

# 2022 Tax Levy Board of Education Meeting

November 28, 2022



**Flossmoor School District 161**  
Engage. Inspire. Empower.

# Primary Drivers of the Property Tax Levy

- Consumer Price Index (CPI) (5.0%)
- Prior Year's Capped Extension
  - \$25,501,212 before PTRG abatement
- New Property (\$500,000 estimate)
- Statutory requirements under PTELL
- Property Tax Relief Grant (PTRG) 2021 & 2022
- Senate Bill 508 – Refund recapture (abate)

# Recommendation

- Property Tax Assumptions
  - Apply 5% CPI to prior year extension before the 2021 PTRG abatement
  - Abate \$1,891,656 for the 2021 PTRG
  - Abate \$2,283,342 for the 2022 PTRG
  - Abate the revenue recapture under the SB 508 legislation
- Estimate levy of \$23,650,377
- Estimated 4.55% decrease over 2021 total aggregate extension
- Truth in Taxation will show a 5.73% increase – required to report *before* the PTRG abatements

2022 LEVY CALCULATION PAGE

	Original Assumptions
Consumer Price Index	5.00%
Actual Total EAV for 2021	\$464,494,022

Legend
District Assumptions & Data Entry
Calculated Values
Review Needed

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

Estimated Existing EAV % change for 2022	10.00%
Estimated Existing EAV Value for 2022	\$510,943,424

Estimated New Property for 2022	\$500,000
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Limiting Rate	5.2406
Estimated Capped Extension	\$26,802,475.38

Estimated Total EAV for 2022	\$511,443,424	Includes New Property
Estimated Total EAV % change for 2022	10.11%	Includes New Property

	Prior Year Extension	Statutory Maximum Tax Rate	Individual Fund Estimated Maximum Extension using Prior Year EAV	Weighted Extension Based on Prior Year Extension	Levy Amount \$	Levy Increase %	Final Levy Amount
Educational	\$19,225,411.00			\$20,206,435.87	\$20,200,000		\$20,200,000.00
Operations & Maintenance	\$2,272,572.00	0.55	\$2,557,467.12	\$2,388,535.69	\$2,555,687		\$2,555,687.00
Transportation	\$1,305,670.00			\$1,372,295.09			\$1,372,296.00
Working Cash	\$206,597.00	0.05	\$232,497.01	\$217,139.13			\$217,140.00
Municipal Retirement	\$389,030.00			\$408,881.23			\$408,881.00
Social Security	\$5.00			\$5.26			\$5.00
Fire Prevention & Safety *	\$413,195.00	0.10	\$464,994.02	\$434,279.31			\$434,280.00
Tort Immunity	\$5.00			\$5.26			\$5.00
Special Education	\$1,652,780.00	0.40	\$1,859,976.09	\$1,737,117.25			\$1,737,118.00
Leasing	\$35,947.00	0.10	\$464,994.02	\$37,781.29			\$37,782.00
	\$0.00	0.00	\$0.00	\$0.00			\$0.00

					<u>Truth in Taxation</u>			
Capped Extension	\$25,501,212.00		\$26,802,475.38		Capped Levy	\$26,963,194.00	5.73%	YES

