

January 25, 2023

Hello Bulldog Country. It seems like the third quarter just started yet midterm is only a week away. This third quarter update touches on a couple of significant topics that are very important to our school community. I apologize in advance for the long correspondence. There is lots of information to share and being transparent is important to me.

We were notified this week by the Capital Development Board that our early childhood construction grant was not funded. While I was naturally disappointed with this news, I cannot say it surprised me as we are not considered a 'needy' district despite being underfunded by about \$800,000 in FY22. Where funding is concerned, a Percent of Adequacy rating is given to every school district in Illinois. Our Percent of Adequacy as noted on the 2021-22 Illinois School Report Card is 71%. In a nutshell, that number depicts our school funding at 71% of what it should be. As the challenges we face in education increase, school funding is not. I am sure you can imagine that being inadequately funded by 29% makes for a very tight budget.

Now that we know we were not awarded the Early Childhood Construction Grant, what next? We shift to Plan B which is a 2 phase approach. Phase 1 will include the addition of 2 classrooms. The classrooms are needed in order to accommodate the increase in enrollment we are experiencing due to community growth. At the February board meeting, we anticipate reviewing and approving bid document revisions, so that we can move forward with securing bids for the classrooms. The hope is that construction of the classrooms will start immediately after the conclusion of the 2022-23 school year.

While Phase 1 is in progress, we will continue to look for ways to close the funding gap for Phase 2, the gym project. Right now, that gap stands at approximately \$600,000 which is a rather significant amount of money. You might be wondering what options are available to us. There is a short list of possibilities.

Our first funding option comes in the form of what is called the County School Facilities Sales Tax. What is the County School Facilities Sales Tax? The County School Facilities Sales Tax is a 1% sales tax on everything in the municipal and county sales tax base EXCEPT for cars, trucks, ATVs, boats, RVs, mobile homes, unprepared food, drugs (including over-the-counter and vitamins), farm equipment and parts, farm inputs, and services. If it is not currently taxed, it would not be taxed.

This tax would apply to only purchases made in Clinton County. Real world examples include:

- Get a haircut = no increase
- Purchase \$40.00 in medicine = no increase
- Purchase \$100.00 of grocery food = no increase

- Purchase a \$25,000 car/truck = no increase
- Purchase a \$75,000 tractor = no increase
- Purchase \$7.00 of fast food = 7 ¢ increase
- Purchase a \$70.00 pair of shoes = 70 ¢ increase
- Purchase a \$450.00 TV = \$4.50 increase

How does the sales tax work? The money collected through this tax is distributed monthly by the Regional Office of Education to schools with students that live in Clinton County. The amount each school receives is per pupil based on enrollment. Based on 2021 sales figures, the 1% Sales Tax would have generated \$4.7 million total for Clinton County schools which equates to about \$910 per student. Germantown would have received approximately \$182,777.

Why would Germantown residents consider voting ‘yes’ for a tax when we feel we are already overburdened with taxes as residents of Illinois? Initially, we would use the funding generated by this tax to close the funding gap for the gym. Once the gap is filled, and we are able to proceed with the project, we would allocate the funds to 2 initiatives: paying off bonds which would lower the district’s tax rate for our taxpayers and saving money for future building and grounds projects thus limiting the need to borrow money at the taxpayers’ expense. While initially it would not lower the GES #60 tax rate, once the funding gap for the gym project is filled, it would. What might that tax savings look like? For taxes payable in 2022, the district levied \$144,901.44 for our bond payment. Making this payment using funds generated through the County School Facilities Sales Tax instead of having to levy for it, would have lowered the school’s tax rate by 32 cents. This equates to:

- a \$91 Savings for \$100,000 Home
- a \$136 Savings for \$150,000 Home
- a \$181 Savings for \$200,000 Home
- a \$226 Savings for a \$250,000 Home

While the Germantown Elementary School tax rate would not decrease at the onset of this tax going into effect, Central High School has pledged to allocate their funds to paying off bond debt which would lower their school tax rate by a dime. This would positively impact all Clinton County taxpayers.

Some additional points to ponder include:

- Centralia Walmart is in Clinton County, so our schools would benefit from purchases

made at that location by customers that are largely not from Clinton County.

- 1.5 to 2.5 million people visit Carlyle every year with a large draw being people from outside of Clinton County visiting the lake. Income generated from the purchases made by these visitors would benefit our school.
- Do you know someone that owns a local business? You might be surprised to find out the percentage of their business that comes from outside of Clinton County. Purchases made in Clinton County by people not from Clinton County would help to fund facility improvements at our school.
- Over 50% of Illinois counties already charge this tax. If you are making purchases in other counties, there is a good chance you are already paying this tax and don't even realize it.

Did you know? As reflected on the most recent data posted to the ISBE website from FY 21, out of 851 school districts statewide:

- The average operational expense per pupil per district was \$14,786.33.
- The GES #60 operational expense per pupil was \$7,771.78.
- GES had the 3rd lowest operational expense per pupil out of 851 school districts.

This indicates we are a fiscally responsible school district providing a quality education to the community children despite being grossly underfunded. We simply do not have the financial resources to close the funding gap for the gym project without seeking out alternative streams of revenue.

As a taxpayer myself, I look at it as we can 'Carry the Burden or Share the Burden'. Just like our homes, schools will always have repairs, maintenance, and upgrades that need to be made only on a much larger scale. At GES, our FY23 budgeted Building Fund revenue is \$131,997 while our budgeted Building Fund expenses are \$130,228. That leaves us a balance of \$1,769. Assuming we are able to finish the fiscal year with a balanced budget in the Building Fund, a savings of \$1,769 pales in comparison to the \$600,000 funding gap we need to fill.

Due to limited funding, the only way to fund large scale projects is to borrow the money at the taxpayers' expense. Now, the community taxpayers carry the entire burden. With approval of the County School Facilities Sales Tax we would share the burden with people who live outside of Clinton County but make purchases in Clinton County.

Schools are the center of a community and play a vital role in the lives of students and families.

They provide a place for children to learn and grow, and they also serve as a gathering place for people to come together and connect with one another. The school is a hub of activity and serves as a source of pride and unity. It's more than just wearing the school colors at sporting events and showing Bulldog PRIDE. A successful school district can put a community on the map, and serve as a destination for families looking to put their students in a grade-A educational system. The Germantown Board of Education voted to place the County Schools Sales Tax issue on the April 4 ballot, so our community members could have a voice in deciding whether they support this funding source for our school and community. If you are interested and willing to serve on a committee on behalf of GES #60 to help educate the school community about the County School Facilities Sales Tax, please reach out to me at rbecker@ges60.org or (618)830-5209.

Enough about the County School Facilities Sales Tax. What are the other options for closing the funding gap for the gym project?

- Applying for future construction grants that are released
- Borrowing more money years from now after we pay off some of our current debt
- A generous donor(s)

While our options for closing the funding gap are limited, I am grateful that we at least have options.

I know this is a lot of information to digest at one time, and to someone that is not in the business of education, it may be hard to wrap your head around it. Feel free to reach out to me at rbecker@ges60.org or call/text me at (618)830-5209. We can schedule a time to talk about this in person. My goal is to simply educate our school community so that when going to the polls on April 4, every vote is made with a solid understanding of what the vote is asking and how it would impact our school and the families it serves.

Thank you for your continued support of everything Bulldog related. Together we are better.

With Bulldog pride ❤️

Robin