



Business Community Perceptions of SPS 186

FINAL REPORT | MAY 2016

*A survey measuring business community perceptions of
Springfield Public Schools, and the validity of the
identified perceptions.*

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Chamber Task Force Members

- Sheryl Daugherty, Arizona Tile Company
- Dan Dungan, Springfield Electric Supply Company
- John Eck, Jr., R.W. Troxell & Company
- Butch Elzea, Retired businessman and community volunteer
- Pamela Frazier, All In One On-Site Wash & Detail
- Tom Fitch, Harold O'Shea Builders
- Mitch Johnson, Memorial Health System
- John McCarthy, The Horace Mann Companies
- Dave Olejniczak, HSHS St. John's Hospital
- Janette Peak, PJP Auto Enterprises
- Satch Pecori, Hanson Professional Services Inc.
- Sarah Phalen, Illinois National Bank
- Tim Rowles, The Springfield Project
- Mark Selvaggio, Selvaggio Ornamental & Structural Steel, Inc.
- Jim Sullivan, Design Ideas
- Jay York, Springfield Clinic, LLP
- Chris Hembrough, The Greater Springfield Chamber of Commerce

Q5 Strategic Leadership Council

- Michael Aiello, R.W. Troxell & Company
- R. Lee Allen, Brandt Consolidated, Inc.
- Micah Bartlett, Town and Country Financial Corporation
- Greg Birky, Illini Bank
- Mark Birtch, Mid-West Family Broadcasting
- Jim Britton, Express Employment Professionals
- Arthur “Hy” Bunn, Bunn-O-Matic Corporation
- Edgar Curtis, Memorial Health System
- Daniel Dungan, Springfield Electric Supply Company
- Jon Erickson, Marine Bank
- Tom Fitch, Harold O'Shea Builders
- Tom Gihl, Illinois National Bank
- Jennifer Gill, Springfield Public School District 186
- Craig Gilson, Ameren Illinois
- Mark Hanna, Springfield Airport Authority
- Andrew Hartman, JPMorgan Chase Bank N.A.
- Gregg Humphrey, Springfield Metro Sanitary District
- Geoff Isringhausen, Isringhausen Imports
- John Kelker, United Way of Central Illinois, Inc.
- Susan Koch, University of Illinois Springfield
- Jerry Kruse, SIU School of Medicine
- James Langfelder, Mayor, City of Springfield
- Charles Lucore, HSHS St. John's Hospital
- Tom Marantz, Bank of Springfield
- John McCarthy, The Horace Mann Companies
- Jim McLean, Blue Cross Blue Shield
- Daniel Meckes, Crawford, Murphy & Tilly, Inc.
- Dennis Minick, International Union of Operating Engineers, Local 965
- Robert Mizeur, Hickory Point Bank & Trust
- Chuck Nordyke, Vibra Hospital of Springfield
- Brian Oaks, Prairie Capital Convention Center
- Mike Parejko, Central Illinois Community Blood Center
- Sergio Pecori, Hanson Professional Services Inc.
- Timothy Rowles, The Springfield Project
- Daniel Sale, Capital Area REALTORS
- Timothy Smith, Evan Lloyd Associates, Inc. Architects
- Chris Smith, H.D. Smith
- Frank Squires, Springfield Mass Transit District
- Douglas Stewart, PNC Bank
- Greg Thornton, American General Life Companies
- Andy Van Meter, Chairman, Sangamon County
- Charlotte Warren, Lincoln Land Community College
- Jay York, Springfield Clinic, LLP

EXECUTIVE SUMMARY

Public education systems are an important topic of conversation in communities all over the country – one that sparks a wide range of opinions, perceptions, myths, and facts. In 2015, at the request of Springfield Public Schools Superintendent Jennifer Gill, the Greater Springfield Chamber of Commerce sought to measure perceptions of SPS in the business community – and then, to explore the validity of those perceptions.

Origins of the Survey

The school system and the business community have a vested interest in each other's success. Schools benefit from community partnerships, and today's students become tomorrow's pipeline of local workforce talent. Existing and prospective businesses need a strong community in order to recruit and retain employees – and a strong school system is the backbone. Recognition of the strong connection between education and economy has been one of the five key pillars (Workforce Development) of The Chamber's Q5 economic development initiative since its inception. For these reasons, when Superintendent Gill asked for The Chamber's assistance in surveying one of its key constituencies, the business community, about perceptions and attitudes around K-12 public education, The Chamber was supportive. Until this survey, there had been no formal mechanism to gather information at a broad, communitywide level. With approval from The Chamber's Q5 Strategic Leadership Council, The Chamber allocated funds from the Q5 initiative to hire a professional market research firm, [Hanover Research](#), to conduct the survey.

Additionally, The Chamber asked the Capital Area REALTORS to survey its membership about school-related factors that enter a consumer's thought process when deciding where to purchase a home, to provide additional points of comparison with perceptions identified in the Hanover Research survey.

Methodology and Respondent Characteristics

An online survey instrument was developed by Hanover Research, and distributed electronically by email in June 2015 to all Chamber members, and any additional business that elected to participate. Participation was open to all businesses and employers in Springfield. 144 respondents completed the survey.

- Of respondents who answered the question, "Are you a member of the Greater Springfield Chamber of Commerce?" 97% answered "yes."
- 43% of the respondents who answered the question, "Do you have school-aged children," answered "yes."
- Of that 43%, 30% had school-age children currently enrolled in District 186.
- 22% percent of respondents had adult children who graduated from District 186.

Capital Area REALTORS developed and distributed its own 10-question survey, which included ranking answers on a scale of 1-5, with 1 being "not important" and 5 being "very important," and open-ended questions. The Capital Area REALTORS survey was distributed to 530

realtors, with 94 responding. 33% of respondents went to school in District 186, and 17% went to other public or parochial schools in Sangamon County. 26% percent of respondents had children who attended District 186 schools.

The Role of The Chamber Task Force

After information was gathered by the survey, a task force comprised of 17 Chamber members (including Chamber President and CEO Chris Hembrough), representing various areas of business, reviewed the results. The task force members then identified which areas of the survey to study further and explore the validity of the perceptions, filtering through the lens of issues of most significance to the business community, and also which subjects were within the purview of the task force to fairly and adequately evaluate. The task force's evaluation efforts were guided by an outside education consultant, Norm Durlinger, with expertise in school district management. (*See appendix for Norm Durlinger's bio.*) The perceptions were classified into four key areas:

- Staff (teacher and administrator) Evaluation
- Student Achievement
- Facilities
- Finances

As the task force studied these areas, task force members with professional knowledge and interest helped to guide particular efforts. Specifically, John McCarthy, Senior Vice President and Chief Human Resources Officer at Horace Mann assisted with the Staff Evaluation, and Jim Sullivan, Chief Operating Officer at Design Ideas assisted with Finances. The task force worked with the education consultant to discuss the four key areas with District 186, and gather additional information from the District that would test the veracity of the business community's perceptions.

When arriving at conclusions, the task force refrained from judging District processes as "good" or "bad." Because they are not education experts, the task force felt the most appropriate approach in some circumstances was to conduct a comparative analysis among District 186 and comparable urban districts in Central Illinois, which included Decatur, Peoria, Bloomington, and Champaign. This also helps to measure Springfield's education system against regional economic development competitors. The districts were chosen because of demographic comparability in size, geographic location within Central Illinois, and similar rates of poverty.

While the results of the task force's analysis are summarized below in the executive summary and further sections of the report, an important factor emerged during discussions with District 186 that warrants inclusion here. Discussion of poverty in District 186 shaped discussions because of its impact on the educational system, particularly in the areas of student achievement and school finances. This provided important context for the task force's ultimate conclusions. District 186 reports that 67 percent of students are considered at or below poverty level, based on census data and free/reduced-cost lunch programs. This factor is a key differentiator between Springfield Public Schools (as well as other urban districts) and surrounding suburban districts, and must be considered when attempting to draw comparisons between distinctly different districts and student populations.

The Impact of Poverty

Employees of District 186 addressed The Chamber task force to discuss the role that poverty plays in the educational system. Jill Grove, Principal of the Springfield Public Schools Early Learning Center, shared information about achievement gaps that begin before a student even reaches school-age. Low-income students are more likely to experience health and nutrition issues, instability in their home environment, and fewer positive interactions with adults that form the basis of academic learning. Financial pressures often cause low-income families to move frequently (referred to as mobility rates), disrupting the students' sense of order and stability, and creating constant stressors that have a measurable negative impact on learning ability. Students under these conditions can have limited vocabulary and struggle to process information, engage in dialogue, and understand academic lessons.

The Early Learning Center noted that as early as age three and four, these young preschool students perform at levels below students that come from higher-income households. If the achievement gap is not addressed by kindergarten, it widens as students continue through school. Not every low-income student experiences achievement gaps, but the risks are greater. Supporting at-risk students with additional services and resources has an effect on achievement gaps – and helps some students to excel.

Federal dollars are available to District 186 through the U.S Department of Education's Title 1 program. These funds, while limited, are specifically targeted to reduce the impact of poverty on educational outcomes and should continue to be used efficiently and wisely.

Analyzing the Perceptions

Overall, perceptions of District 186 were varied. The following summarizes the perceptions of the business community and conclusions of the task force. See the subsequent sections of the report for more detail.

STAFF EVALUATION

Despite reporting positive opinions of District 186's staff, respondents had overall concerns about the ability of the school system to move ineffective teachers out of the system. This perception prompted the task force to gather additional information from the District about its teacher evaluation process. After reviewing, the task force concluded that District 186 utilizes an in-depth, rigorous evaluation process that is consistent with the principles used by many businesses and corporations today. The teacher evaluation and remediation process is designed and implemented in such a way that the majority of ineffective or underperforming teachers resign before they are formally released. However, after corrective actions have been taken, if appropriate improvements have not been achieved, the District releases ineffective teachers who have not resigned during the remediation process. Ineffective or underperforming non-tenured teachers are not offered a new contract.

STUDENT ACHIEVEMENT

In general, survey respondents felt that the District offers appropriate course offerings, but did not understand the range of student achievement that exists within the District. Respondents were unsure if students were prepared to graduate with college and workforce readiness. A significant percentage of respondents disagreed, or strongly disagreed, that the District offered enough career and technical education, fine arts courses, real-life STEM (Science, Technology, Engineering, and Math) learning experiences, and physical education. In the Capital Area REALTORS survey, a number of realtor clients asked questions and expressed concerns about school/student performance.

In order to understand the range of course offerings and student achievement that exist, the task force asked deeper questions of the District and conducted a data analysis to better understand the scope of the issue. After looking at student performance in other urban areas with similar rates of poverty, the task force concluded that students in District 186 perform comparably to other urban districts, with a range of very high to very low performers. Notably, the top 25% of District students achieve ACT scores that compare favorably with Sangamon County suburban and private schools – and, the top 25% of low-income students achieved ACT scores above the state average. Additionally, after reviewing advanced placement courses and graduation requirements, the task force felt that District 186 provides adequate and appropriate education opportunities to prepare students for college and the workforce. While some students do not display college readiness, specifically in terms of ACT score, outside factors should be considered.

FACILITIES

While at least 74% of respondents believe District 186's school buildings are in poor to fair condition, and only a quarter of respondents believe the school buildings are in good condition, 60% of respondents were unsure if this impacted student learning. At least 25% of respondents felt that the condition of buildings hurt student learning (*see page 12 for specific percentages related to high schools, middle schools, elementary schools, and alternative schools*).

The task force met with a facilities expert to review data about the impact of facilities not only on educational outcomes, but quality of life, community investment and/or decline, and workforce preparation for the next generation. He shared information and data that points to the positive impact facilities can have on educational outcomes and the community.

In the Capital Area REALTORS survey, 97% of realtors responded that schools ranked as either level 4 or 5 in terms of importance. 62% of realtors said that the physical condition or appearance of schools was a level 4 or 5 in terms of importance. In open-ended comments, 28 realtors commented that they hear from clients that District 186 schools are old, out-of-date, and need improved.

The task force did not have the resources or expertise to make definitive conclusions about the condition of the District's facilities, but does believe that facilities do matter in the educational experience and community vitality. They believe it would be in the interest of the District and the community to consider a comprehensive facilities assessment and develop a long-range facilities plan.

FINANCES

72% of respondents disagree or strongly disagree that District 186 is funded adequately. Further, 54% did not agree with the statement that the District spends funds wisely.

The task force studied District 186's financial data from many angles and perspectives, including, but not limited to: revenue, expenses, and fund balance. Using comparable urban districts in Decatur, Peoria, Champaign, and Bloomington, they conducted a comprehensive, comparative analysis of the financial data over several years. They noted that like all other school districts in Illinois, District 186 revenue is impacted by factors outside of its control – notably, not being funded at the recommended levels of General State Aid.

The task force found that District 186 compared consistently with other urban districts as it related to revenue and expenses per student. The task force also found that prior to the 2013-14 school year, the district was in deficit spending, thereby reducing its fund balance, and leading to a lower fund balance than the comparable urban districts. However, the District 186 fund balance increased during the 2013-14 and 2014-15 school years, and is projected to increase again at the completion of the 2015-16 school year. Under the leadership of Superintendent Jennifer Gill, District 186 has developed a new model of spending, eliminating deficit spending and demonstrating a clear pattern of spending funds wisely.

STAFF EVALUATION

PERCEPTION: Respondents expressed overall concerns about the ability of the school system to move ineffective teachers out of the system.

CONCLUSION: District 186 utilizes an in-depth, rigorous evaluation process that is consistent with the principles used by many businesses and corporations today. The majority of ineffective or underperforming teachers are removed either through their own resignation, or by not being offered new contracts.