Levy Amount Above Estimated Extension	\$160,718.62
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SEDOL IMRF Extension	\$0.00	Estimated SEDOL IMRF Levy	\$0.00	SEDOL IMRF Levy	\$0.00
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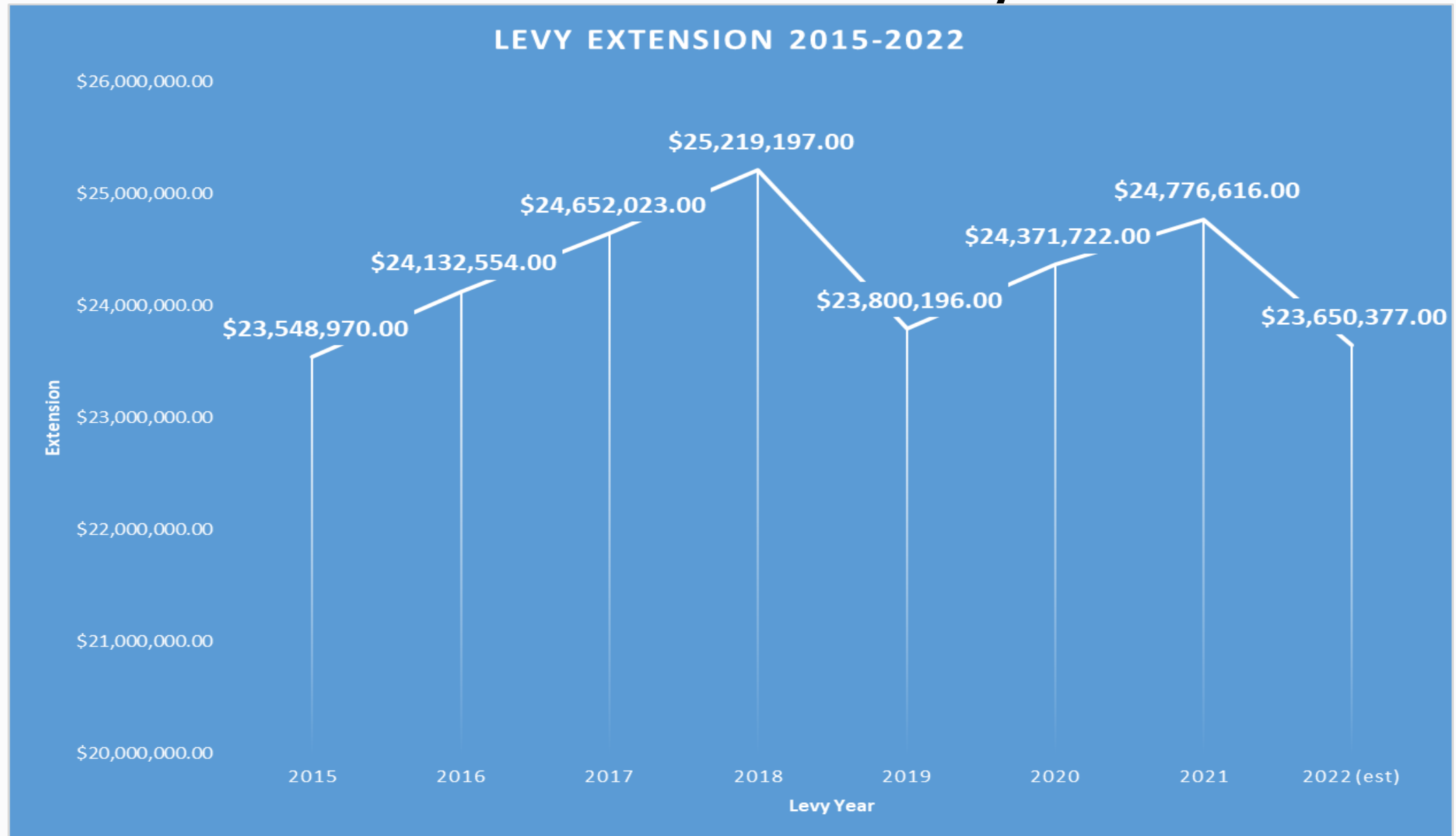
(Lake County Only, Included in Truth in Taxation Calculation)

Bond & Interest Extension	\$1,167,060.00	Estimated Bond and Interest Levy	\$1,022,900.00	Bond & Int. Levy	\$1,022,900.00	-12.35%
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(County Clerk Levies Bond & Interest for the District, Verify Records with County Clerk)

Total Extension	\$26,668,272.00	Total Levy	\$27,986,094.00	4.94%
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# District 161 Historical Levy Extensions

