

## **Too Big To (Be Made To) Fail: Part I**

*November 13, 2009 By Jim Broadway, Publisher, State School News Service*

At a gathering Monday, I asked for a show of hands: How many began your careers after 1983? Over half raised a hand. I was in a room full of educators who never have known a time when their profession was not under attack for having “failed America.”

My first reaction was to be amazed at how so many had risen so far so fast – from entry level teaching jobs to positions of school leadership. But then it dawned on me that a quarter-century has passed since the publication of “A Nation At Risk.” My second reaction was to feel sort of old.

After all, I was no spring chicken on that day in 1983 when scribblers at the Capitol received copies of the Department of Education document warning that a “rising tide of mediocrity” had so infected America’s schools as to threaten “our very future as a Nation and a people.” Our teachers had become terrorists?

Knowing that Education Secretary Arne Duncan was escalating the rhetoric of failure in his Race to the Top sales pitch, I had prepared a summary of facts that suggest pretty clearly that all this talk of failure is overdrawn. Not only that, it is arguable that the country’s educational system is, in current jargon, “too big to fail” – or even to be forced to fail.

Preliminary note: When I say “you” in this discourse on educator-bashing, I mean to refer to the nation’s educators, those reading these articles and others spread geographically around the nation and spread also chronologically through recent decades.

When I say “we” (as in “we Americans were gullible and intellectually lazy”), I don’t mean to include me; in that context, I’m talking about others.

The president commonly credited with toppling the Berlin Wall had promised to eliminate the USDE as well. He lacked the votes in Congress to do that, so he turned to attack the entire structure of public education in America. It was quite a novel thing.

Our system of free schooling for citizens previously had received credit for our industrial power, for our creative emergence from the Great Depression, for our and our allies’ victory in World War II. But now, according to the president, all that had changed.

A “tide of mediocrity” arose. (Something got in the water?) Whatever the cause, our president’s USDE sounded the alarm: “If an unfriendly foreign power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war.” Wow! (See first sentence, second paragraph.)

With A Nation At Risk began a war on public schools that continues unabated 26 years later. What were the motives for this war? That’s beyond the scope of this analysis. What we want to understand is how public education has survived – even has remained at the top of the polls – throughout this attack.

For social institutions, like insurance companies and banks and so many other things, size matters. You are part of something truly huge, something hard to change in any revolutionary way.

If you were a company, you’d have about 50 million clients (for those who still believe it’s the children who are the clients of public education). You’d have 6.2 million employees, most of them teachers and other professionals. You’d have an annual operating budget estimated now at over \$610 billion.

In Illinois alone, the total of resources consumed by the public school districts is greater, at the moment, than the General Revenue Fund of the state itself. It is not easy bring rapid change to something so big.

For example, Race to the Top aims for revolutionary change. Its leverage is money. Put 610 marbles in a bucket. Now add 4 more. Did it make a difference?

Race to the Top aims for dramatic improvement in the corps of educators. Years ago, President Clinton put 100,000 more police officers on our city streets. It had a big effect. It made folks happy, especially those who toil in the donut shops of America.

But what effect would 100,000 great new teachers have, in the aggregate, on a teaching corps of nearly 4 million? A good – but not a revolutionary – effect.

Race to the Top aims to spark “innovation” in public education. The often repeated premise is, without prodding from the outside public schools would do the same things, never trying anything new, decade after decade. What a total crock!

As a journalist, I can attest that you’ve always been a moving target. My first education beat was seven Madison County school districts; I began torturing them in 1970. You’ve always been in a state of flux. That’s how you evolve. Some hotshot sets off a buzz with an interesting doctoral thesis and before you know it we have new math or open classrooms. You try promising ideas, discard the duds, refine those that seem effective and improve steadily over time.

The pressure to “reform” you into the private sector has been intense since 1983 – and white hot since the 2002 implementation of No Child Left Behind. How have you managed to survive?

First, it should be noted that ANAR was (as was so clearly proven by Bruce Biddle and David Berliner in 1995) a Manufactured Crisis, a sham foisted on the media – and, through us, the public – spreading the false alarm that the sky was falling on our schools. The “evidence” of educational declines from the 60s into the 80s was trumped up. You’ve never failed the students and, over time, you’ve quickened the pace of their learning gains consistently.

In fact, National Assessment of Educational Progress (NAEP) test score trends were more positive in the years before NCLB than they have been since. You got better results before the federal government decided to help! This fact has not gone unnoticed. But it is not the evidence of your success that saved you from privatization. That evidence still receives relatively little media coverage even as it pushes its way to the surface. No, what has saved you is the fact that you are a headless giant.

There are 17,000 school districts, each with a board and locally respected administrators.

There are over 7,000 state legislators in the U.S., and 50 governors. Every one of these folks feels, justifiably, that he or she has a say in what takes place in the classroom.

Unlike countries with central control of all schools, you have no head. Or maybe you have thousands of heads. Either way, you can’t simply be dictated to by a single authority, even if he is a tall Chicagoan.

## **Too Big To (Be Made To) Fail: Part II**

*November 25, 2009 By Jim Broadway, Publisher, State School News Service*

You are a part of something so big that even if you were controlled by a powerful central authority you could not quickly or easily be redirected. Of America’s 300 million citizens, about 50 million come through your doors every school day. Illinois schools see the same ratio of the population (1 in 6) in their pre-k to 12th grade classrooms.

So you can see why the corporate sector so strives to “privatize” the schools. CEOs would love to see the \$610 billion America invests in public education flowing through their bank accounts. You can see why corporations care about children as the building blocks of brand loyalty (via vending contracts for soft drinks, snack foods, etc.), and as the nag-factor influencing how their families spend hundreds of billions of dollars. It may be hard to capture the public school system, but for corporate interests the potential return is certainly worth the effort. (Every crime has a motive.)

But it is not just the size of your structure – all those students and staff – that makes it so difficult for you to be taken over. The size of your mission also plays a role. You do more than just teach the kids to read and cipher. You are *in loco parentis*. You transport them and provide what for many will be their only decent meal of the day. In the process, you monitor their nutrients. You exercise them and in other ways promote their health. You guide them into wholesome relationships with each other and with society at large. You counsel and protect, discipline and encourage.

In ways the private sector will never be entrusted to replicate, you assume responsibility for the whole student – not just his test score. Turning it all over to private sector profiteers is out of the question.

### **D303 Must Cut \$4.4 Million From 2010-11 Budget**

*November 26, 2009 By JANELLE WALKER For Sun-Times Media*

ST. CHARLES -- The St. Charles Community Unit School District 303 board is set to vote in January on how and where to cut \$4.4 million from its 2010-11 budget. PMA Financial Network, the district's financial advisors, told the board's financial services committee recently that it estimates the district will face a total deficit of \$5.8 million next school year. However, by using \$1.4 million from the American Recovery and Reinvestment Act for special-needs program costs, the total cuts needed were reduced.

While District 303's administration has not indicated where the cuts for 2010-11 will come from, the needed funds will not come from increasing class sizes. Superintendent Don Schломann told the committee he will use the guidelines laid out during Summit 303 as guidelines in making reductions. In that year-long process that wrapped up nearly a year ago, parents told the district what areas of curriculum and programs were most important to them. Jim Blaney, the district's communications director, explained that Schломann "cited class size as an example, saying that even though raising class size across the district by one student per class would reduce expenditures by \$1.6 million, this would be contrary to the wishes of the District 303 community."

School districts across the state are looking at budget deficits for the 2010-11 school year. For many of those districts that fall under the tax cap, those deficits are the result of the rise in the consumer price index of just 0.1 percent in 2009. The tax cap allows school district's to raise property taxes by just the CPI or 5 percent, whichever is lower. District 303 has known since about January -- when the CPI figure was announced, that it would see a deficit budget in 2010-11.

"We knew that would have an impact on 2010-11," said Brad Cauffman, assistant superintendent for business services.

The finance committee built that into the five-year budget forecast, Cauffman said. However, the expenditure side "has so many moving parts. For 2009-10, everything worked out, and were able to get an idea of where we would be at for 2010-11." The largest portion of the district's budget, he added, is personnel costs. The district expects salaries and benefits, tied to the teacher contract, to increase by 6 percent next year.

