



## ITASCA SCHOOL DISTRICT 10

### FREQUENTLY ASKED FINANCE QUESTIONS AND ANSWERS

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*A. Why do we have a projected budget deficit?*

1. **The rate of local revenue increase is decreasing.** Local revenue accounts for 89% of Itasca School District 10 funding. With the property “tax cap” Property Tax Extension Limitation Law (PTELL) in place and the low cost of living increases (0.1% in 2008) the district has not been able to realize any real gains in income.
2. **The state decreased funding this year to schools and anticipates less funding next year.** The State of Illinois accounts for only 8% of the revenue for the Itasca School District 10. Illinois is currently facing a \$13 billion dollar deficit and is delinquent in payments to schools in general, transportation and grant payments. The administration expects that additional programs funded by the state will be reduced or eliminated next year.

*B. I thought our District was financially secure, where did all the money go?*

1. **With the “tax cap” and decreased state funding our revenue sources have been decreasing annually.** While the PTELL (tax cap) has been in place since 1991 the cost of living (CPI) has been extremely low (0.1% in 2008) due to the stagnant economy. Yet 78.2% of our expenditures are salaries and benefits and those expenses continue to rise whether the money comes in from real estate taxes, state funding or not.

*C. Why is the district not receiving more money if my taxes are increasing?*

1. **Other taxing bodies comprise your real estate bill.** High School District 108, Itasca Fire Department, Du Page County and College of Du Page are some of the other entities that are also on your real estate bill. Itasca School District 10 has no control over these organizations.
2. **The assessed value of the District is decreasing.** The equalized assessed valuation (EAV) which is approximately 1/3 of the market value of the Itasca School District 10 actually decreased for the 2009 tax year by .006%. This is caused by the poor real estate market and depressed economy. This change in the annual rate of assessed value for everyone affects the calculated tax rate, but does not affect the total extension billed to taxpayers.

*D. Why not use District’s savings?*

1. **The Board of Education has conducted several long term Facility and Financial Assessments.** These appraisals performed by licensed architectural firms have demonstrated the necessity to budget over \$5 million within the next ten years in facility projects for aging district buildings. The infrastructure of the 50+ year old buildings requires roofing, masonry and life safety funding to maintain the excellence in facilities expected by our community.
2. **Increases in delayed payments from the State of Illinois.** The State of Illinois has delayed funding in many areas (especially transportation reimbursement). Retaining adequate fund balances are a necessity to maintain available funding for vendor payment, payroll and general expenditures.

E. *Why haven't I heard about this before?*

1. **The Board of Education and administration have tried to inform the public of the financial situation in the following ways over the past 18 months:**

- ✚ School Board Meetings
- ✚ Special Session Public meetings held on evenings and weekends advertised in the newspaper
- ✚ PTO-IEPTO After School Meetings
- ✚ Website
- ✚ Newsletters
- ✚ Finance Committee
- ✚ Word of Mouth

F. *What has the District already done to cut costs?*

1. **A number of measures have been taken by the Board and administration already to ensure the children get the best experience possible and yet reduce costs:**

- ✚ Administrative pay freeze
- ✚ One year teacher pay freeze
- ✚ Reduction or elimination of supplies, travel, by up to 20%.
- ✚ Technology upgrade restrictions
- ✚ Extra-curricular stipend review and eliminations
- ✚ Early and late bus run elimination at the middle school

G. *Why doesn't the Board start a Foundation to help defray costs?*

1. **The Board of Education, by law, is not allowed to raise money/donations for the school district since it is a taxing body.** School foundations operate as “an independent entity”, with no legal relationship to the school district.

H. *What can I do to help?*

1. **There are many ways you can help Itasca School District 10:**

- ✚ Become a member of the PTO-IEPTO
- ✚ Start a Foundation
- ✚ Volunteer at a district school
- ✚ Join the Music Boosters
- ✚ Subscribe to District electronic communications Newsletters/blogs