

New Revenues are Happening with the County School Facilities Sales Tax

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Pheasant Run Resort

St. Charles, Illinois

Presenters

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County School Facilities Sales Tax

Landmark Legislation for Illinois Schools

- Philosophical Shift Away from Property Tax for Illinois Schools
- Modeled after law that originated in Iowa in 1998
 - Adopted by all counties in Iowa and is now statewide
- Approved by the Illinois General Assembly on October 11, 2007
- Approved in 11 counties (61 districts) in Illinois since 2008

Election Results and Future Votes



Counties where the CSFT has passed

Counties where the CSFT failed in Elections:

November 2008 (X)

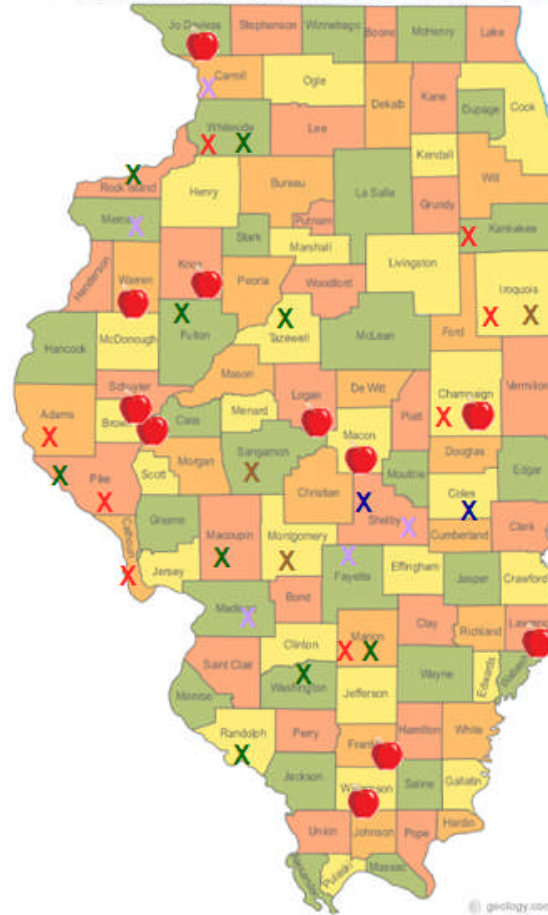
April 2009 (X)

February 2010 (X)

November 2010 (X)

April 2011 (X)

Illinois County School Facility Tax Act:
Election Results and Future Votes



Less Impact on Key Businesses and Fixed Income Persons

● Sales Tax Base:

- Everything in the municipal and county retail sales tax base is included in the tax base **except for:**
 - Cars, Trucks, ATVs and Motorcycles
 - Boats & RVs
 - Mobile homes
 - Unprepared Food (Groceries)
 - Medicine (including over-the-counter and vitamins)
 - Farm Equipment and Parts
 - Farm Inputs
- The State of Illinois has a 6.25% sales tax. If a 1% CSFT passed in the County, the sales tax would go to 7.25% which means that a \$1.00 sales tax would be collected for every \$100 in qualifying goods sold and then distributed to school districts in the County

“If it is not currently taxed, it will not be taxed”

Counties with the CSFST

	Estimated Countywide Annual Sales Tax Proceeds	County Student Enrollment	Amount per Pupil
Cass	\$ 709,009	2,185	\$ 324
Champaign ⁽¹⁾	\$ 16,662,943	23,457	\$ 710
Franklin	\$ 2,226,985	6,492	\$ 343
Jo Daviess ⁽¹⁾	\$ 1,097,262	3,305	\$ 332
Knox ⁽³⁾	\$ 3,986,504	7,997	\$ 498
Lawrence	\$ 696,768	2,425	\$ 287
Logan	\$ 3,610,748	3,939	\$ 917
Macon ⁽²⁾	\$ 10,297,494	16,739	\$ 615
Schuyler ⁽⁴⁾	\$ 340,425	1,240	\$ 275
Warren	\$ 909,853	2,451	\$ 371
Williamson ⁽⁴⁾	\$ 6,403,844	9,451	\$ 678
Total	\$ 46,941,835	Average	\$ 486

Based on 2010 Estimates from CST data

(1)Based on 2010 feasibility report figures

(2)Based on 2010 Estimates from CIPS data

(3)Based on 2012 Calendar feasibility report

(4) Actual 2010 CSFT receipts

“The Money Follows the Student”

