

A red circle and a dark gray octagon overlap. The octagon is on the right and contains white text. The circle is on the left and is partially obscured by the octagon.

2022 Tax Levy

Board of Education
December 15, 2022

2022 Tax Levy Facts

- Funds must be levied by the district
- Tax Levy accounts for approximately 78% of the district's revenues
- Funds portion of FY23 and FY24
 - Tax collections are received in the Spring & Fall of 2023
- Property Tax Extension Limitation Law (PTELL)
 - Limits the tax increase from year to year to lesser of 5% or the Consumer Price Index (CPI)

Tax Levy Facts Continued

- Truth in Taxation Law
 - If the Taxing Agency's current year's Tax Levy request > 5% of the prior year's extension
 - Proper notice must be published in the newspaper
- A public hearing must be held prior to the Adoption process
 - Determination is established through the adoption of the tentative tax levy (November Board Meeting)



Understanding Tax Levy vs. Tax Extension

- Tax Levy is the **request** for revenue to meet operating needs for the current and future budgets
 - Estimated values for EAV
 - Estimated values for new property
- Tax Extension is the **actual** revenue appropriated to the district based on statutory PTELL limits
 - Property taxes are extended based on known EAV and new property values

Factors in Tax Levy

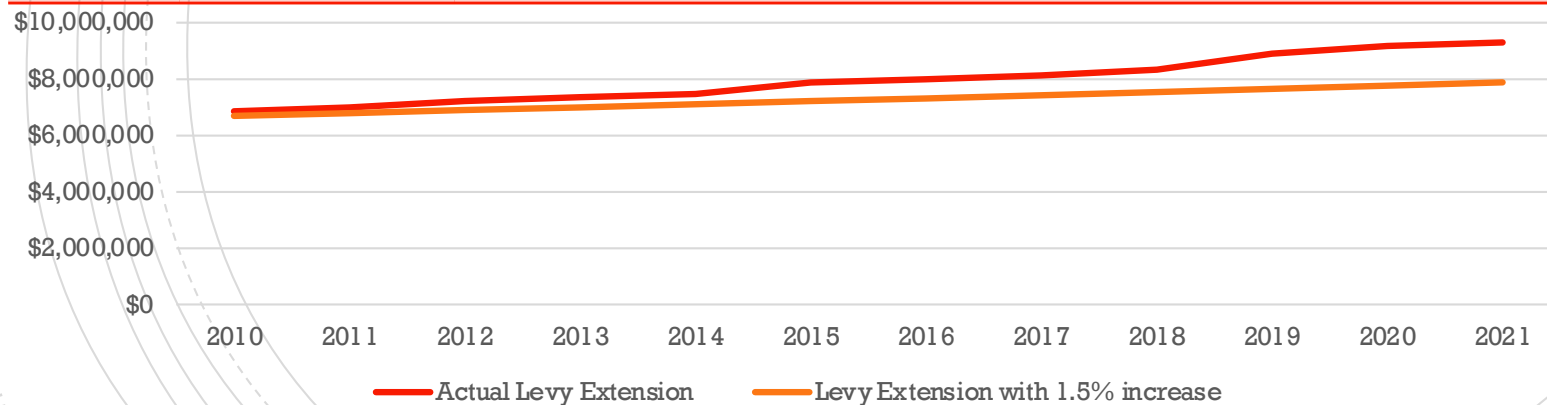
Limiting Rate:

$$\frac{(\text{Prior Year Extension} \times (1 + \text{Lesser of } 5\% \text{ or CPI}))}{(\text{Total EAV} - \text{New Property})}$$

- PY Ext: \$9,299,074 - Known
- CPI-U: 7% (5% max) - Known
- EAV: \$392,712,358 - Unknown
- New Construction: \$3,200,000 - Unknown

