

**Transcript of a
Portion of the Board of Education
Special Meeting**

Held on

**April 5, 2010
At 7:30 p.m.**

Regarding

Proposed Budget Reductions for 2010-11

Meeting held at:

Carpentersville Middle School
100 Cleveland Avenue
Carpentersville, Illinois 6011

Transcribed by:

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for *Office Team*

Transcriptionist Note: Only those portions of the meeting relating to budget reductions were transcribed.

Transcript Begins:

BOARD PRESIDENT JOSEPH R. STEVENS

I would ask cell phones, pagers, buzzers, gongs, whatever else you have in your pocket, please turn them off. Dr. Crates, you're up.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

What we're going to start with this evening is just a real quick, brief overview of Version 4 of our budget. As you know, last year we had eight versions before we were done of our budget. That has to do with the fact that every month or so we get new numbers, and we update our versions through the Finance Committee and then to the Board.

Just as we started, we are hoping to end this school year with \$12.2 million to the good.

Do we have to give this a minute to work? Why is it now not working? (technical issues)

BOARD PRESIDENT JOSEPH R. STEVENS

There's a conspiracy, Dr. Crates.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Every time we practice it works.

So the problem we are having in the 2009-2010 year is that the state legislature passed a budget that does not enough revenues to match the expenses. And because of that, as of April 1, the state legislature currently owes the district \$11.2 (million). We should have had three payments for the categoricals – that's the funding sources that are categorically given to us (by the state), like the category of transportation, or the category of special ed, or category of early childhood – and they have only made one (payment). So they are two payments behind. We do (hope to) get a fourth payment in the May timeframe. I'm not sure whether we will get that or not. Right now, we have received one of the four payments; three are due us, and we have only received one.

We have received our General State Aid. The reason we've received General State Aid – that's the main money that comes in from the state that is *not* by category – is because the state received \$1.3 billion of stimulus money from the federal government. They (the state leaders) are using that stimulus to make the payments to the school districts in the General State Aid area. So that's the good news. At least we're getting our General State Aid payments. The bad news is the category funding has been backlogged, and that's due to the fact that there's no money in the (state) treasury. So if you went out to our District website, you would see that they owe us this money, but they can't send us a check because there is no money in the State checkbook; so, therefore, they can't do that.

So with that in mind, we don't know for sure that for the 2009-2010 year we're going to end at \$12.2 million. Added to that is the fact that currently we borrowed \$11.5 million in Tax Anticipation Warrants to make payroll from the end of April, May, and June until the (local property) tax money comes (from the local counties) in June. That (TAW's) money, \$11.5 million, is due the District this week to help us make payroll for the next month or two until the taxes comes. And that's partly due from the lack of funding that the state has been unable to send us. Keep that in mind.

We do have \$35 million in working cash. Now, that working cash fund money is like a credit card. We still owe over \$32 million to the banks. We borrowed that. We're paying that off over 20 years. So it's really not free cash; it's available for us to loan to ourselves, but we are making payments annually back to the bank and will do for another 20 years. So free and clear we have \$12 to \$15 million that is totally

ours to spend. But out of the working cash, when you add that to the \$12 million, it gives us \$47.3 million, hopefully, in ending fund balance – of which \$35 million is still basically owed to the bank.

So with that in mind, when we looked at this next year's budget, we're right now talking about Scenario D which is related to (Governor) Quinn's budget. We originally thought we had to cut \$6.5 million, so we worked towards that end. We put reductions of \$6.5 million into next year's current expenses which are on line 15 and 16 up here. So it's assuming we are going to cut \$6.5 million. And then we were waiting to see – we were just about balanced on B – if we got nothing on the (state) Foundation formula. Unfortunately, Scenario D seems to be the one that's coming out and, again, depending on how Quinn's reductions are actually translated to District 300, some are saying the Foundation level is as big as a 17% reduction. We are assuming only 10% here in this scenario. Categoricals, depending on the category of the funding, can be up to 21% (in state reductions for 2010-2011). Transportation, for example, is down 23% at special ed transportation and 20% in regular transportation. So keep in mind these are probably not the full budget cuts that will be experienced once we get the details. But for sake of argument, we chose 10% on foundation and 15% on categorical. So even though we cut \$6.5 million here, we had to cut now *another* \$6.5 million. And if I had my red pen working, it would show that we had \$13 million plus (in proposed cuts); we had assumed no growth in insurance, which is Line 24 here, and it went up about \$1.8 million. So the \$6.5 million and the (second) \$6.5 million is \$13 million, plus insurance, which puts us at a negative \$15 million that we are looking at for the 2010-2011 year for reductions.

And those are the basics on (Budget) Version 4. We have been working on a list of reductions. And I'm not going to go through that with you, but I thought we'd entertain questions from the Board about the target of \$15 million.

BOARD PRESIDENT JOSEPH R. STEVENS

Feel free to ask Dr. Crates questions. Mrs. Clark?

BOARD MEMBER MONICA CLARK

It's not about the \$15 (million), but the money the State owes us. Even though they haven't paid it to us, are they saying they are going to pay it to us in the future? ... or we just ...

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

No one will say. The best case I've gotten from when I was in Springfield three weeks ago was that they hope to get one more payment out (to the school districts). According to State law they can't *not* pay us, but when we'll get the check is the question. So it may be two years from now, or five years from now. They cannot *not* pay us, but when we'll get the check is another issue.

So we have two real issues we are dealing with: One is the known reductions, which is all we put here (on the spreadsheet) at this point, which is the \$15 million. Then there's this issue of how are we going to end this year, the 2009-2010 year. Are we going to end \$12.2 million to the good? Or if we miss two State aid payments or three in the categoricals, will that be zero or negative? That's the thing I can't answer yet until we know what will be released from the State Treasury office. That's who's holding it up. (The state) Comptroller says, "I know I owe you the money, but I can't mail it to you. There's no money in the checking account at the State level to send you the check."

BOARD PRESIDENT JOSEPH R. STEVENS

Mrs. Miller?

BOARD SECRETARY ANNE MILLER

I'll wait until Mrs. Clark is finished.

BOARD MEMBER MONICA CLARK

I'm through.

BOARD SECRETARY ANNE MILLER

Along the lines of Mrs. Clark and your answers: The State owes us money. We have been told by the community so many times that we should be treating and looking at the District as if we were a business and not necessarily an educational organization. This is an example of where, as a business, we could be charging interest, finance charges. We could put them (the state) on a payment plan. We certainly would not want to exclude them or cut them out from being a client of ours. But according to statute – there’s a question in here – can we charge interest or finance charges, or put them on a payment plan, so that maybe we don’t get the whole payment in at one time, but we get partial payments in so we don’t have to wait until that uncertainty in the future?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

I really can’t answer that. We can’t, obviously, charge them interest. But “would the State be required to pay interest” is probably a better question.

BOARD SECRETARY ANNE MILLER

Yes.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

I can’t answer that. I don’t know.

BOARD SECRETARY ANNE MILLER

The next question I have along those same lines is, again, if we looked at this as a business, we would look at that \$11 million as an asset, if you will, a revenue coming in, that we would be able to use as collateral to get money coming in. I understand that they’re similar to TAW’s (Tax Anticipation Warrants) in that there is interest, and there’s fees that are associated with that. But if we are running short on money and the State has to pay this money to us at some point, is there a way or would we consider using that as collateral to borrow?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

I think that’s doable in certain circumstances, depending on the State. Unfortunately, your problem is because the world knows that the State of Illinois is bankrupt, the chances of a banking wanting to loan you money from an institution that already can’t pay its bills is the problem.

BOARD SECRETARY ANNE MILLER

There’s nobody that’s going to lend us money on something that isn’t coming in.

BOARD PRESIDENT JOSEPH R. STEVENS

I was just relating. I’m on the Board of a not-for-profit medical facility that relies heavily on state payments. And the banks are now refusing to count any State payments as collateral against standing a loan. In that situation they say it’s a bad debt.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

That’s why we did Tax Anticipation Warrants, which pledge our future revenue from the taxes collected in June to allow us to make payroll in April and May for the staff.

BOARD SECRETARY ANNE MILLER

And we’re in a situation where most of our budget is based on payroll and we really can’t write that off as a bad debt.

BOARD PRESIDENT JOSEPH R. STEVENS

I’m saying that State’s – the bank would look at the State’s dollars as bad debt.

BOARD SECRETARY ANNE MILLER

Right. There isn't anything out of the \$11 million that we need it in that we could say, "Well, they're not paying us, therefore, we're not paying you."

