

October 12, 2022

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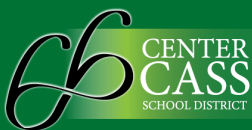
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Center Cass School District 66

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Superintendent

Andrew S. Wise, Ph.D.

Directors

Learning - Kim Liles  
Student Services - Sean Rhoads  
Technology - Keith Roberts  
Transportation &  
Maintenance - Tom Tiede  
www.ccsd66.org/staff

Principals

Elizabeth Ide - Emily Lech  
Prairieview - Mark Pagel  
Lakeview - Mark Orszula

Board Members

Liane Raso, President  
Lori Hoffman, Vice President  
Beth Bukey, Secretary  
Joan Cullen, Treasurer  
Chris Esposito, Ph.D.  
Donna Sobotka  
Brian Liedtke  
www.ccsd66.org/page/members

# Center Cass School District 66

## Fall Newsletter 2022

### Financial Profile Score News

- Center Cass uses a cash based accounting system, common to how some other school districts handle their accounting practices. This recognizes cash when it is received.
- The State of Illinois calculates a school district's financial profile score based on what cash is in the bank on June 30 each fiscal year.
- Due to reductions the district made to control costs and the inclusion of the early tax dollars intended for the next fiscal year, under the current accounting system, the district's financial profile score will increase from a 3 (Financial Review) to a 4 (Financial Recognition), the strongest category.
- A modified cash basis accounting system would allow the financial auditors to recognize early tax dollars in the school year they were meant for, not when they were received.
- At a Special Meeting on October 4, 2022, the Board of Education considered moving to a modified cash basis accounting system. This would exclude early tax dollars from showing up in the audit and annual financial reports, thus showing the true cash reserve totals the district has available. The result would be negative fund balances.
- When the current audit was run under modified cash basis accounting, excluding early tax dollars, the district's financial profile score decreased from a 3 (Financial Review) to a **1 (Financial Watch)**, which is the weakest category.
- The Board of Education tabled a vote on adopting the policy for this year, as adjusting to this policy for the in-progress 2021-2022 audit would immediately trigger a drop in the district's financial profile score, requiring further reductions via a deficit reduction plan, and allowing the State Board of Education the authority to establish an oversight panel (such as they did in East St. Louis). **State law allows for a State oversight panel to make reductions and/or increase the tax rate to the appropriate level needed to fund an adequate education without voter approval.**

### What does a Successful Referendum Mean for D66?

A successful referendum on November 8, 2022 **maintains local control** to:

- ◆ Enrich the student experience by restoring extracurricular activities
- ◆ Restore adequate regular bus routes (reduce overcrowding)
- ◆ Create more instruction time, restoring 20-30 minutes onto the school day
- ◆ Provide financial security by establishing Fund Balances per State guidelines
- ◆ Increase health and safety by fixing and maintaining safe and secure buildings
- ◆ Allow 21st century learning to meet State guidelines and law
- ◆ Enable hiring of crucial student service personnel other districts already have:

Social Workers	Nurses	Counselors
Safety Personnel	STEM	Foreign Language
Reading Teachers	Math Teachers	Special Ed Supports

## About the Community Engagement Forum

### Vision and Purpose

The Community Engagement Forum was formed to bring together various community members of different backgrounds and experiences to understand each other's experiences with Center Cass School District 66 and their current perspective on the District's limiting rate referendum. The community members work together along with district officials to help build a foundation of trust and collaboration.

The committee will explore and discuss the needs of the district and provide feedback around what details need to be communicated to the community regarding the limiting rate referendum. The key questions on page 3 represent the executive summary findings of the committee, and the QR code below will take you to the district website for additional details.