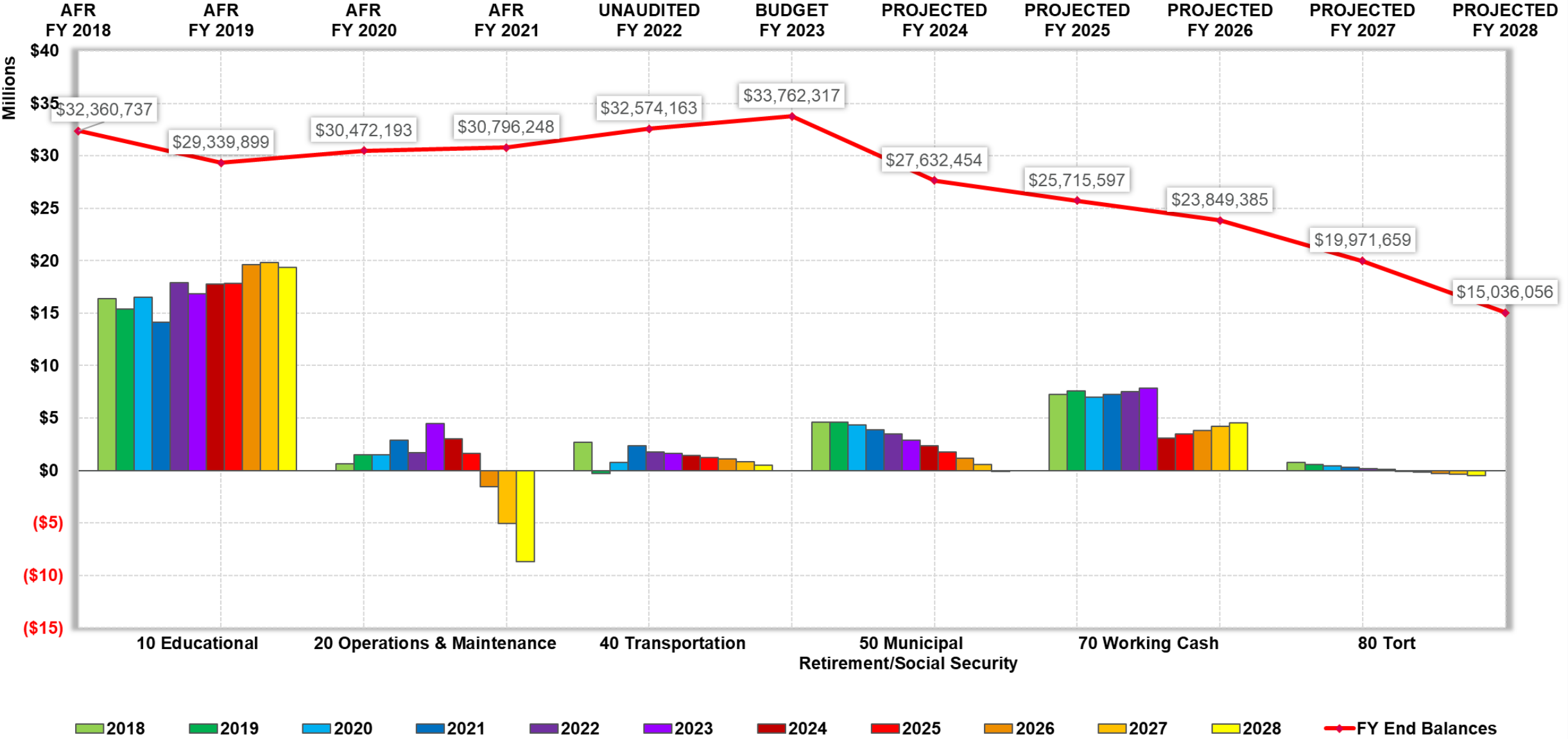


# Five Year Projection Model - Assumptions

- Expenses:
  - Salaries – per Collective Bargaining Agreement (thru 2024), then 5% for 2025, 3.5% thereafter
  - Benefits – payroll benefits (% of salaries), insurance increase 15% in 2024, 7% thereafter
  - Contractual Services/Supplies/Capital Outlay/NonCap/Other – all increase 5% in 2023, then 3.5% thereafter
  - Construction projects match the Long Range Facilities Plan outline (including escalation)
  - Cut \$1.4 million expenses from ESSER after 2024
- Revenues
  - Property Tax based on recommendation- levy prior to abatement after 2023
  - Evidence Based Funding – adds 2022 PTRG to 2023, flat thereafter
  - ESSER funds for 2022, 2023, 2024 then removed
  - Bonds sold for Long Range Facilities Plan
  - All other revenues held flat



