

1982

# Coping with Enrollment and Revenue Declines in Assumption Community Unit District #9

Randolph L. Tinder

*Eastern Illinois University*

This research is a product of the graduate program in [Educational Administration](#) at Eastern Illinois University. [Find out more](#) about the program.

---

## Recommended Citation

Tinder, Randolph L., "Coping with Enrollment and Revenue Declines in Assumption Community Unit District #9" (1982). *Masters Theses*. 2939.

<https://thekeep.eiu.edu/theses/2939>

This is brought to you for free and open access by the Student Theses & Publications at The Keep. It has been accepted for inclusion in Masters Theses by an authorized administrator of The Keep. For more information, please contact [tabruns@eiu.edu](mailto:tabruns@eiu.edu).

THESIS REPRODUCTION CERTIFICATE

TO: Graduate Degree Candidates who have written formal theses.

SUBJECT: Permission to reproduce theses.

The University Library is receiving a number of requests from other institutions asking permission to reproduce dissertations for inclusion in their library holdings. Although no copyright laws are involved, we feel that professional courtesy demands that permission be obtained from the author before we allow theses to be copied.

Please sign one of the following statements:

Booth Library of Eastern Illinois University has my permission to lend my thesis to a reputable college or university for the purpose of copying it for inclusion in that institution's library or research holdings.

February 15, 1982

Date

Author

I respectfully request Booth Library of Eastern Illinois University not allow my thesis be reproduced because \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date

Author

COPING WITH ENROLLMENT AND REVENUE DECLINES  
IN ASSUMPTION COMMUNITY UNIT DISTRICT #9  
(TITLE)

BY

Randolph L. Tinder

**THESIS**

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
FOR THE DEGREE OF

SPECIALIST IN EDUCATIONAL ADMINISTRATION  
IN THE GRADUATE SCHOOL, EASTERN ILLINOIS UNIVERSITY  
CHARLESTON, ILLINOIS

1982  
YEAR

I HEREBY RECOMMEND THIS THESIS BE ACCEPTED AS FULFILLING  
THIS PART OF THE GRADUATE DEGREE CITED ABOVE

2-15-82  
DATE

ADVISER

2-15-82  
DATE

COMMITTEE MEMBER

2-15-82  
DATE

COMMITTEE MEMBER

2-15-82  
DATE

DEPARTMENT CHAIRPERSON

## ABSTRACT

As we proceed toward the end of the twentieth century, it has become increasingly clear that the future of public education in the United States is somewhat uncertain. This uncertainty is due to a number of causes: concern over discipline, lack of parental interest, decreasing enrollment, lack of quality teachers, and decreasing supplies of tax monies to fund the schools. Some of these reasons have more impact in one area than another, but the effect can be determined easily. Schools are faced with program cuts and diminution of services for the student population.

This field study addresses this problem as it pertains to the Assumption Community School District #9. This district is currently faced with the two-edged problem of enrollment decline and decreases in equalized assessed valuation of the real estate in the school district. The results of these problems have the potential to be catastrophic for such a small school district.

This paper will explain the present situation in this district, project what may happen in the next several years, and try to offer some intelligent alternatives for solving the problem or at least softening the blow as much as possible. In order to accomplish these tasks, the paper will explain in the financial picture, both present and future, in depth. Enrollment trends are predicted as accurately as possible, given all the information available.

Suggestions are made for the future direction of the district based on the data presented and discussions with local and area school officials. Possible avenues for the future of the district are presented and the flaws and pitfalls of each, as well as the advantages, are noted.

It is the hope of the author that the report of the district's successful referendum passage may be useful to other districts in planning tax hike referenda.

## TABLE OF CONTENTS

		Page
CHAPTER ONE	INTRODUCTION . . . . .	1
CHAPTER TWO	PROBLEMS FACING THE ASSUMPTION SCHOOLS . . .	3
	Enrollment . . . . .	3
	Declining Tax Base . . . . .	4
	Excessive Spending . . . . .	7
	Long-Range Debt Projections . . . . .	8
CHAPTER THREE	PROPOSALS FOR SOLVING THE PROBLEMS . . . . .	10
	School Consolidation . . . . .	10
	Addressing Declining Tax Base . . . . .	14
	Non-Educational Program Cuts . . . . .	16
	Tax Increase Referendum . . . . .	16
	Tax Anticipation Warrants . . . . .	17
	Working Cash Bonds . . . . .	17
	Decision to Increase Taxes . . . . .	18
	Selling the Proposal . . . . .	19
CHAPTER FOUR	CONCLUSIONS AND RECOMMENDATIONS . . . . .	33
	Long-Range Estimates of the Effect of the Increase . . . . .	33
	Possible Future Staff Reductions . . . . .	34

## CHAPTER ONE

### Introduction

As the end of the twentieth century approaches, it has become increasingly clear that the future of public education is somewhat uncertain. The air is filled with talk regarding the various options being presented as alternatives to the traditional, "free," public education. Private schools, parochial schools, and voucher systems loom as replacements for public education. The reasons for the decline of public education as it has developed are many and diverse. Genuine concern over the lack of effective discipline in many public schools is given high priority yearly in the Gallup/Phi Delta Kappa poll on attitudes toward education. Lack of parental concern and interest in schools is another major problem. Too many parents view schools as babysitters for which they pay taxes. An ever-increasing problem is the lack of quality teachers available. The low level of compensation has caused the best candidates, as well as many proven teachers, to go into more lucrative fields.

Two of the most devastating problems facing public education today are declining enrollments and reductions in funding due to tax reforms or other decreases in aid from tax sources. A very large number of school districts in Illinois are presently facing one or the other of these problems. Some districts are coping well. Others are not.

A smaller, but increasing, number of school districts are facing both of these problems simultaneously. The results

of this two-pronged problem may spell financial or curricular doom for some districts. These problems are especially critical for small rural districts which may be faced with program cuts and/or diminution of services for the student population.

The purpose of this field study is to examine the impact and effect of declining enrollment and shrinking real estate tax base on the Community Unit #9 school district of Assumption, Illinois, from the point of view of the author who is the principal of the junior-senior high school in the district. The paper will include historical information and factual data about the school district. The financial and enrollment projections for the district will be analyzed. The effect of present trends on existing programs will be discussed.

Several suggestions for possible long-range solutions to the district's problems will be presented. The ramifications of each of these possibilities will also be pursued. The paper will then focus its major attention on the option of raising the local tax rate to generate more revenue. The entire process involved in the district's successful referendum will be described in detail. A large number of appendices will be offered to illustrate and illuminate specific parts of this process.



## CHAPTER TWO

### Statement of the Problem

Assumption Community Unit School District #9, Christian and Shelby Counties, Illinois, was organized January 31, 1948. The approximate area of the school district is one hundred sections or square miles. The assessed valuation of the real estate in the district is approximately \$25,900,000 for the 1981-1982 school year.<sup>1</sup>

The only town located in the School district is Assumption. This municipality has a population of about 1500. The population within the boundaries of the school district is between 3,000 and 4,000. The principal industry is farming, with a large number of other agri-businesses supporting this endeavor. A large number of the non-farming residents of the school district commute to work in Pana, Taylorville, or Decatur. A good portion of the residents of the school district are retired. This segment of the population, which is older, helps to put the first problem into focus. The enrollment in the local schools is rapidly decreasing.

The total enrollment in the school district for the 1980-1981 school year was 449. This was divided between the district's two attendance centers. Assumption Junior-Senior High School had a total enrollment for grades 7-12 of 250. Bond Elementary School had a K-6 enrollment of 199. For purposes of ease in understanding, let us use only the enrollment

---

<sup>1</sup>Finley, Ronald and Cook, Linda. Supervisors of Assessments for Christian and Shelby Counties, Illinois.

figures for the high school, grades 9-12. In 1978-1979, the high school enrollment was 220. For the 1979-1980 school year this figure fell slightly to 215. The 1980-1981 school year saw a substantial drop to 178. Enrollment projections, based on the best data available, show the enrollment remaining constant for the 1981-1982 school year. The 1982-1983 school year should see a decline to 153. It appears that a low enrollment of 142 will be reached in the 1985-1986 school year. Projections indicate a slight increase to 155 for 1986-1987, but this appears to be the high point for enrollment for quite some time. These figures represent an enrollment decline of some 36% from 1978 to 1986. This alone is a very significant statistic in the financial future of the district.

The other major problem facing this school district is that of a declining tax base from real estate taxes. There are several reasons for the decline in the tax base, but perhaps the biggest is the fact that the district has a very large amount of farm land. In 1979, the state legislature changed the way that farm land was to be valued for real estate purposes. Basically, this changed the assessment for farm land from that of all other property to a method which weighed the soil type and the expected productivity of such. As a result of this new method of assessing farm land, some school districts showed large increases in assessed valuation. Other districts stayed virtually the same and some districts experienced dramatic decreases in assessed valuation.

Assumption Community Unit District #9 was one of the latter group. The assessed valuation of the land in the district dropped noticeably and quickly. The assessed valuation of all the property in the district was \$30,061,286 in 1976-1977. For 1977-1978, this figure dropped to \$29,350,828. In 1978-1979, the assessment went up to an all-time high of \$30,454,919. The 1979-1980 tax assessment showed the first major decrease as the valuation dropped down to \$27,498,100. This trend continued for 1980-1981 when the assessment slid even further to a low of \$24,832,500. These figures represent a drop of approximately 19% over a period of two years in the assessed valuation of the land in the district. Since this district gets at least half of its operating funds from local tax sources, it is easy to realize that a 19% reduction in local revenues would have a large impact on the district's financial resources. When this is coupled with an inflation rate which averaged 10.53% for 1978-1981, one begins to see the enormity of the problem.

Obviously, one avenue to look for financial help would be the state government. Since the state provides about forty percent of the funds for schools, it may be expected to help provide more aid to districts in need. However, several factors combine to make this avenue a dead-end road. First, one must recognize that school funding is a political football. Money for schools is always a controversial topic in the state legislature. It is a very convenient area for compromises to be made. Therefore, schools are seldom given

that amount of aid which was initially promised by the lawmakers. Since state legislators cannot agree on full funding for education, they are not going to go out of their way to help small school districts with money problems.

Another part of this problem is the formulae which are used to determine the funding levels for all school districts. It has been mentioned that the state provides about forty percent of the funding for schools. However, there are exceptions to that rule. Assumption received only about ten percent of its funding from state aid due to the fact that Assumption was a Strayer-Haig district in the financial aid formulae. What this means is that Assumption has a large number of dollars in assessed valuation behind every student. Consequently, the state is not especially eager to provide much money to districts like Assumption. Additionally, the Assumption district is still operating with the same tax rate in the education fund as it had when it was organized, i.e. \$1.60 per \$100 assessed valuation. It is a fact that the state aid formulae are structured to help those districts which are willing to help themselves by passing a higher tax rate. Assumption attempted to pass a tax hike referendum for increases in several funds in a 1975 election. This measure was defeated. This has been the only attempt to increase tax rates; and, therefore, local funding levels remain the same since the district was organized in 1948.

