

Triad Community Unit School District No. 2
Aggregate Tax Levy
December 2023



December 18, 2023

How Does Triad Compare in Funding Per Pupil (Revenue)?

Madison County and MVC Districts	Revenue per Pupil
East Alton-Wood River CHSD 14	\$20,049.44
Madison CUSD 12	\$19,161.30
Roxana CUSD 1	\$17,729.20
Wood River-Hartford ESD 15	\$17,191.37
Granite City CUSD 9	\$17,144.87
Mascoutah CUSD 19	\$16,778.56
East Alton SD 13	\$15,928.51
Alton CUSD 11	\$15,543.74
Collinsville CUSD 10	\$12,991.25
Bethalto CUSD 8	\$12,865.92
Jersey CUSD 100	\$11,935.17
Edwardsville CUSD 7	\$11,889.34
Highland CUSD 5	\$11,727.07
Waterloo CUSD 5	\$10,599.57
Triad CUSD 2	\$10,205.65

Triad receives less revenue per pupil than all other comparable districts in our area.



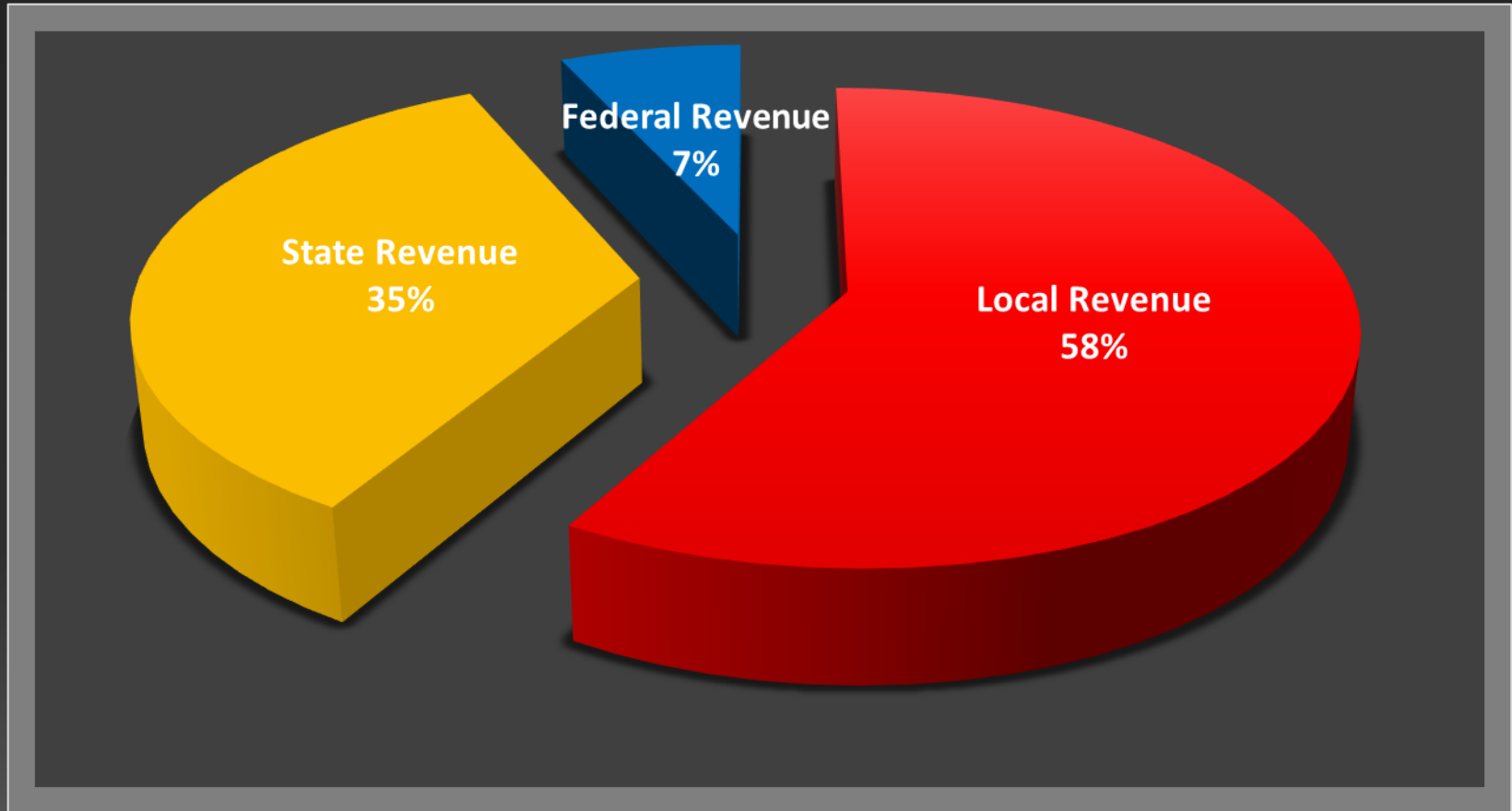
How Does Triad Compare in Operating Expenses Per Pupil?