Overall, survey respondents expressed positive opinions of District 186 teachers. 74% and 71%, respectively, felt the District hires and retains effective teachers. Most respondents “agree” or “strongly agree” that District 186 employs teachers with diverse races/ethnicities (80%), employs teachers with diverse viewpoints (75%). *(See figure 4.1 in appendix)*

In contrast, only 31% of respondents “agree” or “strongly agree” that District 186 releases ineffective teachers. In open-ended comments, several respondents expressed concerns regarding the District’s ability to release ineffective teachers, as well as teachers’ understanding of the types of skills and knowledge the business community needs.

Working with the outside education consultant and gathering additional data from District 186 about its process, The Chamber task force ultimately determined that the perceptions around evaluating and releasing ineffective teachers did not align with reality.

KEY DATA GATHERED AND REVIEWED BY THE TASK FORCE

- The task force met with District 186 Superintendent Jennifer Gill; District 186 PBIS (Positive Behavioral Interventions & Support) Coordinator Kelly Sholtis; and Illinois Education Association President Cinda Klickna, to better understand teacher hiring, development, retention and evaluation processes.
- The Performance Evaluation Reform Act (PERA) was passed in 2010. Until PERA was implemented, schools were using an evaluation system adopted in 1982. The above panel agreed this system was often ineffective.
- In order to implement PERA, the Illinois Education Association put a default model in place for local districts to follow. Springfield School District 186 actually helped inform and develop the default statewide model that is in place today.
- The current evaluation system is much more rigorous than the old system, and includes four domains of evaluation. Each domain includes 22 components which are evaluated.
 - Planning & Preparation
 - Classroom Environment
 - Instruction
 - Professional Responsibility

- Teachers are evaluated on a four point scale in each area which are averaged together to receive an overall score/rating as follows:

- Distinguished/Excellent
- Proficient
- Basic/Needs to Improve
- Unsatisfactory

- Non-tenured teachers receive a formal evaluation every year for four years. Tenured teachers with a rating of Proficient or higher are evaluated every two years. Therefore the difference in the numbers on the chart below.

"I had my own questions about the District's evaluation process, but after learning more, I now believe that they are perhaps doing a better job of evaluating staff than many private businesses. My concerns were based on my limited experiences of many years ago. I realize now, that probably like many others, I fell victim to my own misinformation."
– Chamber Task Force Member Butch Elzea, retired businessman and community volunteer

- Teachers who receive a "Basic/Needs to Improve" rating are placed on a Professional Development Plan. If appropriate improvements are not achieved in 45 days, they are then placed on a district remediation plan for 90 days and regular remediation for 90 days, and employment can then be terminated.
- Teachers receiving "Unsatisfactory" rating in all four areas are automatically placed on a remediation plan and can have employment terminated in 90 days.
- If a teacher is ineffective, underperforming, overwhelmed or unable to make necessary improvements, more often than not, they resign before they are terminated. Poor performers are not offered a new contract if they are non-tenured. As a result of this process, very few teachers have to be officially released. The District has a retention rate of 85.6% (three-year average, 2013-2015).
- District 186 uses a hiring process that provides the greatest likelihood of hiring the most effective teachers. Once hired, the District provides its teachers a significant amount of professional development compared to other districts, spending at least \$854,000 on professional development in both FY14, FY15, and projected to in FY16.

Evaluation Results by Category		
	2014/2015	2013/2014
Number of Distinguished/Excellent	263	265
Number of Proficient	363	455
Number of Basic/Need to Improve	25	11
Number of Unsatisfactory	0	3

** 83 fewer teachers in 2014/15 represent those evaluated every other year*

STUDENT ACHIEVEMENT

PERCEPTION: In general, survey respondents felt that the District offers appropriate course offerings, but did not understand the range of student achievement that exists within the district. Respondents were unsure if students were prepared to graduate with college and workforce readiness.

CONCLUSION: District 186 provides a quality education, including a substantial number of advanced placement and dual credit courses. The top 25% of District 186 students achieve ACT scores that are comparable to their counterparts in other Sangamon County and urban school districts. There is a range of student achievement levels, from very high to very low. While some students do not display college-readiness in terms of ACT score, factors outside of the education system play an important role.

Survey respondents displayed mixed understanding to questions about academics and student achievement in District 186. On the one hand, roughly three-quarters of respondents “agree” or “strongly agree” that District 186 offers quality core courses, provides enough advanced courses, and integrates technology into teaching (74% to 78%). On the other hand, at least 40% of respondents “disagree” or “strongly disagree” that District 186 offers enough career-to-technical education (CTE), fine arts courses, real-life STEM learning experiences, and physical education (40% to 45%) (*See appendix figure 3.1*)

Respondents also seemed unsure if District 186 students were prepared to graduate with readiness to enter college or the workforce. 47% of respondents believe that less than 60% of District 186’s graduates are college- or career-ready (*See appendix figure 6.5*). Additionally, open-ended comments from the REALTORS survey revealed concerns about school/student performance.

To assess perceptions, the education consultant led the task force’s efforts to gather data from other urban school districts that included Decatur, Peoria, Bloomington and Champaign. Most of the data was publicly available; some was supplemented by the districts as needed. Because they are not education experts, the task force felt the most appropriate approach was to measure Springfield schools against comparable peers, instead of evaluating District practices as “good” or “bad.” Districts were deemed comparable based on the size, geographic location within Central Illinois, and similar rates of poverty.

After meeting with a number of representatives from District 186, the task force concluded that while some perceptions around student readiness do align with reality, the business community would benefit from understanding those perceptions in the greater context of poverty’s impact (see executive summary, [The Impact of Poverty](#)), how the district compares to other urban areas, and District 186’s educational offerings.

Commonly, District 186 is compared against suburban and private schools in Sangamon County. While these comparisons are not “apples-to-apples” due to the disparate poverty rates, the task force acknowledged that these comparisons interest the business community and public nonetheless. The task force reviewed composite ACT scores for Sangamon County high

schools and found that when the data was broken down into quartiles, the top-performing 25% of students performed favorably to suburban and private counterparts, despite the differences in student populations.

KEY DATA GATHERED AND REVIEWED BY THE TASK FORCE

- The task force met with a panel of representatives from District 186 to better understand the impact of poverty on educational outcomes. That panel consisted of the Principal of Early Learning Center Jill Grove, the Principal of Washington Middle School Chris Barham, Coordinator of Title I Programming Larry McVey, and Title I Parent Coordinator Vykye Johnson.

“There is no ‘one place’ to get a great education in Springfield. There are high achievers in every school, and each school deserves a fair look. Perceptions and opinions can put public schools at a disadvantage, despite the fact that many are offering high quality classwork that may be the best fit for a particular student’s interests.” – Chamber Task Force Member Pamela Frazier, All In One On-site Wash & Detail

- Additionally, the task force met with Superintendent Jennifer Gill; District 186 Director of Teaching and Learning Shelia Boozer; Director of Secondary Schools Cheree Morrison, and Principal of Southeast High School Jason Wind, to better understand curriculum, graduation requirements, and ACT scores.
- Sixty-seven percent of District 186 students are considered to be low income, living at or below the federal poverty level.
- As noted in the executive summary, lower-income populations can have higher mobility rates, a factor that can cause instability and stress in a student’s home environment, causing a measurable negative impact on learning ability. Student mobility or turnover rates reflect any change between the first day and school and the last day of the school year, and comprise all incidents of a student being removed from the enrollment roster for any reason. The five-year average District 186 mobility rate is 28%, and encompasses a wide range among schools. For example, the range of mobility at Iles Elementary School is 6.8%, and is 49.8% at Lee Elementary. (See appendix, District 186 Mobility Rates)
- There is a correlation between the percentage of low-income students and average ACT scores. Data across various school districts, as well as all Sangamon County high schools, demonstrates that a higher percentage of low-income students correlates to lower average composite ACT scores. As noted in the executive summary, many low-income students face challenges outside of the education system that have a measurable negative impact on educational performance. (See appendix, charts 1 -4)
- The composite ACT score of all District 186 high school students is 19, which is below the state average of 21. Sixty-seven percent of District 186 students are categorized as

low-income, where the state average percentage is 54%. Composite scores in comparable central Illinois urban districts are as follows: *(See appendix chart 1)*

- Decatur – 18 (poverty rate 75%)
 - Peoria – 18 (poverty rate 75%)
 - Champaign – 20 (poverty rate 58%)
 - Bloomington – 20 (poverty rate 58%)
- Not all low income students struggle to demonstrate college or career readiness. In fact, the top 25% of low-income students in District 186 demonstrate college readiness – with an average ACT score of 22, above the state average of 21. *(See appendix, charts 5 and 6).*
 - Notably, the top performing 25% of all students at Southeast and Lanphier high schools scored an average ACT of 24 – considerably above the state average of 21 – even with poverty levels among those students of approximately 50%.
- When comparing top quartile ACT scores with other Sangamon County high schools, District 186 students compare favorably to their counterparts. The composite top quartile scores by high school are as follows: *(See appendix chart 7).*
 - Springfield – 28
 - Southeast – 24
 - Lanphier - 24
- When looking at the scores of all **low-income** students by quartile, the breakdown is as follows: *(See appendix chart 5)*
 - The top 25% have an average score of 22.
 - The next 25% have an average score of 17.
 - The next 25% have an average score of 14.
 - The bottom 25% have an average score of 12.
- The composite ACT scores of **non-low-income** District 186 students by high school is as follows: *(See appendix chart 4)*
 - Springfield – 23
 - Southeast – 20
 - Lanphier - 19
- The task force reviewed District course offerings which included general coursework, advanced placement (AP), dual credit, and career-to-technical education (CTE). Given the options, they felt a well-rounded education that reflects important business skills is achievable. *(See appendix for list of AP, dual credit, and CTE courses)*
- The task force reviewed graduation requirements across comparable urban districts and all Sangamon County high schools. There are significant variances in the required credits that have a significant impact on the graduation rates of the various school districts. District 186's graduation rates compare favorably to the urban districts which have similar credit requirements. *(See appendix, Graduation Rates and Requirements)*

- District 186's current graduation rates of 79% for 2015 are still below the state average of 86%, but have trended positively during the last three years. (*See appendix, Graduation Rates and Requirements*)
 - U.S. Census data can provide a broader picture of graduation data because its measurements take into account alternate paths to achieving a high school diploma that fall outside of the public school system. When looking at Census data from 2010-2014, graduation rates showed:
High school graduate or higher, percent of persons age 25 years+
 - Springfield – 91.3%
 - Sangamon County – 92.5%
 - U.S. Average – 86.3%

FACILITIES

PERCEPTION: A vast majority of respondents felt that District 186 facilities are in fair to poor condition. While at least 25% believe this hurts student learning, many were unsure how facilities impact educational outcomes.

CONCLUSION: Research shows that highly efficient facilities create spaces to implement 21st century learning practices that may improve student learning and employee satisfaction. The task force suggests that the District consider a comprehensive facilities study and long-range facilities plan to ensure facilities are providing optimal academic environments.

When asked about perceptions of the physical condition of elementary, middle, high, and alternative school buildings, at least 74% of respondents felt conditions were fair to poor. The breakdown was as follows: (See appendix chart 3.2)

- High schools – 89% (fair – 58%, poor – 31%)
- Middle schools – 74% (fair – 64%, poor – 10%)
- Elementary schools – 76% (fair – 64%, poor – 12%)
- Alternative schools – 80% (fair – 60%, poor – 20%)

Yet, 60 to 66 percent of respondents indicate that the physical condition of these school buildings “neither helps nor hurts student learning.” Small percentages believe the physical condition of District 186’s facilities help student learning, as follows:

- High schools – 5%
- Middle schools – 7%
- Elementary schools – 9%
- Alternative schools – 7%

At least 25 percent of all respondents believe the physical condition of District 186’s school buildings “hurt student learning,” as follows:

- High schools – 35%
- Middle schools – 32%
- Elementary schools – 26%
- Alternative schools – 32%

In open-ended comments, respondents shared differing views, which included statements such as:

“Older buildings may lead to false perceptions that good education is not taking place. All things being even, older buildings may prevent District 186 from securing the very best new teachers who select other districts simply because of infrastructure.”

“I think the important thing is less about the physical building and more about technology, resources and quality of the administrators and educators.”

The survey of Capital Area REALTORS indicated that the physical condition of school facilities plays a significant role in deciding in which communities to live. The physical appearance of schools is an important factor in a home purchase decision, and an overwhelming majority of realtors say that the overall perception of the school district affects the desired location of a homebuyer's purchase.

Because perceptions may vary widely among respondents of what constitutes, good, fair, or poor condition, the task force did not feel it could adequately investigate, document, and evaluate the conditions of more than 30 public school facilities. Instead, it focused its efforts on better understanding how physical environments can impact learning.

Sam Johnson, Principal at BLDD Architects, presented to the task force about how school facilities impact student learning and community strength. BLDD has been involved in school design for more than 87 years, and 90% of its work involves pre-K through college level facilities.

Based on the presentation from BLDD, a review of selected research, and results from the survey of Capital Area REALTORS, the task force concluded that the condition of school facilities can have a positive impact on educational outcomes, and community economic vitality. Research demonstrates that modernized, comfortable, safe, and well-designed schools have shown positive effects on learning, behavior, teacher retention, and real and perceived economic health. The task force suggests that the District consider a comprehensive facilities study and long-range facilities plan.

