

MINUTES — SPECIAL MEETING FEBRUARY 16, 2010

- 1) A special meeting of the Hillsboro Community Unit School District No. 3 Board of Education was called to order by President Bill Clinard at the Unit Office at 7:00 p.m.
- 2) The following members of the Hillsboro Board answered present to roll call: Barbara Adams, Greg Bellaver, Trina Britton, Lynne Hutchison, Bill Jurgena, Earl Meier and Bill Clinard.
- 3) Agenda Item 2.0. Superintendent Presentation of Proposed Budget Cuts.
President Bill Clinard explained the agenda for the evening. Supt. Powell gave a presentation of the proposed budget cuts. There was discussion by the Board of Education and then the public addressed the issue. Supt. Powell addressed the question of trying to pass a high school referendum and now presenting the cuts. He stated, "The high school referendum was to ask the public to allow the Board to sell bonds for the specific purpose of building a high school and for the public to absorb a tax increase that would pay for the bonds. That money could not have been used for anything else. That referendum failing has nothing to do with the work in regards to the budget cuts. The referendum would have not provided a nickel of relief to this operating budget. To address the second part of the question, we had budget hearings in August and September. Those meetings were public and covered by local media." Supt. Powell showed the last balanced budget was in 2005. The next year there was a \$300,000 deficit and the next year would be even larger. At this time, the decision was made to sell bonds. Since this time expenditures have risen along with the deficits. This year there is a \$2,000,000 single year deficit and a projected fund balance of \$1.8 million dollars. Supt. Powell stated, "This is something I have been open and accurate about."
- 4) Supt. Powell presented a power point presentation on the proposed budget cuts. Revenues will be lower because of the state and the general state aide will be less. If the expenses were held flat, there would still be a \$3,000,000 deficit. Therefore, a \$2,000,000 cut in the budget is needed. Supt. Powell stated, "If we cut this \$2,000,000 I am proposing, we still have a deficit budget next year and we will still have some work to do. There is no easy or painless way through this. Between 74% and 77% of our budget is salaries so that is where the cuts have to be, unfortunately. I am recommending that the Board of Education set a goal of cutting \$2,000,000 out of our budget for next year. We will be looking at all areas of our budget. The beginning work we have to do is about personnel, because we have the deadlines for reduction-in-force. That is where most of the cuts, unfortunately, will be."
- 5) Supt. Powell's first recommendation is to not replace the positions of the 8 certified staff that are retiring at the end of the school year. By not offering the programs, by offering fewer sections, transferring a teacher from another program and a combination of these things will get District #3 through. Supt. Powell stated, "By not replacing those 8 certified staff members that is savings to the District of \$651,000 for FY 11."
- 6) Supt. Powell's second recommendation is to change the Junior High from a middle school model to a traditional school model. This will free up several certified staff members. These positions can be reassigned to replace retirees or to reduce force. Supt. Powell stated, "I can't enumerate the savings for a couple of reasons."
- 7) Another recommendation made was to close Coffeen and or Witt. That would put almost 800 kids at Beckemeyer, and no home for Pre-K. Supt. Powell said, "We can't put both elementary schools at Beckemeyer and provide Pre-K there. We then move to an either or situation." There are 123 students enrolled at Coffeen and 76 at Witt. This is only Kindergarten through Fifth. This is 60% more students at the Coffeen Building and the building is thirty years old. The Witt Building was

built in 1906 and 1908. Supt. Powell recommended, "For those last two reasons my recommendations it to close Witt. This would require reduction-in-force and reassignments in that building and to other buildings. Closing Witt Elementary will save the District \$665,000. Closing Coffeen would have saved close to the same amount. There would be 6 elementary teaching positions eliminated. It will be up to the Board who will be kept and who will be released. We can prove a good education for those 76 elementary students and we can do it at a savings of \$665,000 next year and more in years to come."

