

Dear Parents, Students, Community Members, and Taxpayers,

Community High School District 94 has worked diligently to balance our budget while maintaining a high level of quality and opportunity for our students. The 2009-2010 budget was presented as balanced and it has been our direction to maintain a balanced budget in the upcoming years.

The school year 2010-2011 will present major challenges to us in our effort to continue this practice. Revenue has decreased from almost all sources.

- First, the Consumer Price Index (CPI) in December of 2008 had an increase of 0.1%. Historically, this increase has averaged 2.8%. This has an immediate and direct effect on our tax receipts.
- Second, the State itself has a large deficit, which affects not only the increases that we depend upon to maintain programming, but also affects the receipt of payments from the State. This past year, the State of Illinois owed us over \$793,000 at the end of our fiscal year. We have subsequently received it, but fully anticipate that this will happen again in June of 2010 and we may not receive all of it next year.
- Third, because the declining economy is affecting businesses, corporate personal property taxes we expect to receive from businesses is declining. In addition, the economy also has affected our projected growth rate for taxing purposes, with growth projections decreasing from an average of 6.5 percent to between 0 and 1 percent.
- Fourth, also due to the economy, families have less ability to pay instructional and participation fees.
- Fifth, interest income has declined rapidly with current income dropping significantly due to the reduced rates we receive on invested money.
- Sixth, money received through the Federal Stimulus Plan (ARRA) that assisted us in 2009-2010 will not be available again.

All of the above factors have contributed to a projected 2010-2011 revenue decrease of 1.44% over the current 2009-2010 school year. This equals \$357,324.

In addition to declining revenue concerns, many of our expenses are fixed.

- Contractual salary commitments to staff members are factors to consider.
- Large contractual obligations with yearly increases, such as health insurance benefits and transportation contracts, have already been

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reviewed and are at the lowest amounts they can be with the lowest yearly increases we can obtain. Health insurance rates are expected to increase between 6% and 10%. Transportation increases are set at 3%, but could go up due to an increase in students needing transportation.

- Operations and Maintenance costs rise as utilities costs increase. We have taken significant measures to reduce these costs, but as we do this, costs do continue to rise even as we implement cost saving measures.

These are just a few of the fixed and rising costs we are experiencing, while at the same time experiencing declining revenue. We have already begun measures to help reduce deficit projections by analyzing the replacement of retiring staff. With those measures in place, we still face a need to reduce expenses by an estimated \$800,000 as of this fall.

The District has already had informal meetings with staff, parents and students to gather suggestions for cost cutting. The Board and Administration want to assure the Community that we will review all suggestions and evaluate each cost savings proposal prior to considering any measures that could directly impact the classroom. During the past four years, the District has implemented many cost saving policies, making further cuts ever more difficult.

We are committed to gathering information and assessing all options prior to making any budget recommendations and it is our intent to present a budget which is balanced and in the best interest and well being of our students, parents and staff given the current financial constraints.

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