

2022 Levy Presentation

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Official

December 13, 2022



**SKOKIE SCHOOL
DISTRICT 73.5**

Timetable for Tax Levy Adoption

November 15, 2022

Board Review and discussion of Estimated “Tentative” Aggregate Tax Levy presented in Business Office October Board Report (Tentative Levy).

December 13, 2022

At the regular board meeting, adopt the 2022 Tax Levy, including all appropriate resolutions.

December 27, 2022

CSBO files necessary documents with the County Clerk on or before the last Tuesday in December.

WHAT IS A LEVY

A tax levy is...

The amount of money a taxing body is requesting to be raised from property taxes

A tax extension is...

The actual dollar amount a taxing body receives by property taxes

Terms and Considerations

- ? **CONSUMER PRICE INDEX** - The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.
- ? **Property EAV** - The Equalized Assessed Value (EAV) of your property is the product of the assessed value of your property (both land and improvements) and the State Equalization Factor, which is set by the Illinois Department of Revenue.
- ? **Property Extension** – Collection Rates

What to Know

Tax Bill: In May of each year, residents receive their tax bills (payable in two installments: June and September). Information about tax bills for any property in the county is available at cookcounty.gov

Tax Cap: The 1991 Property Tax Limitation Act limits any increase in property tax dollars to 5% or the Consumer Price Index (CPI), whichever is less. The overall impact of the tax cap has been to slow the rate at which taxes rise. New construction contributes additional dollars. Note that the cap limits the actual dollars received, not a percentage. The tax cap applies to the total dollars received by the district; taxes on individual properties may change by various percentages, depending on the value of their property.

Tax Rate: The county clerk calculates taxes by applying a rate to each property value; the owner of a million-dollar home pays the same rate as the owner of a \$150,000 condominium, but the total dollars are more for the higher-value property.

Continued

New property construction: After the county clerk calculates the capped amount of tax dollars the district may receive, new construction is factored in; the total amount becomes the base for the calculation the following year.

Teardowns/remodels: The difference between the value of the existing structure and the value of the rebuild is exempt from the cap, minus any applicable exemptions. The taxes generated by the property value before alteration or rebuild is calculated under the cap. After one year, the dollars generated by the entire property come under the cap.

Appreciation: Appreciation does not increase the tax dollars coming to the district beyond what the tax cap allows.

FACTORS

Known Factors

- December 2021 Consumer Price Index (CPI) = 7.0%
- 2021 tax extension (excluding bonds) = **\$17,120,229 (DRAFT)**
- Maximum levy extension (excluding new property) for 2022 = **\$18,318,645.03** → $(\$17,120,229 \times 7.0\% = \$1,198,416.03 + \$17,120,229)$

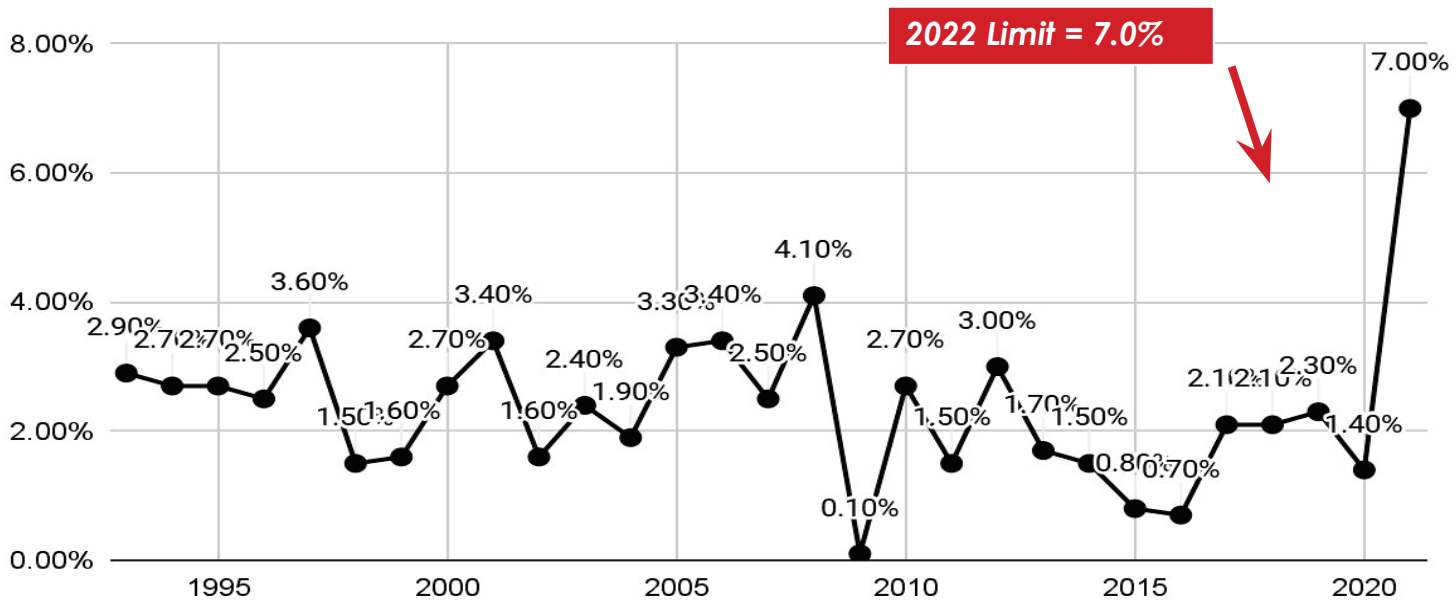
Unknown Factors

- New Equalized Assessed Valuation (EAV)
- New Limiting Rate
- New Property

2022 Maximum Tax Increase by Law: 7.0%*

School Districts in Tax-Capped Counties Limited by Rate of Inflation

HISTORY OF CPI RATES USED FOR TAX CAP CALCULATION



* This percentage represents District-wide maximum increase and average increase to taxpayers. Individual tax bills may increase above or below this figure based on changes to the equalized assessed values to their property. **District can exceed 7.0% increase only with new property growth.**