When is the final date that we have to have the (2010-2011 fiscal year) budget finalized?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

It will be in September, the end of September. September 30 of 2010.

BOARD SECRETARY ANNE MILLER

Part of the reason we are making these cuts now is because we are under statutory requirements as far as personnel are concerned. Once those dates are done, our timeframe is what – in order to make additional cuts?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Well, obviously, it depends on what the Board directs us to do. At the March 8 Board meeting, the Board asked that the staff come back with a list of reductions that could balance the budget. That's why we're pursuing a list of further reductions past the original \$6.5 million to accommodate that.

Your requirements as a District: you would have to have that finalized sometime in August, so that you can do the public hearings on the budget and the timeline for final adoption at the end of September of 2010.

BOARD SECRETARY ANNE MILLER

You mentioned that because of the \$15 million now, that the Board had already authorized the \$6.2 million for cuts and because of the new information from the Governor, the Administration is now looking at \$15 million. Correct?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Correct. And because at the March 8 Board meeting the Board (members) went around the table to say what did they want us to do as we move forward. There were enough Board members that suggested the Administration come with a list to balance the budget. That didn't mean the Board agreed to cut that much. It just meant that we were directed as a staff to give you an option if you chose to balance.

BOARD SECRETARY ANNE MILLER

So my understanding is that we have agreed as a Board to a \$6.2 million reduction. We have not agreed as a Board to go up to \$15 million. We have indicated we want to have a balanced budget.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Correct.

BOARD SECRETARY ANNE MILLER

But until we see what those cuts are, the additional cuts, and how they affect our educational program, the overall picture of our District, we have not agreed to going up to that \$15 million. But it is your indication that in order to have a balanced budget, we would have to have \$15 million.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Minimally. Because I'm telling you that my Scenario D may be \$2 million not enough. Until I see what Governor Quinn's office comes back with, as it relates to the exact line item and the actual distribution of the revenues, this is "best case" of Quinn's reductions, not worst case.

BOARD PRESIDENT JOSEPH R. STEVENS

Dr. Crates, you just answered Mrs. Miller that we've agreed to the \$6.5 million in cuts and that's not really accurate. We've only voted on \$4.5 million because the transportation has not been voted on, that would be April 26.

BOARD MEMBER CHRIS STANTON

Right, but that comes in that \$6.5 million. We've already directed to that dollar amount.

BOARD PRESIDENT JOSEPH R. STEVENS

Yes. But we haven't authorized that yet.

BOARD MEMBER CHRIS STANTON

I believe the phrasing is we've authorized the administration to come back to us with \$6.5 million in cuts. Because I actually printed the transcripts up from that meeting, and it does say in the transcripts and these are in your words, Cheryl, that the Board has to give direction on further cuts. And I would assume that as a Board, we would have to vote on that \$15 million number. Either now somebody's saying we're doing it by piecemeal, or we just say now we're authorizing the administration to come back with up to \$15 million in cuts.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

You have that absolutely correct. And then, aside from that, it's one thing for us to make a list. It's a whole other thing for you to vote on the actual reductions. We would then have to be the follow through (on your vote).

BOARD SECRETARY ANNE MILLER

This list that administration is coming back with, is it safe to say that it's a list coming from administration? Or is the Finance Committee, Education Committee, HR Committee being involved in coming up with the suggestion?

SUPERINTENDENT DR. KEN ARNDT

This truly was administrative driven. We're painfully aware of how we got into \$27 million of debt in 2002, 2003, and 2004. The same conversation occurred then, that "things will get better next year," and they never did. Also, at that time we did not have the financial expertise that we have now. Every single segment of our financial community is saying we are on the right path. We realize that this is an extremely difficult process, but you have to be cautious that if you don't take corrective actions now, next year you might have double the problem.

BOARD SECRETARY ANNE MILLER

I'm not disagreeing with needing to take the corrective actions and looking at the finances. My concern is that as we look at those, sometimes in my mind I don't want to just see the numbers. I mean it's easy enough to say "cut this, cut this, cut this" and then come up with here's your \$6 million or here's your \$15 million or whatever. As I've mentioned in many previous meetings, I'm anxious to see what that overall picture does to the educational program and to be able to think outside the box to see if there are ways that we're just not looking at numbers. Part of my concern, and this is *not* an anti-administration issue, it's just that we've got people that are looking at where can we cut numbers, that we may not be opening up ourselves to some creativity in how we can still maintain a quality education program. I mean, it's doing to go down if we're cutting \$15 million, or if we're cutting \$6 million. It's going to be affected—class sizes, education programs going to be affected. But if we're only looking at what other numbers. We have the EPRT process. I want to make sure we use the EPRT process.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

And we did. For the first \$6.5 million we used (EPRT) as our beginning. And we used it again on the second list. So it has been the backbone of almost every reduction we've looked at.

And, of course, there's been negotiations ongoing with employee groups as well. I think we are close to \$10 million of the \$15 million in terms of general consensus. I think it's the last \$5 million or so that's going to be the hard reduction—if we can get there.

SUPERINTENDENT DR. KEN ARNDT

The administration's not going to recommend any more reductions for the next school year. We are at the maximum right now and ...

BOARD SECRETARY ANNE MILLER

Reductions as far as in staff, or reductions as far as in dollars?

SUPERINTENDENT DR. KEN ARNDT

For staffing, if the recommendations tonight are approved (by the Board). It will be difficult next year to run our schools with the cuts that we've already been issued.

BOARD SECRETARY ANNE MILLER

And these recommendations, the reason why, again, I keep saying I want to see the whole picture, I feel like we're under the gun, why are we doing some cuts and then some more cuts and now another recommendation for cuts. How does this affect? But the reason is because we're based on statute in order to get notification out, and just because we make the staff cuts does not mean we will not be recalling back once administration comes back with that overall picture of how things look.

SUPERINTENDENT DR. KEN ARNDT

That is correct.

BOARD PRESIDENT JOSEPH R. STEVENS

Are you done Mrs. Miller?

BOARD SECRETARY ANNE MILLER

For the moment.

BOARD PRESIDENT JOSEPH R. STEVENS

Mr. Stanton?

BOARD MEMBER CHRIS STANTON

Sure. ... I want to go back one year in time, because when I pulled the documents from September 2009 it looked like the working cash was, or the operating balance would be, somewhere around \$40 million or something in that neighborhood. We did \$3 million in reductions for this year. So in my mind it looks like, above the \$3 million we cut, we really made or saved an additional \$4 million in this fiscal year or this school year. I call them fiscal years, but it's school year. Is that kind of an accurate assessment?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Well, every year we've made progress on our fund balance. Meaning this used to read, right here (on the displayed spreadsheet), negative \$27 million, and now it reads positive \$12 (million). So for the (almost) 5-year period that the election of the increase in the tax rates been here, we've paid back \$39 million to give us this \$12 million cushion. And each year, of course, with a \$200 million budget, you know you hope you end up better with money in the bank than worse.

So when we headed into the 2009-2010 year, we decided that we would try to reduce what we could. We had two major areas that that occurred in: One was staffing. We made sure that we didn't assume (an) increase in student population in the 2009-2010 year over the 2008-2009 year, because we weren't having as many move in's. So we altered our enrollment projection process and that saved about \$1.5 million in teaching staff. Then the second thing we did was we had no insurance increase, which had originally been in the model of about \$1.5 (million). So there wasn't any major reduction in the 2009-2010 year that people saw. All we did was tighten in and try and make that work. So the point of gaining \$12.2 did help you when we just borrowed the \$11.5 million, because what Moody's and Standard & Poor's looked at was the concerted effort the Board had made to add to the 2009-2010 fund balance of \$12.2 (million). So they looked at that and said, "Ok, we're going to give you a better rating." We actually went up a

grade in Standard & Poor's, so you paid less in interest to borrow the \$11.5 million because you built that from a negative \$27 million to a positive \$12. Long winded, but the point is that you did improve your fund balance there. They will not look at working cash, Moody's and Standard & Poor's, because we owe that to the bank.

BOARD MEMBER CHRIS STANTON

I understand. But I guess my question is, and maybe a simple yes or no would work: we cut \$3 million, and the way I'm running the numbers it looks like we did, even if we had that \$3 million – we did \$4 million better than what we thought we were going to do because we thought we were going to be somewhere around \$40 million at the ending balance.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Correct.

