

Our 89 FAQ

Community Consolidated School District 89
Community Engagement Committee

Frequently asked questions

Last updated: August 14, 2018

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Does this Our 89 community-engagement campaign mean the district is going for a referendum?

The decision to pursue a tax-rate referendum belongs to the members of the Community Consolidated School District 89 Board of Education. The Board members have not made any determination about whether or not to pursue a referendum and will not do so until they have heard from residents. The Our 89 community-engagement sessions are a part of collecting input and feedback that will inform the Board's decision on how to eliminate the deficit and maintain high-quality schools.

Student achievement in CCSD 89 has been exceptional. According to the 2017 MAP scores, CCSD 89 students are in the top 10 percent nationally for academic achievement. Students finished in the 92nd percentile in reading tests and the 86th percentile for math tests. The Board of Education is committed to maintaining a high-quality education while also eliminating the district's structural deficit.

At the same time, CCSD 89 is currently operating with a structural deficit due to increasing costs and rising enrollment. That deficit will be worsened by the expected 13-percent increase in enrollment over the next four years. The district will have added almost 600 students, a 31-percent increase, in nine years.

After three months of reviewing financial data, the members of the Finance Committee – made up of parents, residents and staff – recommended two options to the Board of Education: increase the tax rate or make more cuts to programs. Those are two serious options and the board members want to hear from a broader set of district residents before they would consider either. That's why it's so important to be part of the community-engagement meetings. The feedback shared at those meetings will guide the Board of Education on its next steps.

The Board of Education will hear a report on feedback from the community-engagement meetings and community surveys at the July 16, 2018, Board of Education meeting. At the August 20, 2018, meeting, the members of the Board of Education will make a decision on the next steps.

If I did not attend Our 89 session one on June 5, how can I provide feedback?

If you did not attend the community-engagement meeting on June 5, you are invited to attend one of the next two meetings: 7-9 p.m. Tuesday, June 19, and 9-11 a.m. Saturday, June 23. Both meetings will be held in Spartan Hall (the cafeteria) of Glen Crest Middle School, 725 Sheehan Avenue, Glen Ellyn.

Both the June 19 and 23 meetings will cover the same topics, but they are scheduled at different times and days of the week to accommodate more schedules. Additionally, after the June 23 meeting, all residents will have an opportunity to participate in phone

or online surveys to gather more information from residents. Residents can also share feedback at Board of Education meetings, which are open to the public.

What is a structural deficit?

Deficit spending means the district is spending more annually than it is bringing in annually from tax revenues, and/or costs are increasing at rate greater than the consumer-price index. (For more information on the CPI, go to: <https://www.bls.gov/cpi/>) Structural deficits differ from planned deficits, which might occur in a year when there is a one-time expense, such as a large construction project. During deficit spending, districts rely on their reserves to cover any shortfall.

Obviously, continually spending down reserves is not a long-term, sustainable solution. The members Board of Education have expressed their commitment to eliminating the structural deficit through increased revenues or cutting school programs.

Why does the school district have a structural deficit?

CCSD 89 has cut \$3 million in the last 10 years by pooling purchased resources (examples: supplies, insurance, transportation, utilities, legal services), cutting back staff, re-bidding contracts, reducing outside consultants, and more. You can learn more about those cuts and reductions on starting on slide 22 here: <https://bit.ly/2MgoaUe>

Those cuts helped the district maintain a relatively strong financial position when the enrollment was declining from 1995 through 2012. From 2012 to 2018, the district's enrollment grew by 16.9 percent. The number of students is projected to grow another 10 percent over the next four years. The district will have added almost 550 students in nine years. That enrollment surge - as well as increased costs of contractual obligations such as insurance and transportation - have led to the structural deficit.

The district receives limited revenues from the state and federal governments (less than 10 percent of total revenues), so CCSD 89 residents will have to find a solution to this issue.

You can learn more about the funding by viewing the slides from the superintendent's presentation here: <https://bit.ly/2MgoaUe> or by watching a video of her narrating a summary of the presentation here: <https://youtu.be/I89wh6MR0Os>

If the Board of Education votes to go forward with a referendum, how much will it cost?