Another factor in not getting more state aid is the decline in student population. The number of students is

significant because state aid is also based on head count. Consequently, at a time when the Assumption schools need more money they are actually getting less due partially to the decline in enrollment.

Let us look more closely at the total financial picture for Community Unit #9 before we begin to examine ways to solve the problem. It is quite easy to see that the financial picture is bleak. Referring to the graph presented as Appendix A, one sees the relationship between education fund receipts and expenditures. The 1977-1978 school year shows a surplus in receipts of about \$14,000. An additional \$54,000 is received in 1978-1979. Then, in 1979-1980, the high rate of inflation, along with large salary increases spurred by such, consumed most of the surplus revenues that the district was accumulating yearly. Only \$10,000 more was received than was spent. Finally, in 1980-1981, the financial crisis hit Assumption. Initially, there was a \$4,000 decrease in revenues which had not been anticipated when the 1980-1981 budget was approved. Additionally, there was an expenditure for roofing the elementary school which was paid in cash (\$50,000) since it was presumed at the time that there would be no money problems. Also, large salary increases were given for the 1980-1981 school year, again to help staff to keep up with double digit inflation. All of these factors came together to cause expenditures to outpace receipts by about \$170,000. Since the roofing was a one-time project, the district was faced with the fact that it had overspent by \$120,000.



It was at this point that the district administration became painfully aware of the serious problems that the decline in enrollment and assessed valuation were causing the district. Considerable time was then spent in estimating what district revenues would be for the coming year (1981-1982) and projecting those receipts through 1985-1986.

With an estimate of \$821,000 for 1980 taxes payable in 1981, it was decided to project future receipts using an average annual increase of 7.6% per year. This percentage was the average of the yearly increases prior to the drop in assessed valuation. Using this percentage of increase, one may see that revenues may be expected to climb to \$868,000 for the 1982-1983 school year, \$934,000 for the 1983-1984 school year, \$1,005,000 for 1984-1985, and \$1,081,000 for the 1985-1986 school year. However, when this same procedure is followed for projecting district costs through 1986, the results spell catastrophe for the district.

The total receipts for the 1981-1982 school year have been estimated at \$821,000. To this was added a cash balance of \$34,000 at the end of the 1980-1981 fiscal year and a transfer of \$30,000 from a two-year accumulation of working cash funds. This adds up to a total of \$885,000 available cash for the district for 1981-1982. Expenses were estimated at \$1,005,000, which called for only giving salary increments or their equivalents to the staff. A further requirement was that all budgets remain at the 1980-1981 levels. From this figure the administration recommended cuts in non-educational

areas totaling \$60,000. These cuts included reductions in kitchen and janitorial services, elimination of 1½ unneeded teaching positions through attrition, and a reduction of all teachers' equipment and supply budgets by fifty percent. These cuts lowered the estimated expenditures to \$945,000, which reflected an anticipated deficit at the end of the 1981-1982 school year of \$60,000.

To project future costs, an annual average increase of 8.8% was applied to the \$945,000 figure. This percentage was the average for the previous six years according to the U. S. Department of Labor statistics. Costs were then projected to show estimated expenditures of \$1,028,000 for the 1982-1983 school year, \$1,118,000 for the 1983-1984 school year, \$1,217,000 for the 1984-1985 school year, and \$1,324,000 for the 1985-1986 school year. The simple matter of adding up the differences in the yearly receipts and expenditures shows that the district could accumulate a deficit of \$922,000 by the end of the 1985-1986 fiscal year. Admittedly, these figures may be inaccurate on the high side, but they could just as easily be low. Some set of figures was needed as a guide and these were the best available. Obviously, the district was stunned by such a revelation. Clearly, options needed to be presented and examined.

## CHAPTER THREE

### Proposed Solutions

One possible solution to the problem would be to increase the number of students being educated in the district. This would help to increase state aid because of the per pupil factor used in computation. More students would also allow for more efficient use of the buildings. It would cost no more to heat and light the schools for any larger number of students.

The junior-senior high school was built in 1969 to house 425-450 students. As was previously mentioned, the 1980-1981 student population was 250. The building could easily accommodate another 200 students. The only logical way to increase the number of students in the district is to increase the size of the district, i.e. consolidate with another school system. Geographically speaking, Assumption Community Unit #9 borders several districts which could be potential candidates for consolidation attempts. To the south is the Pana Community Unit School District. Pana would not be a logical choice for consolidation for several reasons. First, Pana does not need more students, as its schools are already overcrowded at the junior and senior high levels. This problem is due primarily to the condemnation of most of the existing junior high school building. Another dimension of the problem is the general attitude of the public in the Pana district. Generally speaking, a majority of the voters would be against any and all



recommendations that the administration might make. This distrust and skepticism would undoubtedly doom a consolidation election to failure from the start. Additionally, this newly formed district would have a maximum distance of about twenty miles from the northern edge of the Assumption district to the Pana High School. Transportation costs and time would be difficult to justify. Pana would, therefore, be one of the last hopes for consolidation.

To the southeast is the Tower Hill school district. Realistically, Tower Hill would be a good candidate for consolidation efforts. Their building houses all students in grades K-12 and is not in a particularly good state of repair. The enrollment is low--about 107 in the high school in 1980-1981. Programs could be improved and upgraded considerably by affecting a consolidation with Assumption. For several reasons, however, this would not be likely to occur. The community still retains a great deal of pride in having its own school. This is such a strong factor that voters strongly passed a bond issue to build a new gymnasium and remodel the old one for classroom use. This move will cost the taxpayers about \$.80 per \$100 of assessed valuation for the life of the bonds. This vote was in response to the knowledge that failure to make these improvements would surely necessitate consolidation with another district within a few years. Another potential stumbling block from the Assumption view is that the potential gain of students may not be sufficient to justify the move. It has been noted that probably only about

one-half of the 107 high school students would actually end up attending Assumption High School. The others would surely petition out of the new district to attend Pana, Cowden-Herrick, or Shelbyville. All of these would be closer for students in the southern part of the Tower Hill district. The distance from the southeast corner of the Tower Hill district to Assumption High School would be about twenty to twenty-five miles.

Finally, the best choice for consolidation with Assumption would be the Moweaqua district. Located mostly north of Assumption, the town of Moweaqua is approximately the same size as Assumption. The 1980-1981 high school enrollment at Moweaqua was 238. The Moweaqua school district has only one building for all of its students, K-12. It is in good repair. For an effective consolidation, one school building of the three available would have to be abandoned. The obvious choice is Bond Elementary School in Assumption. The new district would then house its K-8 students at the Moweaqua building and the high school would be located in Assumption. This arrangement would make the high school enrollment about 415, which would be an excellent use of the facility. The Moweaqua building, built to house about 800, would have about 730 students which would be a good student population for that building as well. The merger would be educationally beneficial in that it would allow both schools to retain some course offerings that each alone cannot maintain due to low enrollment. Good examples would be agriculture and foreign language courses.

The size of this new district would be about 187 square miles with a total assessed valuation of approximately \$50,000,000. The longest distance to either attendance center should be fifteen miles or less. On the negative side, there are several problems with this merger. Assumption is a very conservative community, while Moweaqua is more progressive. Also, many Assumption parents may object to their elementary students being bussed to Moweaqua. The biggest problem is one that is common to nearly all consolidations. The issue of community pride in school athletic achievements can be overwhelming. These two towns have been fierce rivals in high school athletics for years. This alone could produce substantial opposition to any efforts to consolidate the districts.

In conclusion, the option of consolidation is not a very good prospect for various reasons. A consolidation with Moweaqua would be the best hope in all areas--educational, financial, and for the best use of existing facilities. The worst aspect would be the abandonment of Bond Elementary School, but this community needs a civic center for which the Bond building would be perfect. If consolidation ever becomes necessary because of financial affairs or legislation, this would be an excellent marriage of two small districts.

The other options open to the Assumption school district to cope with these financial and enrollment crises have both immediate and long term components. The two choices are to increase the tax rate or cut the programs, or to combine the two. The next, and largest, portion of this paper deals with

the responses that were made by this school district, the processes involved, the results, and the overall effect on the district. The Board of Education took action on a variety of suggestions and proposals with the author of this paper having had substantial input into these suggestions and proposals.

When the preliminary land assessments were made known to the superintendent in August of 1980, it became apparent that by the end of the 1981-1982 school year the district would be in financial distress. These land assessments indicated a drop of about \$2,600,000 in assessed valuation. This decrease followed a drop of nearly \$3,000,000 for the 1980-1981 school year. Coupled with increasing inflation and decreasing enrollment, this decrease in assessed valuation would put the district deeply in debt in a very short number of years. At the September 15, 1980, meeting the Board was presented with a summary of district receipts and expenditures for the past several years. This summary is included as Appendix B. This summary pointed out to the Board that expenditures had increased approximately twice as fast as receipts in the past two years. Due to this fact, and the future tax outlook, the superintendent strongly recommended that the Board form a committee and meet with the administration to discuss ways of cutting costs to deal with this financial crisis. Appendix B is a copy of a financial review given to the Board at the October meeting. After reviewing this sheet, a meeting was set for December 2, 1980, to go into detail regarding this

problem. The administration was instructed to prepare some alternatives for the meeting.

At the meeting on December 2, 1980, it was noted that the district could expect a deficit of \$120,000 at the end of the 1981-1982 school year unless cuts were made in programs or services. It was also noted that all of the district's financial reserves, totaling \$64,000, would be expended during this time. Actual overspending would be in the area of \$184,000. Options were discussed. It was rather apparent to all that a tax increase was a definite necessity for the future operation of the school district. Unfortunately, it was agreed that it would not be possible to get voter approval for such a tax hike in time to affect revenues for the 1981-1982 school year.

Consequently, the group turned its attention to a discussion of possible immediate program or service cuts which could be made to save money until the tax hike might take effect. The administration had prepared two sets of potential cuts and the savings associated with each. The first, presented as Appendix C, was a set of very drastic reductions in district programs and services which would cut expenses by \$159,500 and reduce the overspending to \$35,000. This list included reduction of staff by seven and one-half positions, elimination of all extra-curricular activities and sports, and elimination of participation in the programs at the Decatur Area Vocational Center. Also included were cuts in support services, such as kitchen and janitorial services.



