

School Funding and School Property Taxes

Property Tax Relief Task Force

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Peg Agnos, Executive Director, LEND, SCOPE, IHSDO

Sarah Hartwick, Executive Director, ED-RED

Jen Figurelli, Assistant Director, LEND, SCOPE, IHSDO

FACTORS THAT AFFECT PROPERTY TAXES AND SCHOOLS

PTELL

EBF

Mandates

Pension
Cost Shift?

TIF

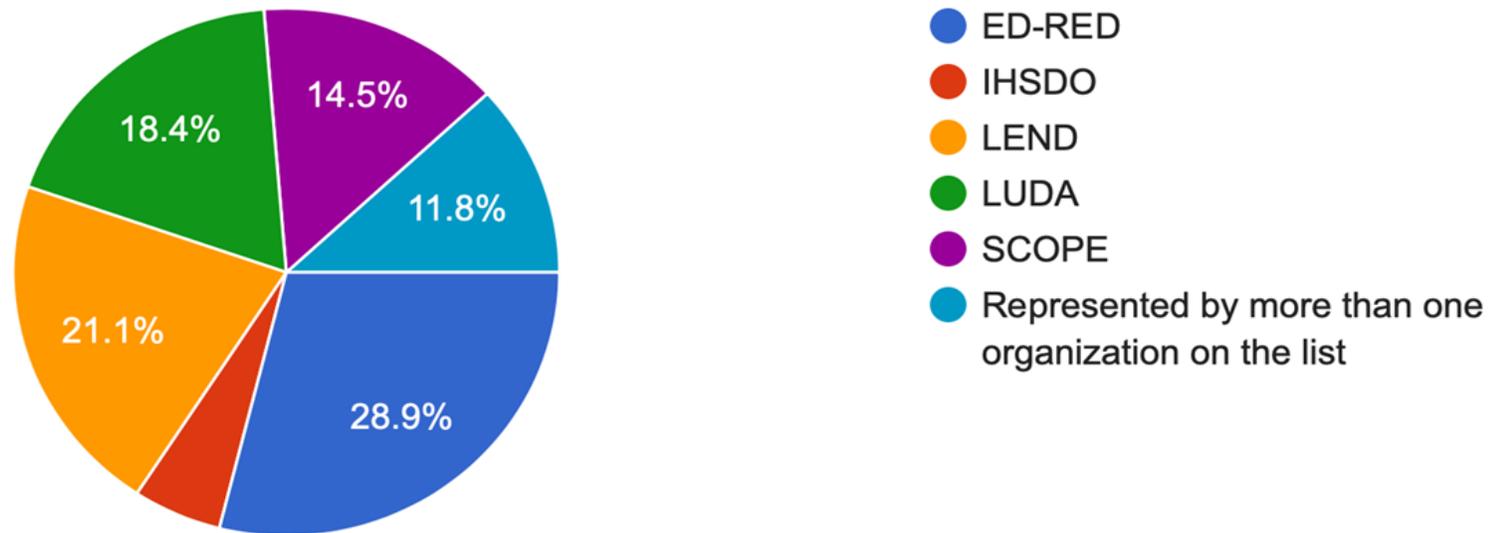
DISTRICTS OBLIGATIONS

- A property tax freeze will deplete remaining fund balances and eventually lead to personnel and programming cuts. Adequate reserves for various purposes including, but not limited to, cash flow (given the property tax payment cycle) are required to:
 - Maintain balances recommended by ISBE to avoid the financial watch list
 - Pay for capital projects (particularly important for districts with low or zero Debt Service Extension Base).
 - Once reserves have been depleted, every district across Illinois will be forced to reexamine their own expenditures to find solutions to maintain current education programming.
 - Districts currently facing financial hardship will be impacted the quickest.

