



WILMETTE
Public Schools
DISTRICT 39

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Dear Parents,

As our troubled economy continues, it is having an impact on District 39 that I need to share with you. While there is no immediate crisis, we need to look longer term toward addressing the shortfall in our budget while continuing to provide the high quality educational experience families have come to expect.

As you may know, our revenues are derived almost entirely from local property taxes. Since the mid 1990s, we have operated under a tax cap that controls the amount of money we can levy (or request) from taxpayers. The tax levy is basically limited to the rate of inflation. Even before the current downturn in our economy, we knew that our property tax revenues would fall short of our expenditures. As a result, last year District 39 moved into a phase of planned deficit spending. We began using funds from our reserves to cover the shortfall in revenue. While we cannot entirely deplete the reserves, we intended to pay for enrollment growth, new programs, contractual salaries, and higher benefit costs while deficit spending. Our expectation was that a consistent level of property tax revenue would minimize the size of the deficit and at least carry us several more years before a referendum would be necessary.

Now, we are faced with a severely troubled economy and school districts, including ours, are suffering. Public educators throughout the state were shocked when CPI for 2008 came in at only 0.1%! This means that we can only increase our property tax revenues 0.1%, not nearly enough to meet our contractual salary requirements and benefit increases alone, especially in light of rapidly rising health care costs. Without major changes, we will deplete our reserves in less than four years.

As a result, we are beginning to make some immediate changes by reducing expenditures with some "belt tightening." At this point, we are not considering a cut in programs. And, ultimately, we will need to go to our taxpayers for a referendum sooner than we had anticipated. Our neighbors at Avoca District 37, facing the same economic hurdles, just passed a referendum this week. Cost cutting measures are being implemented in many of our neighboring districts, including New Trier.

Practically, what does "belt tightening" mean for us right now? It means that we will NOT be adding any new programs or services. We may reorganize existing resources to better deliver programs, but we cannot afford to add new programs or services.

It also means that we will more carefully adhere to our established class size guidelines. Over the last eight years, the Board of Education has been very generous in allowing class sizes (mostly at the elementary level) to slip below the guidelines. As much as we would like this to continue, it is a luxury we can no longer afford; we may see increases in class size in some cases. It means that we will carefully monitor expenditure requests from staff as well as requests for capital outlays. We will cut costs at the District office as well. We have to make every penny count.

As a result of these immediate changes, there will be a reduction in our expenditures and our deficit will shrink. However, deficit spending will continue to deplete our reserves. Finally, we will work closely with our elected officials to encourage them to develop new legislation to provide needed financial relief for all school districts.

I appreciate your continued support and confidence as we move forward. Let's hope that our economy improves and then additional funds come to all schools. In the meantime, we tighten our belts and continue to appreciate our WONDERFULLY supportive community!

Your partner in education,

A handwritten signature in black ink that reads "Ray". The signature is written in a cursive, flowing style.

Raymond E. Lechner, Ph.D.
Superintendent