### **Aurora Unveils 2010 Budget**

*November 25, 2009 By ANDRE SALLES [asalles@scn1.com](mailto:asalles@scn1.com)*

AURORA -- More than a month after it was first expected, Mayor Tom Weisner's proposed 2010 budget landed on the desks of the city's finance committee Tuesday afternoon. And with only about three weeks to review the 1,551-page document, aldermen wasted no time digging right in. For months, Finance Director Brian Caputo has been predicting budget shortfalls next year of up to \$19 million. Revenues are down across the board, in all of the city's main funding sources, and Caputo has called the situation the worst he's ever seen.

The 2010 budget is an attempt to bring city finances into balance without raising taxes. The \$349.6 million budget shows a drop of \$63.7 million in expenses, a reduction of 15.4 percent. Much of that reduction is due to the \$32.1 million the

city spent this year finishing up the new police station on Indian Trail, an expense that was not needed in the 2010 budget. But that still leaves a drop of more than \$31 million in spending, a tightening of the belt that will hit nearly every corner of the city. All departments and divisions (except for the police and fire departments) were asked to trim their budget requests by 15 percent, and longer-term projects such as River Edge Park and the Grand Army of the Republic Memorial Hall restoration will see no activity in 2010.

With more than 80 percent of the city's general fund money going to personnel expenses, much of the savings will come from that area. Over the past few months, the city has eliminated 80 employees, through both voluntary separations and layoffs.

Three city unions -- both American Federation of State, County and Municipal Employees locals and the Aurora Fire Management Association -- have agreed to wage freezes in 2010. And all of the city's executive and non-exempt employees, along with Weisner and all 12 aldermen, will take the same wage freeze. So far, only AFSCME Local 1514 and the Fire Management Association have agreed to concessions outside of contract talks. But the budget includes concessions from all six of the city's main bargaining units, according to Assistant Chief of Staff Carie Anne Ergo -- the staff wrote the budget assuming those concessions will happen. Talks are under way with AFSCME Local 3298, and the police, fire, and police management unions, Ergo said. Employees are also being asked to contribute more toward their health insurance benefits, and new employees who retire after fewer than 20 years will have to pay all of their retiree health insurance.

One of the most significant changes is in the city's ward funds program. Currently, all 12 ward aldermen receive \$580,000 per year in discretionary funds, with the understanding that most of it should go to street repair in the ward. This money comes from the gaming tax fund, which was originally intended to help improve city infrastructure. In 2010, the ward fund program will be all but discontinued. The city will commit \$5.4 million in other monies (capital and community development block grant funds) to repairing the streets that need it most, and aldermen will receive \$40,000 each in gaming tax money, to be used in their wards. Weisner has also asked the council to restrict \$20,000 of that to capital projects, such as street lights and fences.

Even with all the cost savings, the city has significant plans for 2010. The widening of Indian Trail from Mitchell Road to Farnsworth Avenue will be completed, at a cost of \$2 million. (The federal government will pick up the rest of the \$7.6 million tab.) The Wood Street Bridge will finally be replaced, for \$5.5 million. And the old police station on River Street will be demolished, at a cost of \$1.2 million. A city park will take its place. Also, the city will spend \$4.3 million constructing new storm sewers, and another \$2 million resurfacing arterial streets.

The cutbacks, Ergo said, will come in non-essential services, such as the Public Art Commission and city festivals. Already, this year's Holiday Magic celebration has seen its budget cut from \$43,000 to \$10,000, and its parade and fireworks display eliminated. On Tuesday, aldermen met with Fire Chief Hal Carlson and Police Chief Greg Thomas, and both told the same story: Their budgets are lean and trim, with little room to cut further. The fire department has lost four full-time staffers, and the police department eight, although none are sworn officers.

Carlson said it would be more cost-effective to fill those positions rather than pay the overtime needed to cover the additional responsibilities, but added that the department saved \$278,000 by eliminating the positions. Carlson would also like to buy new ambulances and firetrucks to replace older ones but said he understands the city's financial situation. Thomas only turned in requests to move the police department to its new headquarters in January, buy new defibrillator units for that station, and continue the crime-free housing program. Altogether, he will spend \$30,000 outside of the usual costs to run his department.

## **Aurora, First Union Reach Contract Deal**

*October 28, 2009 By Justin Kmitch | Daily Herald Staff*

As Aurora officials continue crafting their 2010 budget, the city council has given them one more piece to lock in place.

Aldermen voted 9 to 1 Tuesday to approve a deal with one of the city's labor unions that provides members with average annual raises of 1.93 percent through 2012 and guarantees no members will be laid off through 2010, including the four given notices last month.

In return, employees in Local 1514 will take 10 unpaid furlough days - two this year, and eight next year.

The pact calls for 3 percent raises retroactive to Jan. 1 and then no raise in 2010, a 2 percent increase in 2011 and a 2.7 percent increase in 2012.

Members of AFSCME Local 1514, which includes 130 public works and water and sewer maintenance employees, ratified the deal Sept. 18.

Fourth Ward Alderman Rick Lawrence, the lone dissenting vote, pleaded with the others to postpone the vote until aldermen have a chance to see Mayor Tom Weisner's budget proposal sometime next month.

"It might well indeed be a great contract for the city and some sacrifices on the employees part, but we don't even have a budget yet to even see how it fits into an entire plan," he said. "We really should wait until we see how this all fits together so we're not guaranteeing all these things to you when we don't even know if we have the money to pay for it."

Third Ward Alderman Stephanie Kifowit disagreed.

"We cannot have people working without a contract. That's the bottom line. People need to be paid a fair wage. We've been in limbo with this contract for so long," she said. "This is a piece of the puzzle and finalizing this piece and being able to bank on these numbers is part of finalizing the budget."

AFSCME spokeswoman Flo Estes called the deal one both sides could live with and indicated the union was willing to "bear its fair share during these recessionary times." But she also disagreed with Lawrence's logic.

"Whether the budget is in or not, they've had plenty of time to assess the cost of this contract," Estes said. "If they think the only way to balance the budget is by cutting employees and making further deep cuts, they're not going to continue to have the services they do."

Estes also said she believes AFSCME Local 3298, which represents clerical positions, inspectors, planners and accountants, is "close to reaching a deal."

## **Draft Of Aurora's City Budget Not Expected Until November**

*October 23, 2009 By ANDRE SALLES [asalles@scn1.com](mailto:asalles@scn1.com)*

AURORA -- It's been more than a week since Oct. 15, when aldermen were told to expect the city's 2010 budget. And now, Mayor Tom Weisner's office is saying the document will not be finished until sometime in November.

Assistant Chief of Staff Carie Anne Ergo said changing revenue projections have made it difficult to nail down the 2010 budget. Additionally, the city is still discussing concessions with each of its unions, and the outcome of those talks will affect how much the city spends for personnel and other costs.

In August, Finance Director Brian Caputo projected a \$19 million budget deficit for 2010, due to shortfalls in nearly every revenue source the city taps. That figure did not take into account several of the steps the city has taken to save money, including last month's round of layoffs, which found 48 positions eliminated, a move expected to save \$3 million.

However, revenue projections continue to go down, and the city has also been hit with a \$3.8 million increase in police and fire pension costs. Ergo said it is "premature" to release a more up-to-date deficit figure, but the 2010 budget will see significant reductions in many areas.

Alderman Leroy Keith, who serves on the Finance Committee, believes that may make his job a little easier. The budget is usually handed off to his committee in October, and the members traditionally meet once a week, minimum, to go over line items. They will have less time to do that this year, but Keith said he expects a smaller budget with fewer items to review as well.

"I think it will be quicker, with a lot less discussion taking place," Keith said.

The current budget expires on Jan. 1.

## **Indian Prairie School District 204 Projects Slight Tax Increase**

*November 11, 2009 By KATHY CICHON kcichon@scn1.com*

Taxpayers in Indian Prairie District 204 will most likely see a slight increase in property taxes for this year — one that is less than the typical fast food meal.

"Essentially there isn't much change in the tax rate from 2008 to 2009, based on our best estimate," said Dave Holm, assistant superintendent for business.

For the 2009 tax levy year, the property tax cap will be using the consumer price index, which is 1/10 of 1 percent, Holm said.

"One-tenth of 1 percent is about as close to zero as you can get," Holm said. "... It's an almost even amount from the previous year."

On Monday the District 204 Board of Education was presented with the tentative tax rate for 2009, which is 4.4840, a slight decrease from the 2008 tax rate of 4.4858. That means a home purchased in 2006 for \$300,000 — now assessed at \$366,000 — will see an increase of about \$4.60 from the previous year, Holm said.