BOARD MEMBER CHRIS STANTON

Okay, that being said, also on the \$35 million, really \$3 million of that or \$2.5 million of that is also District money

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

That is correct.

BOARD MEMBER CHRIS STANTON

So that would get counted with the \$12 million?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

That's correct. You could.

BOARD MEMBER CHRIS STANTON

Okay. And I guess therein lies the problem, at least part of the problem I have, with some of the early budgeting numbers that we are doing now. And I understand we've got to make some of these cuts. But I just want to be ... I hate cutting today's services to pay tomorrow's bills when you didn't have to. And the example would be is if we get the class sizes so big, and then next year now all of a sudden this number's \$55 million because lo and behold Madigan and Quinn came together and figured out some way that this all worked out. And then we didn't reinstitute or restart some of these programs because it's either too late in the game or we just wouldn't be prepared to do that. We'll lose a whole year between what we know the money is versus what we think the money is. Because really right now we're just dealing with what we think the money is. We don't really know what the money is, other than the columns that we actually can see today and by the accounting practices. And unfortunately for the people that want a school district to run like a real business, and I hear this a lot, too. We don't gain any of the benefits of a real business because you've got nothing – even if you wrote down some of these revenues that you were supposed to get, you've got nothing that you were producing on the other side to write it off – you have no tax benefits, you have nothing to gain from doing traditional write-downs and things like that.

So I guess what I'm saying is that over that last three years we've been kind of conservative, and in some cases maybe even sandbagged a little bit. How do we know what the real number is before we know what the real number is? Because right now we've missed that real number for the last two years, that we've actually done better than what we thought it was going to be.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Well, with a district this size, the amount that you've done better is minor compared to a \$200 million budget annually.

I think the thing you can hang your hat on is the State is now making the payments in General State Aid for one reason: They have \$1.3 billion of federal money, which they won't have next year. So the point is, we don't even know if we'll get General State Aid every two weeks like we've been getting it next year – because the State won't have that federal money, add to the fact we are already three payments in arrears in categoricals. So the idea that in the past that “we've done better” – we can't even use the past to predict next year.

We are truly the second worst funded state in the nation right now. And what we have to be sure we do is to protect all the programs that we can for all the children we can and be fiscally responsible to note that it's different this year than it's ever been. They have never been behind two categorical payments. They've never been \$11.2 million short in paying the School District – ever! And the only reason we're getting general state aid is they have it from the feds, which goes away next year. So I don't think that our (budget scenario) D goes far enough, to be honest. Remember when we first did it was negative \$24 million.

When we looked at this in November, we were somewhere between negative \$6.5 and negative \$24 million. And we chose to do Scenario D – which is a less than what Quinn has put out there scenario and chose, not to change it at this point because we're having a hard enough time coming up with another \$6.5 million on top of the \$6.5 million we've already cut plus the insurance. So we're having a hard time getting to \$15 million without going to \$24 million.

But the reality is, this time next year, if things don't change in the state legislature and there's not an increase in (state-level) taxes, we will be back here cutting another \$10 to \$12 million. We will. And that's assuming we can get closer to \$10 to \$15 (million) this year. We'll cut another \$10 (million) next year, unless there an increase in revenues. So that's the reality of where we're at. Because they (the state leaders) can't make the payments now even with \$1.3 billion from the feds, which won't be there next year. And right now no one's said what they're going to reduce that by except for Quinn's current scenario.

BOARD MEMBER CHRIS STANTON

Dr. Crates mentioned that State categorical payments are required by law, but may be delayed. If they are delayed past a point where we can accrue them into the current year, do we just use them towards next year's budget?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Yes. That's what auditors are saying will happen.

BOARD MEMBER CHRIS STANTON

We'd just have a lower fund balance to begin with.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

More than likely, if they don't have a new source of revenue, and even with what's being (said) out there, it's going to take four to five years for them to get caught up so we're going to be two to three year – only getting two payments in categoricals out of four annually, for maybe three to four years before they can get caught up. Well, you all know that's what happens in your household. You have one bad year, it takes years to get back to what you had the year before.

BOARD SECRETARY ANNE MILLER

Except, if I'm using that same analogy with my household and with what we have here from the State, I believe you said earlier that the State is required to pay us what they owe us, we just don't know when. So, in my household, if I have a bad year, I know though at some point I am going to get that money coming in. So unlike where we were \$27 million, \$28 million, millions of dollars in debt, where we didn't have an additional revenue source coming in, we know that if we had and did do - carried a deficit at some point that money is coming in to pay that.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Correct. The question is how many years, and can you borrow enough to make payroll? Because that is another reality problem we are going to end up with. If we get too far in the red waiting for that day, is the ability to borrow to make the payroll in now it will be not April probably March next year because we'll be that much further in the red.

BOARD PRESIDENT JOSEPH R. STEVENS

Mrs. Clark?

BOARD MEMBER MONICA CLARK

Dr. Crates, correct me if I'm wrong. The reason our tax – what was it? tax advance that we got ?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Tax Anticipation Warrants, you mean?

BOARD MEMBER MONICA CLARK

The Tax Anticipation Warrants. We also got a better rating (on these) because the Board had decided that we were not going to run a deficit, that we were going to run a balanced budget. Correct?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

And basically what happened was the reason the rating came out was the week after you had reduced the first and second year teachers. So I was grilled. I had five phone calls from Moody's and Standard & Poor's regarding what we were doing as a District to ready ourselves for the fact that the State can't pay its bills. What are we doing? And I was able to share what the Board has done to date and that they were working towards trying to make the reductions now minimally to affect the program to students. Nobody wanted to make any of the cuts, but readying ourselves and then working, of course, with our unions and some really good negotiations to work together to see if we could get by for this one year until we see what the State's going to do in reality about their bankrupt situation.

BOARD MEMBER CHRIS STANTON

But just for full disclosure, the Moody's rating has little or nothing to do with the tax anticipated warrants because the better interest rate is based on the fact that it is truly cash coming to you so when we talked to Miss Hennessey from Blair, the Moody's thing is a good thing if you're selling bonds or redoing bonds and things like that, but it absolutely has nothing to do with the tax anticipated warrants. The thing it did do for you is in years' past, you had a lien against your tax levies coming in so that the tax anticipated warrants were paid first. By us having a better credit rating, we actually make a payment now back to pay off those tax warrants. But that Moody's rating had little or nothing to do with it other than the fact that we didn't have a lien against our taxes.

BOARD MEMBER MONICA CLARK

The point I was trying to make was that the decision for us to have a balanced budget did give us a little advantage that we haven't had in the past. And considering the financial times that we are in, I thought it was a feather in our cap that we were able to pull that off – considering what all other school districts were doing. So ...

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

You actually got an increase in your rating, a better rating from Standard & Poor's, because of the action you took on that. And that did help us on the interest rate, I don't know how much. But the bigger issue was the fact that we no longer had to go through a paying agent, so we paid less for this borrowing than we paid in the past because we no longer were considered an at-risk District. We saved more because we're not ...

BOARD SECRETARY ANNE MILLER

Sometimes I wonder if the State is in this position and they are shoving it off onto the municipalities and school districts, and letting *us* take care of what *their* issue. Which, I know, we're all taxpayers and so their issue is really our issue. But I am wondering what would happen if all the municipalities and all the school districts went back to the State and said, "We want the money. YOU figure it out." But it seems to be making it easier for the State because *we're* making the cuts; the kids are going to be the ones suffering because the people down in Springfield don't want to make a decision.

BOARD PRESIDENT JOSEPH R. STEVENS

Mr. Alessio?

BOARD MEMBER DAVID ALESSIO

I believe we have to take that into account, because it's all part of the political game. Right now we have no good facts to figure out what the balanced budget would be. I'm also in favor of balanced budget. I don't think we need to cut \$15 million to do that. Scenario D is based on a 30% cut in State aid and based on the Governor's initial proposal; I think there's no probability that the legislature will just approve whatever he suggests. I believe something else will be negotiated by the time they are done.