The decision of whether to go to referendum and, if so, at what tax rate, belongs to the Board of Education. However, the Board of Education will not make any decisions about whether to put a tax-rate referendum on the ballot until they receive feedback from residents about the community's educational values and priorities. No decision has been made about whether to go to referendum and, if so, what it would cost.

All three of the community engagement meetings (on June 5, 19, and 23) will provide opportunities for everyone in the room to share their opinion on these important topics. Additionally, residents will have a chance to share their opinion via phone and online surveys. You can learn more about these meetings at www.ccsd89.org/our89

The estimated yearly cost for a tax-rate increase would be:

10-cent tax rate increase for \$300,000 home: \$99 (\$1.90/week)

20-cent tax rate increase for \$300,000 home: \$198 (\$3.81/week)

30-cent tax rate increase for \$300,000 home: \$297 (\$5.71/week)

40-cent tax rate increase for \$300,000 home: \$396 (\$7.62/week)

50-cent tax rate increase for \$300,000 home: \$492 (\$9.46/week)

60-cent tax rate increase for \$300,000 home: \$594 (\$11.42/week)

I don't have kids in school. Why does this matter to me?

Every resident's voice is important because the school district affects everyone in the community. All residents pay taxes to support the school district. Schools are also a bedrock in the community, and quality schools are one of the main factors people consider when choosing where to live. When residents sell their home, demographers studying local trends indicate it is likely that the purchaser will have school-age children. Quality schools will impact the decisions of those purchasers.

Quality schools are also one of the factors that drive home values. Some studies have shown that for every \$1 invested in schools, there is a \$20 return in home value. (Source: <http://www.nber.org/digest/jan03/w9054.html>) That means, according to this study, if you were to contribute \$1 additional dollar through taxes to your local school district, it would increase your home value by \$20.

Even if you haven't been in any of our buildings, you are affected by the schools. So we want to hear from you.

Why does CCSD 89 pay for students who live in other towns?

School district boundaries do not match municipal boundaries. For instance, there are two public elementary school districts that serve Glen Ellyn residents: CCSD 89 and District 41. At the same time, people who live in three different towns (Glen Ellyn, Lombard, and Wheaton) attend CCSD 89 schools. Anyone who lives within CCSD 89 boundaries pays taxes to CCSD 89, no matter what town they live in. Municipalities and school districts set their own tax rates and collect their own taxes.

If the district goes for a referendum, does all of Glen Ellyn, Lombard, and Wheaton vote on it? Or just residents of CCSD 89?

If members of the Board of Education were to pursue a referendum, only the residents who live within Community Consolidated School District 89 boundaries would vote on

the referendum. As previously mentioned, the district's boundaries do not match municipal boundaries. Anyone who lives outside CCSD 89 elementary-school boundaries could not vote on a CCSD 89 referendum.

If you're adding more than 500 students, does that mean you're going to build a new school?

No. Last year's boundary work balanced out the school populations. It's not fiscally responsible to add a building, which would cost millions of dollars. The boundary changes made sure the district was using its existing building space in the most efficient way possible. There is not a need to build another school.

How does the district know the future enrollment projections are accurate?

Dr. John Kasarda, a University of North Carolina professor, is an expert in demography, who has been hired by dozens of Illinois school districts, cities, and other government bodies around the country to give population estimates. CCSD 89 hired Kasarda in 2012 to estimate enrollment. At that time, estimating five years out, he projected CCSD 89 would have as many as 1,577 elementary students by the 2016-17 school year. By the end of the 2016-17 school year, the elementary enrollment was 1,544 students, a difference of about 2 percent. Kasarda gives three estimates – a low, middle and high – for his enrollment projections. The district has been using the middle estimate for projections. You can read Kasarda's report here: <https://www.ccsd89.org/cms/lib/IL01905542/Centricity/Domain/60/Kasarda%20report.pdf>

Did CCSD 89 have a recent referendum?