- 8) Supt. Powell reported the funding for the Pre-K program is in jeopardy. It appears that the upcoming funding for Pre-K will be associated somehow with the General State Aide. This being either more General State Aide and less Pre-K or more Pre-K and less General State Aide. Supt. Powell state, "This year the District will spend \$120,000 in addition to the grant for Pre-K. I am recommending we RIF that program down to next to nothing and when the grant money comes in build the program with that money and no more. These teachers would bump into the elementary ranks and this would require reductions-in-force and reassignments in the District."
- 9) Supt. Powell reported the Title I program is similar to the Pre-K program in that it is grant funded. This program has been larger than the grant for some time. This year the stimulus funds from the government were used to cover that expense. Supt. Powell recommended, "Like the Pre-K, my recommendation is to reduce that program down to the point it is funded by it's grant, which would relieve the District of \$220,000 it is spending on Title programs."
- 10) In the Athletic Programs, they are offered to grades seventh through twelve and also sixth grade track. The net cost of these programs is \$297,000. Supt. Powell stated, "It will be the Board's prerogative to cut some of the programs and coaching positions. Supt. Powell stated, "We definitely will cut transportation. Athletics won't make or break us unless we are looking at cutting it completely."
- 11) Of the total amount of money going to Pre-K \$105,000 is for transportation. Supt. stated, "My recommendation is, even if the Pre-K program comes back with most of what it had before, I would recommend to cut the transportation and spend the money on salaries to offer as many sections of Pre-K as we can."
- 12) The conversations about individuals will be done only in executive session. Supt. Powell stated, "Any and all decisions made will be made at a public meeting, in public, and voted on in public."
- 13) Agenda Item 3.0. Discussion of Proposed Budget Cuts.
Pres. Clinard stated, "There will not be any decisions made this evening."
- 14) Agenda Item 4.0. Public Comment.
Pres. Clinard asked that those wishing to speak stand and identify themselves.
- 15) Former Board Member Doug Donaldson stated, "This is the Hillsboro Community School District not the Hillsboro School District. Whatever decision you make, I ask that you consider the entire community. The fact that the School District is in the condition it's in is not the fault of the Witt Elementary School or the students and families of Witt. Witt has made AYP repeatedly over the years. At the website called Education Resources Information Center, when you talk about the increase in class sizes, the average class size nation wide is student to teacher 15 to 1. Their statistics show that when you increase the class size it has a dramatic and negative affect on a student's education. The financial crisis we are in is not the fault of our students and they are the ones who will be penalized." Mr. Donaldson also reported on the negative affects of time spent on

a school bus. The transportation issue and class size issue both have negative affects on the children. In summing this up he commented, "I just ask that you consider the well being and education of all the students."

- 16) Keith Altevogt from Witt expressed his concern about the closing of Witt Elementary School.
- 17) Witt Elementary Teacher and Union Representative Connie Harling spoke, "Our union was told that we had several weeks to prepare options on how to solve some of the District's money problems. Those meetings are yet to be held, so the ideas are yet to be compiled and presented. We are upset about that. I am here for Witt. We have a lot invested in our school and our community, too. In the last few years, we have brought in SmartBoards, computers, and a new roof into a very solid building. The building is solid and in good shape. A few years ago we were told that closing our building would not save that much money. Our point is, we are not just a building and we are sure not a dollar amount. It is the children that are the most important. When you close a building like Witt, you are also closing the community. What I say to the Board is visit our building before you make any decisions."
- 18) Bus Driver Paul Grider asked, "A few years ago did we have an assistant superintendent position?" Supt. Powell replied, "Yes. There were three here." Mr. Grider continued, "I thought I read where this position had been vacant and was reinstated. If we were in such financial problems, why was the position reinstated?" Supt. Powell responded, "Historically, there have been two, three, and sometimes four administrators at the Unit Office. There were three as recently ago as five years ago. Mr. Gaither will be leaving at the end of this year and his position will be cut. We have had no fewer than two. If you talk to any superintendents, and ask them how the volume of work compares to ten or twenty years ago, they will tell you it is like night and day. This is because of the audits, the mandates, and the managing of the grants. We need two administrators in this office to get the work done. We will be cutting one position here and bringing some work that is done outside of this office into this office. Thanks for the question."
- 19) Transportation Director Cheryl Payne addressed the Board, "Yes, when you keep students on the bus too long it does create havoc for the bus drivers and the teachers. When you put more students on a bus, it changes the time they arrive home more frequently, for the parents. When you purchase a bus that says 84 passenger, it isn't an 84 passenger unless you are hauling kindergarteners. The capacity is only 50. Maybe there are no state regulations on how long a student can be on a bus, but I can guarantee if they are on over an hour when they get to school they are tired, asleep, or have had an accident in their pants. There is a lot more to consider than just saying, 'We're going to put more students on a bus and haul them from here to here.' You can't stay out too long on busses because there is a liability. When you start routing children, you have to know where everybody lives. You can't just put all of Witt here and all of Irving here. You have to know where they live, their families, and the students. It is not just balancing numbers and filling busses. There is a lot more than just doing away with the position and putting it on another administrator's back."
- 20) Witt parent Jenny Lenczycki voiced her concern about Pre-K. She encouraged the Board to do whatever they can to support Pre-K on any level. The most important thing now is to retain the quality teachers and programs.
- 21) Carolyn Altevogt spoke of her disapproval of closing Witt Elementary.
- 22) Beckemeyer Elementary teacher Carol Naylor commented on the long days and hours teachers in the District work.

