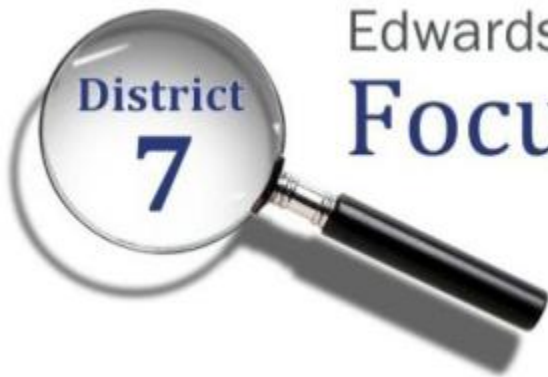


FOCUS ON FINANCE: A message from Dr. Lynda C. Andre, Superintendent

by Dr. Lynda C. Andre, Edwardsville School District 7 Superintendent
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Edwardsville Community Schools
Focus On Finance



Historical Background – Revenues vs. Expenditures

Prior to the economic downturn in 2008, District 7 ran a balanced budget. Though the District's student population continued to grow, the state lived up to its obligations, and the communities that make up District 7 experienced exploding population growth that translated into higher property values and enough revenue to offset the increasing expenditures that results from increased student enrollment.

The District has added more than 2,000 students since 1990, which resulted in a significant strain on District 7 facilities. The District addressed overcrowding since then by constructing:

- The “new” Edwardsville High School, moving the middle school to the old high school building, and converting the junior high to Woodland Elementary in 1997
- A second middle school, Liberty, along with additions to both Hamel and Midway Elementary Schools and renovations to both Edwardsville High School and Lincoln Middle School in 2003
- Three new elementary schools, Cassens, Goshen, and Worden Elementary, as well as additions to Glen Carbon Elementary and renovations to the building now known as EHS South.

All of this was accomplished with no increase to the Education Fund. In fact, there has been no increase to the Education Fund since 1977, nearly 40 years ago.

Then, the recession hit. In 2007, the District's EAV grew by 10%. In 2008, that rate dropped to 3.14%, then 1% in 2009, and then negative growth for the next three years. In 2014, growth moved back into positive territory, at 1.5%. At the same time, the State of Illinois funding has continued to decline, with the District experiencing a cumulative \$39.5 million loss based on 2008 funding.

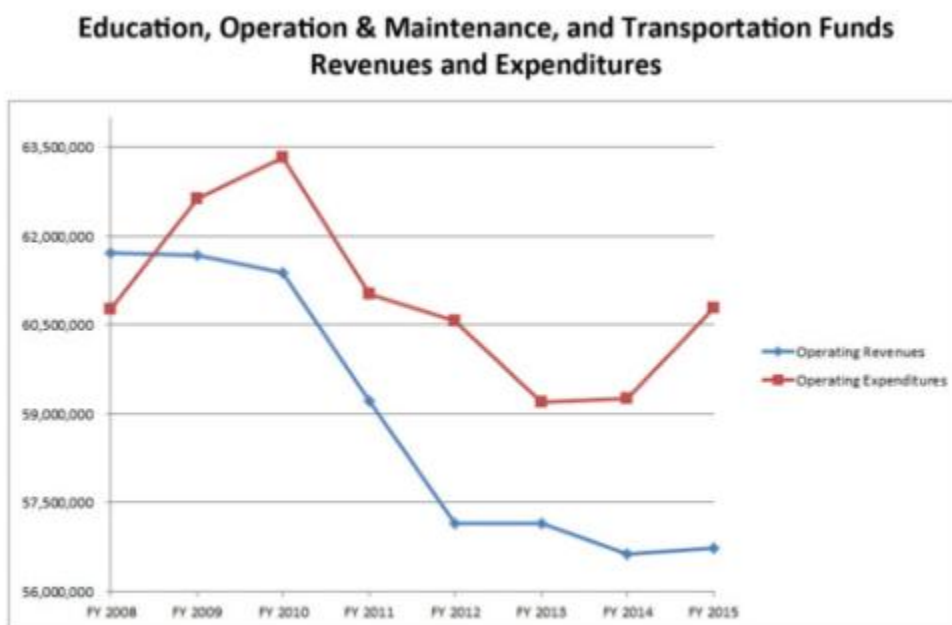
While revenues have suffered a precipitous decline, enrollment has remained essentially stable. The District's enrollment is currently 7,568, down only 62 students from the peak enrollment of 7,630 in 2013.

The District finds itself educating the same number of students and operating the same number of facilities with vastly diminished revenues (See Chart).

Since 2008, the Board of Education has implemented numerous strategies to offset the declining revenues in an attempt to maintain a balanced budget, including:

- Reducing operating expenditures by over \$12 million, including salary freezes for all employees at various points during the downturn
- Utilizing cash reserves
- Refinancing a portion of the District's outstanding debt
- Approving the issuance of \$9 million in Working Cash bonds in December 2013

The graph below illustrates the trend in revenues and expenditures since 2008:



Many of the decisions made by the Board during the past seven years have been to avoid:

- Significant employee layoffs
- Increasing class sizes
- Major program reductions
- Asking the taxpayers for an Education Fund tax rate increase

Despite the continued efforts made by the Board of Education to offset the declining revenue, the District still faces a \$4.5 million deficit for the 2016-2017 school year. The Board and administration have been working to develop a list of expenditure reductions and fee increases to help close the gap. I will present this list to the public in next week's Focus on Finance.

Thank you for your support of the students in District 7.

SEE VIDEO BELOW- [Historical Background – Revenues vs. Expenditures:](#)