

School Finances- Understanding the school levy process

It is that time of year again for the school district to plan for next year's budget. The River Bend Community Unit District #2 School Board will be adopting the levy for the 2015-16 school year in December. Schools receive funds from three primary sources, local property taxes, state resources and federal resources. About sixty percent of our budget comes from local sources. The local property taxes are a mix of residential, commercial and industrial values. State and federal funds make up the other 40%.

The states portion of the budget has been pro-rated or reduced by 11% the last three years. The proration or reduction amounts to about \$600,000 dollars annually and \$1,800,000 over a three year period that the River Bends Schools do not receive. Federal funding has also been decreasing over the last three years. At this point in time, it looks like the State Legislature will allow the income tax law to sunset which means less revenue will be available to the state to meet their obligations and school districts may not get the revenue they expected for the remainder of this fiscal year. The loss of state funding to this year's budget is not fully known. We do know that schools have been experiencing decreased state funding since 2008. Another year of reduced funding will be a challenge to manage. Please contact your local legislatures as they begin the January legislative sessions and encourage them to fully fund schools.

Each of the past three years, the River Bend Community Unit District School Board has continued to monitor and make reductions in personnel and materials/operations. It becomes increasingly more difficult to continue great services for children with decreasing revenue. Financial projections for the state of Illinois are not positive so local revenue is critical for the continued stability to our school district.

Each year schools are allowed to levy or ask for tax revenue based on very specific state determined guidelines. Schools receive a percentage of the overall equalized assessment (EAV) for our townships. The following is a list of the fund and allowed levy request. Education fund=2.6%, Building=.5%, Transportation=.2%, Working Cash=.05%, Life Safety=.05, Special Ed=.04%, Lease Purchase=.05%, and IMRF/Soc. Security/Tort are all levied based on need. Typically schools request the maximum allowed amount for each fund. Unfortunately the levy requests are based on an estimated EAV determined in October. The final EAV calculations are not provided until March. Because the state will only provide funds that are requested, schools lose money when the final EAV is higher than the estimated. Schools are penalized because they did not request an accurate amount when given an estimated EAV. To avoid losing money, schools often increase the levy amount so that if the EAV increases all generated income is collected. By law schools must notify residents if and when the levy amount is increased by 5% or higher. Because River Bend needs to ensure we receive all the money we are entitled to by law, we project the final EAV in March to be better/higher and increase the levy in hopes of capturing all available funding. As a result of this practice the River Bend School district must conduct a truth-in-

taxation hearing on Monday, December 15th at 6:30 in the district office. If you have any additional questions please do not hesitate to contact River Bend Superintendent Darryl Hogue at 815-589-2711.