

Life Safety Bonds – The closing on the bonds to correct the 10 Year Health/Life Safety violations at **Reagan, Madison, Jefferson and Washington** took place on June 1, 2016 and the District has received the funds. The \$2,300,000 was wrapped around the current debt where there are no principal payments until 2021 and extend out to 2028. The projects currently being worked on this summer are: roof work at Jefferson (the roofs being replaced are 1996 & 1999) and Madison (the roofs being replaced are 1985 & 1995), electrical work at Jefferson, masonry/tuck pointing at Jefferson and Washington and concrete work at the exits at Washington. **Please remember that the \$22M worth of work identified for Dixon High School to correct violations was been put on hold until a final decision on that building is made.**

State of Illinois– The partisan differences that have divided Governor Bruce Rauner and the General Assembly and has led to over an 11month impasse have prevented passage of another state budget. The General Assembly session ended on May 31, 2016 without a FY 16 or FY 17 State of Illinois budget in place. The troublesome thing about that is any action going forward will require a supermajority in each chamber when they couldn't reach agreement needing only simple majorities. This will now require a level of bipartisan cooperation that is highly unlikely with the November 8th election on the horizon and since each party will be reluctant to do anything that doesn't lend itself to some sort of political advantage. At the same time, legislators seeking re-election don't really want to take any of the blame if schools aren't funded when the 2016-17 school year begins.

The following column by Chuck Sweeny appeared in the June 9, 2016 Rockford Register Star kind of summed things up better than I could:

No budget, tax hike until January?

As I predicted last Sunday, Illinois is on its way to a second fiscal year without a budget. Lawmakers failed to pass a budget before the end of the session on May 31. Although they've still got until June 30 — the new fiscal year begins July 1 — legislation now requires a three-fifths majority to pass.

The chance of that happening is small. But because the squeaky wheel gets the grease, lawmakers may pass funding measures for public schools, perhaps for state colleges and, if we're really lucky, for agencies that contract with the state to provide services for the elderly, the disabled and others among the least fortunate of society.

Only funding for public K-12 schools is almost certain to pass, because parents of school children vote, and if schools don't open in August or September, they will be angry and may take it out at the polls in November.

However, the big problem is that our 3.75 percent income tax doesn't bring in nearly enough money to pay for what we want to spend. House Speaker Mike Madigan's budget, which passed the House, was estimated by Gov. Bruce Rauner's Office of Management and Budget to be unbalanced by \$7.5 billion. It didn't make it through the Senate.

It may be that Democratic leaders and Republicans alike don't want a budget before the November elections. Democrats don't want to be tagged with raising taxes; Republicans don't want to be blamed for slashing state services without raising taxes.

That way, both party's legislative candidates can campaign saying they've "led the fight" either to restore Rauner's cruel cuts or to scuttle Democrats' irresponsible spending plans.

Smart lawmakers from both parties know that the income tax must be raised back to 5 percent, and that reductions in state spending must be made.

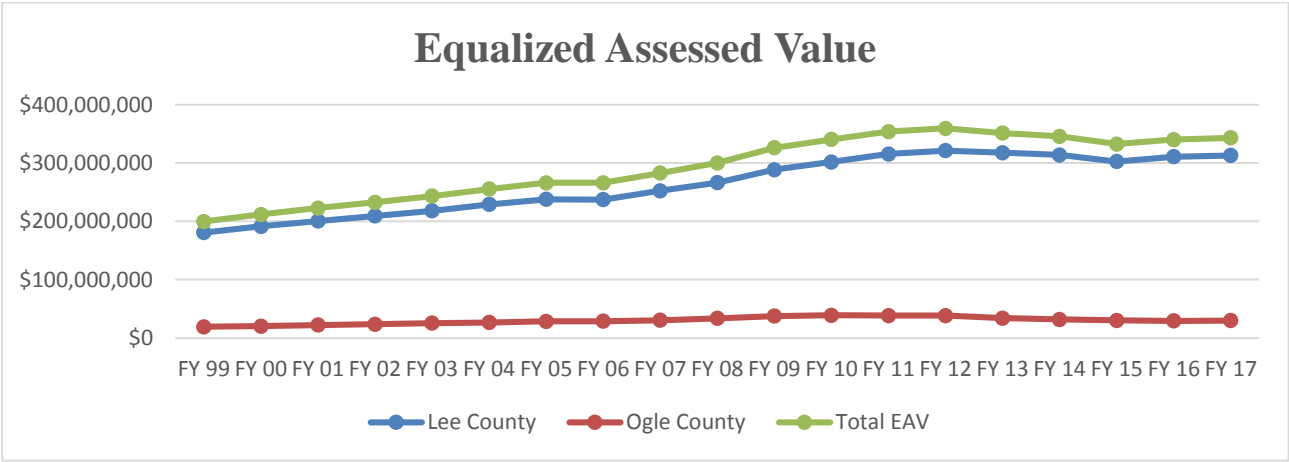
The only time that this can be done politically is early in January, when the old Legislature is still in office for a few days, but when normal rules of a simple majority vote to pass legislation apply again.

