

ATTACHMENT X-C

ATTACHMENT X-C: Levy

Recommended Action: Hear the Information

Please find an attached presentation on the tax levy. Information presented will be for discussion. Public hearing on the tax levy is scheduled for December. The tax levy must be filed with the County Clerk by December 20, 2019.

Tax Levy

North Boone Board of Education
October 22, 2019

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 December 20, 2019.

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.)

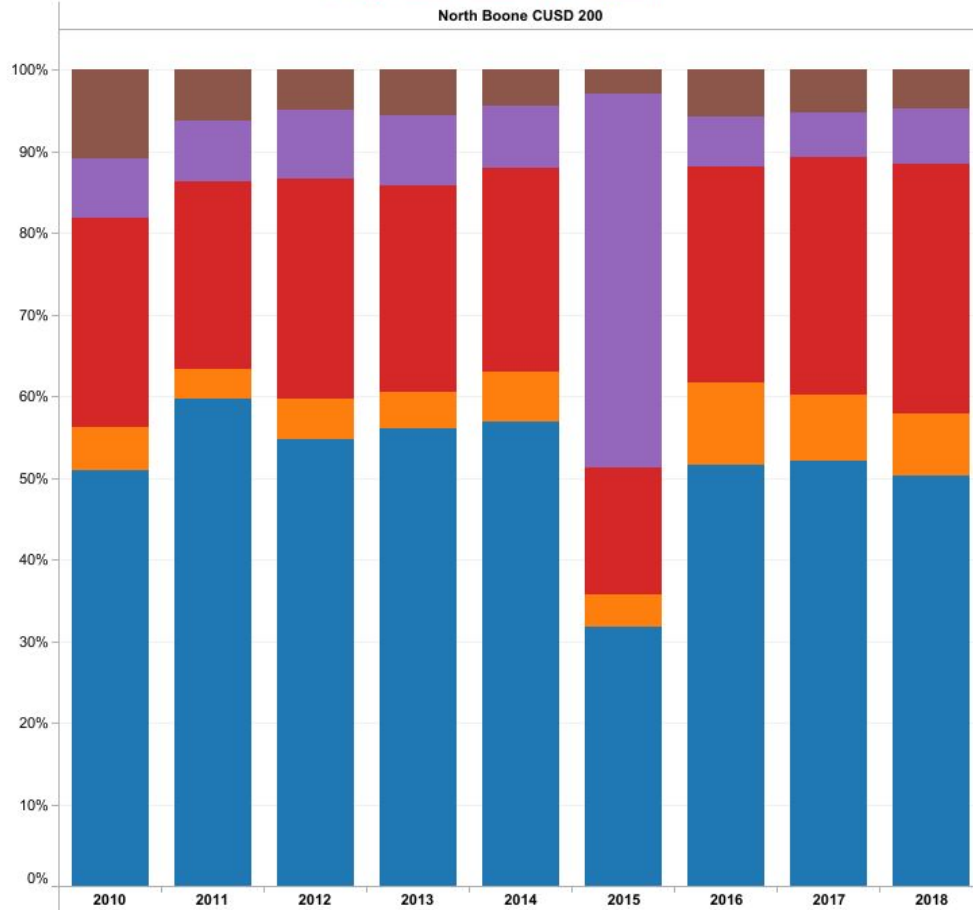
Per Student Revenue By Source

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

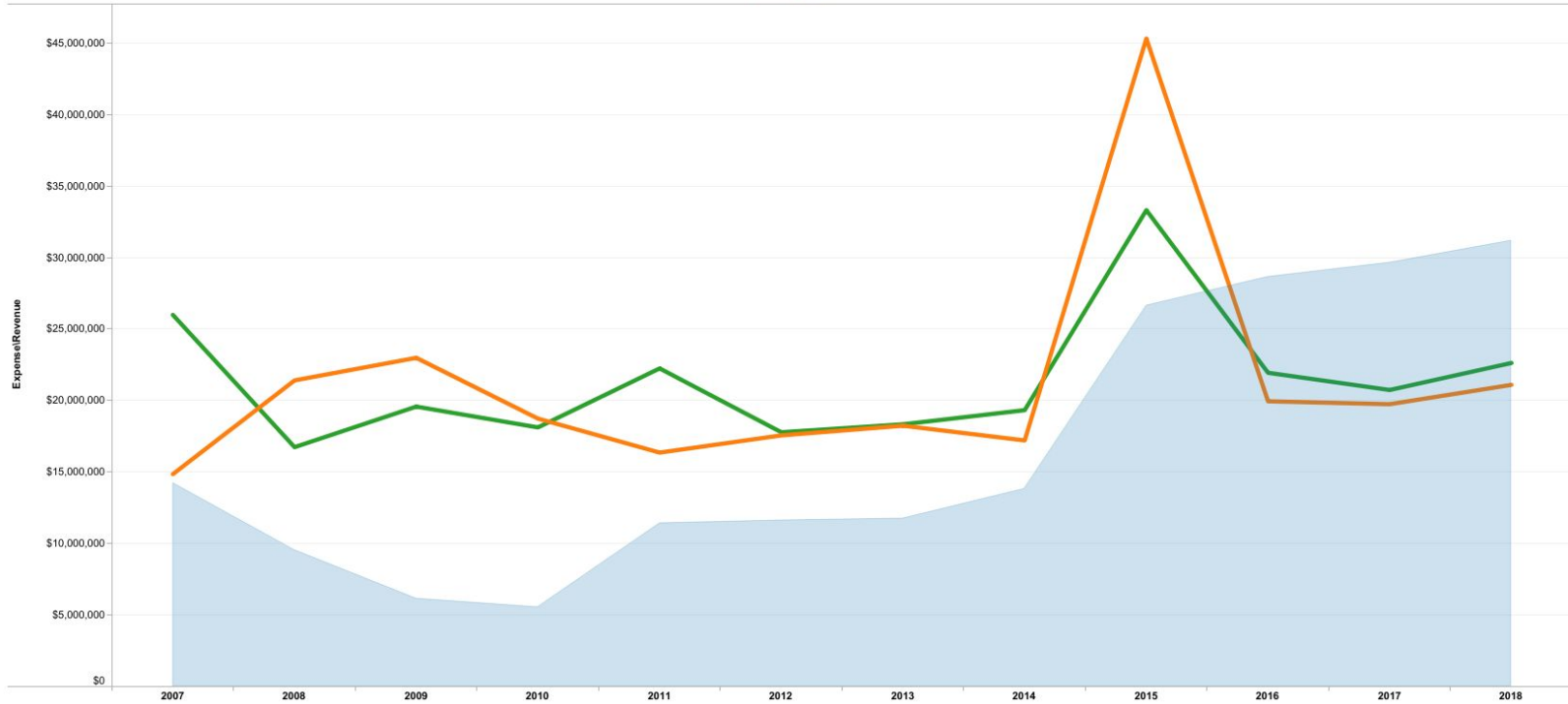
District: North Boone CUSD 200
Source: AFR