The second set of potential budget cuts (Appendix D) was made up with the idea in mind that educational programs must not be disturbed if at all possible. The goal of these cuts was to make the least possible negative effect on the district. This list included reducing staff by one and one-half positions through attrition, the reduction of all teacher budgets by fifty percent, reduction in cafeteria and janitorial services, elimination of new textbooks, and dropping high school baseball. These cuts would result in a savings of over \$60,000. The committee scrutinized these two lists very closely. The group desired to avoid making the drastic cuts if at all possible. It was generally agreed that the second list of cuts totaling \$60,169 should be implemented for the 1981-1982 school year. It was understood that some of these cuts would have to be reinstated for 1982-1983 if programs were not to suffer. These items were the fifty percent reductions in teachers' budgets and, possibly, the moratorium on new textbook purchases.

The committee realized that there still would not be enough revenue to sustain the district in the future and began an examination of the revenue situation. There were three solutions presented which addressed the problem of the money shortage. The first was to increase taxes in one or more of the operating funds. The district was still operating with the same education fund rate that it was organized with in 1948, i.e. \$1.60 per \$100 assessed valuation. The only previous attempt to raise the rate had failed. The committee's

discussion centered about this failure and the reasons for the failure. Mention was made of the difficulty that was being encountered statewide by districts attempting to raise taxes. During this discussion, it was brought out that the entire Board had not believed the tax increase was necessary when the referendum was tried in 1975. Shortly after the defeat of this referendum, the assessed valuation of the district jumped over \$5,000,000. This event caused many voters to believe that the tax hike had not really been needed anyway. The present Board realized that it would have to be strongly unified and do an excellent job of selling to get a tax increase passed.

The second financial option was to continue with the status quo and issue tax anticipation warrants as needed to meet district obligations. The district could issue warrants for up to \$600,000, which was its legal limit for such. The big drawback with this was that interest must be paid on the money obtained this way. The interest may not exceed 8% by law, but this interest would further erode the dollars available and weaken the district's position. Although rather insignificant, there was also the factor of the amount of time which would have to be devoted to the paperwork involved with this form of financing. This would require Board motions and would regularly remind the public of the problems the Board was having.

The third option was to issue working cash bonds. This back door referendum would result in the Board being able to

raise as much as \$300,000 without voter approval, if the Board was lucky. There was the possibility that the public could force an election by getting the signatures of ten percent of the registered voters in the district within thirty days of the time the Board resolved in open session to sell the bonds. The working cash bond route seems to put the Board in a position of being secretive and trying to sneak something through on the voters. The Board was concerned about the amount of negative publicity that such a bond sale might create. Additionally, a primary consideration in selling working cash bonds is that they must be sold to the lowest bidder on the amount of interest which will be paid. The going interest rate is usually about three percent below the prime rate. At the time this was considered, bond sales were drawing over ten percent.

After carefully considering all three of these proposals regarding revenue, the Board decided that there was really only one option open. The decision was made to ask the voters to raise the tax rate in order to maintain the high quality of education in the Assumption schools. The Board decided to be very open and vigorous and go about the business of selling this tax increase and the accompanying budget cuts. At the next Board meeting, the proposals were made to cut \$60,169 from the 1981-1982 budget and to ask the public to raise taxes. There was a considerable amount of discussion. The Board voted unanimously to pursue this course of action.

The next task facing the Board was deciding how much of an increase to request from the voters. Initially it was



believed that a total increase of \$.80 per \$100 assessed valuation in the education, building, and transportation funds would be necessary. This increase seemingly would insure that the long-range goals of the district could be met. With an assessed valuation of \$25,000,000, this rate would produce an additional \$200,000 per year in much-needed revenue.

The Board then decided to bring its case to the public before making any final decisions. An open meeting was set for Monday, January 12, 1981, at Bond Elementary School. Notices were placed in the newspaper and on local radio stations inviting all concerned citizens and taxpayers to attend this meeting and hear what was being proposed. In addition, the meeting was prominently mentioned in the newsletter which is sent to every home in the district which has children in the school. The Board was hopeful of getting a turnout of 100-150 concerned citizens.

In preparation for this meeting, the Board decided to share as much information as possible with the public. The Board wanted all who were present to be able to see in black and white exactly what was happening to the district. To facilitate this, information packets were assembled for each person attending. This packet is included as Appendices E1-E9. Page one gives estimates of the 1981-1982 education fund receipts and expenditures which shows the bottom line of a \$60,000 deficit by June of 1982 if cuts are made. A total breakdown of the \$885,000 in available cash is included. The

expenses are shown by the 1980-1981 budget plus the cost of giving the staff no raise other than the increments already built into the salary schedule. This cost, along with similar increases for all those not on a salary schedule, would be about \$15,000. The total estimated expenditures before the cuts were adopted was \$1,005,000. After subtracting the \$60,000 in cuts which the Board had adopted at the December, 1980, meeting, the end result was a \$60,000 deficit at the end of 1981-1982.

Page E2 was designed to let the taxpayers know where the Assumption schools get their money. The four major areas of local taxes, state aid, special education, and Title programs are mentioned briefly. The Board realized that most taxpayers do not know where the money comes from and wanted to give a short explanation.

Page E3 was a presentation which showed the changes in the assessed valuation of property in the district since 1972. Since the changes in assessed valuation were an important reason for the district's financial plight, it was vital that the public have as complete a knowledge as possible in this area. This set of figures shows the dramatic increase in 1976 which put the district in good financial shape and the decreases in 1979 and 1980 which were primarily to blame for the problems now being encountered.

Page E4 details the annual inflation rates from the United States Department of Labor. While it was no surprise to anyone that inflation had been high, the Board felt it

necessary to include this page to show how drastic inflation had been in recent years and how this had contributed to the distress of the school district. Even those citizens with no special knowledge of school or taxes could easily see how drastically expenditures had been affected by the high inflation rates the last two years.

Page E5 of this initial information packet is a simple bar graph which has been discussed previously.

Page E6 outlines the actions which the Board has already taken in dealing with the financial crisis. Item number three is critical because it shows how insufficient the 1981-1982 tax levy is in meeting the needs of the district. The lower half of this page presents five possible solutions to the problem. It is evident that raising taxes is the best possible solution if district programs are to be preserved.

Page E7 gives a clear outline of what steps would be necessary in order to balance the budget in the district. The cuts, totaling \$159,500, which have been previously discussed are outlined here.

A comparison of the tax rates of many area school districts is given on page E8. Assumption is shown quite clearly as one of the lower districts in terms of the total tax rate for schools. It was important to the Board that the taxpayers realize how they stacked up with other towns and just how much they have been getting for so long with such a low tax rate.

The last page, E9, relates the Board discussion regarding an April 7, 1981, referendum to raise the tax rate by

\$.80 per \$100 assessed valuation. The increase is shown in three funds--education, building, and transportation. Following are several illustrations of how much such an increase would cost area taxpayers. Of primary concern was illustrating the cost of the increase to area farmers since this group was expected to be opposed to the increase.

The Board members and administration met several times, including Christmas Eve morning, to familiarize themselves with all of the details of this packet. They attempted to think of any possible questions that might come up at the public meeting so that they could be prepared with the answer. The organization and structure of the January 12 meeting was also discussed in detail. All Board members were completely committed to this venture.

As an aside, it has been noted that the Board members did a great deal of work and were very closely involved in all facets of this process. It may be wise to mention that on December 9, 1980, the Board met as a committee with a representative of the Illinois School Consulting Service. This gentleman tried to sell his group's services to the Board in helping pass the referendum. He related that the group had a success rate of 85% in school tax rate referenda. He outlined all of the services that the group would provide. These consultants would come in with a six month program which began with a study of the district and its finances. They would then help to form civic action groups to help push for the increase and they would help with the legal steps in preparing

for and running the election. They would provide about 100 copies of their report on district finances as well as these other services for \$6,500. A second option was for the report on finances only. This would cost \$4,500. The Board rejected this approach for several reasons. First, it did not seem appropriate to have an outsider telling everyone what the schools needed. Local voters had elected the local Board members to do just that. Second, spending this large amount of money when district finances were the whole issue was not well-received by any of the Board members. Finally, bringing in an outside group could be interpreted by some as a lack of faith in the current financial manager of the district, the superintendent. The Board had been and continued to be very satisfied with his handling of the district funds and did not want anyone to think that the opposite was true.

The stage was now set for the first public meeting. A final meeting for the Board and administrators was held on January 8, 1981, to get any last-minute questions or responses from the Board. The outlook was guardedly optimistic for both good attendance and a good reception of the proposals.

Preparations for the Monday, January 12, 1981, meeting were completed early in the afternoon. The entire Board and administrative staff were to be seated at a long table in the front of the room. Chairs were set up for 150 people. An information packet was prepared for each seat. By the time the meeting started there were over 125 people present. The Board President opened the meeting with an enthusiastic



welcome and expressed his gratitude for such a fine turnout. He announced that the meeting would officially end at 9:00 p.m. The Board members had agreed that it would be best to limit the time to avoid getting stalled on any one item. The President then gave a very short explanation of the purpose of the meeting. He stated that the Board needed to make the public as aware as possible about the financial problems that the district was experiencing. He stressed that the Board wanted and needed the input of those people who were interested in the future of the district. In order to get things started, he suggested a short explanation and discussion of the information included in the packets. The group asked a large number of questions, which were handled very well by the Board members with a minimum of help from the administrators. When the statistics relating to the changes in the assessed valuation of the district were discussed, the Board President called on the Christian County Supervisor of Assessments to give an explanation of the events that had transpired and his estimate of future assessments. This gentleman gave a very fine talk and answered all questions well. His presentation had the effect of unifying the group. This man, who had control over the assessments, had just told them that many taxing bodies were in much worse shape than this one. He also stressed that the future did not hold any real promise for help. He convinced the crowd that the problems were beyond the control of the district personnel. He stated that the best course of action would be to help ourselves by passing this tax increase.

During the entire course of the meeting there were very few negative comments. Most of those who spoke were very supportive of the schools. Many said that they were willing to help in any way they were needed. Some very serious discussion arose when the group addressed the issue of how much should be proposed as the tax increase. The majority of those present said that they realistically did not believe that the \$.80 per \$100 figure had much chance of passing. The Board indicated that this was not definite, but merely a starting point for discussion. Some people suggested lesser amounts which could be requested. The Board made careful notes of all of these comments and stated that all things would be carefully weighed before a final decision was made on how much money to request.

The formal part of the meeting was adjourned promptly at 9:00 p.m. as promised. A large portion of the group stayed around to discuss the issues in small groups. The final comments by the Board indicated that they expected this group to do the majority of the work in selling this tax increase to their friends and neighbors. The entire group was encouraged by the meeting and its outcome. Another meeting was set for February 9, 1981.