BOARD MEMBER CHRIS STANTON

And to that point ... it's kind of like camels getting suckered in. I feel like the sky is falling, because every e-mail I get and every little conversation I get is gloom and doom. So you're getting suckered in to making that political ploy almost work to the advantage of the State by doing this preemptive strike, if you will, of just cutting, cutting, cutting. And then it's going to be pushed back on the public to raise taxes, either at a local level – which is, in my opinion, extremely unfair, because I mean 70 some percent comes from the local real estate property taxes now, and that community has the least amount to say about how the school gets affected by the money they are investing because most of the government ... I always said the people who spend the least amount of money have 90% of the authority over our School District, which is the State. It's odd that it's that way and I appreciate it because we (garbled) agents of the State, but it's almost like we're getting suckered in by just following dead to the letter what they're saying now. We're almost setting it up to succeed the way the State wants it to succeed.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

The problem is you really don't have the legal authority to spend more than you take in. And you have to make an attempt to get there. And if you don't make it, then you have to file a plan with the state that shows how you're going to do it the next year.

BOARD MEMBER CHRIS STANTON

So I've got to file a plan with a guy who can't keep his finances straight?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Right.

BOARD MEMBER CHRIS STANTON

It's ludicrous to me that it's the big revolving circle. You already have demonstrated – because you have not just \$12 million above that line, you really have about \$15 million of your cash

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Correct.

BOARD MEMBER CHRIS STANTON

... in that working capital, which in my mind, and this is a not-for-profit thing, so for the people who want this to be a business where you are generating leftover cash in the \$5, \$6, \$10 million range, that's not a good thing. Because that's really taking away from this education year something from those students as we hold that money back.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Well, what we're trying to do ...

BOARD MEMBER CHRIS STANTON

I'm not saying we did it wrong. I'm saying that if we guess it wrong now, we're going to punish the students in this next year and there won't be any way to give that back to those students.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

But that is the reason that the estimate of negative \$24 million is no longer out here. Was that that's a 50% reduction in State funding which all other divisions took on last year which would be the amount this District would lose if we didn't have Quinn's proposal. Quinn's proposal was an increase in some revenue sources, hopefully long term, to help resolve this issue. But none of that's going to happen next year. So the bottom line is that if we don't make a good attempt, which we're making a good attempt – we're already at \$10 million, to get to this number, you're going to end up with a problem double the size next year. So the idea is to try to get the number as close to the mark which is why Scenario D is my best guess on where it's going to be and it's not the worst case. The worst case was negative \$24 million. We didn't do that.

BOARD MEMBER CHRIS STANTON

Then we're only at \$10 million upon Board approval.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

At this point we're roughly at \$10 million. Right. ... Some of that is there in some of the negotiations that we're working on.

BOARD MEMBER CHRIS STANTON

Okay.

BOARD SECRETARY ANNE MILLER

I do think it's important point out we are still working and negotiating with all of our employee groups.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

We're trying to save as many jobs as possible.

BOARD SECRETARY ANNE MILLER

Right. Because we're in this together. Not only to try to save as many jobs as possible, which is very important because that's going to reflect in our academic, our educational program, that we can give to our kids. We really are all in this together to try and save jobs, I mean this economy is not where we want to be releasing people from positions.

BOARD PRESIDENT JOSEPH R. STEVENS

Other comments. Mr. Alessio? Mr. Ryan?

BOARD MEMBER JOHN RYAN

What I'm going to say is going to kind of take us in a different direction. So I just want to give everybody else just one last opportunity to talk on a general basis before I switch gears just a little bit. Still relates directly to the budget, but for those of you in the audience who were here last time and certainly my colleagues will remember, on a personal note, I expressed quite a bit of frustration with this process and I think Mr. Stanton and Mrs. Miller really kind of reinforced that tonight as to just how dog gone screwy it is that we're the ones who have to clean up a mess that we're not responsible for.

The comments I made last time were that somehow, somehow, we're all certainly feeling frustrated, we're feeling anxious, we're feeling powerless, we feel as if there's really very little we can do to regain some

control. In the short term, yes, we have to act perhaps a lot more quickly than we would desire and take actions that may be perhaps a little more blunt cut as opposed to surgical than we would like to

But one concept I brought up last week was to do the best we can to try and exhibit some local control over our own destiny here; I shared an idea that I had. Admittedly, it came to me late, but I shared an idea that I had about the formation of a community advisory task force. Well, granted, in the short term here, it may not be of tremendous benefit, but if what Dr. Crates has suggested may in fact come to pass in the next year or so, I personally believe that this task force would have a great deal of value to the District in terms of allowing us to take a collective breath, if you will, to really kind of take a look, not just from an administrative or Board perspective. But as Mrs. Miller said and as Mrs. Clark said as well, the effects we make here simply are not numbers on a spreadsheet. Every action that we take here over the next couple weeks is going to have a direct impact on every single student in every single classroom within this District. We cannot lose sight of who we are here to ultimately serve, you know, and that's not a spreadsheet.

And so what I would suggest on a formal basis, based upon a conversation I had, a wonderful conversation I had with Dr. Arndt last week as well as several of our building administrators, Mr. Stevens, I would like to formally entertain a motion that the District 300 Board of Education adopt this community advisory task force to be specifically charged to make recommendations to both the Administration and the Board of Education in terms of, you know, what other possible creative ways we may have to address this issue long term.

BOARD PRESIDENT JOSEPH R. STEVENS

Are you going to make that into a shorter sentence so we can ...

BOARD MEMBER JOHN RYAN

Absolutely. I formally make a motion that the District 300 Board of Education adopt a Community Advisory Task Force to assist the Board of Education in making recommendations to solve the impending District fiscal crisis.

BOARD SECRETARY ANNE MILLER

We're being taped right?

BOARD PRESIDENT JOSEPH R. STEVENS

Yes.

SUPERINTENDENT DR. KEN ARNDT

Since the item was not on the agenda, that would have to be voted upon next Monday. Only items that are on the agenda may be acted upon.

BOARD PRESIDENT JOSEPH R. STEVENS

As we looked at *Robert's Rules* though, because it's related to this topic, we thought it was legal.

SUPERINTENDENT DR. KEN ARNDT

... Just to be on the safe side, having a week for the public to comment on it would not hurt and we are meeting next Monday. I was just reminded of the fact that this is a new (voting) item on the agenda, and if that was the case it should have been posted.

BOARD MEMBER JOHN RYAN

Well, you know, we had given consideration to that, and certainly I am amiable to reconsidering it. But again, the purpose of this Task Force, in my opinion, is directly related to the budget review item on this evening's agenda. You know, that's the purpose of the Task Force, to review the budget and to make

recommendations based upon areas where the budget could be further reviewed and specific recommendations made for the line items within the budget.

BOARD PRESIDENT JOSEPH R. STEVENS

So what's your pleasure for tonight?

BOARD MEMBER JOHN RYAN

My pleasure would be to call the motion.

BOARD PRESIDENT JOSEPH R. STEVENS

Is there a second to that motion?

BOARD SECRETARY ANNE MILLER

I would second that motion, but are we going to have discussion on that?

BOARD PRESIDENT JOSEPH R. STEVENS

Of course. We are in the discussion phase.

BOARD SECRETARY ANNE MILLER

How do you foresee that committee be formed?

BOARD MEMBER JOHN RYAN

Are you addressing that question to me?

BOARD SECRETARY ANNE MILLER

Yes, I am.

BOARD MEMBER JOHN RYAN

Well, I do not use the term "committee" on purpose. I use the term "task force." Okay. The term, committee, implies a sense of permanence. You know, we have several committees in place right now at the citizen level; we have the Citizens Finance Committee, we have the Citizens Building Committee. You know, over the course of time it seemed that those committees, with all due respect to the members involved in them, have kind of run their course. I would have hoped that, you know, now having this on the horizon but also in the sense of immediacy, that those committees would have kind of addressed some of these issues and we wouldn't have to talk about the issue of a task force. But again, I view the task force as being task specific, very mission oriented and very purpose oriented, and so for that reason, once its specific purpose in this regard is accomplished, it would be dissolved and it would be the Board's pleasure at that time to either, you know, continue with the committee process.

But essentially the way, as I explained briefly last time, I envision this working – there are a couple of different dynamics at work here that I think bear consideration with this regard. You know, one of which, although the efforts and the recommendations of the Administration are vital to the decision-making process of the Board and in no way, shape, or form do I want to imply that the effort is not appreciated, it certainly is. But my particular style of leadership is one that's a bit more collaborative and not so much top down, especially when the decision is going to affect so many people, it's just my firm belief that those people, to a certain degree, should be involved in that decision-making process.

And so what I envision the dynamics of this looking at would be in the interest of some kind of organization to set them up with each of our three high schools kind of acting as the head, if you will, not that it implies any authority to the high school, just simply for the sake of geography to divide them amongst the high schools. And then each of our buildings including Oak Ridge and deLacey would be divided amongst those high schools. What specifically would not be typically the school that would feed those high schools.