Along with reviewing the tentative tax rate, officials also set the tentative tax levy for 2009.

"It actually went down from the previous year by \$1.5 million," Holm said.

Last year the district requested slightly more than \$248 million. This year the district is asking to collect \$246.6 million. Of that amount, a little more than \$219 million is earmarked for operating expenses, while nearly \$27.5 million is requested for bond and interest payments.

The levy, Holm said, was mainly set at that amount "in order to make sure the new property, as it goes on line, that we continue to get our fair share."

While there isn't as much new growth as in previous years, most new property brings the possibility of new students, and "it's important we have additional revenue to cover that," Holm said.

The financial forecast for the district in the coming year shows it experiencing a significant shortfall.

"We have definite challenges for the 2011 school year," Holm said. "For fiscal year 2011 we have a projected roughly \$9 million deficit. It's a revenue issue."

The district is in the process of working to close that gap, he said, and will be presenting that information in the next month or so.

A public hearing will be held on the 2009 tax levy at 7:05 p.m. Dec. 7 at the Crouse Education Center, 780 Shoreline Drive, Aurora. Later that evening, the board will vote to adopt the levy during its regular meeting.

## **Union Says Deputies Willing To Sacrifice To Help Budget**

*November 8, 2009 By NICK SWEDBERG For Sun-Times Media*

GENEVA -- Formal talks began this week between the Kane County sheriff's deputies union and the county on contract concessions to help balance the sheriff's budget for 2010.

Union representative Dennis Carroll said discussion in the county labor-management meeting was the first time the union had been approached formally about helping find a solution to budget issues.

Carroll said the union was prepared to defer some compensation until after 2010.

"Our membership had a meeting, and we're willing to defer a lot of things, but not just willing to give them up," Carroll said.

Failing to reach an agreement on concessions could mean layoffs of deputies.

Carroll said that he was told about \$817,000 would need to be cut from the 2010 budget.

"I hope and pray we don't have layoffs," Carroll said.

County board representatives, including Catherine Hurlbut, R-Elgin, said she thought deferments would be putting off the budget issues until next year and compounding the deficit.

"It's unmanageable," Hurlbut said.

Sheriff Pat Perez, who also is participating in negotiations on the management side, has proposed using a \$500,000 fund set aside for new police vehicles from the county's Regional Transportation Authority sales tax to cover a budget overage.

Perez said the department is expected to receive more than \$200,000 in grants for vehicles.

## **Sugar Grove Workers Start Furloughs (Beacon News Service)**

*November 6, 2009 By PAUL DAILING pdailing@scn1.com*

SUGAR GROVE -- In an effort to shave about \$16,000 off its six-figure budget deficit, Sugar Grove will start unpaid furloughs for 24 of the village's employees. The first day of the furloughs will be Nov. 11. The furloughs will not involve police patrol officers, although the police offices will be closed, Village Administrator Brent Eichelberger said Thursday.

Eichelberger expects the furloughs to save the village about \$5,000 a day. This, combined with one employee who offered to work reduced hours, will leave the village with a deficit of about \$98,000.

"The latest numbers before that are about \$115,000," Eichelberger said.

The furlough days announced this week are Nov. 11 and Jan. 18, 2010. The latter date is Martin Luther King Day, a day village offices are closed anyway. But the employees won't be paid for the holiday.

Furlough days can also be used during the week between Christmas and New Year's, although employees can use vacation days during this time if they choose. The Village Board has also asked someone to be on duty to answer the village phones during that time, but village offices won't be open for walk-ins.

"The (Dec.) 28th through the 31st is still a hybrid thing," Eichelberger said. "We're still working out the details."

All in all, the village works on a budget of about \$4 million, he said. Before the financial crisis, it had been around \$5 million a year. But budgets can turn on a dime.

"It should be noted that the projected deficit can change at any time. A change in state shared revenues, reductions in utility taxes or a bad winter are examples of items beyond the village's control that could have a major impact on the budget," Finance Director Jason VanVooren said in a press release.

Recently, the village got \$135,000 less than expected from state shared revenues, Eichelberger said. Figures on the sales tax revenue jump the village expects from the summer's Solheim Cup golf tournament are not yet available, but could be a boon, he said.

## **Rotolo Gym Floor On Hold For Now (Beacon News Service)**

*November 1, 2009 By DENISE LINKE For Sun-Times Media*

BATAVIA -- The Batavia School Board tabled a vote this week on a proposal to install a wood floor in Rotolo Middle School's auxiliary gym after board member Joseph Purpura questioned whether the district should spend bond referendum dollars on a project not listed in the original plans.

"My problem is that we're using referendum money for something besides what was specifically stated in the referendum," he said.

In April 2007, voters approved a \$75 million bond issue to build additions to Rotolo, Gustafson Elementary and Batavia High School, as well as repair and upgrade other elementary schools. Though the Rotolo project included a new gym with a wood floor, it did not include changes to the original gym.

The low-profile maple floor administrators are proposing to lay in the gym would cost \$49,900. After a \$24,000 donation from Batavia Youth Basketball and a \$12,000 donation from the Batavia Boosters Club, the district's cost would be \$13,900. The district would front \$8,000 of the BYB donation, which the BYB would pay over three years, said Building and Grounds Director Pat Browne. The wood floor would enable the BYB and other youth sports groups to use the gym for competitions, said School Superintendent Jack Barshinger.

"It's a cost-benefit situation," Barshinger said. "We're trying to increase gym capacity at the middle school. I believe it meets the guidelines (set by) the referendum, and I'm certain it meets the legal scope of the referendum."

Administrators also justified the extra expense by noting that the Rotolo addition came in \$515,000 under budget and that the district could take its \$13,900 share of the floor cost from that surplus. Purpura countered that other projects funded by the referendum have come in "substantially" over budget, and that any savings from the Rotolo addition should be applied to extra costs incurred by those projects.

"We are hundreds of thousands of dollars over budget on the elementary school projects," said Purpura. "Given the district's current financial state, I don't see how we can justify spending money on something new."

## **Will County Still Eyeing Employee Furloughs (Beacon News Service)**

*November 6, 2009 By STEWART WARREN swarren@scn1.com*

JOLIET -- As Will County officials try to cut next year's spending, they have decided to once again offer the possibility of voluntary furloughs to employees.

But there is a small catch: the elected official running each office must decide to offer the unpaid time off from work. So, for example, if Will County Treasurer Pat McGuire agrees, the employees in his office may request furlough.

Workers now have until Nov. 13 to request the unpaid time off from work, said Matt Ryan, chief of staff to Will County Executive Larry Walsh. Ryan announced the news Thursday during the county board's executive committee meeting. The furlough option had been open to some employees earlier this year, but they had to make a decision by Oct. 31.

"Several people have told us, 'We missed the deadline,'" Finance Director Paul Rafac said Thursday.

At least one elected official didn't offer furlough earlier this year to his employees: Will County Sheriff Paul Kaupas.

In September, Walsh gave the board a budget proposal that was balanced. But there was a shortfall of \$19 million. To bridge that gap, county officials at first were going to use \$5 million in cash reserves but later shaved that to \$3 million. They were concerned that the terrible economy could continue longer than expected and that the cash reserves might be needed in 2011 or 2012.

If more employees take furlough, that might be a real boon for the cash-strapped county, said Board Chairman Jim Moustis, R-Frankfort.

"This could help with the budget. The more we can bring down the cost of the employees, the fewer people we will have to lay off -- or perhaps we won't have to make any layoffs at all," Moustis explained.

## **Will County Begins Painful Process Of Layoffs (Beacon News Service)**

*November 4, 2009 By STEWART WARREN swarren@scn1.com*

The layoffs have begun. And things don't look good. In recent weeks, 13 workers -- 10 full-time and three part-time -- have lost their jobs with county government, said Paul Rafac, finance director.

Two full-time people were laid off in the auditor's office; four full-time jobs and one part-time job were cut in the land use department; and four full-time and two part-time workers lost their jobs in the housekeeping department of Sunny Hill Nursing Home.

"Those are only preliminary layoffs. There will be further layoffs," Rafac said Tuesday during the Will County Board's finance committee meeting.

Rafac didn't sound at all happy about the situation, and the county board members attending the meeting wore grim expressions.

Although Will County Executive Larry Walsh gave the board a balanced budget proposal in September, from the beginning of the planning process, there was a \$19 million gap between revenues and expenses.

