

Tax Levy

North Boone Board of Education & Business Committee
December 4th & December 17

Updated Information
For December Business Committee &
Board of Education Meeting

PTELL

Property Tax Extension Limitation Law (PTELL) is also known as the “tax cap” law.

Boone County became a PTELL county in 1996

Purpose is to control the growth of property taxes

Tax Cap limits increase in extensions (except for bond and interest)

Also contains limiting rate which impacts how much money can be levied in different funds

Revenue increase for Tax Capped

Increases in a tax capped district are based upon

- *CPI: The Consumer Price Index drives the tax levy

- *EAV: Equalized Assessed Value or value of the homes and property in the taxing district

- *New Property EAV: This is money that generated due to changes in property such as additions on buildings, new residential property, commercial development, etc.

Evidence Based Funding (EBF)

Evidence based funding is the state funding formula that is based upon the enrollment

Focus on individual student needs (low income, SPED, ELL, etc.)

Takes into account local resources (tax levy and EAV)

The formula also takes into account 34 research based elements to help leverage student achievement

EBF Cont.

Each district assigned an Adequacy Target (\$20,400,097.74)

State determine we are about 63% adequacy in funding for our schools based upon student enrollment

Considered a Tier 1 school district

Previous Tax Levy

	2018 Tax Request	Total Extension
Education	\$5,515,000	\$5,347,624.66
O&M	\$1,100,000	\$1,089,889.43
Transportation	\$750,000	\$728,641.69
Working Cash	\$59,000	\$46,444.81
Municipal Retirement	\$360,000	\$349,760.40
Social Security	\$390,000	\$378,896.77
Fire Prevention	\$55,000	\$53,442.50
Tort	\$207,000	\$201,106.03
Special Education	\$1,035,000	\$1,005,514.69
Leasing	\$5,000	\$4,644.48
Total (capped)	\$9,476,000	\$9,205,965.46

Overview of Options

	Option 1 *	Option 2 (abate CPI)	Option 3 (No CPI)
Estimated Tax Rate	6.9519%	6.8478%	6.8473%
Possible Saving on \$150,000	\$231.97	\$277.78	\$278
Capped	\$9,655,761.00	\$9,655,761.00	\$9,445,761
Not Capped	\$2,254,400	\$2,079,400	\$2,254,400
Total	\$11,910,161	\$11,735,161	\$11,710,161

Property Tax Relief Grants

Provides school districts with high tax rates relative to other school districts with an opportunity to lower the property tax burden on local taxpayers with the state replacing a portion of foregone tax revenue with state funds.

Grant is due in January 2020

Property Tax Relief Grants

North Boone is ranked 63rd out of 851 school districts.

The state has \$53,650,000 to give away in grants

Our initial tax abatement possible is \$1,086,143

Our Initial Grant Amount Possible is \$1,024,360

Questions?

Levy Timeline

October 9, 2019: Business Service Committee

*Tax Levy Presentation

October 22, 2019: School Board Meeting

*Tax Levy Presentation

November 12, 2019: School Board Meeting

*Tax Levy Presentation

December 17, 2019: School Board Meeting

*Public Hearing on Tax Levy

*Adopt the Tax Levy

By law the levy must be filed with the County Clerk by the last Tuesday in December

Revenue to School District

Education Funding in Illinois comes from:

*Local: Property taxes (these numbers are generated through the tax levy process)

*State: Evidence Based Funding

North Boone is considered a Tier 1 School in the EBF model
(additional \$434,299 in FY20)

*Federal: Grants (special education, medicaid, ELL, etc.)