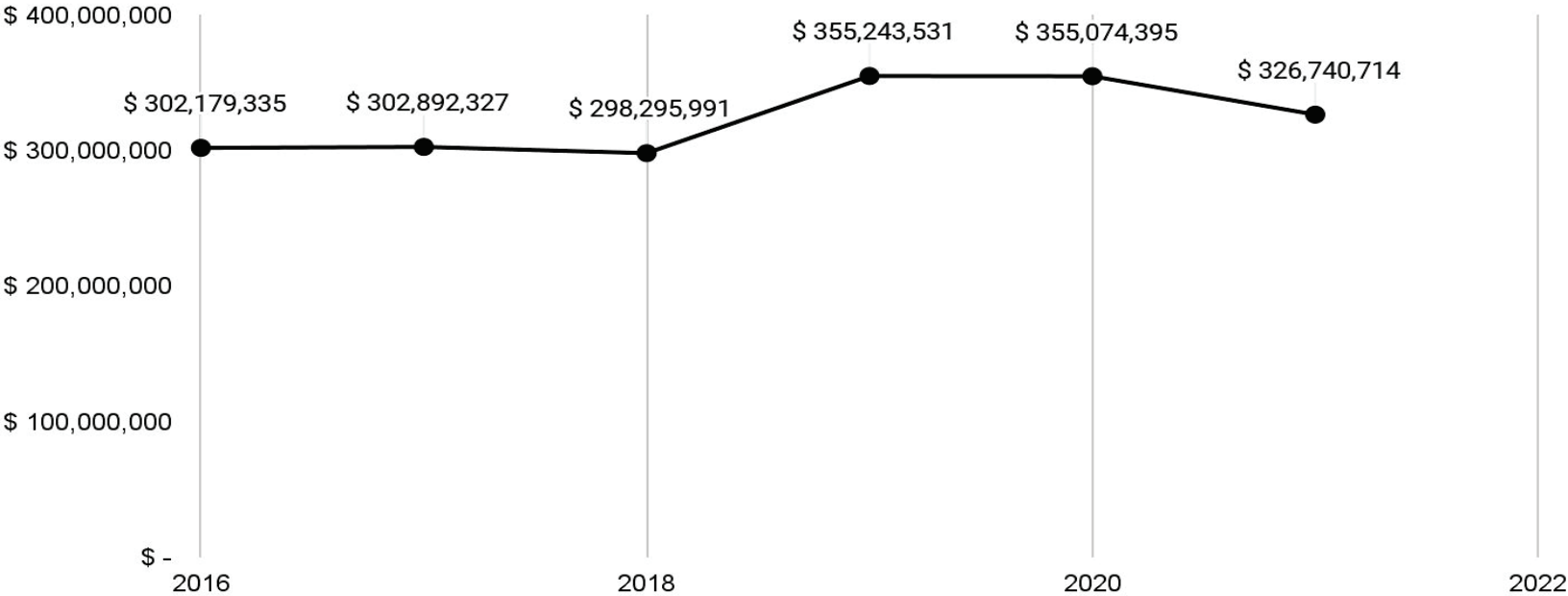
Historical Extension (Aprox. 65% Revenues)

Extension



Historical EAV

HISTORICAL EAV



Levy Request

Expired TIF Districts and New Construction

- If we increase last years EAV by the current CPI increase of 7.0%, the extension this year without consideration of new property could be \$18,318,645.03 and would require Truth in Taxation.
- Based on the estimate of \$2,000,000 in new property and a limiting rate of 4.75, we can increase about \$850,000 to that
- We might expect an extension of approximately **\$19,168,645.**
- Even though the County Clerk will add a significant loss factor to the levy amounts, I recommend that the Board approve a levy of with an increase of 7.0% + new property (9.7%) over last year's levy.

District Factors

- Staff - 2 CBA's - competitive salaries to address staffing shortages
- COVID related staffing need increases
- Benefit cost increases
- Increases in operating costs (gas, electric, insurances)
- Fund Balances - Fund Balance transfers - must invest 2 million in O&M
- Budget to actual audited surplus to deficit
- Debt Service Bonds decreased

Breakdown of Levy Request

FUND	2022 LEVY REQUEST
EDUCATIONAL	\$15,048,645
OPERATIONS & MAINTENANCE	\$1,650,000
TRANSPORTATION	\$650,000
WORKING CASH	\$10,000
MUNICIPAL RETIREMENT	\$20,000
SOCIAL SECURITY	\$25,000
FIRE PREVENTION & SAFETY	\$5,000
TORT IMMUNITY	\$200,000
SPECIAL EDUCATION	\$1,550,000
LEASING	\$10,000
TOTAL CAPPED	\$19,168,645.03

Summary

- The corporate and special purpose property taxes extended or abated for 2021 were \$17,250,529.
- The proposed corporate and special purpose property taxes to be levied for 2022 are \$19,168,645. This represents a 11.1% increase over the previous year.
- The property taxes extended for debt service and public building commission leases for 2021 were \$1,706,894.
- The estimated property taxes to be levied for debt service and public building commission leases for 2022 are \$1,628,213. This represents a **4.6%** decrease over the previous year.
- The total property taxes extended or abated for 2021 were \$18,957,423.
- The estimated total property taxes to be levied for 2022 are \$20,796,858. This represents a 9.7% increase over the previous year.
- (7% CPI + new property estimates) → likely only get 4.99%

Tax Levy Presentation

Questions?