



# LCHS Education Fund Referendum Fact Sheet

## Why LCHS is proposing an Education Fund Referendum:

- In spite of a challenging economic climate and the State's inability to adequately fund education, Limestone Community High School remains committed to offering a high quality high school education and experience for the students of our community
- LCHS Education Fund tax rate has remained unchanged for 63 years
- LCHS Education Fund has been running deficits since 2009
- State Funding has been cut and prorated over the past several years.
  - LCHS has lost out on over \$7.6 million in State Funding over the past 14 years
- LCHS has reduced its expenses
  - Eliminated 12 full time positions over the past 7 years
  - Restricted other curricular and co-curricular budgets
  - Reduced expenses by \$2.5 million
- Borrowed money helps support our Education Fund to maintain services and programs
- Recent State funding realities have forced LCHS to increase its borrowing to make up for our deficits
- LCHS 2018 tax rate will increase to \$2.55 (up from \$2.29 in 2017) due to the needed increase in borrowing
  - Increase in 2018 tax bill of \$72 on a \$100,000 home in our district
  - This increase will occur regardless of Referendum outcome

## What the Education Fund Referendum is seeking:

- LCHS would like to Stop Borrowing and utilize tax revenues in the most fiscally responsible way possible
- Referendum proposes to SHIFT our tax levy from our Debt Service Levy to the Education Fund and capture more dollars

	<u>Before Shift</u>		<u>After Shift</u>
Education Fund	\$.96	→	\$1.69
Debt Service Fund	\$.73		\$0.00
Two Fund TOTAL	\$1.69		\$1.69
LCHS Total Tax Rate	\$2.55		\$2.55

- LCHS Overall Tax Rate Remains at \$2.55 as it is already set to be for 2018
- Annual savings of \$395,000 in cost of issuing debt and interest payments
  - These newly captured dollars would go to our students rather than to fees and interest
- LCHS needs your approval on March 20 to make this shift in our tax levy

More information available at <http://www.limestone.k12.il.us/ref.html>.





## **LCHS Education Fund Referendum FAQ**

### **When is the referendum vote?**

Tuesday, March 20, 2018

### **What is the purpose of the referendum?**

To SHIFT the money spent borrowing money in the form of Working Cash Bonds (including principal, interest, bonding, and legal fees) to the Educational Fund so the money can be spent directly on Educational programs. This SHIFT equals approximately \$395,000 in more revenue (money saved in interest and fees) to the district that can be spent directly on students and educational programs.

### **Will the referendum increase my taxes?**

No. However, there was a tax increase as a result of the need for increased borrowing to cover educational fund deficits in 2017, which will be reflected as an increase of \$72 in taxes on a \$100,000 home for the 2018 tax bill. Beginning with the 2018 tax bill, the district tax rate will be held stable at \$2.55.

### **Why are there deficits?**

With drastic cuts in State funding and underfunding of State supported programs (\$7.6 million over last 14 years), the education fund deficit has grown. To cover the deficits, the district has had to sell Working Cash Bonds. Part of the tax money collected pays off those bonds.

### **What has the district done to decrease expenses?**

The district has made reductions in certified and non-certified staff (\$2.5 million in decreased expenses) and tightened the belt on curricular and co-curricular spending for the last seven years to curb deficits as well. To substantially decrease expenses further, the district would be looking at reductions in curricular and co-curricular programs including elective courses as well as athletic and performing arts programs.

### **What is the district doing to increase revenues?**

This referendum would increase revenues (\$395,000 annually) in the Education Fund without raising taxes further.

### **What does a NO vote mean?**

To maintain educational programs and services, the school district will still have to borrow money by selling Working Cash Bonds, which has interest and fees applied. The 2018 tax rate will be \$2.55.

### **What does a YES vote mean?**

The district stops selling Working Cash Bonds (borrowing money) and utilizes taxpayer money more effectively and efficiently to spend that money directly on students instead of spending a portion of that paying interest, legal, and bonding fees. The 2018 tax rate will be \$2.55.

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