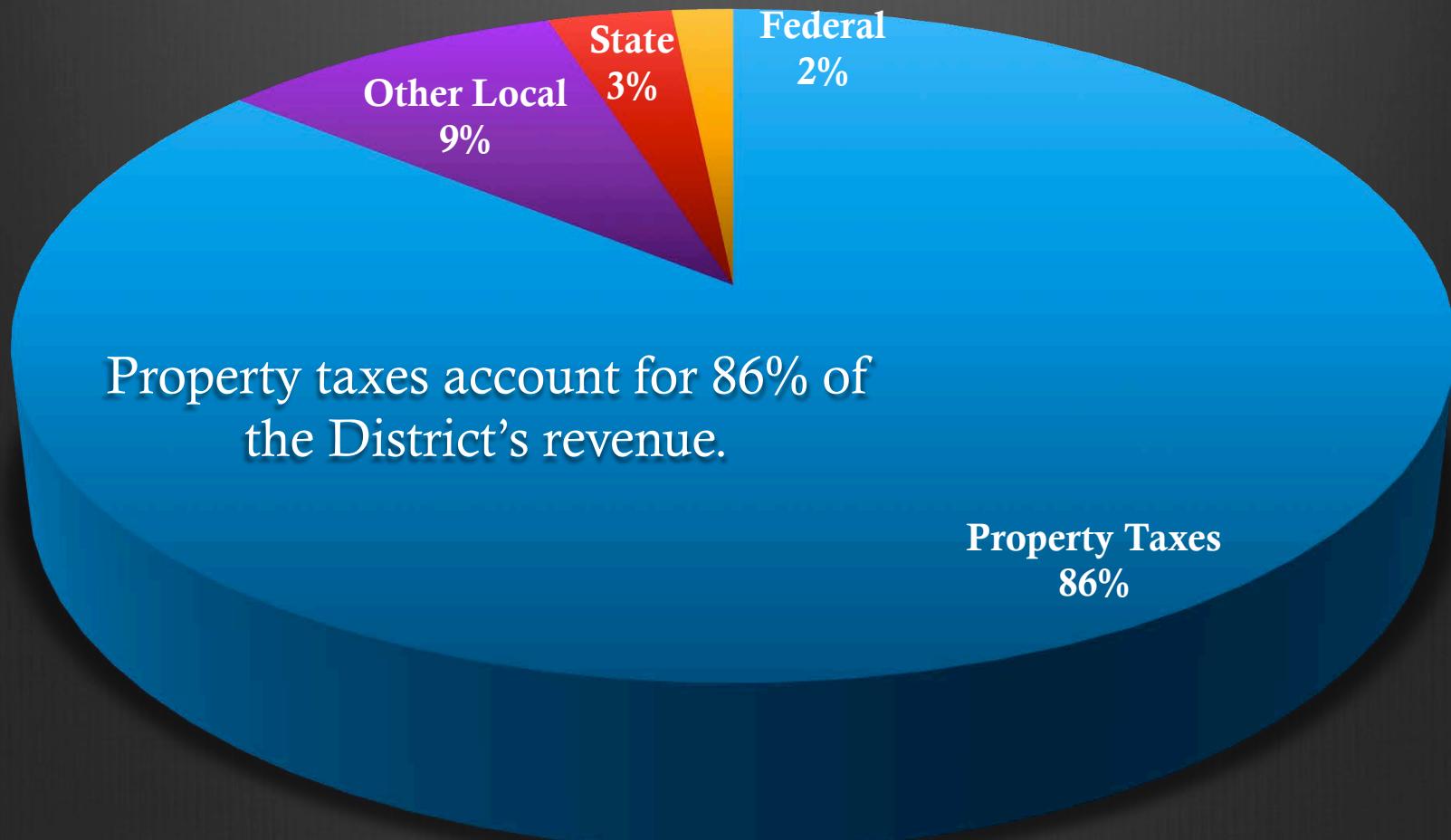


# 2019 Tax Levy



Public Hearing  
December 17, 2019

# Primary Source of Revenue



Property taxes account for 86% of the District's revenue.

