



Palos Consolidated School District 118

2024 Operating Rate Referendum

Overview

At the end of 2024, Palos School District 118, in Palos Park, Illinois, was set to retire \$4.1 million in debt service bonds the District had used to pay for annual upkeep and upgrades for its three school buildings. The elementary school district, which includes two elementary schools and one middle school, has traditionally invested about \$2 million per year in facilities upkeep, a necessity for buildings most of which were constructed in the 1950s and 1960s and that serve an average of about 2100 students each school year.

Serving Palos Park, and parts of Palos Heights, Palos Hills, Orland Park, and Worth, Illinois, the District had never been able to generate enough funding through property taxes at the local level which made it reliant on borrowing for upkeep on its facilities which also includes a Central Office. The approach worked through the years in which interest rates remained at historic lows. However, rising interest rates meant that the District, and in turn taxpayers, would pay higher principal and interest payments long term unless something was done to secure a steady source of operating revenue.

With the anticipated retirement of the debt service bonds, administration realized that the school district had a unique opportunity to address its long-term financial challenges and a salient argument to be made to stakeholders in the community that it could do so without raising or lowering the school district's tax rate. Despite the prospect of approaching voters during a primary election cycle, administrators decided to move forward with a plan to place a referendum question on the March 19, 2024 ballot. As such, voters would be asked to vote to approve a referendum that would shift approximately \$4.35 million in future annual property taxes that would no longer be needed to pay for the district's debt service fund to the school district's operating fund.

The District had shown itself to be good stewards of public funds, as it had been spending down cash reserves since 2017 to continue programs and services for its students. The effort to maintain those services grew more difficult in the face of the increasing challenge of unfunded mandates from the State of Illinois and Federal Government. The district's two most significant state and federal mandates had grown from approximately \$2.4 million in

2012 to \$6.0 million in 2023. However, with cash reserves depleted, the District was faced with asking voters to approve the shift of funds or begin looking at areas to trim the District's budget, an approach that would still not solve their operating revenue shortfalls. The timing of the referendum would also come just ahead of a new mandate from the State of Illinois and another without a funding source; free full-day kindergarten for all students was mandated to begin by 2027.

Research & Development

District administrators began holding meetings in 2023 to discuss the retirement of bond debt, and the timing and coordination of presenting a referendum question before voters in the March 19, 2024 primary election.

District 118 administrators and the Board of Education held a Finance Summit in October 2023 to meet with the District's financial advisors and discuss various scenarios and the impact for increasing revenues and possible next steps.

Also during the fall of the 2023-24 school year, District Administrators met with community stakeholder groups to discuss the still-evolving plan to solicit feedback before the Board decided to cast their vote in December 2023 that would place the referendum question on the ballot and formally ask voters for their approval the following March.

Pre-Referendum Stakeholder group meetings included audiences with:

- Local elected officials including mayors, trustees, and alderpersons.
- Elected state officials including representatives and senators.
- Leader of the Cook County Republican Party
- Local faith leaders
- Parent and guardians who are members of the District 118 principal advisory committee.
- Presidents of the D118 parent associations including the Parent Faculty Association (PFA), Music Parents Association (MPA), and Educational Foundation
- Former D118 board presidents

From these meetings, administrators developed the main pillars of the District's communications to community stakeholders which included:

- Providing a sound rationale or the 'why' of asking voters to approve the tax shift
- Illustrating the increasing burden that unfunded mandates from the State of Illinois and Federal Government place on the District 118 budget
- Explaining the difference between the two funding streams ear marked for operations expenses and debt service expenses.

- The message that the District had been a good steward of public funds and would continue to be going forward.
- That D118 had been, and remained a district that spends less per student compared to similar school districts in Cook and DuPage County, Illinois, while still delivering highly favorable educational outcomes as evidenced by student performances on state assessments that are regularly in the 97th percentile in reading and 93rd percentile in math.

Communications Plan

The communications plan developed for the referendum included:

1. A press release announcing the intent to place the referendum question on the ballot for the March 19, 2024 election. It was timed to be released following the board of education meeting on December 19, 2023.
2. A dedicated referendum information and resource page on the District 118 website ([Referendum - Palos School District 118](#)) designed to contain key facts about the referendum, frequently asked questions, questions submitted by residents with answers, presentations and slide shows, video resource links, and links to other resources for further reading by voters.
3. A brief animated video explaining the difference between the two funding sources, operating fund, and debt service fund, and how the school district is allowed to use those funds.
4. The *Palos School District 118 Referendum Guide* mailer designed to reach everyone living within the District's boundaries, including those without school age children or whose children do not attend D118 schools.
5. A referendum postcard featuring key points about the referendum and reminder of the date of the start of early voting and the election date sent in late February 2024.
6. Community outreach meetings with stakeholder groups including an online and in-person forums, and in-person meetings with other stakeholders in local homeowner associations, senior groups, and during public comment section of local village board meetings.
7. A social media plan was developed for informational posts leading up to the start of early voting and covering two key points per week.
8. Information delivered via the Superintendent of Schools Monthly Message to D118 families and D118 staff in December, January, and February.

