

## District Debt

### Isn't the district still in debt from all of the newer buildings?

Yes, but the district has avoided additional tax increases by using money from the Education Fund (tax money collected for student instruction) to pay for and refinance the debt. Geneva school district is still paying off multiple loans from debts that were incurred for improvements and construction to elementary schools, middle schools, the high school, transportation, and central office. For the past several years, the district managed to reduce their required yearly debt payment and avoid additional tax increases by using education fund money. They were also able to refinance their loan this past year to decrease the required payments for future years. The district has used 4.2 million dollars a year on average (Over 30 million dollars) to prevent any additional tax increases that may have been caused by the increased debt payment. The district no longer needs to do this.

During these past seven years, the district was able to transfer nearly 30 million dollars (\$4.2 million/year) from the education fund to reduce the required payment of this loan. The district no longer needs to spend this 4.2 million dollars each year to help manage the district's debt. In fact, at the end of the 2018-2019 school year, the education fund balance is expected to grow from 14 million to 23 million dollars.

The district has been able to reduce its overall debt by 30% over the last 10 years without increasing the debt service tax burden. During this same time period, the percent of the education fund that has been spent on teacher salaries and benefits has steadily dropped from 64% to 57%. This means that the district was able to pay down their debt, in part, because they now spend 7% less of the education fund on teacher salaries and benefits. Geneva's teachers took a pay freeze and modest salary raises during these 10 years to help the district pay down 30% of their overall debt in order to refinance their loan. This is what created such a significant salary gap between Geneva's teachers and surrounding districts. [See comparison graphs for specifics](#). Now that the yearly loan payments have significantly decreased, the GEA is asking for the district to use a portion of its excess money to once again pay its teachers competitively. This would still NOT require the district to increase taxes.