# 2019 Tax Levy Calculation

$$\begin{aligned} \text{Extension} \\ = \\ \text{Limiting Rate} \times \text{EAV} \end{aligned}$$

---

$$\begin{aligned} \text{Limiting Rate} \\ = \\ (\text{Prior Year Extension} \times (1 + \text{Lesser of 5\% or CPI})) \\ \div \\ (\text{Total EAV} - \text{New Construction}) \end{aligned}$$

# 2019 Tax Levy Calculation

## UNKNOWNs

Extension

=

Limiting Rate  $\times$  EAV

---

Limiting Rate

=

(Prior Year Extension  $\times$  (1+Lessor of 5% or CPI))

$\div$

(Total EAV – New Construction)

# 2019 Tax Levy Calculation

2018 Extension

+ Increase due to CPI

+ Increase for New Growth

=

2019 Capped Levy

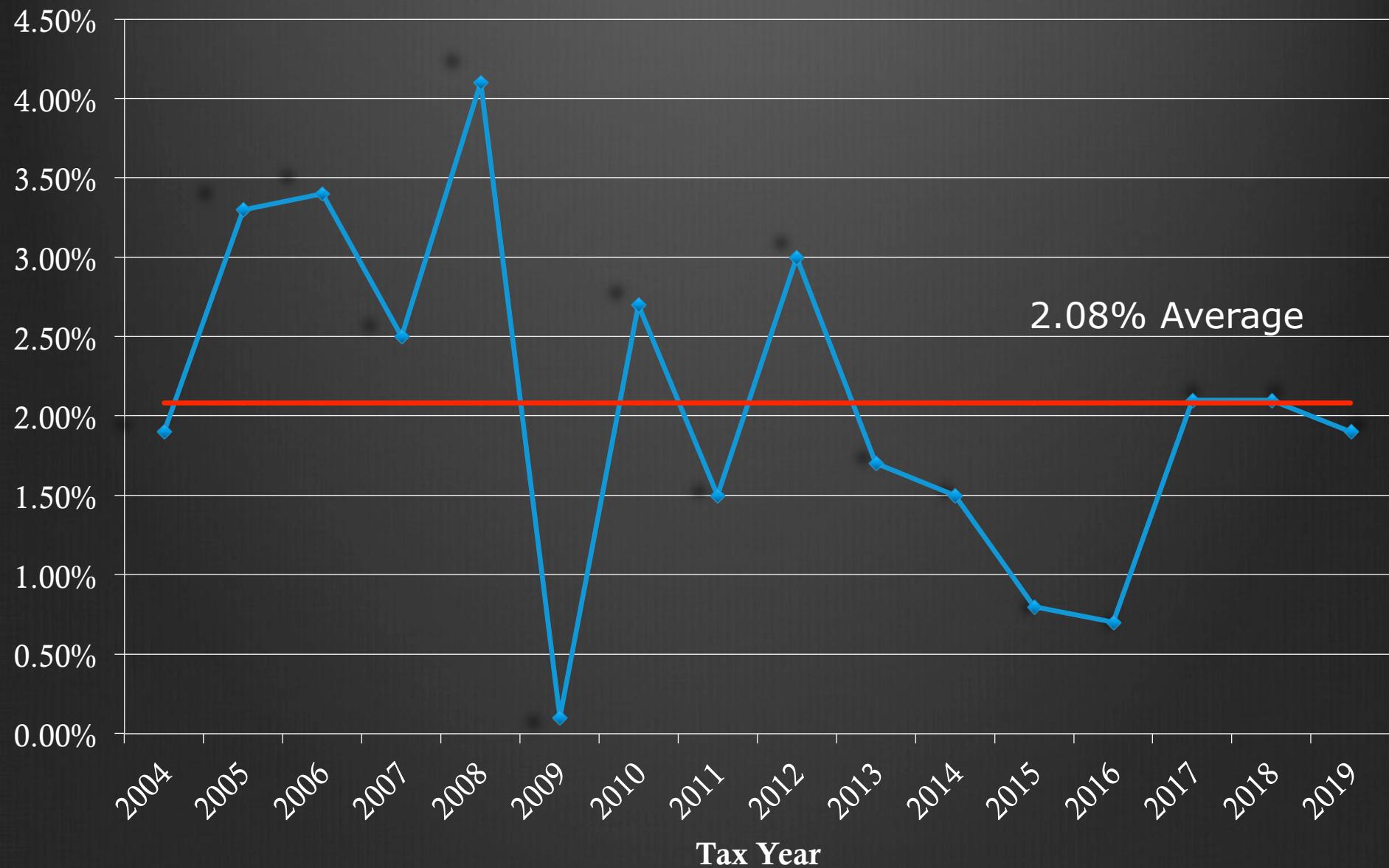
# Property Tax Extension Limitation Law

- ✧ Also referred to as “Tax Caps”
- ✧ Limits the increase in the property tax extension to the *lesser of*:
  - ✧ Consumer Price Index (CPI), or
  - ✧ 5-percent
  - ✧ Plus New Growth

# Consumer Price Index

CPI	CPI Year	Levy Year	School Year
1.9%	2018	2019	2020-21
2.1%	2017	2018	2019-20
2.1%	2016	2017	2018-19
0.7%	2015	2016	2017-18
0.8%	2014	2015	2016-17
1.5%	2013	2014	2015-16
1.7%	2012	2013	2014-15
3.0%	2011	2012	2013-14
1.5%	2010	2011	2012-13
2.7%	2009	2010	2011-12
0.1%	2008	2009	2010-11
4.1%	2007	2008	2009-10
2.5%	2006	2007	2008-09
3.4%	2005	2006	2007-08
3.3%	2004	2005	2006-07

# Consumer Price Index



# Determining the 2019 Levy

- ❖ CPI Factor:

