

Dr. Andre provides message about State of Illinois financial review process

by Dr. Lynda Andre

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Dear District 7 Constituents,

I want to reassure parents, employees, and residents of District 7 that the recent news story regarding District 7 finances being under investigation is not as a result of any wrongdoing or misuse of funds. Instead, it is part of a process established by the State of Illinois more than ten years ago to review and offer assistance to districts that were placed and remain on the Illinois' Financial Watch List.

Each year, ISBE identifies some school districts on the Financial Watch List. This year, five districts, including District 7, have been asked to compile and submit financial documents outlining past expenditures and future financial plans.

District 7 has been on Illinois' Financial Watch List since 2009 as a result of declining cash reserves, budget deficits and high outstanding debt due to school construction over the last 20 years. In addition, the decline in General State Aid funding, which now amounts to \$7.2 million annually to District 7, is a contributing cause to the District's current financial situation as is the impact of declining local property tax revenues since 2008.

As a result of declining revenues, the District has utilized all cash reserves, borrowed and utilized \$9 million in Working Cash funds, and reduced expenditures by \$12 million, in an effort to maintain educational programs and avoid major employee layoffs.

Despite these efforts, the District's financial position has not improved, and it may be forced to borrow to complete the 2015-16 school year. The District will borrow to cover the projected deficit for the 2016-17 school year.

The Board of Education has established a plan to return financial stability to District 7 and has discussed this plan publicly since October 2015. The plan includes:

- Reducing operating expenditures in both 2015-16, 2016-17 and 2017-18
- Implementing fee increases for the 2016-17 and 2017-18 school years
- Placing an Education Fund tax rate increase on the ballot in November 2016

I want to reiterate that the letter received from the Illinois State Board of Education was not unexpected, and the District will comply with the submission of all required data.

It is the hope of the Board of Education that through the successful implementation of its financial plan, the District will return to financial stability with a balanced budget that includes restoring cash reserves and ends repeated short-term borrowing.

If you have questions or comments, please feel free to contact me at 655-6014 or email me at landre@ecusd7.org.

Thank you for your support of District 7.

Respectfully,

Lynda C. Andre
Superintendent of Schools