

# Dunlap Community Unit School District #323

## DISTRICT MISSION

The Dunlap School Community empowers all students to reach their individual potential.

Dr. Scott Dearman, Superintendent

Mrs. Alyssa Hart, Director of Student Services

Mr. Damon Hackett, Assistant Superintendent

Ms. Meghan Bagby, Director of Curriculum & Instruction

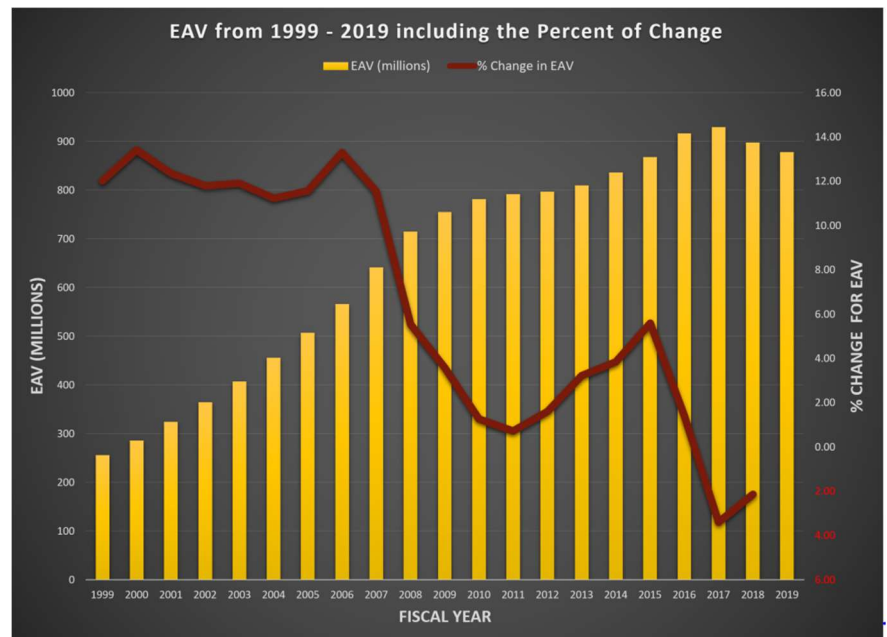


## 2020-21 SY Budget Mitigation Discussion: Frequently Asked Questions

### Dunlap CUSD #323

1. How does a budget get out of balance?

- a. When there is less money coming in than money going out during a fiscal year, you have a deficit. Every year there are increases in salary. The last two years our EAV (Value of property) has declined. Dunlap receives the majority of revenue from property tax. We have received much less revenue the past several years due to a declining EAV. Due to Caterpillar alone, we lost many families. Residents are also leaving Illinois to seek lower taxes in other states.



2. What is the amount of reserves and what does the district intend they be used for?
  - a. We have been using the reserves for two years and will continue to do so. Reserves are encouraged to a degree. As of June 30, 2020, the Education fund has: \$33,875,787.00 and the total of all funds are: \$59,797,313.00. We have enough to use reserves currently. We do not have enough to rely on reserves for more than 5 years.
3. Has revenue from property taxes declined?
  - a. Yes, revenue has declined. The majority of revenue in Dunlap comes from property, not state or federal funds. As both property values decline and the ongoing growth in the district has slowed, the revenue collected through property taxes has decreased.
4. Are the annual budgets created without any forethought of the future beyond the next year?
  - a. Certainly not, long term projections are used for budget planning. We attempt to project years out as best we can, hence the board is looking at this trend and planning for the future. We have been discussing declining property rates at school board meetings for over 5 years.
5. Will you be cutting 50-60 teachers and all the programs on the lists circulating?
  - a. No. These lists were created to allow the board to see the related costs. We are confident fair and detailed consideration will be given to any possible reductions of programs or staff. The administration and board value all our programs and offerings.