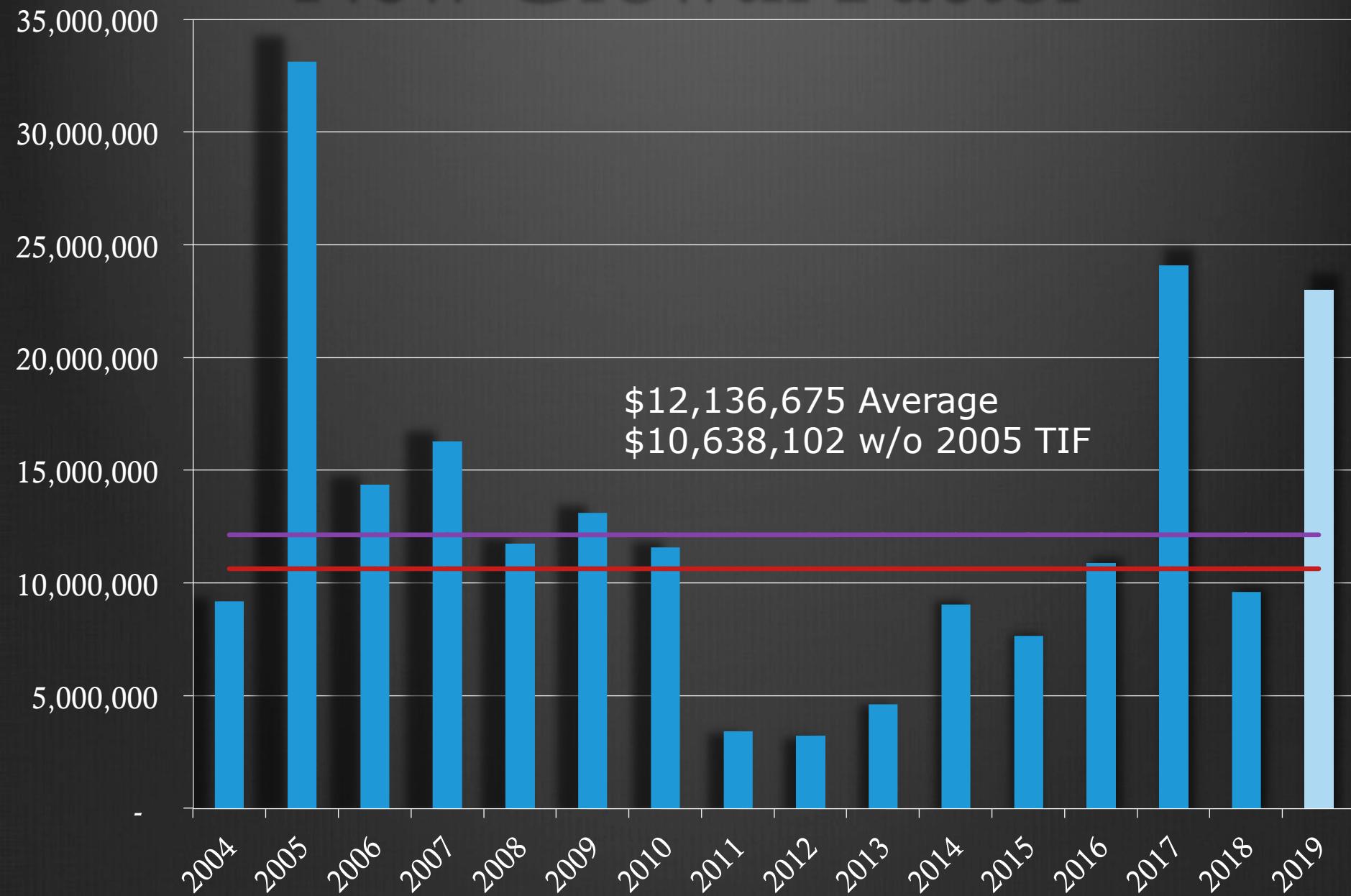
- CPI for 2019 Levy is 1.9%

- 2018 Capped Extension was \$35,620,546

- ❖ Increase due to the CPI:

$$\$35,620,546 \times 1.9\% = \$679,790$$

# New Growth Factor



# Determining the 2019 Levy

- ❖ New Growth:
  - ❖ Historical Ranges: 0.3 – 3.0%
  - ❖ Actual amount unknown at this time
  - ❖ Projecting 1.46% based on historical average
  - ❖ Levy for 1.63% more to ensure capturing all
  - ❖ Will not receive more than actual

# Projected Increase over the 2018 Extension

- ✧ New Funding Attributable to:
  - ✧ CPI Factor (1.90% actual):
    - \$676,790
  - ✧ New Growth Factor (1.46% projected):
    - \$520,141

# 2018 Tax Levy & Extension

Fund	2018 Extension	2018 Rate	2018 Levy
Education	30,815,546	2.56891	31,525,000
Operations & Maintenance	2,750,000	0.2292	2,750,000
Transportation	770,000	0.0642	770,000
IMRF	600,000	0.0500	600,000
Social Security	685,000	0.0571	685,000
Total	\$ 35,620,546	2.9694	\$ 36,330,000

# 2019 Tax Levy & Extension

Fund	2019 Extension	2019 Rate	2019 Levy
