

Lakota Community Conversation

School District Finances

November 25, 2019

Financial overview (Jenni Logan):

The district is fiscally responsible.

For seven consecutive years we've had a balanced Budget with a surplus.

The end-of-year cash balance was over seven months.

Our Moody's rating is aa1, and our Standard & Poor's rating is aa+.

The state auditor has given us a clean audit award five consecutive years.

The majority of the money to operate schools comes from local sources – real estate taxes.

67 percent of the money is local, and 33 percent comes from state sources.

We are predicting 1.2 percent revenue growth.

Where do we spend our money? The majority of the cost is wages and benefits. We are projecting 3.5 percent in annual expense growth.

What did you hear in the brief financial overview?

Overall it sounds like we're doing well, but could be in danger in four to five years.

We're going to be spending more than we're taking in, every year, more and more.

We have ample cash reserves, and at some point people will question why we're holding more than average and why we're not investing more in our students.

Districts like Mason and Sycamore are on the recommended list for transferees.

If we want to be a destination district, the finances affect that.

Around 2009, we began to see a change. Lakota had always been on the list. Districts around us are on that list, so it's not a geographic thing. It's a missed opportunity.

When looking at the differences between school districts, Lakota is presented as a good deal.

As a parent I'm also saying are you comparing apples to apples.

I moved here not knowing there was no high school transportation. I'm seriously considering moving out because of it.

Now there's pay to play. When I was a kid we didn't have to do that. I'm not sure I would have picked Lakota, knowing what I know

There was some surprise at our table about the difference in cost per student in different districts. We were just surprised there's that much of a difference.

How long is the average PILOT payment? (30 years).

Union Centre Blvd. area is a TIFF district, for 30 years. The revenue goes into a TIFF fund. We have an agreement with the township how much the schools get. The Union Centre Blvd. TIFF is one TIFF where we get none.

I find it interesting that Lakota has very little power in getting some of that money. It's a missed opportunity for Lakota.

The ROI – what is it that we are measuring as a district? What is the ROI and what does that really translate to as a district, up against the vision of the school board?

It could be the number of students graduating, or the number going to college.

At our table there are people who don't have someone in the schools. But they want good schools but also are looking for a good community. More walkability would be good. It was low even back in the 90s.

We need to come up with some way to measure how effectively we're spending money for education.

Sycamore – what are they getting more for the extra money they spend? What are we not doing today that we should be doing in the future?

A lot of people talking to us about using college credit plus, but the money comes out of district budget. As that becomes more popular, how does that play into funding?

The whole topic of school choice is one big conversation. Students are taking courses online, there's charter schools, scholarships for special needs students, EdChoice scholarships...the whole topic around choice is the expense to the school district.

The percentage growth on choice has been much bigger than everything else. We're projected five percent, but it's been 10 percent at times.

What is your biggest concern related to district finances? What requests could you make of the district to alleviate that fear?

That they take away busing before my kid gets to freshman.

Services that are available now that may not be available in the future.

We nickel and dime ourselves and don't end up with competitive graduates.

Going backward. We lived through that period when we couldn't pass a levy, and then the rebuilding of it all back up. We don't want to go through all that again.

Part of my fear is we're doing so well right now, and the community not understanding what we're up against.

What the kids come to school with. How do we get the community to understand and support that?

Teachers are really stressed out about kids being stressed out.

Kids have the ability to talk more about it. There's more talk, which is good.

The community doesn't understand student-focused improvements.

Especially the 70 percent that don't have students in the schools.

I think that there's this perception that it's spend spend spend and that the kids are getting all sorts of extras.

Specials, all-day kindergarten, one-on-one computing....they're not extras. Where the money has gone is just catching us up.

The reality is we're getting back to a basic level.

We should stop calling them specials. It sends a message that it's some kind of a bonus.

Does the school district have a program to talk to parents about taking more responsibility? What can parents do more of, working with schools to get their kids educated?

I'm worried about what happens in the next economic downturn, with P&G and GE. Have you done risk assessment scenarios? Show us some pragmatism. Show us the thoughts going through your brain as you're making decisions.

What are our risks? An economic downturn is one. There are others. How much cash should we have set aside for the risks?

What's the process now for how decisions are made, and who's included in those decisions?

Busing – people felt that was like a punishment because the levy didn't pass. How do you help heal that space? It's a core reason why people are saying, "Why aren't you spending the money?"