Fund Balances



Educational   O & M   Transportation   IMRF / SS   Working Cash   Tort											
Flossmoor SD 161   Base Scenario											
Projection Summary											
	BUDGET	PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
	FY 2023	FY 2024	% Δ	FY 2025	% Δ	FY 2026	% Δ	FY 2027	% Δ	FY 2028	% Δ
REVENUE											
Local	\$23,324,790	\$22,073,299	-5.37%	\$24,447,842	10.76%	\$27,989,660	14.49%	\$27,765,407	-0.80%	\$28,567,578	2.89%
State	\$14,715,083	\$14,715,083	0.00%	\$14,715,083	0.00%	\$14,715,083	0.00%	\$14,715,083	0.00%	\$14,715,083	0.00%
Federal	\$4,370,113	\$3,170,113	-27.46%	\$1,641,479	-48.22%	\$1,641,479	0.00%	\$1,641,479	0.00%	\$1,641,479	0.00%
Other	\$0	\$0		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$42,409,986	\$39,958,495	-5.78%	\$40,804,404	2.12%	\$44,346,222	8.68%	\$44,121,969	-0.51%	\$44,924,140	1.82%
EXPENDITURES											
Salary and Benefit Costs	\$27,095,878	\$28,387,374	4.77%	\$29,867,800	5.22%	\$31,028,623	3.89%	\$32,239,635	3.90%	\$33,503,264	3.92%
Other	\$17,697,383	\$13,773,335	-22.17%	\$14,253,461	3.49%	\$16,583,811	16.35%	\$17,160,060	3.47%	\$17,756,478	3.48%
TOTAL EXPENDITURES	\$44,793,261	\$42,160,709	-5.88%	\$44,121,262	4.65%	\$47,612,434	7.91%	\$49,399,695	3.75%	\$51,259,743	3.77%
SURPLUS / DEFICIT	(\$2,383,275)	(\$2,202,214)		(\$3,316,858)		(\$3,266,212)		(\$5,277,726)		(\$6,335,603)	
OTHER FINANCING SOURCES / USES											
Other Financing Sources	\$5,000,000	\$10,200,000		\$1,400,000		\$1,400,000		\$1,400,000		\$1,400,000	
Other Financing Uses	(\$1,428,571)	(\$14,127,648)		\$0		\$0		\$0		\$0	
TOTAL OTHER FIN. SOURCES / USES	\$3,571,429	(\$3,927,648)		\$1,400,000		\$1,400,000		\$1,400,000		\$1,400,000	
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES	\$1,188,154	(\$6,129,862)		(\$1,916,858)		(\$1,866,212)		(\$3,877,726)		(\$4,935,603)	
BEGINNING FUND BALANCE	\$32,574,163	\$33,762,317		\$27,632,454		\$25,715,597		\$23,849,385		\$19,971,659	
AUDIT ADJUSTMENTS TO FUND BALANCE	\$0	\$0		\$0		\$0		\$0		\$0	
PROJECTED YEAR END BALANCE	\$33,762,317	\$27,632,454		\$25,715,597		\$23,849,385		\$19,971,659		\$15,036,056	
FUND BALANCE AS % OF EXPENDITURES	75.37%	65.54%		58.28%		50.09%		40.43%		29.33%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	9.04	7.86		6.99		6.01		4.85		3.52	



# Projection Thoughts

- There is more than \$1.4 million of expenses thru ESSER – the BOE will need to consider the depth of the cuts to pre-ESSER spending levels.
- Operations & Maintenance (without any of the construction projects) runs approximately \$1 million in the red every year.
- These are just projections based on flat % increases – there is much work to do before the district gets to 2028.
- i.e. – consider this the “worst case scenario”
- To be continued on December 12<sup>th</sup>...

# Next Steps

- Levy notification published in the Southtown
- Board of Education Meeting: December 12
  - Public Hearing and adoption of 2022 levy
  - Accept 2022 PTRG with 2 years of abatements
  - Abate Revenue Recapture

# Questions?