6. Why do decisions have to be made so early for next year?
  - a. If reductions were made, staff must be notified prior to March 18 with final decisions made by April 16 due to Illinois state code.
7. If the budget deficit ends up not being as great as projected by the end of the school year, could programs or staff be reinstated?
  - a. Yes. Many districts honorably release staff yearly and rehire if funds are available or enrollment stays steady.
8. Is the Board considering a referendum to raise the education fund tax cap?
  - a. The board is not considering a tax referendum. While this is one option presented, the board does not feel a tax referendum would be successful or needed at this time.
9. What are other ways to increase revenue other than raising taxes?
  - a. Raising fees like participation fees for individual activities, seek grants, fundraise through a foundation, monitor and maximize investments.
10. What are ways to reduce cost?
  - a. Reduce spending, trim programs, reduce staff, freeze salaries, consolidate buildings, redistrict to attendance centers, utilize parent volunteers. Our administrators have not received a pay increase this year.
11. Have you had finance meetings to discuss options and ask how programs might be impacted?
  - a. Yes, the board and administrative team have held finance committee meetings this summer with representatives from principals and the union. Board representatives and administrative team members conducted an additional meeting with principal representatives. Board representatives will continue to meet with district office staff.
12. Can reserve money be moved from one "bucket" to another, or at least one time?
  - a. Yes, funds can be transferred between certain funds while others are restricted.
13. How much cash on hand are other districts reporting on their Annual Financial Reports (AFR)?
  - a. Below are the cash-on-hand figures for comparative **unit school districts** (like Dunlap) **as of June 30th, 2020:**
    - i. Dunlap - 452 days of cash on hand
    - ii. Morton - 342 days of cash on hand
    - iii. Peoria Public Schools - 62 days of cash on hand
14. What was our deficit for fiscal year 2020? What are the projected deficits for fiscal years 2021 and 2022?
  - a. Fiscal Year 2020 (Has yet to receive final audit)
    - i. Education Fund - \$1,681,259
    - ii. ALL Funds - \$2,831,690
  - b. *Projected* Fiscal Year 2021
    - i. Education Fund - \$4,074,409
    - ii. ALL Funds - \$4,898,036
  - c. *Projected* Fiscal Year 2022
    - i. Education Fund - \$5,708,089
    - ii. ALL Funds - \$5,720,400
15. Why not spend our reserves for 2020-21 rather than cutting programs now as we have the funds to do so and it is taxpayer money?
  - a. All options are still being discussed but the trend of expenses outpacing that of revenues is not a trend that is sustainable long term.

16. Why not raise our tax base since we are the lowest?
- The process to do so requires that a referendum be placed on the ballot at the next regular election. The education fund is capped and voter approval is required for any increase.
17. What percent of Education Fund expenses is staff salaries and benefits?
- Personnel salaries and benefits account for approximately 85% of our annual education budget.
18. What does the ISBE do if we have deficit spending? Is there any watchdog if we overspend?
- The district submits a budget annually and if there is a deficit, then a deficit reduction plan may be required to address the deficiencies within certain funds. The district is legally required to be audited by an outside entity yearly. Those findings must be shared publicly and submitted to the Illinois State Board of Education.
19. What is our tax rate in the Dunlap School District compared to other Districts?
- While tax rates are one way to compare school districts, one must also consider home values of the district. For example, Morton's tax rate is higher. However, Dunlap average home values are significantly higher than that of Morton.

Peoria Area School Tax Rates 2017-2019 High to Low				
District Name	District #	Tax Rate 2017	Tax Rate 2018	Tax Rate 2019
Washington HS/Washington District #50	50	6.20919	6.37610	6.51807
Washington HS/Washington Central #51	51	5.78731	6.00714	6.18975
Limestone HS/Oak Grove	68	6.21044	5.98877	6.06293
Limestone HS/Bartonville	66	6.26116	5.96340	6.04590
Metamora HS/Germantown Hills	69	5.80320	5.82600	5.82440
Washington HS/Washington School District #52	52	5.52448	5.67328	5.79332
Peoria Heights	325	5.81328	5.75903	5.76776
Limestone High School	310	5.58646	5.48894	5.56786
Limestone HS/Norwood	63	5.84968	5.59074	5.66816
Peoria	150	5.33628	5.41885	5.63191
Limestone HS/Monroe	70	5.79372	5.51018	5.63181
Limestone HS/Pleasant Hill	69	5.52682	5.43510	5.56502
Elmwood	322	5.54413	5.52932	5.52442
Princeville	326	5.65660	5.52147	5.50902
Illini Bluffs	327	5.39802	5.41694	5.44466
Metamora HS/Metamora Grade	1	5.32910	5.38840	5.41470
Limestone HS/Limestone Walters	316	5.42257	5.15558	5.35385
Morton	702	5.08742	5.24103	5.34622
Stark County	100	5.08810	5.18840	5.09735
Farmington	265	5.06844	5.01941	5.08863
Limestone HS/Pleasant Valley	62	4.98357	4.99745	4.98357
Brimfield	309	4.80485	4.84829	4.90330
IVC	321	4.74023	4.78979	4.84674
Dunlap	323	4.54535	4.47114	4.53076
	<b>Average</b>	5.45901	5.42807	5.50184