

News Release

School Board Directs Attorney to Negotiate Sale of Route 12 Property; Board, PMA Lay Groundwork for November 12th Presentation of Updated Financial Projections

INGLESIDE, IL – October 25, 2007 – The Big Hollow School Board has directed its attorney to attempt to negotiate with a private developer on a contract for the sale of the Route 12 property.

“Because negotiations are ongoing, no further details are available at this time,” explained School Board spokesperson Jan Carsella.

The primary business of the October 22nd meeting, however, was a Board work-study session with public finance firm PMA. During that session, the Board and PMA representatives reviewed all of the assumptions that went into the tentative financial projections presented on September 17. After explanation and discussion, the Board and PMA established the assumptions that will be used to generate updated five-year financial projections that PMA will present at a special Board meeting on November 12.

The Board and PMA agreed to revise several critical assumptions, including:

- **Enrollment growth.** After further deliberation, the Board and PMA decided to use “slow-growth” enrollment projections through 2009 and “moderate-growth” numbers through 2012. All enrollment projections come from professional demographer John Kasarda.
- **Revenue growth.** The Board and PMA decided this should mirror enrollment growth, with a corresponding slowdown in growth through 2009 and moderate growth thereafter.
- **Change in existing EAV (equalized assessed valuation).** Since EAV growth is related to the vibrancy of the housing market, the Board and PMA agreed to assume a 5.5% increase for 2007. (The 2007 figure reflects market conditions in 2006, and so on.) The assumption changes to 4.5% per year in 2008 and 2009 with a rebound to 5% thereafter.

- **Staffing.** The Board and PMA agreed to assume continuation of the current hiring freeze and educational-programming cuts. (Special-education teachers will increase as a function of enrollment.) On November 12, the Board will ask PMA to incorporate various scenarios, such as implementation of class-size targets and reinstatement of educational programming, into the updated projections.
- **GSA (general state aid).** The Board and PMA agreed to proceed with the assumption that the pending \$399 per-student, per-year increase will indeed occur and that the State will continue to increase GSA yearly, but less substantially than this year's expected boost.

In other business, the Board approved minimal pay raises for noncertified staff. "We value our staff members immensely and appreciate the hard work they do for our children, so this was a very difficult decision for us to make," noted Carsella. "However, given the financial situation that our District is in, now more than ever the community expects us to be, and we must be, as fiscally responsible as we can."

The Board encourages community attendance and participation in its upcoming meetings. Here is the Board's calendar for November:

- **Monday, November 12:** PMA will present updated five-year financial projections using revised assumptions. The Board will ask PMA to run various scenarios to assess financial impact. (7 p.m., Middle School multipurpose room)
- **Monday, November 19:** The Board will decide the specific referendum question it will pose to Big Hollow voters. (7 p.m., Middle School multipurpose room, preceded at 6:30 p.m. by public hearing on proposed levy for 2008-09 school year)