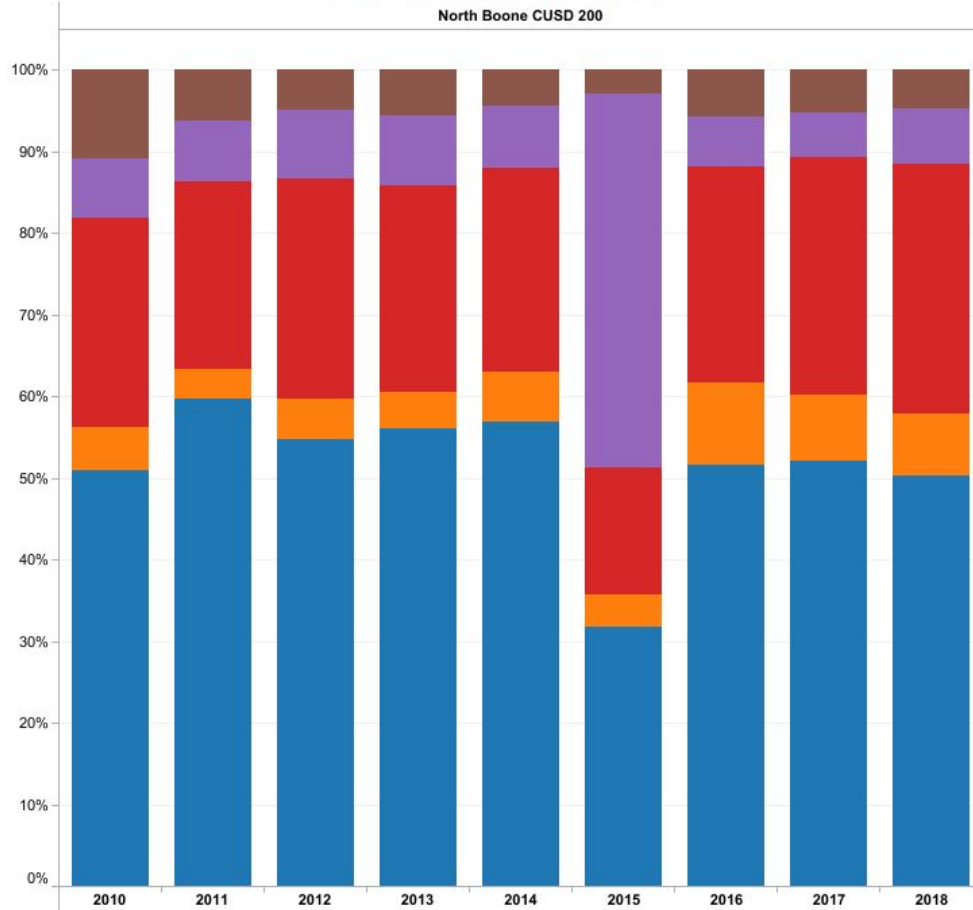
Per Student Revenue By Source

Selected Funds Only Included

Source: 5 Year AFR

% of Selected Actual - \$ Per Student

North Boone CUSD 200



Blue: Property Taxes
Orange: Other Local Revenue
Red: Evidence Based Funding
Purple: Other State Sources
Brown: Federal Sources

Fund Balances

10 Education: \$13,444,670.08
20 Operations and Maintenance: \$1,083,313.59
30 Debt Services: \$14,122,108.30
40 Transportation: \$1,415,712.82
50 Retirement/Social Security: \$486,796.30
60 Capital Projects: \$871,620.74
70 Working Cash: \$918,063.20
80 Tort: \$205,456.47
90 Fire Prevention: \$125,510.15

*Audited Year End FY19

Revenue, Expenditures and Changes in Fund Balance

District: North Boone CUSD 200
Source: AFR

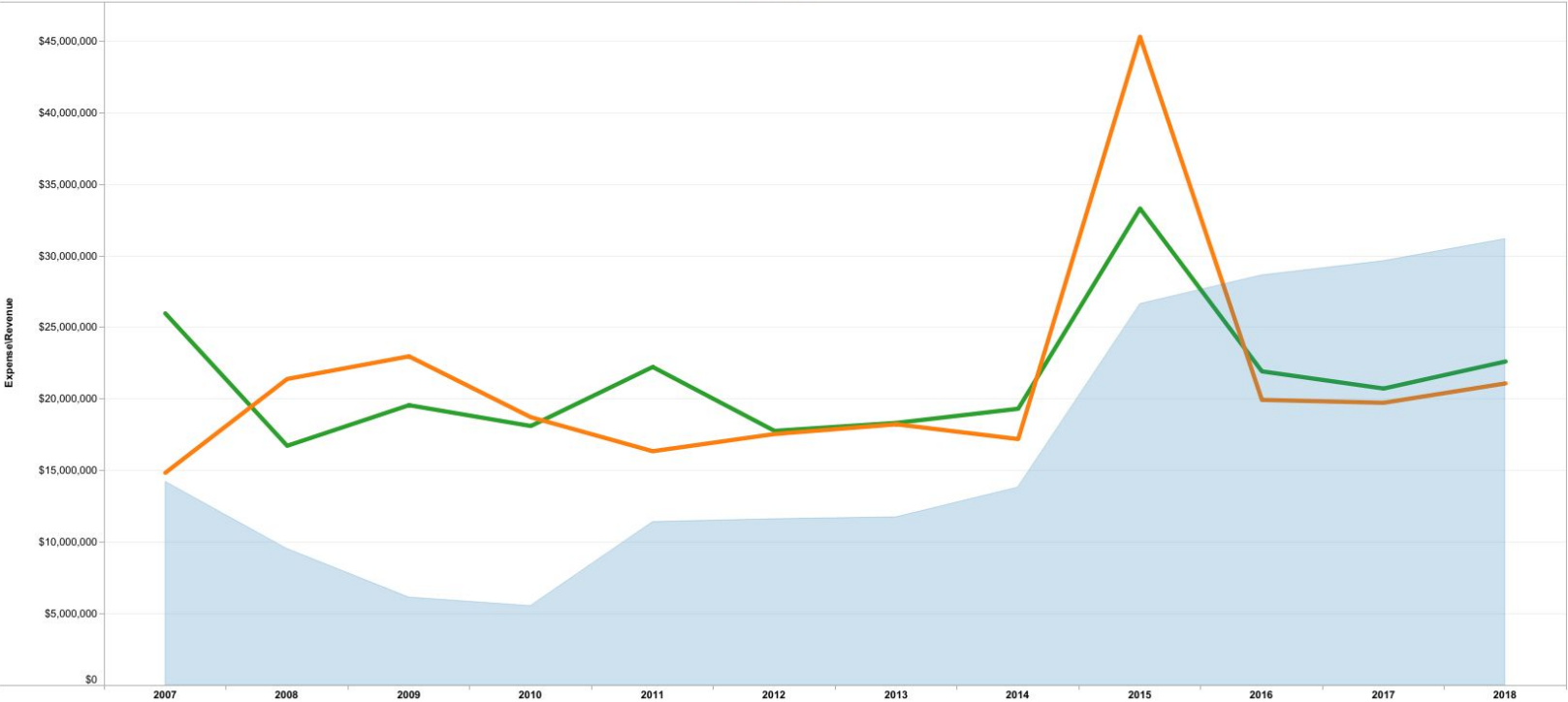
District
North Boone CUSD 200

Year

All

- Fund Name
- ☒ 10 Educational
 - ☒ 20 Operations & Maintenance
 - ☒ 30 Debt Services
 - ☒ 40 Transportation
 - ☒ 50 Municipal Retirement/Social Security
 - ☒ 60 Capital Projects
 - ☒ 70 Working Cash
 - ☒ 80 Tort
 - ☒ 80|Pre2009 Rent
 - ☒ 90 Fire Prevention & Safety

