

FAQ

Why do we need school referendums in general?

Illinois law prohibits schools from raising property taxes to cover the actual cost of running schools. This law, called “tax caps,” means our schools can only increase property taxes by the lesser of 5% or the Consumer Price Index (CPI) – which has been at 1.5% or less for the past five years – unless citizens vote for a referendum to approve more. Referenda are Illinois’ way of making sure the citizens have a say in how our schools are funded.

This means that school districts’ major source of revenue, property taxes, are artificially capped while their costs often increase faster than the rate of inflation. These limits mean school Districts periodically turn to the voters and request a referendum to raise the dollars necessary to educate our children.

How much will these referenda cost?

Our schools are asking for two specific referenda. The first is an operating funds referendum for \$13.3 million to directly fund education that will cost you \$74 per \$1,000 of your current tax bill. The second referendum supports safe and accessible schools through \$57.5 million of school building bonds that will renew existing debt and will not increase your tax bill.

Why do we need we need these referenda right now?

Our schools have been aggressively working to manage deficit spending through cost saving measures and finding additional revenue streams. These cuts have been kept as far away from the kids for long as possible. Despite these best efforts, a surging student population and inadequate state funding means our district needs additional revenues now to avoid catastrophic cuts over the next few years that will dramatically impact the quality of education that students receive.

How did we get here?

The reputation of our community for excellent schools has led to a dramatic surge in enrollment, putting us at a 40 year high. Over 1,100 additional students have joined the district in the last decade, the equivalent of adding five full classrooms to each of our schools.

This surging growth has been coupled with declining revenue. Since 2012, Illinois has not made all their payments owed to our school district, which has cost our schools approximately \$6.5 million. To put this in perspective, our schools could educate approximately 470 children with those funds.

Cook County’s tax cap laws, which limit our schools revenue from local property taxes to the lesser of inflation or five percent, has kept the District’s average property tax growth at 1.5 percent. This extremely low growth isn’t enough to keep pace with the cost of maintaining our quality schools.

Why did we build a new Admin building if we are facing a financial crisis?

The decision to move into a new admin building was the result of many years of planning. The former admin building at 970 Madison was originally planned as a temporary space to be used by the District for up to five years. That was in 1970. After 40 years of use, the building was in immediate need of

nearly \$3 million in repairs. The building was also at capacity, but any remodeling of the space would trigger extensive renovation needed to become ADA and building code compliant.

Rather than continue to pour money into an aging building that wasn't meeting the needs of the District, the Board of Education spent the past half-decade working out an inter-governmental agreement that allowed the Village to provide TIF funding for the new admin building and allows for the school District's building and grounds department to share space at the Village public works garage.

When all these factors are taken into account, our school District actually spent less money moving into the new admin building than it would have cost for them to remain at 970 Madison.

What if enrollment doesn't continue to grow after we make this investment in expanding our schools?

The referenda are based on a relatively flat projection of enrollment for our schools over the next decade. The portions of the referenda that are there to deal with surging enrollment by expanding our schools are actually addressing conditions that are already here. There is already overcrowding at Homes, Lincoln, and Longfellow that requires either immediate expansion, or the need for temporary classrooms (trailers).

What cuts can we expect to see if the referenda fail?

The timing and severity of cuts depend on the outcome of the April 4th vote. If both referenda fail, there will be a reduction of 1/5 of staff across our district, class sizes will increase to nearly 30 at the elementary schools, all building expansion will be cancelled, all non-essential curriculum will be canceled and by sometime in 2018, the district will no longer be able to make payroll. Within two to three years, the quality of education our children experience in our schools will be very different.

Why can't we use funds from the High School or the Park District to help out D97?

The High School (District 200) and the Park District, the Village, the Township and others are separate taxing bodies and collect funds to achieve their mission. If those taxing bodies have a sizeable surplus, they always have the option to reduce their own tax levy and collect less funding from us through our property taxes.

How can we be assured the district will spend this money wisely?

Since 2008, our school district has maintained the Financial Oversight and Review Committee (FORC), a standing board committee comprised of citizen with expertise in both public and private financial management. FORC acts as an independent reviewer of the district's finances, expenditures, revenues, budgets, fiscal policies, and decision-making.

Developed in conjunction with FORC, our district fiscal policies are some of the strongest in Illinois. They govern the uses of debt, require tight risk tolerance for investments and we are one of only three districts in Illinois that have both a floor (25%) and ceiling (75%) fund balance target. That means the district won't build up reserve funds that exceed 75% of their operating budget.

Additionally, for the past four years, our district has received the highest “unqualified/unmodified” audit rating from its outside accountants and the district’s most recent credit rating was Aa2, among the highest in the state.

Why can’t we cut admin staff or programs or the IB designation at the middle schools instead?

The current revenue problem for our schools isn’t something we can solve by making cuts without having a seriously negative impact on all our students. Our schools would need to make more than \$12 million in reductions over the next three years to achieve a fund balance of 15 percent (10 percent below what is required by board policy) and balance our budget.

Without passing both referenda, staff would be reduced by 1/5 across the district, including classroom staff. All educational programs not mandated by the state would be discontinued and all expansion of our schools would be cancelled. Overcrowding would be managed by dramatically increasing class sizes and potentially redistricting our schools.

What is the education cost per child in our district?

Our school district spends \$13,923 per pupil. That level of spending is in-line with what we see at other peer school districts around Illinois. For example, Evanston spends \$14,150 per pupil and Elmhurst spends \$13,744.