*\* Mark your calendars for a Special Board Meeting on Tuesday, 10/18 at 6:00 pm at Prairieview Elementary, for a Town Hall style Q&A around the referendum. This is an opportunity to have your questions answered by Community Members who are serving on the Community Engagement Forum and members of the Board of Education.*

### Upcoming Meetings

The Community Engagement Forum has either met or will meet on the following dates:

- 8/31: Full Committee Meeting
- 9/7: Timeline Sub-Committee Working Session
- 9/14: Board of Education Meeting**
- 9/21: Full Committee Meeting
- 10/5: Full Committee Meeting
- 10/12: Board of Education Meeting**
- 10/18: Special Board Meeting\***
- 11/2: Full Committee Meeting
- 11/16: Board of Education Meeting**

The District wishes to thank the following members of the community for the many questions and feedback that each has provided, as they have invested their time to the Community Engagement Forum:

Michelle Brown

Brian Glennon

Melinda Nowak

Tiffany Watson

**Annie Diver**

Nathan Homberg

Darren Spiegel

Doug Wiley

**Chris Esposito**

Rachel Lazich

Vicki Stearns

**Andrew Wise**

Nikki Giancola-Shanks

**Brian Liedtke**

**Tom Tedeschi**

Jamie Zacharski

*Bold names represent staff or officials with District 66, who worked together with community members.*

### Scan to Learn More

Visit the District's website or scan the code on the right with the camera app on your phone. You can find more detailed information on the referendum and answers to key questions from the Community Engagement Forum.



## Q&A From the Community Engagement Forum

### What happened that put the district in such a poor financial position?

Due to decreased State funding and the inability to obtain additional local revenue without a referendum, the District has been utilizing reserves and early tax dollars to cover the difference between revenue and expense. The increased use of early tax dollars over the past two decades, combined with the usage of reserves since 2015, has put the District in a position where it does not have enough revenue to educate students to the standard that is not only expected, but required. The financial difficulties stem from operating revenues not being able to keep up with escalating expenses.

Despite attempts to manage costs and apply cost control measures where possible, the costs of educating students have outpaced revenue. In addition, the District is spending \$3,000 less per child than the average K8 District in DuPage County. Fast forward to today and the district has depleted the fund balances and does not have enough cash on hand to make it through a full school year.

### What needs to happen to get our finances back on track?

The District has not only been reducing expenses since 2020 but has also been taking a systematic approach, to improve efficiency and effectiveness. While referendum dollars generated will be used to rebuild fund balances, fix facilities, and improve education, the inefficiencies eliminated will not return. The BOE and Administration have passed \$1.5 million in cost containments or revenue enhancements in the last two fiscal years but the district still does not bring in enough revenue to cover costs. This results from a very low tax rate and a low equalized assessed value (EAV), both in the bottom 1/3 in DuPage County for K8 schools. A successful referendum would bring in the needed revenue to appropriately fund the district.

### How will the district's improved financial health benefit our students and the community?

Good schools do not exist without a good community. Good communities do not exist without good schools. We need each other to thrive. By delivering a high quality education at a tax rate that is still less than our neighbors, Center Cass will maintain its status as one of the gems of DuPage County and allow the following improvements to take place: extracurricular activities will be brought back, curriculum cycles can be restarted so curricular materials can be updated, the school day will be extended, and the community will have a school district with a strong future, preserving their property values.

### What is the superintendent and board doing to ensure our financial position remains healthy moving forward?

Policy Changes ([4:20](#) and [4:350](#)) stipulate that the district has to maintain fund balance requirements and ensure annual review and discussion of policy and financial reports, ensuring revenue proceeds are spent in the manner as intended and communicated to the public. Additionally, policy requires financial forecasting to be done on an annual basis regardless of who is on the BOE. A [publicly accessible financial dashboard](#) will always be available on the district website, for the public to track the use of every dollar. This is to ensure the public that the district is spending the money as promised to the community per the strategic plan.

### What is the impact to the community and our students if the referendum does not pass?

Students will experience larger class sizes, fewer bus routes, a shorter school day, and no extra-curricular activities. Additionally, band, choir, art, and STEM programs could be cut and kindergarten could move to a half day.

The community will have a school district that will move to the lowest financial rating in the state (1 out of 4). As a result, the Illinois State Board of Education will be involved with every aspect of our organization. In the two other cases where this happened, [East St. Louis and North Chicago](#), the state took over control of the schools for over a decade. The state also has the ability to raise taxes without voter input (per ILCS 105/5 1B-6 of the state legislation).

Relinquishing local control of our schools and allowing the State to control revenue and expense is not viewed favorably by school employees, community residents, or prospective residents.

