

2015 Tax Levy Information



Township High School District 211

What is a Tax Levy?

∞ LEVY: The **amount of revenue approved by the School Board** to be requested through property taxes **for each of the main areas of the school district** or other taxing body (municipality, library, etc.) **to operate**

∞ For D211- the levy provides revenue to support these operational areas:

Operating Funds

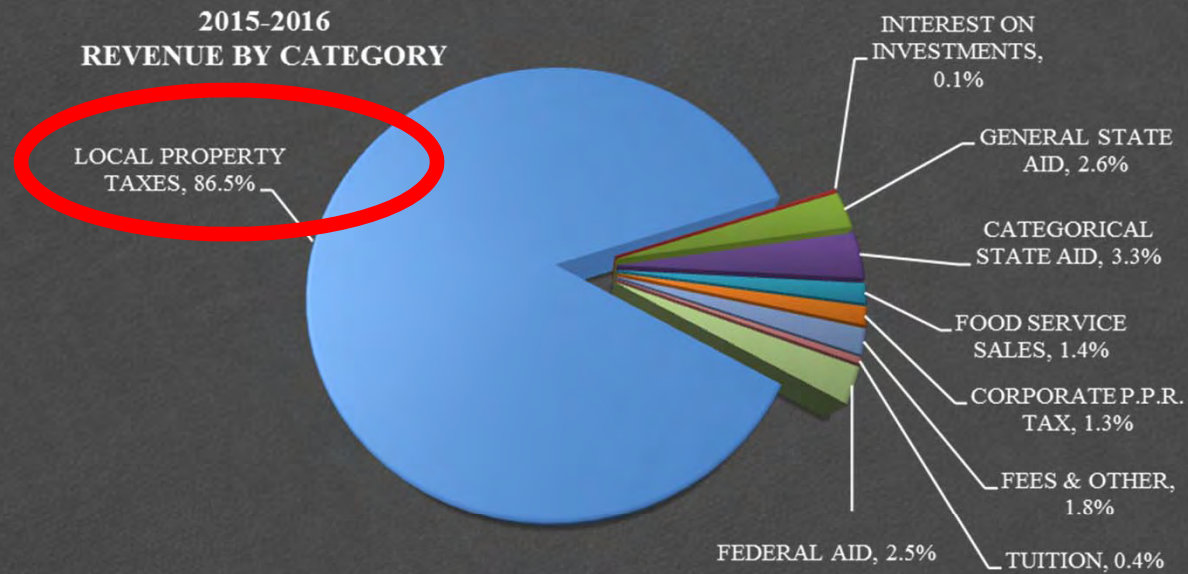
- Educational programs and support services
- Operations and building maintenance
- Transportation
- Illinois Municipal Retirement Fund and Social Security

Debt Service Fund

- Debt Repayment (bonds to fund mandated facility improvements)

The Tax Levy for D211

Local property taxes are the source of over 86% of District's revenue
for
instructional and operational needs of the District



Levy Limitations

❧ D211 may not increase its annual levy by more than the rate of inflation (Consumer Price Index).

➤ **The “Tax Cap” law**

❧ D211 may not levy for major capital improvements in the Capital Projects Fund

❧ There are individual limits established that a District may not exceed by area (Educational, Operations/Maintenance)

HISTORY OF D211 TAX LEVY INCREASE		
TAX YEAR	TOTAL D211 LEVY % INCREASE	LEVY LIMITATION AMOUNT
2015	0.0	1.0
2014	1.7	1.7
2013	1.3	2.3
2012	3.2	3.2
2011	1.7	1.7
2010	2.9	3.0
Average Levy % Increase w/ New Property:		2.2

D211 has levied
below the average
allowable amount
over the past 6 years

Understanding the “Tax Cap”

- ❧ Property Tax Extension Limitation Law (PTELL) also known as the “Tax Cap”
- ❧ Impacts all school districts in Cook County and numerous other counties throughout the state
- ❧ Limits operating fund levy to
 - A) increase in the prior year’s CPI % plus
 - B) addition of new property growth
- ❧ Districts cannot recover operating revenue if amounts are levied less than CPI
- ❧ Each year’s levy sets the foundation amount by which taxes may be levied for the following year

