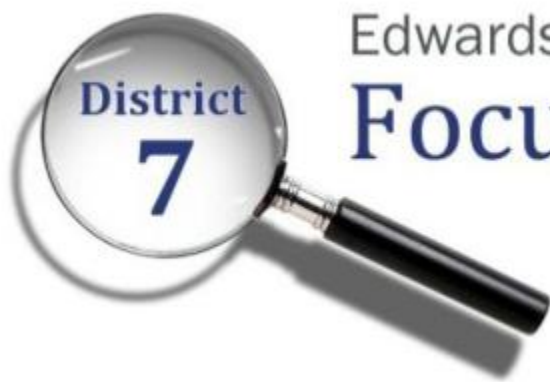


# **Focus on Finance: Board unanimously passes resolution to place education fund tax rate increase**

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

EDWARDSVILLE - At its Monday, August 22 meeting, the District 7 Board of Education took an important step toward ensuring future financial stability and maintaining academic excellence. The Board unanimously approved a resolution that will place a request for an Education Fund tax rate increase of \$0.55 on the November 8, 2016 General Election ballot. This increase is necessary if the District is to continue academic excellence for all students by:

- replacing aging textbooks and updating curricula
- replacing failing school security systems
- upgrading building technology infrastructure to support student access to technology
- restoring the technology replacement cycle

- maintaining existing elementary, middle, and high school performing arts programs
- maintaining existing middle and high school athletic programs

This rate provides the revenue necessary to operate District 7 with its current level of programs and services and is only possible with the commitment that the Board and administration consider annual expenditure reductions as opportunities become available or as needed to balance the budget.

This increase is necessary for the District to address ongoing revenue shortfalls caused by eight years of declining state revenue and a stagnation of local EAV (property tax revenue). If passed, this tax increase will ensure that the District can balance the budget by June 2019; as required by the Illinois State Board of Education and begin eliminating the expected June 30, 2017, \$6.7 million Education Fund operating debt.

Without these additional funds, the District may be subject to “**Certification of Financial Difficulty**” by the Illinois State Board of Education, which allows the state to exercise its authority to assume financial oversight of the school district, thereby removing local control. Since 2009, District 7 has been on the State’s Financial Watch List.

### **What is the cost of ensuring the long-term financial stability and academic excellence of District 7?**

The proposed \$0.55 Education Fund tax rate increase will provide District 7 \$6.9 million annually. These funds are needed as follows:

- **\$2.7 million annually** to ensure that Education Fund revenues exceed Education Fund expenditures by June 2019, as required by the Illinois State Board of Education
- **\$1.7 million annually** to eliminate the expected June 2017 Education Fund operating debt of \$6.7 million by June 2021 and begin the process of building cash reserves in 2022
- **\$1.5 million annually** to allocate sufficient funding to address annual increases in operational expenditures, such as:
  - Personnel necessary to address enrollment
  - Contractual costs related to salaries and benefits
  - Inflationary cost increases in food, software, and instructional materials and supplies
- **\$1 million annually** to begin the process of addressing academic, technology, and security needs, including:
  - Replacing aging textbooks in core academic areas
  - Restoring the curriculum review cycle

- Upgrading building technology infrastructure to support student access to technology
- Restoring the technology replacement cycle
- Updating failing school security systems

### **Why does the District need to request additional funds now?**

As has been the case for the past seven years, the District continues to face significant budget challenges due to the following:

- Declining revenue from the State due to continued proration of State funding in Transportation, Special Education, and General State Aid
- Stagnation of EAV (property tax revenues)
- Increases in employee salary and benefits
- Personnel needed to maintain class size

### **What has the Board of Education done since 2008 to address the massive decline in state and local funding?**

- Reduced operating expenditures by over \$14 million
- Depleted cash reserves of \$9 million
- Refinanced a portion of the District's outstanding debt
- Salary freezes for all employees
- Approved the issuance of \$9 million in Working Cash bonds in December 2013
- Depleted cash reserves June 30, 2016, as projected

This information has been made available to District 7 parents and employees as well as the public over the last few months through the following methods:

- Finance Committee and Board of Education meetings (July 18, August 8, August 15, and August 22)
- Weekly ***Focus on Finance*** communications posted on District 7 and school webpages and Facebook pages since February 2016
- E-mails to employees and parents and posted ***Superintendent's Comments***
- Media coverage both online, in local newspapers, and on ECTV