- Expenses by Fund
- Revenue by Fund
- Fund Balance

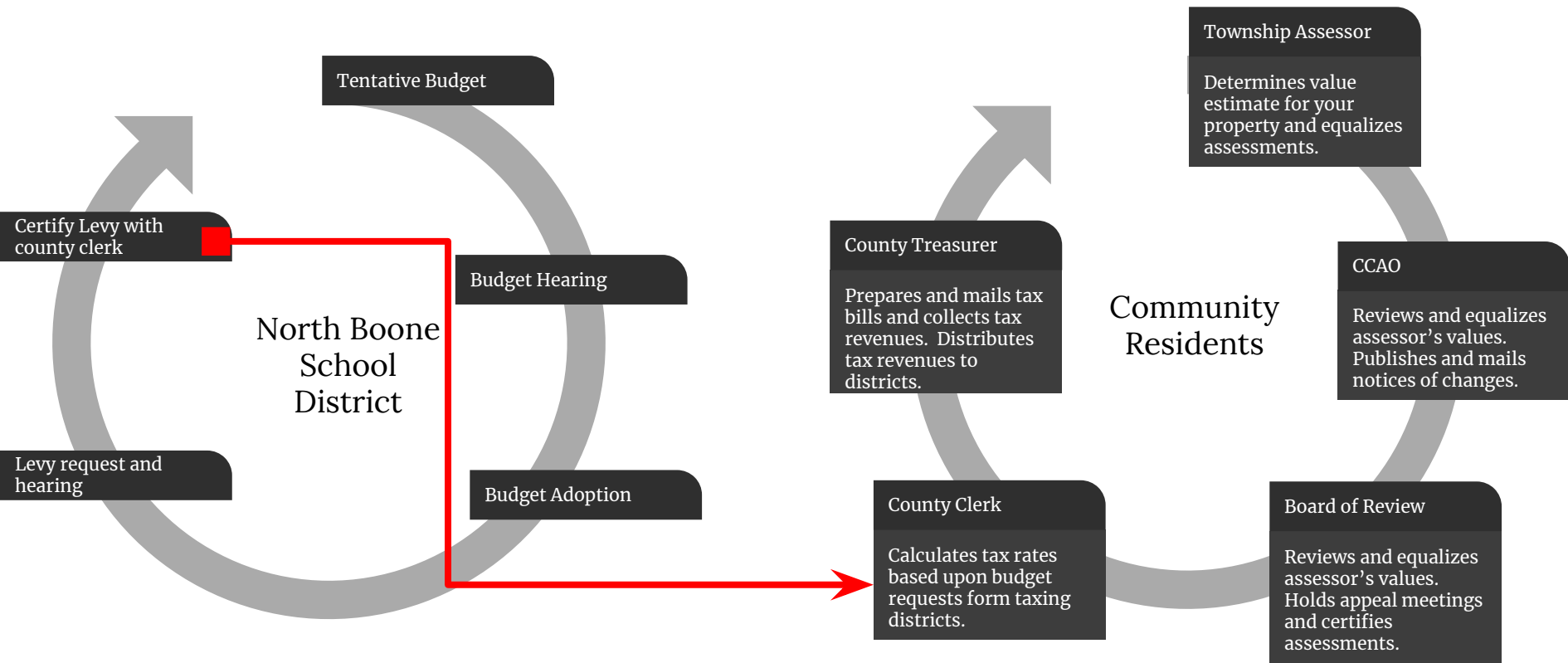


What is a tax levy?

A tax levy is the total amount of taxes imposed by a school district. Annually the Board of Education based upon budgeted needs must adopt a Tax Levy

This accounts for over 50% of the revenue for a school district.

This year the levy is due to the counties by December 20, 2019



Property Tax Cycle

**Taken from Boone County Change of Assessment Form*

Equalized Assessed Valuation (EAV)

The Equalized Assessed Valuation (EAV) is not known when the levy is adopted. Therefore, the EAV must be predicted so that estimates of taxes can be generated in funds with maximum rates can be made

The administration must assume what percentage of taxes actually will be collected.

