NSSED Financial Model Update

Presented to the Board of Education | May 18, 2020
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DEERFIELD PUBLIC SCHOOLS DISTRICT 109
NSSED Funding Model Study (Fall 2019)

**Purpose:** Develop a sustainable, equitable and flexible financial model that provides affordable access to a full continuum of supports and services.

**Process:**

- Examine the current funding model and identify problems/deficiencies
- Examine funding models employed in other joint agreements to identify promising practices
- Develop alternative models that respond to NSSED’s unique needs and emerging service models
- Develop a final recommendation for restructuring NSSED’s funding model
Challenges with Current Model

- Complexity and understanding
- Transparency
- Fairness and equitability
- Revenues not fully captured

Benefits of a New Model

- Sustain the cooperative over time
- Fair and equitable across member districts
- Future oriented, yet flexible
- Simple to understand, and transparent
IDEA Funds

Average Salaries

Charge for PD

Student to Staff Ratios

Medicaid

Calculate Non-mbr. Surcharge

Facilities Charges

Transportation Coordination

Membership Fees

Year End Balancing

Key Funding Variables
Proposed Components of the New Financial Model:

1. Maintaining a membership fee
2. Accessing professional learning
3. Averaging salaries and wages
4. Crediting evidence based funding (EBF)
5. Charging
   - Facility maintenance charge
   - Service usage charged by FTE (Full-Time Equivalent)
   - Program usage charged by ADE (Average Daily Enrollment)
6. IDEA and Medicaid funds retained by district
7. Non-member surcharges
8. Year-end reconciliation
Summary of Changes with New Financial Model:

- Membership will include a portion of program administrators’ costs and district office staff
- 100% of IDEA Funds will be retained by member districts
- Professional development will no longer be paid through IDEA dollars. There will be an assessment based on general education enrollment
- Property/Plant/Building costs to maintain and operate the buildings on the Red Oak Campus will be billed to the member districts
- Program tuition costs will have a separate indirect cost to cover overhead expenses and general and administrative expenses
- Non-members will be charged a 25% surcharge, on top of the tuition and indirect costs
- A year-end reconciliation will be implemented

*With the changes in key funding variables, greater than 80% of member districts have reduced total costs under the new model.*
Estimated Impact of New Model for District 109:

- Projected increase in spending compared to 2020 projection
  - 7.28% Increase
  - Membership Fees: Professional Learning, Property, Plant, & Equipment
- IDEA funds retained
## Cost Worksheet for Annual Forecast Meetings

(Submitted by Feb. 1 each year)

### Member District Pricing Worksheet

<table>
<thead>
<tr>
<th>District #</th>
<th>BASIC PD IN MEMBERSHIP WITH AVE PROF SALARIES</th>
<th>Projected Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent Admin Cost in Membership</td>
<td>25</td>
<td></td>
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<tr>
<td>Membership Assessment</td>
<td>$</td>
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<tr>
<td>Professional Development</td>
<td></td>
<td></td>
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<tr>
<td>Property Plant and Equipment</td>
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</tbody>
</table>

![Diagram of Funding Variables]

<table>
<thead>
<tr>
<th>Services</th>
<th>FTE (except Vision)</th>
<th>Extended Cost</th>
<th>Indirect Cost</th>
<th>Total</th>
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<tbody>
<tr>
<td>Assistive Tech</td>
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<td>OT/PT</td>
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<td>APE</td>
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<td>Vision (Hours per year)</td>
<td>125</td>
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<tr>
<td>PD and Coaching</td>
<td>0.88</td>
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<tr>
<td>SLP</td>
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<td>0</td>
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<tr>
<td>Transportation</td>
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<tr>
<td>1:1 Aides</td>
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**Subtotal**

<table>
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<tr>
<th>Programs</th>
<th>ADE</th>
<th>Extended Cost</th>
<th>Indirect Cost</th>
<th>Total</th>
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<td>Arbor/SAIL</td>
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<tr>
<td>Transition</td>
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<td></td>
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<tr>
<td>ELS</td>
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<td>0</td>
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</table>

**Subtotal**

<table>
<thead>
<tr>
<th>Total Costs</th>
<th>Less:</th>
<th>EBF Credit</th>
<th>Non-Member Surcharge</th>
</tr>
</thead>
</table>

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| | | | |

**Net Cost to NSSED**
Next Steps:

- NSSED Governing Board will vote on new model at June 10 meeting (new model would not be implemented until 2021-22 fiscal year)
- Annual model review by NSSED Finance Committee
- Reference document created and posted on the website; update annually
- Establish new/earlier billing schedule
- Review Fund Balance policy next year