

Edwardsville School Board holds special meeting to discuss upcoming tax referendum

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EDWARDSVILLE - The **Edwardsville Board of Education** hosted a special meeting on Tuesday, Feb. 21, 2017, which lasted nearly two hours and featured a presentation from **Edwardsville Superintendent Lynda Andre** as well as an opportunity for public and questions.

The meeting was held to better inform the public - who are both for and against a tax referendum - about the need for a tax referendum to be passed by voters. In her presentation, Andre warned several programs would be abolished if the referendum were not to pass, including ninth-grade sports, middle school interscholastic sports and as much as 50 percent of both high school and middle school extracurricular activities. Besides the ominous list of cuts, however, Andre also featured a brief history of why the district is in such dire financial straits.

According to Andre's presentation, the **Edwardsville School District #7** is in an even worse position than it was as recent as Nov. 7, 2016, when **Proposition E** was voted down by a margin of 1,076 votes with 14,517 against and 13,441 for the referendum. The referendum the board is considering for approval at its Monday, Feb. 27, 2017, meeting is nearly identical to the failed initiative. If passed, property owners within the

Edwardsville School District will see an increase of \$0.55 for every \$100 of equalized assessed value (EAV). This would mean a tax increase of just above \$20 a month for someone who owns a house valued at \$150,000. The average home value in the district is \$170,000.

After no one assembled took an opportunity to address the board with a public comment following the meeting's start, Andre showed a presentation, which she also gave at the Monday, Feb. 13, 2017, meeting of the Edwardsville Board of Education.

"We have serious financial issues, which do impact our financial stability," Andre said. "We have been facing these issues for the last nine years, and we're still facing them today. We have declining revenue with a decrease in both state funding and a stagnation of property taxes. We also have an increase in operational costs, including maintaining staff required for optimal class sizes."

Andre said an estimated 80 percent of the district's funding comes from property taxes, which have been on a steady sharp decline since the Great Recession of 2008. Property tax values have begun a meek raise in recent years, but are still a fragment of pre-recession rates.

The **State of Illinois** is responsible for around 15 percent of the district's revenue. Due to as much as \$11 billion in outstanding debt, however, the state has told the district it can only expect to be paid two of the four categorical payments the district is owed. That money goes to reimburse the district for essential services such as special education and transportation. Since 2008, the state has neglected as much as \$53.6 million in payments it once promised to the district.

Because of its status as a low-poverty and high property value district, the State of Illinois has taken the Edwardsville School District off its priorities during its own financial struggles. Although the district is not heavily reliant on that funding, a lack of it has still resulted in a nearly \$7 million decline in financing this year. Due to that lack of state funding - after the district was expecting it - the district said it was forced to borrow as much as \$5 million in tax anticipation warrants to be able to pay bills and salaries. Earlier in the 2016-17 school year, the district was planning on borrowing as much as \$2 million for that purpose.

Overall, because of declining property values and state funding issues, the Edwardsville School District has had as much as 95 percent of its funding in decline since 2008.

"Because we maintain the same number of students in 15 campuses, we are unable to operate at that level," Andre said.

Unlike other districts in **Madison County**, the Edwardsville School District is maintaining the same amount of students as usual - a number, which hovers between 7,500-7,600 every year, with this year being closer to 7,600. Because of this, expenses within the district will increase.

Already, because the Nov. 2016 Proposition E initiative has yet to pass, Andre said the district has sacrificed many steps in its plan for its students. Textbooks were supposed to have been replaced with more up-to-date versions, but have not. The curriculum development cycle is stagnating. Neither middle school nor the high school has Wi-Fi. Technology has not been updated in the lesson plans or the school security systems. Due to planned obsolescence, many technology items must be replaced at regular intervals of else they will not work at their most efficient, including security cameras.

"Our technology is aging quickly," Andre said. "School security systems fall into that as well. When you use tech like a school security camera, it needs replaced just like phones and laptops."

A revised Proposition E would also replace the district's cash reserves. As much as \$9 million was depleted from those reserves from 2009-2013. Working cash bonds in excess of \$9 million were issued and depleted by 2016. Even if a tax referendum does pass on April 4, 2017, both Andre and the district's business manager, **Assistant Superintendent Dave Courtney**, said it may be as late as 2021 before the district can start building more cash reserves.