## Timeline of Key Financial and Personnel Events from the Community Engagement Forum

### 1997

\$8.9mm building bond referendum for the construction of Prairieview Elementary passed in November.

Records indicate utilization of early tax dollars to cover expenses (since at least 1997).



### 2004

A portion of Lakeview gets remodeled, installing prefabricated walls to replace curtains, new lockers, and HVAC.



### 2010

\$1.5mm in debt certificates were approved by the BOE.

Lakeview and Elizabeth Ide bathrooms were renovated.



### 2022

Board votes for a June limiting rate referendum, increasing the operating rate \$0.50 to \$2.65. The community votes 60% against the referendum.

Failed vote results in the first wave of cuts for the 2022-2023 school year.

Board establishes a Community Engagement Forum.



### 2021

The Board issues Tax Anticipation Warrants for the first time in the district's history as there is no longer enough money to cover a full year's worth of expenses.

The first community newsletter regarding District financial status is mailed out to all district residents in December.



### 2020

\$2.4mm in debt certificates were approved by the BOE in February, paying off the 2010 debt certificates and placing \$1mm into reserves.

Dr. Andrew Wise starts as the district superintendent on July 1.

District switches auditors to Gorenz & Associates.

**2022:** Board of Education votes to reduce the limiting rate ask by 20%, dropping the operating rate ask to \$2.55. While the overall tax rate will be \$2.70, until the 2017 bond payments are completed by 2037, the \$2.55 operating rate ask is the same rate as the community was paying in 2014. The community will vote on the issue at the November 8, 2022 election.

## Timeline of Key Financial and Personnel Events from the Community Engagement Forum

### 2012

Superintendent of Center Cass, Dr. Jay Tiede retires after 39 years serving the district.

Dr. Tim Arnold is hired in April, as the new district superintendent, starting on July 1.



### 2014

The prior bond from 1997 for the construction of Prairieview is paid off early, allowing the tax rate to drop by 8% (2.55 to 2.37). The Board does not ask the community to renew the bonds or for an operating rate increase.



### 2016

The Board approves the 2014-2019 five year Strategic Plan and Facility Master Plan.

The initial need identified is \$30mm in facility improvements and shared with the Board.



### 2019

Dr. Tim Arnold resigns as superintendent.



Two part-time interim superintendents are hired for the 2019-2020 school year.



### 2018

District's current auditor, Knutte & Associates was acquired by Sikich LLP, operating under the new name but maintaining the existing Professional Services Agreement.

District moved from Bank of America to MB Financial, saving over \$2,400 annually in fees.



### 2017

The Board proposes a \$12.9mm building bond referendum for renovations to Elizabeth Ide, Prairieview, and Lakeview.

Illinois passes new law for school funding, called Evidence Based Funding (Public Act 100-0465), reducing the amount of State revenue to the district.

## Key Quotes from Experts in their Field

*“Without early taxes being counted in your June 30 fund balance, your fund balance would be negative and your financial score would drop to a lower category.”*

**- PMA Securities LLC**

*“The District has done an excellent job reducing risk and costs the last couple years, but if surfaces such as sidewalks, gym floors, carpeting, and blacktops are not fixed, risk will increase and so will costs.”*

**- Horton Company**

*“The State’s funding formula identifies the basic personnel required to educate a child, many of which Center Cass does not have.”*

**- District 66 Attorney**

*“To the best of our knowledge, the District has never had an operating tax rate increase and has had only two building bond referenda. With an operating tax rate in the bottom 1/3 of elementary school district rates in the County, and a relatively low EAV as well, the most effective way to increase the District’s revenues is with a rate increase.”* - **PMA Securities, LLC**

*“As Principal of Lakeview last year, I witnessed firsthand the tremendous social, emotional, and mental health needs of our students. Lakeview needs additional social workers to proactively support the development of our youth while responding to any crisis as it arises.”* - **Dr. Jessica Foster**

*“You can’t possibly keep your buildings clean with nearly half the custodial staff necessary for approximately 200,000 square footage of interior space.”*

**- Illinois Purchasing Cooperative**

*“The work identified in the 15-year Health Life Safety and Maintenance schedule will only get more expensive the longer you wait to address it.”* - **WOLD Architects**