The intervening time between meetings was spent in several meetings between the Board and administration for the purpose of deciding what amount of money should be requested for the tax increase in the April 7 election. Many of the Board members felt that to ask for an increase of \$.80 per

\$100 was to invite the defeat of the proposal. In conversations at the local coffee shop, they were hearing much more support for an increase of about \$.40 per \$100 assessed valuation. The administration had prepared a fact sheet for the Board which showed possible revenues from several different increases and the long-range prospects for each. Included as Appendix F, this sheet used an assessed valuation for the district of \$30,000,000 (which was too high) and projected expenses in excess of currently available funds through the 1985-1986 school year. There were three rates proposed as examples. It was noted that regardless of what tax rate was used, the district would still be \$60,000 in the red at the end of the 1981-1982 school year. This was due to the fact that no funds would be received from any new rate until the summer of 1982. Example one, an increase of \$.445 per \$100, would create the possibility of a deficit of \$325,000 by the end of the 1985-1986 school year. Example two showed that an increase of \$.545 per \$100 would result in a deficit of \$204,000 by the end of the 1985-1986 school year. Example three, \$.645 per \$100, would bring the district very close to the break even point with only a deficit of \$86,000 at the end of the 1985-1986 school year. Of course, all of these figures were very rough in that there are so many other variables which affect school funding. It was noted that several factors which could affect these figures, either positively or negatively, were changes in state aid, changes in enrollment, inflation, and the insecurity of the \$30,000,000 figure for assessed valuation.



The Board and administration spent many hours wrestling with the problem of how much of an increase to ask the voters to approve. There was a certainty that they would not be able to pass an \$.80 increase, but they were hesitant to ask for less when they knew it probably would not do the job. Finally, they agreed to compromise and at the January Board meeting approved a resolution, included as Appendix G, to hold a tax increase referendum on April 7, 1981. The purpose of the election was to obtain voter approval for an increase of \$.50 per \$100 assessed valuation in the education fund rate. Passage of this increase would result in an additional \$125,000 with an assessed valuation of \$25,000,000.

Several more meetings were held to plan how to best use the volunteer help to sell the referendum to the general public. It was tentatively agreed that the district should be divided into several sections and that an attempt should be made to inform every household of the upcoming election and its importance in the future of the school district.

At the next public meeting, a total of twenty-eight persons other than Board and administrators were present. This was considered a good core group. The primary purpose of this meeting was to inform the group of the Board's decision on the rate which would be requested and to solicit their help in selling the public on the need for this increase. There was an explanation of the method of going into each home, which the Board thought would be most effective. This idea was strongly supported. The next order of business was

to divide the group into teams and assign them to cover specific parts of the district. The country portion of the district was divided into six sections and the city portion into twelve sections. A map of the country sections is included as Appendix H. The Board asked the visitation teams to prepare themselves by going over the information packets and familiarizing themselves with all aspects of the situation. Another meeting was set for March 23 to answer any last minute questions for the teams. It was decided that all home visits should be made in the last week before the election. By the March 23 meeting, the teams were to notify the administration of how many packets of information they would need so that these could be duplicated and collated in time. It was also mentioned that each team would be given 3 x 5 index cards if it wished to use these to record information. The group agreed that all should do this. They felt that a card should be made out for each home visited. The card should include the name, address, and phone number of the residents and their feelings regarding the election if this could be determined. From these cards a list could then be compiled of the "yes" voters. On election day this list would be used by poll watchers to make sure that all of the voters in favor of the increase actually got to the polls to vote. All of the visitation teams were very charged up. The teams were asked for their input into the composition of the final information packet which they would distribute. Since the final set of information was the third such set prepared, the system

of labeling the pages was changed from numbers to letters to avoid confusion. The final set is included as Appendices Ia-If.

Page Ia is the same as was used in each of the preliminary sets. Page Ib was made by combining the pages from previous handouts which detailed past assessed valuation and inflation rates. This was expanded slightly to include the amount of revenue generated by the assessed valuation given the prevailing tax rate at that time. Page Ic was an expanded version of the summary of all area tax rates. The new information included the total tax rate for each district, how much of the total was in bonds, and the status of any recent or pending attempts at tax increase referenda. Page Id again outlined all of the actions already taken by the Board and the possible future options. Page Ie is the "threat" page, which includes all of the cuts which would be necessary to balance the budget. Page If details the tax increase proposition with estimates of what the increase would cost the taxpayer. Also added to this page were the phone numbers of the Supervisors of Assessments for both Shelby and Christian Counties. This was added in case any taxpayer wanted to call and find out his assessed valuation.

During the final month before the March 23 meeting, the group of Board members and administrators concentrated on public relations and publicity. The superintendent spoke on several area radio shows and gave interviews to all area newspapers regarding the proposed tax increase. Various Board

members spoke to local civic and public service groups to educate them and solicit their support. The administration had four hundred signs printed, which were to be attached to lath and placed in yards of people who would support the referendum. A small version of the sign is included as Appendix J. The message on the signs was simple: Vote Yes for Schools. The visitation teams were to be given signs to distribute in their areas.

The final group meeting was held March 23, 1981, to finalize all plans and answer all questions which may have come up. Only twelve persons other than Board and administration attended this meeting. This was a cause for some concern, but it was assumed that there was really no need for everyone to attend if they understood their task. The week preceeding this meeting was especially busy for the administration as about one thousand of the six-page information packets had to be duplicated, collated, and distributed to the visitation teams. Index cards were also included in the materials.

During the last week of the campaign, signs supporting the referendum were placed in the windows of local businesses. All merchants and local businesses were cooperative except the local bank. The 11" x 14" signs were made from white card stock with black lettering. Beginning April 1, these signs were also stapled to telephone poles throughout the district. Although using the poles is not considered a good practice, the phone company was contacted prior to this being done. While the local office could not give permission for using

the poles, they indicated that as long as the signs were later removed there would be no problems. With this in mind, an estimated 150 signs were posted throughout the district, mostly in the rural portions. The locations of the signs were noted so that they could later be removed. Signs attached to lath were also delivered to visitation teams during this time.

The home visits began in earnest about Wednesday, April 1, 1981. Members of the teams found out very quickly that the process could be most time consuming. More than one team reported spending four or more hours the first night and only visiting four or five homes. It was generally easy to distinguish which people supported the referendum or which were against it. Some of the visitation teams found out just how rude their fellow taxpayers can be. Several citizens used the visit as a vehicle to convey all of their ill feelings about the district administration or particular employees. The visitation teams made quick notes of each visit on the 3 x 5 cards provided.

By Monday evening, April 6, the majority of the homes in the district had been visited. The feeling of the teams was one of cautious optimism.

On the day of the election, there were poll watchers assigned to each polling place in the district. Their task was to try to determine the size of the voter turnout and keep track of those who had voted. At about 2:00 p.m. the list of "yes" voters submitted by the visitation teams was put into



use. Those on the list who had not yet voted were called and reminded to do such. Several Board members ran shuttle services to and from the polls. Only one problem developed. The chief judge at the largest precinct voting place refused to let the poll watchers see the list of those who had voted. This woman had been very outspoken in her opposition to the referendum. Eventually she was cajoled into allowing the list to be seen.

Once the polls closed the waiting was very difficult. All of the ballot boxes were taken to the county seats, Taylorville for Christian County and Shelbyville for Shelby County. Once there the ballots were counted by computers. The final totals were available Wednesday morning. In Shelby County the proposition passed 106 to 66. In Christian County it also passed, 359-269. The final totals were 465 "yes" and 335 "no."

The Board of Education held a special meeting on Thursday, April 9, 1981, to canvass the votes and certify the results of the election. The Board directed the superintendent to compose a letter thanking all those who helped work for the referendum. An article was also to be placed in the local paper thanking the voters for their support.

## CHAPTER FOUR

### Conclusions and Recommendations

Since the most immediate crisis seems to have been averted, let us look at the effect of this new tax rate on the management of the district in the next few years.

As has already been pointed out, the district will be about \$60,000 in the red before it collects any money under the new rate. Some of the \$60,000 in budget cuts for 1981-1982 will have to be reinstated for the 1982-1983 school year if programs are not to suffer. The biggest item will be approximately \$15,000 in cuts in the teachers' budgets. These programs cannot be expected to operate on a minimal budget for another year without deterioration. Another big expense may be employee compensation.

When the Board voted to give the staff only salary increments for 1981-1982, it gave the staff every assurance that it would do what it could to make this up for the 1982-1983 school year. In order to meet this commitment, the Board may have to expend an additional \$75,000 for salaries.

Assuming that all estimates for receipts and expenditures have been reasonably accurate, it would be obvious that, although the tax increase went a long way toward solving the immediate financial problems of the district, the long range financial picture for the district is not good. Presuming the addition of the above mentioned \$90,000 in expenditures, the financial situation is still critical. Several things may be done to help with this problem. A very thorough study

of the district's long range staff needs will have to be done with an eye toward reducing the overall teaching staff as attrition allows. This effort must be undertaken with the hope that this reduction can be accomplished without harming programs. A quick look shows us that in the 1984-1985 school year it will be possible to cut back one position at Bond Elementary School. There are currently two sections of the fourth grade for 1981-1982. There are also two sections of the first grade for 1981-1982. It is conceivable that another staff member may be released in 1987-1988. This will be the extent to which cuts can be made in the teaching staff at the elementary school.

At the junior-senior high school there may be several ways to tighten up on staff costs. At present, the assistant principal has been assigned to teach three classes for 1981-1982. The guidance counselor has no teaching responsibilities. Serious consideration will have to be given to using these two men to cover one full time teaching position and thereby reduce staff by one. The media specialist has been assigned to teach one class for 1981-1982. Close scrutiny must be given to making this assignment at least 50% teaching. By reducing the seventh and eighth grade English from two periods per day to one and using the media specialist for the other periods, it may be possible to release another staff member. In the area of vocational education, enrollment declines could easily change the present four full time positions to four one-half time positions. The resultant savings would be equivalent to reducing staff by two.



These are all of the personnel changes that could be made without having an injurious effect on the total program in the district. The outlined reductions could result in decreasing the staff by six positions over the next six years. When the last of these was released, the resultant savings to the district could be as much as \$95,000 per year. While these steps alone will not solve the problems, they will accomplish two vital tasks. First, the savings involved will help buy time and keep the indebtedness of the district from worsening as rapidly as it would without these cuts. Second, this would be a very visible demonstration to the public that steps were being taken to help ease the financial problems and, thus, confidence in the leadership of the district should result. This should help to soften up the taxpayers for the next tax hike request when it comes.