Timeline is Critical

Election Date	Nov. 2011	Mar. 20, 2012	Nov. 6, 2012
Pass Resolution (County Board or School Districts)		Dec. 19, 2012	Aug. 6, 2012
Certify the Resolution (County Clerk)		No later than January 19, 2012	No later than Sept. 5, 2012
Election	No Election in the Fall of 2011	March 20, 2012	Nov. 6, 2012
County Adopts Ordinance and File with IL Dept. of Rev. to Enact Tax		No later than Oct. 1, 2012	No later than April 1, 2013
Sales Tax Goes into Effect		Jan. 1, 2013	July 1, 2013
Regional Superintendent Receive Funds from State		Approximately 90 Days after Jan. 1, 2013	Approximately 90 Days after July 1, 2013
District Receives New Sales Tax Revenues		April 2013	October 2013

Use of Sales Tax Revenues

School Facility Purposes

- Acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of land, buildings, structures, and durable equipment
- Also includes fire prevention, safety, energy conservation, disabled accessibility, school security, and specified repair purposes set forth under Section 17-2.11 of the School Code



How to get CSFST on Ballot

- Allows a county board to submit a ballot question to county voters to implement a sales tax for school facility purposes.
 - ✓ In 0.25% increments
 - ✓ Up to 1%
- Two ways to get question on ballot (regular elections only):
 - ✓ County board may pass a resolution
 - ✓ School districts may pass resolutions
- When school boards representing at least 51% of the student enrollment in the county adopt resolutions, the county board must certify the question to the proper election authority
- Enrollment means the head count of students residing in the county on the last school day of September of each year, which must be reported on the Fall Housing Report



Ballot Language

Form of public question (prescribed in law)

- Shall The County of _____, Illinois, be authorized to impose a retailers' occupation tax and a service occupation tax (commonly referred to as a "sales tax") at a rate of ___% to be used exclusively for school facility purposes?



Distribution of Funds

- Tax is collected by IDOR and held by State Treasurer
- By 25th of each month, IDOR certifies to State Comptroller the amount to be disbursed to the regional superintendents of schools (ROE) for the counties where the tax has been imposed and collected during the second preceding calendar month
- Within 10 days after receipt of certification from IDOR, Comptroller causes orders to be drawn for amounts contained in the certification
- Within 30 days after receipt, ROE disburses sales tax proceeds to school districts



Distribution of Funds

- Distribution of funds
 - ✓ Distributed on enrollment basis
 - ✓ Only students residing in the county are eligible for funding
 - ✓ Need to determine distribution process with ROE
- School districts must deposit the sales tax proceeds in a separate School Facility Occupation Tax Fund which may only be used for school facility purposes



Passing a County Sales Tax Referendum- Champaign County

- Regional Superintendent acted as point person to organize districts and get information out
- Made presentations to inform and get support from local realtors, rotaries, Farm Bureau, newspaper editorial board, legislators, university leadership
- Work with County Board from beginning – find key people to support on the County Board
- Key issues for voters:
 - Address capital needs of local school districts
 - Lowers property taxes due to abatements – quantify the additional cost of sales tax on a routine purchase versus the savings on a market value home tax bill from property tax reduction
 - For example: a shopper purchasing \$50 of non-food items at the Wal-Mart would spend an extra \$0.50
 - Need all districts supporting referendum – not just the biggest
 - First referendum failed in the rural districts – general presidential election – no trouble getting voters out
 - Review of FAQs

Timeline of Activities for Passing County-Wide Referendum Champaign County

- January 6, 2008 IASA Illini Division Meeting program (Stifel, Nicolaus & Co., Inc. and Representative Roger Eddy) on County Sales Tax for School Facilities
- January – May 2008 Presentations (Stifel, Nicolaus & Co., Inc.) to district school boards (e.g. Urbana 116, Champaign 4)
- March 13, 2008 Champaign-Ford Superintendents' Meeting program (Stifel, Nicolaus & Co., Inc.) on County Sales Tax for School Facilities
- April 10, 2008 Meeting of superintendents to discuss issue & determine whether or not to move forward
- April 15, 2008 Presentation about CFST (district superintendent & regional superintendent) to Champaign County Farm Bureau
- April – May 2008 Fourteen of 14 school boards passed resolutions to place question on ballot
- May 7, 2008 Presentation about CFST (Stifel, Nicolaus & Co., Inc.) to Champaign County Board
- May 8, 2008 Meeting of superintendents to discuss issue

