



## Where Excellence Is Tradition

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### **Two-year property tax freeze would harm students**

By David F. Larson, Ed.D.

Superintendent, Glenbard Township High School District 87

A key centerpiece of the budget wrangling in Springfield focuses on the governor's proposal of a two-year freeze on property taxes. While advocating for fewer taxes always is a popular strategy politically, let's take a close look at the implications of such a measure on our local public schools.

First, it's important to note that property tax cap legislation was passed in the early 1990's. This tax-cap law is simple. Property taxes can only increase by 5% or the Consumer Price Index, the rate of inflation, whichever is less. In the past five years, the CPI has averaged 1.6%. These nominal increases have supported school districts in striving for financial stability as they manage their largest budget expenditures – professional and support staff working with kids.

A few important points for Gov. Bruce Rauner and state lawmakers to be wary of as they consider this proposal:

- Schools are a human enterprise and personnel expenditures are always the largest expenditure, typically around 80%. Personnel costs, due to rising insurance costs and modest step raises, will gradually increase. The nominal annual CPI increase allows public schools to keep pace with these increasing costs.
- A property tax freeze would have a detrimental material impact beyond the initial two years. The lost revenue for school districts will double by the ensuing fourth year. Unlike a typical business experiencing a downturn in revenue, it would be impossible to recover.
- Caring and talented instructors in front of students are a community's main investment with their school tax dollars. A two-year property tax freeze would result in fewer teachers, larger class sizes and less programming for students.
- For years, local public schools have practiced habits of fiscal responsibility so as to preserve resources and programming for classrooms and students. These habits have included minimizing administrative costs, outsourcing non-instructional services, employee cost sharing of health insurance and retirement costs, enacting efficient energy management systems and sharing services with peer school districts.

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- DuPage County school districts have experienced a significant increase in the number of students from low-income families. In the past 10 years Glenbard District 87's low-income population has increased 400%, from 8% in 2004 to 32%

in 2014. We welcome all students and believe that our changing demographics enrich our schools and community. However, these students often require additional programming and resources. A two-year property tax freeze would clearly harm these vulnerable students.

Rauner has not been forthright by promising \$85 million in supplemental grants to 426 of the neediest school districts, yet not being honest with financial consequences of a two-year property tax freeze. This freeze would result in a four-year cumulative loss of \$16 million for Glenbard District 87 students and more than \$1.5 billion to schools in the Chicago collar counties over a four-year timeframe. Clearly, essential educational programming will be impacted and students will be harmed. While a property tax freeze seems popular, let's not compromise on maintaining the investment in our community's greatest asset – our students.

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