CPI-U History	
2009	0.1%
2010	2.7%
2011	1.5%
2012	3.0%
2013	1.7%
2014	1.5%
2015	0.8%

Total Levy Extension



PTELL (Tax Cap) only applies to the Aggregate Levy Extension/Operating Levy

TOTAL LEVY = OPERATING AND DEBT SERVICE FUND LEVY

Educational

Working Cash

Oper. / Maintenance

Transportation

IL. Municipal Retire.

Social Security

OPERATING FUNDS

Combined Operating Fund levy is “capped” at an increase of CPI % + the new property growth %

The current year levy sets the foundation for all future levy amounts

Amounts levied less than the cap are “lost” and cannot be recovered in future years

These “losses” compound annually



Debt Service Fund

DEBT SERVICE FUND

Debt Service levy is tied to the District’s outstanding debt and NOT capped by CPI

The debt repayment schedule determines the Debt Service levy amount

Reductions (abatements) are one year only and do not affect future years’ levies

OPERATING FUNDS

+

DEBT SERVICE FUND

=

TOTAL LEVY

What is a Flat Levy?

- ❧ 0% levy increase of the total levy over the prior year's total levy amount
- ❧ For the 2015 levy, a 0% increase could have been achieved through two ways:
 1. Via the Operating Funds levy
 2. Via Debt Service levy reduction (abatement)

Two Methods to Achieve a Flat Levy

		2015 Levy	
Last Year's 2014 Tax Levy		Method 1	Method 2
		0% Increase in Operating Funds	1% Increase in Operating Funds (0.8% CPI+0.2% New Prop)
		Levy Amount	Levy Amount
Operating Funds +	\$ 212,648,268	\$ 212,648,268	\$ 214,774,751
Debt Service Fund	\$ 5,462,533	\$ 3,438,383	\$ 3,438,383
Debt Service Abatement	\$ (2,000,000)	\$ -	\$ (2,000,000)
Total Levy Amount	\$ 216,110,801	\$ 216,086,651	\$ 216,213,134

0% Increase from 2014 Levy = Flat Levy for 2015

Impact of a 0% Operating Fund Levy

*The Operating Fund Levy sets the foundation amount for all future levies.
0% levy increase in Operating Funds for one year (2015) results in compounded lost revenue that can never be recovered.*

2015 Levy: (\$2,100,000)

2016 Levy*: (\$2,200,000)

2017 Levy*: (\$2,200,000)

2018 Levy*: (\$2,200,000)

2019 Levy*: (\$2,200,000)

\$10.9 million
in lost
Operating
Fund revenue

over 5 years.
Losses continue into
perpetuity.

