

D-99 OKs balanced budget, aims to build up reserves

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DOWNERS GROVE – Downers Grove District 99 will operate under a balanced budget as officials hope to build up its scant reserves despite growing concerns about state funding and years of low growth after the economic downturn.

District 99 officials unanimously approved its 2016-17 budget Sept. 19 with \$83.8 million in expenditures and approximately \$87.6 million in revenues. Board President Nancy Kupka was absent from the proceedings.

“[The fund balances] come directly from the work everybody in this organization did this year,” Superintendent Hank Thiele said. “Everybody chipped in to make some tough decisions that put us in that position going forward ... that was directly the result of the teamwork in this district.”

The budget is largely funded with the nearly \$73 million collected in the 2015 levy’s property taxes, which provided 1.3 percent more revenue during the prior fiscal year and includes \$1 million in “contingency” funds to pad its existing fund balance.

It’s largest expenditure, like all districts, remains salaries and bene-

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fits, taking up about 85 percent of the budget.

For years, District 99 and other school districts in Illinois have been hampered in their ability to raise funds year over year due to a consistently consumer price index, or CPI.

Barring referendum, Illinois law states the district can only raise tax rates 5 percent or the amount of the previous year’s consumer price index, whichever is lower. For the past four

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years, the CPI has been below 2 percent, including 0.7 percent in the 2015 fiscal year used to calculate the upcoming budget year.

When compounded with limited new property development in the area – which does not fall under the restriction – the year-over-year collection has been hampered, although most staffing contracts also are tied to the CPI.

While District Controller Mark Staehlin said projections showed the CPI could rebound slightly in the coming years, as would interest rates on investments, it was still difficult to carve out a budget that did more than continued current services and initiatives.

That was especially problematic with continuing concern surrounding future state decisions in its ongoing budget standoff, including a tax freeze, shifting state pension obligations onto school districts and reduced funding.

Some estimates of the pension shift alone could cost District 99 \$2.9 million, he said.

“Everything we do is part of our educational program,” he said.

He praised district teachers, who came to a contract agreement earlier this year, for their understanding in the position the district was in, acknowledging it was a “very difficult contract.” The district also will have negotiations with its support staff in the next year.

Currently, its existing fund is sitting around 2.9 percent of annual revenues. In a follow-up presentation about five-year budget projections, Staehlin said the district aimed to get its fund balance up to around 7.2 percent.

However, its savings were slowed by initiatives the district had identified as priorities, such as buying Chromebooks for its 1:1 technology goal, he said.

Board member Michael Davenport said it would be irresponsible for the board not to work on building its fund balance to ensure there was a buffer to protect its operations for a time.

“We’ve done this many times – when we get behind a certain change ... we made adjustments and other things internally,” Staehlin said.