DISTRICT IMPACT

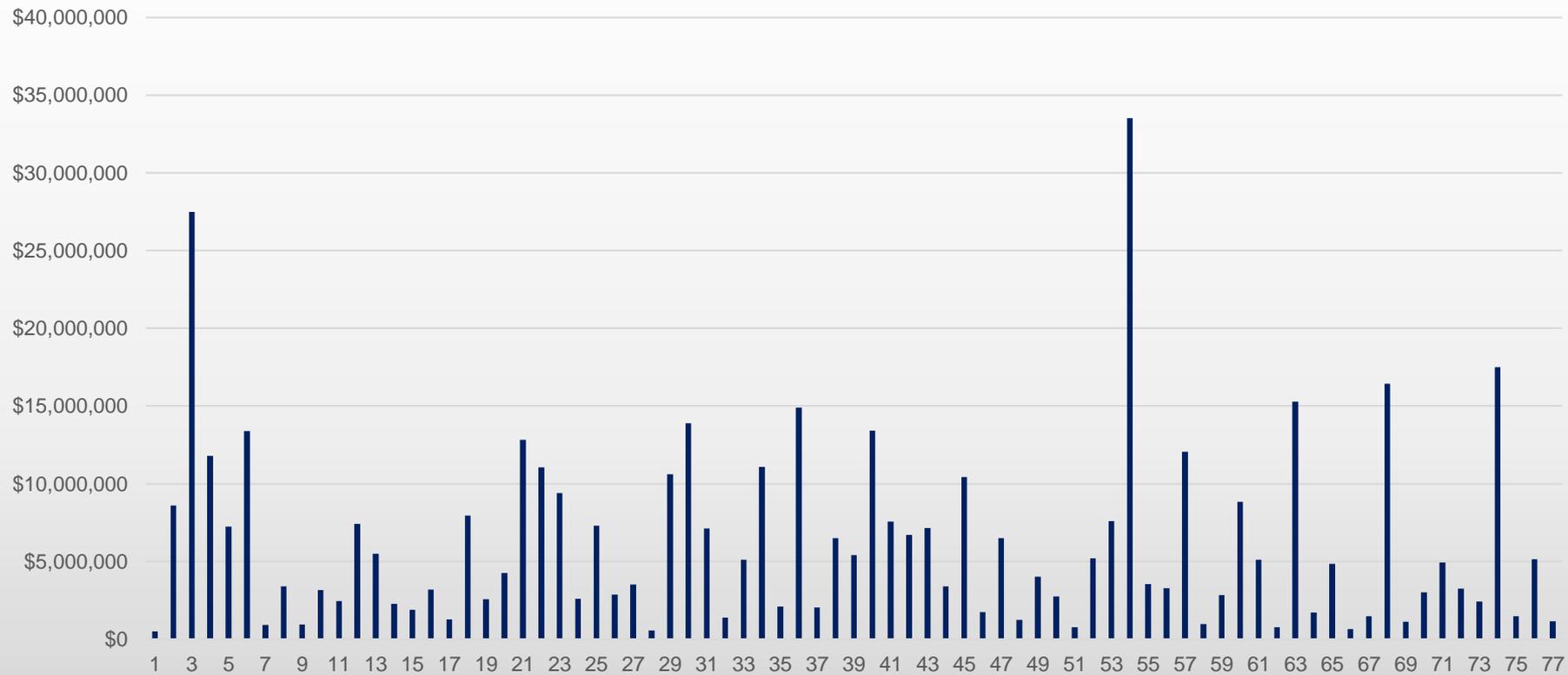
What group represents your district?