Rate Setting EAV

2018: 154,816,039

2017: 142,632,072

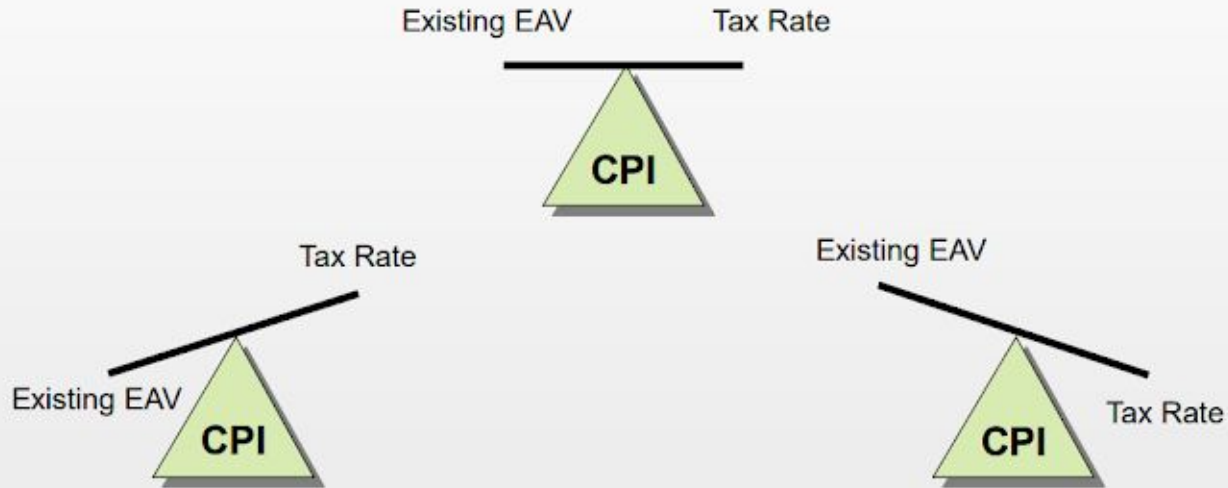
2016: 135,449,486

Estimated EAV Including new construction: \$166,321,492

Estimated New Construction: \$1,442,410

Estimated percentage change from 2018 EAV including new construction: 7.43%

EAV Change, CPI and Tax Rate



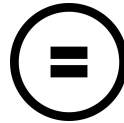
EAV Impact

2018



\$150,000

Tax Rate: 7.47912



2019

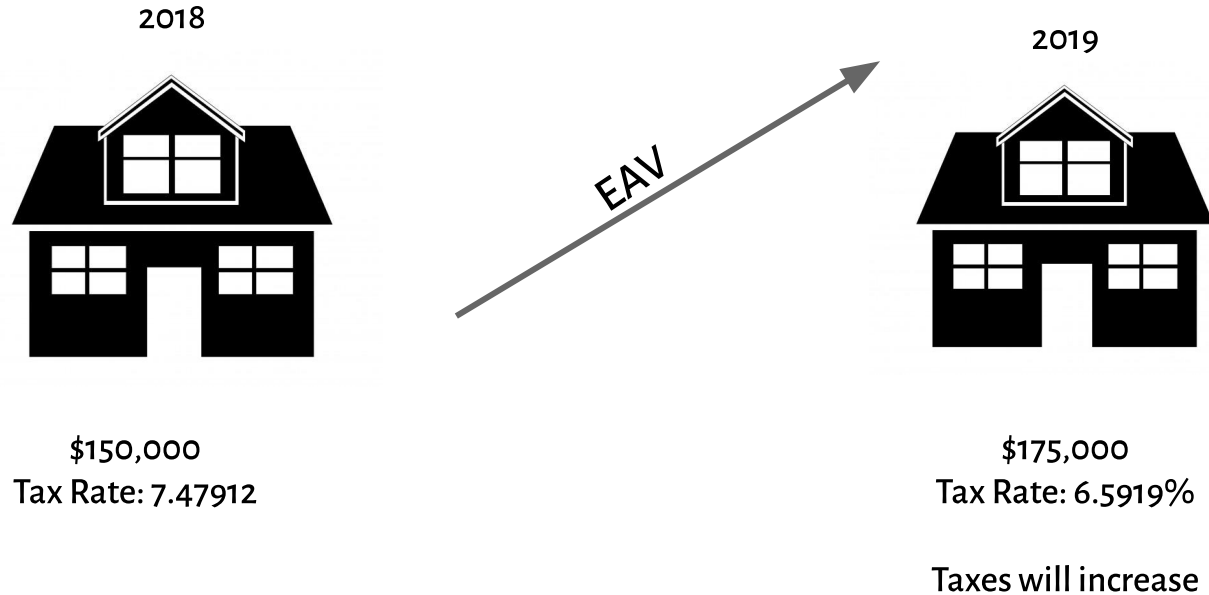


\$150,000

Tax Rate: 6.5919%

Possible savings of \$231.97

EAV Impact



Consumer Price Index (CPI)