*“If Center Cass School District’s Financial Profile score drops between a 1.00 to 2.61, they are in the highest risk category, in which case the Illinois State Board of Education is required to monitor and review the district, which could include a State Oversight Panel.”*

**- Gorenz and Associates Auditing Firm**

*“To combat the rising costs of healthcare, the District has modified their health insurance plan to increase employee paid premiums, employee paid deductibles and decrease employee benefits.”*

**- Horton Health Insurance Advisor**

*“On our most recent benchmark assessment, 73 of 326 Prairieview students were below grade level in reading. In addition, 67 of 326 students were below grade level in math. The pandemic and lack of resources is impacting learning like I have never seen in Center Cass. Our kids need help that we can’t currently provide.”* - **IL Principal of the Year Mark Pagel**

## Board Statement

To our residents and community, the Board of Education for Center Cass School District 66 formally acknowledges that this Board, and Boards of the past, expended more operating dollars than it brought in over several years with the understanding that appropriate reserves in the District's accounts would cover the difference. As a result, the District's financial reserves have decreased to their current state, with not enough money to make it through a full school year.

With a change in auditors in 2020, by Dr. Wise and his administration team, the Board became aware that fund balances recorded on June 30, reported by the auditors, were not showing the entire picture. Rather, the balances reflected more money than we had for the current year, because the balances included early tax dollars that were meant for the upcoming school year. Without the early tax dollars, the District struggles to make payroll in the current school year. After receiving this information from the auditors, this Board approved Dr. Wise's recommendations to increase fees, cut expenses, contain costs, and seek additional revenue.

We believe past Boards did the best they could with the information they had, just as we are doing the best we can with the new information that we now have. We recognize the shock that some community members felt when our financial difficulties surfaced through our auditors, our educational shortcomings surfaced through our new Administrative Team and the Regional Office of Education, and our facility needs were identified through the Health Life Safety Study.

Though we did our best to communicate these issues through newsletters mailed to residents' homes, public community meetings, and open board meetings, our communications fell short.

We recognize that we need to work on establishing deeper and more meaningful connections with our community and ensure all voices are heard. To address this concern, the Board has formed the Community Engagement Forum, which is made of diverse cross-sections of our community that represent different interests. This is only one of many ways the Board plans to increase its relationship with the community going forward. We want to assure our community that the current Board is committed to working with administration, employees, and all members of the community to improve the situation.

Although it was projected in the past that our low fund balances could be an issue in the future, our needs were so great that the District spent its financial reserves to meet those needs. In addition, the District did not seek additional revenue when the bonds issued for the construction of Prairieview were paid off in 2014, which dropped the tax rate considerably until 2017. The successful bond referendum in 2017 did address some of the District's facility needs but not enough revenue was requested with the referendum to solve the long-term educational, operational, and facility needs. In hindsight, the Board, Administration, and Community could have done things differently.

As a Board, we are accepting responsibility for the current state of affairs in our District. While we cannot change past decisions, we are committed to working hard for the long-term future of Center Cass. However, we cannot do it alone. We are humbly asking for your help. The current tax rate increase has been reduced to the lowest amount we can go and still provide our kids and community with a quality education. We are hopeful that we can work together to ensure the District's future is bright.

Sincerely,  
The Center Cass Board of Education (09/16/22)



Center Cass School District 66

699 Plainfield Rd

Downers Grove, IL 60516

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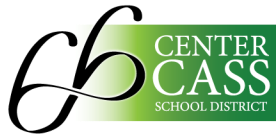
### VOTE ON NOVEMBER 8

Visit the Referendum Webpage:

[www.ccsd66.org/page/district-referendum-information](http://www.ccsd66.org/page/district-referendum-information)

Voting Information:

[dupagecounty.gov/election/](http://dupagecounty.gov/election/)



#### Upcoming Events:

October 12: Board of Education Meeting

**October 18: Special Board of Education Meeting\***

November 2: Community Engagement Committee Meeting

November 8: Election Day

November 16: Board of Education Meeting

November 21-25: Fall Break - No School

December 14: Board of Education Meeting

December 19-30: Winter Break - No School

*\*See details inside on Page 2*

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