

WATERLOO COMMUNITY UNIT SCHOOL DISTRICT NO. 5
UNIT OFFICE OF THE SUPERINTENDENT
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James W. Helton

Superintendent

February 24, 2010

Dear District 5 Community:

The purpose of this message is to discuss the financial impact of the state's fiscal crisis on Waterloo Community Unit School District No. 5. We are deeply concerned about the overall effect of our current FY10 budget, as well as the dire projections for FY11. For FY11, the state's budget shortfall is estimated to be around \$13 billion, and we are apprehensive about the devastating impact on our local school district.

The huge state deficit, coupled with the approximately \$1 billion loss of stimulus funding Illinois received and passed to school districts in FY09 and FY10 in the form of General State Aid (GSA), is creating great despair within the state.

Currently:

- The State of Illinois is late on payments (\$1,379,479) to the Waterloo district in the mandated categorical payments Special Education (\$606,996), Transportation (\$670,514), Early Childhood (77,930), and ADA Block Grant (\$24,038). This is revenue that is legally DUE and EXPECTED as the district develops its budget.
- Flat funding in General State Aid for FY11 will cause the district to lose approximately \$1.4 million in state funding.
- A decrease in General State Aid for FY11 will cause the district to lose approximately \$3 million in state funding.
- Uncertainty in state funding has required the district to discuss RIF (reduction in force) of 40 nontenured teachers and 15 paraprofessionals for FY11.

The Illinois Constitution states, "***the state has the primary responsibility for financing the system of public education;***" instead the state has shifted the education funding burden to local taxpayers. For perspective, in FY10 the state is projected to fund only 21% of our budget, compared to 50% in FY2000.

Our mission is to provide educational experiences for the total development of each student so they can become well-adjusted citizens, making positive contributions to society.

Discussions in Springfield this session are publically stating that schools could see a 10-percent across the board cut in general state aid. If the general state aid were reduced in FY11 to \$5,500, our projected losses would be \$3 million. The local share of our education cost would jump to 91% within the general state formula! Our community realized five years ago that the minimum \$1.84 was not supporting the education of its children in the education fund, voted to increase its tax rate to \$2.19, and now the educational programming we have implemented "*to make a positive difference in the lives of children*", is now at risk of being destroyed by poor decisions in Springfield.

Over the past years, we have heard from our lawmakers in Springfield that they delayed making decisions regarding the fiscal crisis in the state, and public education funding. Locally we have maximized our resources, made value-based decisions, and passed balanced budgets the last four years...even to the point [with our long term debt] of gaining Financial Recognition within the state. We have done what the state has asked: fiscal management, student achievement, maximized local control...and yet, after five years of working towards this goal, in one legislative session...*poof!*

In addition, while we are in middle of the largest state budget deficit in Illinois history, lawmakers continue to propose dozens of bills that place new unfunded or underfunded requirements on school districts. HB4711 provides that no district is obligated to comply with any statutory or regulatory mandate or requirement unless a separate appropriation has been enacted into law providing for the school year during which such mandate is required. We ask that you show support of this bill.

In closing, we are asking you to please contact our state legislators to prevent a reduction in education funding, and to continue to maintain jobs within our communities. How do we explain to our community why the children in Waterloo will suffer? Please communicate to our legislators NOT to balance their budgets on the backs of children!!

For the Board of Education,

James W. Helton
Superintendent

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