Madison County and MVC Districts	Operating Expenditures Per Pupil
Madison CUSD 12	\$20,941
Roxana CUSD 1	\$16,290
East Alton-Wood River CHSD 14	\$16,281
Granite City CUSD 9	\$15,161
East Alton SD 13	\$14,352
Alton CUSD 11	\$14,109
Bethalto CUSD 8	\$13,012
Jersey CUSD 100	\$12,815
Collinsville CUSD 10	\$12,641
Edwardsville CUSD 7	\$12,085
Mascoutah CUSD 19	\$11,960
Highland CUSD 5	\$11,439
Waterloo CUSD 5	\$11,257
Triad CUSD 2	\$10,048

Triad spends less per pupil than all other comparable districts in our area.



Triad FY 24 Budgeted Revenue by Source



58% of Triad's revenue comes from Local Sources. Of this, 82% comes from our levy and local property taxes.

Levy Basics

Everything from the district levy is based off of the Equalized Assessed Value (EAV). For 2022, the EAV in the Triad District was \$655,843,054.

The Education, Operations and Maintenance, Transportation, Working Cash, and Fire Prevention and Safety Funds have rate limits that are set by the state. As a part of the Education Fund, the Special Education and Lease Levy rates are set by the state as well.

EAV going up is generally a positive for school districts. It typically means that there is growth in business, and it has always meant an increase in number of homes and in the number of students that the district needs to educate.

Levy Basics

Here are the fund rate limits for all of the restricted funds.
These rates stay the same regardless of Triad's EAV.

Education: \$2.34

O & M: \$0.50

Transportation: \$0.20

Special Education: \$0.04

Facilities/Technology Lease: \$0.05

Working Cash: \$0.05

Fire Prevention and Safety: \$0.05

***Districts cannot raise these rates above the statutory limits set by the state without a referendum*

How the Levy Process SHOULD Work

Here is what would make sense:

Remember that the EAV is the value of all property in the district.

The district receives its Equalized Assessed Value (EAV) in March or April each year. Once we get that, taxing bodies such as Triad should simply be able to multiply that by the rates to get the amount of revenue for each fund.

It would make sense for taxing bodies to simply say to the county “Whatever our EAV is, simply multiply it by our rates.”

How the Levy Process Actually Works

When we complete the levy each December, we do not know what the new EAV is going to be. Our new EAV will not be released until April of 2024.

We must ESTIMATE what the EAV is going to be and use this estimate to levy extension for each of the funds.

If we overestimate the EAV, the actual EAV given to us in March of 2024 will be applied.

If we underestimate the EAV, that EAV will be used even if our actual EAV and the associated educational demand ends up being greater.

Note: What we estimate for the EAV has no effect on the tax rate.