To pay the bills, \$5 million from a reserve cash fund initially was earmarked for expenses in 2010. And every county department was asked to slash costs by 5 percent. As the planning process continued, officials decided to limit the amount of reserve cash that would be used next year, and they cut the \$5 million figure to \$3 million. Rafac, who is savvy financial adviser, had told officials that the tough times were likely to continue, perhaps through 2011 and 2012, so local leaders decided to keep more money in the bank to pay for future potential shortfalls. Until recently, Walsh and the board members had said repeatedly that they would do everything in their power to avoid cutting jobs. But they've apparently reached the end of the line. The problem? The county must give the pay raises guaranteed by union contracts, for one thing. At one point, officials had decided not to give the increases that are called "step raises," Rafac said. But union leaders refused to go along with that idea and threatened legal action. Those step raises start at 2.5 percent and go up, Rafac said.

"(Now) we are looking at cutting the budget by an additional \$3 million," Rafac said Tuesday.

"(County) departments in most cases will get less money than last year," Rafac said. "We need to be fiscally conservative ... It's a difficult time."

## **Kaneland Cutting \$3 Million From Budget, Mulling Teacher Contract Talks (Kane County Chronicle)**

By JONATHAN BILYK - [jbilyk@kcchronicle.com](mailto:jbilyk@kcchronicle.com)

MAPLE PARK – In order to make ends meet, the Kaneland School District will need to identify about \$3 million in cuts to next year's budget. And district officials say that the process of achieving that goal – which could include reopening contract talks with the teachers union – could prove to be both painful and “ugly.”

“Unfortunately, I don't think this can be achieved without significantly impacting students, teachers and everyone else in the Kaneland community,” said Kaneland Superintendent Charles McCormick.

For months, administrators and others at the Kaneland Community Unit School District 302 have warned that economic circumstances would likely lead to strict cost control measures at the district, as the district has experienced no new tax growth. Earlier this year, the district moved to trim about \$750,000 from its budget, cutting eight teaching positions and 11 teachers aide positions to help balance the 2009-2010 budget.

But as the economy has remained stagnant, district officials have said much more drastic action must be taken in advance of the 2010-2011 school year to cut \$3 million in spending and balance next year's budget

To help the district meet its goal, district officials have divided the district's staff into nine teams designed to cut costs in the district's main areas of operation, including its funds for classroom instruction, transportation, technology, maintenance, administration, support services and food service.

McCormick said those teams will meet this month and in December, assemble a list of preliminary recommendations. Those recommendations will then be taken to the Kaneland District 302 Board of Education in January.

By law, the board must make personnel decisions for the next school year by March.

McCormick said nothing is off limits in this discussion, including administrative and teachers salaries.

He said the district could move to reopen contract talks with teachers, potentially seeking to alter the contract ratified by the district and the Kaneland Education Association in November 2008. That contract included 16 percent raises for teachers over the following three years.

“We will be at some point pursuing that (reopening contract talks),” McCormick said.

Assistant Superintendent Jeff Schuler noted in a memorandum to district staff that increase in salaries in staff for next year alone will amount to about \$1.5 million.

Kaneland Education Association President Linda Zulkowski did not return messages left Tuesday.

McCormick said the district will not attempt to tax itself out of its predicament, saying any attempt to pass a referendum in the current climate would be “futile.” Regardless of what action is ultimately taken, McCormick and Schuler said the decisions will be painful and felt across the district's schools.

“Frankly, the magnitude of necessary reductions and the impacts they will entail will be significant and ugly,” Schuler wrote.

## **School Board Oks Teachers' Contract. Grants Salary Hikes Totaling 3.8 Percent Over Two Years**

*October 29, 2009 by Lyle R. Rolfe*

After months of negotiations, Oswego School District officials and teachers agreed on a 3.8 percent salary hike over the next two years for the 945 members of the Oswego Education Association (OEA).

The contract, which gives the teachers a 1.5 percent wage increase this year followed by 2.3 percent for the 2010-11 school year, was approved by unanimous vote of school district board members Monday night after a short executive session.

Included in the OEA membership are teachers, department chairpersons, learning resource center directors, speech pathologists, counselors and certified nurses.

The OEA membership ratified the proposed contract Oct. 14 with more than 80 percent of its members voting in favor of the two-year deal, according to Dan Hoefler, OEA president. The contract is slated to expire on June 30, 2011.

The union membership also agreed if financially necessary, to take an un-paid furlough day during the 2010-11 school year to save the district approximately \$290,000.

The furlough day would be taken on a day that is currently a paid non-student attendance day, so the district would save the cost of having to hire substitute teachers, according to Tim Neubauer, executive director of financial services for the district.

Under the new contract, a beginning teacher with a bachelor's degree will be paid \$39,597, which includes the district's contribution to the Teachers Retirement System. He said a teacher with 22 years of service, who has a master's degree and 47 credit hours or a PhD, would receive \$99,137.

Neubauer said the new contract will cost the district \$837,000, including additional pension costs, for this year. He said funds are included in this year's budget to cover the additional cost. The district's cost for the second year with pensions, will be \$1,085,000, he said.

Some OEA members may also receive additional salary increases ranging from five to 6.75 percent in recognition of their completion of graduate coursework or obtaining an advanced educational degree.

The total district cost varies yearly, depending on how many teachers are eligible for the increase. This year the budgeted amount is approximately \$800,000, Neubauer said.

"Throughout the negotiation process, both the school board and the OEA focused on safeguarding the fiscal stability of the district, ensuring quality educational programs and attracting and retaining a talented teaching staff," Todd Colvin, associate superintendent for administrative services, said in a prepared statement after the meeting.

"Discussions revolved around the performance of our dedicated professional staff, salary comparisons with surrounding school districts and adopting contract language to accommodate future expansion of the district," he added.

"This two-year agreement is an example of how management and the professional teaching staff can share their common interests and use their creativity and problem-solving skills to craft contract accommodations to which both parties can agree," Hoefler said in the statement.

The previous OEA contract expired June 30. In that two-year deal the district provided employees annual increases of 7.5 percent which included a 4.5 percent wage increase and three percent step advancement.

## **State's Jobless Rate Now At 10.5 Percent (Beacon News Service)**

*October 21, 2009 Sun-Times News Group*

There were more than 300,000 fewer people working in Illinois in September than there were a year ago, and the state unemployment rate has hit 10.5 percent, according to statistics released Wednesday by the U.S. Bureau of Labor Statistics.

There were 5,634,700 people working throughout Illinois in September, down from 5,941,600 in September 2008, according to the BLS. The unemployment rate of 10.5 percent was 3.8 percentage points higher than a year ago.

Indiana's unemployment rate has risen 3.5 percentage points over the past year -- now at 9.6 percent -- though it actually dropped 0.3 percentage points from August to September, according to the BLS. Illinois' rate went up .5 percentage points from August to September, while the Chicago-Joliet-Naperville region saw its rate rise from 9.8 percent to 10.5 percent in the last month.

## **Jobless Rate Rises Slightly In State, Kane, Elgin**

*October 23, 2009 By MIKE DANAHEY mdanahey@scn1.com*

According to preliminary numbers released Thursday by the Illinois Department of Employment Security, the unemployment rate in Kane County last month was 9.9 percent, a little higher than the adjusted August figure of 9.7 percent. In Elgin, the preliminary September unemployment rate was 12.2 percent, up from August's adjusted 11.8 percent. In Carpentersville, the preliminary rate for September was 11.3 percent last month, compared to an adjusted August figure of 11.7 percent.

All told, IDES figures put the preliminary number of unemployed Kane County residents actively looking for jobs at 26,220. Across Illinois, IDES preliminary figures counted 674,692 people as out of a job and seeking work last month. That preliminary 10.2 percent unemployment rate is up a little from an adjusted 9.9 percent in August.

State officials say September marked the 28th straight month in which Illinois' unemployment rate was higher than it was in the same month of the previous year.

Across the nation, the unemployment rate increased in 23 states in September. Regionally, in the Midwest, the unemployment rate fell for the second month in a row, from a 10 percent rate in August to 9.8 percent in September. The recent IDES report states that the national unemployment rate for September was 9.5 percent, compared with 9.6 percent in August. As such, more than 14.5 million people across the United States were out of jobs and looking for new ones last month.

## **Batavia Schools Budget Approved (Beacon News Service)**

*October 29, 2009 By DENISE LINKE For The Beacon-News*

Batavia School Board members this week unanimously approved a bare-bones budget that includes \$2.2 million in layoffs and service cuts made last spring and a 25 percent decrease in supply and equipment spending at all district schools.

