FOR IMMEDIATE RELEASE

Springfield, IL, February 16, 1995—Long-term debt totaling more than $49 million masks the financial problems of some of the 74 school districts coming off the State Board of Education's 1994 Financial Watch List, State Superintendent of Education Joseph Spagnolo said.

"Some districts have improved their financial status by balancing budgets or increasing revenues. Other districts have made marginal improvements in their fiscal conditions to come off the Watch List but are teetering on the brink.

"However, a number of districts have converted short-term debt to long-term debt to escape the Watch List. These districts have in essence acquired a long-term mortgage to meet their daily expenses."

Spagnolo added, "The Board needs to fine-tune its financial barometer to bring greater fiscal accountability to the public. Enhancements recommended in the Quality Schools Initiative (QSI) will give the Board's early warning system a more in-depth look into the financial conditions of schools by integrating the Financial Watch List with the future Academic Watch List."

The accumulated long-term debt for districts on the 1994 Financial Watch List tops $96 million. This year's Watch List includes 98 districts, representing about 11 percent of the 924 school districts operating during the 1993-94 school year.

"The State Board needs better information on the reductions schools make in educational expenditures and -more-
their impact on the academic performance of students. Proposed changes outlined in QSI will provide us with additional data," Spagnolo said.

School districts are placed on the Watch List based on their financial conditions of the previous fiscal year ending June 30. The year-end balances in the four major operating funds—education, operations and maintenance, transportation, and working cash—are compared to the total revenues collected in those funds during the year. If year-end fund balances equal five percent or less of the year's revenues, a district is placed on the Watch List.

The 1993 Watch List had 145 of 932 districts on the list. This figure represented about 16 percent of the districts. Of the 98 districts on the 1994 list, 27 districts are new to the list, 61 districts are continued from last year's list, and 10 are certified as "In Financial Difficulty."

Other 1994 Watch List Facts

- Since 1988, the first year for the Watch List, more than 402—almost 44 percent—of all school districts in Illinois have appeared on the list one or more times.

- Of the 74 district coming off the Watch List, seven districts were annexed or consolidated and three districts were decertified.

- Removal of first-time districts from the Watch List requires an operating fund balance ratio for the most recent data year of more than five percent. Districts previously on the list that show two consecutive years above zero and improvement will be removed from the list. These districts would be returned to the list if their ratio falls below zero.

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FISCAL YEAR 1994 WATCH LIST
LISTING BY COUNTY
FEBRUARY 16, 1995

ALEXANDER

CAIRO USD 1

BUREAU

* KASBEER CSD 23 (Anx. 7/1/94)
* MANLIUS CUSD 305
* HALL TWP. HSD 502
WYANET CHSD 510

CARROLL

SAVANNA CUSD 300
** MT. CARROLL CUSD 304
EASTLAND CUSD 308

CASS

ASHLAND-CHANDLERVILLE
CUSD 262

CHAMPAIGN

LUDLOW CCSD 142

CHRISTIAN

* EDINBURG CUSD 4

CLINTON

* WESCLIN CUSD 3
CENTRAL CHSD 71

COOK

BERWYN NORTH SD 98
* NORTH PALOS SD 117
PRAIRIE-HILLS ESD 144
* ARBOR PARK SD 145
** HARVEY SD 152
BURNHAM SD 154-5
* LANSING RD 158
* COUNTRY CLUB HILLS SD 160
BREMEN CHSD 228

CUMBERLAND

CUMBERLAND CUSD 77

DEKALB

HIAWATHA CUSD 426

DEWITT

WAPELLA CUSD 5 (Anx. 7/1/94)

DUPAGE

* KEENEYVILLE SD 20

DOUGLAS

NEWMAN CUSD 303 (Cons. 7/1/94)

FRANKLIN

BENTON CHSD 103
** WEST FRANKFORT CUD 168

* New to Watch List
** Certified School Districts
+ No school districts are on the watch list that would not have otherwise been on it, had it not been for the inability or refusal of the State of Illinois to make timely disbursements of any payments due school districts or to fully reimburse school districts for mandated categorical programs.
FULTON
* LEWISTOWN CHSD 341

GALLATIN
** GALLATIN CUSD 7

HANCOCK
* HAMILTON CCSD 328
  DALLAS CITY CUSD 336

HENDERSON
  UNION CUSD 115

IROQUOIS
  BRYCE-ASH GROVE CCSD 284 (Anx. 8/17/94)

JACKSON
  CARBONDALE ESD 95

JEFFERSON
  INA CCSD 8
  WOODLAWN CHSD 205

JO DAVIESS
  GALENA USD 120

JOHNSON
  VIENNA SD 55
  VIENNA HSD 13-3

KANE
  ELGIN SD U-46
  AURORA EAST USD 131

KANKAKEE
  GRANT PARK CUSD 6

KNOX
* ABINGDON CUSD 217

LAKE
  WINTHROP HARBOR SD 1
  HAWTHORN CCSD 73
  ** ROUND LAKE AREA SD 116
  ** NORTH CHICAGO SD 187

LASALLE
  STREATOR TWP. HSD 40
  STREATOR ESD 44
  OPHIR CCSD 235

LEE
* STEWARD ESD 220

LIVINGSTON
  STREATOR WOODLAND CUSD 5
  PONTIAC TWP. HSD 90

MACON
* BLUE MOUND-BOODY CUSD 10
  (Cons. 7/1/94)