"A district this size cannot operate with no money in the bank, or worse yet, be forced to borrow money to finish the year," Andre said.

To alleviate some of the dire funding woes, Andre said as many as 101 positions have been removed from the district's payroll. As many as 75 of those positions belonged to teachers. Their terminations have forced the district to accept class sizes it finds to be too large for optimal student instruction. All salaries have been frozen in the district as well.

Despite its efforts, the Edwardsville School District has been on the **Illinois State Board of Education's** dreaded **Financial Watch List**. Since that designation, the district is now under close financial monitoring, which requires them to show steps toward financial stability and file papers with the state every 90 days to show progress. The district is also eligible for a **Certification of Financial Difficulty**, due to its constant deficit spending. If the issues are not resolved by June 2019, the state may force the district to accept financial oversight - meaning the state, which is already working with an \$11 billion debt - would take control of the district's finances completely.

One of the main issues the district is trying to overcome with this proposed referendum is the resolution of as much as a \$6.7 million deficit in its education fund. A school's education fund provides everything a student requires to learn, from teachers to supplies to school nurses and furniture. Due to several laws and stipulations, several other district funds (such as health, life, safety) are not allowed to transfer funds to the education fund. The funds, which are allowed to do so, are either at zero or in deficit as well. Because of this, the 2017-18 year will begin between \$3-\$3.5 million in deficit spending at least.

Courtney said EAV increase this year may be as minimal as 1.7 percent. The State of Illinois added a multiplier of two to the 2016-17 school year, which increased the EAV by as much as three percent. Courtney said he did not expect the state to do so again. The district, however, planned for as much as a three percent increase when figuring the \$3-\$3.5 million deficit number, so the actual deficit may be slightly larger.

"We're carefully reviewing every program and service," Andre said. "We need about \$6.9 million more annually, which could be achieved by a \$.055 tax increase."

In January, the district decided to put another version of Proposition E on the April 4, 2017, ballot. If it passes, Andre said the district would be able to restore curriculum, technology and security, and be able to ensure the education fund is balanced by the June 2019 deadline. Cash reserves, however, would not be able to begin restoration until 2021.

Courtney said if the district wanted to quickly restore its depleted cash reserves, the proposed number on the tax referendum would be much higher than \$0.55 for every \$100.

Even if the initiative does pass, taxpayers in the Edwardsville School District will not be paying more than neighboring communities. Comparable districts of its size in St. Clair County, including Belleville and O'Fallon, have a tax rate of \$5.80 and \$5.37 respectively, while Edwardsville's would increase from \$4.22 to \$4.77, which would still make it cheaper than Alton and Granite City. It would increase to be more than Collinsville's, though. The Edwardsville School District serves more students than those three other Madison County Districts, and does so with less expenses.

If the district is not able to convince taxpayers within its borders to vote for a tax increase, several programs would have to be cut. Those programs include the following:

- All ninth-grade sports
- All middle school interscholastic sports
- Fourth- and fifth-grade band and orchestra

- One drama per year at the high school instead of three
- Half of all high and middle school extracurricular activities
- Elementary math club (the only K-5 extracurricular activity)
- Early Bird bus services
- K-12 field trips
- Middle and high school after school activity bus services
- Reduced high school course offerings
- Low enrollment courses, including top of sequence classes such as the fourth year of foreign languages
- High School Writing Center
- High and middle school tutoring

Already, Andre said the district's ability to put new classes in the curriculum is suffering. An in-depth science course of anatomy and physiology was forced to be discarded due to lack of funding. During the Monday, Feb. 13, 2017, meeting of the Edwardsville Board of Education, Andre said that class would have been perfect for students going to study in the field of medicine, which many students from the Edwardsville School District do following graduation.

Further efforts to alleviate funding woes will come in the form of annual cuts to administration, teaching staff and other district employees, which always occur in March.



Board Frequently Asked Questions

Following Andre's presentation, board members shared questions and comments they have received from members of the community. Courtney started by explaining the process property taxes undergo between being paid by landowners and going into the school district.