** Assumes levy increase of
1.5% (1.3% CPI+0.2% New
Prop) consistent with
projections*

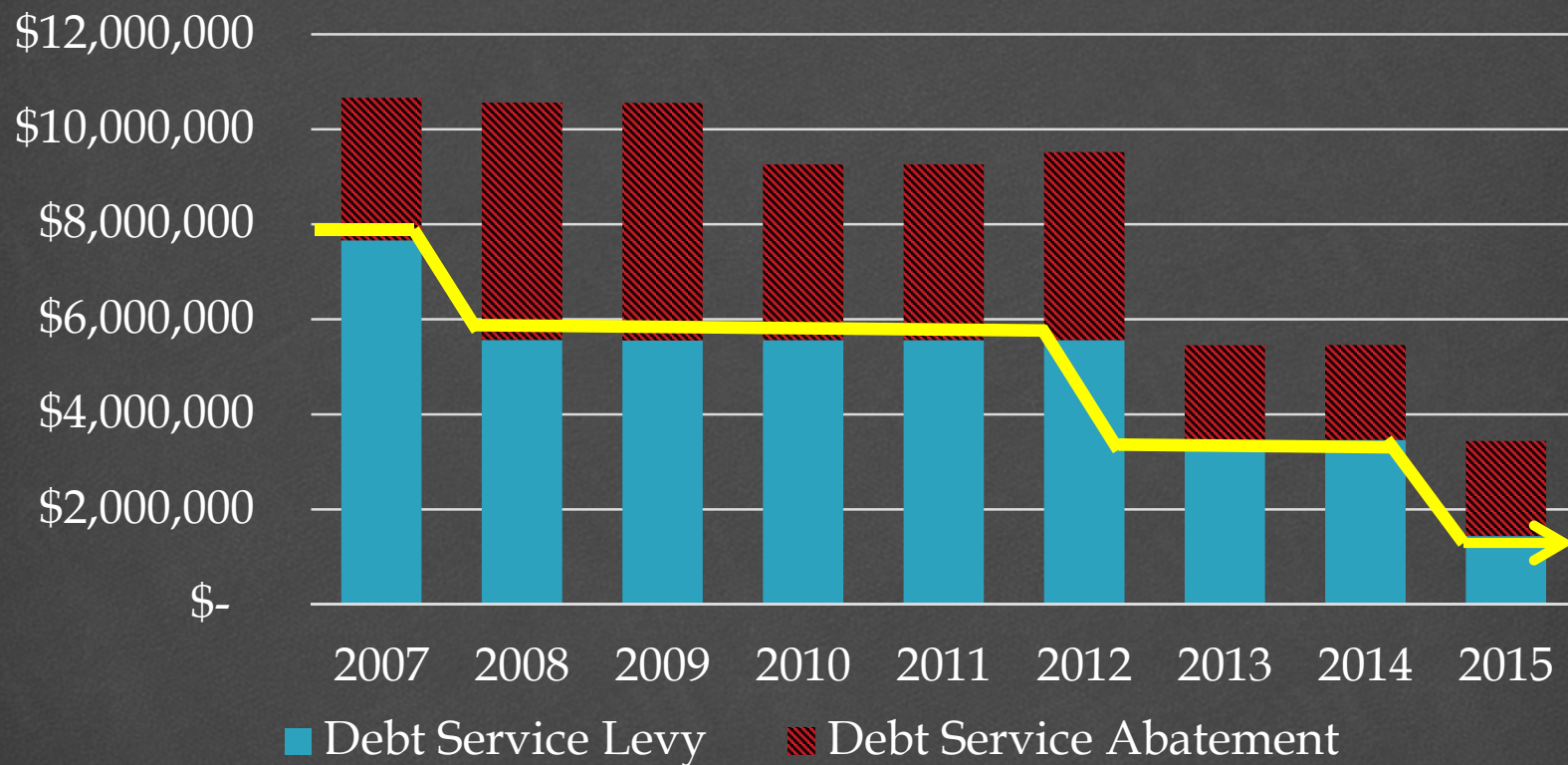
Impact of a 0% Levy Increase Through Debt Abatement

Utilizes \$2 mil
of Working
Cash Reserves

Protects
Operating
Fund Revenue
for
Instructional
and
Operational
Needs

0% Change in
Total Levy for
one year

Debt Service Levy Abatement History



Since 2007, District 211
has lowered its levy by
over \$30 million through
abatement providing
direct tax relief to tax
payers

2015 Flat Levy



2015 ALLOWABLE TOTAL LEVY AMOUNT

	2014 Levy 1.7%	2015 Levy 1.0%	% Inc. / (Dec.)
Tax Cap Limitation (CPI+ New Property)			
Maximum Allowable Levy			
Total Operating Fund Levy	\$212,643,694	214,770,131	
(+) Total Allowable Debt Service Levy	\$5,462,533	3,438,383	
TOTAL ALLOWABLE LEVY	\$218,106,227	218,208,514	
Levy Reduction Below Allowable Amount			
(-) Debt Service Levy Abatement	(\$2,000,000)	(2,000,000)	
TOTAL LEVY WITH ABATEMENT	\$216,106,227	216,208,514	0.0%

D211 2015 Levy Summary

Flat Levy

- 0% Increase in levy collections from prior year amount

Tax Relief

- Reduction of levy by \$2 mil providing relief to taxpayers

Instructional Quality

- Maintain revenue to support instructional programs and opportunities for students