KEY DATA GATHERED AND REVIEWED BY THE TASK FORCE

- Many district buildings were built in an era where the “factory model” of education was the standard. Builders at that time couldn’t conceive of, or consider, the economy of the future. When many schools were built in the 20th century, the economy was supported by labor, with manufacturing representing one of the strongest employment sectors.
- The economy has evolved in the 21st century to one that is service and information-based. Technology and globalization has moved the economy from a “Machine Age” into the “Information Age.” According to census data and the Bureau of Labor and Statistics, manufacturing as a percentage of employment dropped from 27% in 1959 to below 10% in 2008. (See appendix)
- Learning spaces designed for 21st century learning and jobs look different. Schools must prepare students for the global economy by utilizing the four Cs: **Collaboration**, **Communication**, **Creativity**, and **Critical thinking**. High school students may become employed in jobs that don’t exist today. Examples of current jobs that didn’t exist in the recent past include:
 - Search Engine Optimization Strategist
 - Social Media Manager
 - Blogger
 - App Designer
 - Content Developer

- Characteristics of 21st century schools:
 - **Healthy.** High air quality, temperature and humidity control, ventilation.
 - **Superior lighting.** Abundant natural light.
 - **Safe and secure.** Transparent environment, easily observed, access controlled, a feeling of home.
 - **Technology-infused.** Designed for media literacy and connection to a global community of learners.
 - **Engaging.** Raising student interest naturally leads to education.
 - **Fluid/Flexible.** Rapidly configurable.
 - **Student-centered.** Students are active participants in the learning process.
 - **Connected to Nature.** Encouraging environmental stewardship.
 - **Collaborative.** Allowing students to learn from students.
 - **Variety of learning environments.** Adapting the environment to appropriate learning activities.
- In the 2002 research review “Do School Facilities Affect Academic Outcomes?” by Mark Schneider, it concluded that school facilities – specifically spatial configurations, noise, heat, cold, light, and air quality – affect learning and bear on both students' and teachers' ability to perform.
- A 2009 literature and research review by the 21st Century School Fund looked to update the 2002 review. It found a “slow but steady increase of research on the impact of public school facilities on educational achievement and community outcomes and of the rigor of the research. Recent research continues to point to a small but steadily positive relationship between the quality of a public school facility and a range of academic and community outcomes.”
- In the report, “The Impact of School Building Condition on Student Absenteeism in Upstate New York,” *American Journal of Public Health*, by Elinor Simons, MD, MS, Syni-An Hwang, PhD, Shao Lin, PhD, they found that there are associations between student absenteeism and adverse school building conditions.
- Beyond scientific research, there is substantial anecdotal evidence about the impacts of school renovation on student performance.
- According to BLDD Architects, after an extensive renovation, Washington High School in Washington, Ill., reported a consistent and significant annual decrease in discipline referrals. During the 2008-9 school year, there were 4,500 discipline referrals. After the renovations, during the 2013-14 school year, there were less than 2,000 discipline referrals. (See appendix, *Washington High School Discipline Referrals*)
- According to BLDD Architects, after renovating Eisenhower High School in Decatur, Ill., the school reported decreases in student discipline referrals, trancies, and increases in attendance and graduation rates. (See appendix, *Eisenhower Attendance Rates*)

- There is also association between the condition of school facilities and the real or perceived health of the overall community. In the working paper “Linking School Construction Investments to Equity, Smart Growth, and Healthy Communities,” (Jeffrey M. Vincent, Mary W. Filardo, June 2008), it is said:
 - "School construction spending is an important and historically overlooked input that has a multitude of influences on school quality, residential patterns, segregation, and land use."
 - "...the trends in inequitable spending and the disinvestment in existing schools and communities are troubling because, we argue, these actions have helped increase neighborhood decline and segregation in older urban areas and fuel suburban growth on the fringes."
- Anecdotal evidence suggests that school facility condition has a direct effect on the public's perception of the quality of life in that community, which impacts the desire to reside in that community, and in turn fuels business development.
 - A December 25, 2015 article in the *Peoria Journal Star* credited the economic turnaround in the community of Knoxville to TIF funding and the construction of a new high school, which replaced an older, deteriorated facility. According to local realtors, after construction of the new school, renewed interest in the community caused a shortage of housing. (See appendix, “Knoxville’s Economic Turnaround Linked to TIF, New School”)
- In the survey of Capital Area Realtors, 62% of realtors ranked the physical condition or appearance of schools as a level 4 or 5 (on a 5-point scale) in terms of importance to buyers. In open-ended comments, 28 realtors responded that homebuyers have commented that District 186 schools are old, out-of-date, and need improved. (See appendix, Figure F1)
- Additionally, more than 73% of realtor respondents agreed at a level 4 or 5 that homebuyer clients have already formed firm opinions about which school district they are interested in living in. In open-ended comments, nine realtors said that by the time a buyer is looking at homes, his or her opinions have already been formed, largely shaped by family, friends, and co-workers. (See appendix, Figure F2)
- A vast majority – 91 percent – of realtors said the overall perception of District 186 (not just the condition of the facilities) plays an important role in the desired location of a buyer client’s home.
- In nationwide data from the National Association of REALTORS, the quality of schools and distance from schools were two factors that buyers were least likely to compromise on. 30% of buyers said the quality of the school district was a factor influencing neighborhood choice. This percentage went up to 44% for buyers under age 34 and 43% for buyers age 35-49. (See appendix, exhibits 2-14 and 2-7).
- The District has 33 school facilities, all of which have received updates within the last 5-10 years that include roofing, HVAC, energy management systems, fire alarm systems, and/or other needed maintenance. Two elementary schools, Enos and Matheny Withrow, were newly constructed in 2013. All middle and high schools received updated

security camera systems in 2015. Currently, wiring in all schools is being upgraded to allow for WI-FI access points in every learning space. *(See appendix, District Building Information, for list of buildings with year constructed and renovated)*

FINANCES

PERCEPTION: A majority of respondents do not believe District 186 is adequately funded, and 54% do not believe the District spends funds wisely.

CONCLUSION: District 186's financial information compares consistently with other Central Illinois urban districts regarding revenue and expenses. Like other districts throughout the state, District 186 does not receive the level of General State Aid (GSA) recommended by the Illinois State Board of Education (ISBE). Prior to the 2013-14 school year, the district was in deficit spending, thereby reducing its fund balance. However, the District 186 fund balance increased during the 2013-14 and 2014-15 school years, and is projected to increase again at the completion of the 2015-16 school year. District 186 is now making strides to increase its fund balance to a minimum level of 15% of annual revenues as recommended by ISBE.

Under the leadership of Superintendent Jennifer Gill, District 186 has developed a new model of spending, eliminating deficit spending and demonstrating a clear pattern of spending funds wisely.

Relatively few respondents view District 186 as adequately funded, though a larger percentage believe the district spends such funds wisely. 72% of respondents disagreed or strongly disagreed with the statement "District 186 is funded adequately." Respondents were split on the question "District 186 spends funds wisely" – 54% disagreed or strongly disagreed, and 46% agreed or strongly agreed.

To aid the task force in its analysis of the level of school funding and spending, District 186 shared financial data with the task force. The term "spends funds wisely," is largely subjective, and difficult for a group without education expertise to evaluate. So again, the task force looked to comparable urban districts in Central Illinois that included Decatur, Peoria, Bloomington, and Champaign to draw comparisons. The task force looked at financials in three key areas:

- Revenue
- Expenses
- Fund balances

In the area of revenue, the task force did not evaluate the various sources of revenue, but rather consider total revenues as a whole.

For expenses, the task force looked at expenses on a per student basis, and then to make a fair comparison, adjusted for expenditures related to low-income students. They also compared student-to-teacher and student-to-administrator ratios.

Fund balances reflect a school district's assets minus its liabilities. Positive fund balances can insure against financial disruption and provide a way to save for major expenditures or investments like repairs, maintenance, emergencies, and educational resources. Insufficient fund balances will result in a district having to borrow to meet cash flow needs.

After looking at the three areas, the task force concluded that District 186 compares consistently with other urban districts in two of the three areas on a per student basis. In the area of fund balances, where comparatively lower balances were seen, the task force noted that District 186 is making strides to adhere to its own adopted policy of a 15% minimum balance of the fund revenue in Education, Operations and Maintenance, Transportation, and Working Cash.

KEY DATA GATHERED AND REVIEWED BY THE TASK FORCE

- Like other districts in the state of Illinois, District 186 does not receive the recommended level of GSA base funding as set by the Illinois State Board of Education. For several years, the General State Aid (GSA) was funded at 89% of the recommended value by the Illinois State Board of Education. Last year, it was increased to 92%. Despite this increase, the District must work with less than the ISBE recommended amount, and this is outside of its control.
- Total Revenues**

DISTRICT	FY2014 Total Direct Revenue	2014 Total Revenue Per Student	FY2015 Total Direct Revenue	2015 Total Revenue Per Student
Champaign #4	\$140,013,477	\$16,497	\$112,132,345	\$12,952
Bloomington #87	\$55,419,145	\$11,085	\$53,611,965	\$11,097
Decatur #61	\$87,620,594	\$12,072	\$87,073,658	\$11,823
Peoria #150	\$141,468,841	\$11,877	\$139,255,955	\$11,575
Average		\$12,883		\$11,862
Springfield #186	\$170,540,777	\$12,741	\$170,158,677	\$12,893
Spfld versus average		-1.1%		8.7%

"I was pleasantly surprised to see that our revenues and spending per child are in line with other urban districts. The comparison changed my perception, and I feel better about the District's financial situation." – **Chamber Task Force**
Member Jim Sullivan,
Design Ideas

- **Direct and Adjusted Student Expenses**

DISTRICT	2014 Direct Expenses Per Student	2015 Direct Expenses Per Student		2014 Adjusted Direct Expenses Per Student*	2015 Adjusted Direct Expenses Per Student*
Champaign #4	\$12,313	\$12,642		\$8,761	\$9,024
Bloomington #87	\$11,351	\$11,207		\$9,088	\$8,977
Decatur #61	\$12,176	\$12,137		\$10,898	\$10,679
Peoria #150	\$12,552	\$12,390		\$9,212	\$9,084
Average	\$12,098	\$12,094		\$9,490	\$9,441
Springfield #186	\$12,792	\$12,667		\$8,922	\$8,776
Spfld versus average	5.7%	4.7%		-6.0%	-7.0%

** excludes spending categories significantly impacted by high low-socioeconomic student percentages*

- When comparing district expenses, the task force adjusted for low-income student expenditures to help draw fair comparisons. After adjustments, District 186 spent between 6% and 7% less than the average per student.
- The District 186 student-to-teacher ratio are comparable to other districts and the state average at both elementary and high school levels.

Student/Teacher Ratio (Elementary)	2015
Springfield 186	19/1
Decatur 61	20/1
Peoria 150	16/1
Bloomington 87	19/1
Champaign CUSD4	16/1
State Average	19/1

Student/Teacher Ratio (High School)	2015
Springfield 186	20/1
Decatur 61	23/1
Peoria 150	17/1
Bloomington 87	18/1
Champaign CUSD4	16/1
State Average	18/1

- The District 186 student-to-administrator ratio is the lowest of the comparable districts. Impacting this ratio are the percentage of low-income students that need specialized services, and the number of small elementary schools in the district – all of which require administrative support to function. Because District 186 expenses are 5% lower per student, the task force concluded that the District is not administration-heavy from a cost standpoint.

Student/Admin Ratio	2015
Springfield 186	135/1
Decatur 61	189/1
Peoria 150	164/1
Bloomington 87	258/1
Champaign CUSD4	154/1
State Average	173/1

- District 186 has the lowest fund balances of comparable districts. Prior to the 2013-14 school year, the District was in deficit spending, thereby reducing the fund balance. But, the fund balance grew in 2013-14 and the 2014-15 school years. (See *appendix, Fund Balance Charts*.)
- The Illinois State Board of Education recommends an optimal amount of 25% of revenues in fund balances with a minimal target amount between 10% and 15%. (See *appendix, Copy of District 186 Fund Balance Policy*.)

APPENDIX



Education Consultant

Norm Durflinger is a long time educator and public servant. Norm served as the village president (mayor) of Morton, Illinois for eight years. In that position he aided in the development of a public/private economic development council (EDC) for the village and the construction of a new Morton Fire House. Working with the EDC and the village board, a business district commission was developed to improve the business climate in the village.

Norm received his Bachelor's in Business Administration and his Doctorate in Educational Administration from Illinois State University. He received his Master's in Leadership from the University of Illinois.

He retired in 2002 after 33 years in kindergarten through twelfth grade public education, 23 years of which in the Morton public schools, first as assistant superintendent, and then superintendent for 12 years. Since that time, he has been an assistant professor in the Educational Administration and Foundations department at Illinois State University, and Co-Director for the Study of Education Policy at the university. In his work at the center, he has been instrumental in directing research and legislation in P-12 leadership. He has also aided school districts by completing interim positions as treasurer, then superintendent in Peoria 150, and finance director for the Decatur school districts.