Levy Basics

Because of this, it is in the best interest of the district to OVERESTIMATE the EAV.

First we get the most up to date information from the county assessor. The assessor can give us a current estimate of our EAV that will be released in March/April.

The county assessor has given Triad information that the EAV on property is estimated to increase by about **0.70%**. This increase does not include multipliers. The average township multiplier is estimated to increase by approximately **8%**.

Levy Basics

Knowing that we cannot miss this estimate on the low side and also that public school districts must educate every student that comes through our doors, the question is “By How Much should we inflate our projected EAV to be 100% sure we will not guess too low? ”

There is no penalty for overestimating, nor are there any tax implications for district constituents--so a safe percentage is to estimate 12% EAV growth.

Levy Basics

In 2022, the EAV was \$655,843,054. Increasing this by 12% gives us the EAV we will use for our multiplier this year.

When we multiply by 112% (which increases it by 12%), we get \$734,544,220—the amount we have used to generate the levy for each of the rate driven funds.

Increasing our estimate of the EAV by 12% causes the amount levied over last year's extension to be 10.35%. Anytime the amount levied is over a 5% increase, the taxing body must hold a Truth in Taxation Hearing.

2023 Levy Amounts

Fund	2022 Levy @8% EAV Increase	2022 Levy Extension	2023 Levy @12% EAV Increase	2023 Levy Extension
Education	\$15,344,000	15,344,109	\$17,188,300	?
Special Education	\$262,300	\$262,337	\$293,800	?
Tort	\$2,720,000	\$2,720,437	\$3,150,000	\$3,150,000
Debt Service	\$6,215,884	\$6,220,671	\$6,005,884	\$6,005,884
O & M	\$3,278,600	\$3,279,215	\$3,672,700	?
Transportation	\$1,311,500	\$1,311,686	\$1,469,100	?
I.M.R.F	\$1,100,000	1,100,505	\$700,000	\$700,000
FICA/Medicare	\$825,000	\$825,051	\$925,000	\$925,000
Fire Safety	\$327,900	\$327,921	\$367,300	?
Lease	\$327,900	\$327,921	\$367,300	?
Working Cash	\$327,900	\$327,921	\$367,300	?
Total	\$32,040,983	\$32,047,771	\$34,506,684	?

Published Increase in Amount Levied vs. Actual Tax Rate Increase

<u>Tax Year</u>	<u>Published % Increase in Paper</u>	<u>Triad Tax Rate</u>	<u>Actual Tax Rate % Change</u>
1999	15.60%	4.0298	1.03%
2000	10.95%	3.9574	-1.80%
2001	13.95%	3.9553	-0.05%
2002	16.48%	4.0195	1.62%
2003	12.23%	4.0629	1.08%
2004	13.90%	3.9720	-2.24%
2005	17.48%	3.9419	-0.76%
2006	13.62%	4.0865	3.67%
2007	12.24%	4.1201	0.82%
2008	13.20%	4.0995	-0.50%
2009	11.22%	4.2642	4.02%
2010	8.94%	4.4594	4.58%
2011	4.61%	4.4791	0.44%
2012	4.60%	4.5095	0.68%
2013	4.06%	4.5790	1.54%
2014	4.16%	4.5946	0.34%
2015	24.10%	5.3221	15.83%
2016	3.55%	5.2582	-1.20%
2017	4.62%	5.2212	-0.70%
2018	8.37%	5.2142	-0.13%
2019	5.81%	5.1428	-1.37%
2020	8.01%	5.1392	-0.07%
2021	8.20%	5.0028	-2.65%
2022	8.68%	4.8865	-2.32%
2023	10.35%	?	?
24 YEAR AVERAGE	10.36%		0.91%

There is little correlation between the increase published in the paper and the actual tax rate increase or decrease. Note the average published increase has been 10.36% while the average tax rate increase has been 0.91%. Based on the current estimates from the County Assessor, the estimated decrease in the tax rate for next year will be approximately 2.66%.