- 23) Junior High Supervised Study Aide Patty Holshouser commented, "I have subbed in this district for a long time. When my son was in fourth grade, there were 34-35 students in the elementary classroom. My son came home with stories of not what I learned today, but who was in trouble. The class size is very important and I have seen it first hand as a parent and when I was subbing."
- 24) Junior High Teacher Sarah Wilson asked, "We were told we could borrow \$35,000,000 because money is cheap. Is there any way you can borrow money to tie us over?" Supt. Powell responded, "Yes, we can do that. It would move this problem down the road and make this problem worse. It doesn't go away. The difference in the two situations with the High School project is borrowing money for a capital project is like getting a mortgage at home. It is a long term investment. The problem with bonded money is we would not be borrowing for a capital project but to pay our bills. When we sold those bonds three years ago it was in anticipation of revenue from the coal mine. If two years from now, we knew there would be a bunch of new revenue money out there. However, there is nothing two years out, to help us with that. When the coal mine comes, they will spend \$357,000,000 as an investment to begin mining coal. Most of the money is underground and the only benefit to the school district will be whatever buildings sit on top of the ground will be assessed. This will be part of the enterprise zone, so we will have to wait a year on that money. It will then be assessed as property. The financial impact of the coal mine upon this school district is going to be similar to the financial impact of a new subdivision. It is nice. It helps, but it doesn't turn any of this around. If there was a reason to think buying some more time would get us through this, I would be the first one to go get some cheap money. I think, if we got a zero rate on bonds, it would be a mistake to sell bonds. Then we would raise the tax rate in the bond and interest fund and we would continue to run an increasingly larger deficit for the next couple of year. Now instead of trying to cut \$2,000,000 to avoid a \$3,000,000 deficit we are looking at what we are going to do with the \$4,000,000 or \$5,000,000 deficit? We spent that bond money in three years and we will spend eight years paying it off. We are digging the hole deeper. To sell a couple of millions dollars in bonds, to keep running larger deficits just doesn't make good sense."
- 25) Junior High Teacher Nancy Snyder asked, "In the next five years, how will the people retiring out affect the salary schedule and the budget?" Supt. Powell replied, "The savings from people retiring and people coming in is misunderstood. Two things happen; a teacher leaves the high end of the salary schedule and a new one comes in on the lower end and everyone moves. Once in a while, you have a concentration of a bunch go and that helps. It will help some but even if we get the \$2,000,000 we will need some more help because we are going to still have a deficit budget."
- 26) Bus driver Paul Loucks asked, "What is your time schedule for making your final decision?" Supt. Powell replied, "The Board needs to make any RIF certified staff by the middle of March. We have a little more time for non-certified staff. I am going to recommend to the Board to meet once a week this month."
- 27) Pres. Clinard thanked those who came for coming. There will be meetings once a week with time for public comment at each meeting.
- 28) Agenda Item 5.0. Executive Session.
Upon a motion by Secy. Hutchison, seconded by Bill Jurgena, move to go into executive session at 7:58 p.m. to discuss personnel. On roll call the following voted yes: Barbara Adams, Greg Bellaver, Trina Britton, Lynne Hutchison, Bill Jurgena, Earl Meier, and Bill Clinard. Motion carried 7-0.

- 29) Agenda Item 5.0. Executive Session.
Upon a motion by Secy. Hutchison, seconded by Bill Jurgena, move to go out of executive session at 10:05 p.m. Voice vote. Motion carried.
- 30) Upon a motion by Bill Jurgena, and seconded by Secy. Hutchison, move to adjourn. Voice vote. Motion carried.
- 31) Meeting adjourned at 10:06 p.m.

Hillsboro, Illinois
February 16, 2010

Thomas William Clinard, President
Board of Education

Lynne Hutchison, Secretary
Board of Education

Date minutes approved