

**Middleton School District #134**  
**Facilities Info Sheet**  
**BONDS—SUPPLEMENTAL LEVIES—PLANT FACILITY LEVIES**

**FUNDING OPTIONS FOR SCHOOL DISTRICTS**

In many states, to build a building, counties/communities/districts receive state funds collected from different taxes or impact fees. In Idaho, in order to build school facilities local school districts must pass a bond or plant facility levy. **Middleton School District receives no funds from impact fees, and existing property taxes attributed to the school district are completing the payments for previous buildings built in the district.**

**BONDS**

**QUICK FACTS:**

**USE:** Bonds are used for construction/remodeling/upgrading school facilities

**AMOUNT:** Limited based on property values of each district and existing tax burden

**VOTE REQUIRED:** Must have 66.6% majority to pass

**COLLECTION:** Funds are collected each year over the life of the bond (typically 15-20 years)

**FUND AVAILABILITY:** Districts can use all funds from the bond up-front to complete construction project. Interest is paid on the bond debt because the full amount is borrowed.

*Bonds funds are used for Building: School bonds provide funds for large long-term capital projects such as modernization of buildings, new school constructions or acquisitions of property. A bond is debt, offered to the public, which must be repaid, with interest, over a pre-determined period of time. A bond can be structured to be paid back over as many years as the district deems necessary. To pass, a bond requires a supermajority (66.67%) in-favor and is voted on before the bond is issued. Bond funds are generally collected over a 15-to-20 year period.*

*Bond Equalization Program: The 2002 Idaho Legislature created a Bond Levy Equalization Support Program. This program is governed by sections 33-906, 33-906A, and 33-906B, Idaho Code. The State Department of Education is directed to establish a "value index" for each school district, based on each school district's market value per support unit for equalization purposes, the average annual seasonally-adjusted unemployment rate, and the per-capita income for the county in which a plurality of the school district's market value for assessment purposes of taxable property is located. Under the Support Program, school districts with a value index below one (1) shall be eligible to receive additional state financial assistance for the amount of annual bond interest and redemption payments made on bonds passed on or after September 15, 2002; provided, that any school district with a value index less than 1.5 shall receive no less than 10% of the interest cost portion of its average annual bond interest and redemption payment for bonds passed on or after September 15, 2002. Middleton's "value index" over the last several years has averaged: \*\*\*\*\**

**SUPPLEMENTAL LEVIES**

**QUICK FACTS:**

**USE:** Supplemental levies can be used for any school operation (programs, equipment, salaries, etc)

**AMOUNT:** Limited based on property values of each district and existing tax burden

**VOTE REQUIRED:** Simple Majority (50% + 1) to pass

**COLLECTION:** Funds collected each year over life of levy. Levies are limited to 2 years.

**FUND AVAILABILITY:** Funds are delivered to the district for use as taxes are collected from the county. There is no interest paid on a levy because money is dispersed to the school district after taxes are collected.

*Supplemental Levies funds are used for Learning: Levies bridge the gap between state and federal funding and the actual cost of operating a school district. Levies support basic educational programs and services. Levies support student learning, health and safety, athletics, activities, instructional support, technology, transportation, operations and maintenance. A levy is a tax that is requested on local property owners. Patrons are then responsible to pay for the levy over a set period of time and the district receives the money as taxpayers pay their tax bills. When the levy expires, the district has the option of asking for another levy. A Levy requires a simple majority (50% + 1) to pass and is voted on by district patrons. A supplemental levy can only be for a maximum of 2 years so patrons generally get a chance to vote on levies more often than on bonds.*

## **PLANT FACILITY LEVIES**

### **QUICK FACTS:**

**USE:** Plant Facility Levies can be used for equipment, supplies, and facilities maintenance. No teacher salaries.

**AMOUNT:** Limited based on property values of each district and existing tax burden.

**VOTE REQUIRED:** Can vary. 55%, 60%, or 66.6% depending on the level of indebtedness in the district.

**COLLECTION:** Funds collected each year over life of levy. Levies can be made for up to 10 year increments.

**FUND AVAILABILITY:** Funds are delivered to the district for use as taxes are collected from the county. There is no interest paid on a levy because money is dispersed to the school district after taxes are collected.

*Plant Facility Levies funds are used for construction and upkeep of physical facilities. A plant facility levy is a tax that is requested on local property owners. Patrons are then responsible to pay for the levy over a set period of time (not to exceed 10 years) and the district receives the money as taxpayers pay their tax bills. When the levy expires, the district has the option of asking for another levy. A plant facility levy requires 55%, 60%, or 66.6% to pass depending on the level of indebtedness in the district.*