One may notice that all of the suggestions for reducing future costs have dealt with teaching staff. Realistically, the best and quickest way to save money in any school district is to concentrate on personnel. Salaries account for about 40% of the school budget. The moves taken by the Board in 1981-1982 have already reduced the non-certified staff as much as possible. Therefore, the teaching staff may have to be reduced as enrollment declines to help balance the district budget.

This district, as well as most others, will be keeping a watchful eye on the state legislature for future help in funding public schools. One must hope that sooner or later

the state legislature will come up with a way of funding public schools that is fair, reasonable, and will provide enough money. One idea being promoted is a local income tax. The advisability of this tax is uncertain, but at least it shows that some of the state's leaders are aware of the problem and are trying to find an answer.

The other factor that this district must consider is consolidation. This is a very viable alternative for this district, given the right circumstances. The leaders of the district must keep an open mind regarding consolidation as it may well become necessary in the future.

In summary, it is hoped that this paper and its many appendices may prove to be helpful to some other school district facing the same problems as Assumption Community Unit District #9. This author has provided details of the plan used to facilitate passage of a tax increase, the background of both the school district and the town, the causes of the financial plight, and a discussion of the options available. Most assuredly some, or all, of these component parts are present in many other school districts in this state. It is the belief of the author that Assumption is not atypical, but rather a comfortably representative community. Many other districts are faced with the same problems and fail to resolve them without sacrificing the quality of education for their students. Surely the model and suggestions presented in this paper can be useful in helping districts to approach the problem of declining enrollment and/or declining tax base with a

belief that something can be done to insure the future of public education as we have known it.

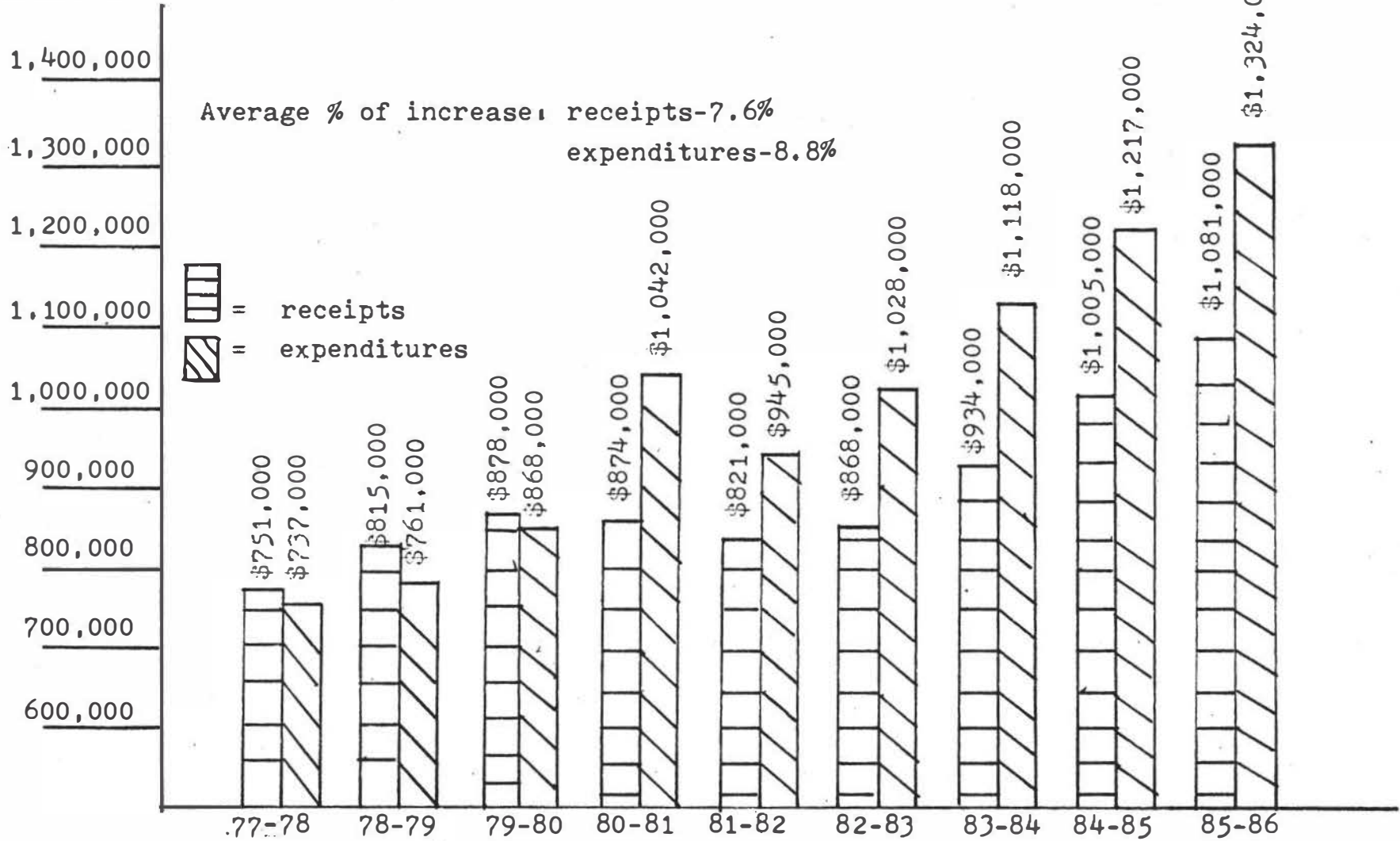
## APPENDICES

A, B, C, D	Report to the Board of Education
E1 through E9	Information Packet for Public Meeting
F	Projected Increases from Varying Tax Rates
G	Resolution for Referendum
H	Map of Assumption School District
Ia through If	Information Packet Distributed by Visitation Teams
J	Facsimile of Signs Used in Campaign

A

COMPARISON OF UNIT RECEIPTS AND EXPENDITURES 1977-1986

DOLLARS





B

ASSUMPTION COMMUNITY UNIT SCHOOL DIST. #9  
Financial Reviews for Board  
October 1980

Educational Fund Receipts

<u>State Aid</u>	<u>Year</u>	<u>Amount</u>	<u>% Increase/Decrease</u>
	1976-77	\$72,047	----
	1977-78	60,993	-15%
	1978-79	51,869	-14%
	1979-80	72,982	+40%
	1980-81	74,095	+1.3%
(estimated)	1981-82	77,000	+4%

Tax Receipts

	1976-77	\$382,687	----
	1977-78	438,354	+14.6%
	1978-79	471,151	+7.5%
	1979-80	482,982	+2.5%
	1980-81 *	459,500	-5%
(estimated)	1981-82	417,000	-9.2%

\*includes Corporate Personal Property Replacement Tax

Total Educational Receipts

	1976-77	\$743,819	----
	1977-78	751,442	+1%
	1978-79	814,990	+8.5%
	1979-80	878,146	+7.7%
	1980-81	877,000	-0.5%
(estimated)	1981-82	807,000	-8%

Total Educational Expenses

	1976-77	\$738,808	----
	1977-78	737,661	-0.5%
	1978-79	761,662	+3.2%
	1979-80	868,162	+14%
	1980-81	1,042,550	+20%

C

CURRICULUM CHANGES NECESSARY TO BALANCE BUDGET

<u>ITEM</u>	<u>SAVINGS</u>
1. Eliminate all sports, cheerleaders, and coaches	\$18,000
2. Drop all art instruction	15,000
3. Drop all band	14,000
4. Drop all extra-curricular clubs	1,000
5. Drop participation in D.A.V.C.	19,000
6. Drop all advanced courses in Home Ec, Agriculture, Business, and Industrial Arts. Reduce staff by two full time positions.	30,000
7. Drop all advanced science and math courses. Reduce staff by one.	13,000
8. Drop one-half time English teacher and drop Junior High Reading. Reduce staff by one-half position	6,500
9. Reduce all bus routes.	15,000
10. Drop two teachers at Bond Grade School. This would make the first grade class 28 and the fourth grade class 32.	28,000
11. Drop the Cooperative Education Program to free that teacher for two more periods.	<u>0</u>
Total Savings Possible	\$159,500

D

Possible Program Cuts at Bond Elementary

1. Drop a part-time teacher	\$ 7,000
2. Cut classroom education supplies by 50%	1,000
3. Eliminate all new textbooks and reduce the number of workbooks	3,000
4. Drop one cook and use student help	3,000
5. Drop part-time janitor	<u>3,000</u>
Total savings at Bond	\$17,000

Possible Cuts at the Junior-Senior High for 1981-82

1. Eliminate one staff member by attrition	\$17,000
2. Eliminate some janitorial services	3,200
3. Eliminate one kitchen helper and use student help	3,969
4. Reduce all supply budgets by 50%	17,000
5. Eliminate Baseball	<u>2,000</u>
Total savings at the Jr.-Sr. High	\$43,169

---

Total savings possible districtwide	\$60,169
-------------------------------------	----------

---

E 1

Estimated Educational Fund Receipts 1981-82

Taxes - Real Estate	\$400,000
State Aid	77,000
Corporate Taxes	22,000
Orphans' Tuition	25,000
Driver Education	2,000
Special Education Programs	160,000
Title Programs	50,000
Interest on Investments	10,000
Athletic Gate Receipts	6,000
Textbook Rentals	7,000
Lunches	50,000
Vocational Reimbursement	5,000
Misc.	<u>7,000</u>
Total	\$821,000

---

Estimated Balance on Hand 6/30/81	\$ 34,000
Working Cash Fund Transfer (2 years)	<u>30,000</u>
Total Available Cash for 1981-82	\$885,000

---

---

Estimated Expenses in the Educational Fund 1981-82

1980-81 budget level	\$990,000
Cost of salary increments for staff	<u>15,000</u>
Total Estimated Expenses for 1981-82	\$1,005,000
Program Cuts Adopted in December	- 60,000
Estimated Deficit in Educational Fund at the end of 1981-82 school year.	60,000

How Unit #9 Gets Its Tax Money and Where It Originates1. Local Taxes - Real Estate

Assessed Valuations for the last six years			
1975-76	\$23,899,000	1978-79	\$30,454,000
1976-77	30,061,000	1979-80	27,498,000
1977-78	29,395,000	1980-81	24,500,000 (est.)

