



A bad news-good news budget for Dist. 211

School officials say they are prepared to deal with tight finances

By Ashok Selvam | Daily Herald Staff

Published: 8/21/2009 12:01 AM

The desperate times that surrounded Palatine-Schaumburg High School District 211 four years ago before voters passed a tax-rate increase prepared the district for the current slumping economy.

Superintendent Nancy Robb spoke Thursday about district policy that promoted an "efficient" means of hiring staff, as officials threatened deep cuts in 2005 if the tax rate didn't go through.

That past policy has continued, and now means more, as Thursday the school board tentatively adopted a budget with a \$1.7 million deficit. The \$258.1 million in revenues is down 12.2 percent compared to last year. Expenditures for 2009 are listed at \$259.8 million.

The public budget hearing is Sept. 24, when the board could give its final approval.

Robb called the budget "a good news story," and David Torres, associate superintendent for business, said the district remains well-positioned to maintain academic excellence in the coming years because it didn't need to touch its contingency funds and it has maintained a healthy total balance of \$132.6 million for its eight funds.

Robb noted the educational fund increased by \$3.7 million, while the operating and maintenance fund jumped by \$7.5 million.

"If we take a look at our last year's budget in spite of the economic downturn - obviously we have less money coming in - we feel that we were able to operate within the reduced revenues and we established a positive balance," Robb said.

State law requires school districts to adopt a balanced budget or have a strategy in place to whittle down the deficit.

In the state's view, a balanced budget happens if total revenues in a school district's educational, operations and maintenance, transportation and working cash funds outpaces its expenditures. For those four funds District 211 posted \$237.2 million in revenues and \$224.3 in expenses, which meets the state standard.

The district had to give back \$5.4 million in property taxes, as the economic climate prompted property owners to increasingly appeal what they owed to Cook County.

Overall, property tax revenues in the district jumped 6.8 percent from last year to \$195.1 million. That's just another reason why 91 percent of District 211's revenues are local, compared to grant money from the state and federal government, Torres said.

Robb also said the federal government, through the American Recovery and Reinvestment Act, will give the district \$3.1 million over the next two years, which can be used toward special education, which often first gets cut during budget trimming.

Also of note is the district went over budget with salaries last year by \$1.6 million. While the district isn't making any new hires, the increase in salaries were a result of jumps in costs for academic programs, special education and retirement benefits.

Torres also said the rate of inflation, which is what will determine teachers' base raises, will remain flat next year.

Shrewd management and the money from the 2005 tax-rate increase has allowed the district to engage in what Robb calls an aggressive property-tax levy abatement strategy for the third straight year. The district will invest \$5 million in reserves this year on the levy, and Torres said they will continue the practice in the future giving taxpayers a break.

Budget: District 211 meets state finance standard