



Ways to Increase
Revenue

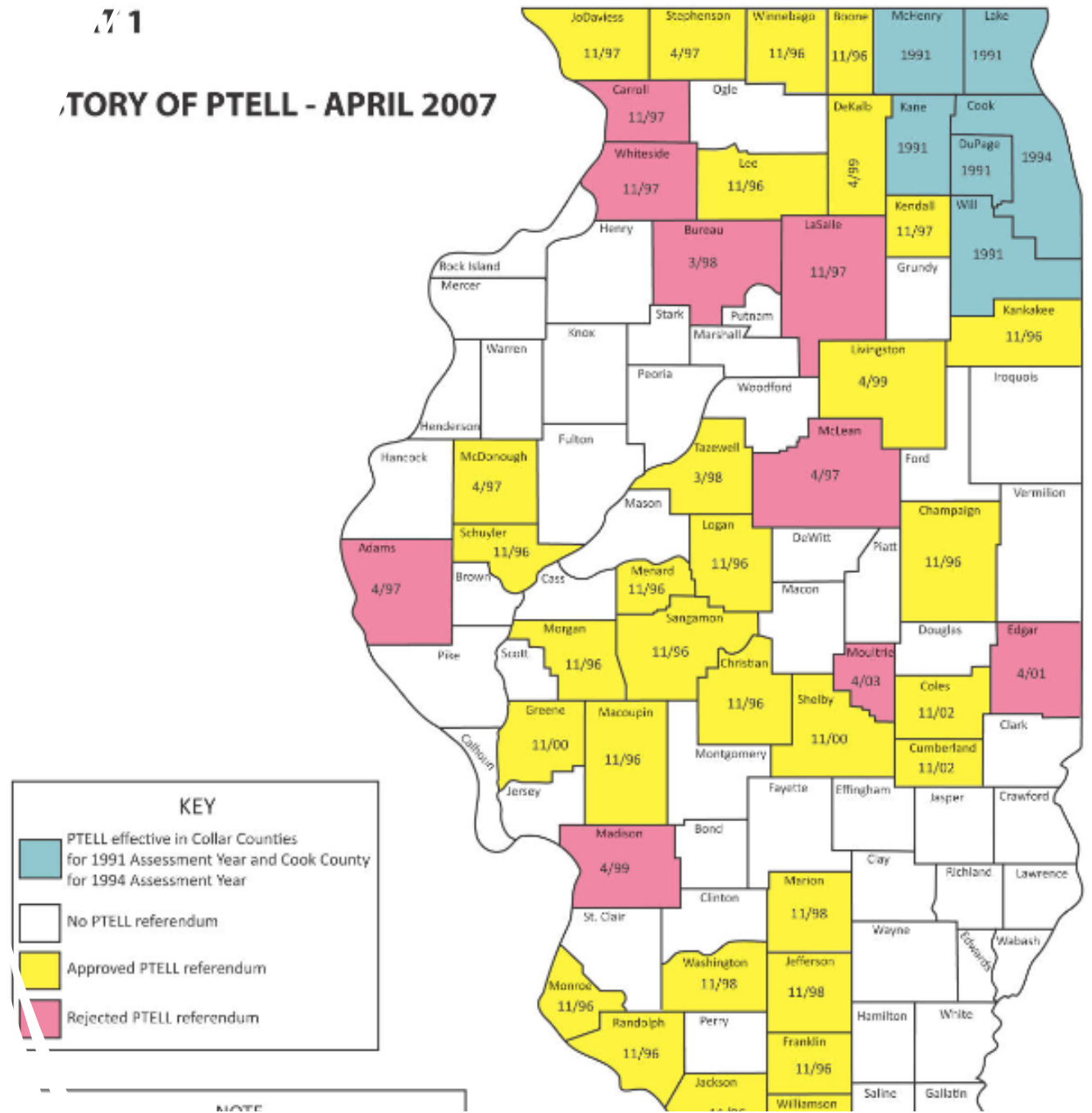
Property Tax Increase

- Referendum, initiated by the Board, approved by the voters
- Ask for an increase in the limiting rate, increasing the rate that PTELL limits us at
- In 2017 this increase was on the ballot to provide additional funding for the nursing home.
 - There were 5 tax rate increases on that ballot, all but 1 failed.

HISTORY OF PTELL - APRIL 2007

Repeal PTELL

- Referendum, initiated by the Board, approved by the voters
- For FY23, it is estimated PTELL cost the County \$500,000 in revenue



Veteran's Assistance Levy

- Referendum, initiated by the Board, approved by the voters
- The County Board can levy a tax not to exceed .03% of the assessed value on all taxable property
- This tax is a separate tax and placed in a special fund
- Cannot be used for anything but funding the VAC

Facilities Sales Tax

- Referendum, initiated by the Board, approved by the voters
- County does not currently have this tax
- Increase in quarter cent increments
- Last attempt at a Facilities Sales Tax was in 2016 and failed

Increase the Public Safety Sales Tax

The Public Safety Sales Tax (PSST) is a quarter cent tax on every \$1 spent in Champaign County. The tax was approved by voters through referendum in 1998. It has not been raised since first created.

This tax does NOT apply to:

- Groceries
- Title or registered personal property (i.e., cars, trucks, boats, motorcycles, trailers, farm equipment)
- Medication, prescription and non-prescription, medical appliances

Current status of the tax

- In 2022 the tax generated \$6,408,000.
- In 2023, it is projected to generate \$6,605,000.
- In 2017 the state began imposing a collection fee on the sales tax revenue and this has cost the County over \$500,000.
- For FY2024 the PSST fund has a fund balance of \$6,040,904.
- Because the PSST is used for debt service, it must maintain a fund balance sufficient to cover the bond payments, therefore at least \$3 million must remain in the fund.

Current uses of the PSST revenue

- 48% of the revenue from the PSST is dedicated to debt service on bonds issued for the construction on the Courthouse, Juvenile Detention Facility, and the Jail Consolidation project currently going.
- Partial funding of the JANO court software system
- \$100,000 to Rosecrance for Re-entry Programs
- Salary and health insurance for one lieutenant dedicated to the Classification System in the jail
- Payment of the annual fees on the debit service of the PSST
- Utilities and minor maintenance costs of public safety buildings
- Out of county housing costs of inmates
- Technology needs of the criminal justice system offices from the CARF budget
- 5% of the FY2022 PSST revenue was dedicated to delinquency prevention programs

The tax rate has been at a quarter cent for 24 years and this tax revenue does not grow quickly because it does not include titled property, like the general sales tax does.

Avg. weekly spending	\$50	\$100	\$200
Current sales tax (9%)	\$4.50	\$9.00	\$18.00
Proposed sales tax (9.25%)	\$4.63	\$9.25	\$18.50
Sales tax increase	\$0.13	\$0.25	\$0.50
Estimated annual cost of proposed increase	\$6.76	\$13.00	\$26.00

Financial Forecast

- The upcoming financial capacity is due to debt service payments being less than originally budgeted and underspending in the General Fund due to vacancies.
- The approaching deficit is directly caused by the failure of projected revenues to keep up with projected expenditures and this is conservatively estimated expenditure growth.

FUND	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
General	794,250	(1,806,095)	220,976	(936,312)	(2,040,050)	(3,340,329)
Public Safety	124,468	1,693,022	1,410,752	1,683,007	2,108,139	1,979,880
Total Forecasted Funds	918,718	(113,073)	1,631,728	746,695	68,089	(1,360,449)

The current FY24 budget deficit is \$700,000.