

## THE REVITALIZATION OF DISTRICT 205

In September of 2015, the Galesburg CUSD #205 Board of Education approved a recommendation by the Superintendent to undergo a district wide budget reduction process. This request was made for several factors:

- The FY 2016 District Budget was a deficit budget in the amount of approximately \$2.6 million dollars.
- This was the third consecutive year in which the district was anticipating deficit spending.
- The district reserves in the Operating Funds were approximately \$12 million dollars.
- There were significant concerns about the district's ability to pay for required Health Life Safety work and the remaining obligated costs associated with Operation Rebuild.
- The districts Equalized Assessed Valuation (EAV) has remained relatively flat for the past ten years.
- The district's enrollment as evidenced by the Sixth Day Enrollment Count has declined 7% over the last 10 years.
- The State of Illinois owed the District approximately \$6.8 million dollars in pro-rated General State Aid from the past five years.

Also at that September meeting, it was the consensus of the Board that the administrative team should attempt to reduce the FY 17 district budget expenditures by at least \$2,000,000.

A District Budget Reduction Committee was formed and approved by the Board at the September 28, 2015, Special Board Meeting. The Committee was disbanded by the Board at a Special Meeting on Tuesday, October 5, 2015. In its place, another committee was created that would report directly to the Superintendent and would meet at the discretion of the Superintendent. This committee did meet three times: October 15, 2015; October 29, 2015 and November 11, 2015.

The Budget Reduction Committee reviewed a substantial amount of historical financial and demographic data. The committee was asked to respond to the following two questions:

- What does your ideal District 205 School District look like and what services should it offer?
- What are your "non-negotiables" in terms of services, programs, courses, etc. that must continue to be offered in this district regardless of the district's financial condition?

The committee identified the answers to these questions and then was asked to rank order the "non-negotiables" by way of a survey.

As part of this process, Mr. Grimm and Mrs. Hamm began reviewing a significant amount of historical district financial data as well as other demographic data. A series of questions were generated as a result of this review of the data. Answers to the questions were sought through a series of interviews with the following groups of people:

- All building principals
- Representatives from the Services Employees International Union
- The Galesburg Education Association
- The District Food Service Director
- The District Maintenance Staff
- The District Maintenance Supervisor
- Members of the Community
- Members of the Knox County Area Partnership for Economic Development Board of Directors
- Members of the Galesburg District 205 Board of Education
- Central Office Administrators and Staff
- Our district Transportation provider
- Knox Warren Special Education Coop Director
- Mayor Pritchard and City Manager Thompson
- District Fine Arts Coordinator

In addition, a significant amount of time has been spent reviewing Operation Rebuild in terms of work that has been completed, work that is currently underway and work that was to be completed at some point in the future. We have also studied in great detail the financing of Operation Rebuild and have a thorough understanding of the effect of Operation Rebuild on district finances now and in the future.

As a result of the review of the relevant data and the conversations with the stakeholder groups identified above, it became clear that the original task of cutting \$2,000,000 of expenditures from the FY 2017 budget was not the only thing that was needed. It became clear that in addition to reducing expenditures from the FY 2017 district budget, an attempt should be made to “right size” the district to reflect the significant changes the district has undergone over the last ten years and to position the district for the next ten years. Because of this realization, the focus of the process changed from a simple budget reduction process to one that has focused our attention on every program in the district. It has become clear that in order to sustain the district for the foreseeable future, not only must the district be “right sized”, but there must be significant changes to how we deliver the critical services that our students, staff and stakeholders deserve and expect from us.

As a result of our work to date, I am suggesting the following as we go forward:

1. Our current list of proposed budget reductions currently stand at approximately \$3.35 million dollars of recurring expenditures that should be considered for elimination from the FY 17 district budget. Specific details of these expenditures are not ready to be discussed publicly as we are still gathering information on several of the items still under consideration. I want to assure the Board and our stakeholders that the recommendations for reductions will come from every aspect of our district and will not be done at the expense of one group or another.
2. We will present the list of recommendations to the Board at a Special Board Meeting which we will be requesting for Tuesday, January 5, 2016. At that time,

recommendations for positions to be considered for elimination will be given to the Board absent specific names of employees to be reduced. The process to place names with the positions will be lengthy and complicated and cannot be rushed.

3. The Board will be asked to approve the list of positions to be eliminated at the regular January 11, 2016, Board meeting.
4. The Board will be asked to approve specific Reduction in Force resolutions for individuals at the regular February 8, 2016, Board meeting.
5. We will then begin the process of bargaining the impact of these decisions with the Galesburg Education Association.

The discussion and implementation of specific reductions is a difficult and painful process. We have said as we have worked through this process that every position in this district was filled due to a need being identified by someone. However, we are at the point in our districts history where we cannot continue to sustain all of the positions that we currently have in place. The financial condition of our state, the financial condition of our district, and our changing demographics will not allow us to continue with our present staffing patterns going forward. Changes must be made.

Going forward, I believe the work of the revitalization process must continue. I believe the following steps must be taken in order to truly revitalize District 205 and to continue moving from a good to great school district:

1. An extensive study of current building usage must be conducted. Serious thought must be given to whether or not there is need to keep and operate each of our current district buildings. This study should include but not be limited to:
  - Studying whether or not to continue attendance centers at the elementary level.
  - The need for two middle schools.
  - Different grade level patterns in some of our buildings.
  - The location of GHS North.
  - The location of the Bright Futures Pre-K program.
  - The continued need for five elementary schools in the district.

This particular study must be completed at our earliest convenience as this may be a way to save substantial dollars in Health Life Safety costs in some of our buildings.

2. The study of how best to meet our student transportation needs must continue. Efficiencies in this area could be realized if the district transportation was brought “in-house” as opposed to continuing to contract for these services.
3. District staffing patterns must continue to be monitored on a going forward basis. Employee staffing must be kept in line with the district enrollment trends.

4. There is a significant amount of curriculum work that must be conducted going forward. The identification of the essential skills that every child in District 205 learns to mastery must continue. The essential skills must be aligned to the State of Illinois New Learning Standards. Local assessments must be refined and developed to ensure that all students are able to master required course content. Vertical and horizontal articulation of the curriculum must be undertaken again by district staff in order to ensure that all students are learning the same curriculum. A continued emphasis on professional development for staff that focuses on Differentiated Student Learning; Higher Order Thinking Skills; Student Engagement; the Use of Data to Inform Instruction and Authentic Assessment must become a district priority. The continued integration of technology as a teaching tool must be encouraged as well.
5. The District must make a firm commitment to operating with a balanced budget as long as current funding levels are maintained. Should revenue sources from the state diminish significantly in the future, the district will most likely need to undergo another budget reduction process.

In summary, the budget reduction process started in September of 2015 will result in significant budget reductions for District 205 for the FY 2017 fiscal year. If the proposed reductions in recurring expenses can be enacted as presented, the district stands a better than average chance of operating in FY 2017 with a balanced budget. Of course, much of this is dependent on the State of Illinois continuing to fund schools at its current levels.

In addition to the fiscal ramifications of the budget reduction process and perhaps more significantly is the opportunity to truly look at how we deliver our services to all district stakeholders and to make those changes that will make Galesburg CUSD #205 a destination for those who wish to provide their children with a high quality education.

Finally, I have shared with staff my desire to assist in moving Galesburg District #205 from good to great. I believe the outline of the plans presented in this report will allow us to continue down the path of doing just that. Moving from good to great will require action and fortitude. This plan provides the steps that must be taken to continue that journey.