We've all had our conversations in the past of what I refer to the provinciality of this District. Like it or not, there is somewhat of an east/west mentality here and I want that fence to be broken down in this case. You know the situations that we're dealing with here are so vital, we can't be territorial in what our recommendations are.

So what I would envision in that is that a building level administrator, whether it's the principal himself or whether the principal decides he wants to assign it to someone else, would assign a building representative to this task force and then that building administrator would seek out one or two, at least two, perhaps three parents from that building and then each building in a sense would kind of review the issue at large. Once each building had come up with their own recommendations, if you will for lack of a better term, then the whole subgroup within that high school would meet, they would formalize their recommendations and then each of those subgroups would recommend one leader to represent that subgroup. Those three would meet to come up with the final recommendations that would be presented to the Board. What we as a Board could decide is whether we wanted to then further filter that through a Board Committee that already exists, whether it be Education, Finance or both before it actually got to the Board as a whole.

BOARD SECRETARY ANNE MILLER

To my concern regarding just looking at finances and not taking into consideration the Education Committee, making sure that we continue to take into consideration EPRT as well as HR and our discussions with our employees in what you have described as your task force – do you see those components as being part of that?

BOARD MEMBER JOHN RYAN

Absolutely. And again, this is not something, at least in my mind's eye, is something completely different from what District 300 has already done. You know, again, as I made my comments last week, whether it was developing (the 2005 construction plan's) Appendix M and the school improvement plans for the referendum or the Attendance Boundary Committee, we've already used this model. It works.

BOARD SECRETARY ANNE MILLER

We have, in the past, made great strides to include community input in major decisions and any minor decisions from school boundaries to referenda to whatever the case may be. It has always been a concern for me that we are doing this more reactive than proactive. We get so many comments from the community that I think it would also help, as far as getting that communication out, that this is the money, these are programs, this is what the impact is. My concern though is that in the past when we have had some committees and recommendations have been made to the Board, there's been the underlying assumption that whatever is recommended the Board is going to have to endorse and if the Board does not, well, then, it was just a big waste of time. I want to make sure that there are safeguards or set parameters so that ultimately administration comes to the Board with the recommendations, so the task force would report either to the Board or to administration, but that it would ultimately go through the process that administration makes the recommendation to the Board. But the Board does have that final decision, and it isn't a blanket "whatever they come up with, this is what we agree to."

BOARD MEMBER JOHN RYAN

Well, you know, I can't offer you any guarantees in terms of what the final outcome would be. But I can say, at least in terms of what I envision it, I am not one, personally, to go through the motions simply for the sake of, you know, the side show that it creates. I see no value in this exercise unless the recommendations would be evaluated on their merits. Yes, the decision ultimately is the Board's decision to make. You know I cannot speak for any of the other six besides myself in terms of what you, as individuals, may consider relevant or not to your decision-making process. All I can say is that, you know, an avenue in my opinion should be there so that we can get viewpoints other than our own that can be offered from the perspective of those who are actually going to live with the decisions we need to make. You know, I think it's incumbent upon us as Board members to exercise, you know, proper

integrity, if you will for lack of a better term, and to demonstrate objectivity that each recommendation would be evaluated to the degree that we, as individuals, have given it due diligence.

BOARD SECRETARY ANNE MILLER

One of the other concerns I see though is working with employee groups. I don't see the mesh between having the community group being able to do that negotiation with employee groups if we're looking for concessions from them. So I would see that that would have to be worked in under some direction with administration.

BOARD MEMBER JOHN RYAN

In that particular instance, in no way, shape or form would I suggest that a community group should be put in a position to negotiate with any employee groups. That's, you know, what our administrators and what we as Board members are doing in terms of, you know, working with our labor organizations who have been absolutely wonderful this far in terms of keeping an open mind and working with the Board to try and collectively solve this problem. What I'm looking at this task force in doing is really two fold.

One, generating both from the grassroots community level as well as the building level what the impacts of some of these relatively brutal, for lack of a more delicate word, cuts are actually going to have in the classroom. And to at least hear that perspective and at least hear some possible alternatives that through our own particular mind sets and our own education, our own expertise, we might not even be aware of what's on the radar screen. But in no way, shape or form would I expect this task force to have anything to do in terms of any type of negotiation or even interchange with any of our organized labor or employee groups.

BOARD SECRETARY ANNE MILLER

Would you see this task force running parallel to what Administration is already working on for us or in place of it? I know we've ...

BOARD MEMBER JOHN RYAN

No. It would be parallel. I don't envision changing anything that we've been doing right now. I would envision this as simply being a complement to what we are already doing now.

BOARD SECRETARY ANNE MILLER

So where we've asked Administration to come back and show us the overall picture of what cuts would look like, or to come back and show us a picture of a 10% building budget across would look like, we would still anticipate those presentations, and that information coming, and this group would be working supplemental to that?

BOARD MEMBER JOHN RYAN

Absolutely. I encourage our administration to do exactly what they've already been doing, because what they've done is extremely valuable. Again, this is just simply one other means (in addition to the current public input process) to allow a bit more of an inclusive participatory role in the stakeholders in the District as part of this process. Rather than being told that this is what you are going to have to accept because this is what the Board and Administration have decided, at least you should have the opportunity as a stakeholder within this District to work on that.

We received many, many, many, many, many, hundreds of comments, you know, from various interests within this District. Most of them – and I mean this in no disrespectful way at all – simply, you know, are complaints. “Don't cut what's important to me.” Very few of them actually offered any real suggestions in terms of what else we could do. That's what I want to get away from, so it is not just “don't cut what's important to me,” but rather, “have you ever considered this?”

BOARD PRESIDENT JOSEPH R. STEVENS

Are you done?

BOARD SECRETARY ANNE MILLER

I am.

BOARD PRESIDENT JOSEPH R. STEVENS

I have a couple of questions. It seems to be one of the things that I am a little uncomfortable with is that there's no charge sheet. I like the concept, but there's no charge sheet that clearly outlines ...

BOARD MEMBER JOHN RYAN

Sure.

BOARD PRESIDENT JOSEPH R. STEVENS

... what this is to be, and how does it get communicated back to the Board.

BOARD MEMBER JOHN RYAN

Sure. Sure. You know, I have purposely have left that somewhat vague, because quite honestly I would like to see from the committee itself which direction they want to pick. I don't necessarily want to confine them to a box that we define simply just to, you know, come to a conclusion that we may have already made ourselves. Certainly I understand that there needs to be a little bit of structure. But again, I view this as a very kind of creative brainstorming group initially, and then knowing what we know from Dr. Crates' presentation in terms of what the hard numbers look at. One of the building administrators raised that very same question, "Well, what about structure? What's our charge?" And I responded the same way. But I essentially said, if you're looking at something that you really need to hang onto, you know, whatever that bottom line dollar figure that the Administration recommends that we need to be looking at, perhaps that's what you can use, you know, as your target or your frame of reference. But, you know, in my particular point of view, and again, all I'm making is recommendations, I'm not saying this is the way it has to be, I'm just sharing with you, you know, how the vision in sense came with me, but you know I view part of the beauty of the process is the fact that, at least initially, it is somewhat self directed.

BOARD PRESIDENT JOSEPH R. STEVENS

If I could go back and refer to the Boundary Committee. As I recall, the (Attendance) Boundary Committee's Board Members did not participate in that process. They could observe the process, but they did not participate in that process. That was run by the Committee and facilitated by Dr. Scarpino, and we didn't adopt 100% of everything they said. We did tweak it at the end. We adopted in concept, but we made some fine adjustments to it at the end. Is that correct Dr. Scarpino?

ASSOCIATE SUPERINTENDENT DR. DAVID SCARPINO

Yes, that is correct.

BOARD PRESIDENT JOSEPH R. STEVENS

So is that the way you would see this also? The Board Members ...

BOARD MEMBER JOHN RYAN

Exactly.

BOARD PRESIDENT JOSEPH R. STEVENS

... would not participate, but it would be facilitated by a member of the administration.

BOARD MEMBER JOHN RYAN

Well, it would be facilitated, at least how I see it, in its original design, as facilitated by the three high school coordinators.

BOARD PRESIDENT JOSEPH R. STEVENS

That's a member of Administration.

BOARD MEMBER JOHN RYAN

Well, yes. I thought you meant central administration.

BOARD PRESIDENT JOSEPH R. STEVENS

No. It doesn't really mean that. It has to be somebody who knows the legals, and what can be done and what can't be done and that kind of thing.