Timeline of Activities for Passing County-Wide Referendum Champaign County

- June 19, 2008
County Board moved by amendment that the resolution placing question of imposing a Retailers Occupation Tax and Service Occupation Tax on ballot for November 4, 2008 election be sent back to the committee.
- June 30, 2008
Meeting of superintendents, board members, county board member, Stifel Nicolaus staff, and polling group staff to discuss results of polling conducted in the county and reasons county board member moved to send the resolution back to committee
- July 15, 2008
Meeting of superintendents to establish a citizen's steering committee and seek co-chairs of committee
- July 22, 2008
First meeting of Champaign County Sales Tax Steering Committee (representatives from each district and co-chair); heard from two campaign consultants; adopted name, C.L.A.S.S. (Citizens Looking At Supporting Schools)
- August – October
C.L.A.S.S. met bi-weekly from the initial meeting until the election

Timeline of Activities for Passing County-Wide Referendum Champaign County

- August 24, 2008
County Board approved resolution placing the question of imposing a County School Facilities Sales Tax in the county on the November 4, 2008 General Election
- November 4, 2008
General Election – proposal defeated by 262 votes (votes cast – 76,820; yes – 38,279 or 49.83%; no – 38,541 or 50.17%; 26 overvotes; 6,288 undervotes)
- November 13, 2008
Superintendents’ Meeting to discuss election results; group decided to put the issue on the April 7, 2009 ballot
- November – December 2008
Fourteen of 14 school boards passed resolutions to place question on ballot
- January 22, 2009
County Board adopted resolution placing Retailers’ Occupation Tax and a Service Occupation Tax on the
- April 7, 2009 Consolidated Election Ballot (adopted by voice vote)
- February 7, 2009
C.L.A.S.S. reorganized with new co-chairs and met regularly until April 7 election

Timeline of Activities for Passing County-Wide Referendum Champaign County

- April 7, 2009 Consolidated Election – proposal passed by 1,549 votes (votes cast – 25,885; yes – 38,279 or 49.83%; no – 12,168 or 47.00%; 0 over votes; 424 under votes)
- June 18, 2009 County Board adopted 1% Retailers' Occupation Tax and a Service Occupation Tax following a failed amendment to set the tax at a rate of .25% (18 yeas, 4 nays, 1 abstain)
- January 1, 2010 Sales Tax Effective in Champaign County
- April 2010 Receipt of New Revenue began April, 2010

School Facilities Tax Justification – Pre-Referendum

Champaign County

District	Projected Revenue	Property Tax Relief	Use of Sales Tax Revenue
Fisher 1	\$485,649	<ul style="list-style-type: none"> • Save \$45 on \$150,000 home 	<ul style="list-style-type: none"> • Address current and future building needs • Replace outdated windows, lighting & boiler system at Jr./Sr. High School • Address space limitations with addition of classrooms
Mahomet-Seymour 3	\$2,091,139	<ul style="list-style-type: none"> • 33% of revenue from 1% sales tax will go to reduce property taxes • \$0.28 reduction on tax rate 	<ul style="list-style-type: none"> • Address current and future building needs • Replace outdated windows, lighting & heating and cooling systems with energy efficient versions • Replace worn doors, ceilings, lockers and floors • Improve safety & security systems to better protect students & staff • Minimize current capital debt
Champaign CUSD 4	\$7,233,164	<ul style="list-style-type: none"> • Reduce 100% of current outstanding bonds • \$0.06 reduction in tax rate 	<ul style="list-style-type: none"> • Improve energy efficiency of all district facilities • Add north side seating capacity as required by Consent Decree • Repair/replace aging infrastructure • Update schools to meet information technology needs • Add infrastructure/schools in areas of the community that are experience significant growth