76 responses



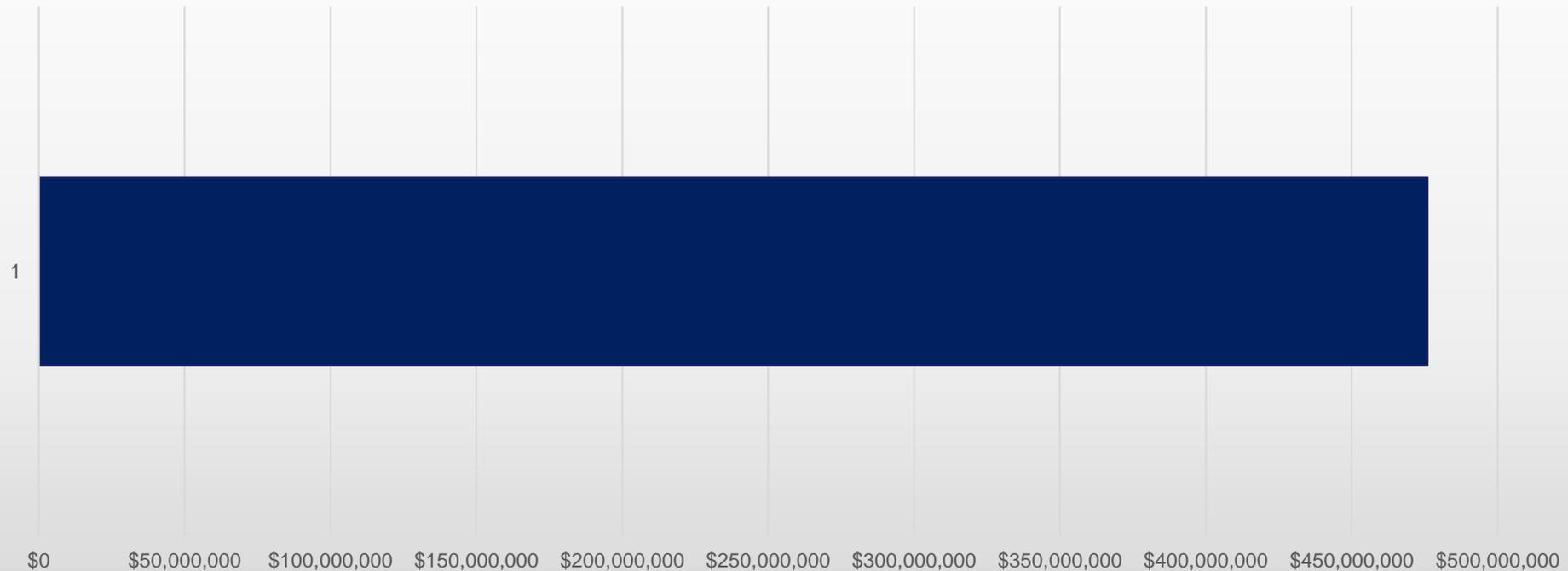
DISTRICT IMPACT

Cumulative Projected Property Tax Lost 2022-2026



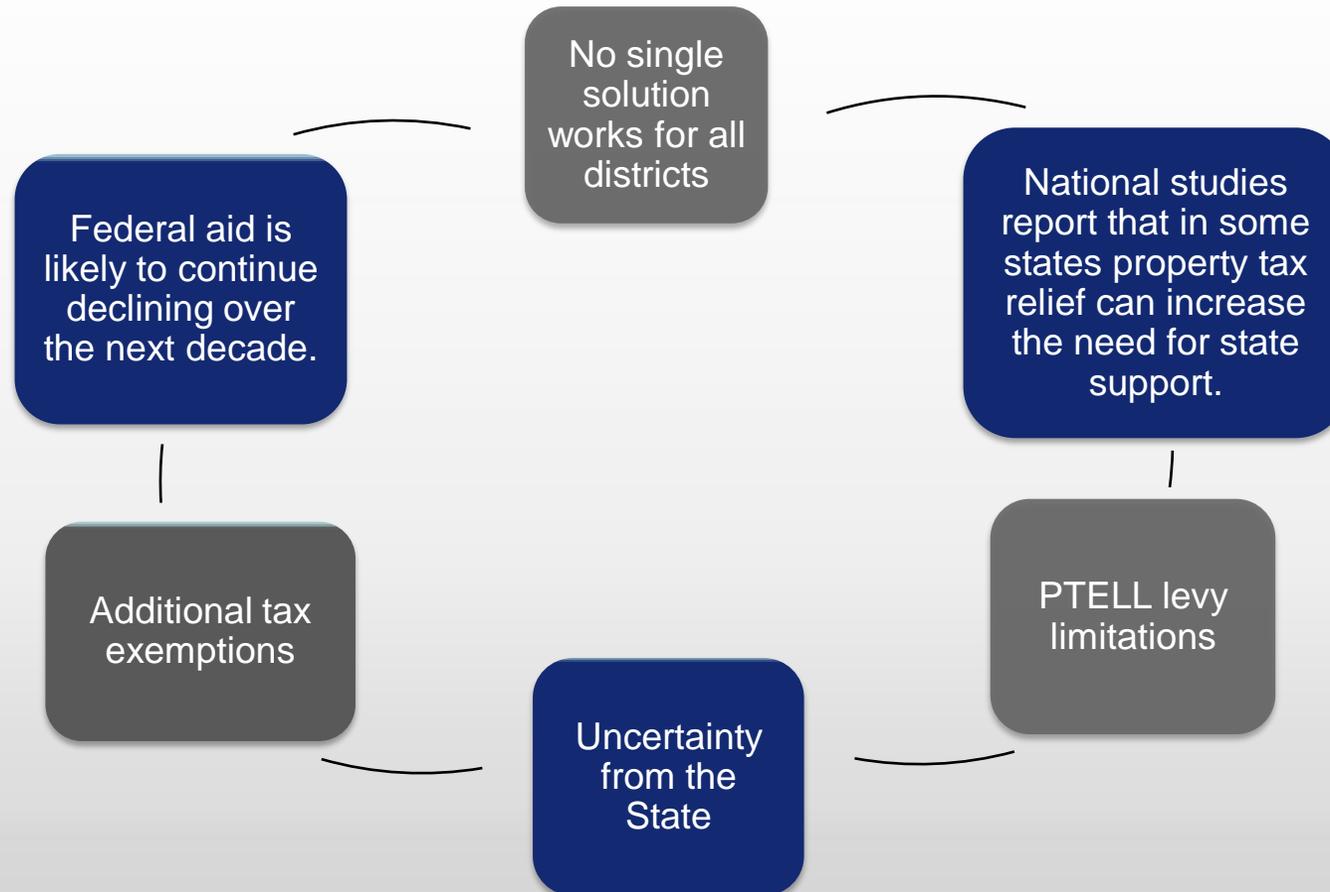
DISTRICT IMPACT

**Total Projected Property Tax Dollars Lost (2022-2026)
For 77 School Districts in Illinois
\$476,000,000**



CONSIDERATIONS

- There are a number of factors that need to be taken into consideration.



RESULTS OF SCHOOL DISTRICT RESERVES DATA ANALYSIS

There are a multitude of reasons that school districts have reserves:

Saving funds for a capital project.

Influx of new dollars as a result of the EBF.

Large reserves may depend on date of property tax receipts.

Preparation for a potential pension cost-shift.

Need for stability.



Unfortunately, there is no way to determine what ought to be considered sufficient reserves for districts.

SUBURBAN SCHOOL DISTRICTS ARE MANAGING MULTIPLE MOVING PARTS

Financial pressure
and future of EBF.

Potential pension
cost-shift?

Potential property
tax
reform/relief/rebates.

Tier 3 and Tier 4
district deficit
spending.

Lack of trust.

Questions?

Contact Information

Peg Agnos: pegagnos@ethekos.com

Sarah Hartwick: shartwick@ed-red.org

Jen Figurelli: jenfigurelli@ethekos.com