

Board attempts to find long-term, permanent solution to District's budget deficits

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The Edwardsville School District 7 Board of Education approved a resolution at the December 21, 2015, board meeting to abandon its intention of issuing \$10 million in Working Cash Fund Bonds as a short-term solution to address continuing budget deficits. Instead, the Board intends to pursue a long-term, permanent solution to the District's continuing budget deficits by considering the placement of an Education Fund Tax Referendum on the November 2016 ballot.

The Board and administration have conducted a thorough review and analysis of both the District's current and long-term financial needs. In October and November, public presentations outlining both short and long-term options to address the District's current and future budget deficits were discussed at both Finance Committee and Board meetings. In addition, information was e-mailed to parents and employees.

At that time, the Board decided to implement the short-term option, which included the issuance of \$10 million in Working Cash Fund Bonds to be utilized over the remainder of the 2015-16 school year, the entire 2016-17 school year, and if needed for the 2017-18 school year, to address the District's continuing budget deficits. This short-term solution included a petition period before any bonds could be issued.

The Board also discussed long-term options to address future budget deficits that included continued reductions of operating expenditures, consideration of fee increases, and consideration of asking voters to approve an Education Fund Tax Referendum sometime during 2016.

On Friday, December 11, 2015, the petition period for the short-term option (Working Cash Fund Bonds) ended. The Board was presented with a sufficient number of signatures to require voter approval before any Working Cash Fund Bonds could be issued. As a result of the petitions, the Board had to decide prior to the conclusion of the 2015 calendar year whether or not to seek placement of a Working Cash Fund Bond Issue question on the March 2016 ballot. The Board chose not to place the issue on the ballot and thus will issue Tax Anticipation Warrants when funding runs out at the end of both this year and next year.

While working cash fund bonds would have provided a mechanism to address short-term budget deficits, it has never been the answer to the long-term financial issues the District faces. The Board and the administration have reevaluated the situation based on feedback from parents and other community members throughout the fall.

Because the Board, the administration, and the community highly value education, the Board believes that now is the time to consider the pursuit of a long-term plan to ensure the financial stability of District 7. The Board and administration will continue to evaluate the right balance of further expenditure reductions, fee increases, and the consideration of an Education Fund tax increase. Initial expenditure reductions and/or fee increases will be implemented for the 2016-2017 school year.

The Board and administration have committed to focusing on a permanent, long-term solution to bring financial stability to District 7. The Board will now refocus its efforts

and consider placing an Education Fund Tax Referendum on the November 2016 ballot rather than seeking a short-term, stop-gap tax increase measure of issuing/borrowing Working Cash Funds.

I will continue to keep you informed as plans progress. Thank you for your continued support of District 7.