"We appreciate that cuts were made across the board," said Batavia Education Association representative Tony Malay. "The budget process was more transparent than I have ever seen. With transparency and collaboration, we will continue to work together in these difficult times and go to the root of the problem, which is in Springfield."

The \$65 million spending plan reflects an anticipated 65 percent drop in interest income from district reserve accounts; stagnant property tax rates due to a 4 percent drop in the consumer price index; a 21 percent hike in the district's contribution to the Illinois Municipal Retirement Fund, which pays teachers' pensions; and probable cuts in state aid to the district. Staff had proposed operating at a \$1.45 million deficit, but board members approved the supply and equipment cuts and postponed several technology improvements to balance the budget.

The district could revise the budget as circumstances change throughout the year.

"We could get changes in state funding that would impact the budget," Finance Director Kris Monn said. "We could have to re-evaluate our equalized assessed valuation (the taxable value of property within the district). Some items will come in under budget, allowing us to transfer funds to other items. What we won't change is our bottom line."

The entire budget is posted on the district's Web site, [www.bps101.net](http://www.bps101.net).

## **Schools Brace For Bad Year As Home Values Fall**

*October 28, 2009 By PAUL DAILING [pdailing@scn1.com](mailto:pdailing@scn1.com)*

Pop the champagne cork and put on the party hats -- home values are going down, which means lower taxes, right? Dropping home values not only mean lower property taxes, they also could hurt some school districts' funding. West Aurora is bracing for a hit, and Oswego could see cuts, even layoffs next year.

Still confused? The Kane County Board of Review is offering Property Tax Clinics on the first and third Tuesdays to explain to Kane County taxpayers the ABCs of how property taxes work, including explaining the appeal process, dispelling myths and ensuring all taxpayers have the exemptions they're entitled to.

Not only do dropping home values not necessarily mean lower property taxes, they could hurt some school districts' funding. West Aurora is bracing for a hit, and Oswego could see cuts, even layoffs next year. Put away the party hats and let's learn how dropping home values really affect your bottom line. Lower home values don't mean lower property tax bills, as nearly 2,000 Kane County homeowners found out this year when their home values went down but their tax bills went up.

On a cheerier note, the reverse happened to 10,000 Kane County folks last year -- lower taxes, higher values. Home values and property taxes used to be directly linked -- and still are in two-thirds of the state. Not so locally, thanks to a 1991 law called PTELL. In the 1980s, DuPage County home values skyrocketed. Yearly increases hit 20 percent, which meant 20 percent jumps in property taxes.

"If you're looking at, say, a park district, does it cost 20 percent more to maintain a park district just because the houses are worth more?" Kane County Supervisor of Assessments Mark Armstrong asked.

Taxpayers cried foul and the state passed the Property Tax Extension Limitation Law, which unhooked the home values and the tax rate. In the 39 PTELL counties like Kane and Kendall, each district can only ask for what they got the previous year, plus a cost-of-living bump -- either that year's inflation or 5 percent, whichever is lower. They don't have to ask for that much. That's just the upper limit -- the limiting rate. PTELL doesn't apply in home-rule cities like Aurora, St. Charles and Elgin.

"In home rule, you can basically levy (ask taxpayers for) whatever the elected officials desire," Aurora Finance Director Brian Caputo said.

Don't worry. Aurora isn't going to ask for an increase, Caputo said. The city is going the other route to make budget -- layoffs. And this is hitting equalized assessed values which, for simplicity's sake, let's just use to mean home values. By and large, townships' EAVs (figured by adding all the properties' EAVs) have still been going up, just by less than in the past. Some townships, like Campton and Kendall, have dropped, though.

"The ones that have gone up haven't gone up by much," Kendall County Supervisor of Assessments Andy Nicoletti said.

Armstrong expects the problem to grow.

"We're starting to see a few areas go down, but I expect that to spread to the entire county next year," Armstrong said.

And now, the schools. Remember the limiting rate? What the districts got the year before plus inflation? Well, inflation in 2008 was lousy, a mere 0.1 percent. So no matter how much costs rise next year (heating, teacher salaries, gas for the buses, etc.), the schools are going to have to pay for it with what they got last year plus 0.1 percent.

However, West Aurora and Oswego schools actually could see their money drop. Those districts locked in their limiting rates through recent referendums -- West Aurora in 2007 and Oswego in 2006. With EAVs dropping, they're asking for the same size piece of a smaller pie.

"If your rate is fixed and it's applied to a smaller number, you'll have less money," West Aurora spokesman Mike Chapin said.

Although the dollar amounts won't be available until next year, the only options are to tighten belts or to ask taxpayers for more money.

"We'll live within our means and we're not going to be asking for a property tax increase," Chapin said.

In Oswego, things are at crisis level. The district barely held the line last year. Layoffs and cuts are on the table for next year.

"It's a possibility," Oswego schools Executive Director for Finance Tim Neubauer said. "Right now, we're looking at all aspects of the operation."

## **Tax-Spending, The Off-Budget Fiscal Story**

*September 29, 2009 By Jim Broadway, Publisher, State School News Service*

At a time when Gov. Pat Quinn and the legislators are fretting about how to fund state services with a revenue stream narrower than most states enjoy, it is instructive to take a look at that stream.

In FY 2007, the report on "tax-expenditures" from the office of Comptroller Dan Hynes reveals, a large component of Illinois taxes and fees was to have generated \$27.1 billion. But only \$19.9 billion from those sources reached state coffers.

What happened to the other \$7.2 billion (27%)? It was spent by statute, never identified in the budget or appropriated. It was granted in advance as tax breaks to various constituencies. Once that's done, an annual legislative vote is unnecessary.

Of the \$7.2 billion "tax-spent" in FY 2007, nearly \$1.2 billion would otherwise have been deposited in the Common School Fund.

Individuals received 54% of the benefits, mostly due to sales tax (exemptions for food, drugs and medical equipment) and income tax (standard deduction, earned income credit, tuition tax credit) breaks. The state gave up more than \$900 million by being one of the few states not taxing retirement income.

Businesses received 24% of the benefits, mostly for purchases and credits purporting to have the effect of creating jobs (once established, they do not have to account for that effect again). Tax-exempt gifts to charitable organizations totaled 14% of the state's tax-spending in FY 2007. The state "shared" nearly \$500 million with counties and municipalities.

Tax-spending rarely is reviewed in any detailed way. Most of the big-ticket items would survive scrutiny, either because they have a desirable effect on the economy or because rescission would be politically dangerous. The same constraints appear to prevent consideration of adding to the tax base, for example by ending the tax-free status of luxury services.

But these are unusual times. After the February 2 primary elections, few tax breaks will be safe.

## **Jericho Circle To Be Demolished, Rebuilt (Beacon News Service)**

### **Starting Next Year, Tenants Will Be Relocated**

*November 10, 2009 By ANDRE SALLES [asalles@scn1.com](mailto:asalles@scn1.com)*

The walls of Jericho Circle are about to come tumbling down. Before a packed house at the Jericho Circle Community Center Monday afternoon, the Aurora Housing Authority announced its long-term plans: by next summer, they said, the West Side low-income housing complex will be well on its way to being demolished, and the roughly 100 families who live there will be relocated.

It's all part of a wide-ranging plan for the future of the Housing Authority, seeking to reinvent itself after years of financial struggle and turmoil at the top levels. This plan will also see the East Side residential center Maple Terrace torn down, and West Side complex Centennial House turned into a senior-only facility.

The AHA also plans to sell all of its 45 scattered single-family homes, but will rebuild Jericho Circle into a mixed-income neighborhood, with townhomes and rental units side by side.

What will emerge, according to consultant Cindi Herrera, president of McKay Management Services, is a new AHA dedicated to serving a much broader level of affordable housing need. What's certain is that in five years or so, the Aurora Housing Authority will look very different than it does now.

Structural problems at Jericho The seeds for Monday's announcement were sown back in March, when former Executive Director Georgia Butler was still at the helm of the AHA. (Her employment with the agency ended in June.) The Board of Directors ordered several studies on the long-term viability of its buildings, with an eye towards repairing and revamping them.

But what they found, at least in Jericho Circle's case, were severe structural problems that date to the buildings' construction in 1971 and 1972. AHA officials continue to emphasize that the complex's 20 buildings are safe, but the weaknesses are so ingrained that three different assessment companies said tearing the whole thing down and rebuilding it would be the best and most cost-effective option.