The district has not passed an operating-rate increase since 1986, the longest time of any Glenbard 87 elementary feeder district. All of the other elementary feeder districts have passed at least one operating-rate referendum in that time; some have passed two operating-rate referendums. You can see a history of operating-rate referendums for Glenbard 87 elementary feeder districts on slide 51 here: <https://bit.ly/2MgoaUe>

CCSD 89 did pass a bond referendum in 2008. That vote allowed the district to issue bonds in 2008 and 2009 to repair aging buildings, add air conditioning, make significant technology upgrades, and stay ahead of any safety concerns in buildings. The bonds could not be used for day-to-day operations of the district, such as supplies or salaries.

As interest rates dropped, members of the Board of Education voted to refinance a large portion of those bonds in 2015 at 1.80 percent. The board voted to refinance \$9.8 million dollars worth of the remaining bonds – the maximum allowed by law. The district saved taxpayers about \$661,000 in interest costs by refinancing. In March of 2018, the board members voted to refinance \$4 million of the remaining original principal payments at 2.3 to 2.5 percent. This saved taxpayers an additional \$88,000.

What is the difference between an operating-rate referendum and a bond (or capital) referendum?

Both on operating-rate referendum and a bond referendum typically require taxpayers' approval.

An operating-rate referendum allows the district to pay for the day-to-day operations of the district including supplies, salaries, and other expenses. The operating-rate referendum is a vote to increase the tax rates that homes in the district are paying annually. CCSD 89 has not sought, or passed, a referendum to change its operating rate since 1986.

Each bond referendum is written differently. However, in general, bond referendums typically go toward building or construction expenses. Bond referendums allow the district to issue debt to pay for what are often called "brick-and-mortar" projects. The bonds are paid back over time.

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Why doesn't CCSD 89 consolidate with another district?

Consolidation is one of the questions that was raised by members of the Finance Committee. While the committee considered some benefits to consolidation, they also noted some challenges including: having a willing partner, negative impact on tax rates or class sizes, and the impact beyond current efforts to pool purchasing. Additionally, consolidation is a lengthy process that would not address the district's immediate issue.

Currently, CCSD 89 has a lower tax rate and spends more efficiently than any of the Glenbard 87 elementary feeder districts who would be the districts' natural consolidation partners. Also, the district has already taken steps to move closer to the main goal of consolidation: the pooling of resources and purchasing power to reduce costs. CCSD 89 is a member of cooperatives with at least four other districts to purchase insurance, utilities, transportation, special education services, and legal services, among others. You can find more detail about this on slide 47 of the presentation found here: <https://bit.ly/2MgoaUe>

Superintendent Tammaru gave a presentation at the June 5 community-engagement meeting. Consolidation was one of the topics addressed in the video that summarized that presentation, which can be viewed here: <https://youtu.be/l89wh6MR0Os> (Consolidation is one of the questions addressed starting around the 9-minute mark.)

Has the district tried to make any cuts?

Yes, CCSD 89 has made \$3 million in cuts and reductions over the last 10 years by pooling purchasing resources (examples: supplies, insurance, transportation, utilities, legal services), cutting back staff, and more. You can learn more about those cuts and reductions starting on slide 22 here: <https://bit.ly/2MgoaUe>

Why was full-day kindergarten added?

Community Consolidated School District 89 added full-day kindergarten in the 2015-16 school year. The full day program provides more time to develop language, math, and social-emotional skills at a critical time in a student's development. The Board of Education approved the full-day kindergarten program after a six-month study that reviewed student literacy and math skills, staffing needs, and school space.

The study found that nearly 25 percent of CCSD 89 kindergarten students were not reading at grade level at the end of the school year. After the first year of the full-day kindergarten program, 8 percent of students were not at grade-level by the end of the year. Additionally, 31 percent more students exceeded national reading standards than prior to the addition of full-day kindergarten. Nationally, 76 percent of kindergartners attend a full-day program.

If there has been no tax increase in 32 years, why do I keep paying more in taxes each year? My property value has been flat (or decreasing) but my property taxes keep going up. Why?

There could be several factors influencing your tax bill. First, the tax bill you receive combines payments to several taxing bodies including: cities, park districts, community college districts, libraries, airport, forest preserves, fire protection, school districts, and more. Changes in any of those taxing bodies could affect your overall bill. CCSD 89 has not passed a referendum to change its operating-rate since 1986.

