
BARRINGTON ENLIGHTENED TAXPAYERS ASSOCIATION (BETA)

P.O. Box 1522 • Barrington, Illinois 60011

April 2011

www.betaonline.us

School Board Election April 5, 2011

On April 5, 2011, three candidates will be elected to four-year terms on the seven member District 220 Board of Education.

Five candidates are seeking the three seats. Four of the five will appear on the ballot by name: **Tom Antoine** (construction manager and real estate attorney), **Brian Battle** (current Board President, and the only incumbent candidate), **Richard Burkhart** (retired Oracle Corp. executive) and **Joseph Ruffolo** (Leyden Township District 212 Teacher). The fifth candidate, **Jim Mayer** (commodities trader), is running as a write-in candidate.

As a taxpayer in District 220 your vote is important in determining the future direction of the District.

Barrington Enlightened Taxpayers Association has closely followed the decisions made by the Board of Education over many years. The past five years and the next five years are of particular interest regarding this next election.

Summary of the Issues

Again the District is in the midst of a massive effort to identify cost reductions, excluding the costs of the collective bargaining agreement with the teachers, because there would otherwise be a budget deficit for next year.

The long term Projection shows



increasingly larger budget deficits for each year through 2016, the last year in the Projection. As a consequence, if the deficits are not eliminated the current \$42 million "fund balance" declines to \$17.6 million at the end of 2016, well below the minimum level called for in the Board's Fund Balance Policy. This Policy was first adopted in 2004 to help ensure a sound financial position and a strong bond rating.

Costs continue to grow at a faster rate than revenues. This is not a sustainable economic model for District 220. BETA believes that the cost growth can not be managed by limiting the cost reduction efforts to costs other than the teachers' contract.

As described in detail later in this letter, the current and the prior teachers' contracts are significant drivers of the cost growth rate.

As you evaluate which candidates you will vote for, ask each candidate for their assessment of the looming deficits and what they would do as responsible members of the Board of Education to eliminate the deficits. Ask yourself if you are satisfied with the

performance of the current Board in this regard.

Current Situation

The Board of Education is in the midst of preparing the Budget for the next fiscal year. Based on the most recent Projection, the Board has announced that the costs in the 2012 preliminary budget must be reduced in order to have a balanced budget. Because the salary and related benefit costs for teachers are covered by a collective bargaining agreement, those costs have not been part of the cost reduction effort. Such costs account for approximately 56% of the annual total costs in the Education Fund. The cost reduction target is in the \$2 million range (less than 2% of total projected costs for all District Funds for 2012).

In order to achieve the targeted cost reduction, a massive effort to identify specific reductions has been underway for months with a March 15 deadline for finalization. The timing of the deadline has to do with the need to give timely notice to staff of possible layoffs.

Time has been devoted at school board meetings for public comment, most of which has come from district employees, parents and students. Significant work has been done by district staff in identifying potential cuts and implications.

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VOTE
APRIL
5th

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The Projection shows increasingly larger budget deficits for each year through 2016, the last year in the Projection. As a consequence, the current \$42 million "fund balance" declines to \$26.5 million at the end of 2015 and \$17.6 million at the end of 2016. In each case, the balance is below the range set by the Board in the Fund Balance Policy first adopted in 2004. The Policy specifies a Fund Balance of not less than 25% of annual revenue and not more than 40% of such revenue. If the balance falls below 25%, annual surpluses are to be budgeted until the minimum balance is achieved.

Recent Teachers' Contract History

On November 3, 2009 the Board announced that agreement was reached on a new three-year contract with the teachers. As discussed in the BETA January 2010 newsletter, the contract terms were a significant disappointment. In January 2009 BETA initiated a taxpayer awareness campaign and a dialogue with the Board and District Administration regarding the then impending negotiation of a new teachers' contract. The purpose of the initiative was to encourage taxpayer input and make certain the

Board was informed of the views of taxpayers prior to commencement of negotiations. Concerns expressed by BETA included:

- The new contract should freeze compensation in light of the economic conditions
- The significant deterioration of the economy, job loss, wage cuts, declining property values
- The then current teachers' contract running through August 2009 provided raises ranging from over 6% to almost 10% per year over three years

The new contract provides the following average salary increases based on all positions in the salary grid:

- Year 1 – 4.8%, with a range of 3.5% to 5.6% (last school year)
- Year 2 – 6.5%, with a range of 5.3% to 7.4% (this school year)
- Year 3 – 5.3%, with a range of 4.0% to 6.1% (next school year)

Looking at the combined impact of the current and prior contracts:

- A teacher who was in Masters Degree lane, Step 4 (three years of experience) in the last year of the prior contract would receive an aggregate 15.4% increase

over the three years of the new contract.

- A teacher who was in Masters Degree lane plus 30 hours, Step 10 (nine years of experience) in the last year of the prior contract would receive an aggregate 18.4% increase over the three years of the new contract.
- A teacher who was in Masters Degree lane plus 45 hours, Step 14 (thirteen years of experience) in the last year of the prior contract would receive an aggregate 19.5% increase over the three years of the new contract. That same teacher would have been in Step 12 in year 1 of the prior contract and the increase from that point to the end of the new contract would be 41.8%, over five years.

The District 220 documents referred to herein are available on the 220 website (barrington220.org). Calculations used herein were made based on such documents.

