

## Press Clippings 11/9/2017

---Daily Herald--- 11/9/17

### **U-46 officials discuss tax levy, funding challenges**

BY MADHU KRISHNAMURTHY

Elgin Area School District U-46 officials say without a tax levy increase they could run out of money for capital projects after next summer.

The school board this week agreed on a 2.10 percent levy increase for 2017 based on the tax cap limitation. With new construction value added, the final extension would amount to a 2.53 percent increase, officials said.

The board will adopt the levy Dec. 4. It must be filed with the clerk's office in Cook, DuPage and Kane counties by the last Tuesday in December.

In September, the school board adopted a roughly \$518 million spending plan for the 2017-18 academic year.

Total revenues projected for fiscal year 2018 are roughly \$509 million -- \$3.1 million less than the previous year's budget. Expenditures are projected to increase by \$6.6 million over last year's budget and will draw down the total fund balance by \$8.9 million, documents show.

There are funding challenges ahead, Chief Operations Officer Jeff King told the school board Monday.

"Our textbook expenditures are almost \$7 million already for this year because curriculum is working very hard to catch us up and get us to where we need to be," King said. "We don't have the money in our budget to perform all of the things we need to do so we need to protect ourselves. Because in the event we don't have the money, your option is borrow or increase class size."

He added, the school board must decide within the next year whether to borrow again, run deficit budgets, use surplus funds to pay for capital and curriculum improvements, or forego such expenses altogether.

School board member Jeanette Ward, who voted against the budget, said she couldn't support a levy increase when enrollment is projected to decline 2 percent yearly over three years.

"U-46 is also set to receive close to \$13 million in additional funding from the state," she said. "We should be reducing the property tax burden correspondingly."

CEO Tony Sanders said additional state funds, based on a new evidence-based formula, could decrease from the initial estimate of \$13 million.

"As we move to this new funding formula and the uncertainty around state funding in general, the prudent thing would be to increase the levy ... abate what we can, but until we actually are sure that what we're getting from the state is going to be sustainable over time, that we at least protect ourselves," Sanders said.

Board member Sue Kerr said with the district spending \$2 million on a new charter school starting next school year, it needs to find ways to maintain its existing buildings.

"We have been relying on working cash bonds to do a lot of capital improvements. I'd like to see us move away from that," she said.

---Courier News--- 11/9/17

## **District U46 moves closer to 2.6-percent levy increase**

**BY RAFAEL GUERERO**

School District U46's levy appears set to increase, based on a pair of Monday school board votes.

Board members approved items that move forward a proposed 2.6-percent increase in total property taxes levied, by a margin of 5-2.

Under the resolution, estimated total property taxes to be levied for 2017 would be just under \$315 million, a 2.6-percent increase from 2016.

The tax levy certificate and the resolution will be presented at the Nov. 20 meeting, with final adoption set for the first board meeting in December.

Board members Jeanette Ward and Phil Costello objected to the items, citing concerns over the district's budget size, overburdening U46 taxpayers, and continuing enrollment decline within the boundaries. District officials discussed trends in enrollment separately from the tax levy talks during Monday's meeting.

However, board members Sue Kerr and Melissa Owens defended their yes votes, noting how the district is still recovering from drastic cuts in 2008. Kerr said the district needs to take into account matters not yet stable, such as state funding, class sizes, or the costs of its first charter school next school year.

"We are not a big spending district in terms of per capita spending," said Kerr. "We have a number of classrooms with 30-34 kids in them. And that to me is too many, I would like to see us try to reduce class sizes...other things that we can do to improve education, and that costs money."