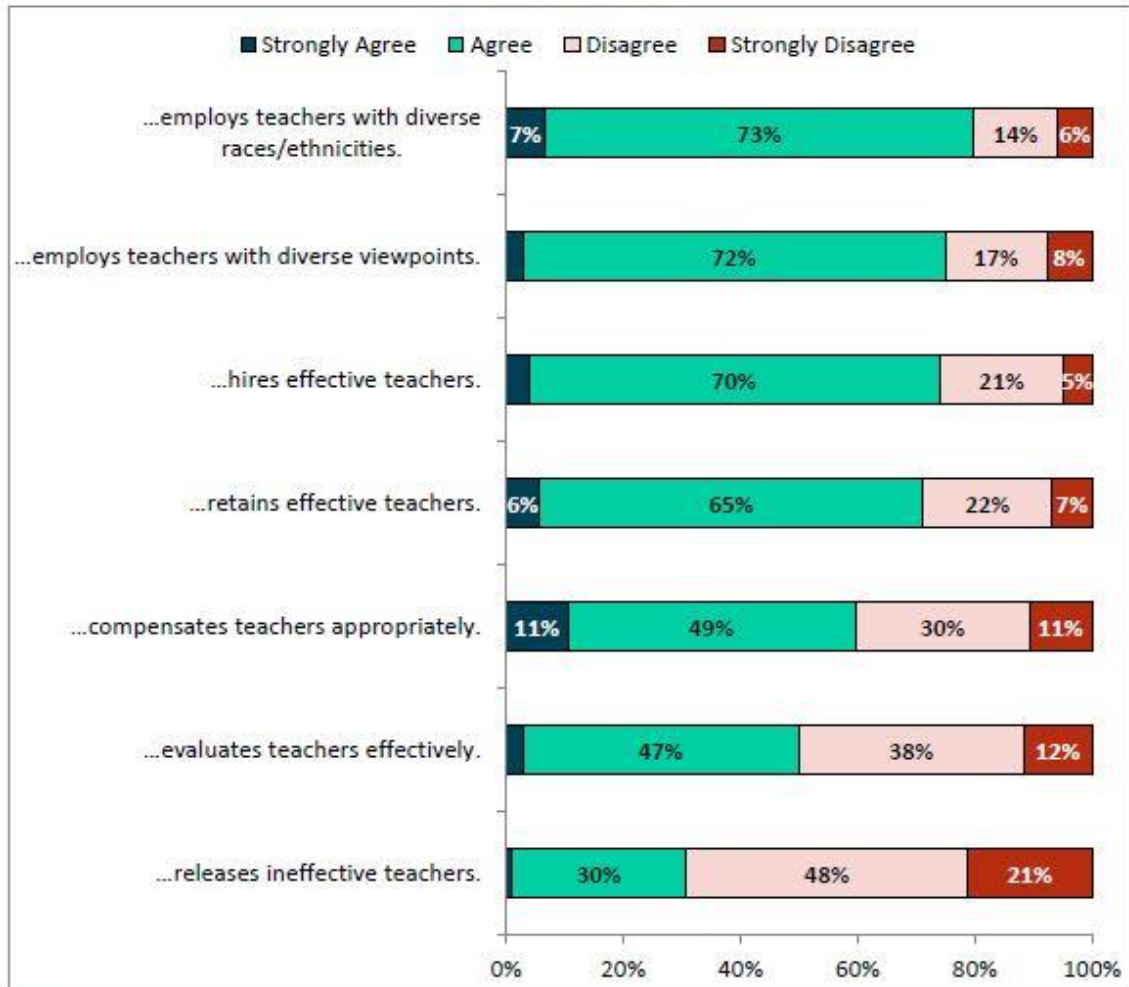
Norm has participated and held leadership positions in the Morton Rotary Club, We Care Foundation, Morton Community Foundation, Peoria Area Convention and Visitor's Bureau, Morton Economic Development Council, Morton Chamber of Commerce, and as member of the church council and building co-chair at his church.

Norm's awards during his professional and civic participation have included the Morton Chamber of Commerce Distinguished Service Award, Morton Rotary Club Distinguished Service Award, Distinguished Service Award for the Illinois Association of School Business Officials, Distinguished Service Award for the Illinois Association of School Administrators and the Distinguished Service Award for the Department of Educational Administration and Foundation at Illinois State University.

Norm is married to Cathy, and has three married children and four grandchildren all living in the Village of Morton.

Charts & Graphs

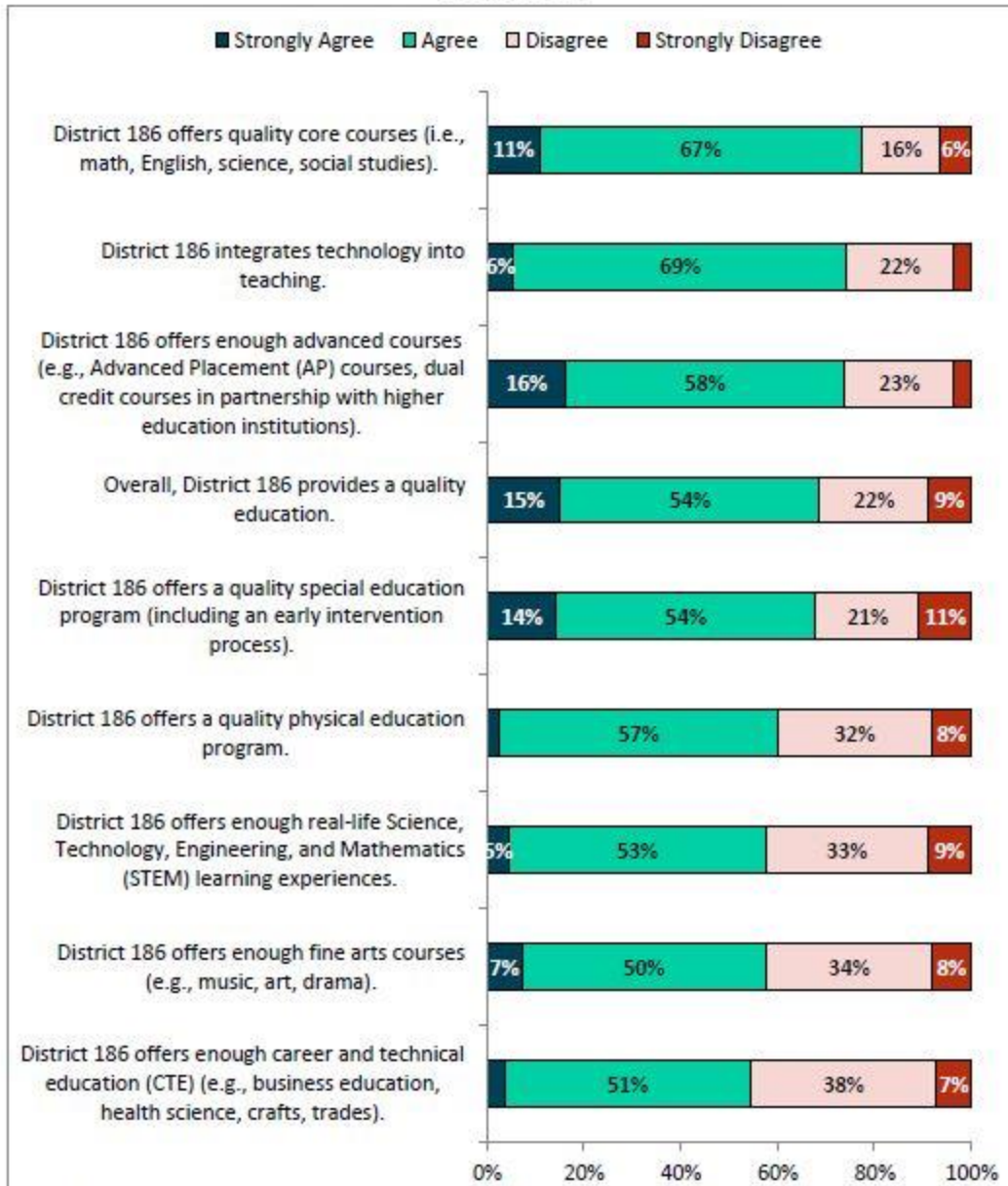
Figure 4.1: Please rate your level of agreement with each of the following statements. District 186...



n=104.

Note: Values below 5 percent are not labelled.

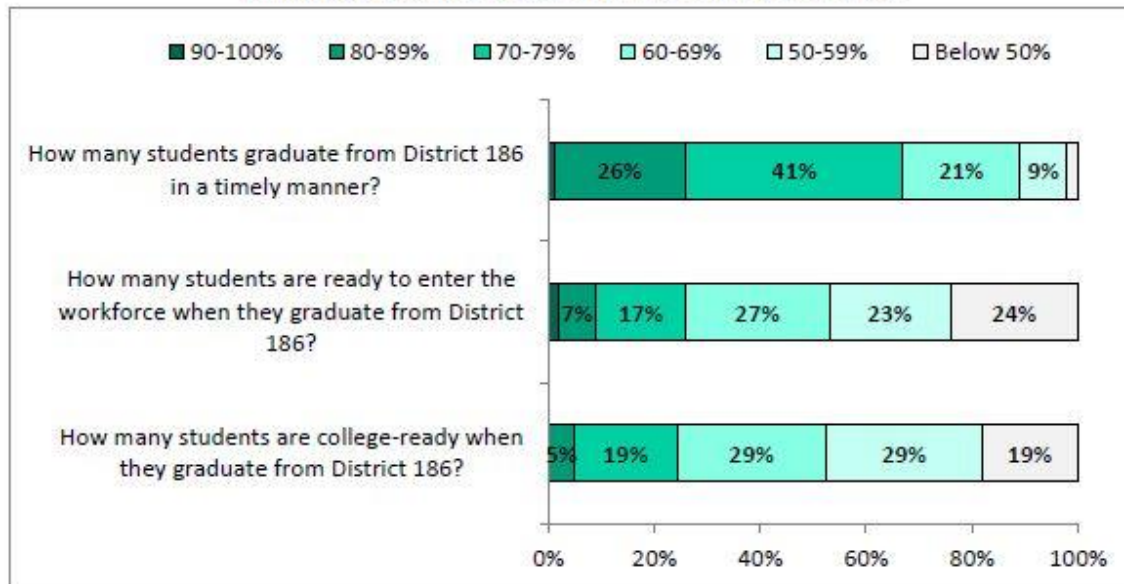
Figure 3.1: Please rate your agreement with each of the following statements regarding District 186.



n=109-112.

Note: Values below 5 percent are not labelled.

Figure 6.5: Please indicate the share of the student population for which you believe District 186 achieves each of the following outcomes.



n=108-109.

Note: Values below 5 percent are not labelled.

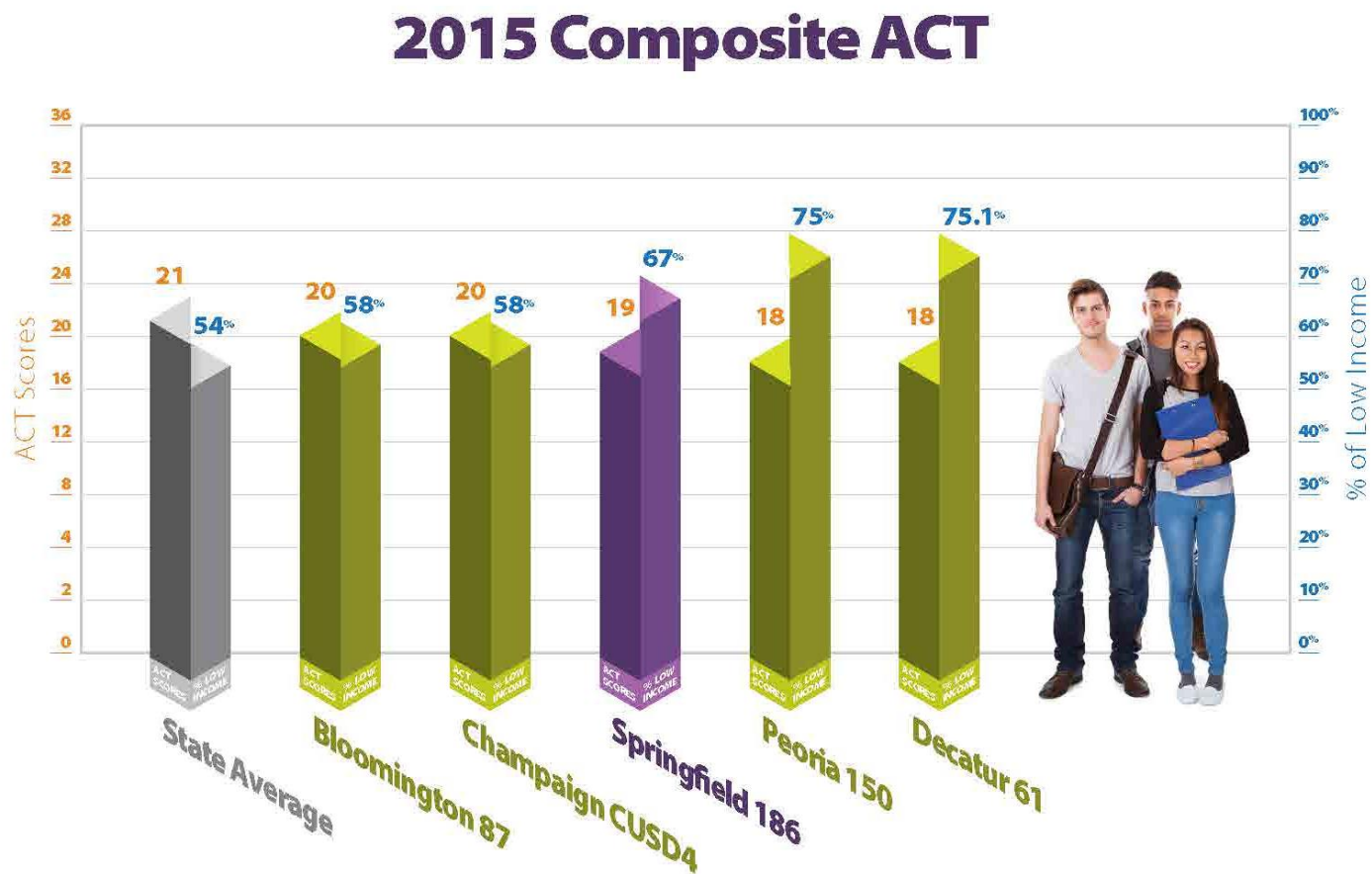
District 186 School Mobility Rates

	2015	2014	2013	2012	2011	5 Yr Avg %	ELEM AVG. %
District	29	29	20	30	27	27.0	28.7
Addams	29	34	33	30	31	31.4	
Ball Charter	4	11	8	5	0	5.6	
Black Hawk	39	28	34	40	35	35.2	
Butler	26	23	24	22	22	23.4	
Dubois	34	33	28	25	28	29.6	
Enos	30	48	33	41	37	37.8	
Fairview	31	25	25	28	22	26.2	
Feitshans	40	37	27	22	25	30.2	
Graham	27	35	32	35	43	34.4	
Harvard Park	38	43	36	53	45	43.0	
Hazel Dell	65	50	38	41	36	46.0	
Iles	5	5	5	5	14	6.8	
Laketown	22	23	18	25	22	22.0	
Lee	56	53	52	56	32	49.8	
Lindsay	28	22	23	26	22	24.2	
Marsh	16	26	19	15	10	17.2	
Matheny- Withrow	31	46	29	36	37	35.8	
McClermand	35	43	37	49	37	40.2	