Which is exactly what the AHA plans to do. Next month, officials will file for a demolition permit for Jericho Circle, which Herrera says could take up to six months to get approved. Once it is, though, the AHA will begin the process of relocating the families who call Jericho home.

They will have plenty of options, Herrera said, adding that in many cases, this will be the first time the residents there will have been offered a choice of places to live. Should they wish to, Jericho residents will be moved to the top of the list for vacant units in other AHA complexes.

But Herrera, who has been through this process before in several states, said that is rarely the path residents choose. A more attractive option is housing choice vouchers, which would be issued to every Jericho tenant in good standing. These vouchers would allow residents to get rental assistance anywhere in the country, as long as they find landlords willing to accept them -- which AHA Board President Gerry Jones said would be no problem.

In order to get these vouchers, however, tenants must remain in their homes until the demolition permit is issued, must continue to pay their rent, and must keep their places in good order. Jones said those in the process of being evicted, or those who are caught performing criminal acts on AHA property, would not be eligible for relocation assistance.

"Do not move now," she said to the residents Monday. "If you move now, you might not get any assistance."

Once everyone is out, the demolition of Jericho Circle will begin. Herrera anticipates starting in late summer of next year, and said the process will be paid for through federal grants and tax credits. Once the buildings, community center, roads and parking lots are razed, the real work of rebuilding Jericho will begin.

The AHA plans to partner with a private developer to build a new complex on those 22 acres, one that mixes different income levels. The idea is to put some for-sale townhomes in the same area as moderate-income and low-income housing, and perhaps some senior housing as well. The mixture, Herrera said, will make the new Jericho feel less secluded, and more like a neighborhood.

Details have not been hammered out -- like all housing developments, the actual makeup of the new Jericho will depend on the market at the time. But Herrera said she's seen these types of developments work well, particularly in Atlanta and Chicago. Her company has been working on a project called Horizon Village in South Carolina, where McKay Management is based, that includes senior housing, multi-family rental units and for-sale homes.

It is, she said, the future of affordable housing.

Possible criticism And it would be good news for the city, since the Housing Authority would not own the new Jericho. They would help manage the rental properties, but the development would be privately owned, and on the tax rolls. It would be the first time property taxes would be generated there, Herrera said, since the Jericho land was a city park before the AHA bought it.

Current Jericho Circle residents would have first right to return to the new Jericho once it's built. But since construction is not likely to start until 2012 at the earliest, Herrera said, it's unlikely that anyone will take the AHA up on that offer.

Herrera expects to hear some criticism of the plan from the community, although she said the people and agencies she has talked to have been supportive. She acknowledged there is a perception that the "bad element" is contained in Jericho Circle, and some might balk at the idea of the low-income tenants moving out into the community. But she noted that Section 8 tenants usually are the best behaved, since they have a lot to lose if they get in trouble with the law. And, she said, the impact would be fewer than 100 families, in a city of 175,000 people.

Jones was more blunt. "The vast majority of our tenants are law-abiding citizens," he said. "If there is a criminal element, and this makes it more difficult for them, then that's fine."

The AHA also owns 63 scattered sites across Aurora, 45 of which are single-family homes. They plan to sell all 45 of those, giving the current occupants the opportunity to buy them.

But other public housing complexes, including Eastwood and Southwind, will stay the same, Herrera said.

Residents react At Monday afternoon's meeting at Jericho Circle, Herrera laid out the plan for a rapt, standing-room-only crowd. Unlike previous meetings with the AHA board there, no one spoke up angrily, and no one questioned why the AHA was doing what they were doing.

"I'm not really surprised," said Terry Hayes, who has lived at Jericho with her daughter, now 16, for eight years. She said she doesn't know where she's going to go yet, but her daughter, who attends West Aurora High School, wants to stay around the area.

"I think this will be harder for her than for me," Hayes said.

But Arlisia Dockery, head of the Jericho Circle Resident Council, left Monday's meeting with a big smile on her face. She's been pushing the issue of living conditions at Jericho for years, and on Monday, she finally saw the results she's been waiting for.

"I hope the (relocation) process is a fair one," she said. "I'm excited that they're doing this. We don't want people living in squalor and filth."

Dockery said she is pleased with the results of her work with the AHA, and proud of the time she has spent at Jericho, helping the council bring in educational programs for children and build a community there. She said she can't imagine anyone returning, however, once Jericho is rebuilt.

"I don't regret the five years I spent here," she said. "They've taught me a lot. If you want progress, you have to struggle."

## **Make Charter Schools A Priority (Chicago Tribune)**

*Lake Bluff November 6, 2009*

It was reported by Tribune Reporter Azam Ahmed on Thursday, November 5 that the Chicago Public Schools is seeking board of education approval of six new charter schools, one to be located near the Altgeld Gardens housing complex ("Chicago may open a charter school near Altgeld Gardens"). Recently, the Illinois Policy Institute, a nonpartisan research organization located in Chicago, released an eye-opening documentary, Charter Schools: Changing Lives. Through film interviews and testimonials from students attending Urban Prep Academy for Young Men, Chicago International Charter School's Ralph Ellison campus, and Pritzker College Prep, the story emerges how charter schools are succeeding in terms of student performance, often changing the lives of their students in positive ways. With one out of two Chicago public high school students failing to graduate each year, it is obvious that its schools are failing, and the consequences are dire. Dropouts are more likely to serve time in prison than earn \$30,000 a year. A new Illinois state law has increased the number of charter schools in Chicago from 30 to 75. Even so, there are 13,000 children on waiting lists to get into one of the city's charter schools run by independent non-profit and community groups which allow for innovation and parental choice. In comparison to Chicago's traditional public school graduation rate of 50 percent, charter school graduation rates average 75 percent. The Chicago International Charter School, with a graduation rate of 90.4 percent, even tops the 83 percent graduation rate for students in the suburbs and downstate Illinois. Such successes are often achieved with less public funding than traditional public schools. It is a good thing that Chicago Public Schools wishes to add six new charter schools, but shouldn't all Illinois children have a chance at success? If Illinois legislators really value children and their educational opportunities, they are obligated to lift the number of charter schools allowed in Chicago and statewide. Seventy five is not nearly enough to meet Chicago's educational needs. Only then will children living in Chicago and in disadvantaged areas of the state with failing schools have a better chance to succeed in life. Don't we owe this to our children?

## **Meeks Files For Vouchers, Choice**

*October 30, 2009 By Jim Broadway, Publisher, State School News Service*

"For the first time ... I am exploring the idea of vouchers and charter schools to help facilitate choice and enhance academic performance. Why should we continue to make investments in a system that is bankrupt and weighed down with bureaucracy?" - Sen. James Meeks (D-Chicago)

With that statement, included in a commentary the Chicago Tribune published Thursday, Meeks filed legislation Thursday afternoon that would:

- 1) Create a voucher program under which parents could receive state funding to cover the cost of their children's tuition to private schools. (SB 2494)
- 2) Remove the current limitation on the number of charter schools allowed in Illinois. (SB 2495)
- 3) Codify "public school choice," a system in which any child who is a resident of Illinois would be able to attend any public school in the state without any non-resident tuition being charged. (SB 2496)

It might seem that this man, the driving force for school funding reform for the last eight years, has reached the end of his rope, given up his quest even after his last and best effort - HB 174 - reached just one House concurrence vote from enactment.

His anger that House Speaker Michael Madigan will not let his chamber vote on HB 174 is surely one of Meeks' motives for going over to the dark side, but his commentary focused most on dangers faced by CPS students on their way home from school.

## **Burnham 2.0 Plan Looks Like Future**

*October 19, 2009 By Jim Broadway, Publisher, State School News Service*

You don't even have to read the 15-page draft of the "Burnham 2.0 Plan for Education" to get an idea that it will figure largely in the future of education in Illinois. Just take a look at the list of its supporters and its potential to become Illinois law is obvious.

Both statewide teachers' unions are on board, as are associations representing the school business officials, the large unit districts, suburban regional districts and charters and other school interests.

On that list you will find Chicago City Clerk Miguel del Valle (former chairman of the Senate Education Committee), Cook County Assessor James Houlihan (father of the 7% solution), lawyer Elliot Regenstein (former education chief for Gov. Rod Blagojevich), Advance Illinois executive director Robin Steans (sister of state Sen. Heather Steans), Max McGee (former State Superintendent of Education) and the irrepressible Ralph Martire, executive director of the Center for Tax and Budget Accountability.

