

Daily Herald

Big Picture . Local Focus

Chapter 9: Schools falling further into debt

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Illinois schools spend a lot of money every month.

They're also spending a lot of tomorrow's dollars today.

Illinois schools owed a total of \$16 billion in bond loans at the end of the 2005-06 year.

That's \$8,555 of long-term debt for each student in the state.

At the end of the 1996-97 school year, Illinois schools only owed \$6.6 billion.

That was \$3,728 per kid in the system.

The debt rose 144 percent over the 10-year period.

That's more than twice the pace at which public school revenue climbed.

And it's more than five times the rate of inflation, or 26 percent, over the 10 years.

Illinois schools borrowed money at more than twice the rate the U.S. racked up public debt -- a 64 percent clip over the same time period, according to the U.S. Treasury Department.

School officials cite enrollment growth when explaining their long-term debt.

"The primary reason you issue debt is to build buildings," said Luke Glowiak, a past director of the Illinois Association of School Business Officials and now assistant superintendent for business services in Sycamore School District 427.

Yet Illinois' average daily attendance grew only 8 percent over the 10 years.

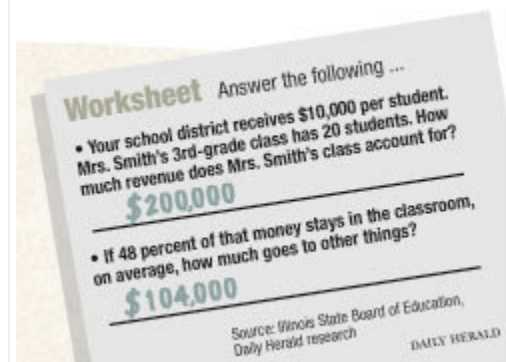
Experts cite other reasons the rate of school district borrowing grew 18 times faster than enrollment.

Construction costs have risen 10 percent to 12 percent each year, much faster than the rate of inflation, says Harris Bank bond consultant Eric Anderson.

Districts with older buildings and static enrollment face the task of upgrading, renovating and improving facilities -- costly steps in their own rights.

While growing districts issue more bonds, older districts "could end up with a larger amount of debt than you might expect," Glowiak said.

SCHOOL FINANCE 101



Chapter 9

Bond debt

Here is the total amount of revenue area school districts collected in 2005-06, the total amount of bond debt for each district, their enrollment and how much the bond debt equals on a per-student basis. [View report](#)

Also available is a downloadable list with expanded information, including 1998-99 data (the earliest year electronically available), ADA (average daily attendance) for both years, plus bond debt as a percent of 2005-06 total revenue.

[\[XLS document\]](#)

Chapter 8

Feeder and unit districts

The Daily Herald combined 2005-06 statistics

Forty-year lows in interest rates also encouraged schools to borrow or refinance, Anderson said.

Some point to Chicago's extensive rehab work as a another driving force. But the city school system's bond debt grew more slowly than the state as a whole, from \$2 billion in 1997 to \$4.7 billion in 2006, an increase of 134 percent.

Without Chicago's numbers, the long-term debt carried by the rest of the schools in Illinois rose 148 percent over the period.

In the suburbs, the debt details are as varied as the districts.

Big debtors

In 2006, Big Hollow Elementary District 38 had more debt per student -- \$32,739 -- than any district in the Daily Herald's coverage area.

The Lake County district appeared in Chapter 5 of this series, in which we noted that it spent a greater percentage of its revenue outside the classroom than any other district in 2005-06.

Enrollment was the culprit then, as now.

In 2005-06, payments for new construction stretched its "other" spending category.

Big Hollow is one of only three suburban districts where student population more than doubled in our 10-year period.

Still, Big Hollow's enrollment is small -- only 1,000 kids. When this district borrows \$33 million, its per student number is much higher than a district with 6,000 children that borrows a lot more.

A district like Huntley Unit District 158, which more than tripled in size, has a 250 percent debt growth.

Huntley has almost four times as much total debt as Big Hollow -- \$121 million to \$33 million -- but with six times more children, its per-student debt load seems a lot lighter.

In fact, Huntley's \$18,825 debt per child is almost half as light as Big Hollow's \$32,739.

Huntley also built schools only to keep up with enrollment growth.

Big Hollow built schools that accommodated new growth at the same time it replaced existing buildings.

The much higher cost of building schools for the district's entire student population, as in Big Hollow, versus simply building new schools for new students, as in Huntley, resulted in the much larger debt per student in Big Hollow.