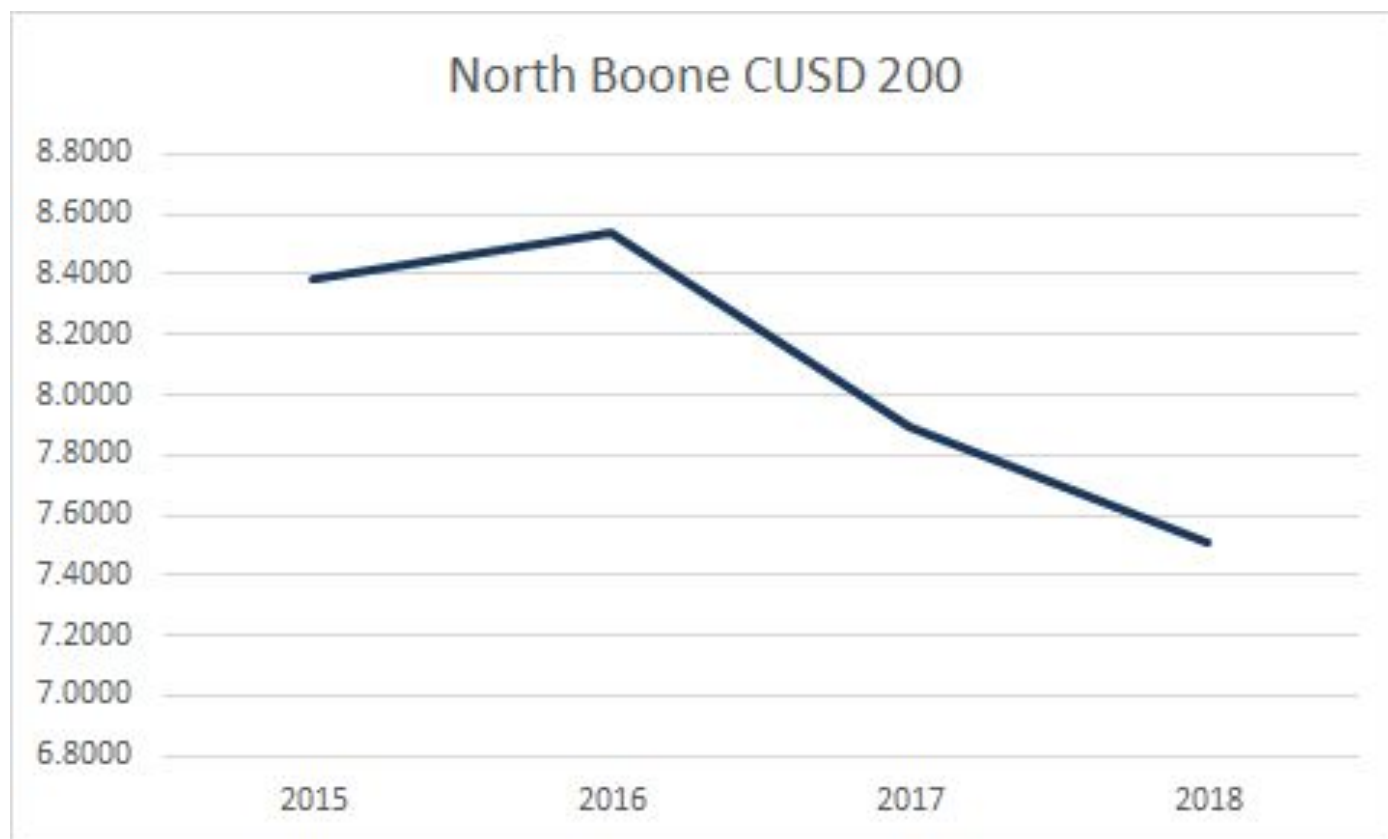
In addition to using the EAV to determine a levy, the CPI is also taken into account. The All Urban Consumers for year ending on December 31st is used to determine CPI.