Triad's Operating Fund Budget Summary for FY24 (Current School Year)

DEFICIT BUDGET SUMMARY INFORMATION - Operating Funds Only (School Districts Only)					
Description	EDUCATIONAL FUND (10)	OPERATIONS & MAINTENANCE FUND (20)	TRANSPORTATION FUND (40)	WORKING CASH FUND (70)	TOTAL
Direct Revenues	33,287,500	5,918,100	3,828,050	400,050	43,433,700
Direct Expenditures	33,475,700	5,905,500	3,820,000		43,201,200
Difference	(188,200)	12,600	8,050	400,050	232,500
Estimated Fund Balance - June 30, 2024	4,326,900	49,700	97,050	3,918,350	8,392,000
Balanced budget; no Deficit Reduction Plan is required.					

Triad District Fund Balances

	Beginning Balances on 7/1/23	FY24 Revenues	FY24 Expenditures	Estimated Ending Balances on 6/30/24	FY24 Budgeted Difference
Education Fund	\$ 4,575,600	\$ 33,297,000	\$ 33,545,700	\$ 4,326,900	\$ (248,700)
O & M Fund	\$ 17,100	\$ 5,938,100	\$ 5,905,500	\$ 49,700	\$ 32,600
Debt Service Fund	\$ 43,100	\$ 6,187,100	\$ 6,226,000	\$ 4,200	\$ (38,900)
Transportation Fund	\$ 15,500	\$ 3,901,550	\$ 3,820,000	\$ 97,050	\$ 81,550
Retirement Fund	\$ 289,900	\$ 1,985,350	\$ 2,067,700	\$ 207,550	\$ (82,350)
Working Cash Fund	\$ 3,518,300	\$ 400,050	\$ -	\$ 3,918,350	\$ 400,050
Tort Fund	\$ 184,600	\$ 2,720,100	\$ 2,670,500	\$ 234,200	\$ 49,600
Fire Safety Fund	\$ 1,041,000	\$ 332,050	\$ 1,161,000	\$ 212,050	\$ (828,950)
TOTAL	\$ 9,685,100	\$ 54,761,300	\$ 55,396,400	\$ 9,050,000	\$ (635,100)

Public Act 102-1102 created the School Code Section 17-1.3 (105 ILCS 5/17-1.3). School districts are now required to disclose their cash reserve balances for all funds related to their operational levy. Triad has always shared cash reserve balance information during the budget hearing and will now do the same during the levy hearing as well.

Education Fund

Fund	2022 Levy Extension	2023 Levy at 12% Increase	2023 Levy Best Estimate	2023 Actual
Education	\$15,344,104	\$17,188,300	\$16,571,600	?

For the current school year, Triad has a \$188,200 budgeted deficit in the Education Fund. At a 12% increase in EAV, the district is levying for \$1,844,196 in additional funds for next school year. More than likely, the additional amount of revenue the district will receive in the Education Fund will be closer to \$1,227,400. So the amount of additional Education Fund Revenue is estimated at about \$1.2 million.

Education Fund

Fund	2022 Levy Extension	2023 Levy at 12% Increase	2023 Levy Best Estimate	2023 Actual
Education	\$15,344,104	\$17,188,300	\$16,571,600	?

For perspective on how much \$1.2 million of additional revenue is in the Education Fund, consider that Triad's salaries and benefits for the Education Fund for this school year are budgeted at \$28,043,500. In looking at next school year, each 1% increase in salary and benefits would cost an additional **\$280,435**. Based on our collective bargaining agreement, the increase for certified staff for the 2024-25 school year is 5%. Therefore, the district can expect the increase in salary costs in the Education Fund to be about \$1.4 million for next year.

In addition, Triad is planning on new materials to support our K-5 reading curriculum.