Ridgely	31	21	24	27	28	26.2	
Sandburg	19	21	17	15	17	17.8	
So.View	34	27	30	26	29	29.2	
Wilcox	19	20	19	34	21	22.6	
Franklin	19	18	9	21	15	16.4	MS AVG
Grant	31	33	13	27	28	26.4	22.08
Jefferson	36	42	20	42	31	34.2	
Lincoln	3	5	1	5	3	3.6	
Washington	32	37	13	33	34	29.8	
Lanphier	36	30	13	41	41	32.2	HS AVG
Southeast	32	31	12	35	34	28.8	26.2
Springfield	19	17	10	20	22	17.6	
ELC	12	20	11	20	19	16.4	

Chart 1

Composite ACT comparison across urban districts in Central Illinois



SCHOOL DISTRICTS



Chart 2

Composite ACT scores, all Sangamon County High Schools with corresponding poverty levels

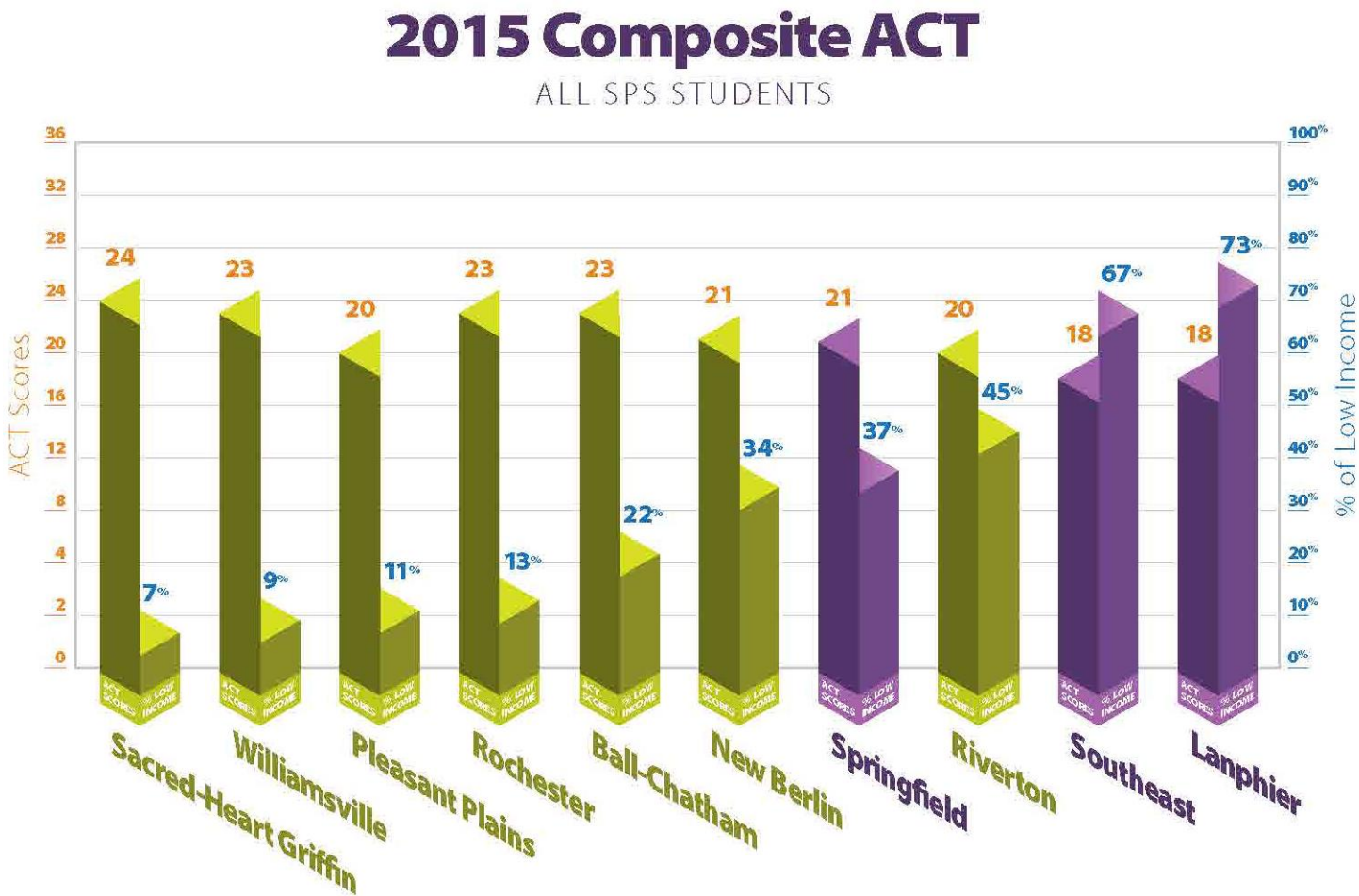


Chart 3

Composite ACT scores, all low-income District 186 students

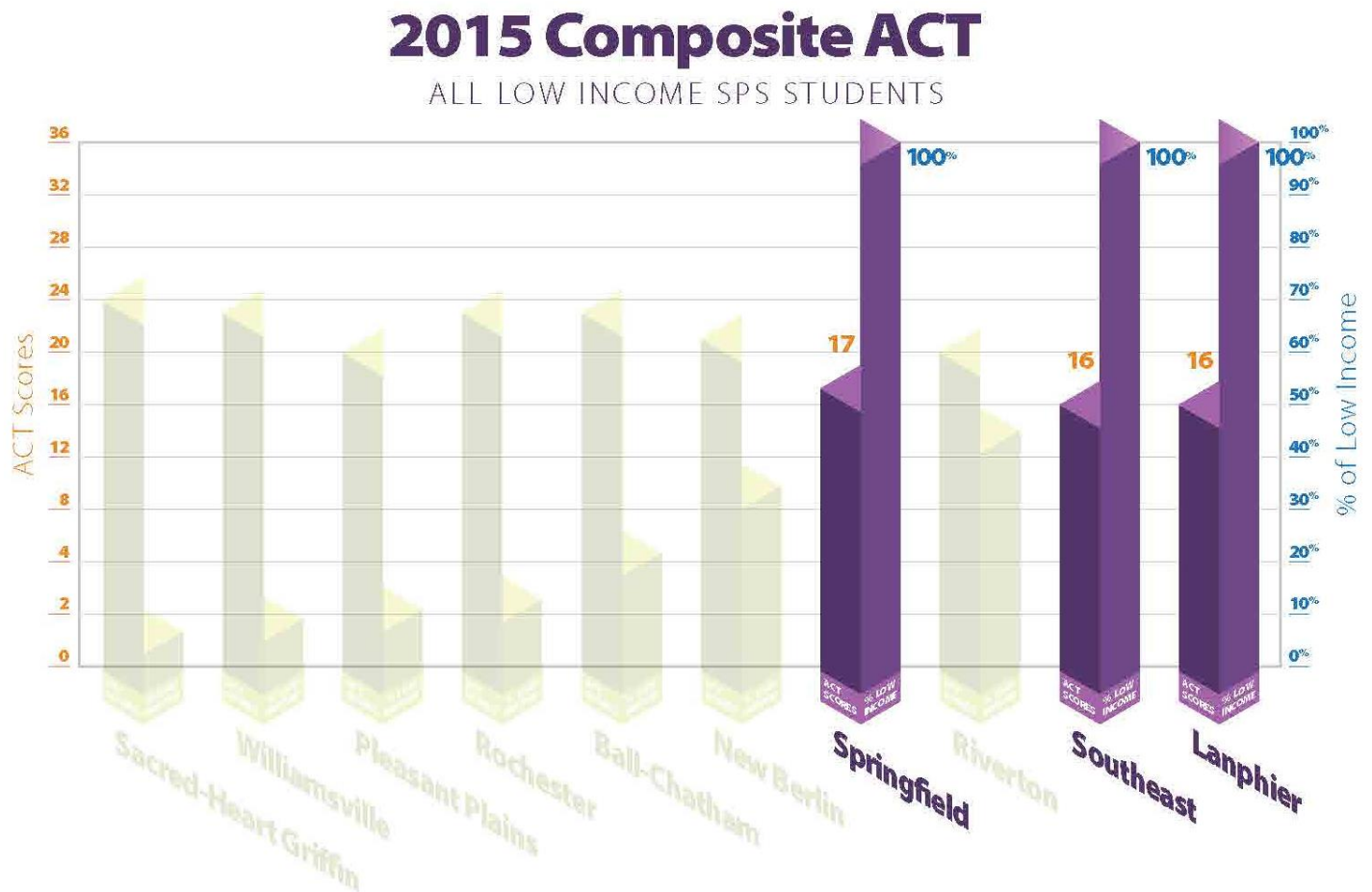


Chart 4

Composite ACT scores, all **non low-income** District 186 students

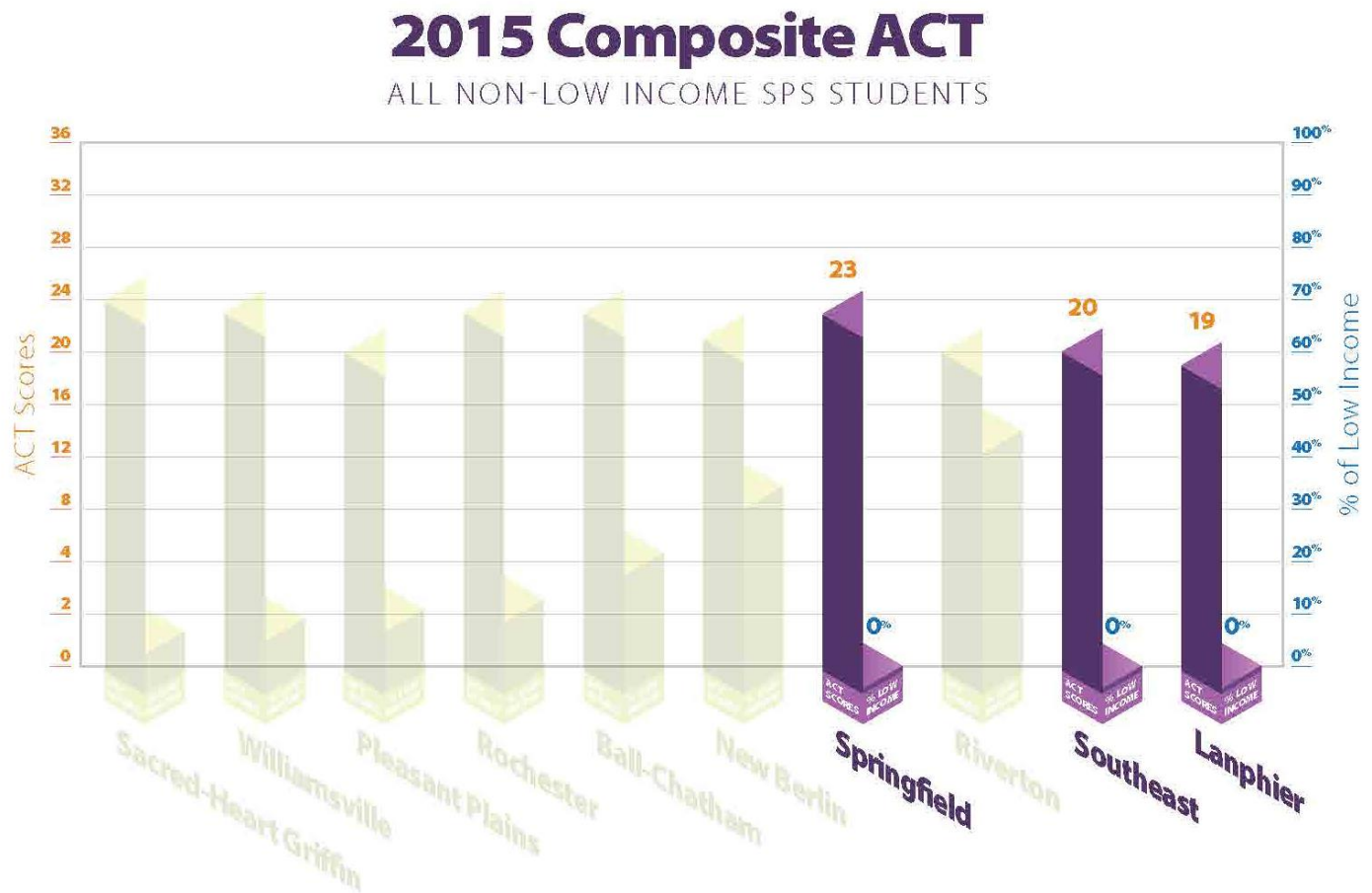


Chart 5

Composite ACT scores by quartile, all low-income District 186 students

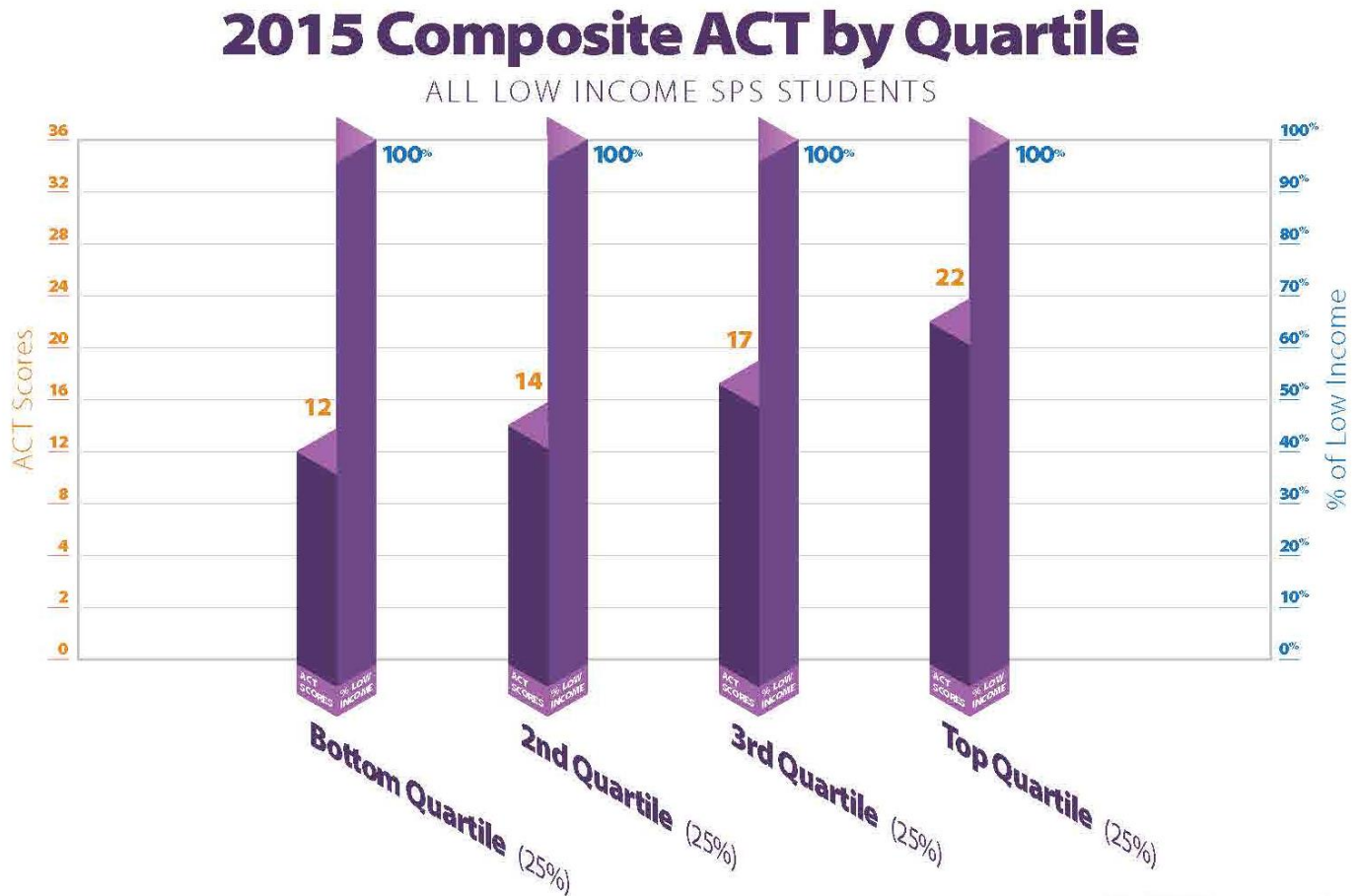


Chart 6

Top performing 25% of District 186 students in terms of composite ACT score

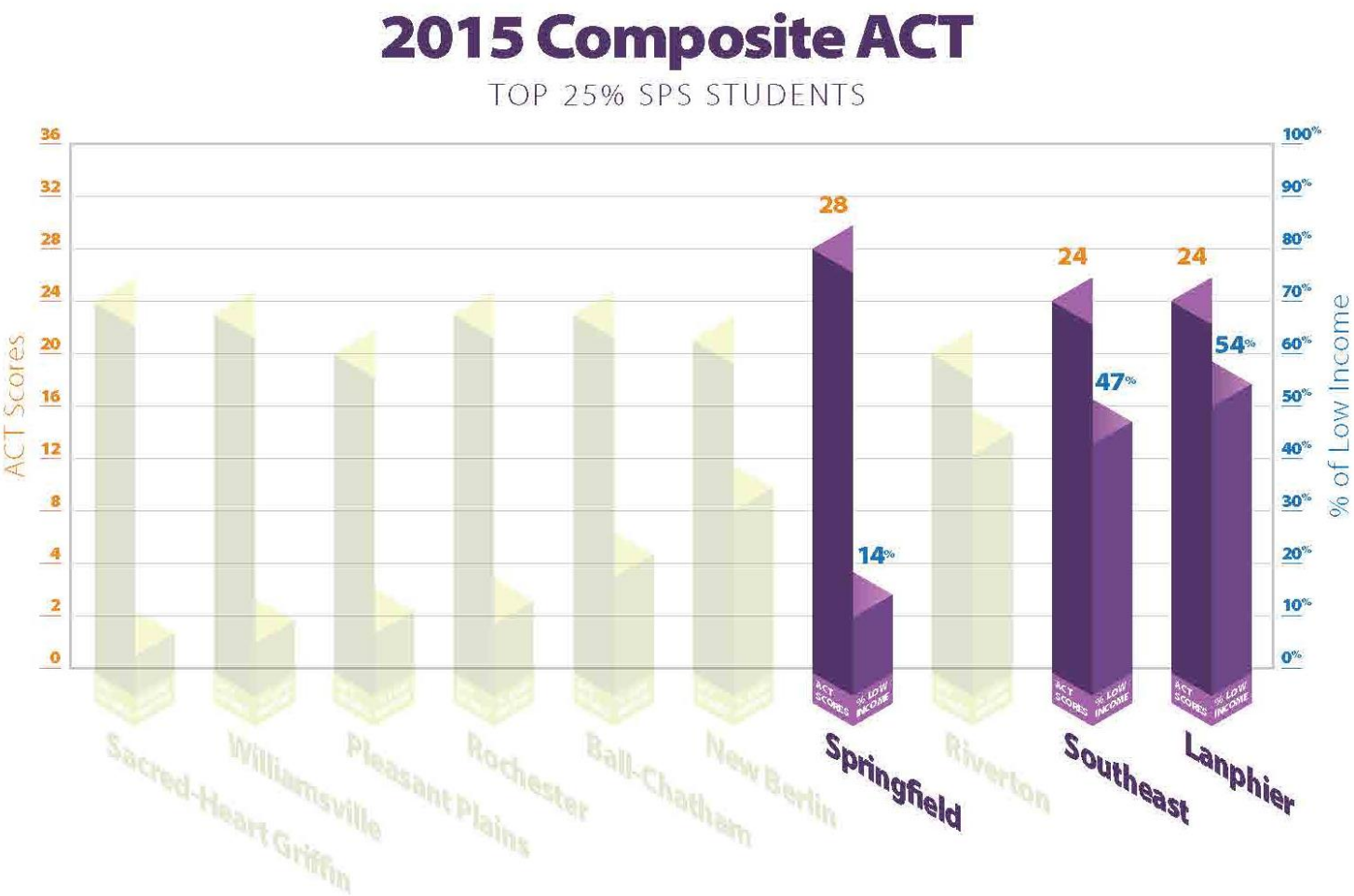
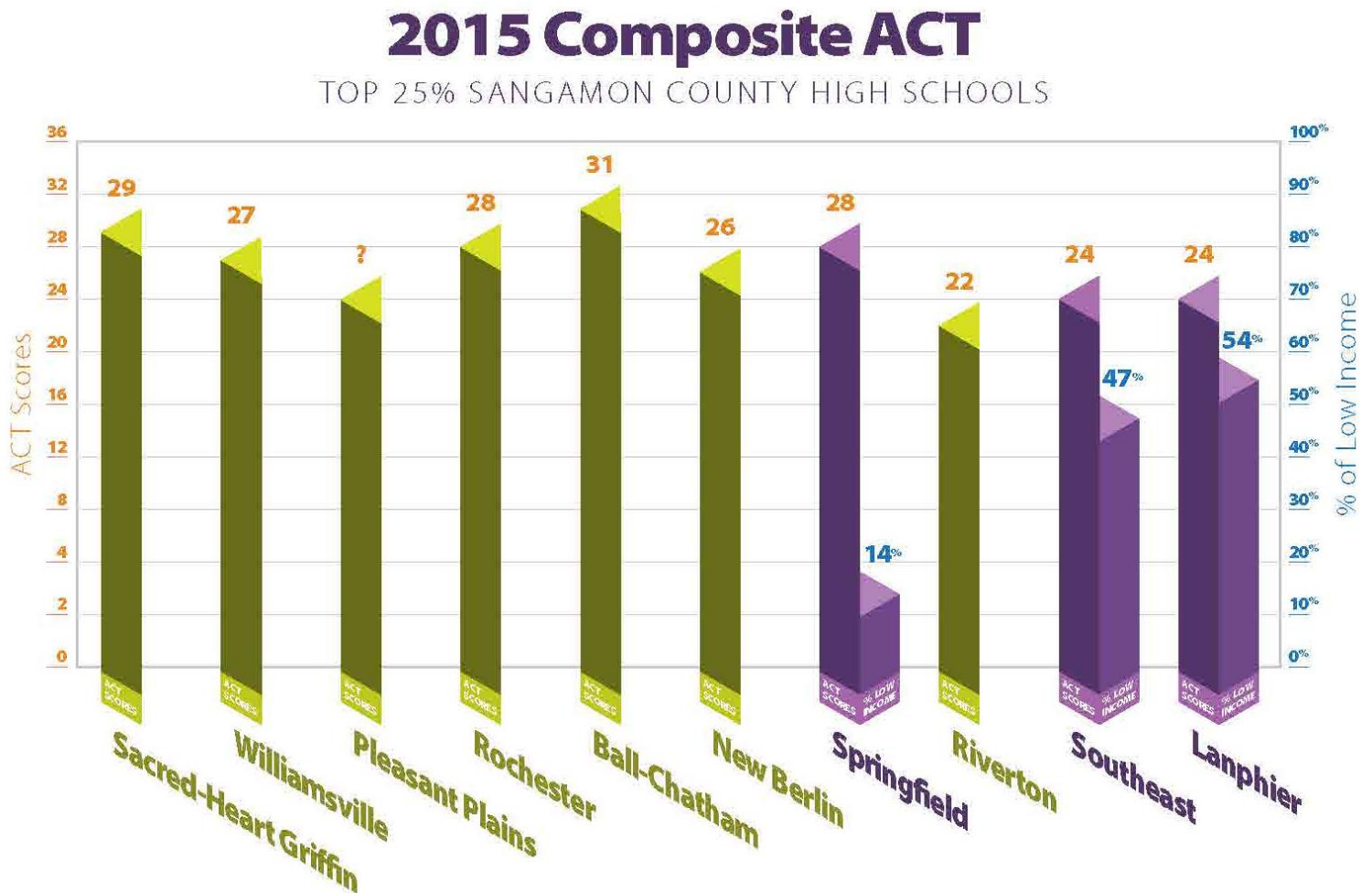


Chart 7

Composite ACT scores, top 25% of all Sangamon County high schools



District 186 AP, Dual Credit and CTE Course Offerings

2015/16 AP COURSE LIST

Course	LHS	SSHS	SHS