BOARD MEMBER JOHN RYAN

I would see it facilitated kind of as a mini Board, if you will, you know, amongst the three high school representatives. And then the three high school representatives would be the one that, again, whether it was through one of the Board Committees or directly to the Board itself, would make the ultimate recommendations. And we as the Board have the discretion to pick and choose what we wish to consider.

BOARD PRESIDENT JOSEPH R. STEVENS

Okay. Other Board Members have questions or comments? I would ask you call the question.

BOARD SECRETARY ANNE MILLER AND MENTIONED BOARD MEMBERS

Ryan – Aye. Miller – Aye. Stanton – Aye. Clark – Aye. Alessio – Aye. Roeckner – Aye. Stevens – Aye. Motion carries 7-0.

BOARD PRESIDENT JOSEPH R. STEVENS

Could I have a motion, please, to approve the resolution authorizing Notice of Dismissal to fourth year teacher No. 3040?

BOARD VICE PRESIDENT KAREN ROECKNER

So moved.

BOARD MEMBER MONICA CLARK

Second.

BOARD PRESIDENT JOSEPH R. STEVENS

Would you like discussion?

BOARD SECRETARY ANNE MILLER

I would.

BOARD PRESIDENT JOSEPH R. STEVENS

Okay.

BOARD SECRETARY ANNE MILLER

Going along with my previous meetings' feelings as far as being reactionary: Even though I understand that we are not addressing all third and fourth year teachers, that it is now much more minimal than what we had originally anticipated it being – but going along with how I have voted and my stand – I think we are doing this reactionary, that we still have time before that statutory deadline. I know it's getting close. I'm not going to be able to support this, any more cuts since I haven't supported any of the ones previously. I don't think I can support these as well.

BOARD PRESIDENT JOSEPH R. STEVENS

Other comments?

BOARD MEMBER DAVID ALESSIO

Actually, I have one question for Dr. Crates. Sorry. I just noticed it. I noticed with the latest sheet we got here with the yellow highlight mentioned \$1 million in unemployment payments for 113 teachers released. Do you have an estimate of what it would be for an additional amount of teachers released?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

I think there's always this confusion regarding the fact that the Board released first and second year plus some non-renewals of 153. Tonight it's 27. That's a total of 180 teachers' reduction. None of my budgets have 180 teacher reductions. They only have 113 for class size and another 20 for programmatic reductions, for a total of about 132 teachers district wide, so there is no real – the deadline for the statutory reductions was based on needing to have some kind of timeframe met, but our budget reductions are 132 teachers, so at this point, you would be bringing back 51 teachers from the original first and second year list.

BOARD PRESIDENT JOSEPH R. STEVENS

You are including special ed in that number?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Correct. If you took the special ed out, it's 128 (teachers).

BOARD PRESIDENT JOSEPH R. STEVENS

129.

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

So the idea is that that's the total number of teachers we have in our spreadsheets. Your actual process for reduction had to do with meeting some statutory time lines, which now have been worked through on this list of 27 to make sure that the right certifications are available. The only reason the 27 need to be looked at is the certification issue (for the teachers ultimately needed in core classes for graduation). So you were at the number you needed to be at, and over by 20 some teachers when you released the first and second year. So those aren't 1-to-1 correspondents is what I'm trying to say. At the end of the day, in the blue and yellow and green sheet, I'm assuming the reduction of 132 (minus) 4 special ed is 128 classroom teachers, or 132 total LEAD members. So this isn't in any way the reduction this evening of the 27 that you are looking at; some part time, some first year, some third, and I think 2 fourth are related to the certification issue, not about the reduction in program. You've already actually already accomplished that with your reduction of first- and second-year teachers. This is the certification issue verification (for the teachers ultimately needed in core classes for graduation). This is all that is.

BOARD SECRETARY ANNE MILLER

This would increase unemployment costs, to Dave's question?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

That's already been addressed in theory by your 153 (releases). So your reduction this evening (of 27 FTE teachers) isn't going to add to that number or to the overload pay number. This is more making sure that the certifications match the jobs that are available in the District.

BOARD MEMBER DAVID ALESSIO

So the \$1 million (in projected unemployment payouts) is still a good estimate?

CHIEF FINANCIAL OFFICER DR. CHERYL CRATES

Yes. And it was good when we released the first and second year. It's just unfortunately some of the certifications weren't quite right in that first reduction. So you will be hiring back, in theory, if this evening goes through, and these are approved, you will be hiring back about 51 staff members (after) May 10.

BOARD PRESIDENT JOSEPH R. STEVENS

Are there other questions before we call the roll? Go ahead Mr. Alessio.

BOARD MEMBER DAVID ALESSIO

I just have a couple comments. Mrs. Miller indicated not supporting cuts before and couldn't support these. I believe actually we should be recalling some of the teachers to reduce class sizes. Adding five kids in elementary classes, a 20% increase, will definitely affect the learning. And I know we're trying to guess at the State budget numbers, but we can't just shut down the District for a year and wait and see what the State's going to pay. I believe we can't sacrifice a year of the kids' education for trying to just pick out a number that's conservative to be very safe. I'm not really sure what the cuts will look like in the educational programs because I know it has been put together very quickly. Everyone's done the best they could. But I'm not sure how many sections of World Language will disappear; what levels; what the Performing Arts Programs will look like if each school has the same Performing Arts Groups next year; and what would happen to Industrial Technology. I haven't been able to find any answers to these questions because there are so many moving parts here. I know there's still a lot up in the air, so I won't be able to support that at this time.

BOARD PRESIDENT JOSEPH R. STEVENS

Any other comments? You can feel free to make a comment as you vote. Will you please call the roll?

BOARD SECRETARY ANNE MILLER AND MENTIONED BOARD MEMBERS

Roeckner – Aye. Clark – Aye. Alessio – No. Miller – No. Ryan – Aye. Stanton – No. Stevens – Aye. Motion carries 4-3.

BOARD PRESIDENT JOSEPH R. STEVENS

Could I have a motion, please, to approve the resolution authorizing Notice of Dismissal to fourth year teacher No. 91720?

BOARD VICE PRESIDENT KAREN ROECKNER

So moved.

BOARD MEMBER JOHN RYAN

Second.

BOARD PRESIDENT JOSEPH R. STEVENS

Discussion please? If we wish to have any. Please call the roll.

BOARD SECRETARY ANNE MILLER AND MENTIONED BOARD MEMBERS

Roeckner – Aye. Ryan – Aye. Stanton – No. Stevens – Aye. Miller – No. Clark – Aye. Alessio – No. Motion carries 4-3.

BOARD PRESIDENT JOSEPH R. STEVENS

Could I have a motion, please, to approve the resolution authorizing Notice of Dismissal to non-tenured teachers?

BOARD MEMBER MONICA CLARK

So moved.

BOARD VICE PRESIDENT KAREN ROECKNER

Second.

BOARD SECRETARY ANNE MILLER

Discussion?

BOARD PRESIDENT JOSEPH R. STEVENS

Discussion?

BOARD SECRETARY ANNE MILLER

I would just want to make sure that we point out that the way the motion reads the non-tenured teachers – the newspapers’ information has gone out saying it was for “third and fourth year teachers” – that is not what the motion is covering. That’s not the list of staff members that this covering. As Dr. Crates pointed out, it’s 27 thereabouts give or take. She’s the number person; I’m in gray area here. And it also includes some previously hard-to-fill positions that are now being released as well, if it passes.

BOARD PRESIDENT JOSEPH R. STEVENS

Any other comments? I would like to make a comment.

I have great respect for my colleagues, and the fact that we differ on some opinions. We find a way to have these discussions and keep them amiable. I think that where we probably differ is trying to predict what’s going to happen, and the fact of the matter is none of us really knows. What I do know is that the history of the State of Illinois is not positive. There is an election coming in November which tells me, based upon past history, nothing will happen until at least November. And then come November they will all be jockeying for position and doing their pounding of the chest that they got elected. And then it will probably be another six months to a year before anything actually happens. And I don’t think that we can afford to dig ourselves into a hole that we cannot dig out of. And I fully expect to be back here next year making even more difficult cuts.

