

A Report to the Board of Education

Monday, January 11, 2010

Superintendent Comments

The task facing us tonight is representative of the economic crisis that is facing our country, our community, and our school district.

The last time we faced economic struggles of this magnitude was back in 2003-04, when our country was still experiencing the financial repercussions from 9/11.

Superintendent Comments

There can be no doubt that individuals, families, businesses, and public entities are struggling just to pay their bills.

As our Board President Greg Roosevelt has said many times, “The Board recognizes that the current economic recession has impacted many District 7 citizens who are struggling to make ends meet. It is the responsibility of the Board and administration to continue to operate the District with the funds available and make the necessary reductions to address its needs during this financial crisis.”

Superintendent Comments

Some might suggest that we go to the voters and ask for an increase in education funding to bridge the gap created by the state's financial crisis. But, we know that people are hurting and that the money simply isn't there.

Superintendent Comments

To that end, we are bringing to the Board a five-point plan to ensure the District's financial stability while preserving a safe and quality learning environment for our students.

Superintendent's Comments

The State of Illinois' ongoing financial crisis is having a negative impact on public education from pre-kindergarten through college.

According to an editorial dated January 6, 2010, in the Chicago Tribune, Illinois' public universities are waiting for tens of millions of dollars in long-overdue state funding.

All have taken steps to address the delayed funding – from the University of Illinois' decision to furlough workers to hiring and wage freezes to cutbacks on travel.

Most are planning as if they don't expect the state to become a more reliable source of funding anytime soon.

- The **University of Illinois** is waiting for \$436 million in overdue state appropriations, which has resulted in 11,000 faculty and staff members taking off four days without pay this spring, part of a plan to trim \$82 million in spending
- The state currently owes **Southern Illinois University** \$100 million, which is only part of the 55% of the school's budget of \$420 million that is supposed to come from the state. While SIU is not planning furloughs or layoffs, a hiring freeze is in effect.

- At **Western Illinois University**, state money accounts for 48% of the school's \$123.9 million budget. State payments are \$30 million behind. The school will cut back on hiring and travel rather than considering furloughs or layoffs.
- **Illinois State University** in Normal counts on the state for 23%, or \$85.1 million, of its \$363.7 million budget. So far, the university has only collected \$12.3 million. The school froze wages last fall.

State Finances

- The Commission on Government Forecasting and Accountability (CGFA) is currently estimating that the State will have to “carry over” to FY 2011 approximately \$3.7 billion in appropriations (unpaid bills) from the current fiscal year.
- By the time legislators return to the Capitol for the 2010 spring session, the budget deficit will likely grow to approximately \$13 billion. More than likely, the FY 2011 budget won't be balanced, and the “carry-over” of unpaid bills into FY 2012 could be historic.

District Finances

The Board and administration have continued to modify the District's current three-year financial plan and as a result of the uncertain financial picture for 2010-11 and beyond; the District will implement an alternative financial plan that will guide all financial decision making through the ongoing financial crisis that has resulted from:

- The State of Illinois' continued financial woes, which could result in an over \$13 billion deficit
- The local revenue reduction due to a decline in the Equalized Assessed Valuation (EAV) growth rate from 3.5% to 0% (\$1.2 million)
- And the additional reduction of federal stimulus funding not being available for state distribution (\$1.6 million)

Goals

1. To preserve safe and quality learning environment through the continued upkeep of school facilities
2. To maintain class sizes within the contract limit throughout the district in order to provide quality student instruction
3. To preserve extracurricular opportunities for District 7 students including athletics, performing arts and other clubs and activities

Timelines

1. January 11 - Present proposed budget reduction plan to Board of Education and public
2. January/February - bargaining with labor groups over proposed budget reduction plan
3. March 22 - Board of Education acts on proposed budget reduction plan

Tonight, I would like to present to the Board of Education for its consideration a five point action plan for 2010-11 that addresses spending, financial stability, and maintaining a stable tax rate for District 7, which is currently the lowest in Madison County at 3.9594. The administration recommends that the Board of Education consider the following steps to address the current financial crisis:

1. Continue the freeze on all discretionary purchasing/spending unless funds are made available by outside donors, grants, or other contributions:
 - Freeze all salaries of administrators and exempt personnel for 2010-11
 - Negotiate contract with Edwardsville Education Association (EEA) using some of the projected savings from the sixteen (16) teachers now scheduled to retire at the conclusion of the 2009-10 school year

2. Reduce operating expenditures by over \$3.0 million for the 2010-11 school year while not increasing student fees; such as, textbook, activity and meal prices
 - Reduction of administrative positions
 - Proposed reduction of teaching staff through attrition and release of probationary employees, which is subject to negotiations
 - Proposed reduction of ESSPA staffing, which is subject to negotiations.

