



Facts About the District 64 Referendum on April 17, 2007

Why seek a referendum now?

Despite the School Board's efforts to carefully control spending and remain fiscally conservative, the Park Ridge-Niles School District 64 revenues simply haven't kept pace with rising expenses. Like over half of the school districts in Illinois, District 64 is operating at a deficit. **District expenses are increasing faster than the rate of inflation**, yet state-mandated tax caps limit annual increases in revenues to 5% or inflation (CPI), whichever is lower.

- ▶ Many costs are out of the School Board's control. Student **enrollment has increased 18% in 10 years** (650 students: the equivalent of one school building), adding \$6,500,000 in expenses to the District budget. Employee health care benefits, the largest non-salary expense, have grown 11% per year, and building energy costs have risen faster than the rate of inflation.
- ▶ Yet we **depend on local property taxes** to fund our schools: **80%** of District revenue comes from property taxes. State and federal funding combined provide only 12% of the District's revenue. The tax cap means District 64 cannot fully benefit from higher property values in Park Ridge-Niles, which have risen 11% since 2000. Without the one-time emergency working cash bond in 2005, growth in property taxes collected by District 64 averaged just 3%.

This on-going structural imbalance between revenues and expenses threatens to compromise the quality of our schools, and ultimately impact our property values.

How has the School Board controlled costs and been fiscally responsible?

- ▶ The School Board has **cut \$12.2 million from the budget since 2000** by increasing class sizes in grades 3–8, eliminating jobs, and cutting services in foreign language, support for at-risk students, and special education for private school students. Further reductions include curriculum development, staff and teacher development, delayed technology for classrooms and deferred routine building improvements and repairs. In 2002, 3.5 administrative positions were eliminated.
- ▶ The School Board has kept spending on salaries **around the inflation rate of 3%**. **Our teacher salaries are at the mid-range of comparable districts**. Overall salary growth has been controlled by eliminating staff positions, lowering the salary target average for new hires, and by restructuring the overtime for maintenance staff. Employee health insurance coverage has been restructured to control costs, the largest non-salary expense. Other sources of revenue have increased as parents are now paying higher fees for textbooks, supplies, activities and transportation. The District operates administratively lean, with about 1 administrator to every 88 staff.
- ▶ The School Board is **committed to remaining financially solvent** and does not want to continue applying costly, stop-gap solutions to this fund imbalance. While the Board had to borrow \$4.9 million in the fall of 2005 to meet payroll, its members are reluctant to continue to go into debt to cover day-to-day operating expenses, understanding that continued borrowing without a new source of revenue is not financially responsible.

If we fail to pass a referendum, the Board is likely to:

- ▶ **Be forced to borrow in 2008 to make payroll**, a costly stop-gap measure, with significant long-term impact. Both the Board and the Community Finance Committee are projecting the need for this step in the absence of a successful referendum.
- ▶ **Permanently cut at least \$1 million** from the budget in 2007 to balance the budget and deter further borrowing. As a result, we project that:
 - Class sizes are likely to increase significantly, with maximum class sizes in some grades exceeding 30 children.
 - Services and programs will be reduced or eliminated in areas such as academic achievement, gifted, transportation, special education to private schools, as well as instrumental music and foreign language.
 - Deficit spending will increase, further affecting the quality of education our children receive and requiring about \$2 million in additional budget cuts the following year.

Aren't these just "scare tactics?"

Since 2000, the School Board has been proactively responding to the tax-cap legislation with thoughtful strategic planning, community involvement and prudent financial management. The School Board has already cut \$12.2 million from the budget over this time and spending on teacher salaries has been kept to **around the inflation rate** and at the mid-range of other comparable districts. Both the School Board and Citizens for Strong Schools are interested in educating the Park Ridge-Niles community about the realities of school finances and about the quality of education that District 64 will be able to provide at these levels of funding.

If we pass the referendum, the Board will be able to:

- ▶ **Strengthen the District's finances for at least the next 10 years.** Because of tax caps, a referendum won't secure the District's finances forever, but it will ensure the District's financial health for the next decade or so and enable the Board to:
 - Reduce class sizes to levels more in line with best practices
 - Selectively restore eliminated and reduced programs, including support for English-language learners and other "at-risk" children
 - Eliminate deferred maintenance on school buildings
 - Modernize and maintain the District's technology
 - Restore previous levels of special education funding for private school students
- ▶ **Protect our children and our community** by providing a quality education that is competitive with the best schools in the state, which attracts families to our towns, and ultimately safeguard our investments in our homes.

What will the April 17 Referendum ask of voters?

With the 44¢ proposed increase, homeowners can expect to see an increase of about \$65 for every \$1000 of total property taxes paid.

Have a question? Write to us at info@www.CitizensStrongSchools.com
Or call our hotline at: 847.430.6815