There are many other factors that could affect your tax bill. Some of those factors include:

- An increase in the assessed value of your property
- A change in the equalized assessed valuation of all the properties in the district
- An increase in taxes levied by local government in accordance with the Property-Tax Extension Limitation Law (Learn more about PTELL here: [CPI http://tax.illinois.gov/Publications/PIOs/PIO-62.pdf](http://tax.illinois.gov/Publications/PIOs/PIO-62.pdf))
- A change in your homeowners' exemption

There is a good explanation and example of how your tax bill might be affected on the CCSD 89 website here: www.ccsd89.org/financeFAQ

If the district goes for a referendum, would increased funding maintain current levels and keep up with increasing enrollment?

In March, the Board of Education heard a presentation from the Superintendent's Finance Committee about the district's finances. The Finance Committee presented two options to the Board: cut programs to eliminate the deficit or raise tax revenues to eliminate the deficit.

At that time, the members of the Board of Education agreed that they could no longer operate with a deficit budget. The Board members asked for feedback from the community on the next steps. That feedback will determine whether the Board of Education will put a referendum on the ballot and, if the referendum were to pass, what the priorities will be.

The most recent financial projections show the district will have deficits between \$1.4 million and \$2.3 million over the next five fiscal years. Those projections include the additional classroom teachers needed due to increasing enrollment.

How long a referendum would last – and what it would fund – cannot be determined until the Board members hear back from the community. Hundreds of residents have had, or will have, the opportunity to weigh in on funding priorities through community-engagement meetings and survey responses. The Board members will use that feedback to determine whether to pursue a referendum. If the Board agrees to put a referendum on the ballot, the community feedback will inform the decision about what rate to request, and what those tax dollars would fund.

The district has already created a list of items that could potentially be cut or changed if the district does not have a rate increase. Those items include, but are not limited to: eliminating fifth-grade band, eliminating fourth- and fifth-grade orchestra, eliminating second- and third-grade Challenge, reducing social work and counseling, reducing the library staff, reducing intervention supports, eliminating elementary and middle school clubs and sports, increasing class sizes, reducing physical education, and moving kindergarten from full day to half day.

A full list of potential cuts can be found here: <https://bit.ly/2K0SV19> Additionally, you can hear about the cuts in the video summary of finance presentation: <https://youtu.be/I89wh6MR0Os?t=16m47s> (The discussion starts at about the 16:45 mark.)

The Board members could pursue a rate that maintains all or some of these programs, or adds new programs that would benefit students. The Board would also have determine how long they would want the funds to last, as the deficit increases over time.

CCSD 89 has a history of using taxpayer resources wisely. CCSD 89 currently has the lowest tax rate of any of the Glenbard 87 elementary feeder districts. The district's last operating-rate referendum - passed in 1986 - was expected to be sufficient for 10 years. Through efficient operations, the district has worked within that tax rate for 32 years. The district has consistently been recognized for its sound business practices: CCSD 89 has earned the Certificate of Excellence in Financial Reporting from the Association of School Business Officials for 18 consecutive years. The award is given to school districts that have met or exceeded the ASBO's high standards for financial reporting and accountability. If a referendum were to pass, the district will continue to operate in a fiscally efficient manner that prioritizes student learning.

What are the current reserves?

The district's current reserves (before early taxes) for the 2018 fiscal year were roughly \$1.1 million. These reserves have decreased by 70 percent in the last 10 years. The district will be spending early tax money in the 2019 fiscal year, which is this upcoming school year.

You can learn more about the difference between the reserves and the low-cash balance in this video: <https://youtu.be/Q3sO3WClXg?t=1m56s> The conversation about low-cash balance starts at about the 2-minute mark.

[UPDATE: The following questions were added to the Frequently Asked Questions document on August 14, 2018.](#)

If CCSD 89 is having financial difficulties, why did Glen Crest get a new electronic sign and Arbor View get a new playground this summer?

This summer, Glen Crest Middle School installed a new electronic sign outside the school and Arbor View Elementary installed a new playground with more accessibly play options. The sign and all of the playground equipment were paid for entirely by funds raised by those schools' Parent-Teacher Organizations. The PTCs collected thousands of dollars from donors to purchase and install these new additions to our schools. The district did not contribute any dollars to purchasing the equipment for these projects.

