would then be provided to the Governing Board as an information item at the November Governing Board meeting.

The NSSED Administration supports working toward a financial model that allows us to continue to remain committed to the possibilities in every child. We look forward to your input on this important issue.

**PROPOSED BILLING STRUCTURE:**

**Tuition +4.5% / Non-Member +4.5% / Membership Fees +\$2.61 / IDEA Retained Small 25% and Large 15%**

B C D E F G H I J K L M N O P Q R S T U V W X Y Z AA AB AC AD AE AF AG AH AI AJ AK AL AM AN AO

Member Gen Ed ADE vs NSSED ADE			
Dist	Gen. ADE	NSSED ADE	NSSED /Gen Ed
SD 106	174	5.0	2.9%
SD 29	494	6.5	1.3%
SD 38	542	1.0	0.2%
SD 31	846	23.2	2.7%
SD 65	869	2.0	0.2%
SD 30	1,094	16.5	1.5%
SD 27	1,208	20.0	1.7%
SD 35	1,268	11.6	0.9%
SD 28	1,676	37.4	2.2%
SD 115	1,686	3.0	0.2%
SD 36	1,822	14.1	0.8%
SD 67	1,939	7.0	0.4%
SD 109	3,045	9.0	0.3%
SD 113	3,757	41.1	1.1%
SD 203	4,241	18.4	0.4%
SD 112	4,268	13.5	0.3%
SD 34	4,734	36.1	0.8%
SD 225	4,823	64.5	1.3%
MembrTBD		28.3	
NonMem		36.2	
<b>Total</b>	<b>38,486</b>	<b>394.4</b>	<b>0.9%</b>

**Notes:**

This table shows the FY15 Budget ADE for each member district. Column "E" shows the ratio of NSSED ADE to General ADE for each district. Overall this ratio is 1%.

FY15 Revenue Using Current Billing Structure					
Primary Program Tuition	Member Fees	IDEA Retained by NSSED	*Other Program Revenue	Total Programs & Memb	
\$ 196,587	\$ 2,406	\$ 12,264	\$ 9,790	\$ 221,048	
\$ 241,995	\$ 6,832	\$ 33,332	\$ 16,026	\$ 298,185	
\$ 33,949	\$ 7,496	\$ 30,228	\$ 3,180	\$ 74,853	
\$ 975,378	\$ 11,700	\$ 61,165	\$ 42,843	\$ 1,091,086	
\$ 99,513	\$ 12,018	\$ 63,283	\$ (0)	\$ 174,815	
\$ 641,428	\$ 15,130	\$ 70,877	\$ 38,275	\$ 765,710	
\$ 860,611	\$ 16,707	\$ 110,441	\$ 34,533	\$ 1,022,292	
\$ 459,366	\$ 17,536	\$ 79,215	\$ 17,929	\$ 574,046	
\$ 1,424,266	\$ 23,179	\$ 121,279	\$ 93,709	\$ 1,662,433	
\$ 149,270	\$ 23,317	\$ 108,544	\$ 0	\$ 281,132	
\$ 612,985	\$ 25,198	\$ 142,957	\$ 13,221	\$ 794,361	
\$ 296,101	\$ 26,816	\$ 162,831	\$ 11,194	\$ 496,942	
\$ 427,229	\$ 42,112	\$ 199,667	\$ 8,342	\$ 677,350	
\$ 1,730,911	\$ 51,959	\$ 211,208	\$ 42,748	\$ 2,036,826	
\$ 910,103	\$ 58,653	\$ 320,034	\$ 462	\$ 1,289,252	
\$ 655,909	\$ 59,026	\$ 295,662	\$ 16,308	\$ 1,026,905	
\$ 1,344,066	\$ 65,471	\$ 330,840	\$ 69,891	\$ 1,810,269	
\$ 2,340,584	\$ 66,702	\$ 241,440	\$ 114,337	\$ 2,763,063	
\$ 1,303,792	\$ (3,028)	\$ 45,244	\$ 2,402,919	\$ 3,748,927	
\$ 2,157,970			\$ (98,413)	\$ 2,059,557	
\$ 16,862,012	\$ 529,233	\$ 2,640,512	\$ 2,837,295	\$ 22,869,052	

This table takes the FY15 Primary Programs and Membership Revenue and groups them into columns by billing type. The total \$22,869,054 matches the total of Membership and Programs from the FY15 Budget.  
 \*Other Program Revenue includes One-to-one Nurses and Aides, ESY Summer Program, and Vocational Programs offered at job sites

Changes to Current Billing Structure						
4.5% Primary Program Tuition	4.5% Non-Member Programs	Member Fees	2.61	Reduction to IDEA Retained by NSSED	Net Change	Member Cost Incr./(Decr.)
\$ 8,846		\$ 454		-\$ (2,374)	\$ 6,927	
\$ 10,890		\$ 1,289		-\$ (6,451)	\$ 5,728	
\$ 1,528		\$ 1,415		-\$ (5,851)	\$ (2,908)	
\$ 43,892		\$ 2,208		-\$ (11,838)	\$ 34,262	
\$ 4,478		\$ 2,268		-\$ (12,248)	\$ (5,502)	
\$ 28,864		\$ 2,855		-\$ (13,718)	\$ 18,001	
\$ 38,727		\$ 3,153		-\$ (21,376)	\$ 20,505	
\$ 20,671		\$ 3,309		-\$ (15,332)	\$ 8,649	
\$ 64,092		\$ 4,374		-\$ (62,596)	\$ 5,871	
\$ 6,717		\$ 4,400		-\$ (56,023)	\$ (44,905)	
\$ 27,584		\$ 4,755		-\$ (73,784)	\$ (41,445)	
\$ 13,325		\$ 5,061		-\$ (84,042)	\$ (65,657)	
\$ 19,225		\$ 7,947		-\$ (103,054)	\$ (75,881)	
\$ 77,891		\$ 9,806		-\$ (109,011)	\$ (21,314)	
\$ 40,955		\$ 11,069		-\$ (165,179)	\$ (113,155)	
\$ 29,516		\$ 11,139		-\$ (152,600)	\$ (111,944)	
\$ 60,483		\$ 12,356		-\$ (170,756)	\$ (97,917)	
\$ 105,326		\$ 12,588		-\$ (124,614)	\$ (6,700)	
\$ 58,671		\$ -		-\$ (23,352)	\$ 35,319	
\$ 661,682	\$ 97,109	\$ 100,448		-\$ (1,214,198)	\$ (354,959)	
NSSED reductions needed						

This table was created for calculating the billing shifts that would result from modifications to the Membership Rate, increases to Primary Program Tuition for Members and Non-Members as well as the NSSED Percentage of IDEA retained.  
 Member Tuition X **15.0%** = Non-Member Tuition Premium