And I hope that everyone understands. I’m a little bit bothered by the applause only for this reason: *no one up here likes what we are doing. Whether you’re voting for something or against it, there’s not one Board Member who is happy about what’s going on here. We feel like we’re disassembling a system.* We just have different means of going about it, and what we’re thinking is going to be the future (of the state’s education funding). And so I hope that you all can get your arms around that, *and understand that all of us are troubled by what’s happening here. And none of us have the answer. We’re just doing the best we can.*

BOARD SECRETARY ANNE MILLER

And I don’t think any of us are against making those cuts that need to be made. I think the question more becomes: what those cuts should be, and at what time those cuts should be. Because we do have the numbers that we have to get to; it’s just when and how.

BOARD PRESIDENT JOSEPH R. STEVENS

Any other comments? Please call the roll.

BOARD SECRETARY ANNE MILLER AND MENTIONED BOARD MEMBERS

Clark – Aye. Roeckner – Aye. Stevens – Aye. Stanton – No. Alessio – No. Ryan – Aye. Miller – No. Motion carries 4-3.

BOARD PRESIDENT JOSEPH R. STEVENS

All right. We’re in the Public Participation section. I would ask that you would line up. Mr. Hatcher, Mrs. Gallo, Mr. Ley, Miss Mejia, Mike Pearson and Kevin Smith in that order. Same rules apply. You will be given five minutes to make your comment. We will not be responding and I will give you a high sign at four minutes. I would ask you to speak very clearly into the microphone and please don’t start yet, I’ve got to get my little stopwatch ready. Okay?

Mr. Hatcher you may begin. Please.

DAVE HATCHER

Do we need to go through our name, address?

BOARD PRESIDENT JOSEPH R. STEVENS

Yes, please.

DAVE HATCHER

What information do you need?

BOARD PRESIDENT JOSEPH R. STEVENS

We would like your name and your address, that's it.

DAVE HATCHER

Okay. My name is Dave Hatcher. My address is 1029 Tristram Court in West Dundee, IL. First of all, listening to the meeting tonight was enlightening and encouraging as I heard the remarks and heard the struggles that you are going through and coming in here two things were obvious to me. One, that the Board, filling your volunteer positions, guiding our District, are faced with making decisions that cause sleepless nights both for you and for those of us working in the District and that the results of these decisions are going to be widespread. The second thing is that the condition of this District and most others is tied to the condition of our State and our economy. So you realize the things you are wrestling with, and why you are wrestling with them.

I feel that now is the time when we should be working together to come up with the most creative solutions we can to the ugly problems we face. We banded together as community, Board, Administration, and Staff to pass a referendum. We need that same coalition to face our present crisis.

We all want what is best for the students. The reality of today is that what is best may not be the outcome. Banded together, that still needs to be our target. The fate of our non-tenured teachers is uncertain. The group that I work with at Dundee-Crown are the ones that I see perform. They are talented, compassionate, curious, and hard working. I admire their professionalism and appreciate the impact they have on the students that they work with. They and others like them in District 300 are a valuable resource that we must not squander. We must work together to come up with the best solution we can devise.

I spent 33 years in District 300. Looking back at the events in my career, I remember no more critical time. This burden should not be solely on the shoulders of the Board. We need all parties looking at what they have to offer and determining our collective futures. And I believe this might be that task force that you were referring to earlier. I am only one voice, but I feel many share my desire to work towards that future. Thank you.

BOARD PRESIDENT JOSEPH R. STEVENS

Thank you very much, sir.

BOARD PRESIDENT JOSEPH R. STEVENS

Michelle.

MICHELLE GALLO

Michelle Gallo, 5743 Breezeland Road, Carpentersville, IL. Hello, again. I'm sure you've seen me many times. I will be very, very brief and quick. We have done, as the Dual Language Organization, what you asked of us. We have gone to legislatures; we've gone to our administrators. Thank you for giving us time. We have met with many people over the last, it feels like five years but I swear it's only been like a month. And we are coming up with viable options and solutions and we've come up with some unique numbers that we have actually put in countless hours to come to and so we look forward to be given the opportunity to present to you our options and our solutions because we understand talking about previous solutions. We have definitely gone down that road because we know that you've been given a great responsibility to look at where you can cut and looking at the future, there are a lot of good things that can

come out of these programs, looking for the future for the children and how it will affect the current students of today. And so, I wanted to let you know we are still here. We are still researching and that we look forward to working with you to collectively come to a viable option in order to continue some of these programs that are essential to the education and the future of our community as well as our nation.

So I just wanted to put my two cents in to let you know that on April 12 and 26 hopefully you will become a little bit more knowledgeable about what we have been doing as Dual Language parents. Thank you.

BOARD PRESIDENT JOSEPH R. STEVENS

I would just like to comment that I'm one of those people that met with you and found you absolutely delightful and I felt that your work has been very professional. It has been non-emotional, it has been factual and I didn't feel at all attacked or threatened when I walked in to have coffee with you. So thank you for that.

MICHELLE GALLO

Thank you. Hopefully, many of you will feel the same when we get to present next week.

BOARD PRESIDENT JOSEPH R. STEVENS

Thank you very much.

BOARD PRESIDENT JOSEPH R. STEVENS

Michael. Is it Levy?

MICHAEL LEY

It's Levy.

BOARD PRESIDENT JOSEPH R. STEVENS

Ley. I'm sorry.

MICHAEL LEY

No problem. My name is Michael Ley. My address is 1890 Broadmoor Drive in Algonquin. Some of this is a little bit hard to follow because the spreadsheets say one thing and the paper says another thing and, it seems like, the resolutions – at least as they are written up. You made the point that it's not all the third- and fourth-year teachers. But I also assume that given the number that it was, you probably still have a long way to go to get to \$15 million. I'm assuming that will be in future Board Meetings where you cover the additional cuts.

What I did see in the spreadsheet was the cuts that were on there for certified staff, I think it was around \$5.3 million in that area and then you have to give back a million in unemployment and we have to give back a million and a half in overage. My question, I suppose, is a rhetorical question since you can't respond: Is that an efficient thing to do? And also I've been seeing what the impact would be on class sizes. Because, as a parent of two kids in the District, if that means you'd have to sit in a class with 35 or 40 other kids, to me that's unacceptable. And for \$2.5 or \$2.8 million, it just doesn't seem like it's worth it.

So, I like the idea of the task force as well. I don't think that the Board's role is just to take whatever the administration has to say and say yes or no to it. So there would be an additional aspect of transparency that you would have into the end of operations, you know, which is positive to find other things that perhaps might be out there.

One thing is, if my facts are wrong, correct me, but I think there are two schools that are within three miles of each other that are at both at 50% capacity. I'm surprised that that hasn't at least been proposed or at least been able to see the number of what that would mean to consolidate those schools, but I'd be

surprised if you couldn't find \$2.5 million there and save the teachers' jobs and not force the kids into high class sizes.

So I will look forward to I guess the next meeting where some of those other things come up. But my point is on those additional cuts – is that really an efficient thing to do, especially given the uncertainty of the budget? You know, who knows what's going to happen? So that's all. Thank you.

BOARD PRESIDENT JOSEPH R. STEVENS

Mr. Lei. I would suggest that sometime in the future you should feel free to call Dr. Arndt or call Dr. Crates, and they will actually talk to you and some of those specific questions you have may be answered. But I also want you to know that some of the other things you maybe think have not been looked at have been looked at, and you can validate that when you call. All right? Thank you.

Miss Mejia. Am I pronouncing that correctly? ... I'm sorry.

YESSENIA MEJIA

My name is Yessenia Mejia and I live at 1847 Cambridge Drive in Carpentersville, IL. I'm here to put the focus a little bit off the financial aspect of things. And I know that that's what the main goal of these meetings is because, you know, that's how this District functions – based on finances. At least that's how I think it's been treated recently. And I want to ask you guys a question I don't think anyone has really answered. Because you have mentioned that you don't really know what will happen in the future. You don't have a definite answer, but I think a question, you know, you should sort of, kind of have a response to is: What will happen to the learning environment? Me being a senior and being part of this District for so long, you have offered so many different things for me and I do have siblings. I have one sibling that's in middle school right now. He actually attends this school. And I have a brother who's a freshman. And I can't stand to think of what will be happening to them attending classes that have 35 to 40 kids in them. The stress, not only on the teachers because they want to teach their students because they do have criteria that they have to meet, but then the student is also being overstressed. Because I attend a high school that does have a block schedule. But think of the middle schools that have like have 9 period blocks. One, I don't understand how they can even teach a subject in 45 minutes, but imagine a class with 40 children in them. Every child might have a question, and I think most of you have to realize that those questions are very detrimental to these students' learning and if their question isn't answered. Then they go home, you know, and they might have a test the next day, and what do they do? My main focus is the class sizes.

