

Midland 2018 Tax Levy Presentation

Generating Revenue

What is a tax levy?

- A levy is the amount of dollars in each operating fund a school district requests from the county to pay the bills for the next school year.

When must the levy be adopted?

- The board has to adopt a levy no later than the last Tuesday in December and certify it with the County Clerk.

Generating Revenue

What is a tax extension?

- A levy is the amount of money a district asks for; however, the extension is the amount of money a district actually receives.

How is the extension processed?

- The BOE certifies a tax levy to the County Clerk.
- The clerk assigns appropriate tax rates to the various operation funds.
- The County Clerk processes tax bills that generate tax dollars extended to the school district.

Generating Revenue

What is Equalized Assessed Valuation (EAV)?

- EAV is the property valuation (for individual and total property of a school district) after the county and state equalization calculations are performed.

How much will the EAV grow from last year?

- The Early Taxable Value Report from the Assessor's Office has Midland's EAV increasing from \$111,125,098 to \$113,455,569 an increase of \$102,330,471, or almost 2.1% increase.

Why is EAV important?

- Any growth EAV must be captured to ensure the financial health of the district. The total district EAV is multiplied by the approved tax rate to arrive at the extension.

Considerations

- **The State has passed the Evidence Based Funding Formula for funding K-12 education.**
- **We have seen an increase in state funding of \$40,587 total since the legislation was passed, two years ago**
- **The new State Legislature and Governor have indicated a continuation of increased funding.**
- **All but three categorical payments are part of the Evidence Based Funding, and therefore have been timely paid.**
 - **Delayed Transportation and Special Education funding is straining expenditures**

Considerations

Potential Financial Issues:

- ❖ The political landscape of Illinois creates much uncertainty for schools in Illinois.
- ❖ Illinois debt and deficit spending
- ❖ Delayed Transportation and Special Education Funding (**several months late**)
- ❖ Several pending legislative proposals threaten Midland's financial future.
 - Future property tax freezes (**various bills proposed each year**)
 - Pension Reform (**shifting of additional cost onto local districts**)
 - State funding formula changes (**New Formula but not much new money**)

2018 Levy Calculations

	2017	Tax Rate	2018	Levy Amt w/ Balloon	% Increase
EAV	\$111,125,098		\$114,458,871		
Educational	\$3,055,938.92	2.75%	\$3,147,618.40	\$3,225,000.00	
O & M	\$833,437.89	0.75%	\$858,441.38	\$885,000.00	
Transportation	\$388,937.68	0.35%	\$400,605.98	\$400,606.00	
Working Cash	\$55,562.53	0.05%	\$57,229	\$56,500.00	
IMRF	\$120,000.00			\$100,000.00	
Social Security	\$120,000.00			\$100,000.00	
Fire & Safety	\$55,562.53	0.05%	\$57,229.43	\$56,500.00	
Tort Immunity	\$420,000.00			\$270,000.00	
Special Education	\$44,450.02	0.04%	\$45,783.54	\$46,000	
Leasing	\$55,562.53	0.05%	\$57,229.43	\$56,500.00	
Extension	\$5,149,452.10		\$4,624,137.58	\$5,196,106.00	0.91%
Bond & Interest	\$738,050		\$738,050	738,050	
TOTAL	\$5,966,752.17		\$5,362,852.58	\$934,821.00	0.79%