

Board of Education Highlights

March 25, 2009 - Lowell Elementary School

Public Hearing:

The public hearing was called concerning the intent of the Board of Education of Community Unit School District 200, DuPage County, Illinois, to sell \$20,000,000 Working Cash Fund Bonds.

Superintendent Report:

Dr. Drury outlined the financial status of the District and the plans for the future.

At the beginning of the 2008-09 school year, the District anticipated a projected budget deficit for the 2009-10 school year of approximately \$6 million. A major contributor for that deficit has been declining student enrollment without a concomitant decline in staffing. In an effort to cope with these challenges, last fall the Board of Education convened a District Finance Committee to develop a plan of action. Compounding the anticipated \$6 million deficit, on January 16, 2009 the District learned that the Consumer Price Index (CPI) for 2008 was set at 0.1. The CPI is the multiplier that determines the increase in local property tax revenue for the District. The CPI for 2007 was 4.1. This drop in the CPI would result in the District losing roughly \$4 million in anticipated local tax revenue. The District also learned, at about the same time, that because of the State's financial difficulties, the District may not receive any increase in state aide which would result in an additional loss of \$3 million in revenue. The decline in interest rates will also reduce the projected interest revenue for the District by roughly \$1 million. As a result, in just over two weeks time, the District's budget deficit for 2009-10 went from \$6 million to \$14 million. Rather than devastating the District by attempting to cut \$14 million in one year, the Finance Committee recommended, and the Board approved, a multi-phased strategy to cope with the budget deficit and establish financial stability for District 200. The plan called for the District to reduce the 2009-10 budget, issue working cash bonds to augment diminishing cash reserves, and to reach a balanced budget within three years.

In order to develop a list of possible budget reduction items, the Superintendent met with principals at all buildings, along with his administrative cabinet, to examine areas that could be reduced with minimal impact on student learning. Through those efforts, the Board approved roughly \$7.4 million in budget reductions for the 2009-10 school year. This action places the District well on its way to reaching a balanced budget and financial stability.

Dr. Drury went on to explain the plan to address phase two of reaching a balanced budget. In late summer or early fall, a new finance committee will be formed. It will include a larger representation of community members as well as faculty and staff from throughout

the District. The committee, through sub-committee work, will look at the various aspects of the District's budget and develop strategies for further reductions. The committee will hold meetings at schools throughout the District to solicit input from a wide range of stakeholders and will schedule community meetings to engage citizens in the dialogue. Although there are significant factors surrounding the budget that will not be known until early 2010, i.e., the 2009 CPI (which will be reported on January 16, 2010), and state aid commitment (which is not usually known until late spring or early summer), diligent planning will position the District to reach the balanced budget target within the timeline established.

The Board took the following action:

Approved a contract with Abbey Paving for road improvements along Herrick and Galusha Roads in the vicinity of the new Hubble Middle School. These required improvements are based on results of a traffic study that was commissioned by the City of Warrenville.

Approved various high school textbooks and supplementary materials that have been posted for 30 days for public review and comment.

Next Meeting:

April 15 – Bower Elementary School