Education			32,225,000
Operations & Maintenance			2,850,000
Transportation			1,000,800
IMRF			618,000
Social Security			705,000
Total			\$ 37,398,800

# 2019 Tax Levy

- ✧ Total Levy (**Our Request**)

- \$37,398,800
- 4.99% Increase

- ✧ Anticipated Extension

- \$36,817,478
- 3.36% (1.90% CPI + 1.46% New Growth)
- \$1,196,932 More than the 2018 Extension

# Why Levy More?

Recommendation to levy more than is allowable by law for the following reasons:

- ✧ New growth is UNKNOWN at the time of the levy.
- ✧ If we do not capture all new growth the 1<sup>st</sup> year it comes on the tax rolls, it can never be captured.

# Why Levy More Than What is Allowable by Law?

- ✧ Future Costs Are Unknown
  - ✧ Insurance (Health, Dental, Vision, Property, Liability, School Board Legal, Workers Comp)?
  - ✧ Impact of Health Care Reform?
  - ✧ Enrollment?
  - ✧ Unfunded Mandates?
  - ✧ Utilities?
  - ✧ Special Education?
  - ✧ Facility Maintenance & Repair?
  - ✧ State Fiscal Issues?
  - ✧ Etc.
- ✧ Future CPI is Unknown

# 2019 Levy Hearing

## Questions?