

DISTRICT 45

2026 Tax Levy Process Presentation

Board of Education

October 20, 2026

KEY DEFINITIONS

DISTRICT 45

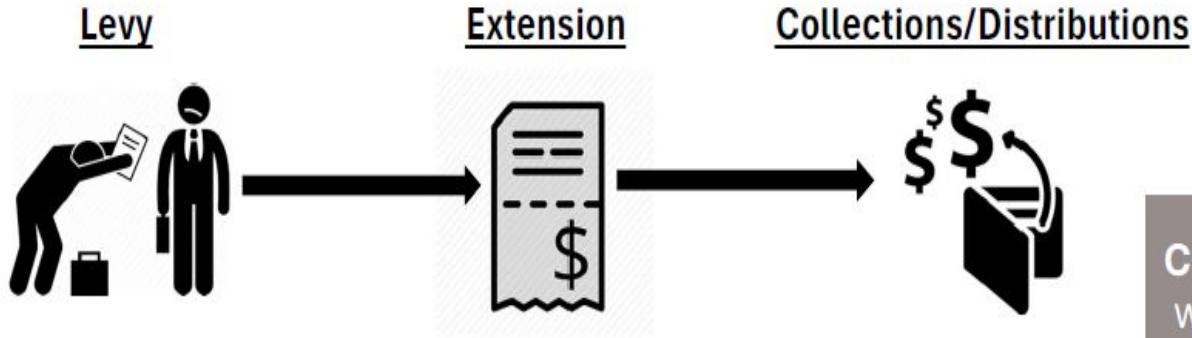
LEVY is the local government taxing district's request to the county for property taxes.

LEVY = ASK

VS

EXTENSION is the total amount of property taxes billed on the behalf of local government taxing districts.

EXTENSION = GIVE



Your tax extension might lower or higher than your levy for a variety of reasons.

COLLECTIONS/DISTRIBUTIONS will be some percentage of your tax extension.

MORE KEY DEFINITIONS

DISTRICT 45

Ballooning the levy means increasing the levy to account for unknown equalized assessed valuation (EAV) and new property amounts, which is especially important when a TIF is expiring and going back on the books.

"New Property" or "New Construction" refers to the assessed value of real estate that has been newly developed or has undergone significant improvements, thereby increasing its assessed value during a given tax year.

The Tax Rate means the dollar amount paid per \$100 of taxable value ("EAV") of a property. Thus, a \$3.00 tax rate means that the taxpayer pays \$3 for every \$100 of EAV.

The limiting rate is the calculated maximum tax rate a taxing district can apply to all funds subject to property tax caps (PTELL), ensuring total extensions for limiting funds do not exceed legal limits.

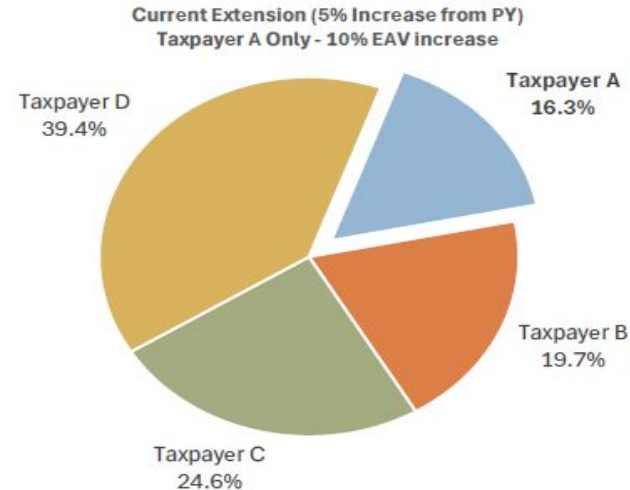
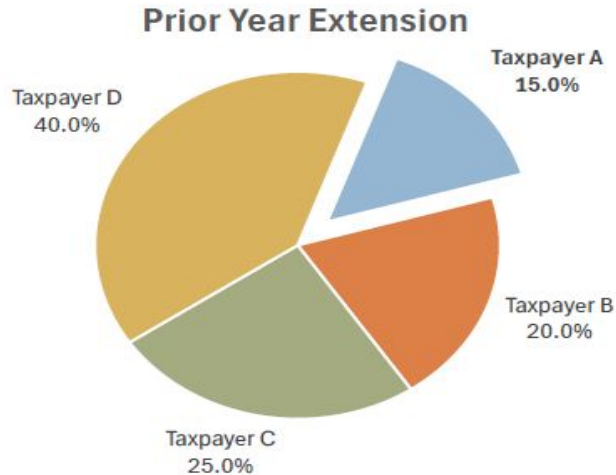
The individual fund maximum rate is the maximum legal rate for an individual fund.

The bond and interest rate is the rate for bond and interest payments; it is separate from the limiting rate and OUTSIDE the tax cap.

Understand This Important Point!

Recognize That a Tax Bill is Affected by Both Your Levy and the Assessment Process!

A 2.7% increase in your tax extension does not mean that every single tax bill increases by exactly 2.7%!



- **Scenario: Total tax extension increases 2.7%:** Although total of all tax bills increased 2.7%, taxpayer A's bill increased 11.3% while all other taxpayers increased 1.2%

JUSTIFYING THE TAX INCREASE

DISTRICT 45

- District 45's current financial condition including the budget and fund balance reserves must be considered.
- Taxpayers are experiencing economic stress due to inflation on purchases and other expenses.
- Also, taxpayers got hit by larger than average tax increases the last four levy years (5%, 5%, 3.4%, 2.9%)

LONG TERM PERSPECTIVE

DISTRICT 45

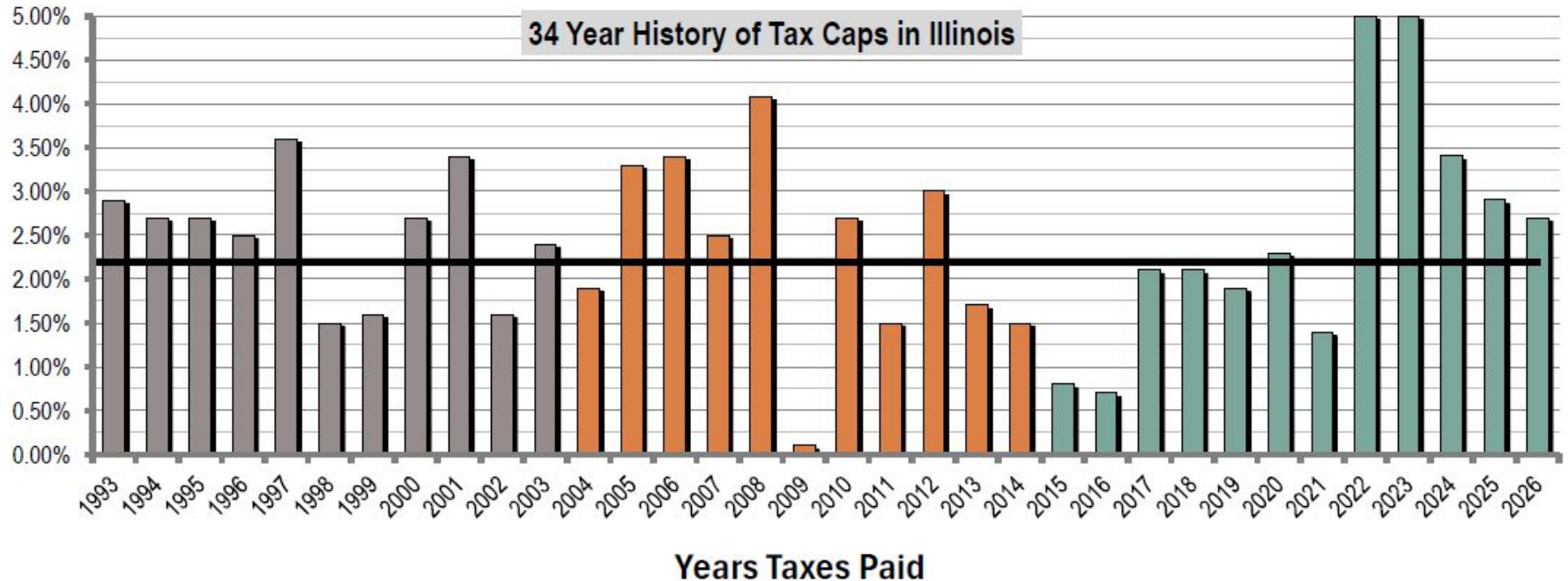
- There is both high Inflation and historic labor shortages which result in increased salaries, benefits, agency hires, purchased services, and supplies and materials.
- Most school districts are still struggling with the expiration of ESSER funding as well as post COVID-19 staffing decisions.
- Both State and Federal Funding is expected to decrease over the next few years.
- Districts need to reallocate their local funds to help supplement the loss of dollars.

CPI WITH TAX CAPS

DISTRICT 45

First 11-year period, CPI averaged 2.51% --- Second 11-year period, CPI average 2.33% ---
Third 11-year period CPI average 2.51%, even with 5% CPI for 2022 and 2023 levy year.

34 Year History of Tax Caps in Illinois



GFOA minimum Recommendation

(2 months or 17% avg. revenues or expenditures)



ISBE District Financial Profile

(49% of the previous yr's expenditures)



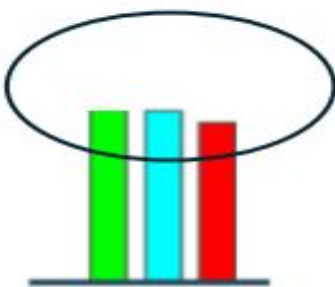
The Civic Federation

(50% of the previous yr's expenditures)



The Miller Ratio

(2x the last 3-yr's avg. expenditures by operating fund, **INCLUDING** taxes receivable)



Ideal Range

2026 PROPERTY TAX TIMELINE

DISTRICT 45

- October 20, 2026
 - Board of Education discusses Tax Levy Process Presentation
- November 13, 2026
 - Placed Truth in Taxation notice on District 45 website
- November 17, 2026
 - Board of Education approves Tentative Tax Levy
- December 3, 2026
 - Publish Truth in Taxation notice and Public Hearing notice in local newspaper
- December 15, 2026
 - Truth in Taxation Public Hearing is held
- December 15, 2026
 - Board of Education adopts the final 2026 Property Tax Levy
- Prior to December 29, 2026
 - Levy documents will be filed with the DuPage County Clerk

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Questions?