AP Lit/Comp 437	X	X	X
AP Music Theory 437			X
AP Studio Art 437			X
AP Art History 437			X
AP Calculus AB 437	X	X	X
AP Calculus BC 437			X
AP Statistics 337			X
AP Computer Science JAVA II	X	X	X
AP Computer Science JAVA III			
AP Chemistry 337	X	X	X
AP Biology 337	X	X	X
AP Physics 437	X	X	X
AP Human Geography 237	X	X	X
AP U.S. History 337	X	X	X
AP American Government 407	X	X	X
AP Psychology 437	X	X	
AP German 437			X
Total 17	10	10	15

DUAL CREDIT CLASSES

Course	LHS	SHS	SSHS
Honors Speech	Y	Y	Y
AP Calc BC		Y	Y
Keyboarding/Formatting 1		Y	Y
Adv Computer Tech 1	Y	Y	Y
Adv Computer Tech II		Y	Y
Honors Accounting II			Y
Calc AB1		Y	
English AP Eng Lit		Y	

CAREER AND TECHNICAL EDUCATION COURSES

Business Education

Business and Technology Concepts 134/135
Keyboarding/Formatting I 134/135
Keyboarding/Formatting 200/204/205
Computer Technology and Software Applications I 205
Computer Technology and Software Applications 234
Computer Technology and Software Applications II 305
Internet and Webpage Design 305
Keyboarding/Formatting II 335
Business Law 305
Sports and Entertainment Marketing 305
Accounting I 335
Web Page and Interactive Media Development II 435
Accounting II 436
Office Practice/Procedures 435

Cooperative Education

Interrelated Cooperative Education
Cooperative Office Occupation 335/435
Cooperative Marketing Occupation 334/435

