



Dr. Jack Barshinger, Superintendent

MINUTES

BOARD OF EDUCATION GLEN ELLYN SCHOOL DISTRICT 41, DUPAGE COUNTY, ILLINOIS

PUBLIC HEARING

JANUARY 7, 2006

CENTRAL SERVICES OFFICE 793 NORTH MAIN STREET, GLEN ELLYN, ILLINOIS

1. Call to Order: President Vivoda opened the Public Hearing at 8:05 a.m.
2. Roll Call: Board members present: Terra Howard, Debbie Hoffman, John Marcheschi and John Vivoda. Kevin Cosgrove entered the public hearing at 8:06 a.m. and Carol McElvain at 8:10 a.m. Also present: Superintendent Jack Barshinger; Barbara Toney; Illinois Association of School Boards; Maureen Stecker, Recording Secretary.
3. Public Hearing: Applications for Waiver or Modification of State Board of Education Rules and/or School Code Mandates:
 - Section 105:ILCS 5/17-2, 17-7, 17-8 – Tax Levies and Expenditure Waiver
 - Section 105:ILCS 5/17-2 – Levy Waiver

Superintendent Jack Barshinger explained that the first waiver request (Section 105:ILCS 5/17-2, 17-7, 17-8 – Tax Levies and Expenditure Waiver) would allow Glen Ellyn School District 41 to combine the revenue collected from the educational, operations & maintenance and transportation funds and expend it via one general fund in the method which best meets the needs of the District and its students.

The second waiver request (Section 105:ILCS 5/17-2 – Levy Waiver) compliments the other waiver request in that it would allow Glen Ellyn School District 41 to combine its levies for educational purposes, operations and maintenance purposes and transportation purposes, into one single general levy.

4. Public Comment: There were 9 people who attended the public hearing: Six board members, one district administrator, one representative from the Illinois Association of School Boards and the Recording Secretary for the Board of Education. There were no residents, state representatives/senators, or representatives of the teachers' or educational support staff unions in attendance.

There was no public testimony received on either of the two waiver requests referenced above. In addition, no written comments were provided for consideration. Members of the Board of Education and the Superintendent supported both the waiver requests; no one spoke against these requests.

5. Board Comments: The Board of Education reviewed and made modifications to the narrative data supporting the two waiver requests referenced above. (Attachments 1 & 2)

They also discussed how the taxpaying community would perceive these waiver requests. They noted the benefits as follows:


- a) Provide the District with a simplified system of accounting
- b) Provide the taxpaying community with a clearer expenditure reporting system
- c) Provide the Board with a simplified process for setting and funding district priorities

The Board agreed that there are political implications to these waiver requests, should they be approved and felt that the District would will need to develop a communication plan that articulates the rationale and benefits of both.

The Board agreed that they supported the above-referenced waiver requests and that Superintendent Barshinger should proceed with submission of the applications to the Illinois State Board of Education. It was noted that the Board of Education would approve the applications at a special meeting scheduled on January 7, 2006 immediately following this public hearing.

6. Adjourn Public Hearing: There being no further comment, the public hearing was closed at 8:18 a.m.

Recorded: January 7, 2006



Deborah M. Hoffman, Secretary

Approved: January 23, 2006



John J. Vivoda, President

[TAX LEVIES AND EXPENDITURE WAIVER]

**SUPPORTING DATA FOR WAIVER OF
105 IL CS 5/17-2, 17-7, 17-8
TAX LEVIES**

Part 3 Citation and/or quote of the law which are the subject of this application

17-2 The school board...may levy a tax annually, at not to exceed the maximum rates and for the specified purposes, upon all taxable property of the district at the value, as equalized or assessed by the Department of Revenue as follows:

- (1) districts maintaining only grades 1 through 8, .92% for educational purposes and .25% for operations and maintenance purposes (except as provided in 5/17-3); and
- (5) districts maintaining only grades 1 through 8, .12% for transportation purposes (except as provided in 5/17-3).

17-7 Any sum expended or obligations incurred for the improvement, maintenance, repair or benefit of school buildings and property, including the cost of interior decorating and the installation, improvement, repair, replacement and maintenance of building fixtures, for the rental of buildings and property for school purposes, or for the payment of all premiums for insurance upon school buildings and school building fixtures or for the purchase of equipment to be used in the school lunch program shall be paid from the tax levied for operations and maintenance purposes and the purchase of school grounds...Expenditures for all purposes not specified in Sections 17-7 or 17-8 [105 ILCS 5/17-7 or 105 ILCS 5/17-8] or other provisions of this Act shall be made from the educational fund.

17-8 Any transportation operating costs incurred for transporting pupils to and from school and school sponsored activities and the costs of acquiring equipment shall be paid from a transportation fund to consist of moneys received from any tax levy for such purpose, state reimbursement of transportation, except as provided in Section 29-5 [105 ILCS 5/29-5], all funds received from other districts for transporting pupils and any charges for transportation services rendered to individuals or auxiliary enterprises of the school.