The cabal includes Rep. Roger Eddy (R-Hutsonville), district superintendent in his town and perhaps the most trusted legislator on school issues on either side of the aisle in the House.

In fact, the state has been moving briskly already in some of the directions outlined in the Burnham 2.0 draft. The credibility of the gang assembled for this effort suggests the movement is likely only to pick up the pace. Anyone who is still unfamiliar with Burnham 2.0 is advised to read it.

Any major change in school law status quo requires a compelling argument, one that will smooth over differences, draw opponents together in support of a plan aimed at the most basic common goals. This document (in contrast with such top-down drafts as the "One Vision, One Voice" plan from the Illinois Business Roundtable, and other pompous corporate pontifications of the past) appears to achieve such a reasonable and unifying presentation.

It stresses the need to prepare students for "life after K-12," rather than just for high test scores. It admits "money matters," but reasonably asserts a need for effective use of resources. It speaks to the need to trust educators in the field even as it strives to attract and retain an improved corps of teachers and administrative leaders. It recognizes the central role schools play in their communities.

Burnham 2.0 lowers the level of hyperbole, which is a good thing. In seeking to offer "a new bargain" for education, the document observes the changes "we describe will be far from painless, at both the state and local level." That may be an understatement.

The core controversies - the state's role in school funding; assessment of "achievement" by students, teachers and districts; appropriate interventions by the state when achievement is deemed lacking; and the definition of "local control" in general - will not evaporate any time soon. But Burnham 2.0 outlines a concept that can evoke bipartisan interest when the General Assembly reconvenes next spring, and the list of its supporters includes some of the most influential education leaders in the state.

## **U-46 Announces \$4.9M Budget Cut (Bartlett Press)**

Friday, November 6, 2009 By Kristen Lepore, klepore@mysuburbanlife.com

School District U-46 faces cuts to middle and high school athletic programs, the elimination of several staff positions and reductions of discretionary funds for supplies and travel, in mid-year efforts to balance the 2009-10 budget. School board officials announced Monday 11/2 the \$4.9 million in reductions that are needed to balance its budget for this school year. At Monday's school board meeting, Bartlett resident Mary Smith spoke on behalf of parents who had heard "rumors" about athletic cuts.

"This is a great concern," Smith told the board. "For all kids who have not yet had the opportunity."

These athletic cuts will result in the elimination of B teams at the middle school level and will save the district an estimated \$110,000. The B teams at the freshman level of high school also will be eliminated, which will save the district \$166,000. Chief Financial and Operations Officer for U-46 Ron Ally announced in a report to the School Board in October an operating fund deficit of \$53 million. The district made the reductions to help balance the \$53 million deficit and provide \$500,000 for a recent agreement to increase the daily rate of pay for long-term substitute teachers and for \$217,000 in costs associated with its human resources software.

"In making these \$4.9 million in reductions, administration worked to protect our district's aim: college and workplace readiness and the elimination of achievement gaps," U-46 Chief of Communications Tony Sanders said. "We also reviewed all of the tenets established by the Board of Education in our annual district improvement plan."

Sanders said the district was limited in the areas they could cut funds.

"It is important to note that we are very limited in what can be reduced in the middle of a school year," Sanders said. "Contractually, we cannot issue a reduction in force for many employee groups, including teachers, union secretaries and teaching assistants."

In October, U-46 created a Budget Advisory Task Force composed of principals, the Elgin Teachers Association, other union groups and advisory councils. The group has started meeting to discuss the budget for 2010-11 school year, and its goal is to make recommendations to balance next year's budget and contribute \$25 million toward the district's current deficit.

## **Plainfield School Board To Begin Talks On Budget Cuts**

November 9, 2009 By CATHERINE ANN VELASCO cvelasco@scn1.com

PLAINFIELD--With the task of trimming its \$16 million deficit in the operating fund, Plainfield School Board will hold a special meeting Thursday to figure out how to do it. But the 6 p.m. meeting at the administration building is going to be held behind closed doors despite The Herald-News' request that the board discuss its suggestions to dwindle the deficit in front of the public.

School board President Rod Westfall said since the board will be discussing cuts that could affect personnel the meeting can be held behind closed doors. Westfall said he didn't want to cause undue panic by people hearing ideas, such as cutting 300 positions.

In Westfall's first phone interview on Friday, he said the meeting was a brainstorming session with administration, allowing board members to share ideas on how to cut the deficit. But in his second interview, he said the meeting was to talk about personnel and collective bargaining issues.

"If you talk about budget reductions and inner personnel, those go under the personnel category. You don't want to do that, set up a panic and start to getting stuff out there about possible stuff you're looking at doing. We don't know what we're doing yet," he said.

"You don't want to get people running into a panic say, 'Oh, my God, they are going to cut 300 jobs or whatever.' I'm not saying we are, but you never know. ... We are soliciting input from every area in the community to see how we can get through this mess," Westfall said, adding they are also soliciting help through state legislators for more funding.

The meeting is not posted yet so there is no official agenda. However, Superintendent John Harper said the meeting will be closed for the purposes of personnel and collective negotiations, wrote district spokesman Tom Hernandez in an e-mail.

"So there won't be any public conversation about the budget, reductions, etc.," he wrote.

However, Don Craven, attorney with the Illinois Press Association, said the board will violate the Open Meetings Act if they discuss budget trimming in a closed meeting.

"There is not an undue panic exemption in the Open Meetings Act," Craven said.

Craven said the Open Meetings Act says the exemption for personnel is limited to specific employees while it seems that the board's intent is to talk about general approaches to the deficit problem -- not whether to cut salary by 4 percent. Those general discussions -- should we cut employee salaries -- are not covered by the exemption, he said.

The district administration plans to start its first bargaining session with the Association of Plainfield Teachers on Thursday regarding its contract that expires in June. However, Craven didn't think suggestions about reducing the deficit fit collective bargaining and give cause for the board to close the meeting to the public.

"It sounds more like the general policy issue of whether the board should approach the unions with a salary reduction request," he said.

Due to the deficit and lack of money in reserves, the district must now file a deficit reduction plan with the state outlining how it will eliminate the operating deficit by 2012-13 school year. The district is using data to identify and prioritize potential savings in operational areas first, and then personnel costs. Cuts directly affecting students would be made last, the district stated in a press release. By law, the deficit elimination strategy is posted on the district Web site. The district cut 86 positions last spring to save \$5 million, but more than likely will need to cut more jobs to reduce the deficit. Karie Beck, president of the Association of Plainfield Teachers, said there have been no proposals for cuts to positions or programs, she said. Beck said they did ask administration not to assume what the contract will look like while making budget cuts.

"You can't make assumptions that we are going to cut all (teacher assistants) because that's in the contract," Beck said as an example.

"These budget cuts are going to be hard because there isn't a lot of fat to cut," she said. "There are huge concerns. This is a big chunk of money. I've gotten a lot of very nervous non-tenure teachers."

Currently, there are about 2,000 teachers with about 800 who do not have tenure. If there are cuts to staff, non-tenure teachers must be notified within 45 calendar days from the end of the year. Tenure teachers must be notified within 60 calendar days, Beck said. She has suggested that non-tenure teachers save 5 percent of their salary to prepare for a possible job loss. Right now, the district has encouraged the union to bring forward ideas and plans to meet this week to discuss those ideas, Beck said.

The union has already suggested that the district administrators look into the possibility of holding off on curriculum revision work for one year. This step could save money on stipends given to teachers working on realigning the curriculum, Beck said. Money could also be saved on substitute teachers who are hired so the teachers can attend those curriculum meetings. The union also suggested investigating the cost and need for eighth grade promotion night, understanding that the cut would concern parents, but could potentially save at least \$8,000 at each of the seven middle schools, Beck said.

"Do we really need to have a promotion night?" Beck asked. "Is this really something that will save money? If we are nickel and diming and then everybody has to be nicked and dimed. That suggestion has zero impact on the classroom, zero impact on the teachers. It's just a ceremony. But I know it would be very upsetting to parents."

## **More Unions Take Wage Concessions**

*November 14, 2009 By ANDRE SALLES [asalles@scn1.com](mailto:asalles@scn1.com)*

AURORA - Members of the American Federation of State, County and Municipal Employees Local 3298 ratified a three-year contract with the city on Thursday, one that sees the union's roughly 210 members freezing their wages for the next year.

