

**SMITHTON COMMUNITY CONSOLIDATED SCHOOL DISTRICT #130**  
Smithton, Illinois 62285  
Finance Committee Meeting, May 17, 2016  
MINUTES

A Finance Committee meeting of the Board of Education of Smithton Community Consolidated School District #130 was held on May 17, 2016, in the Superintendent's Office, 316 South Hickory, Smithton, Illinois 62285.

Mrs. Sara Sutherland, Board Committee Member, recorded minutes of the committee meeting held on May 17, 2016, beginning at 6:05 p.m.

1. The meeting was called to order by Dr. Gabrielle Schwemmer at 6:05 p.m.
2. Pledge of Allegiance was recited by all.
3. Roll Call: Dale Barschak, Gabe Schwemmer and Sara Sutherland.
4. There were no public comments during the Public Forum.
5. Business Director Mrs. Heidi Etling provided a detailed overview of the third quarter budget review, a discussion of the proposed amended 2015-2016 budget, and a brief overview of the budget for FY17. The detailed talking points and reports are included in this set of minutes.

Mrs. Etling and Dr. Homes revisited the district's 4-year technology refresh program and shared their desire with the committee that the K-2 iPads be refreshed for the 2016-2017 school year using funds from the lease levy and Fund 20. They recommended that the district purchase the 16 GB devices rather than the 64 GB devices to stay financially conservative given the uncertainty of state funding for FY17. The committee was in favor of supporting their recommendation to the full Board.

Mrs. Etling and Dr. Homes gave a short overview of the revised exemptions for disabled Illinois veterans under Senate Bill 107 signed into law by Governor Rauner on August 17, 2015. After contacting the county clerk, Mrs. Etling was able to determine that the district had its equalized assessed valuation decreased by approximately \$1.5 million through this exemption program (representing 27 parcels) with lost revenue to the district estimated at \$47,500. The county clerk indicated that Illinois districts may continue to see this impact increase as more veterans become aware of the exemption program.

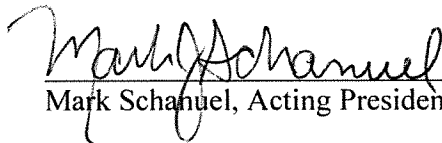
Dr. Homes provided an overview of the financial impact to the district if the Illinois House of Representatives passes the funding formula overhaul this year. Based on the Illinois State Board of Education's simulation model, the district would lose state funding of \$298,431 but would be granted an "adequacy grant" for at least one year (Dr. Homes is waiting on clarification as to the number of years that such a "grant" would be allowed) based on an adequacy grant formula that compares the district's per pupil expenditures with a district target determined through the new funding formula. Smithton's per pupil operating expenses are currently 70% of the target listed in the simulation model.

Adequacy grant status would change each year and may decline if the district's tax rate falls below the state target. Dr. Homes reported that the bill had already been passed by the Senate and has gained interest in the House, with three new co-sponsors added on May 17. The 2016 legislative session is set to adjourn on May 31. Dr. Homes noted that she would keep the Board updated with information as it becomes available.

Mrs. Etling reported that the district liability due to the state's overpayment of Corporate Personal Property Replacement Tax is \$2,265.35. The state has yet to announce final plans for recapturing these government entity overpayments. Dr. Homes reported that the Illinois Association of School Boards, the Illinois Association of Business Officials, and the Illinois Association of School Administrators are working together to conduct a review of how the overpayment situation occurred.

Dr. Homes reported that the legislature has still not passed a budget for FY16 and that there is a chance no budget will be passed for FY17. There have been discussions about the precarious situation that will be faced by Illinois school districts if no budget is passed for FY17 as state money will not flow to local districts the way it did in FY16. A number of Illinois districts will be faced with not opening their doors if state monies are withheld.

6. The meeting adjourned at 7:04 p.m.

  
Mark Schanuel, Acting President

  
Sara Sutherland, Secretary