School Facilities Tax Justification – Pre-Referendum

Champaign County

District	Projected Revenue	Property Tax Relief	Use of Sales Tax Revenue
Tolono 7	\$1,262,996	<ul style="list-style-type: none"> • \$0.75 to \$0.80 reduction in tax rate per \$100 assessed valuation • Save \$375 on \$150,000 home 	<ul style="list-style-type: none"> • Address future building needs <ul style="list-style-type: none"> • New high school • Build on to classroom space • New greenhouse • Bury current electric service & add more power to the high school • Maintain and repair schools
Heritage 8	\$427,156	<ul style="list-style-type: none"> • One third of total revenue from sales tax will be used to abate existing long-term debt & reduce property taxes 	<ul style="list-style-type: none"> • Complete current building projects
Urbana 116	\$3,142,481	<ul style="list-style-type: none"> • Retire bonds taken out to repair high school, middle school, Leal elementary & the aquatic center • Save \$66 on \$150,000 home 	<ul style="list-style-type: none"> • Repair or renovate Washington Early Childhood School • Improve libraries in five K-5 schools • Add multipurpose rooms • Install security systems, replace worn sidewalks & make building accessible to all • Stop borrowing money for emergency repairs & delayed and deferred maintenance
Thomasboro 130	\$164,705	<ul style="list-style-type: none"> • This addition revenue will help to keep property taxes down 	<ul style="list-style-type: none"> • Replace windows & boiler system with high efficiency green alternatives • Upgrade electrical capacity in each classroom • Install high efficiency air-conditioning in all schools • Abate all existing thermal asbestos associated with current boiler system • Reduce window walls by 60%

School Facilities Tax Justification – Pre-Referendum

Champaign County

District	Projected Revenue	Property Tax Relief	Use of Sales Tax Revenue
Ludlow 142	\$66,190	<ul style="list-style-type: none"> • The district does not have capital debt & thus cannot abate taxes • This additional revenue will help to keep property taxes down 	<ul style="list-style-type: none"> • Replace the current ventilation system in the cafeteria • Restore the existing building structure to make it more energy efficient • Refurbish parking lots, playground & areas encompassing the outdoor school grounds
St. Joseph 169	\$691,146	<ul style="list-style-type: none"> • \$0.20 reduction in tax rate (1/2 the taxpayer cost to build the middle school) • Save \$122 on \$200,000 home 	<ul style="list-style-type: none"> • Pay for \$2.5 million replacement of boiler system in grade school with new energy efficient heating and cooling system • 25% to be deposited in saving to pay off current bond issue early or help address future building needs
Gifford 188	\$160,087	<ul style="list-style-type: none"> • \$0.55 reduction in tax rate per \$100 assessed value 	<ul style="list-style-type: none"> • Pay the yearly bond obligation payment of \$145,000 • Pay for improvements to building
Rantoul THS 193	\$574,159	<ul style="list-style-type: none"> • Reduce 100% of current outstanding bonds • \$0.18 reduction in tax rate per \$100 assessed value • Save \$80.10 on \$150,000 home 	<ul style="list-style-type: none"> • Drain and pave two parking lots to prevent damage to existing building & meet code requirements • Replace single pane, metal frame windows in east wing built in 1956 with energy efficient windows • Build maintenance facility to put owned vehicles inside & to open space for additional activity space on campus to replace off campus space used for athletics • Upgrade HVAC • Reduce humidity in Gym to protect equipment

School Facilities Tax Justification – Pre-Referendum

Champaign County

District	Projected Revenue	Property Tax Relief	Use of Sales Tax Revenue
Prairieview-Ogden 197	\$199,399	<ul style="list-style-type: none"> • Abate entire tax levy for \$1 million bond for Health/Life Safety work • Save \$100 on \$150,000 home 	<ul style="list-style-type: none"> • Finance upgrades, improvements, geothermal, asbestos abatement & construction of district facilities
St. Joseph-Ogden 305	\$346,352	<ul style="list-style-type: none"> • \$0.12 per \$100 assessed valuation (50% of revenue generated by sales tax) 	<ul style="list-style-type: none"> • Replace aging HVAC system in the south wing • Replace roof on the 1926 portion of the building • Repair 30 year old press box • Save money for future expansion

Passing a County Sales Tax Referendum - Knox County



Community Unit School District #205 Galesburg, IllinoisHelping Students Achieve Their Dreams.....

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Our learning community is proud of our schools and their students' achievements. We hope you will sense that pride as you explore this website and follow its links to the sites of our schools. Every day, in everything we do, we are "helping students achieve their dreams."

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Questions?

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