3. Preserve the District's financial stability, including the maintenance of the current "A" bond rating by:
 - Reducing expenditures through increased building and operational efficiencies and managing cash flow requirements
 - Preserving Working Cash reserves for emergencies (projected at \$6 million for 2010)

4. Maintain a stable tax rate that will remain under \$4.00 to ease the burden on District 7 taxpayers, as evidenced by the Board's decision to lower the estimated 2009 Life Safety rate from the state-approved maximum of \$.05 to \$.01, and

5. Not request additional educational funding through a tax referendum.

The Board recognizes that the current economic recession has impacted many District 7 citizens who are currently struggling just to make ends meet. The Board and administration will continue to operate the District with the funds available and make the necessary reductions to address its needs during this financial crisis.

Proposed Budget Reductions for Board Consideration

Note: The Board has presented to the Edwardsville Education Association (EEA) and the Edwardsville School Service Personnel Association (ESSPA) the list of proposed budget reductions.

As required under the Illinois Education Labor Relations Act, the Board cannot implement or make a final decision on any proposed budget cut that affects the wages, terms and conditions of employment of employees represented by a labor union until such time as the Board completes both decisional and impact bargaining over the proposed budget cut, which bargaining has been initiated.

1. Proposed reduction of certified probationary staff (anticipated to be 24 positions) - ***\$1,007,000***

Elementary Class Size Contractual Limit

- Kindergarten - 26
- 1st thru 5th - 28

Primary

- Assistants will be added at grades K-3 when 25 students are enrolled
 - **Goshen** 1st – 21 2nd – 22
 - **Leclaire** 1st – 22 2nd – 22
 - **Nelson** 1st – 21 2nd – 21
 - **Glen** 1st – 21 2nd – 22
 - **Hamel** 1st – 20 2nd – 20
 - **Midway** 1st – 23 2nd – 19

Intermediate

Cassens	3rd – 23	4th – 25	5th – 24
Columbus	3rd – 24	4th – 26	5th – 25
Worden	3rd – 22	4th – 27	5th – 27
Woodland	3rd – 21	4th – 24	5th – 27

Middle School

Middle School Contractual Class Size Limit
is 29.

- **Lincoln Middle School** – reduction of one 8th grade certified position
 - **Sixth grade:** Projected enrollment of 292 which includes growth for 28 new students with no new staff
 - **Seventh grade:** Projected enrollment of 294 which includes growth for 11 new students with no new staff
 - **Eighth grade:** Projected enrollment of 288 which includes growth for 3 new students with a reduction of one certified position

6th – 26.5

7th – 26.7

8th – 26.2

- **Liberty Middle School**

- **Sixth grade:** Projected enrollment of 309 which includes growth for 28 new students with no new staff

- **Seventh grade:** Projected enrollment of 311 which includes growth for 14 new students with no new staff

- **Eighth grade:** Projected enrollment of 309 which includes growth for 4 new students with no new staff

6th – 28.1

7th – 28.3

8th – 28.1

Edwardsville High School

- Edwardsville High School – Average Class Sizes of 27-28

ESSPA

2. Proposed reduction of ESSPA Staff – ***\$562,000***
 - Educational Assistants associated with changes to the Early Childhood program - \$160,125
 - Two Additional Educational Assistant Positions - \$22,875
 - Elimination of School Safety Officers and proposed hiring of fourteen (14) “building access” monitors – Net savings of \$179,000
 - Elimination of One Grounds Department position - \$30,500
 - Elimination of six custodial positions - \$169,500

3. Reduction and reassignment of Administrative Positions - \$275,000
4. Reduce elementary and middle summer school program - \$75,000
5. Reduce district overtime costs for custodians, grounds, maintenance & food service departments - \$75,000
6. Reduce the 2010 summer maintenance budget - \$150,000
7. Reduce athletic budget - \$125,000
8. Reduce fine arts budget - \$75,000

9. Reduce curriculum budget supplies - \$55,000
10. Reduce printing and postage costs - \$50,000
11. Reduce grounds and custodial department supplies - \$100,000
12. Reduce technology budget - \$75,000
13. Reduce business department costs (paper, ancillary supplies) - \$40,000
14. Reduce up to five copiers and renegotiate lease - \$50,000

15. Eliminate three regular education buses to reduce transportation costs - \$150,000
16. Eliminate all out-of-district field trips - \$75,000
17. Eliminate all District Conferences & Travel - \$40,000
18. *Freeze 2010-11 Administrator and Exempt Salaries - \$175,000*

**Total Proposed Budget Reductions -
\$3,154,000**