Local Taxes Account For Nearly 50% of School Revenues2. State Aid - based on an equalization formula which designates Unit #9 as a wealthy district

State Aid Funds for the last six years			
1975-76	\$73,030	1978-79	\$51,869
1976-77	72,047	1979-80	72,982
1977-78	60,993	1980-81	74,095

3. Special Education - supported entirely by non-local funds

1975-76	\$81,000	1978-79	\$107,000
1976-77	94,000	1979-80	123,000
1977-78	90,000	1980-81	140,000

4. Title I Programs

1975-76	\$19,225	1978-79	\$42,231
1976-77	37,584	1979-80	52,320
1977-78	33,873	1980-81	54,000



ASSUMPTION COMMUNITY UNIT DISTRICT 9Assessed Valuations 1972-1980

1972	\$ 22,719,655	
1973	22,995,915	
1974	23,167,482	
1975	23,899,509	
1976	30,061,286	
1977	29,395,828	
1978	30,454,919	
1979	27,498,100	
1980	24,832,500	(estimated)

E4

INFLATION RATES - ANNUAL PERCENTAGE

1975-76	9.1%
1976-77	5.8%
1977-78	6.5%
1978-79	7.7%
1979-80	11.3%
1980-81	12.6%

Six Year Average 8.83%

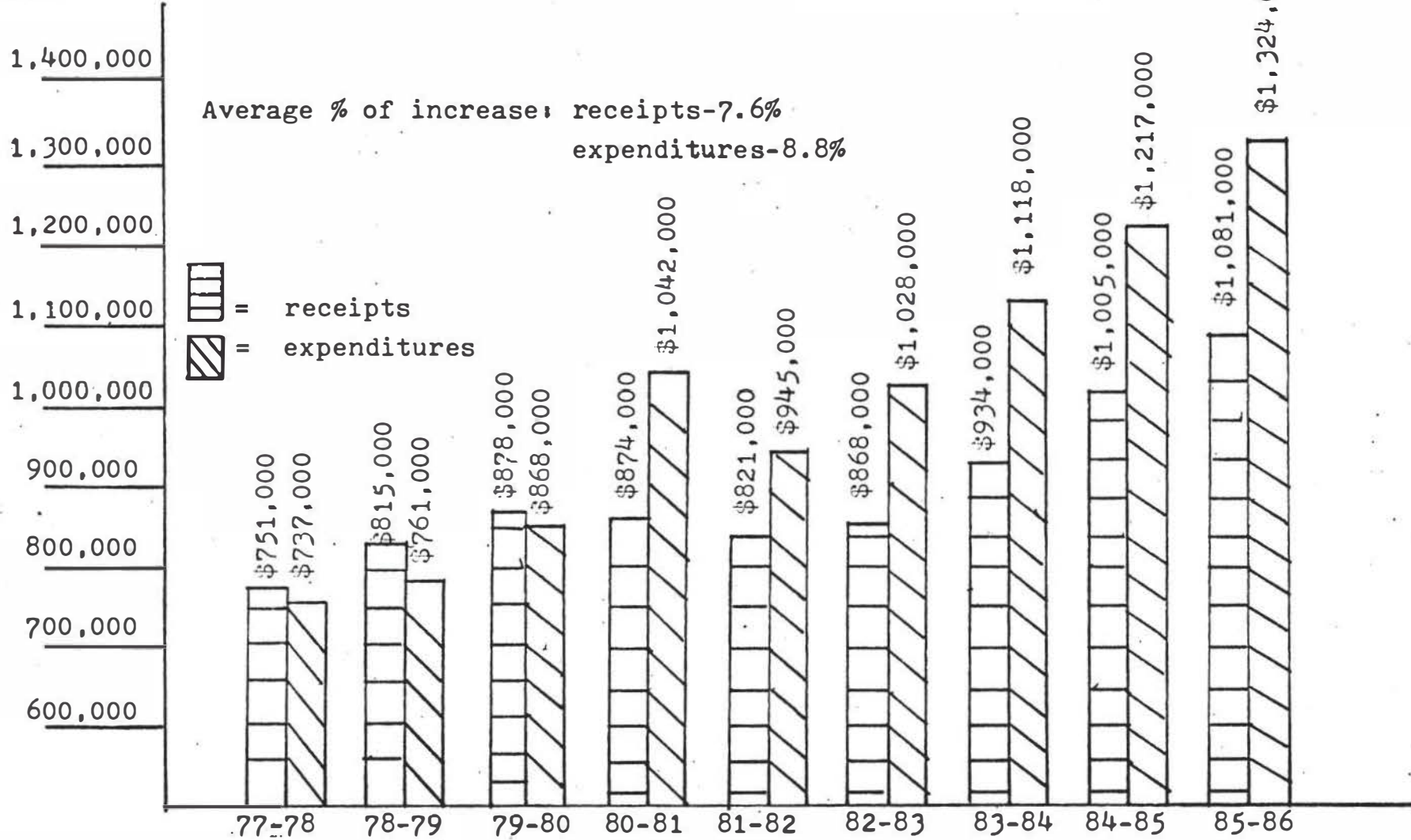
Three Year Average 10.53%

Figures from the U. S. Department of Labor

ES

COMPARISON OF UNIT RECEIPTS AND EXPENDITURES 1977-1986

DOLLARS



ACTIONS TAKEN BY THE BOARD AT THIS TIME

1. The Board has made cuts in some areas. These include kitchen and janitorial services, reduction in the teaching staff by one and one-half positions, and cutting all supply budgets by 50% for next year.
2. The Board has considered more extensive cuts which would affect the educational programs, but decided to wait until the public has an opportunity to understand the situation.
3. The Board has set an Educational Fund levy for 1981-82 of \$525,000. This would be sufficient to maintain our programs. However, our estimated assessed valuation cannot produce this much revenue. We expect to get about \$400,000. This will result in overspending by about \$138,000 next year.
4. The Board Finance Committee has been studying this problem for several months, searching for answers and solutions.

WHAT CAN BE DONE TO SOLVE THE PROBLEM

1. Pass a referendum to increase the tax rates in the education, building, and transportation funds.
2. Run the district in the red until the legal limit is reached. Tax anticipation warrants could be issued for as much as \$600,000. Eight per cent interest would have to be paid on this money.
3. Pay off all deficits by issuance of working cash bonds. These sell to the lowest bidder on the interest rate which must be paid by the district. This type of bond sale has been drawing bids at around ten per cent interest or more.
4. Make serious cuts in the educational programs and balance the budget.
5. Consolidate with a neighboring district.
6. Let the state run our schools.

CURRICULUM CHANGES NECESSARY TO BALANCE BUDGET

<u>ITEM</u>	<u>SAVINGS</u>
1. Eliminate all sports, cheerleaders, and coaches	\$18,000
2. Drop all art instruction	15,000
3. Drop all band	14,000
4. Drop all extra-curricular clubs	1,000
5. Drop participation in D.A.V.C.	19,000
6. Drop all advanced courses in Home Ec, Agriculture, Business, and Industrial Arts. Reduce staff by two full time positions.	30,000
7. Drop all advanced science and math courses. Reduce staff by one.	13,000
8. Drop one-half time English teacher and drop Junior High Reading. Reduce staff by one-half position	6,500
9. Reduce all bus routes.	15,000
10. Drop two teachers at Bond Grade School. This would make the first grade class 28 and the fourth grade class 32.	28,000
11. Drop the Cooperative Education Program to free that teacher for two more periods.	<u>0</u>
Total Savings Possible	\$159,500



AREA TAX RATES1979CHRISTIAN COUNTY

Morrisonville	\$2.46
Taylorville	2.88
Edinburg	2.61
Mt. Auburn	2.79
Stonington	3.25
Pana	2.54
Assumption	2.58

MACON COUNTY

Argenta-Oreana	\$2.97
Maroa-Forsyth	2.96
Mt. Zion	2.96
Macon	3.35
Niantic-Harristown	3.12
Blue Mound	3.09
Warrensburg-Latham	2.99
Decatur	2.64

SHELBY COUNTY

Cowden-Herrick	3.17
Findlay	2.43 +
Moweaqua	3.40
Shelbyville	2.49
Stewardson-Strasburg	3.16
Tower Hill	3.24 ++
Windsor	3.12

OTHERS

Cerro Gordo	2.71
Bethany	2.76
Mt. Pulaski	2.96
Illioopolis	3.05

+ recently passed a referendum which is not included in rate

++ recently passed a bond issue which is not included in rate

POSSIBLE TAX REFERENDUM

Dates: April 7, 1981 or November 3, 1981

Rates: The Board has discussed the following increases:

- Education Fund - \$0.64 per \$100 assessed valuation
- Building Fund - \$0.105 per \$100 assessed valuation
- Transportation Fund - \$0.055 per \$100 assessed valuation
- Total increase - \$0.80 per \$100 assessed valuation

What will be the increased cost to taxpayers?

- \$1,000 assessed valuation equals a tax increase of \$8.00
- \$5,000 assessed valuation equals a tax increase of \$40.00
- \$10,000 assessed valuation equals a tax increase of \$80.00
- \$20,000 assessed valuation equals a tax increase of \$160.00

FARM GROUND TAXATION

The best farm ground in the Assumption district is assessed at \$330 per acre. Average farm ground is \$300 per acre. The poorest farm ground is assessed at \$260 per acre.

- 1 acre @ \$330 per acre = \$2.64 tax increase
- 1 acre @ \$300 per acre = \$2.40 tax increase
- 1 acre @ \$260 per acre = \$2.08 tax increase
  
- 80 acres @ \$330 per acre = \$211 tax increase
- 80 acres @ \$300 per acre = \$192 tax increase
- 80 acres @ \$260 per acre = \$166 tax increase
  
- 160 acres @ \$330 per acre = \$422 tax increase
- 160 acres @ \$300 per acre = \$384 tax increase
- 160 acres @ \$260 per acre = \$332 tax increase

PROJECTED DEFICIT SPENDING IN EDUCATIONAL FUND

	1981-82	1982-83	1983-84	1984-85	1985-86
Increased needs according to our chart	-\$60,000	\$160,000	\$184,000	\$212,000	\$243,000
Increased revenue @ \$30,000,000 and 44.5¢ increase		133,500	133,500	133,500	133,500
<u>Shortage</u>	-\$60,000	-\$86,500	-\$137,000	-\$215,500	-\$325,000
Increased revenue @ \$30,000,000 and 54.5¢ increase		163,500	163,500	163,500	163,500
<u>Shortage</u>	-\$60,000	-\$56,500	-\$76,000	-\$124,500	-\$204,000
Increased revenue @ \$30,000,000 and 64.5¢ increase		193,500	193,500	193,500	193,500
<u>Shortage</u>	-\$60,000	-\$26,500	-\$17,000	-\$36,000	-\$86,000

These estimates do not include 1) built-in tax increases, 2) reduced costs due to declining enrollment, 3) increased corporate taxes, 4) reduced inflation, 5) increased state aid, and 6) insecurity of the \$30,000,000 figure for assessed valuation.