Implementation

The Board of Education approved placing the referendum question before voters at their December 19, 2023 meeting. Following the meeting, a press release was sent to local media announcing the vote and the intent of the District to seek voter approval for the plan. As part of the initial roll out of information, the District's dedicated referendum web page also went live and included dates for in-person, and virtual forums set for January and February of 2024.

The webpage also included a video explaining the concepts of operations and debt service funding for schools, how those funds are used, and what was being asked of voters in March 2024. The video also went live on the front page of the District 118 website to provide maximum visibility. To ensure full access and understanding for the District's English Language population, video links with subtitles in Arabic, Polish, and Spanish were also posted to the District referendum web page.

One of the challenges of the District approving the referendum in December with voters set to vote in March, meant that the District would contend with a 2 week break at the end of December and the beginning of January before ramping up public awareness efforts. The District's Referendum webpage launched with enough detailed information for those interested in reading more, to get dates for planned live community forums to add to their calendars, and also read more in-depth reports from the Illinois Association of School Boards (IASB) on unfunded mandates and their impact, one of the major drivers of the District's fiscal challenges.

The initial December rollout of information to stakeholders also included a detailed message to District 118 staff from the Superintendent of Schools in his Monthly Message, as well as detailed information about the referendum to D118 families. Both messages included links to the District's referendum information page and were sent in December before the break.

The District hosted its first referendum information meeting for the public in an online format on January 11. The online presentation included a detailed PowerPoint presentation and included an opportunity for those who joined to submit questions via the online chat. It was announced prior, that all submitted questions, and their answers would be posted to the District's referendum website for all families and residents to view.

The District hosted two in-person meetings on February 6 and February 8. At both sessions, the Superintendent of Schools delivered a PowerPoint presentation highlighting the details of the referendum followed by a question-and-answer session.

Community outreach included meetings with stakeholder groups including area seniors, leaders of the Chamber of Commerce, several homeowners association meetings, area faith leaders, and elected state representatives for South Cook County. Media outreach included an appearance on Community Bridge, a local community access program, and an interview with the Daily Southtown newspaper.

The District mailed the Referendum Guide, a four-page 8 ½ x 11” information newsletter to reach the approximately 80% of households in the District who do not have school aged students attending D118 schools. The guide was sent in the third week of January and to ensure full access to informational materials, translations were provided in PDF form in Arabic, Polish, and Spanish, on the District referendum web page.

A second mailer, a postcard, was sent in late February, before the start of early voting on March 4, 2024, that included key points about the referendum and the dates for early voting and election day voting. The mailer also included a QR code linked to the District referendum webpage as well as the referendum question email address.

Throughout January and February, District administrators responded to questions from residents and updated the webpage with new questions and answers to add to the stockpile of information for voters seeking to make an informed decision about the referendum.

Evaluation

On March 19, 2024, voters approved the Palos 118 referendum with 2,630 ‘yes’ votes or 59.58%; 1,784 ‘no’ votes (40%) based on a turnout of 25% of registered voters in Cook County, Illinois. The vote represented the first change in the operating rate approved by voters in over 60 years.

Resources

Referendum web page: <https://www.palos118.org/district-info/referendum>

Referendum Guide:

https://resources.finalsite.net/images/v1708447751/palos118org/sfnpawk8weuynwfc8ynl/2024-0220_Palos_118_Referendum_Guide.pdf

Referendum Presentation: [2023-1219_State_of_the_District.pdf](#)

Referendum Explainer Video: <https://youtu.be/EvD8dDgjoyM?si=d3sSua3ZFbekzAan>

Community Bridge Public Access: <https://youtu.be/kA8I20ltJ6g>

Superintendent Monthly Messages:

December 2023 (<https://www.palos118.org/fs/comms-manager/view/2271a3ea-ecf6-4a7d-93af-9d6825b30ff1>);

January 2024 (<https://www.palos118.org/fs/comms-manager/view/3b9f1b72-a2c7-44ce-91fd-737d4e8a6403>);

March 2024 (<https://www.palos118.org/fs/comms-manager/view/23f66d49-607c-4ae0-b033-072ed1465b08>);

April 2024 (<https://www.palos118.org/fs/comms-manager/view/54177279-d3f2-4eb3-b4ab-8d1052d8f24e>)