

Edwardsville School District 7 proposes 2016-2017 reductions & fee increases

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EDWARDSVILLE - The administration completed its analysis of the District's financial outlook for the 2016-2017 and 2017-2018 school years. The outlook includes continued budget deficits of approximately \$4.5 million per year in the Education Fund, assuming no further proration of state funding.

The District will not have enough Working Cash reserves to transfer to the Education Fund to finish the 2015-2016 school year, and no reserves currently available to transfer to the Education Fund during the 2016-2017 or 2017-2018 school years.

To address the projected budget deficits in the Education Fund for the remainder of 2015-2016, the Board took the following steps to further reduce expenditures in the amount of \$213,300:

- Did not fill vacated certified support staff positions
- Reduced software subscriptions
- Reduced subs for state-required assessments
- Reduced custodial staff for facility rentals

Despite these efforts, the District will likely utilize Tax Anticipation Warrants due to the projected shortfalls for the remainder of the current school year. This action **ONLY** addresses the immediate cash flow issues of the District and will begin the cycle of borrowing against next year's tax revenues.

To that end, the administration has developed a list of expenditure reductions and fee increases for the Board's consideration to address the \$4.5 million projected deficit for 2016-2017.

PROPOSED PERSONNEL REDUCTIONS

Pre-K/EC

- Move two teacher salaries to *Preschool for All* Grant
- Reduce part-time (0.5 FTE) Pre-K teacher

Elementary/Middle School Reductions Based on Class Size Adjustments/Current Enrollment

- Reduce 15.0 certified positions, including three (3) resignations, two (2) retirements, ten (10) releases

High School

- Reduce one (1.0 FTE) Spanish teacher based on current enrollment
- Non-replacement of retiring counselor (1.0 FTE)

Special Education

- Replace two (2.0 FTE) vacant certified school nurse positions with registered nurses (RNs)
- Non replacement of:
 - Two (2.0 FTE) psychologists due to resignation and transfer
 - Retiring Physical Therapist (1.0 FTE)
 - Retiring Speech Therapist (1.0 FTE)
 - ELL translator (part-time) due to resignation

Administration

- Eliminate one (1.0 FTE) administrative position

Performing Arts

- Reduce one performing arts teacher (1.0 FTE)

Stipend Positions

- Reduce ten (10) High School Athletic Stipend positions
- Reduce four (4) current Elementary Stipends

OTHER OPERATING REDUCTIONS

Information Systems & Services

- Eliminate/reduce software licenses

Curriculum

- Reduce curriculum and staff development costs
- Use administrative interns to conduct summer placement tests for new students

Transportation

- Reduce Early Bird Buses and consolidate stops at Hamel, Midway, and Worden Elementary Schools
- Reduce elementary field trip budgets

- Reduce cost of buses for athletic competitions

Business

- Reduce USPS mailings to parents and consider electronic report cards and progress reports

Buildings, Maintenance, & Grounds

- Reduce costs of cleaning/maintenance products
- Reduce supply costs
- Reduce overtime & substitute costs

PROPOSED FEE INCREASES FOR 2016-17

Food Service

- Increase student meal prices
 - Breakfast from \$0.95/\$1.10 to \$1.25
 - Lunch from \$2.40 to \$2.70
- Increase adult lunch prices from \$2.60 to \$3.00
- Increase pricing on a la carte items
- Increase catering prices for both internal and external organizations

High School

- Increase EHS parking fees from \$150 to \$175
- Increase 2017 EHS summer school fees from \$130 to \$160
- Increase EHS activity fee from \$100 to \$125 (retain cap of 2)

Middle School

- Increase MS activity fee from \$50 to \$75 (retain cap of 2)

Business

- Increase facility rental costs

Total 2016-2017 Proposed Expenditure Reductions = \$1,789,758

Total 2016-2017 Proposed Fee Increases = \$216,450

Total Offset to Projected 2016-2017 Budget Deficit of \$4.5 million = \$2,006,208

Despite the proposed operating expenditure reductions and fee increases of over \$2 million, the District will be forced to utilize Tax Anticipation Warrants of approximately \$2.5 million to finish 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 as a result of:

- The District's continued placement on the State's Financial Watch List

- The use of Tax Anticipation Warrants to finish the 2015-2016 and 2016-2017 school years, and
- Continuing budget deficits projected for the 2017-2018 school year and beyond

The Board will now focus its efforts on considering placement of an Education Fund Tax Referendum on the November 2016 ballot to address budget deficits in 2017-2018 and beyond. Funds from a successful referendum, whether the District had run one in March of this year or runs one in November 2016, would not become available until June 2017.