G

CERTIFICATE OF PASSAGE OF RESOLUTION

BOARD OF EDUCATION OF ASSUMPTION COMMUNITY UNIT SCHOOL  
DISTRICT NO. 9, CHRISTIAN AND SHELBY COUNTIES, ILLINOIS

DATE: JANUARY 19, 1981

At a duly constituted meeting of the Board of Education of Assumption Community Unit School District No. 9, Christian and Shelby Counties, Illinois, held on January 19, 1981, the resolution hereto attached was adopted by majority vote.

RESOLUTION CALLING SPECIAL ELECTION

G

WHEREAS, in Community Unit School District No. 9, (Assumption), Christian and Shelby Counties, Illinois, the present maximum tax rate for said School District for the Educational Fund is 1.60% upon all the taxable property of said District at a value as equalized or assessed by the Department of Local Government Affairs, which for the year 1979 was \$27,498.100; and

WHEREAS, said Board of Education now anticipates further program cuts and a deficit of funds in the Educational Fund for the 1981-1982 school year; and

WHEREAS, the Board of Education now deems it necessary and advisable to seek the authority of the voters of this District to increase the levy tax rate annually upon the taxable property in said District at a value as equalized by the Department of Local Government Affairs for the following fund from the following present maximum tax rate to the following proposed maximum tax rate:

<u>Fund</u>	<u>Maximum Present Tax Rate</u>	<u>Maximum Proposed Tax Rate</u>
Education	1.60%	2.10%

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Board of Education of Community Unit School District No. 9 (Assumption), Christian and Shelby Counties, Illinois, as follows:

Section 1: That additional revenues are needed in the Education Fund for the purpose of providing the present services, teaching staff's salaries, and present programs; that said School District must have additional revenue if it is to continue to maintain and improve the present level of service and instruction now offered in this School District.

Section 2: That it be and it is hereby determined that an additional .50% in the levy for the Educational Fund will be of great assistance in meeting the needs of this School District and in the best interests of the School District.



G

Section 3: That for the purpose of submitting the proposition to establish the tax rate limits at 2.10% upon all the taxable property of the District at a value as equalized or assessed by the Department of Local Government Affairs instead of the present maximum rate otherwise applicable to the next taxes to be extended for the Educational Fund, a Special Election should be and is hereby called to be held in and for said School District on Tuesday, the 7th day of April, 1981, and that the polls for such election shall be open from 6:00 o'clock A.M. to 7:00 o'clock P.M. on said date.

Section 4: That for the purpose of said election, the School District shall be divided into election precincts and the boundaries of said election precincts and the polling place designated for each election precinct shall be those election precincts and polling places established by the County Boards of Christian and Shelby Counties, State of Illinois.

Section 5: That notice of said special election be given by the County Clerks of Christian and Shelby Counties, State of Illinois, by publishing notice of such election once in one or more newspapers published in and having a general circulation in said School District, and once respectively in newspapers published in Christian and Shelby Counties, the date of said publications of such notice to be not more than thirty (30) days nor less than ten (10) days prior to the date set for such election.

Section 6: That notice of said special election shall be in substantially the following form:

G

NOTICE OF SPECIAL ELECTION

ASSUMPTION COMMUNITY UNIT SCHOOL DISTRICT NO. 9  
COUNTIES OF CHRISTIAN AND SHELBY  
STATE OF ILLINOIS

NOTICE IS HEREBY GIVEN that a special election has been called and will be held in and for Community Unit School District No. 9, (Assumption), Shelby and Christian Counties, Illinois, on Tuesday, April 7, 1981, at which time there will be submitted to the legal voters of said school the following proposition:

Shall the maximum tax rate for the educational fund of Community Unit School District No. 9 (Assumption), Christian and Shelby Counties, Illinois, be established at 2.10 per cent upon all the taxable property of the District at the value as equalized or assessed by the Department of Local Government Affairs, instead of 1.60 per cent, the maximum rate otherwise applicable to the next taxes to be extended?

This Board of Education estimates that the approximate amount of taxes extendible for educational purposes under the proposed rate is \$577,460.10; and that the approximate amount of taxes extendible for educational purposes under the maximum rate otherwise applicable is \$439,969.60. These amounts are computed upon the last known value of all taxable property of the District as equalized by the Department of Local Government Affairs.

The polls at said election shall be opened at 6:00 o'clock A.M. and will be closed at 7:00 o'clock P.M. on the same day.

Voters must vote at the polling place designated for the election precinct within which they reside.

By order of the County Clerk of \_\_\_\_\_ County, State of Illinois.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 1981.

G

Section 7: That it is hereby estimated that the approximate amount of taxes extendible for educational purposes under the proposed rate is \$577,460.10; and that the approximate amount of taxes extendible for educational purposes under the existing rate is \$439,969.60. Such amounts are calculated upon the last known value of all taxable property of the District as equalized or assessed by the Department of Local Government Affairs in the sum of \$27,498,100.

Section 8: That the ballots to be used at said special election shall be in substantially the following form for the proposition:

(Face of Ballot)

OFFICIAL BALLOT

(Instructions to Voters: Mark a cross in the space opposite the word indicating the way you desire to vote)

Shall the maximum tax rate for the Educational Fund of Community Unit School District No. 9 (Assumption) Christian and Shelby County, Illinois, be established at 2.10 per cent upon all the taxable property of the District at the value as equalized or assessed by the Department of Local Government Affairs, instead of 1.60 per cent, the maximum rate otherwise applicable to the next taxes to be extended?

YES	
NO	

(On the back of the ballot shall appear the following)

OFFICIAL BALLOT

Community Unit School District No. 9 (Assumption), Christian and Shelby Counties, Illinois

Ballot for proposition: Shall the maximum tax rate for the Educational Fund of Community Unit School District No. 9 (Assumption), Christian and Shelby Counties, Illinois, be established at 2.10 per cent upon all the taxable property of the District at the value as equalized or assessed by the Department of Local Government Affairs, instead of 1.60 per cent, the maximum rate otherwise applicable to the next taxes to be extended?

Special Election Date: TUESDAY, APRIL 7, 1981

Precinct No. \_\_\_\_\_, \_\_\_\_\_ County, State of Illinois

G

Section 9: That for said election those persons selected by the County boards of Christian and Shelby Counties shall serve as judges of election in each election precinct, and they are hereby appointed to act as judges of election for said election.

Section 10: That not less than fifty-five (55) days prior to April 7, 1981, the Secretary of the Board of Education shall certify to the County Clerks of Christian and Shelby Counties, State of Illinois, the public question set forth herein to be voted upon at said election.

Section 11: That said election shall be held and conducted and the returns thereof duly canvassed, all in the manner and the time as provided by law.

Section 12: That all resolutions and parts of resolutions in conflict herewith be and the same are hereby repealed, and this resolution shall be in full force and effect forthwith upon its passage.

Section 13: A motion to approve and adopt the foregoing resolution was made by member Ronald Sloan, seconded by member Robert DeBrun, and following discussion was approved and adopted by the Board of Education by the following roll call vote and thereupon the President declared the motion carried and the resolution adopted and approved and directed the Secretary to record the same in full in the minutes of the meeting, which was done:

Results of Roll Call vote:

Name of Board Member	Vote	
	<u>Aye</u>	<u>Nay</u>
James Bugg voted	<u>X</u>	<u>          </u>
Leon Corzine voted	<u>X</u>	<u>          </u>
Robert DeBrun voted	<u>X</u>	<u>          </u>
Richard Francisco voted	<u>X</u>	<u>          </u>
George Hiler voted	<u>X</u>	<u>          </u>
Ronald Sloan voted	<u>X</u>	<u>          </u>
Kenneth Workman voted	<u>X</u>	<u>          </u>

Other business not pertinent to the adoption of the above resolution was transacted at the meeting and thereafter, upon motion duly made, seconded and



G

I, the undersigned, hereby certify that the foregoing is a true copy of the resolutions adopted by majority vote by the Board of Education of Assumption Community Unit School District No. 9, Christian and Shelby Counties, Illinois, held on the aforementioned date and entered upon the regular minute book of said Board of Education and now in full force and effect, and that the Board of Education of Assumption Community Unit School District No. 9, Christian and Shelby Counties, Illinois, has, and at the time of the adoption of the said resolutions had, full power and lawful authority to adopt the said resolutions and to confer the powers thereby granted to the officers therein named, who have full power and lawful authority to exercise the same.

*James E. Bugg*  
\_\_\_\_\_  
JAMES BUGG, Secretary

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF CHRISTIAN        )

On this 19th day of January, 1981, in the County of Christian, before me, a Notary Public, duly commissioned and qualified, in and for the State and County aforesaid, personally came JAMES BUGG, personally known to be, and known to me to be the same person described in and who executed the foregoing certificate, and acknowledged to me that he executed the foregoing certificate; and being by me duly sworn, did depose and say that he is the Secretary of the Board of Education of Assumption Community Unit School District No. 9, Christian and Shelby Counties, Illinois; that as such Secretary he keeps the corporate minute books and records of said Board of Education, and that the foregoing certificate is true to his own knowledge.