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

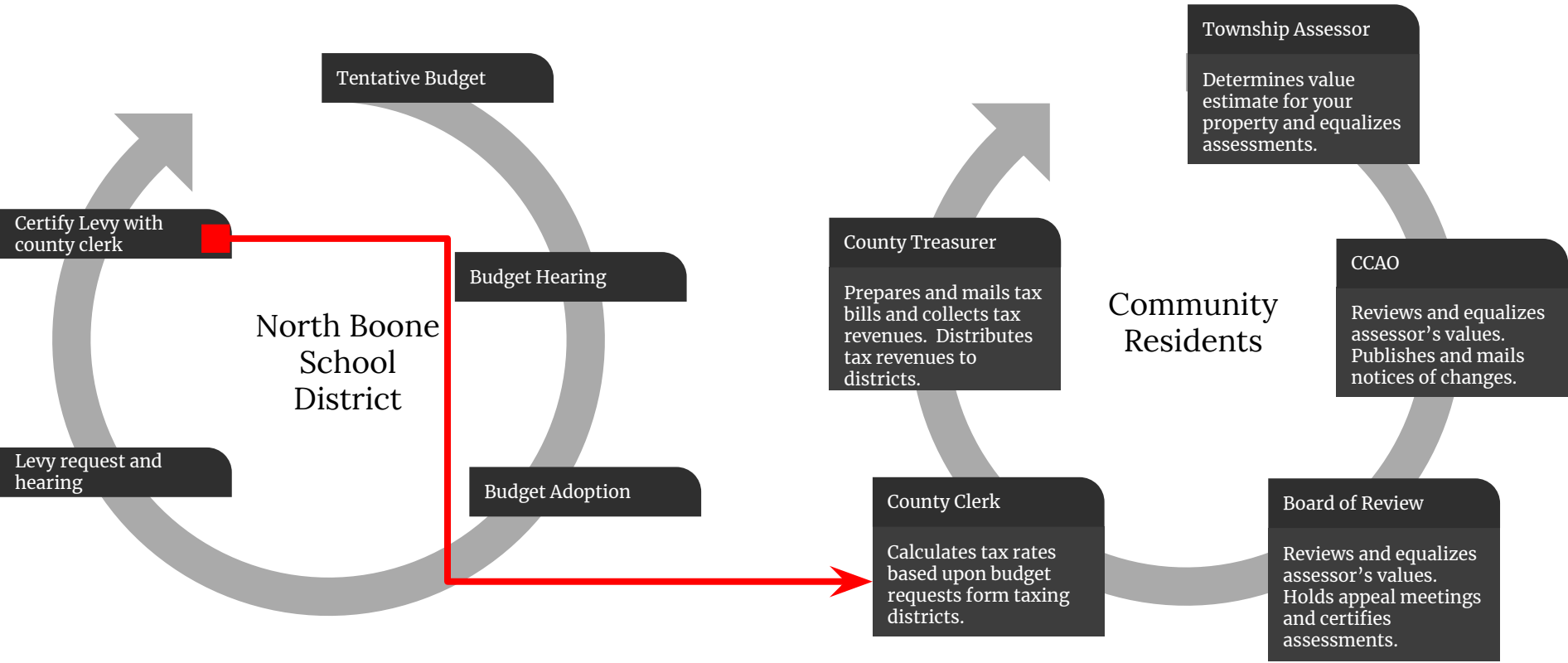


What is a tax levy?