I know you said you didn't want to hear what you don't want to be cut; you want to hear an actual solution. I don't have a solution. I mean the only thing I can think of is cutting transportation or something that is not so detrimental. Because if you were to ask a parent, "what would you want for your child? Would you want a good education for your child, or would you want transportation?" That is the only thing that I can think of that doesn't need to be cut but can be cut without being so harmful to students' education.

So I think that like we as a District are dealing with a problem that as a nation we're dealing with. It's the spreading of finances. And yes, you are the bottom that has to actually deal with this problem, because you have to find a solution for it, because no one else is going to find it for you. But I don't think that firing these teachers, any teacher, will do anything and if anything, it will hurt the students.

So, I mean, I'm part of Dundee-Crown, and we have done a lot of positive things for our school. We're kind of looked down to be as a negative school, but we have done a lot. Our test scores, I don't think they will get better if we have 40 kids in a room. So, I mean, I don't know what else to ask of you. You can call me. I did send a memo asking for someone to contact me and asking why you decided to cut in the places that you did cut, and I haven't received a response back. So that would be great. Like you offered an opportunity ...

BOARD PRESIDENT JOSEPH R. STEVENS

Dr. Arndt responded to you, did he not?

YESSENIA MEJIA

What? I'm sorry.

BOARD PRESIDENT JOSEPH R. STEVENS

Dr. Arndt, did he not respond to you? I think he did.

YESSENIA MEJIA

I didn't receive a contact back.

BOARD PRESIDENT JOSEPH R. STEVENS

I think he did respond to you. Maybe you didn't get it, but I think he did respond to you.

YESSENIA MEJIA

Okay. So I didn't receive the response, but I definitely don't think that going about cutting a bunch of our teachers will be the right place to do that, so. Thank you.

BOARD PRESIDENT JOSEPH R. STEVENS

I know I speak for the entire Board when I say that nobody up here looks down on Dundee-Crown High School. We think it's a great high school. Thank you.

YESSENIA MEJIA

Sorry. I just forgot to mention one thing that I do think that by firing some of the teachers and adding so many kids in a classroom that, you know, it might even be a fire hazard. At our school we did end up having to cut Flex Block because it was a fire hazard, to have so many kids and not having many teachers monitoring them. So I think that by having so many kids in a classroom in case of a Code Red, in case of you know a fire drill, it would also be a safety hazard so that is something to take into deep consideration. Thank you.

BOARD PRESIDENT JOSEPH R. STEVENS

Thank you very much. Mike Pearson? Is Mike Pearson here? Okay.

MIKE PEARSON

I wrote this earlier.

BOARD PRESIDENT JOSEPH R. STEVENS

Name and address please.

MIKE PEARSON

I'm sorry. Mike Pearson. It's 147 Birchwood, Lake Marion, IL.

BOARD PRESIDENT JOSEPH R. STEVENS

Thank you.

MIKE PEARSON

I wrote this earlier. I think it echoes some views already given by some of the Board Members and I'll just read it.

I came to this District in 2002 as a student teacher. That fall, after turning down other districts, I signed my contract and started my first year. That spring I was rified. Why? Money, of course. D300 did not have the money necessary to retain staff. Two years later I came back to D300. At that time I thought the District had kids as their priority, but I fear that this is not the case. Again, we are out of money. There are different reasons this time, but again, no cash. And the end result is that people suffer. But what gets

lost in the confusion of budgets, negotiations, threats, promises and the norms of public discourse is the people who suffer the most are people who are the reason we are in this room tonight. The kids. The kids suffer. I don't mean to disparage the taxpayers of this community who are without jobs and who also suffer. I don't mean to disparage anyone. But the entire institution of public education exists for kids. That's it. And we, the community members of D300, are really here for the kids. That's our priority.

I think we have a deep problem here. Our fundamental problem is that we don't keep our priorities straight; our values are skewed, because instead of prioritizing the kids, we are prioritizing money. I'm not naive. I know how the funding works. I know how the State hasn't paid us. I know the committees have made cuts here and there. I know this. But as we worry about what the State is or is not going to do, we put the kids in the middle.

Becoming a good teacher takes time. It takes a good four years to know what you are really dealing with. As the teachers get better the students learn more and become much more skilled. And here's the magic trick that every teacher knows that cannot be taught or mentored. The most primary way a teacher does his or her job well is through the relationships with the students. And the only way for these relationships to be developed is for staff to stick around. If you fire teachers, you damage student learning. If you fire teachers, you wreck schools. If you fire teachers, you have prioritized money over people. Like I said, I think our priorities are skewed.

Dundee-Crown, where I work, needs every last teacher if we are to succeed in our endeavors to provide what our District philosophy states in the Board Policy Manual. I quote, "District 300 students will reach their potential as self-directed learners and responsible citizens." If this is our core, then I ask how do we do this without teachers in the classroom? How do we do this when we cut first-, second-, third-, and fourth-year teachers? Education is not a corporation. It is not a business. And while finances have to be settled, we cannot lose sight of what it is that education does. We cannot lose sight of its purpose, but I fear we have.

Let me paraphrase our next four core beliefs: taken as a whole that we will provide an excellent education, make strides in improving what we do. The fifth core belief is about clarity and communication to make our schools better. The sixth states this, "Resources must be used efficiently and effectively while facilities must be safe, clean, attractive and conducive to learning." It is here where it seems the District has focused its efforts, but oddly only on the first seven words. Quote again, "Resources must be used efficiently and effectively." This, it seems, is the money part. This, it seems, is what we have made our priority. Seven words.

BOARD PRESIDENT JOSEPH R. STEVENS

You're at four minutes, sir.

MIKE PEARSON

Our District philosophy is seven words. What about the kids? Thank you.

BOARD PRESIDENT JOSEPH R. STEVENS

Thank you.

BOARD PRESIDENT JOSEPH R. STEVENS

Kevin Smith.

KEVIN SMITH

Good evening. I'm sure some of you remember me from last week talking about my support for the industrial trade, or I believe called the industrial arts. The idea of a community advisory task force I heard tonight I thought was an excellent one. I definitely commend you on that one. I don't want it to seem that the industrial area things are my only concern. I know that you guys have a hard job to do up here. I mean no one likes firing teachers or dealing with these budgets. The fact is maybe we do need to

do some thinking outside the box, I mean, the State is negligent. We've heard a lot of talk about the legislature. I mean you guys didn't create these problems. It's my understanding that the State, by the Illinois Constitution, must fund public schools, but the majority, 51%, and they're not seeming to live up to that.

Maybe one of the ideas of thinking outside the box is maybe directing counsel to file suit against the State. Maybe sue the State for some of this money that they are neglect in paying us for our children. I do know that there is a House Bill, House Bill 174, that's soon to be called on the floor, and I know there are lists out there for you folks of your legislators so you can call. Call your legislators and let them know that you support House Bill 174. This bill is designed to help fund the public schools of the State of Illinois. And that's really the main reason why I came up here was to publicly let the teachers, the students, the parents, to let everyone know to look into and get on the internet, find out about House Bill 174, and call your State legislators. For many of you it may be Keith Farmham, it may be Tim Schmitz. *Call all of them on the list.* I mean this is the only way we're going to solve these problems is we're going to have to strong arm the State into giving us our money. Thank you.

BOARD PRESIDENT JOSEPH R. STEVENS

You know I would also like to make a comment, a sad commentary. I know people don't like to vote in primaries because you have to declare a party. But the fact of the matter is only 18% of the people went to the polls to vote in the primary. In November, everybody has a chance to vote. If we don't have a huge turnout in voters, then we have no one to blame except ourselves. So.

VOICE FROM THE AUDIENCE

AGAIN, IT'S HOUSE BILL 174!

BOARD PRESIDENT JOSEPH R. STEVENS

Thank you, sir.

Transcription Ends.

Certification

I, Roberta Glab, of 4011 W. Kane Ave., McHenry, IL 60050, an employee of Office Team, 2800 W. Higgins Road, Hoffman Estates, IL 60195, hereby certify that the foregoing is a true and correct copy of that portion of the Regular Meeting of the Board of Directors held on April 5, 2010 at 7:30 p.m. relating to proposed budget reductions for 2010-2011. The meeting was held at Carpentersville Middle School, 100 Cleveland Avenue, Carpentersville, IL 60110.

Roberta Glab
Transcriptionist
For Office Team