2018 CPI: 2.1%

2019 CPI: 1.9%

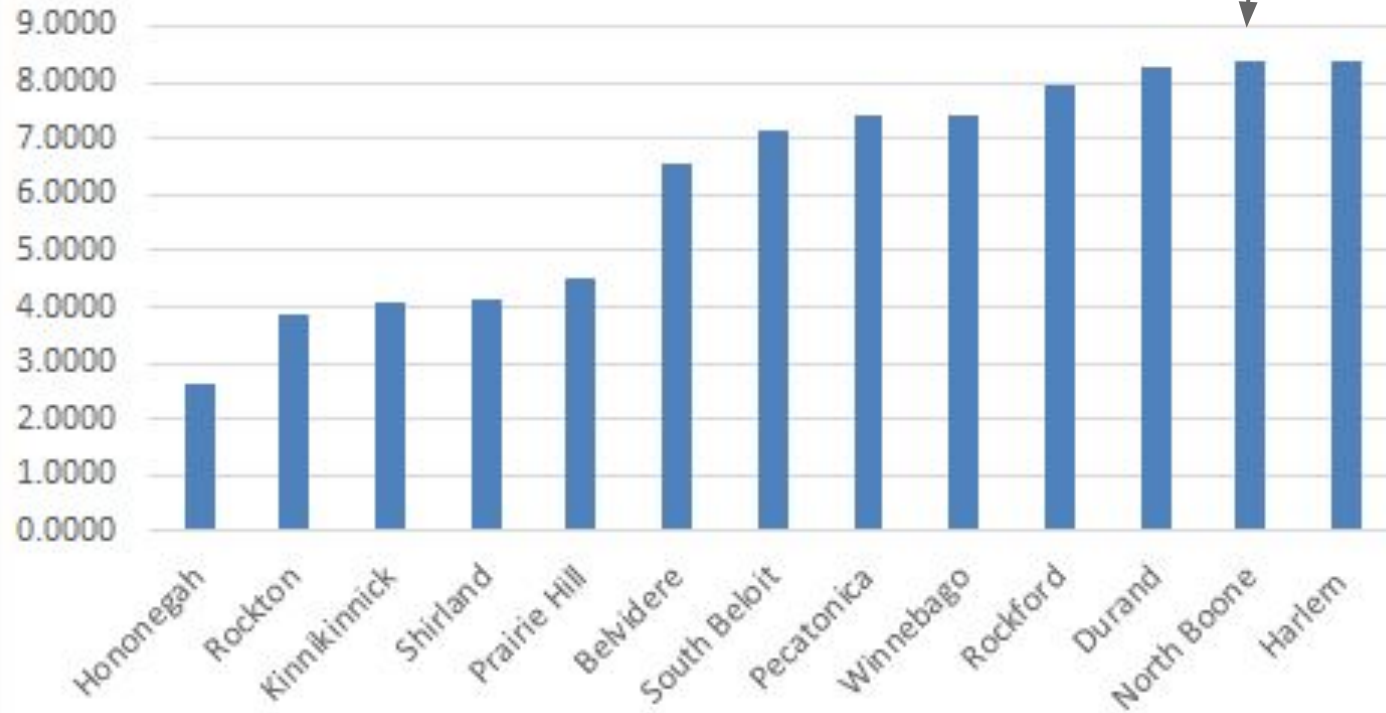
Tax rate

A tax rate in Illinois reflects the dollars levied per \$100 of equalized assessed valuation of real property. A tax rate is calculated by dividing the dollar amount of the tax levy by the total equalized assessed valuation (EAV) of the taxing district and multiplying the product by 100. For example, a levy of \$5,500,000 divided by a tax base of \$155,000,000 would produce a tax rate of \$.3548 per \$100 of EAV.