I don't think Rauner will get much of his "Illinois Turnaround" agenda passed, unless Republicans pick up enough seats in November to deny Democrats their supermajority of one in each chamber. But if Democrats pick up seats, then Madigan and Senate President John Cullerton will have the run of the Statehouse through the remaining two years of Rauner's term, dooming his chances of re-election, especially if a powerful heavyweight like U.S. Sen. Dick Durbin, D-Springfield, can be persuaded to run for governor instead of running for re-election.

Equalized Assessed Value (EAV) – The District's Equalized Assessed Value (EAV) increased slightly by \$2,279,065 or 0.85%. Ogle County's portion went up 2.06%, but it is only 9.04% of the total EAV, while Lee County increased by 0.73%. Provided the property taxes are paid in full this could equated to an approximately \$70,000 in additional revenue in the Education Fund.

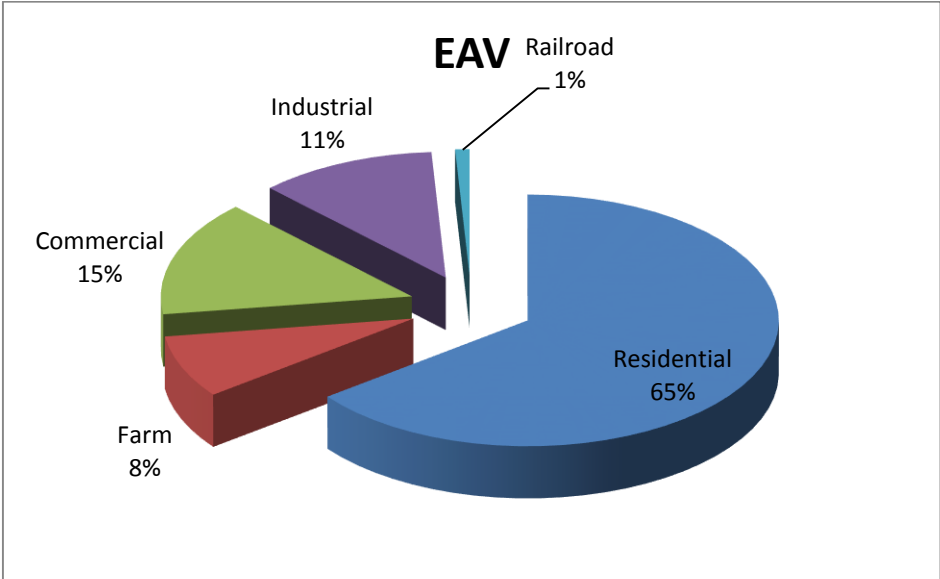
EAV

| | Lee County | Ogle County | Total EAV | \$ Diff | % Diff |
|-------|---------------|--------------|---------------|----------------|--------|
| FY 99 | \$180,758,869 | \$19,105,563 | \$199,864,432 | | |
| FY 00 | \$191,537,195 | \$20,307,577 | \$211,844,772 | \$11,980,340 | 5.99% |
| FY 01 | \$200,640,273 | \$22,210,970 | \$222,851,243 | \$11,006,471 | 5.20% |
| FY 02 | \$209,329,500 | \$23,455,610 | \$232,785,110 | \$9,933,867 | 4.46% |
| FY 03 | \$218,013,755 | \$25,403,134 | \$243,416,889 | \$10,631,779 | 4.57% |
| FY 04 | \$228,991,977 | \$26,411,943 | \$255,403,920 | \$11,987,031 | 4.92% |
| FY 05 | \$237,766,464 | \$28,387,500 | \$266,153,964 | \$10,750,044 | 4.21% |
| FY 06 | \$237,417,144 | \$28,753,099 | \$266,170,243 | \$16,279 | 0.01% |
| FY 07 | \$252,412,002 | \$30,402,139 | \$282,814,141 | \$16,643,898 | 6.25% |
| FY 08 | \$266,502,982 | \$33,654,438 | \$300,157,420 | \$17,343,279 | 6.13% |
| FY 09 | \$288,767,692 | \$37,514,370 | \$326,282,062 | \$26,124,642 | 8.70% |
| FY 10 | \$301,743,233 | \$38,860,814 | \$340,604,047 | \$14,321,985 | 4.39% |
| FY 11 | \$315,532,360 | \$38,373,124 | \$353,905,484 | \$13,301,437 | 3.91% |
| FY 12 | \$321,226,926 | \$38,267,541 | \$359,494,467 | \$5,588,983 | 1.58% |
| FY 13 | \$317,743,880 | \$33,851,775 | \$351,595,655 | (\$7,898,812) | (2.20) |
| FY 14 | \$314,046,659 | \$31,849,322 | \$345,895,981 | (\$5,699,674) | (1.62) |
| FY 15 | \$302,600,952 | \$30,084,544 | \$332,685,496 | (\$13,210,485) | (3.82) |
| FY 16 | \$310,944,817 | \$29,347,050 | \$340,291,867 | \$7,606,371 | 2.29% |
| FY 17 | \$313,223,882 | \$29,951,430 | \$343,175,312 | \$2,883,445 | 0.85% |