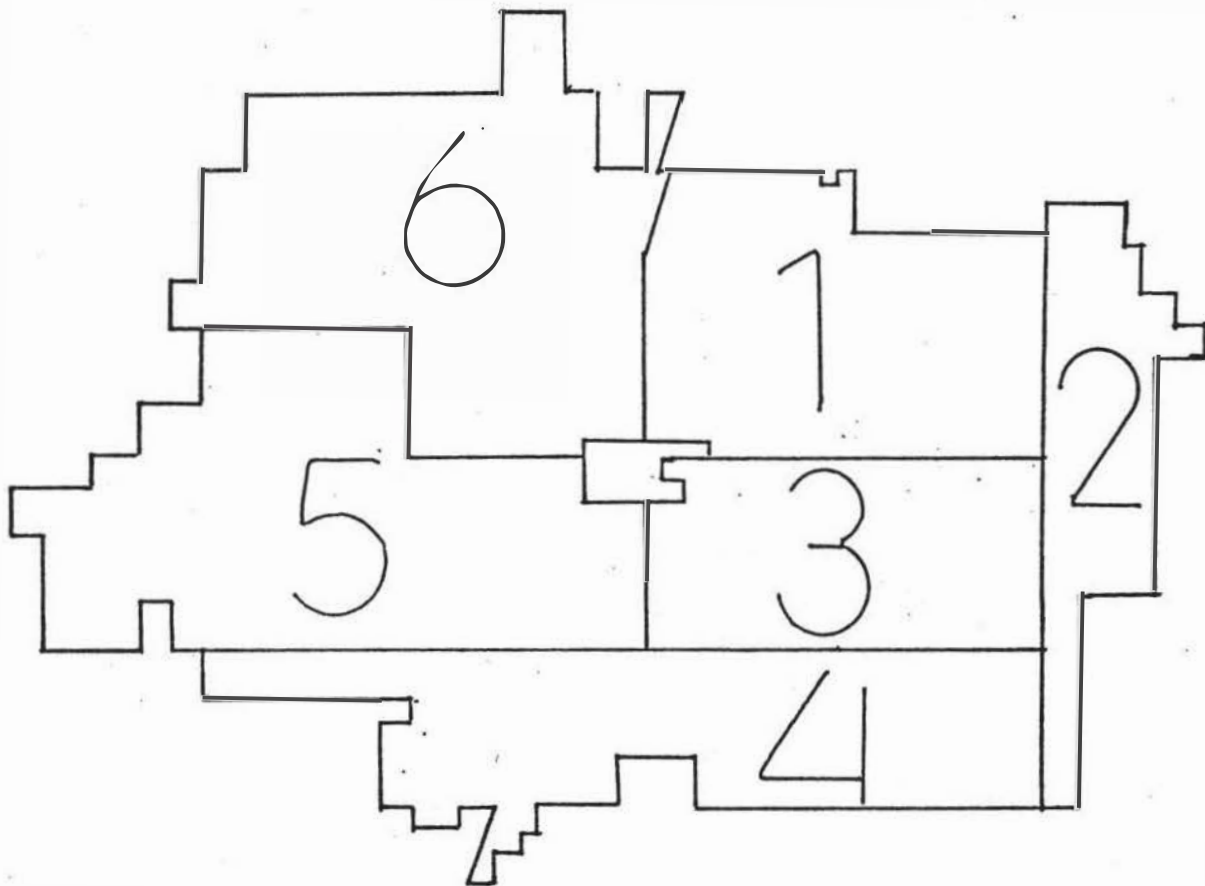
Subscribed and sworn to before me this 19th day of January, 1981.

*Robert J. Fisher*  
\_\_\_\_\_  
Notary Public



H

ASSUMPTION SCHOOL DISTRICT



COUNTRY AREAS

- 1 - Cutler
- 2 - Warnick, Bodden
- 3 - Opitz, White, Throneburg

- 4 - Dahnke, Himes
- 5 - Corzine, Brix
- 6 - Bilyeu, Hutchens

1a

Estimated Educational Fund Receipts 1981-82

Taxes - Real Estate	\$400,000
State Aid	77,000
Corporate Taxes	22,000
Orphans' Tuition	25,000
Driver Education	2,000
Special Education Programs	160,000
Title Programs	50,000
Interest on Investments	10,000
Athletic Gate Receipts	6,000
Textbook Rentals	7,000
Lunches	50,000
Vocational Reimbursement	5,000
Misc.	<u>7,000</u>
Total	\$821,000

---

Estimated Balance on Hand 6/30/81	\$ 34,000
Working Cash Fund Transfer (2 years)	<u>30,000</u>
Total Available Cash for 1981-82	\$885,000

---

Estimated Expenses in the Educational Fund 1981-82

1980-81 budget level	\$990,000
Cost of salary increments for staff	<u>15,000</u>
Total Estimated Expenses for 1981-82	\$1,005,000
Program Cuts Adopted in December	- 60,000
Estimated Deficit in Educational Fund at the end of 1981-82 school year.	60,000

1/b

EDUCATION FUND

ASSESSED VALUATIONS AND RESULTING DOLLARS PRODUCED 1972-1980

<u>year</u>	<u>assessed valuation</u>	<u>dollars generated</u>	<u>tax rate</u>
1972	\$22,719,655	\$363,513	\$1.60
1973	22,995,915	367,934	1.60
1974	23,167,482	370,678	1.60
1975	23,899,509	382,392	1.60
1976	30,061,286	440,999	1.47
1977	29,395,828	470,332	1.60
1978	30,454,919	487,278	1.60
1979	27,498,100	439,969	1.60
1980	24,832,500	397,320 (est)	1.60

U.S. DEPT. of LABOR

ANNUAL INFLATION RATES

1975-1976	9.1%
1976-1977	5.8%
1977-1978	6.5%
1978-1979	7.7%
1979-1980	11.3%
1980-1981	12.6%

Average inflation rate for the last six years - 8.83%

Average inflation rate for the last three years - 10.53%

1c

ALL FUNDS

Area Tax Rates

<u>district</u>	<u>rate/\$100 (total)</u>	<u>bonds</u>	<u>referendum status</u>
Tower Hill	\$4.04	\$.83	yes
Moweaqua	3.40	--	yes
Macon	3.35	.16	no
Stonington	3.25	.27	yes
Cowden-Herrick	3.17	.09	no
Stewardson-Strasburg	3.16	.24	yes
Windsor	3.12	.19	yes
Niantic-Harristown	3.12	.26	no
Blue Mound-Boody	3.09	.23	yes
Illioopolis	3.05	.30	no
Warrensburg-Latham	2.99	.13	yes
Findlay	2.98	.23	yes
Argenta-Oreana	2.97	--	no
Mt. Pulaski	2.96	.12	yes
Mt. Zion	2.96	--	failed 1981
Maroa-Forsyth	2.96	--	yes
Taylorville	2.88	.21	yes
Mt. Auburn	2.79	--	yes
Bethany	2.76	.30	failed 1980
Cerro Gordo	2.71	--	yes
Decatur	2.64	.25	no
Edinburg	2.61	.34	failed 1980
ASSUMPTION	2.58	.35	trying 1981
Pana	2.54	.14	failed several
Shelbyville	2.49	--	no
Morrisonville	2.46	--	no

The rate column represents the total operating rate per \$100 assessed valuation.

The bonds column represents the amount of the total which is for retiring building, working cash, or life-safety bonds.

The referendum column indicates whether the district has tried or is going to try for a referendum within the last two years or this year.

ld

### ACTIONS TAKEN BY THE BOARD AT THIS TIME

1. The Board has made cuts in some areas. These include kitchen and janitorial services, reduction in the teaching staff by one and one-half positions, and cutting all supply budgets by 50% for next year.
2. The Board has considered more extensive cuts which would affect the educational programs, but decided to wait until the public has an opportunity to understand the situation.
3. The Board has set an Educational Fund levy for 1981-82 of \$525,000. This would be sufficient to maintain our programs. However, our estimated assessed valuation cannot produce this much revenue. We expect to get about \$400,000. This will result in overspending by about \$138,000 next year.
4. The Board Finance Committee has been studying this problem for several months, searching for answers and solutions.

### WHAT CAN BE DONE TO SOLVE THE PROBLEM

1. Pass a referendum to increase the tax rates in the education, building, and transportation funds.
2. Run the district in the red until the legal limit is reached. Tax anticipation warrants could be issued for as much as \$600,000. Eight per cent interest would have to be paid on this money.
3. Pay off all deficits by issuance of working cash bonds. These sell to the lowest bidder on the interest rate which must be paid by the district. This type of bond sale has been drawing bids at around ten per cent interest or more.
4. Make serious cuts in the educational programs and balance the budget.
5. Consolidate with a neighboring district.
6. Let the state run our schools.

1e

CURRICULUM CHANGES NECESSARY TO BALANCE BUDGET

<u>ITEM</u>	<u>SAVINGS</u>
1. Eliminate all sports, cheerleaders, and coaches	\$18,000
2. Drop all art instruction	15,000
3. Drop all band	14,000
4. Drop all extra-curricular clubs	1,000
5. Drop participation in D.A.V.C.	19,000
6. Drop all advanced courses in Home Ec, Agriculture, Business, and Industrial Arts. Reduce staff by two full time positions.	30,000
7. Drop all advanced science and math courses. Reduce staff by one.	13,000
8. Drop one-half time English teacher and drop Junior High Reading. Reduce staff by one-half position	6,500
9. Reduce all bus routes.	15,000
10. Drop two teachers at Bond Grade School. This would make the first grade class 28 and the fourth grade class 32.	28,000
11. Drop the Cooperative Education Program to free that teacher for two more periods.	<u>0</u>
Total Savings Possible	\$159,500



TAX REFERENDUM

APRIL 7, 1981

1 f

The Assumption Community Unit District #9 Board of Education has resolved to ask the voters in this district to pass an increase in the tax rate in the Education Fund.

The Board is calling for an increase of \$0.50 per \$100 assessed valuation.

WHAT WOULD BE THE INCREASED COST TO TAXPAYERS?

- If your assessed valuation is \$ 1,000, your taxes increase \$5.
- If your assessed valuation is \$ 5,000, your taxes increase \$25.
- If your assessed valuation is \$10,000, your taxes increase \$50.
- If your assessed valuation is \$20,000, your taxes increase \$100.

FARM GROUND TAXATION

The best farm ground in the Assumption School District will be assessed at about \$330 per acre. Average farm ground will be assessed at about \$300 per acre. The poorest farm ground will be assessed at about \$260 per acre.

- 1 acre @ \$330 = \$1.65 tax increase
- 1 acre @ \$300 = \$1.50 tax increase
- 1 acre @ \$260 = \$1.30 tax increase
  
- 80 acres @ \$330 = \$132 tax increase
- 80 acres @ \$300 = \$120 tax increase
- 80 acres @ \$260 = \$104 tax increase
  
- 160 acres @ \$330 = \$264 tax increase
- 160 acres @ \$300 = \$240 tax increase
- 160 acres @ \$260 = \$208 tax increase

To find out what your assessed valuation is call your county Supervisor of Assessments.

Shelby County - Linda Cook - 774-5579

Christian County - Ron Finley - 824-5900

J

V

O

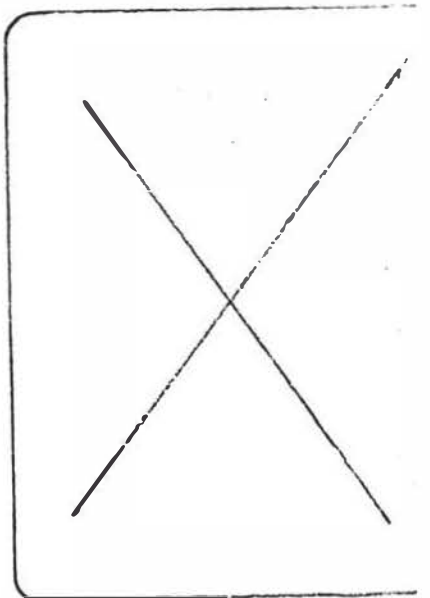
T

E

Y

E

S



FOR

SCHOOLS