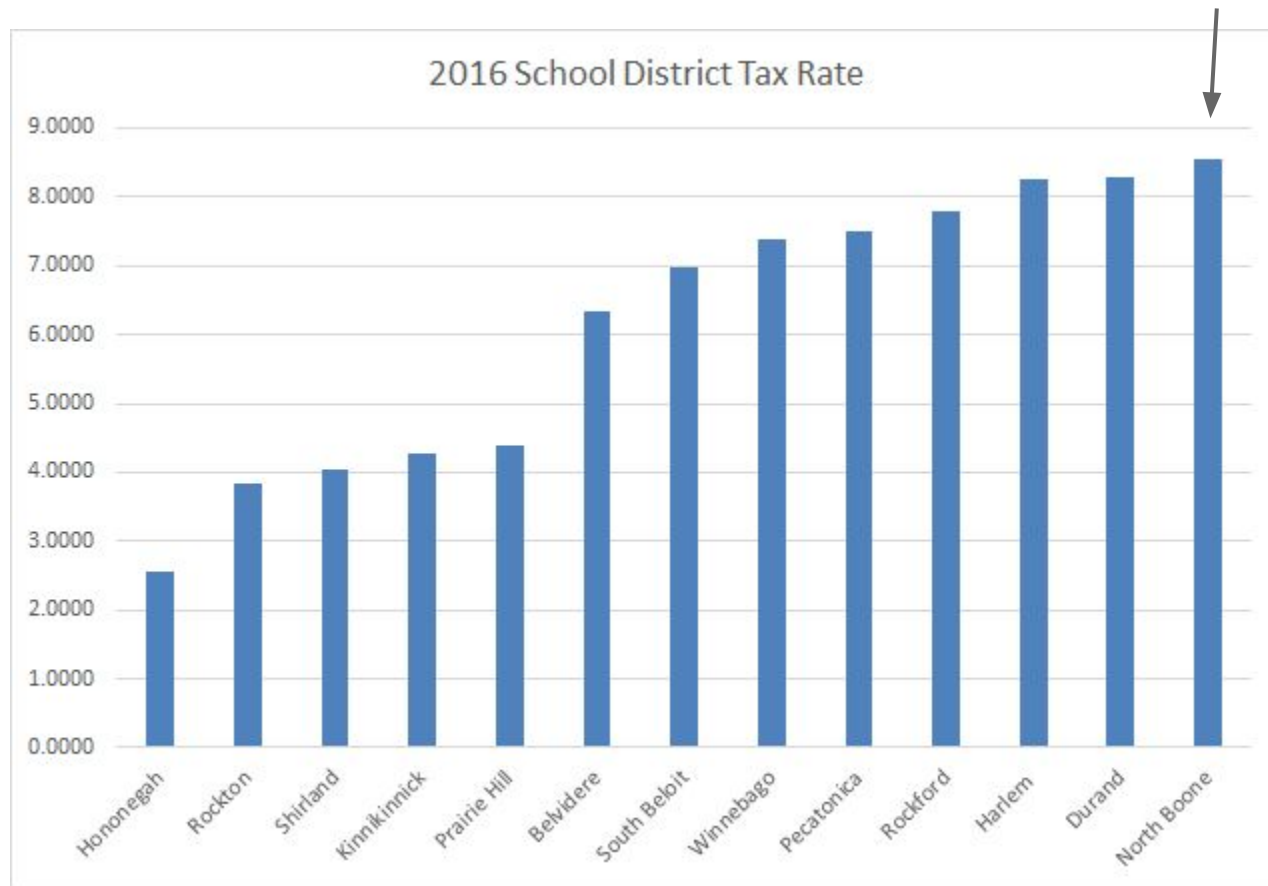
Tax Rate

2015 School Tax Rate



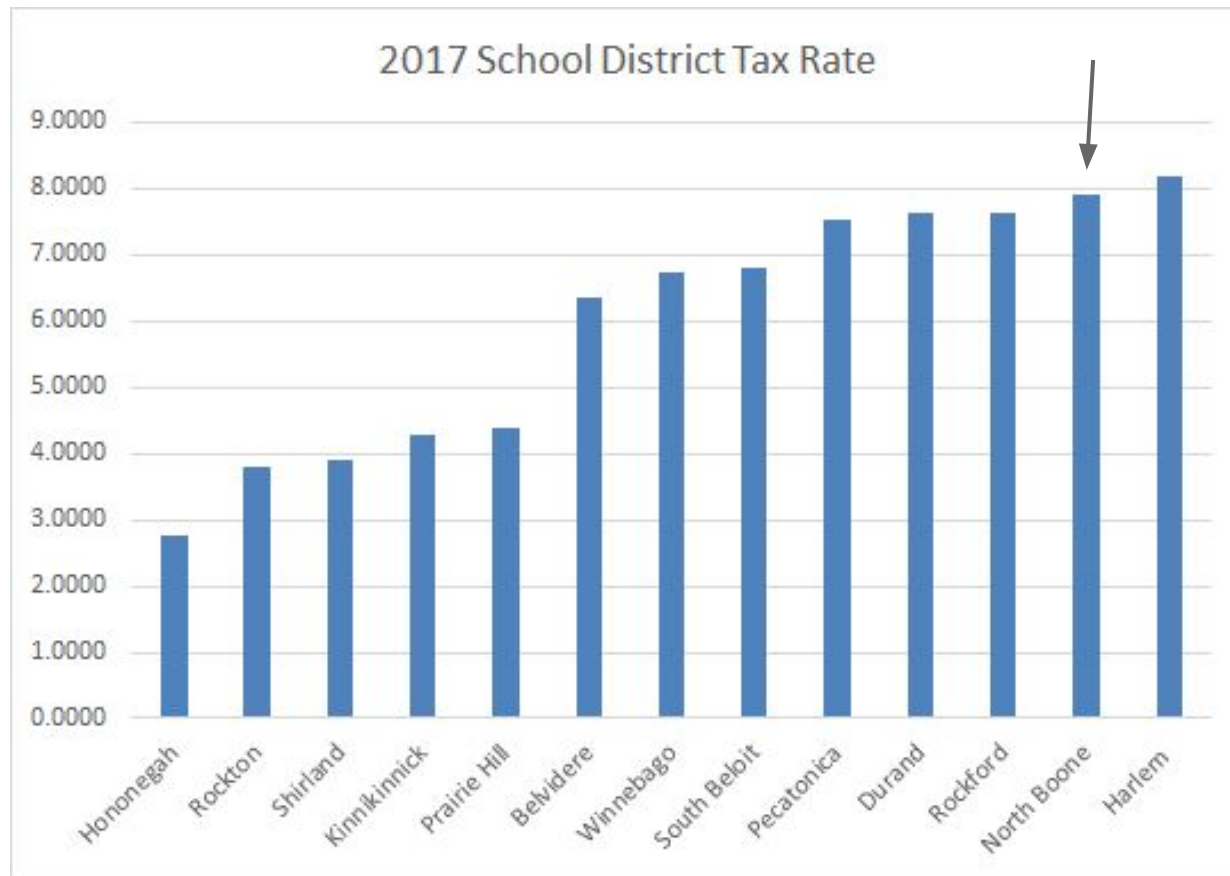
Tax Rate

*Data provided by the ROE



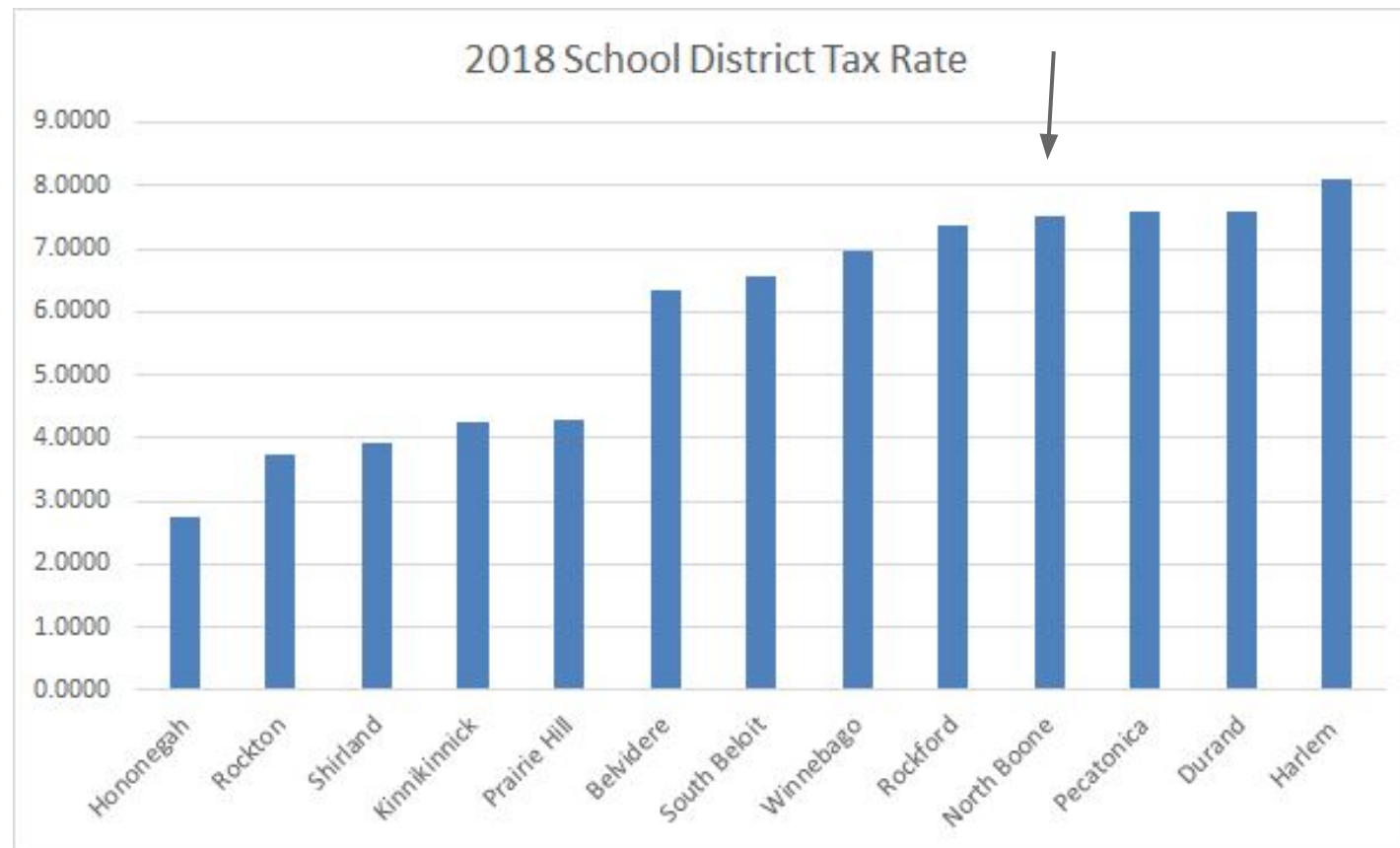
Tax Rate

*Data provided by the ROE



Tax Rate

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Tax Rate

*Data provided by the ROE

What happens after the levy is adopted?

Once the tax levy is adopted by the Board of Education, a copy of the resolution indicating that public hearing was held in accordance with the Truth in Taxation Act and a copy of the published certificate is submitted to the county clerk. Upon receipt of the tax levy the county clerk becomes responsible for generating individual tax bills for the property owners.

Tax Year 2017

Extension without bonds (capped): \$9,030,906.53

+

Total Bond Extension with Overlaps: \$2,235,172.94

=

Total Extension with Overlaps: \$11,266,079.47

Tax Year 2018

Extension without bonds (capped): \$9,206,425.42

+

Total Bond Extension with Overlaps: \$2,372,911.87

=

Total Extension with Overlaps: \$11,579,337.29

Abatement of Bonds

Tax abatement

Abatement is a process by which school district (and other entities) reduce their request for tax money (the levy).

In 2017 the district abated \$935,000 of bonds.

- *\$700,000 as part of the restructure plan

- *\$235,000 additional

For 2018 the district is scheduled to abate

- * \$900,000 as part of the restructure plan

- *\$300,000 additional

For 2019 the district is scheduled to abate

- *\$1,100,000

Future Abatement of Bonds

*Planned abatement schedule