Local 3298 represents city inspectors, planners, engineers, secretaries, accountants and support staff for most city departments. The new contract is retroactive to Oct. 1, 2008, and will run until Sept. 31, 2011.

The new deal will see 3,298 members receive a 3 percent increase in pay for 2008, but freeze their wages until October of 2010, when they will get a 2 percent increase.

The contract calls for step increases for employees in the first seven years of any position, but those will be frozen until Sept. 31, 2011, as well. The average annual wage increase under this new contract will be 1.67 percent, according to Human Resources Director Alex Alexandrou.

Employees may also pay more for their health insurance, depending on which coverage they choose.

Additionally, new hires after Jan. 1, 2010, will pay 100 percent of their retiree health insurance, should they retire with fewer than 20 years of service. Those who retire with more than 20 years under their belts will pay 40 percent of the prevailing premium, Alexandrou said.

The contract contains no layoffs and no furlough days above and beyond the ones already imposed. But unlike AFSCME Local 1514, which ratified its new three-year deal last month, the members of Local 3298 received no guarantee that there would be no further layoffs.

"I think we did get a contract we can live with," said Krista Heinke, president of Local 3298. "Given the times we're in, it's a pretty good contract."

City officials also announced Friday that the Aurora Fire Officers Association has agreed to a wage freeze for 2010. Members of the association, which includes captains, battalion chiefs, assistant chiefs and the fire marshal, were slated to receive a 3.5 percent pay increase in January.

The freeze will save the city \$125,000, officials said. So far, 305 employees, including Mayor Tom Weisner and all aldermen, will forgo salary increases for 2010.

## **Oswego, West Schools Getting Less From Local Taxes**

*November 20, 2009 By PAUL DAILING pdailing@scn1.com*

A school district is in trouble if its costs rise more than its income rises. But West Aurora and Oswego schools are in a crisis that will likely give them less money than they got last year. Neither district remembers whether this has ever happened. The final figures won't be known until all the home values are tallied next spring, but the 12,500-student, 17-school West Aurora School District is looking at a funding drop of \$200,000 to \$5 million compared to last year. The culprit is a 2007 building referendum that locked the district's tax revenue at 3.5 percent of home values -- no matter what those home values are. And those values in the present economy are crashing.

"When they put in the referendum, no one ever imagined the (home values) would decrease, especially at this rate," said West Chief Financial Officer Christi Tyler.

Normally, a school district's portion of the tax bill goes up each year -- the schools get what they got the year before plus the inflation rate plus the value of any new growth. With inflation at only 0.1 percent and new growth mostly stalled, no school district is going to have a good year. Their budgets include contracts that already have raises negotiated in, and the costs of fuel for buses and heating the building aren't affected by hope.

This is the third of four years West's rate is locked. The district expects to get \$66.1 million from tax bills, but their worst-case estimate is \$61.7 million. Last year, West got \$66.3 million from property taxes. The district gets about 67 percent of its revenue from local property taxes. Another big chunk comes from the state, but with Illinois in a fiscal crisis, the state comptroller has been sending IOUs instead of checks, Tyler said. The state is about \$3.2 million behind in payments to West, she said. Because of the state delays, the district went into this school year with a cost-cutting plan in place - canceling repairs, improvements and scheduled purchases; eliminating 55 positions; and closing an elementary school, District spokesman Mike Chapin said. The district must now see what new cuts will be needed.

Oswego schools are in the same boat. Oswego's 2006 referendum locked its rate at 5.06 percent. The district doesn't yet have an estimate of how much money will drop, but Executive Director for Finance Tim Neubauer said Oswego's home values haven't crashed as much as West's.

## **School Districts Bracing For Cash Crisis**

*November 19, 2009 By PAUL DAILING pdailing@scn1.com*

It's going to be a bad year for schools.

Local school districts are reading their levies -- their request for a chunk of local property taxes. The economy has killed two factors that raise districts' piece of the pie -- growth and inflation. And with Illinois' multibillion-dollar deficit, the state comptroller has been sending schools IOUs instead of the funds owed. So the local tax money has to go even further than usual. Two districts -- West Aurora and Oswego -- are locked into tax rates by referendum, so they'll see their funds actually go down. The rest are bracing for an increase that will not cover rising costs.

"Most of our expenses are contractual, and most of our contracts have gone up more than 4/10 of 1 percent," East Aurora Assistant Superintendent of Finance Jay Augustine said. "Nobody saw that coming."

Levying is a guessing game based on preliminary home value estimates by the county. The numbers aren't officially crunched until spring, usually April. But districts have to get the levies approved by year's end. So districts historically ask for way more than they know they'll get. The reasoning is that if you go too low in this guessing game, it's not you who loses -- it's the kids.

"You want to really ask high because you don't want to see a big windfall of construction and not have the students see any of it," Yorkville Business Manager Asif Dada said.

Yorkville last year asked for \$61.4 million and got \$44.3 million. This year, they're asking for \$54.2 million. The rule is this: Governments get what they got the year before plus inflation, plus the cost of new growth in their district. The first addition is for cost-of-living, the second for new kids in the seats. With the economic collapse, the inflation rate was a meager 0.1 percent. As that number is determined by the state and applies to all local governments, the only X factor for local schools is new growth.

In East Aurora, growth has been lousy, making for a meager hike. They're expecting to get \$26.3 million in tax revenue, up from last year's \$25.9 million. They'll be asking for \$27.2 million. Augustine is working on a plan to basically redo the bonds East has, paying off the expensive bonds and getting them covered with cheaper ones. All they need is the permission of the bond-holders. It's like if a person put savings in a bank account with a better interest rate.

"It may not work, but there are some organizations that have had success at doing that, so we're going to try," Augustine said.

He plans to bring the idea to the School Board next month.

## **Aurora Announces Second Round Of Layoffs**

*November 20, 2009 by Carie Anne Ergo*

AURORA – Early today, the City of Aurora began the process of laying off eight employees in a move designed to help balance the 2010 budget. The total cost savings is expected to be more than \$400,000. The City continues to have ongoing discussions with a number of employee groups in order to gain concessions. The 2010 budget, which the Finance Committee is scheduled to begin considering on Tuesday, Nov. 24, assumes negotiated concession agreements will be in place for labor groups by the end of the year.

“We have been up front about the city’s financial projections and believe all our employee groups understand the gravity of the situation,” explained Mayor Tom Weisner. “Based on current discussions, I am hopeful that we will reach the necessary concession agreements by the end of the year.”

The city has already reached agreement with Aurora Fire Officers who will forgo a 3.5 percent wage increase in 2010. Members from AFSCME Local 1514 also agreed to a wage freeze in 2010, plus agreed to take two unpaid furlough days in 2009 and eight in 2010 to avert layoffs. In addition, executive and non-exempt employees will also see a wage freeze in 2010 and are required to take five unpaid furlough days in 2009 and 10 in 2010.

The layoffs are part of aggressive cost-cutting measures the city is taking to balance its 2010 budget. Earlier this year, Finance Director Brian Caputo informed the Aurora City Council that revenues had fallen off more than originally anticipated. Caputo estimated the 2010 revenue shortfall could reach \$19 million unless the city reduces operating costs.

The national economic slowdown has resulted in significant declines in nearly all of Aurora’s major revenue sources. For example from 2008 to 2010, revenues in five of the city’s top funds are down nearly \$10 million: state-shared sales tax revenues are down 13.5 percent, home-rule sales tax revenues are down 15 percent, income tax revenues are down 24.6 percent, gaming tax revenues are down 9.8 percent, and real estate transfer tax revenues are down 84.4 percent.

This summer, the City of Aurora offered a Voluntary Reduction in Force (VRIF) incentive plan. Thirty-six employees opted to take the incentive and leave the city. The City issued 63 layoff notices in September 2010. After mandated impact bargaining with city unions, only 36 employees were terminated.

In anticipation of declining revenues, the City of Aurora took initial steps to decrease costs in early 2008 by enacting a hiring freeze on all nonessential personnel, eliminating most travel and conferences and cutting non-personnel related expenses in nearly every operating department.

When the September layoffs were announced, city officials advised that additional reductions in personnel costs were essential to balancing the city budget since personnel costs account for 81.6 percent of general fund expenditures. Five of the eight employees laid off today were part-time and all eight employees were part of the executive and non-exempt classifications.

The city will offer counseling services for laid off employees through its employee assistance program, as well as employment resources. All employees laid off will receive also the severance benefits to which they are entitled as defined in their pay plan or union contract.