Family and Consumer Science

Intro to Family and Consumer Science Careers
Intro to Nutrition and Culinary Arts
Child Development and Parenting
Advanced Early Childhood Education
Textiles and Design
Nutrition and Culinary Arts II
Nutrition and Culinary Arts II: Baking and Pastry Arts
Nutrition and Culinary Arts III: International Foods
Family Resource Management and Planning
Advanced Culinary Applications I

Health Science Academy

Principles of the Biomedical Sciences
Human Body Systems

Comparison of Graduation Rates and Requirements – Central Ill. Urban Districts

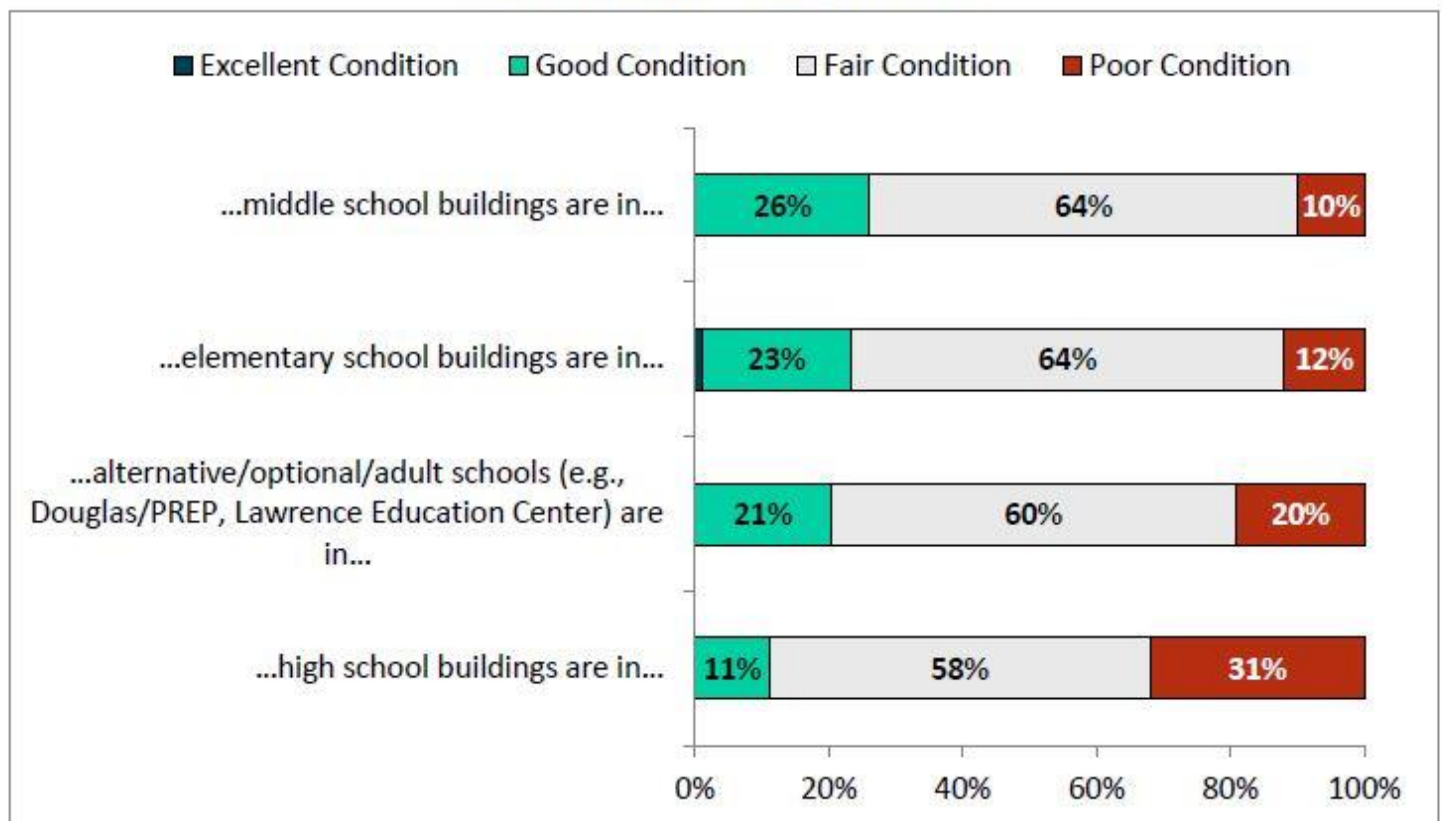
5 Year Comparison - All Students																
	2015				2014			2013			2012			2011		
Urban Districts	ACT	Graduation Rate	Graduation Requirement	Low Income %	ACT	Graduation Rate	Low Income %	ACT	Graduation Rate	Low Income %	ACT	Graduation Rate	Low Income %	ACT	Graduation Rate	Low Income %
Springfield 186	19	79	26	67	19	70	68	19	67	61	19	68	60	19	76	67
Decatur 61	18	74	26	75.1	17	72	76	17	66	75	17	60	66	18	71	69
Peoria 150	18	65	26	75	18	68	73	18	71	69	18	69	69	18	77	75
Bloomington 87	20	86	23.5	58	20	79	56	20	76	57	19	74	54	21	76	53
Champaign CUSD4	20	86	22	58	21	86	57	21	86	57	20	81	56	21	82	53
State Average	21	86		54	20	86	52	20	83	50		82	49		84	48

Comparison of Graduation Rates and Requirements – Sangamon County High Schools

5 Year Comparison - All Students																	
	2015					2014			2013			2012			2011		
Sangamon County High Schools	ACT	Graduation Rate	Graduation Requirement	Top 25% ACT Score	Low Income %	ACT	Graduation Rate	Low Income %	ACT	Graduation Rate	Low Income %	ACT	Graduation Rate	Low Income %	ACT	Graduation Rate	Low Income %
Ball-Chatham	23	89	23	31	22	23	88	22	22	93	17		92	16		88	15
New Berlin	21	85	28	26	34	22	94	28	19	91	27		89	18		90	16
Pleasant Plains	20	89	28		11	22	90	9	22	99	5		89	8		87	6
Riverton	20	83	22	22	45	20	89	38	19	86	40		84	38		84	35
Rochester	23	96	28	28	13	23	98	13	22	98	11		96	10		91	7
Williamsville	23	99	27	27	9	24	99	9	22	98	9		95	8		95	8
Springfield	21	89	26	28	37	21	82	38	21	80	34		78	36		82	38
Lanphier	18	76	26	24	73	17	65	73	18	62	64		64	62		74	72
Southeast	18	77	26	24	67	18	67	65	18	61	57		62	55		71	66
Sacred-Heart Griffin	24	100	24	29	7	24	100	6	23	100	5	23	100	6	24	100	6

Figure 3.2

Figure 3.2: Please indicate your perception of the physical condition of District 186's school buildings. "District 186's..."



n=97.

Note: Values below 5 percent are not labelled.

Washington High School Discipline Referrals

Before and After Renovation

Washington High School

DISCIPLINE REFERRALS



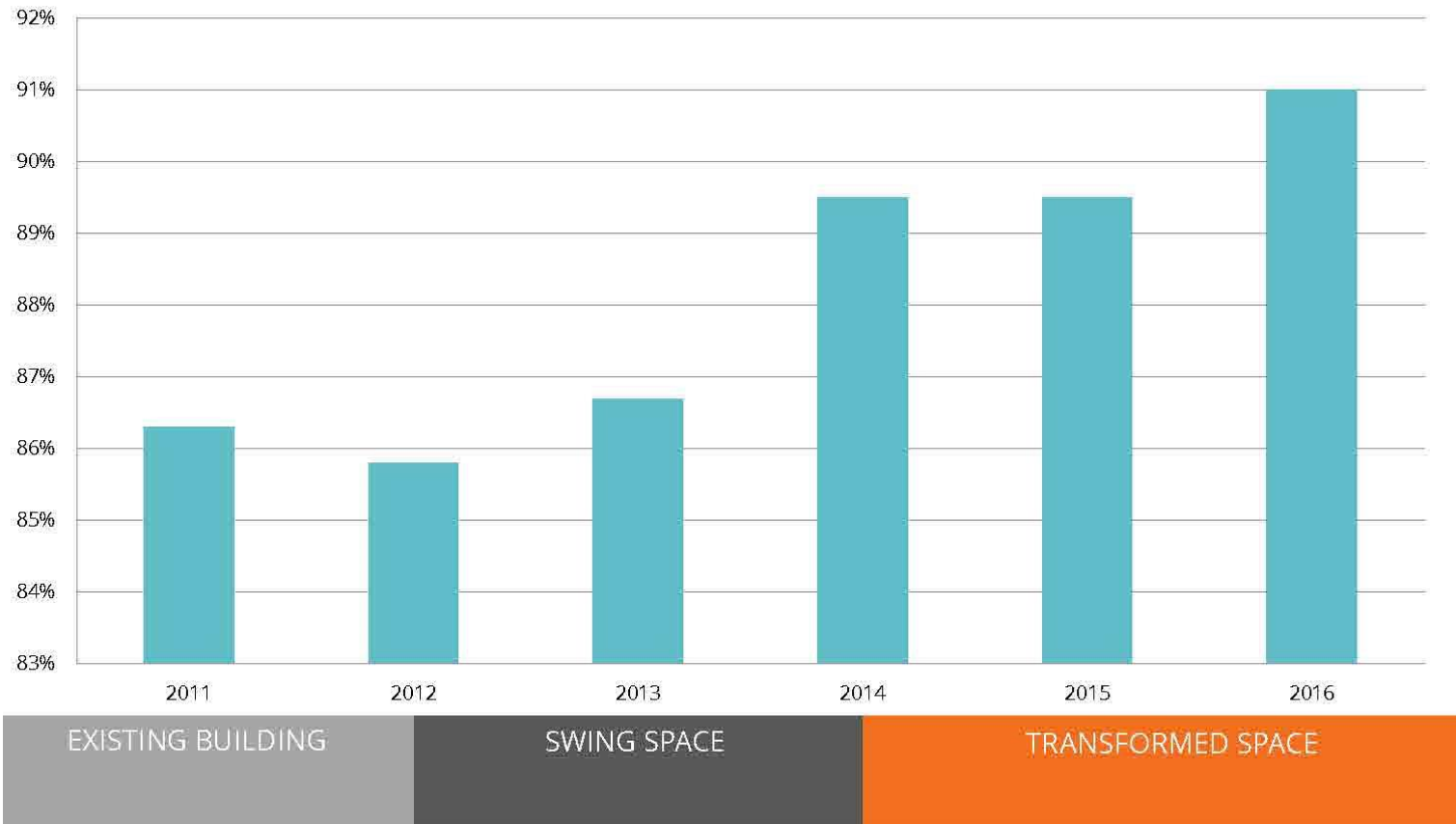
** Provided by BLDD Architects*

Eisenhower High School Attendance Rates

Before and After Renovation

Eisenhower High School

ATTENDANCE



* Provided by BLDD Architects

Knoxville's economic turnaround linked to TIF, new school

By Robert ConnellyGateHouse Media Illinois

KNOXVILLE — A steady stream of cars travels on Main Street through downtown Knoxville on a recent afternoon.

Keith Vaughn tells a reporter they can cross the street if they make a run for it between cars. It wasn't always like this.

“When (IGA) closed you were like, ‘Oh no, we’re starting this downward spiral. Little town is going to dwindle away, businesses leaving, big box stores taking over’ and it’s hard to sustain,” Vaughn said. “They didn’t have any momentum to get things rolling again. Well, then they started offering the (tax-increment financing district) and you started to see a little bit of improvement.”

The combination of the new Knoxville High School — opened for the 2014-2015 school year — Pioneer Plaza, Courtyard Estates Assisted Living Center and the continued success of Knoxville Mercantile, among other stores, has brought attention back to the city of about 2,800 people southeast of Galesburg.

That’s much different from five years ago when the IGA grocery store suddenly closed.

“There hadn’t been many stores coming to downtown since the grocery store closed, and that (closure) came as a big surprise,” Knoxville Mayor Pro-Tem Dennis Maurer said.

Maurer, reflecting on when he came onto City Council in 2012, agreed with Vaughn and pointed to the TIF as a major booster for the renovation work downtown.

The TIF district began in 2004 and uses property taxes to award funding to projects within the district's boundary. There is a limit of \$40,000 that can be applied for by a business for facade and building repairs. The district encompasses most, but not all of the city.

City officials said there have been between four and six business applicants for TIF funding in 2013, 2014 and 2015.

"This is basically what popped up. We would have really liked to have had a grocery store to come back to town, but doing research it would have been difficult to attract a grocery store to a town our size," Maurer said.

Dollar General, however, "took the chance of kind of filling that void and they've rearranged some" of their offerings and "... I think that's worked out well for them."

The Love's Travel Stop, which will most likely begin construction in the first part of 2016, Maurer said, adds to Vaughn's renovation projects of the old Pit Stop and Goff's appliance store along Main Street as continued business growth.

The old Pit Stop will offer a small bakery/coffee shop on the first floor with a three-bedroom apartment upstairs. The old Goff's has an interested party who wants to offer a high-end consignment shop there. The renovation work at both buildings won't be finished until mid-summer or early fall, Vaughn said.

Vaughn applied for, and received, \$40,000 in TIF funding for both of those projects.

Housing needs

That, combined with the new Knoxville High School, has increased interest in Knoxville housing.

Knoxville Superintendent of Schools Steve Wilder said he has heard from area Realtors that families moving to Knoxville struggle to find three- to four-bedroom houses in the right price range.

“There’s not a ton the city or the school district can do about that but offer the best programs we can, a good quality of life,” Wilder said. “Families that are willing to make the investment, whether it’s building a home or renovating an older home, unfortunately that’s a challenge that’s out there. We’ve certainly seen some people taking those challenges on and being pretty successful.”