Levy Year	Total	Abatement 1	Abatement 2	Net Levy
2019	\$3,354,400	(\$1,100,000)		\$2,254,400
2020	\$3,554,400	(\$1,200,000)	(\$200,000)	\$2,154,400
2021	\$4,454,400	(\$2,200,000)	(\$200,000)	\$2,054,400
2022	\$4,404,400	(\$2,250,000)	(\$200,000)	\$1,954,400
2023	\$4,749,400	(\$2,692,473)	(\$200,000)	\$1,856,927
2024	\$2,064,400		(\$328,577)	\$1,735,823

Option 1

*Levy CPI (1.9%)

*Levy additional money for increase in final EAV & new construction

*Abate bonds at previously agreed upon amount of \$1,100,000

*Estimated Levy Rate 6.9519%

This would mean a potential decrease of \$231.97 a year for a \$150,000 home.
(When the EAV increases tax rates decrease)

Total Capped: 9,432,078

+

Bond/Interest 2,254,400

=

Total all funds 11,686,479

Option 2

*Levy CPI (1.9%)

*Levy additional money for increase in final EAV & new construction

*Abate bonds at previously agreed upon amount of \$1,100,000

*Abate additional CPI % of about 175,000

*Estimated Levy Rate 6.8478%

This would mean a potential decrease of about \$277.78 dollars a year for a \$150,000 home

Total Capped: 9,432,078

+

Bond/Interest 2,079,400

=

Total all funds 11,511,479

Option 3

*Do not levy CPI increase of 1.9%

*Abate bonds at previously agreed upon amount of \$1,100,000

*Estimated Levy Rate 6.8473%

Potential decrease of about \$278 a year for a \$150,000 home

District can potentially lose up to \$175,000 in revenue

Total Capped: 9,256,210

+

Bond/Interest 2,254,400

=

Total all funds 11,510,611

Overview of Options

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Further Recommendations