The maximum rate for the Education Fund is \$2.34 and Triad cannot raise the rate higher than this amount without a referendum.

O & M Fund

Fund	2022 Levy Extension	2023 Levy at 12% Increase	2023 Levy Best Estimate	2023 Actual
O & M	\$3,279,215	\$3,672,700	\$3,541,600	?

For the current school year, Triad has a \$12,600 budgeted surplus in the Operations and Maintenance Fund. For next school year, we are levying for \$393,485 in additional funds. More than likely, the additional amount of revenue the district will receive in the O&M Fund will be closer to \$262,000.

For perspective on how much \$262,400 of additional revenue is in the O&M Fund, consider that Triad's budgeted expenses in O&M are \$5,905,500. Each 1% increase in expenses is **\$59,055**. So \$262,400 can account for approximately 4.4% of increases in expenses.

O & M Fund

Fund	2022 Levy Extension	2023 Levy at 12% Increase	2023 Levy Best Estimate	2023 Actual
O & M	\$3,279,215	\$3,672,700	\$3,541,600	?

In the 2024-25 school year, the district hopes to maintain our custodial and maintenance staffing. Currently, the district offsets some custodial salaries with ESSER funding that will not exist next year. The district will also be negotiating a collective bargaining agreement with our CMU's this spring. It is expected that the cost of all services will continue to increase with inflation. There are also many maintenance projects that need to be completed.

The maximum rate for the O&M Fund is 50 cents and school districts cannot raise the rate higher than this amount without a referendum.

Transportation Fund

Fund	2022 Levy Extension	2023 Levy at 12% Increase	2023 Levy Best Estimate	2023 Actual
Transportation	\$1,311,686	\$1,469,100	\$1,416,600	?


For the current school year, Triad has a \$8,050 budgeted surplus in the Transportation Fund. For FY25, we are levying for \$157,414 in additional revenue. The best guess estimate is closer to \$105,000.

During the next fiscal year, the district expects to purchase three buses. We hope to maintain our current number of bus drivers and also expect to see an increase in fuel and insurance costs as well as an increase in our cost for special education transportation.

The maximum rate for the Transportation Fund is 20 cents and school districts cannot raise the rate higher than this amount without a referendum.

Triad's Tax Rate History the Last Six Years

- The Triad School District makes up the largest portion of the property tax rate for local constituents. The Board has worked to provide tax rate relief and has been able to decrease Triad's portion of the tax rate for each of the last 7 years, and we expect another decrease for the 2023 rate.

- > 2015 Tax Year: Triad's highest tax rate was 5.3221 after the passage of the Education Fund referendum.
 - > 2016 Tax Rate: **5.2582**
 - > 2017 Tax Rate: **5.2212**
 - > 2018 Tax Rate: **5.2142**
 - > 2019 Tax Rate: **5.1428**
 - > 2020 Tax Rate: **5.1392**
 - > 2021 Tax Rate: **5.0028**
 - > 2022 Tax Rate: **4.8865**
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This represents a decrease in Triad's tax rate of 43¢ over the past seven years. The amount of the decrease for Tax Year 2023 will depend on how much the district EAV increases.

As the EAV Goes Up, the Overall Tax Rate Goes Down

EAV Increase % for FY25	School District Property Tax Rate for FY25
0%	Decrease 2 cents
2%	Decrease 5 cents
4%	Decrease 8 cents
6%	Decrease 11 cents
8%	Decrease 13 cents
10%	Decrease 16 cents

Based on estimates from the Madison County Assessor, we are speculating that the EAV increase for Triad will be around 8%. Barring a surprising EAV drop, the Triad School District Tax Rate will go down for next year as it has for each of the past 7 years.

Questions

Questions regarding the Triad levy, budget, or any other financial questions for the district can be directed to Superintendent Dr. Jason Henderson at jason.henderson@tcusd2.org or by calling the Triad Central Office at 618-667-8851 x1100.