Lost Revenue Calculation

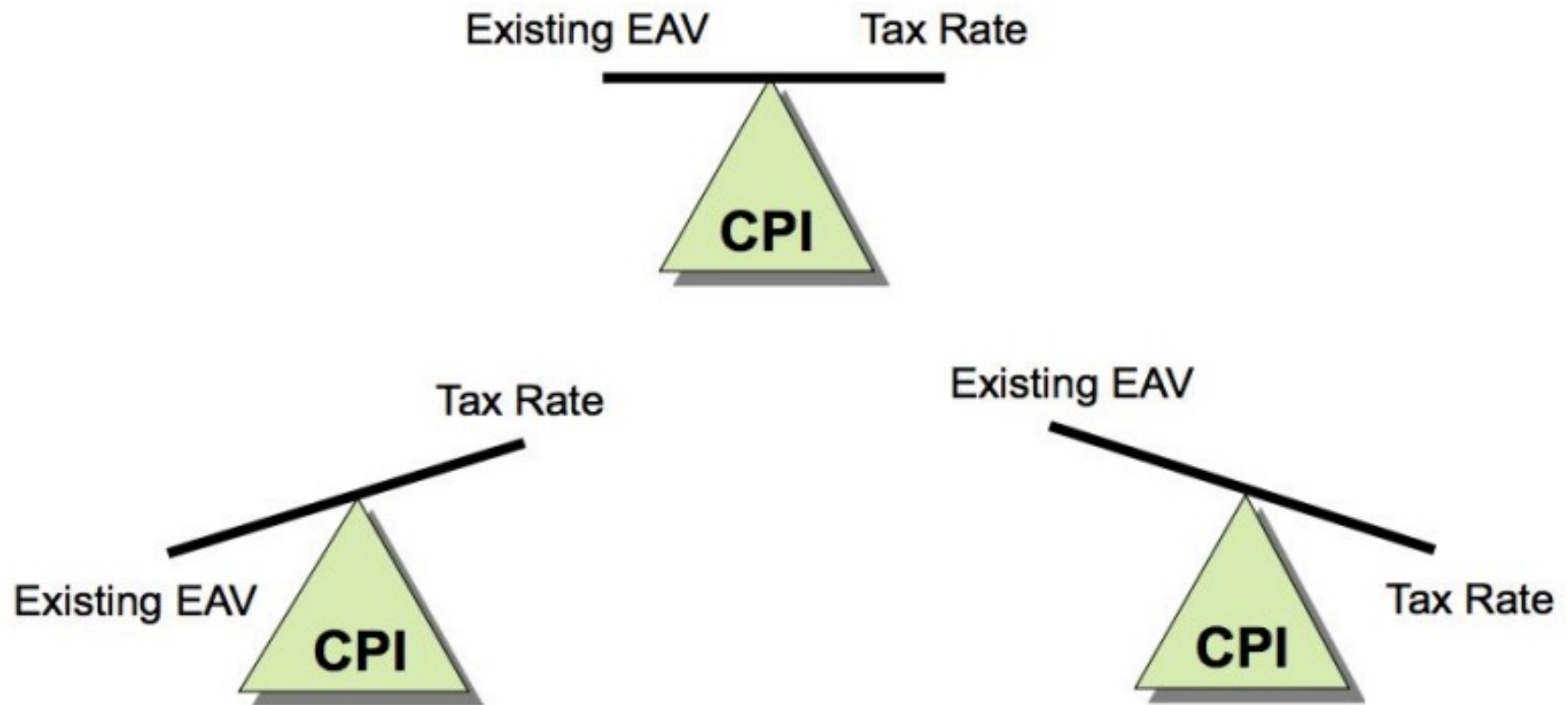
Levy Year	Actual Levy Increase	Actual Levy Extension	Levy Extension with 1.5% increase	Lost Revenue
2010	3.97%	\$6,855,088	\$6,692,239	\$162,849
2011	2.12%	\$7,000,104	\$6,792,623	\$207,481
2012	3.18%	\$7,222,469	\$6,894,512	\$327,957
2013	1.83%	\$7,354,509	\$6,997,930	\$356,579
2014	1.51%	\$7,465,500	\$7,102,899	\$362,601
2015	5.48%	\$7,874,513	\$7,209,442	\$665,071
2016	1.54%	\$7,995,852	\$7,317,584	\$678,268
2017	1.75%	\$8,135,478	\$7,427,348	\$708,130
2018	2.46%	\$8,335,613	\$7,538,758	\$796,855
2019	6.67%	\$8,891,902	\$7,651,839	\$1,240,063
2020	3.15%	\$9,171,573	\$7,766,617	\$1,404,956
2021	1.39%	\$9,299,074	\$7,883,116	\$1,415,958
			Total Amount of Lost Revenue:	\$8,326,770



