

Effects on School Expenditures
and Tax Levels Depending on Use of TIFD Remittance

Case 1 - Base Case

Assumptions

- 1 A School District with two funds, a General Fund and a Flex Fund.
- 2 Taxable Value = \$10.0 million
- 3 Annual General Fund Budget #'s \$1.0 million; Flex Fund = \$0.00
- 4 TIFD Remittance Available = \$0.00

	<u>General Fund</u>	<u>Flex Fund</u>
Budget	\$1.0 million	\$0.00
TIFD Remittance Available	\$0.00	\$0.00
Amount to be levied	\$1.0 million	\$0.00

General Fund Levy = $\frac{\$1.0 \text{ million (Budget)}}{\$10.0 \text{ million (Taxable Value)}} = 100 \text{ mills}$

No levy spending or levy in Flex Fund. Total Spending = \$1.0 million

**Case 2 -
TIFD Remittance Becomes Available
District Budgets the Remittance in Flex Fund**

Assumptions

- 1 A School District with two funds, a General Fund and a Flex Fund.
- 2 Taxable Value = \$10.0 million
- 3 Annual General Fund Budget #'s \$1.0 million; Flex Fund = \$0.5 million
- 4 TIFD Remittance Available = \$500,000

	<u>General Fund</u>	<u>Flex Fund</u>
Budget	\$1.0 million	\$0.5 million
Other Revenue Available	\$0.0 million	\$0.5 million
Amount to be raised by levy	\$1.0 million	\$0.00

General Fund Levy = $\frac{\$1.0 \text{ million (Budget)}}{\$10.0 \text{ million (Taxable Value)}} = 100 \text{ mills}$

There is \$500,000 of new spending in the Flex Fund, but the TIFD Revenue offsets the budget requirement so there is no levy. Total Spending = \$1.5 million.

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**Case 3 -
TIFD Remittance Becomes Available
and Is Used for Tax Relief**

Assumptions

- 1 A School District with two funds, a General Fund and a Flex Fund.
- 2 Taxable Value = \$10.0 million
- 3 Annual General Fund Budget #'s \$1.0 million; Flex Fund = \$0.00
- 4 TIFD Remittance Available = \$500,000

	<u>General Fund</u>	<u>Flex Fund</u>
Budget	\$1.0 million	\$0.00
Other Revenue Available	\$0.5 million	\$0.00
Amount to be raised by levy	\$0.5 million	\$0.00

General Fund Levy = $\frac{\$0.5 \text{ million (Budget)}}{\$10.0 \text{ million (Taxable Value)}} = 50 \text{ mills}$

No spending or levy in Flex Fund. Total Spending = \$1.0 million