MACOUPIN
  MOUNT OLIVE CUSD 5
  GILLESPIE CUSD 7

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MADISON

** LIVINGSTON CCSD 4
* HIGHLAND CUSD 5
  COLLINSVILLE CUSD 10
** MADISON CUSD 12
* E. ALTON-WOOD RIVER CHSD 14

MARION

KELL CSD 2
SALEM CHSD 600

MARSHALL

SPARLAND CUSD 3
* MID-COUNTY CUSD 4

MCDONOUGH

* BUSHNELL PRAIRIE CITY
  CUSD 170
* NORTHWEST CUSD 175

MCLEAN

* LEXINGTON CUSD 7
* CHENOA CUSD 9

MORGAN

MEREDOSIA-CHAMBERSBURG
  CUSD 11

PIATT

DELAND-WELDON CUSD 57

ST. CLAIR

LEBANON CUSD 9
FREEBURG CHSD 77
SHILOH VILLAGE SD 85
WOLF BRANCH SD 113
BELLEVILLE SD 118

SMITHTON CCSD 130
MILLSTADT CCSD 160
** E. ST. LOUIS SD 189
BELLEVILLE TWP. HSD 201

SALINE

CARRIER MILLS-STONEFORT
  CUSD 2
HARRISBURG CUSD 3

SANGAMON

* ILLIOPOLIS CUSD 12

STEPHENSON

ORANGEVILLE CUSD 203

TAZEWELL

ROBIEIN SD 85
** SPRING LAKE CCSD 606
* PLEASANT VIEW CSD 622 (Dissolved
  8/12/94)
DEER CREEK-MACKINAW
  CUSD 701

UNION

COBDEN USD 17
ANNA JONESBORO CHSD 81

VERMILION

COMMUNITY USD 76

WABASH

* WABASH CUSD 348

WARREN

* ALEXIS CUSD 400

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WAYNE

MERRIAM CCSD 19

WILL

* JOLIET SD 86

WINNEBAGO

SOUTH BELOIT CUSD 320

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BROWN

BROWN COUNTY CUSD 1

CARROLL

THOMSON CUSD 301

CHRISTIAN

TAYLORVILLE CUSD 3

COOK

CALUMET CITY SD 155
ELEMENTARY SD 159
SANDRIDGE SD 172
STEGER SD 194
OAK PARK/RIVER FOREST D 200

DEKALB

GENOA KINGSTON CUSD 424
INDIAN CREEK CUSD 425

FORD

MELVIN SIBLEY CUSD 4 (Cons. 7/1/93)

FRANKLIN

BENTON CCSD 47

FULTON

ASTORIA CUSD 1
V I T CUSD 2

GRUNDY

NETTLE CREEK CCSD 24C

JACKSON

DESGOTO CSD 86

JEFFERSON

MT. VERNON SD 80

JO DAVIESS

EAST DUBUQUE USD 119
RIVER RIDGE CUSD 210

KANE

BATAVIA USD 101
CENTRAL CUSD 301

LAKE

HIGHWOOD-HIGHLAND PARK
SD 111 (Cons. 7/1/93)

LASALLE

LOSTANT CCSD 25 (Cons. 7/1/93)
TONICA CCSD 79
DEER PARK CCSD 82
• GRAND RIDGE CCSD 95 (Decertified 1/19/95)
LASALLE ESD 122
OGLESBY ESD 125
J. F. KENNEDY CCSD 129 (Cons. 7/1/93)
OTTAWA TWP. HSD 140

LIVINGSTON

ROOKS CREEK CCSD 425
OWEGO CCSD 434 (Anx. 7/23/93)

* Decertified School Districts
LOGAN
BEASON CCSD 17 (Anx. 5/17/94)
MACON
ARGENTA-OREANA CUSD 1
MACOUPIN
GIRARD CUSD 3
MADISON
ROXANA CUSD 1
GRANITE CITY CUSD 9
MARION
PATOKA CUSD 100
CENTRALIA SD 135
MASON
ILLINI CENTRAL CUSD 189
MCHENRY
RILEY CCSD 18
MCLEAN
HEYWORTH CUSD 4
MENARD
PORTA CUSD 202
MONTGOMERY
WITT USD 66
MORGAN
WAVERLY CUSD 6

OGLE
MOUNT MORRIS CUSD 261 (Dissolved 7/1/94)

PEORIA
• LIMESTONE WALTERS CCSD 316
  (Decertified 1/19/95)
  DUNLAP CUSD 323

PERRY
• DU QUOIN CUSD 300 (Decertified 1/19/95)

PIATT
BELEMENT CUSD 5
CERRO GORDO CUSD 100

ROCK ISLAND
CARBON CLIFF-BARSTOW SD 36

ST. CLAIR
SIGNAL HILL SD 181

SALINE
GALATIA CUSD 1
ELDORADO CUSD 4

SHELBY
FINDLAY CUSD 2
CENTRAL A & M CUSD 21

STARK
STARK COUNTY CUSD 100

STEPHENSON
DAKOTA CUSD 201

• Decertified School Districts
TAZEWELL
   EAST PEORIA SD 86

UNION
   DONGOLA USD 66

VERMILION
   WESTVILLE CUSD 2
   DANVILLE CCSD 118

WARREN
   MONMOUTH USD 38

WHITE
   GRAYVILLE CUSD 1

WHITESIDE
   PROPHETSTOWN-LYNDON CUSD 3
   EAST COLOMA SD 12
   MONTMORENCY CCSD 145

WILL
   ROCKDALE SD 84
   FAIRMONT SD 89
   PLAINFIELD SD 202

WILLIAMSON
   CRAB ORCHARD CUSD 3
   HERRIN CUSD 4

WOODFORD
   FIELDCREST CUSD 6

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- Decertified School Districts