



Bethalto Community Unit School District #8

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FOR IMMEDIATE RELEASE

Important Message to Our School Community Update on School Funding and Senate Bill 1 Updated 8/1/2017

The Bethalto School District is prepared to open its doors to students on August 16th. How long the doors remain open is up to the politicians.

Today, Governor Rauner issued an amendatory veto of Senate Bill 1. As a result of the amendatory veto, the state legislature must now either vote to override the veto or vote to accept the changes made to the bill by the governor through the amendatory veto process for the bill to become law, for the proposed funding formula to take effect, and for schools to receive funding. If not acted upon swiftly, the Bethalto School District will not receive its General State Aid payments, which are scheduled to start on August 10th, the date in which school districts have historically received their first payments for the new school year. The district is committed to keeping its doors open as long as possible, but will eventually be forced to close its doors without the regular and scheduled flow of General State Aid payments.

The Bethalto School District, as well as other districts across the state, are caught in the middle of a political nightmare, as the politicians in Springfield play games with General State Aid payments for the 2017-2018 school year through their wrangling over Senate Bill 1, the proposed new funding formula for school districts across the state. Districts, including the Bethalto School District, are working to determine how many days they can keep their doors open, in operation for the students of their communities, if Senate Bill 1 fails to become law. The number of days school districts can remain open is determined, in part, by the days cash on hand for each school district, a number decreased by the State's failure to make all of its mandated categorical payments during the 2016-2017 school year.

Historically, the end of July is a time of excitement and eager anticipation, as the district and its employees are gearing up and preparing for the upcoming school year. The district is looking forward to welcoming its teachers, staff, and students back for another year of teaching and learning. Unfortunately, instead of the district being able to fully focus on the totality of the upcoming school year, it is focused on how many days it can remain open once the school year begins. This is, in total part, a result of the political clamoring taking place in Springfield, as politicians use students as pawns in their games of political chess.

The district encourages its residents to contact Springfield and let the governor, legislative leaders, and legislators know that they must do their Constitutional duty and support public schools, including the Bethalto School District. It is time to end the games, wrangling, clamoring, and political brinkmanship. It's time to do what is best for the districts, schools, and students across the State. The Bethalto School District is committed to "Achievement for All" and so should the politicians in Springfield.

Governor Bruce Rauner	(217) 782-0244	(312) 814-2121
Senate President John Cullerton	(217) 782-2728	(773) 883-0770
Speaker of the House Michael Madigan	(217) 782-5350	(773) 581-8000
Senator William Haine	(217) 782-5247	(618) 465-4764
Representative Daniel Beiser	(217) 782-5996	(618) 465-5900

At the regularly scheduled Board of Education meeting held on Thursday, July 27th, the Bethalto Community Unit School District 8 Board of Education was presented with an update on the district's finances for the conclusion of the 2016-2017

school year. The message included disappointing information regarding the State of Illinois' continued failure to adequately fund the Bethalto School District. Although the State did come through on its promise to fully fund General State Aid for the 2016-2017 school year, the State has still failed to provide about \$950,000 in mandated categorical payments to the school district, funding that goes primarily for bus transportation, services for special education students, and breakfast and lunch for low-income students. This lack of funding had a major impact on two of the district's primary operating funds. The Education Fund ended the school year with a negative balance of \$227,750 and the Transportation Fund ended with a negative balance of \$336,500. As a result, the district will, once again, have to tap into the minimal reserves it has left, to make up the difference, significantly impacting the district's vulnerable financial condition, a result of years of lost funding from the state, totaling millions of dollars.

As the district shared at a press conference two weeks ago at Brighton North Elementary School, the district is concerned that members of the community do not totally understand the magnitude of the impasse between the legislature and governor in Springfield and its impact on the district should General State Aid not flow in August as scheduled. Over 50% of the district's funding comes from the State of Illinois, the vast majority through regularly scheduled General State Aid payments, totally about \$815,000 per month last school year. Should these dollars not flow, because of the political impasse in Springfield, the district would have no choice but to close its doors, as the district would not be able to pay its bills. The Bethalto School District receives about \$9,000,000 per year in General State Aid, a funding source vital for its daily operations.

The Illinois' Comptroller has suggested that the governor and legislators must reach consensus on Senate Bill 1 by August 4th if General State Aid dollars are to flow by August 10th. As Senate Bill 1 remains unresolved, there is no mechanism in place for the comptroller to use to distribute these much needed funds to schools. So, while the money sits in Springfield, school districts, including the Bethalto School District, must prepare to suffer. It has been suggested that the comptroller may be able to release the remaining mandated categorical payments from last school year, if General State Aid does not flow, but these payments are not guaranteed, would not come close to covering one month's worth of expenditures for the Bethalto School District, and would not be enough to keep the doors of the district open.

Many are touting that Senate Bill 1 would increase funding for many districts across the State. This is true for the Bethalto School District, as it is estimated to bring in about \$700,000 more per year. This is, however, still less than is owed from last year in categorical payments by about \$250,000. In other words, this extra \$700,000, although extremely valuable, does not make the district whole from the loss of funding just last year alone. After years and years of the proration of payments, a period of declining Equalized Assessed Valuation, delayed categorical payments, the district has all but exhausted its reserves, as it has worked to maintain programs and personnel. So, continued brinkmanship in Springfield simply puts the district in further risk of having to close its doors, because it won't have the funds necessary to pay the bills.

In June, the district received about \$393,000 in early local tax revenue into its operating funds. Although this revenue is for the 2017-2018 school year, the district was forced to use these funds to cover expenditures from the 2016-2017 school year. This creates a perpetual cycle of using local revenue denoted for the next school year to cover expenditures from the previous school year, because the State fails to adequately provide its mandated portion of funding. In other words, the district's residents are on the hook for the State of Illinois' failure to do its Constitutional duty.

The district was forced last year to cut \$2,300,000 from its operating fund expenditures to try to ensure a balanced budget for the current school year. This led to the loss of personnel, decrease in hours, loss of benefits, loss of programs and services. Although the district worked diligently to try to avoid making cuts that would have a significant impact on its students, inevitably cuts will. The district recognizes that it is responsible for its expenditures and is continuing to look at areas in which it can cut costs, trying to protect students throughout the process. However, if the governor and legislators in Springfield continue playing games and General State Aid fails to flow, the district will have no choice but to take drastic steps, steps that will have a negative impact on its students, including closing its doors.

“Achievement for All”