"Our property taxes go directly to the **Madison County Treasurer's Office**, and go directly to school districts based on established tax rates," he said.

Board member Paul Pitts said he was "cornered at church" by someone who demanded to know how the district was able to pay for the **Jon Davis Wrestling Club** and the **Chuck Fruit Aquatic Center**.

"Those projects were funded," Andre said. "The district is fortunate to have families who care. Both were gifts from families who believed in the district. We were not given a check to do with what we want. The buildings were the gifts."

Andre explained the Jon Davis Wrestling Center is maintained by an endowment put aside for the sole purpose of maintaining the center. The Chuck Fruit Aquatic Center is able to pay for itself. Andre said several swim meets from across the area, Midwest and even the nation, rent the center for their own uses.

A projected hockey rink was also voiced as another matter of frivolous spending by a district deep in debt. Courtney explained the district's only involvement with the rink was a land lease agreement with the City of Edwardsville, which operates the rink.

While it does not cost the district, Andre said the aquatic center especially gives back to students. She said nearly 2,000 students have been able to receive basic aquatic instruction, including low income and special needs students who would otherwise not have the opportunity to receive aquatic instruction. Nearly 50 students have received lifeguard training in the center as well.

The board also addressed a concern voiced by the public regarding the proposed cuts if the referendum does not pass. They asked how many students each program affects, and why the programs cost the district. Andre said hundreds, if not thousands, of students utilize the programs, many of which are done by teachers. The money, Andre said, is required for teachers' stipends and transportation for several of the clubs, including **Model U.N.**

"Some student fees and booster clubs fund our programs," she said. "Athletic programs are strongly supported by booster clubs. The district costs are stipends for coaches and transportation. Everything else is almost 100 percent supported by booster clubs. Our drama programs have a lot of costs, including building stages, buying plays and

providing music. The district has costs in those areas we're recommending to reduce. Even though students do pay fees, it does not cover the cost."

When the board asked how the district is getting the information behind the need for a new Proposition E, Andre said the district has a **Focus on Finance** series of nearly 30 videos explaining both the history and current struggles leading the district to pursue a controversial tax increase. She also has released as many as 15 **Superintendent's Remarks** and hosted as many as 50 public meetings to explain the situation.

A GoFundMe or similar funding initiative would not repair the funding woes either. Andre compared such a windfall to a family operating over budget hoping to win the lottery. While such windfalls do help, she said, they cannot be a permanent solution to an under-funded district with steady or increasing enrollment.

Public Questions

Following internal questioning between board members, Courtney and Andre, the board opened the floor to questions from the public. Around 50 people were in attendance, which is a much smaller number than voters or parents in the district. **Kermit Winslow**, the first member of the public to ask a question, made a note of Tuesday's minimal attendance.

"How are you getting the impact out to the general public?" He asked.

Winslow noted more than parents of children currently in the district will be voting in the election, including aunts, uncles, grandparents and other concerned citizens. He asked Andre how she was getting her district's message to them. She told Winslow to submit his information for a future meeting.

Vicki Schultz asked Andre how she can combat what Schultz perceives as misinformation regarding teacher salaries being higher in Edwardsville than elsewhere in Madison County. She was also invited by Andre to submit information for a future meeting.

Marie Dubach offered the board a comment, and her support for their efforts to pass the referendum.

"I am a big, big fan of the sports and the arts," she said. "Almost every night when I read the paper, I see where a student from Edwardsville is getting top honors. If you don't offer that until someone is a sophomore in high school, you may as well forget any honors. They are part of an essential and well-rounded education. I am fighting desperately to get friends, family and church members to vote for it."

Dubach said she was approached by someone who vowed to vote against the vote, who proudly stated his or her parents paid for his or her education.

"I said, 'You have got to be kidding me. You really cant be that stupid to think your parents paid for your education.'"

Because she is a senior citizen, Dubach said her property taxes have been frozen, and therefore cannot be affected by the referendum. Several seniors living within the district on a fixed income also have that option to have their EAVs frozen.

"Fifty-five cents is bare-bones," she concluded. "It's not enough to save us, but it's a start."