OAK PARK and
RIVER FOREST
HIGH SCHOOL

History of the District 200 Fund Balance

Early 2000s At the start of the century, District 200 was in a precarious financial position. During the 1990s, it had borrowed heavily to pay its operating costs. Meanwhile, maintenance on the building—much of it nearly a century old—was being deferred.

The Education Fund, which is used to pay for the direct costs of educating students (roughly 80% of the district's annual expenditures), was being drained rapidly due to several factors: unanticipated health-care cost increases, rising special education needs and costs, an unfunded state increase in graduation requirements, and unfunded federal mandates in No Child Left Behind. To stave off deficit spending, the district was subsidizing the Education Fund with money from the Operation & Maintenance Fund, normally used for building repair and maintenance and for construction projects.

2002 With a stated goal of raising $6.5 million for the Education Fund, the Board of Education sought approval of an operating referendum to stabilize the district's financial position. State law required asking voters to approve a property tax rate rather than a dollar amount; the high school estimated that a tax rate of 2.95% would generate the additional $6.5 million. Voters approved the 2.95% tax rate, equal to a 65-cent increase per $100 of assessed valuation.

2005 From 2002 to 2005, steep growth in Cook County's assessment of property values meant that the approved 2.95% tax rate had the potential to generate millions more than the initial $6.5 million goal. However, during this period, the district had not been collecting the full 2.95% tax rate that voters had approved. In 2005, the board learned that, under state law, a district that is not levying the full amount approved by voters had four years after a referendum to "phase in" that full amount. The board decided to implement a phase-in in 2005, the last year it was eligible to do so.

The decision to collect the full 2.95% led to referendum revenue being roughly double the original goal, which some community members referred to as a "backdoor referendum." This unexpected increase in revenue resulting from the referendum had a compounding effect over the following years as the district continued to levy the maximum amount it was permitted.

2013 By 2013, the tax revenue collected by the district had resulted in a $130 million fund balance, or cash reserves. School districts must maintain a fund balance of at least 25% of annual expenditures to receive a AAA bond rating, but the District 200 fund balance was more than 170% of annual expenditures.

The 2013 Board of Education recognized that this large fund balance contributed to high tax levels in our villages and eroded community trust in the district. The board took action to remedy the situation by creating a 15-member Finance Advisory Committee (FAC), made up of district representatives and community members with expertise in finance, law, and local community matters. The board charged the FAC with making recommendations for a target fund balance range and guidelines for future tax levies. The FAC recommended that the district bring its fund balance under 100% of annual expenses within four years, and reduce it further to 25-40% of annual expenses within eight to 10 years.

May 2024

2013-2023 The School Board took a variety of steps to implement the FAC recommendations to reduce the fund balance:

- ***Paid off debt:*** In December 2017, the district paid off all debt with funds from the fund balance.
- ***Reduced the tax burden:*** For tax years 2013 through 2023, successive boards opted to reduce the district's tax income through a combination of tax abatement (a temporary reduction in the amount owed by taxpayers), levying less than the law permitted, and flat levies (not taking an annual increase). The result has been that the district has opted to levy $77 million less than permitted by the tax-cap law. Because each year's tax increase is a percentage of the previous year's levy, this will effectively leave tens of millions of dollars beyond the $77 million in taxpayers' pockets as time goes on.
- ***Invested in capital improvements:*** Since 2013, the district has tackled numerous deferred maintenance projects and paid a portion of those costs from cash reserves.

Additionally, in 2023 the Board revised Policy 4:20 Fund Balance, reducing the target range for the fund balance from 25% - 75% of operating cash flows to 25% - 50% of operating expenses.

2020 Imagine OPRF Project 1

Between 2020 and 2023, the district built Imagine OPRF Project 1, the first phase of the district's long-term, five-phase capital projects plan. The district paid for the $40 million Project 1 cost with cash reserves, without increasing property taxes or affecting the district's debt-free status.

Among other improvements, Project 1 included adding a two-story Student Resource Center; renovating the Main Entrance, Welcome Center, and Student Center; renovating 65 classrooms, including special education classrooms; adding 15 new classrooms and science labs; adding eight all-gender washrooms; and adding an ADA-compliant elevator.

2023 Athletic Fields Renovations

With roughly 350 student athletes, the girls and boys track teams comprise the high school's largest, most diverse extracurricular activity. However, the high school did not have a regulation track on campus so, under a long-standing agreement, it used the Concordia University Chicago track in River Forest. The agreement with Concordia concluded in spring 2023, and the high school did not receive an option to renew.

This led to a collaboration with the Park District of Oak Park (PDOP) to renovate most of the high school's athletic fields and create an intergovernmental agreement (IGA) on shared use of the two entities' facilities. The $17.3 million project was paid for with district cash reserves and included:

- A 400-meter track on the OPRF back field, with a multipurpose turf field in the center
- A new multi-sport field used by varsity baseball in the spring, on the OPRF Lake Street field
- Renovated softball fields at the PDOP's Ridgeland Common

2024 Imagine OPRF Project 2: Summer 2024 marks the start of Project 2, which will replace the century-old Physical Education facilities at the southeast corner of the building with new construction. The expected completion date is summer 2026.

The funding plan for the $102 million project includes borrowing $45.3 million in debt certificates, which do not require a referendum nor create an additional tax levy. Instead, the debt certificates will be repaid from the district's annual operating budget in annual increments of $3.5 million over a period of 20 years. The funding plan also includes $44.2 million from cash reserves and $12.5 million in donations raised by the Imagine Foundation.

Project 2 includes:

- Three-court, flexible-use gym
- Large, flexible, multi-use gyms accommodate:
  - Dance
  - Wrestling and adaptive PE
  - Yoga and self-defense
- 25-yard x 40-yard pool
- Weight room
- Boys, girls, and all-gender locker rooms
- Elevator that complies with accessibility requirements
- PE classrooms, PE and athletics offices, PE equipment storage, conference room
- Expanded treatment room for athletic trainers addresses inadequate space and inaccessibility issues
- Student commons and pre-function space
- Performing arts green room improvements
- Performing arts dressing rooms for boys, girls, and all gender
- Costume shop/storage, prop shop/storage
- Geothermal heating and cooling*
- Green roof to manage stormwater runoff

Looking to the future, the district's five-year financial projections from October 2023 show a fund balance of roughly $40 million, or 41% of operating expenses, at the conclusion of fiscal year 2028, putting it well within the fund balance policy's target range.

**Installation of the geothermal system was approved separately from Project 2 work and is not included in the $102 million total. However, the system will provide 100% of the heating and cooling for Project 2 facilities.*