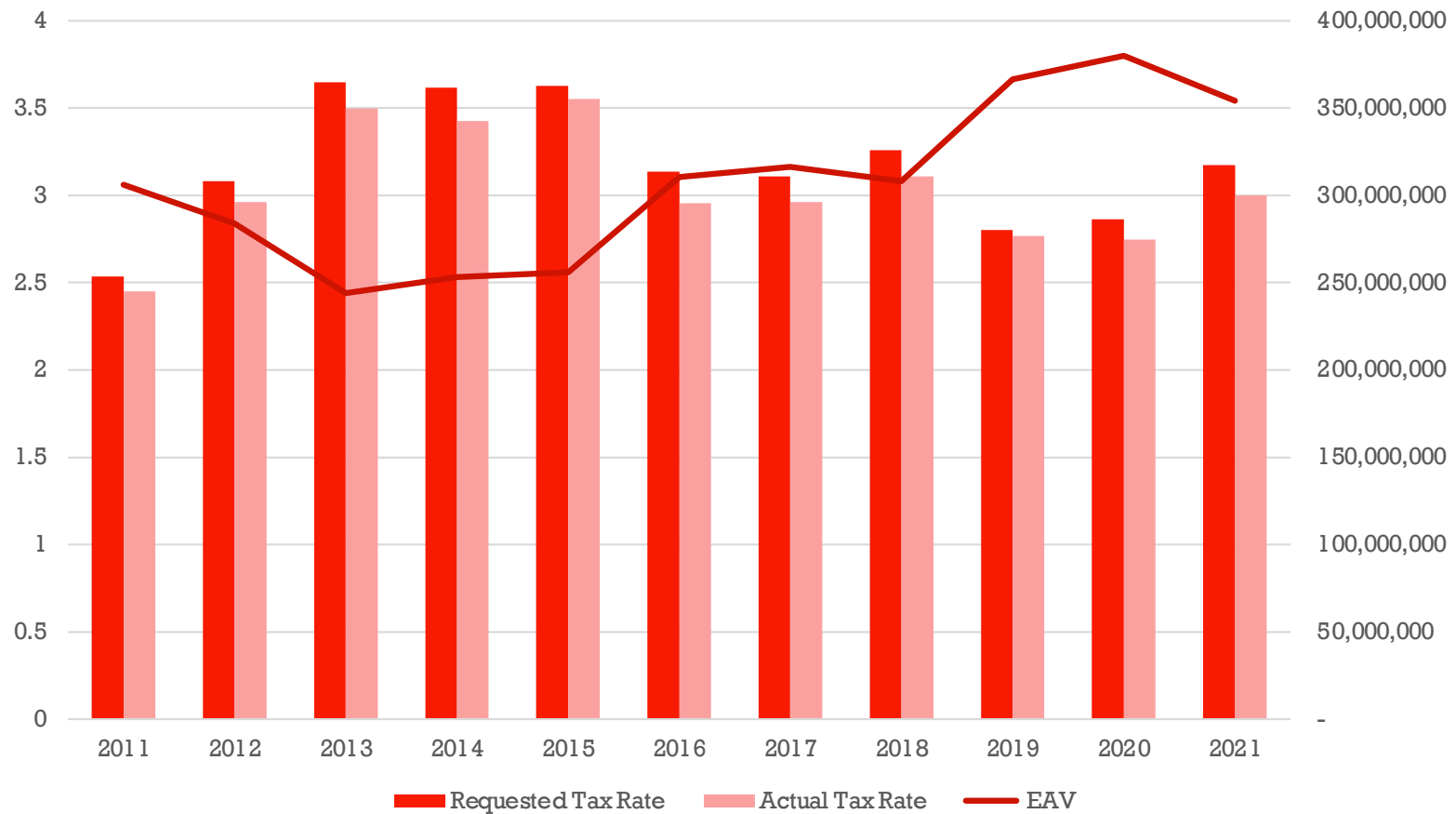
2021 Extension	\$9,299,074
x (1 + December 2021 CPI)	1.05
Adj Ext Base	\$9,764,028
2022 Estimated EAV	\$392,712,358
Less: New Construction	\$3,200,000
Adjusted EAV	\$389,512,358
Adjusted Extension Base	\$9,764,028
Divided by Adjusted EAV	\$389,512,358
Limited Rate	2.51%
2022 EAV	\$392,712,358
Total Estimated Extension for 2022 (Rate x EAV)	\$9,844,243