Few patterns

At the other end of the spectrum was Johnsburg Unit District 12, which had zero debt in 2006.

for area high schools and their feeder elementary districts. These are presented here next to unit districts (single K-12 districts) for comparison. After each high school district are its feeder districts in parentheses. We then list the total revenue for each unit and combined high school/feeder district, the number of students, total revenue per student, the amount of revenue from local sources (mostly property taxes and school fees), the administrative expenditures per student, superintendent compensation (excluding health insurance costs) and superintendent compensation per student. [View report](#)

Also available is a downloadable Excel file with the same information
[\[XLS document\]](#)

Chapter 7

[Super pay for superintendents](#)

Here are the 2005-06 pay packages for area school superintendents, listing salary; bonuses (also includes all annuities, stipends, payments for unused sick and vacation days, and car allowance); pension costs (includes all payments by district to health pension and retirement pension plans); total pay package (does not include health, dental, life or disability insurance costs); years as superintendent in district; total years as a superintendent; ADA (district's average daily attendance); and number of schools in district. Note: * means district did not respond to survey; pay figure obtained from state report.
[View report](#)

Also available is a downloadable Excel file with the same information
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Chapter 6

[Administrator pay vs. teacher pay](#)

[The numbers: Administrator vs. teacher pay](#)
Here is the average pay for teachers and administrators in area school districts as reported on the 1998 and 2006 school report cards, with the amount of change over the 8-year period. [View report](#)

Also available is a downloadable Excel file with the same information
[\[XLS document\]](#)

Chapter 5

Johnsburg was the only district in the Daily Herald circulation area that had no debt in 2006.

The McHenry County district didn't always have such low debt. In 1999, it had \$5,103 in debt per student, putting it in the middle of the pack.

But from 1998-99 to 2005-06, enrollment increased by only 3 percent, or roughly 70 students. And the district ran one less school in 2005-06 than it did 10 years earlier.

By 2006, Johnsburg had paid off the \$11 million it had owed in 1999.

Oak Grove Elementary District 68 very nearly wiped out its bond debt.

The Lake County district reduced its long-term debt from \$6 million in 1999 to a paltry \$72,504 in 2006 -- a 99 percent drop.

And Oak Grove accomplished that while its enrollment grew 28 percent.

But as we learned with Big Hollow, enrollment tells only part of the story.

In fact, 34 suburban districts had less enrollment growth than Johnsburg -- and most of these actually saw their student body shrink from 1998-99 to 2005-06.

These districts generally had less debt per student than high-growth districts.

But five districts with shrinking enrollments bucked the trend.

Chief among them was Winfield Elementary District 34, where enrollment dropped off more sharply than at any other suburban district -- from 475 to 329, or 31 percent.

Yet with \$6.5 million in new bond debt, the district became one of only nine suburban districts with more than \$20,000 in debt per student in 2006.

Winfield borrowed to pay for \$8 million in extensive renovations to its outdated middle school and elementary school.

That makes the district a good example of Glowiak's contention that older districts with no growth still "could end up with a larger amount of debt than you might expect."

Next week: The bottom line.

[Non-class costs weigh heavy on schools](#)

[The numbers: Spending outside the classroom](#)

Here are the total amounts of revenue area school districts collected in the 2005-06 school year and the percentages of revenue spent on administration, support services and other costs. [View report](#)

Also available is a downloadable, 10-year look at area school districts and their total revenues, with expenditures on instruction, administration, support services and other costs each year, and the 10-year totals for each category.

[\[XLS document\]](#)

Chapter 4

[1 of every 2 education dollars stays in classroom](#)

[65-percent solution gains traction](#)

[The numbers: Spending in the classroom](#)

Here are the total amounts of revenue area school districts collected in the 1996-97 and 2005-06 school years; instruction expenditures each year; and the percentage of revenue spent on instruction. [View report](#)

Also available is a downloadable, 10-year look at area school districts and their total revenues, instruction expenditures, and the percent of revenue spent on instruction.

[\[XLS document\]](#)

Chapter 3

[Suburban taxpayers' heavy share](#)

[The numbers: A decade of local funding](#)

Here are the total amounts of local revenue area school districts collected in the 1996-97 school year, the average daily attendance that year, and the local revenue on a per pupil basis; then the same data for the 2005-06 school year; and finally, the total amount of local revenue received over the 10-year period. [View report](#)

Also available is a downloadable look at the amount of local revenue area school districts collected in each of the school years from 1996-97 through 2005-06. With each year's local revenue total is that year's average daily attendance (ADA) and the local revenue shown on a per pupil basis (pp). At the end of each row is the total amount of local funding each district received over the 10-year period,

and how much the revenue, attendance and per pupil revenue changed over those 10 school years.

[\[XLS document\]](#)

Chapter 2

[Unequal state equalizer](#)

[Big difference: funding varies between districts](#)

[School finance by the numbers](#)

[The numbers: Revenue and attendance](#)

Here are the total amounts of state revenue area school districts collected in the 1996-97 school year, the average daily attendance (ADA), and the state revenue on a per pupil (pp) basis; then the same data for 2005-06; and finally, the total amount of state revenue received over the 10-year period. [View report](#)

Also available is a downloadable look at year-by-year state revenue for area school districts, also with average daily attendance (ADA) and per pupil (figures), and more.

[\[XLS document\]](#)

Chapter 1

[Schools' revenue growth outpaces inflation](#)

[The numbers: Total revenue amounts](#)

Here are the total revenue amounts area school districts collected in the 1996-97 school year, the 2005-06 school year, how much that amount changed over the 10-year period, and the total amount of money received over the 10-year period. [View report](#)

Also available is a complete, downloadable look at year-by-year total revenue for area school districts. - [\[XLS document\]](#)