“We realize there is a need for housing in the area. It’s just kind of tricky. The problem becomes where to build the house and that’s where we run into a problem. We’re surrounded by fairly productive farmland ... it makes it kind of difficult to expand,” Maurer said.

“The space we have in town is kind of finite and we’ve thought about it. It would be great to do this, but where to put it ... there’s just not a lot of open space available.”

That housing issue could prevent future expansion of the city.

“Do I want Knoxville to grow? Absolutely. I want it to be a community that thrives. I’m a business person and I want people to come,” Vaughn said.

“(But) I want this to be our nice little hometown where we have sustainable business and they can enjoy. They don’t have to drive miles and miles to have good food and fun.”

“Where Knoxville goes from here, I think remains to be seen. One of the great qualities of Knoxville is it’s a nice, quiet, small town type of community so I don’t think I ever see it growing in leaps and bounds,” Wilder said.

Maurer said he moved to Knoxville in 1990 and where Love’s is going to build is land “that has always sat there and there’s really never been much interest. And all of a sudden Love’s showed interest.”

“We haven’t seen this kind of growth in Knoxville in a very long time and we’re going to experience some growing pains” such as “... adjusting police, fire department and city services to accommodate those things,” Maurer said.

Property taxes

Vaughn said it wasn't the decision to allow alcohol sales in Knoxville that sprung the city forward. City residents voted 688-102 in April 2011 to allow liquor sales in Knoxville.

There are currently seven liquor permits in the city, the maximum amount allowed under the city's liquor ordinance.

Instead he pointed to the new high school, the Courtyard Estates and the Knoxville Mercantile, all of which didn't have "a basis on alcohol."

Vaughn said, however, the sales tax generated by alcohol sales, as well as restaurants and stores with liquor permits, makes those businesses more sustainable.

Maurer and Wilder said it is still too early to know the true impact on revenue through property taxes from all the business development. Both said it takes two to three years of a business operating in the city to know what the impact on tax collections will be.

"We're hoping to see the benefit of that here in the next couple of years, but the tax cycle takes a couple years to start to kick in so we haven't seen a whole lot yet because those developments are recent," Wilder said.

Vaughn drew similarities — the business growth and the schools — to his hometown of Washington, where he was born and raised.

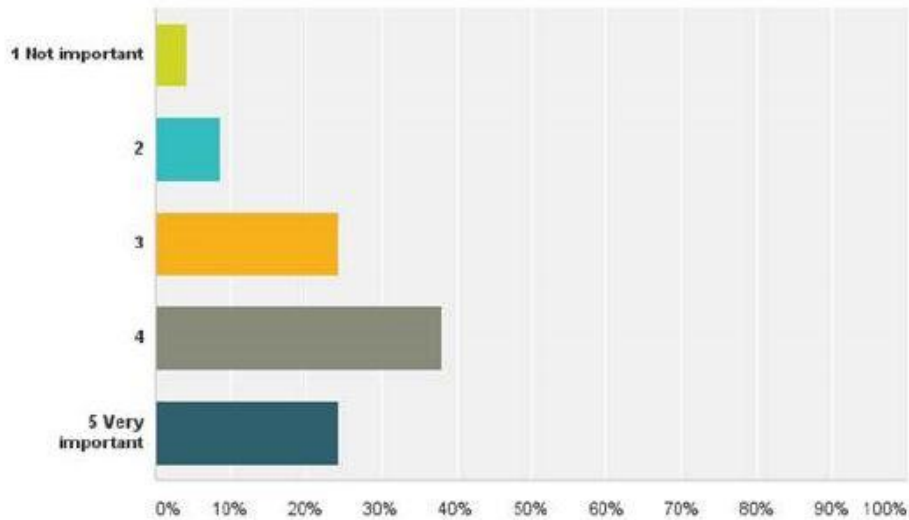
"Washington was a small town of about 5,500, 6,500 when I was growing up in the 1970s and 1980s and ... I saw a huge growth, a huge growth in Washington. Great school district, but Washington looked just like Knoxville," he said.

So Vaughn moved here about seven years ago because he thought "my kids would do well here, but it's lacking something. This could be Washington all over again. That was my motivation to try some business here and get the ball rolling, and it's worked out well."

“I think there’s a little bit of interest in seeing continued progress and more recognition that if some of these quality of life improvements happen, then people are more interested in coming to Knoxville,” Wilder said.

Figure F1

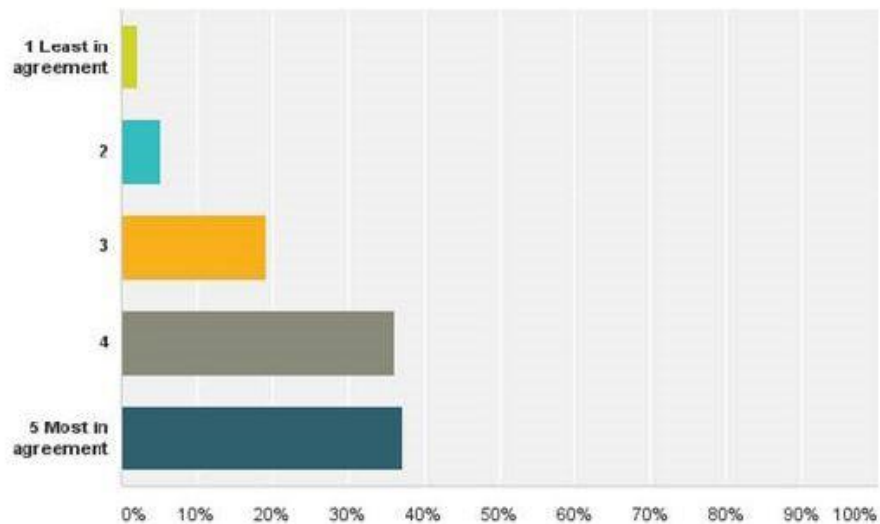
Q2: How important is the physical condition or appearance of school facilities it comes to a buyer client's purchase decision?



Over 38 percent of REALTORS® responded that homebuyers rank the importance of the physical condition or appearance of school facilities at Level 4 in terms of importance. An equal percentage (24 percent) ranked the importance at either Level 3 or 5. A total of 62 percent ranked the importance at either Level 4 or 5.

Figure F2

Q4: Please indicated your level of agreement with the following statement: “When working with relocation clients they already know which school district(s) they are interested in living.”



Over 37 percent of respondents are most in agreement at Level (5) with the statement that clients already know which school districts their interested in living before they begin working with them. Another 36 percent agreed at Level 4. Over 73 percent were at either Level 4 or 5 in agreeing with this statement.

CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-14

CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED

(Percent of Respondents)

	All Buyers	AGE OF HOME BUYER				
		34 and younger	35 to 49	50 to 59	60 to 68	69 to 89
Price of home	23%	24%	24%	21%	18%	22%
Size of home	20	24	19	19	17	15
Condition of home	18	19	18	17	16	15
Distance from job	16	19	18	12	4	1
Lot size	16	22	16	13	11	11
Style of home	14	18	16	15	14	10
Distance from friends or family	7	9	6	7	6	7
Quality of the neighborhood	5	6	5	4	4	6
Quality of the schools	4	7	5	1	*	*
Distance from school	2	2	4	1	*	*
None - Made no compromises	33	23	29	37	45	48
Other compromises not listed	8	7	9	9	7	8

* Less than 1 percent

CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-7

FACTORS INFLUENCING NEIGHBORHOOD CHOICE

(Percent of Respondents)

	All Buyers	AGE OF HOME BUYER				
		34 and younger	35 to 49	50 to 59	60 to 68	69 to 89
Quality of the neighborhood	69%	75%	69%	65%	65%	64%
Convenient to job	52	74	62	53	20	8
Overall affordability of homes	47	58	44	43	42	39
Convenient to friends/family	43	49	35	36	47	52
Convenient to shopping	31	25	29	34	39	42
Quality of the school district	30	44	43	16	7	6
Design of neighborhood	28	26	24	29	34	30
Convenient to schools	25	34	41	12	4	3
Convenient to entertainment/leisure activities	25	29	24	21	27	21
Convenient to parks/recreational facilities	23	28	24	18	21	17
Availability of larger lots or acreage	19	23	21	19	16	10
Convenient to health facilities	15	7	9	14	28	37
Home in a planned community	10	6	9	10	17	18
Convenient to public transportation	8	9	8	6	8	6
Convenient to airport	7	4	7	10	10	8
Other	6	4	6	11	9	6

District Building Information

	Const.	Add.	Add.	Add.	Add.	Add.	Add.	Latest Building Updates*
1 Addams	1960	1962	1989					2011
2 Ball Charter (Webster)	1965	2004						2010
3 Black Hawk	1956	1967						2011
4 Butler	1921	1932	1936					2010
5 Douglas	1916							2010
6 Dubois	1897	1916						2014
7 Early Learning Center	2005							2010
8 Enos	2013/14							2014
9 Fairview	1952	1955	1959					2014
10 Feitshans	1922	1936	1937					2014
11 Franklin Middle School	1959							2010
12 Graham	1993							2015
13 Grant	1960							2012
14 Harvard Park	1912	1927	1929	1938	1947	1989		2013
15 Hazel Dell	1948	1953	1959					2012
16 Iles	1905	1922	1991					2014
17 Jefferson Middle School	1957							2012
18 Laketown	1957	1959						2010
19 Lanphier High School	1937	1939	1948	1957	1965	1966	1998	2014
20 Lawrence	1904							2011
21 Lee	1980							2014
22 Lincoln Middle School	1913	1989						2016
23 Lindsay	2000							2010
24 Marsh	1966	1969	1970					2014
25 MathenyWithrow	2013							2013
26 McClernand	1936	1962	1986					2010
27 Ridgely	1917	2006						2006
28 Sandburg	1961	1965						2013
29 Southeast High School	1966	1977	1998					2011
30 Southern View	1932	1951	1953	1959				2010
31 Springfield High School	1917	1927	1936	1965	1984	1998		2013
32 Washington Middle School	1957							2013
33 Wilcox	1966	1968	1991					2013
35 Wanless (scope ofc. & PD)	1913	1950	1954					2011
36 Administrative Center	1960							2008
37 Service Center	1967							
38 Auxiliary Bldg.	1987							
39 IRC	1956							2012

TOTALS

* Building updates include roofing, HVAC, energy management system, fire alarm system, and/or other needed maintenance.

– 2015 – Updated security camera systems in all middle and high schools.

– Current – Upgrading wiring in all buildings to allow Wi-Fi access points in every learning space.

Fund Balance Charts

District 186 Fund Balances

Updated as of December 2015

FUND BALANCE POLICY								
	FY 2011		FY 2012		FY 2013		FY 2014	FY 2015
Fund Revenue	Actual		Actual		Actual		Actual	Actual
Education	\$148,652,702		\$144,475,341		\$144,661,877		\$147,112,832	\$147,255,541
Operations & Maintenance	\$14,329,190		\$14,769,997		\$14,737,831		\$15,659,287	\$14,055,090
Transportation	\$9,295,042		\$10,045,890		\$9,984,364		\$8,744,174	\$8,848,047
Working Cash								
Total Revenue	\$172,276,934		\$169,291,228		\$169,384,072		\$171,516,293	\$170,158,678
Minimum Fund Balance	\$25,841,540		\$25,393,684		\$25,407,611		\$25,727,444	\$25,523,802
per Policy	15.0%		15.0%		15.0%		15.0%	15.0%
Fund Balance	Actual		Actual		Actual		Actual	Actual
Education	18,874,751		10,171,718		2,724,827		3,221,128	6,372,291
Operations & Maintenance	253,217		653,977		639,040		794,731	253,178
Transportation	(270,847)		273,311		1,937,324		2,262,684	2,533,280
Working Cash	15,551,188		15,551,188		15,551,336		15,551,336	15,551,336
Total Fund Balance	34,408,309		26,650,194		20,852,527		21,829,879	24,710,085
	20.0%		15.7%		12.3%		12.7%	14.5%

Copy of District 186 Fund Balance Policy

OPERATIONAL SERVICES

BUDGET – Fund Balances Financial Stability Goal

In its efforts to provide high quality educational opportunities for all students and maintain financial stability, the Springfield Public School District will seek to annually establish and maintain year-end fund balances to meet its necessary and reasonable educational expenditures.

When developing its budget, it shall be the goal of the District to maintain year-end fund balances between 15 to 20 percent of the annual revenue, in the aggregate, for each major operating fund including the Educational Fund, the Operations and Maintenance Fund, the Working Cash Fund, and the Transportation Fund. As an example, if the aggregate revenue is \$100,000,000 then the aggregate fund balance should be no less than 15 percent or \$15,000,000.

In a fiscal year when a Final budget is presented to the Board for approval in which the financial goals are not reflected in that Final budget, the Superintendent shall report to the Board the rationale for why those goals are not reflected in the proposed Final budget.

In a fiscal year when the Final budget is approved in which the fund balance goal is attained, the Superintendent shall direct the development of a written report to the Board at any time when the fund balance in any of the major fund categories named above falls below the goal for that fund. The report shall include a plan for addressing the shortfall and/or the rationale for not meeting the goal. That report containing a plan to address the shortfall, or the rationale for not meeting the goal, will be presented to the Board of Education in a timely fashion for approval.

The Superintendent or designee shall monitor the District's fund balances and provide periodic reports to the Finance Committee and the Board of Education. When it becomes necessary to expend any acquired financial reserves or to engage in short and long-term borrowing, the Superintendent or designee shall seek Board approval during its normally scheduled meetings.