

September 18, 2007

To: Smitty

From: Monty Aldrich

THOUGHTS FROM THE UNIT OFFICE...

At our September 13 board meeting, I would like to clarify the discussion concerning future building needs and possible construction. I would also like to explain how some of the funding works to communicate how some things cannot be paid for out of “just any money” that the district has.

First, it is my duty to always project what future needs the district may have. It is also my duty to control finances and streamline spending to better the district overall. With the high school construction that went on this past summer, most think that we did this only for a new look for the building. The condition of the building was poor, with water coming through the masonry causing deterioration. We had to tuckpoint, which is to grind mortar out of all joints between bricks and refill with new mortar. Since that expense was close to the expense of what we ended up doing, it was a “no brainer” to go ahead and insulate the walls while improving the looks of the structure. When it was extremely hot at the beginning of the school year, many noticed that it remained cooler inside the building due to the bricks not being exposed and holding heat. We have two options with older buildings: One is to spend money to maintain/repair current structures, and two is to allow those structures to deteriorate then spend much more money building new structures.

And for the future of North Clay...our board is looking at several different issues. One thing we discussed at our last meeting was to inform the public about the needs present so that there were no surprises once it came time to present something later. Our district is on the state list to receive a matching grant in year three if the state comes through with Capital Development Construction Grant money. The likelihood of this happening appears bleak. So, we have some possibilities on school construction/maintenance that will need addressed in the near future. Those include:

1. **ADA Handicap Accessibility Work at North Clay High School** – to update and comply with federal and state laws, we are required to construct access to the entire high school building. Currently, we are not in compliance and will need to do so. The board has put the “urgent” stamp on this. It may consist of an elevator, renovation of entrances, restrooms, classrooms, etc. This should cost in the neighborhood of \$300,000-\$400,000. The district may be able to use money saved to do the work.
2. **Strategic Planning Meeting – Winter (Open to Public) – concerning possible future referendum for Building Addition with Options** – this is a more complex issue. Possibilities could include additional classrooms needed, moving Pre-K and Early Childhood Education to those rooms, selling the current school

building on South Lynn Street, putting Unit Office, Board Room in new addition and selling current office, constructing a new gym and fitness room. **Please do not jump to any conclusions! This will be a meeting to discuss any future possibilities with the Board and the public.** We are not necessarily going to do any or all of these projects, but we are talking about feasibility and financing for several of these options. Obviously extending debt limits of the district and tax rates have been and will continue to be discussed. We want an opportunity to get public input before developing a plan for the future.

The school budget is set up into several different funds. Each fund serves a specific purpose, and transferability from one fund to another is limited or restricted. I often hear staff members and others asking why we cannot purchase something when we have all of that money that we pour into our buildings. The state and the Illinois School Code specify what expenditures can be made from each fund. Last year, the district spent over 80% of its total expenditures out of the Education Fund. This fund serves primarily to pay most staff salaries, buy books, equipment, etc. The Operations & Maintenance Fund consisted of 6% of our overall expenses. That fund pays for repairs/maintenance to our buildings, cleaning supplies and equipment, custodian salaries, etc. The Transportation Fund accounted for 7% of our total expenditures and consists of bus and van purchases, gas, diesel and oil costs, repairs/maintenance, and other transportation-related expenses. Other funds include Bond & Interest which pays back our outstanding debts on bonds, Rent/Lease which helps purchase needed technology, IMRF/Social Security which funds those retirement programs, Site & Construction which is basically a savings account for new construction, and Life Safety which serves to fund repairs required to keep buildings safe according to law.

On the good side, we receive funding through several sources as well. Almost 50% of our funding comes through the State of Illinois by means of General State Aid. We receive this based upon enrollment and attendance. Other than having students maximizing learning, this is another reason why attendance is so important. Without enrollment numbers staying steady, this revenue could really sink the district. Local property taxes account for 23% of our funding. Being downstate, we rely on this much less than the northern schools. The tax base in larger areas actually funds most districts. That is why there is so much controversy on school funding. Many dollars are sent downstate to provide General State Aid for us. Other state funding sources account collectively for about 13% of the funding, and federal funding accounts for around 10-15% of our funds. With that, we operate under several grants. Those include: Title I, Title IIA, Title IID, Title IV, Title V, Reading Improvement Block Grant, Early Childhood Birth to 3 Grant, Early Childhood 3-5 Grant, and ADA Block Grant. These funds usually serve around a half-million dollars worth of restrictive funds to our district annually. The No Child Left Behind Act of 2001 drives most of these grants with around 800 pages of laws.

On the “kid side”, we really have a good group of students to work with this year. It is going very well with great comments coming from our staff on work ethic, behavior, and attitude. That comes from you at home so “thanks” for making this an enjoyable place to

work! Our staff is here to serve your kids. If that isn't happening, let us know. If it is happening, encourage your child to use that time to learn as much as possible while having fun. Please stop by and visit our school or have lunch with your child. It's pretty neat to see what's going on here on a daily basis!