The new electronic sign outside Glen Crest will provide better opportunities to communicate with parents. The Arbor View playground will allow more children to participate in recreation. The playground was installed by volunteers who worked for several weeks to complete the project. We thank the PTCs and parents who contributed to these incredible projects.

How can I register to vote?

More information about how to register to vote in DuPage County is available at:

www.dupageco.org/Election/Voting/

You can register to vote at the following locations:

<https://www.dupageco.org/Election/Voting/37044/>

You are also now able to register online if you have a valid Illinois Driver's License or State Identification Card. You may register online at: <https://ova.elections.il.gov/>

The deadline to register to vote is 28 days before the election. For the November 6, 2018, election, the deadline is October 9, 2018. Once you have registered to vote, you do not need to re-register unless you move to a different address or change your name.

The election will be held on November 6, 2018. Early voting begins September 27, 2018. Voting 'yes' on Election Day will mean voting in favor of raising tax rates to support CCSD 89. Voting 'no' on Election Day will mean voting against raising tax rates to support CCSD 89.

Can we move the district's office to one of the schools and sell or lease the building to raise money?

Not at this time. The district's rising enrollment means there is not currently space for the administrative staff in school buildings. The district also cannot lease the administrative building to other non-school entities as state law prevents the district from making any profit on a rental agreement, or risk losing the district's tax-exempt status.

Currently, the market value of the district's administrative building at 22W600 Butterfield Road would not return a good value for taxpayers in a sale.

Is a CPI estimate included in the projections? How much is it, and how was it determined?

Yes, a CPI (Consumer-Price Index) estimate is included in the district's financial projections. The Consumer-Price Index estimates the expected changes in costs for goods and services. When calculating future budgets, CCSD 89 used a 2 percent CPI increase, which is the average from the last 15 years. The Consumer-Price Index is determined by the Bureau of Labor Statistics. You can learn more about the CPI here: <https://www.bls.gov/cpi/>

If the district goes for a referendum, how will the funds be used? Would a 40-cent rate maintain current levels and keep up with increasing enrollment? Will the district add staff?

If the Board approves a referendum, the funds would be used to maintain current programming for the growing student population. A 40-cent referendum would generate enough revenue to maintain the current programs, and avoid cuts to classroom programming. The 40-cent rate increase factors in the cost of additional staffing that would be needed for the district's increasing enrollment. The district has grown by 16.9 percent since 2012 and is projected to increase another 10 percent in the next three years. That's an additional 550 students in nine years.

How much of an increase is necessary to maintain current programs?

The 40-cent rate increase is estimated to maintain the district's current programming for at least 10 years. The district's previous tax-rate referendum in 1986 was projected to last 10 years but thanks to a conservative fiscal approach, that referendum has sustained the district for more than three decades.

Why don't you cut teacher pensions to save money?

Teacher pensions are determined by the state legislature and the district cannot unilaterally cut these benefits. In order to change the benefits, an amendment to the Illinois Constitution would be needed.

It is also important to note that Illinois teachers pay into a self-funded retirement plan rather than Social Security. As state employees, they are not eligible for Social Security benefits.

The district's financial statements show \$40 million in revenue, but the presentations made to the PTC and the Community Engagement meetings say only \$28 million. Why is there a difference?

The financial statements include "on-behalf" payments to and from the state of Illinois into the Teacher Retirement System. You will see a corresponding expense in the CCSD 89 financial reports as well. Legally, these payments need to be recognized on financial statements although the district only serves as a pass-through for those funds.

What will the referendum question look like on the ballot?

As required by Illinois law, the Community Consolidated School District 89 question will appear on the November 6 ballot with the following wording:

Shall the limiting rate under the Property Tax Extension Limitation Law for Glen Ellyn Community Consolidated School District Number 89, DuPage County, Illinois, be increased by an additional amount equal to 0.4% above the limiting rate for school purposes for levy year 2017 and be equal to 3.3849% of the equalized assessed value of the taxable property therein for levy year 2018?

Voting ‘yes’ on this question would be voting to support the referendum. Voting ‘no’ on the referendum would be voting against the referendum.