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

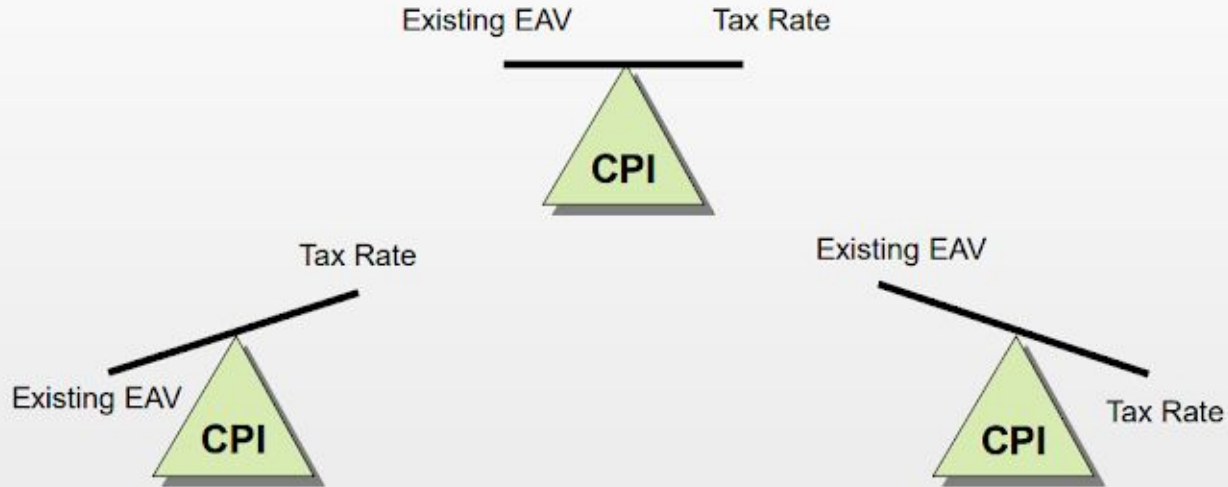
2016: 135,449,486

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

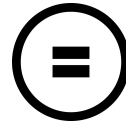


EAV Impact

2018



\$150,000
Tax Rate: 7.47912



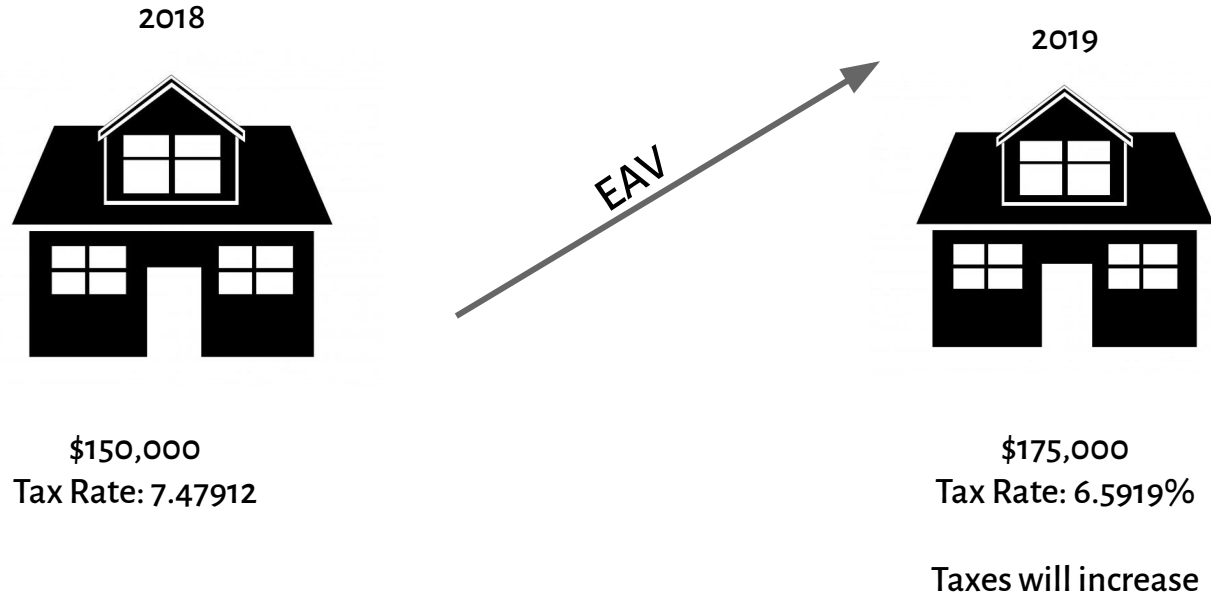
2019



\$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.