Levy &
Limiting Rate
Calculation

EAV Change, CPI and Tax Rate



EAV and Tax Rate Relationship



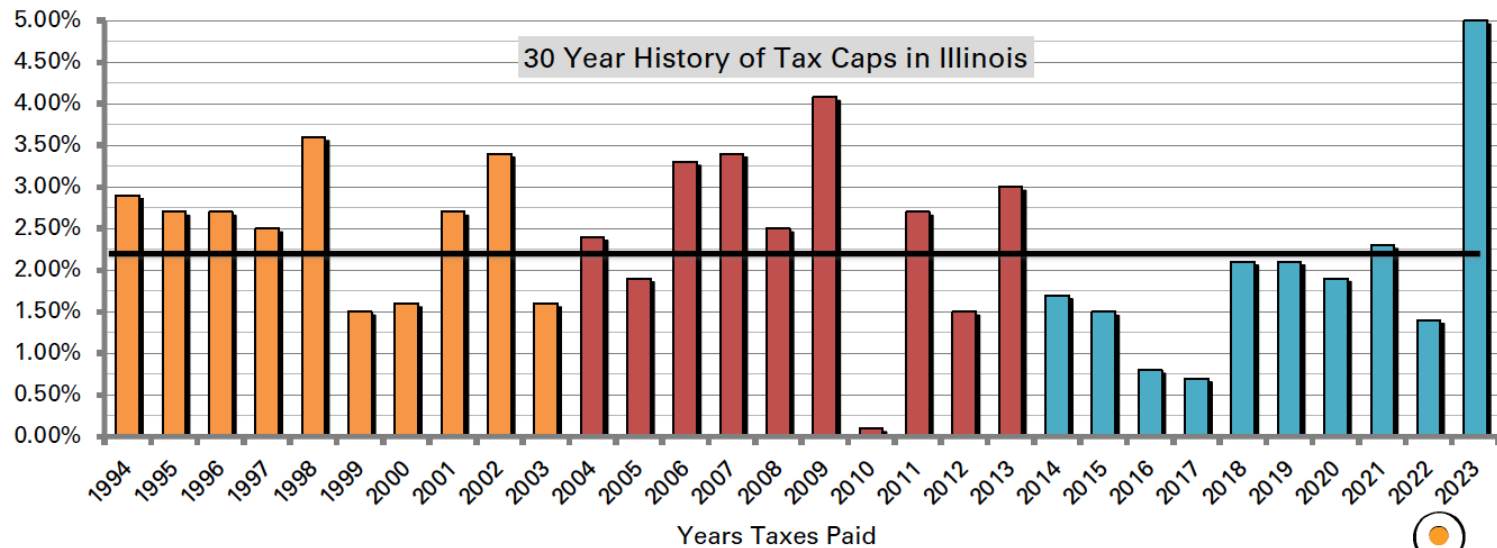
CPI Historical Perspective



First: Put the Levy Increase Request into Historical Perspective

This Levy Request was Preceded by an Historic Period of Low Inflation

First 10-year period, CPI averaged 2.52% --- Second 10-year period, CPI average 2.49% ---
Third 10-year period CPI average 1.95%, even with 5% CPI for 2022 levy year.



Requested & Actual Levy Increases

<u>TAX YEAR</u>	<u>Lesser of 5% or CPI</u>	<u>Board Approved Levy Request</u>	<u>Extension</u>
2022	5.00%	8.00 % Projected	5.86% Projected
2021	1.40%	4.99%	1.40%
2020	2.30%	4.99%	3.14%
2019	1.90%	4.97%	6.67%
2018	2.10%	4.99%	2.46%
2017	2.10%	4.92%	2.26%
2016	0.70%	4.93%	1.03%
2015	0.80%	4.91%	5.48%
2014	1.50%	4.93%	1.51%
2013	1.70%	3.85%	1.83%
2012	3.00%	4.97%	3.18%

	Prior Year Levy	Prior Year Extension	Levy Request	Est. Extension
Educational	\$7,565,000	\$7,305,481	\$7,750,000	\$7,596,623
O&M	\$1,301,877	\$1,257,062	\$1,375,000	\$1,347,788
Transportation	\$302,097	\$291,780	\$425,000	\$416,589
Working Cash	\$1,545	\$1,416	\$2,000	\$1,960
IMRF	\$180,022	\$173,864	\$75,000	\$73,516
Social Security	\$158,001	\$152,618	\$222,000	\$217,606
Special Education	\$121,000	\$116,853	\$194,000	\$190,161
Total	\$9,629,542	\$9,299,074	\$10,043,000	\$9,844,243

What happened in 2021 &
Tentative 2022 Extension



P.A. 102-0519: Aggregate Refunds

- All tax-capped districts' levies "shall be increased by a prior year adjustment" to make the taxing district whole for revenue lost as the result of property tax assessment appeal refunds, circuit court orders, and certificates of error resulting from assessment mistakes.
- Amount is certified by county treasurer and added to the annual tax extension.
- Is considered Non-Capped funds
- \$53,173 was added to the 2021 tax extension.
- \$113,658 will be added to the 2022 tax extension.



P.A. 102-0895 – Cash Reserve Balances

Fund	Cash Balance 6.30.2022	Cash Balance 10.31.2022
Education	\$6,074,516	\$5,121,764
Operations & Maintenance	\$1,730,720	\$1,392,665
Debt Service	\$1,066,792	\$1,088,355
Transportation	\$953,981	\$921,101
IMRF/Soc Security	\$473,198	\$396,963
Capital Projects	\$17,441	\$17,531
Working Cash	\$1,419,035	\$1,426,168
Total	\$11,735,684	\$10,364,548

*Debt Obligation: Levy year 2022: \$1,286,340
(Includes NTDSE Bond)*

	Levy Request	Est. Extension
Educational	\$7,750,000	\$7,596,623
O&M	\$1,375,000	\$1,347,788
Transportation	\$425,000	\$416,589
Working Cash	\$2,000	\$1,960
IMRF	\$75,000	\$73,516
Social Security	\$222,000	\$217,606
Special Education	\$194,000	\$190,161
Total	\$10,043,000	\$9,844,243
% Increase	8%	5.86%

Recommendation:

