Homewood-Flossmoor Community High School District 233

2022 Tax Levy PowerPoint Presentation

by Dr. Lawrence Cook Lcook@hf233.org

Timetable for Tax Levy Adoption

November 15, 2022

Presentation of 2022 Estimated Aggregate Tax Levy

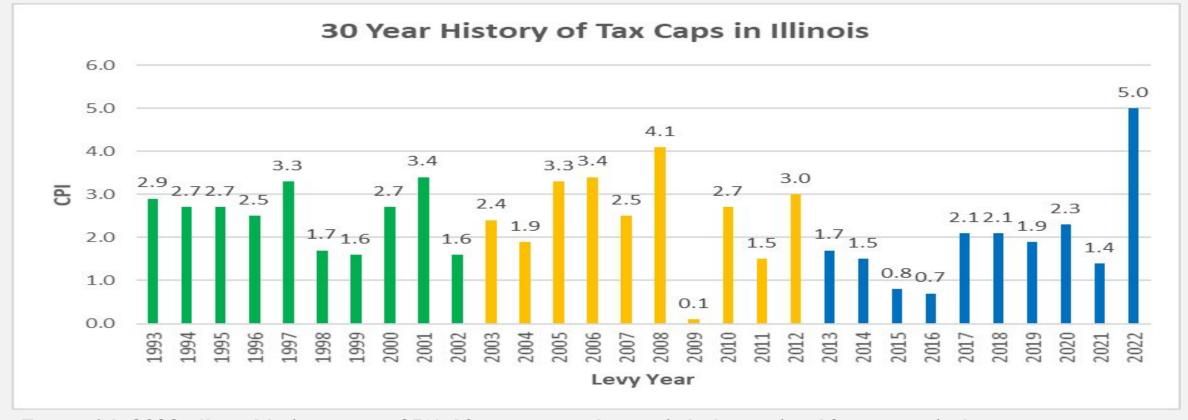
December 20, 2022

Adopt the 2022 Tax Levy, including all appropriate resolutions

December 27, 2022

File necessary documents with the County Clerk on or before this date

2022 Maximum Allowable Increase in Tax Extension: 5% School Districts in Tax-Capped Counties are Limited by Rate of Inflation



Even with 2022 allowable increase of 5%, I0-year growth rate is below prior I0-year periods

First 10-year period of tax caps

Second 10-year period of tax caps

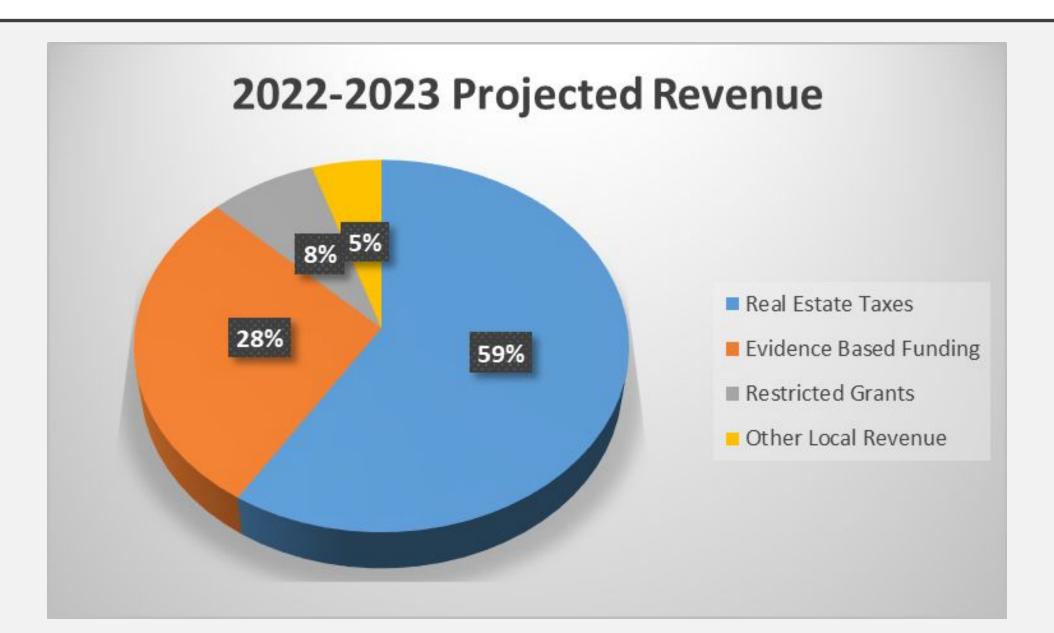
Third 10-year period of tax caps

CPI averaged 2.51%

CPI averaged 2.49%

CPI averaged 1.95%, even with 5% CPI for 2022

Breakdown of Revenues



FY23 Projected Budgetary Expenditures

Projected FY23 expenditures are \$65.8 million

- \$41.3 million in salary/benefits
- \$16.5 million in supplies/equipment
- \$4.0 million in capital projects
- \$2.8 million in out-of-district tuition
- \$1.1 million in debt services
- \$150K in others

Major Financial Decisions Over the Next 24 Months

Adoption of FY2023 Budget	September 2022
Approval of 2022 Tax Levy	December 2022
Decision Regarding Tax/Bond Abatement	Winter 2023
Staffing Plan for 2023-2024 School Year	Spring 2023
Adoption of FY2024 Budget	September 2023
Approval of 2023 Tax Levy	December 2023
Begin Teacher/IAs Contract Negotiations	Early 2024
Staffing Plan for 2024-2025 School Year	Spring 2024

Adopting the 2022 Tax Levy

- The revenues for the 2022 levy should be received in two installments: once in March or April of 2023 and again in August of 2023
- Spring of 2023 is in current fiscal year
- August of 2023 is in the next fiscal year
- This levy would cover expenses for part of the 2022-2023 school year approved budget

Major Financial Decisions Over the Next 24 Months

- This levy would also cover expenses incurred in the 2023-2024 school year, where its budget would be up for adoption in September 2023
- It is reasonable to assume that due to inflation and increased cost in goods and services, that the 2023-2024 budget would be more than the 2022-2023 budget

Fund Description	Levy Amount
IMRF Fund	\$ 500,000
Social Security Fund	800,000
Transportation Fund	2,000,000
Education Fund	36,500,000
Building Fund	3,500,000
Working Cash Fund	300,000
Total Levy	\$ 43,600,000

The above levy will capture the maximum allowable growth allowable under tax caps (before tax abatements)



- In both 2018, 2019, and 2021, the State of Illinois implemented a \$50 million Statewide Property Tax Relief Grant Program.
- In each of those years, the District applied for and received the grant.
- The grant provides the District with additional state funds with a requirement to use the funds for one or two years to abate (reduce) its tax levy.
- Since the value of the grant extends beyond two years, the Board of Education has voted annually to abate all additional dollars it receives from the grant beyond the mandatory abatement requirement.

TAX ABATEMENT HISTORY

REDUCTIONS IN TAXES DUE TO PROPERTY TAX RELIEF GRANT ("PTRG") AND ACTION TAKEN BY THE BOARD

Levy Year	Mandatory Abatements	Additional Abatements Made by Board	Total
2018	\$ 2,033,000		\$ 2,033,000
2019	\$ 1,839,000	\$ 1,393,000	\$ 3,232,000
2020	\$ 1,839,000	\$ 1,393,000	\$ 3,232,000
2021	<u>\$1,751,000</u>	<u>\$ 1,882,000</u>	\$ 3,633,000
Total Abatements	\$7,462,000	\$4,668,000	\$12,130,000

Over the past four tax levy years, the Board of Education of Homewood-Flossmoor High School District 233 has abated \$12,130,000 in property taxes.

ACTION FOR 2022 TAX YEAR

Adopt a tax levy that will capture the 5% growth in the District's limiting funds above its prior year maximum allowable extension

- Create a zero percent increase in the total tax levy by abating an amount equal to the 5% increase (approximately \$2,076,500) in the bond fund
- Maintain the second-year abatement associated with the FY22 PTRG of \$1,751,000
- Apply for the FY23 PTRG, that will generate an additional \$2,091,000 in tax abatements beginning in this 2022 Levy Year

EFFECT OF TAX ABATEMENT RECOMMENDATION

REDUCTIONS IN TAXES DUE TO PROPERTY TAX RELIEF GRANT ("PTRG") AND ACTION TAKEN BY THE BOARD

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2020	\$ 1,839,000	\$ 1,393,000	\$ 3,232,000
2021	\$ 1,751,000	\$ 1,882,000	\$ 3,633,000
2022	<u>\$3,842,000</u>	<u>\$2,076,500</u>	<u>\$5,918,500</u>
Total Abatements	\$ 11,304,000	\$ 6,744,500	\$ 18,038,500

If the Board adopts the abatements for the 2023 tax year, total taxes abated by the Board of Education would total \$18,038,500 during this five-year period.

FUND BALANCES - UNAUDITED FISCAL YEAR ENDING JUNE 30, 2022

Fund Name	Estimated Balance
Educational Fund	\$ 35,421,000
Operations & Maintenance Fund	2,726,000
Debt Service Fund	(999,000)
Transportation Fund	6,872,000
Municipal Retirement/Social Security Fund	938,000
Capital Projects Fund	179,000
Working Cash Fund	31,464,000
Tort Fund	258,000
Fire Prevention and Safety Fund	2,000
Total Fund Balance	\$ 76,861,000

End of the PowerPoint Presentation

Dr. Lawrence Cook
Chief School Business Official
Homewood-Flossmoor Community High School
District 233

Lcook@hf233.org