2016 Equalized Assessed Value

| <u>Property Class</u> | <u>EAV</u> | <u>%</u> | |
|-----------------------|---------------|----------|-------------|
| Residential | \$220,678,688 | 64.67% | Residential |
| Farm | \$28,251,232 | 8.05% | Farm |
| Commercial | \$50,959,109 | 14.88% | Commercial |
| Industrial | \$39,531,729 | 11.48% | Industrial |
| Railroad | \$3,754,554 | 0.92% | Railroad |
| | \$343,175,312 | 100.00% | |



Property Tax Rates – In the past I have compiled the tax rates of neighboring school districts in order to give us a reference as to where our District falls. Below are the total tax rates for the area. Those districts without a shaded color are unit districts with Dixon Unit School District #170 shaded in purple. Those rose colored are dual districts which have separate elementary and high school districts with the rates of each combined. The two districts in yellow have nuclear power plants which inflate the EAV and in turn lessens the total tax rate.

NW IL Area Total Tax Rates for School Districts

| | | 2016 |
|----|----------------------------|--------------------------|
| | District | Total School Rate |
| 1 | Harlem | \$8.38640 |
| 2 | N. Boone | \$8.38088 |
| 3 | Durand | \$8.27980 |
| 4 | Dekalb | \$8.24998 |
| 5 | Rockford | \$7.93790 |
| 6 | Freeport | \$7.69178 |
| 7 | Streator HS/Streator Elem | \$7.62242 |
| 8 | Winnebago | \$7.42770 |
| 9 | Pecatonica | \$7.42470 |
| 10 | RF HS/Montmorency | \$7.18760 |
| 11 | South Beloit | \$7.12590 |
| 12 | RF HS/East Coloma | \$7.02810 |
| 13 | Ottawa HS/Ottawa Elem | \$6.96905 |
| 14 | Hinckley/Big Rock | \$6.88105 |
| 15 | Sycamore | \$6.74878 |
| 16 | Warren | \$6.62602 |
| 17 | Belvidere | \$6.53108 |
| 18 | RF HS/RF Elem | \$6.50370 |
| 19 | Paw Paw | \$6.47040 |
| 20 | Hiawatha (Kirkland) | \$6.34142 |
| 21 | Genoa/Kingston | \$6.32422 |
| 22 | Pearl City | \$6.20267 |
| 23 | Somonauk | \$6.18554 |
| 24 | Meridian (Stillman Valley) | \$6.07959 |
| 25 | West Carroll | \$6.06794 |
| 26 | Dakota | \$6.03024 |
| 27 | Rochelle HS/Rochelle Elem | \$5.85736 |
| 28 | Forrestville | \$5.77855 |
| 29 | Indian Creek (Shabbona) | \$5.70321 |
| 30 | Sandwich | \$5.69078 |
| 31 | Orangeville | \$5.64323 |
| 32 | Chadwick/Millidgeville | \$5.60715 |
| 33 | Oregon | \$5.52412 |
| 34 | Ashton/Franklin | \$5.47440 |
| 35 | Stockton | \$5.44964 |
| 36 | LaSalle HS/LaSalle Elem | \$5.42742 |

| | | |
|----|-------------------------|-----------|
| 37 | LaSalle HS/Peru Elem | \$5.25487 |
| 38 | Mendota HS/Mendota Elem | \$5.23750 |
| 39 | Polo | \$5.13231 |
| 40 | Lena Winslow | \$5.04261 |
| 41 | Amboy | \$5.01140 |
| 42 | Ptown/Lyndon/Tampico | \$4.95420 |
| 43 | Morrison | \$4.89250 |
| 44 | Riverbend | \$4.84730 |
| 45 | Galena | \$4.81590 |
| 46 | Sterling | \$4.73010 |
| 47 | Dixon | \$4.60030 |
| 48 | Eastland | \$4.38894 |
| 49 | East Dubuque | \$4.38070 |
| 50 | Scales Mound | \$4.28571 |
| 51 | River Ridge | \$4.00397 |
| 52 | Byron | \$3.97345 |
| 53 | Erie | \$2.80780 |