



School districts brace for next year's dip in tax revenue

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Northwest suburban school officials say the property taxes they'll get this fall and next spring may be the last healthy tax receipts for some time.

School officials are looking past the current 4.1 percent Consumer Price Index to next year, when the CPI will fall to 0.1 percent - and with it, any hope of more money.

School districts and other non-home rule governments like park and library districts, are subject to the state's tax cap, which limits the increases on their property tax levies to either 5 percent or the CPI, whichever is lower.

Districts projecting a significant dip in revenue next year are already bracing for budget cuts.

On top of it, the drop in property assessments that homeowners have been impatiently waiting for are expected next year throughout Cook County, from 7 to 10 percent.

The homeowners' boon, however, is a school district's bane.

"This year is a picnic compared to next year," said Mary Kalou, Maine Township High School District 207 assistant superintendent for business. "The levy we're getting ready to do (for 2009) is going to be virtually no increase."

District 207 already is planning cuts to stave off a \$10 million deficit, expected to grow to \$17 million next year.

Kalou said the district will do OK this year, getting about \$98 million, the maximum it is entitled to under the property tax cap. She said they benefited from \$60 million in new growth - double what they expected.

Now, however, as school districts prepare for their new tax levies in December, they don't know what to expect, because they won't find out exactly what property assessments will do until fall 2010.

Schaumburg Township Elementary District 54 says its practice for years has been to factor low CPIs into their budgeting, so as not to be caught short.

"In our projections we always figure 1.5 to 2.5 percent CPI," said District 54 comptroller Ric King. "We expect for 2009 it will come down because of the real estate market."

The district's budget is roughly \$230 million, but its general fund balance is only enough to operate for 3 to 6 months. If the balance dipped below what is required for one month of operation, the district would begin to make cuts, King said.

Rick Ewanio, the Prospect Heights Elementary District 23 business administrator, worries what will happen if the CPI drops below zero.

"There's no legislation that addresses that," he said, adding school districts are trying to get the state legislature to make a 2 percent floor for CPI, but so far haven't succeeded.

As an exercise, committees of community members, teachers and administrators will try to cut \$1 million from District 23's \$20 million budget for 2009-2010 and may make recommendations for next year, he said.

"You need a plan and stick to it," he said. "If you don't do anything, you compound the problem."