

# **Dr. Lynda C. Andre Superintendent's Comments for Jan. 9 School Board Meeting**

January 10 2017 4:44 PM



As we begin the second semester of this school year, I want to take a moment to recognize our students for an excellent first semester, both in and out of the classroom. District 7 students continue to represent their families, their schools, and their communities very well.

They are maintaining strong academic standing, volunteering throughout their communities, and contributing positively to their school environment. We are fortunate to have so many accomplishments and acts of kindness to celebrate at a time when negativity and bad news take prevalence in the media. Please take a moment to click on the links below to see examples of the outstanding accomplishments of our students.

### **Approval of Resolution to Place Proposition E on the April 4 Ballot**

The Board of Education unanimously approved a resolution to place Proposition E, a request to increase the Education Fund tax rate by \$0.55, on the April 4 ballot at last night's Board meeting.

The District continues to face significant budget challenges as revenue from the State continues to decline due to continued proration of funding in Transportation and Special Education, reduction in General State Aid, stagnation of EAV (property tax revenues), and increases in employee salary and benefits and personnel needed to maintain class size.

In 2009, District 7 was placed on the State's Financial Watch List, a designation that remains today. Despite some improvement in the District's operating fund balances at the end of the 2015-2016 school year, the District still ended the year with a negative operating fund balance of close to \$4 million. As projected, the District depleted its working cash reserves to finish the 2015-2016 school year, leaving no reserves to assist with the 2016-2017 budget.

The District remains on the Financial Watch List, resulting in continued monitoring by the Illinois State Board of Education. The monitoring was initiated during the 2015-2016 school year as a result of the 2014-2015 year-end audit.

In addition, while the District was not recommended for certification of financial difficulty by the State Board in 2016, the District will be eligible for certification in 2017 as a result of ending the school year with negative operating fund balances in both 2014-2015 and 2015-2016. Once "certified" by the ISBE, a school district may be subject to financial oversight by the State of Illinois.

The District's 2016-2017 adopted budgeted projects that the negative operating fund balance in the Education Fund will increase to over \$6.7 million at the end of this school year. While the District was able to avoid borrowing in June to finish the 2015-2016 school year, it will borrow using Tax Anticipation Warrants to pay bills and salaries to complete the 2016-2017 school year.

Despite reducing staff and other operational expenditures in an effort to offset rapidly declining revenue since 2009, the Education Fund has continually run operating deficits ranging from \$2.2 million to \$4.7 million annually.

Because of the financial crisis, the District has been unable to replace aging textbooks and instructional materials, replace failing security systems, restore the technology replacement cycle, restore the curriculum development cycle, upgrade middle and high school technology infrastructure to support student access to technology, and maintain necessary cash reserves.

**An Education Fund tax rate increase is necessary to:**

- Ensure that Education Fund revenues exceed Education Fund expenditures by June 2019, as required by the Illinois State Board of Education,
- Eliminate the projected June 2017 Education Fund operating debt of \$6.7 million by June 2022,
- Begin the process of building cash reserves in 2023,
- Allocate sufficient funding to address annual increases in operational expenditures, and
- Begin the process of addressing academic, technology, and security needs.

**Donation to District 7 by Lincoln School Alumni Foundation**

**Lincoln School Alumni Foundation President Herman Shaw** presented District 7 with a check for \$15,000 at last night's Board meeting. This donation resulted from two recent fundraisers conducted by the LSAF this year – the Lincoln School Alumni Foundation Dance and the Harry A. Penelton Annual Golf Handicap Scramble. The donation will be used to help fund the Lincoln and Liberty Middle School HOPS Program (Homework, Organization, and Planning Program), elementary summer reading program, and ACT/SAT prep classes at Edwardsville High School.