Part 4 Attach a narrative description that supports the reason for this request.

The maximum total tax rate of the educational, operations & maintenance, and transportation funds regulated by statute, is as cited above. Further, school district expenditures for specific costs must be paid out of the appropriate fund as provided above. Glen Ellyn School District 41 requests authorization to collect the revenue generated from these tax rates and utilize/expend the revenue in the method which best meets the needs of the District and its students, regardless of the type of expenditure.

LOCAL REVENUE SOURCE

Well over 90% of the revenue generated for educational fund purposes and 100% of the revenue generated for operations and maintenance fund purposes is generated through local property assessments. Presently, revenue generated from local sources must be placed in the specific fund from which it is generated.

The local tax rate ceiling placed on many funds (including the three funds mentioned in this request) is limited by statute. This ensures that, even with this approval, the tax rate ceiling cannot increase without voter approval.

STATE REVENUE SOURCE

The major State revenue source for schools, General State Aide (GSA), may be placed in the fund(s) of greatest need, as determined by local school boards.

Due to the method by which General State Aid is distributed, Glen Ellyn School District 41 receives approximately \$1,078,000.00 annually. The GSA revenue may be placed in any (or all) of the three funds cited above, at the sole discretion of the Board of Education.

Some school districts in Illinois, of comparable size to Glen Ellyn School District 41, can (and do) receive in excess of \$2.50 million annually in General State Aid. Those districts, at their sole discretion, have the authority to place their \$2.5 million in general operating revenue in any (or all) of the three funds cited above. Glen Ellyn School District 41 seeks equity with school districts that receive most of their income from State sources.

Glen Ellyn School District 41 is limited by a *tax cap* placed on real estate taxes equal to 5% or the Consumer Price Index (CPI), whichever is less. By statute, Glen Ellyn School District 41 cannot generate revenue in excess of the CPI, so it needs flexibility to use the dollars it received locally in the most efficient, effective manner possible. Over the past three years, the CPI has hovered at or below 3%.

In recent years, fixed costs (insurance, utilities, instructional supplies, etc.) have greatly exceeded the consumer price index "*cap*" under which school revenue can be generated. Glen Ellyn School District 41 needs the flexibility to utilize revenue for the purpose of greatest need. Granting this waiver will provide additional flexibility to the Board of Education to use local funds in a more effective and efficient manner.

Glen Ellyn School District 41 has a need and desire to advance its instructional programs. Glen Ellyn School District 41 also needs flexibility in funding to keep buildings in good repair and provide appropriate student

transportation services, especially for special needs students. The current expenditure limitations for the specific funds would not allow Glen Ellyn School District 41 to meet these needs. In certain circumstances, the District may have pressing expenses that may prove difficult to meet due to lack of funds in a specific fund, even though another fund has additional reserves on hand. However, if the District was able to make expenditures based on need, and without being limited to utilizing a specific fund for specific expenditures, it could meet these needs without a tax increase.

The Board of Education and the District's taxpaying residents recognize their local schools have limited resources. Glen Ellyn School District 41 is not asking for a reexamination of statewide funding priorities or a bigger portion of the State's limited financial resources. Instead, Glen Ellyn School District 41 is seeking to have the same rights as numerous other districts, so it can expend local resources where they are most needed for the benefit of students.

Approval of this request will not increase the District's taxing authority. It will only allow the District to utilize the revenue generated in a manner which best meets the needs of its students.

Part 5 Public Hearing – January 7, 2006

Part 6 Initial Waiver Application through FY 2011

Approved by the Board of Education – January 7, 2006

Part 7 Public Notices

Part 8 Compliance with notice and hearing requirements

[LEVY WAIVER]

**SUPPORTING DATA FOR WAIVER OF
105 IL CS 5/17-2
TAX LEVIES**

Part 3 Citation and/or quote of the law which are the subject of this application

17-2 The school board...may levy a tax annually, at not to exceed the maximum rates and for the specified purposes, upon all taxable property of the district at the value, as equalized or assessed by the Department of Revenue as follows:

- (1) districts maintaining only grades 1 through 8, .92% for educational purposes and .25% for operations and maintenance purposes (except as provided in 5/17-3); and
- (5) districts maintaining only grades 1 through 8, .12% for transportation purposes (except as provided in 5/17-3).

Part 4 Attach a narrative description that supports the reason for this request.

Pursuant to Section 17-2 of the Illinois School Code, a school board serving a district having a population of less than 500,000 inhabitants may levy a tax annually at not to exceed the maximum rates and for the specified purposes as provided above. Glen Ellyn School District 41 requests authorization to combine its levies for educational purposes, operations and maintenance purposes and transportation purposes, into one single general levy. This waiver compliments Glen Ellyn School District 41's other waiver request, in which it requests to expend the revenue collected from the levy in the method which best meets District needs, as opposed to being limited to correlative fund expenditures. The General Assembly has granted that type of waiver on several occasions.