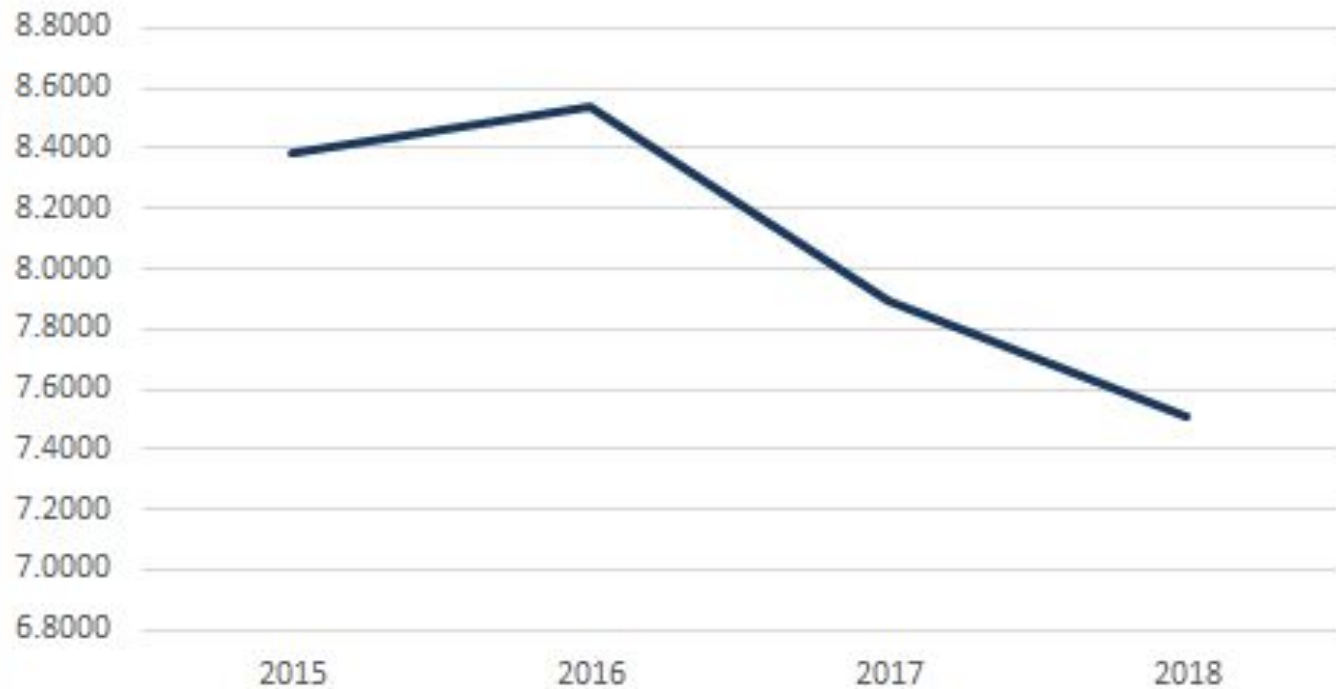
2018 CPI: 2.1%

2019 CPI: 1.9%

Tax rate

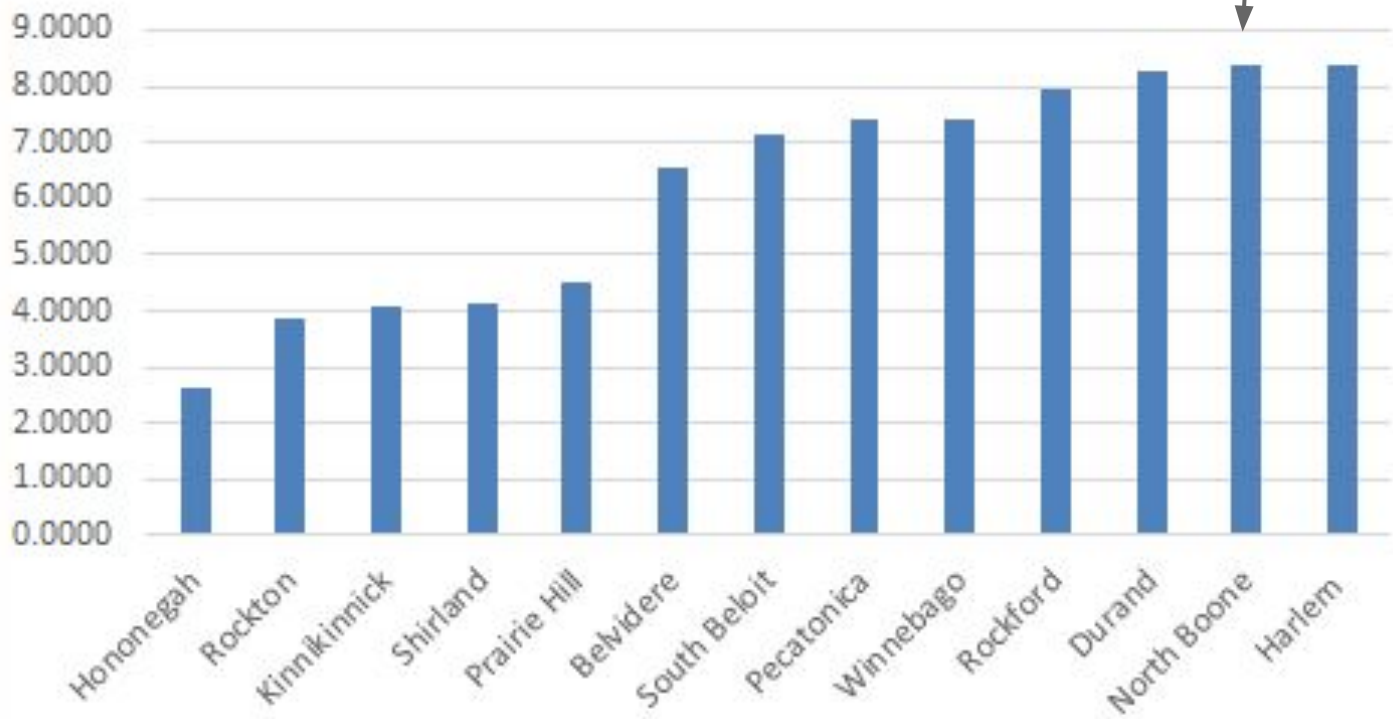
A tax rate in Illinois reflects the dollars levied per \$100 of equalized assessed valuation of real property. A tax rate is calculated by dividing the dollar amount of the tax levy by the total equalized assessed valuation (EAV) of the taxing district and multiplying the product by 100. For example, 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.