It is Glen Ellyn School District 41's opinion that the consolidation of the levy requested in this waiver would be further beneficial to the District and its residents because it would simplify administration of the District's funds in light of its request to utilize available District funds for its most pressing concerns. Further, the approval of this waiver would create the additional benefit of providing a straight forward explanation to tax payers as to how their taxes are being utilized by Glen Ellyn District 41. If the expenditure waiver is granted alone, the District would still be required to maintain three separate funds, even though the waiver would authorize it to make non-correlative expenditures from those funds. The granting of this waiver, in addition to the expenditure waiver, would allow the District to create one general fund utilized for the general needs of the District. This is a more accurate accounting of Glen Ellyn School District 41's desired practice.

It is important to note that approval of this request and approval of Glen Ellyn School District 41's expenditure waiver request will not increase the District's taxing authority. Further, the District is not requesting that the aggregate rate cap be increased, but only desires to combine the levies while remaining within the rate cap limits. The granting of this waiver will allow the District to utilize the revenue generated in a more efficient, effective manner, which best meets the needs of its students.

LOCAL REVENUE SOURCE

Well over 90% of the revenue generated for educational fund purposes and 100% of the revenue generated for operations and maintenance fund purposes is generated through local property assessments. Presently, revenue generated from local sources must be placed in the specific fund from which it is generated.

The local tax rate ceiling placed on many funds (including the three funds mentioned in this request) is limited by statute. This ensures that, even with this approval, the aggregate tax rate ceiling cannot increase without voter approval.

STATE REVENUE SOURCE

The major State revenue source for schools, General State Aide (GSA), may be placed in the fund(s) of greatest need, as determined by local school boards.

Due to the method by which General State Aid is distributed, Glen Ellyn School District 41 receives approximately \$1,078,000.00 annually. The GSA revenue may be placed in any (or all) of the three funds cited above, at the sole discretion of the Board of Education.

Some school districts in Illinois, of comparable size to Glen Ellyn School District 41, can (and do) receive in excess of \$2.50 million annually in General State Aid. Those districts, at their sole discretion, have the authority to place their \$2.5 million in general operating revenue in any (or all) of the three funds cited above. Glen Ellyn School District 41 seeks equity with school districts that receive most of their income from State sources.

Glen Ellyn School District 41 is limited by a *tax cap* placed on real estate taxes equal to 5% or the Consumer Price Index (CPI), whichever is less. By statute, Glen Ellyn School District 41 cannot generate revenue in excess of the CPI, so it needs flexibility to use the dollars it received locally in the most efficient, effective manner possible. Over the past three years, the CPI has hovered at or below 3%.

In recent years, fixed costs (insurance, utilities, instructional supplies, etc.) have greatly exceeded the consumer price index "*cap*" under which school

revenue can be generated. Glen Ellyn School District 41 needs the flexibility to levy and utilize revenue for the purpose of meeting its greatest needs. Granting this waiver will provide additional flexibility to the Board of Education to levy and use local funds in a more effective and efficient manner.

Glen Ellyn School District 41 has a need and desire to advance its instructional programs. Glen Ellyn School District 41 also needs flexibility in funding to keep buildings in good repair and provide appropriate student transportation services, especially for special needs students. The current expenditure limitations for the specific funds would not allow Glen Ellyn School District 41 to meet these needs. In certain circumstances, the District may have pressing expenses that may prove difficult to meet due to lack of funds in a specific fund, even though another fund has additional reserves on hand. However, if the District were permitted to combine its operations and maintenance, transportation, and educational levies into one general levy and then make expenditures from the combined general fund, Glen Ellyn School District 41 could meet these needs without a tax increase.

The Board of Education and the District's taxpaying residents recognize their local schools have limited resources. Glen Ellyn School District 41 is not asking for a reexamination of statewide funding priorities or a bigger portion of the State's limited financial resources. Instead, Glen Ellyn School District 41 is seeking to have the same rights as numerous other districts, so it can expend local resources where they are most needed for the benefit of District students.

Approval of this request will not increase the District's taxing authority. It will only allow the District to combine three separate levies, operations and maintenance, transportation and the educational levies into one combined general levy. This will grant Glen Ellyn School District greater flexibility to utilize the revenues generated in a manner which best meets the needs of its students and provide District taxpayers with a better sense of how their tax dollars will be utilized.

Part 5 Public Hearing – January 7, 2006

Part 6 Initial Waiver Application through FY 2011

Approved by the Board of Education – January 7, 2006

Part 7 Public Notices

Part 8 Compliance with notice and hearing requirements