North Boone CUSD 200



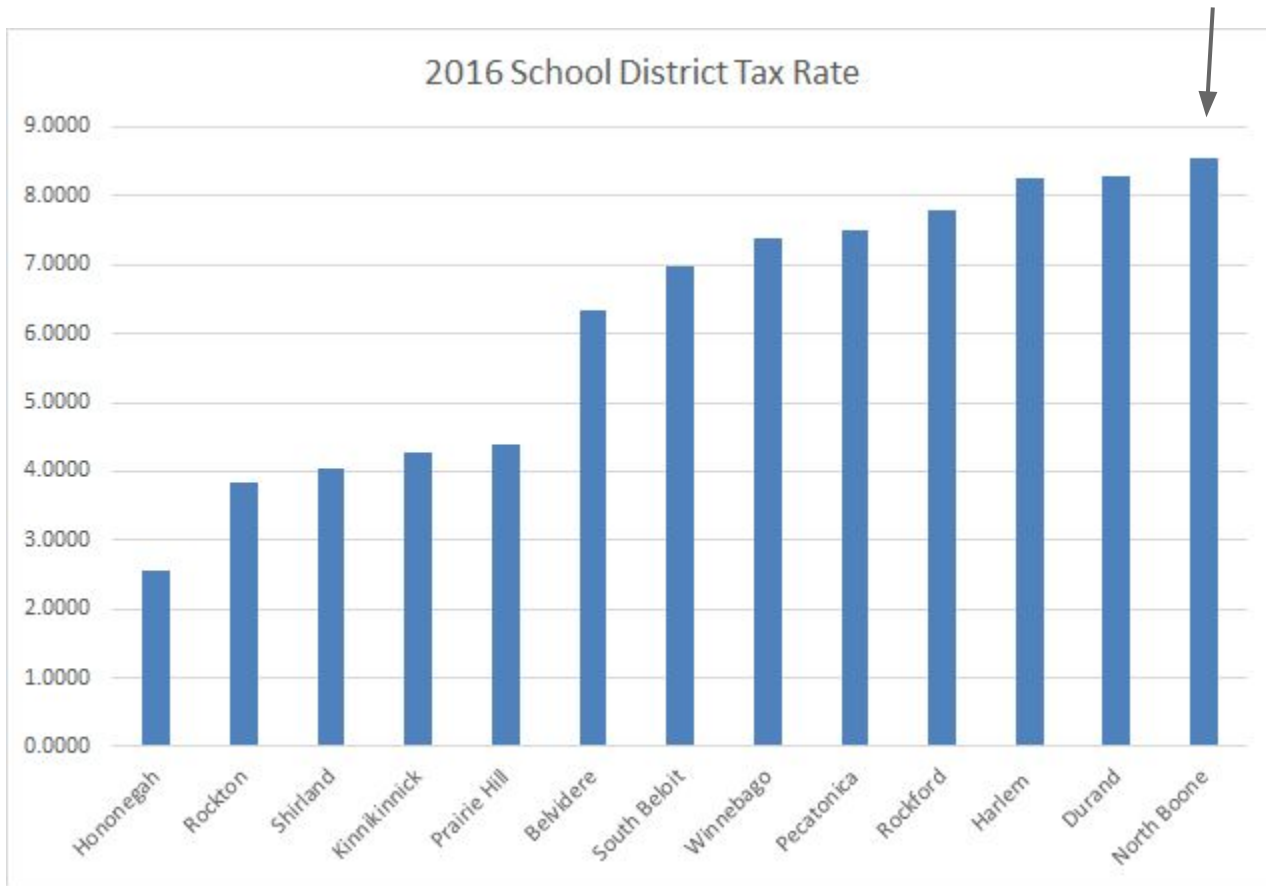
Tax Rate

2015 School Tax Rate



Tax Rate

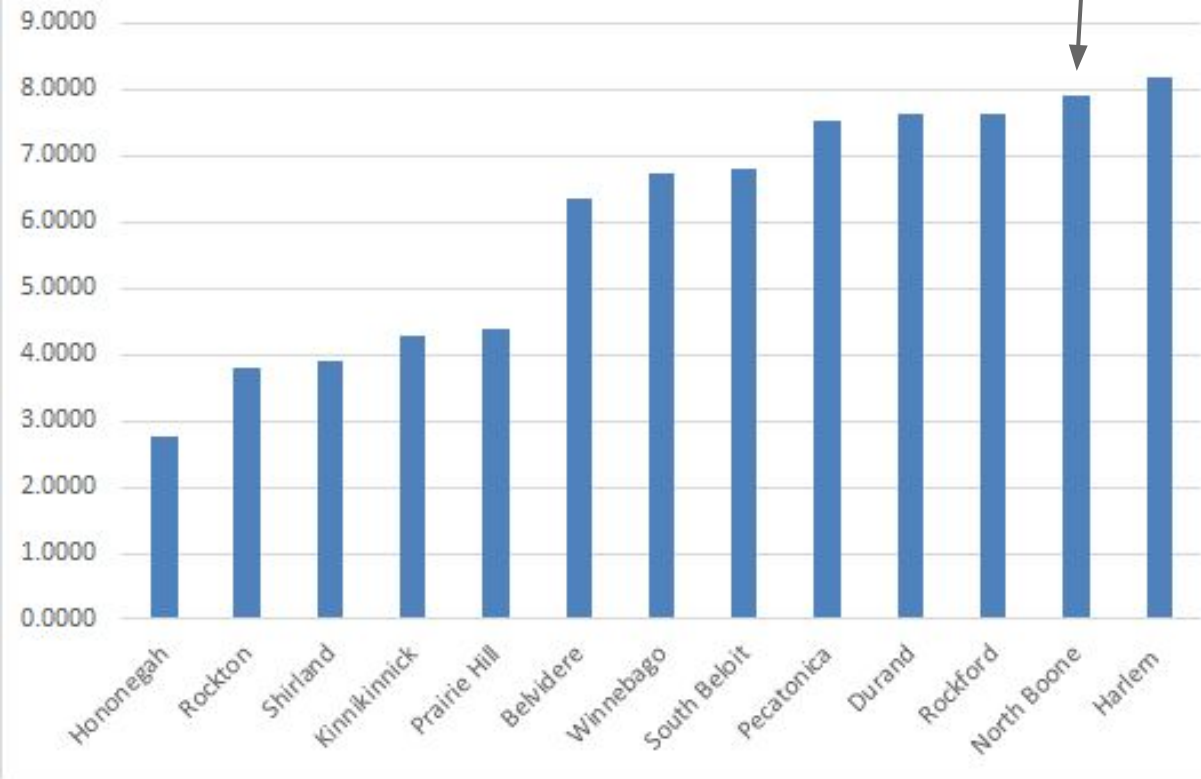
*Data provided by the ROE



Tax Rate

*Data provided by the ROE

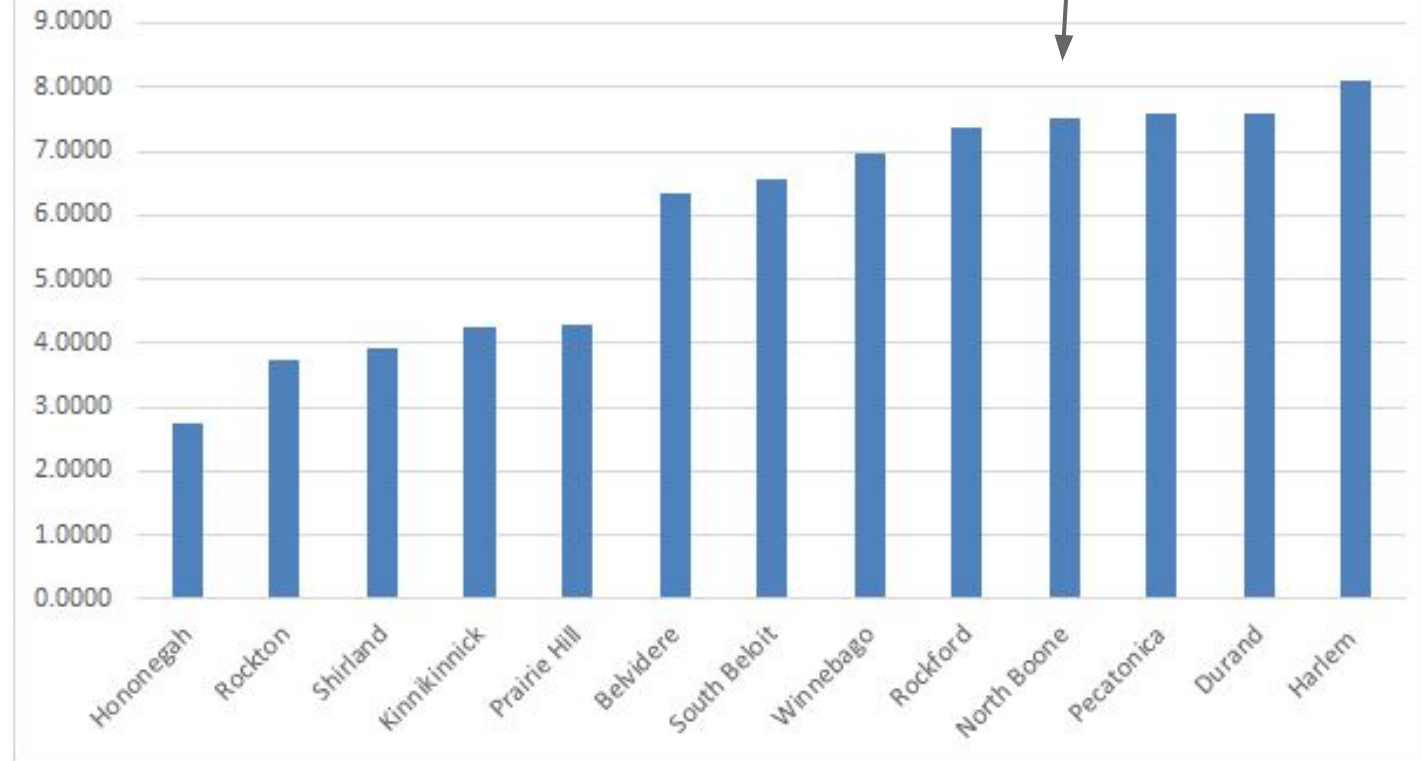
2017 School District Tax Rate



Tax Rate

*Data provided by the ROE

2018 School District Tax Rate



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

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

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

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.

If grant is available it will be due in January. More information to come.

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

	Option 1	Option 2 (abate extra)	Option 3 (No CPI)
Estimated Tax Rate	6.9519%	6.8478%	6.8473%
Possible Saving on \$150,000	\$231.97	\$277.78	\$278
Capped	\$9,432,078	\$9,432,078	\$9,256,210
Not Capped	\$2,254,400	\$2,079,400	\$2,254,400
Total	\$11,686,479	\$11,511,479	\$11,510,611

Questions?

Further Recommendations