

TO: Board of Education
FROM: Joel Filas, Chief School Business Official
DATE: December 8, 2025
RE: Business & Operations Report

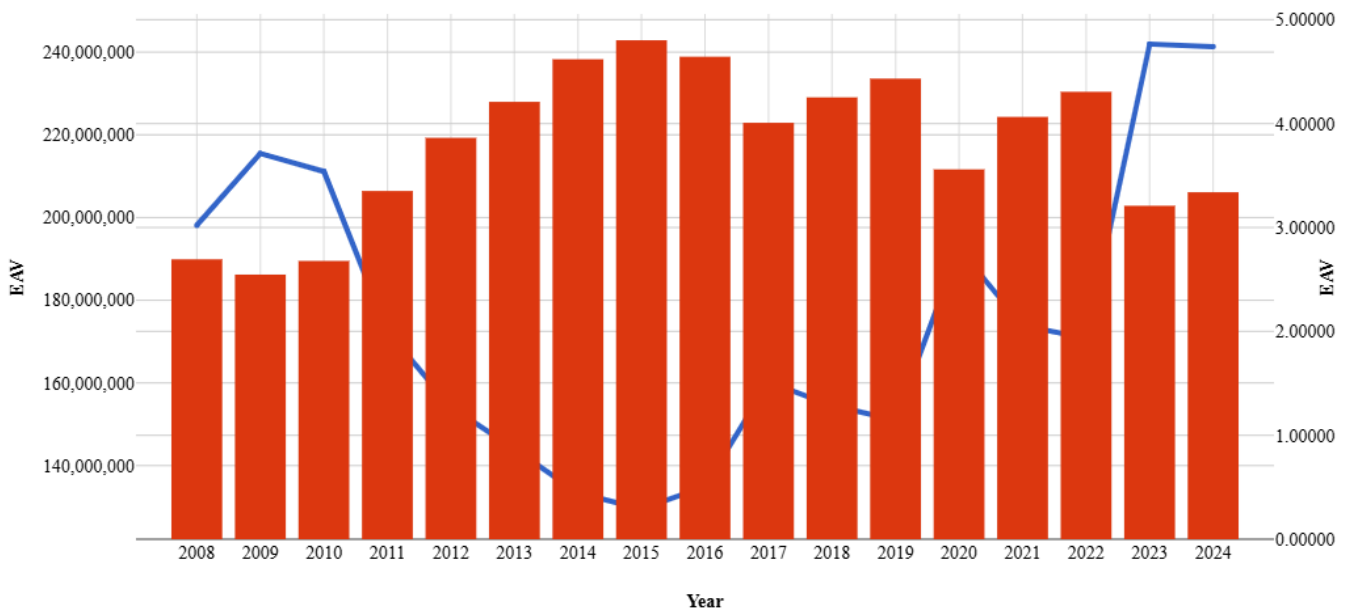
Monthly Data Spotlight: Equalized Assessed Value / Tax Rate

Background:

In Illinois school finance, EAV and the Operating Tax Rate are directly linked because they together determine how much revenue a school district receives from property taxes. The relationship between the two is akin to a seesaw: when one side moves, the other moves in the opposite direction.

The graph below demonstrates this relationship using historical Benjamin 25 data :

EAV vs. Operating Tax Rate Trend



Why EAV Would Go Up?

1. Rising Property Values

If homes and businesses are selling for higher prices, assessments increase. This is the most common reason EAV rises. It can happen because of A strong housing market, Low interest rates, High demand for homes, Perceptions of strong schools and community services, or Area improvements (parks, roads, retail, etc.) **When sale prices go up → assessed values go up → EAV rises.**

2. New Construction or Additions

When new homes, apartments, or commercial buildings are built, the tax base expands. **More buildings = more assessed value = higher EAV.**

3. Major Commercial or Industrial Development

New businesses, warehouses, retail centers, and corporate facilities add significant assessed value. **One large commercial project can significantly increase EAV. (Re: Mainfreight)**

Why Would EAV Go Down?

EAV decreases when the **taxable value of property in the district drops**. This can happen for several reasons:

1. Declining Property Values

If home prices or commercial property values fall, the assessor reduces their assessed value. This can be caused by: A weak housing market, rising interest rates, lower demand for homes, and economic downturns. **When sales prices drop, EAV follows.**

2. Loss of Commercial or Industrial Property

If a major facility closes or is demolished, the property's assessed value may reset lower, decline due to vacancy, or drop due to deterioration. **Commercial closures can sharply reduce the tax base.**

Does this Data Indicate the Financial Stability of the District?

The relationship between **EAV** and the **Operating Tax Rate** can *suggest* certain aspects of a school district's financial stability, but it is **not** a complete or reliable standalone indicator.

Growing EAV Can Suggest a Stronger Local Tax Base

If a district's EAV is consistently rising, it may signal a healthy local economy, which leads to new construction or redevelopment, and stable or increasing property values. This generally reduces taxpayer pressure because the tax rate can decrease while the district still receives its normal PTELL-limited revenue increase.

Legislative Update

IASBO has launched a statewide advocacy initiative — *Driving Success: Completing the School Funding Puzzle* — to highlight the growing financial strain districts face due to the state's chronic underfunding of mandated services like transportation and special education reimbursements. While the Evidence-Based Funding (EBF) model has strengthened Illinois' investment in student success, districts cannot sustain progress when required services are not fully funded. This effort aims to elevate the issue for legislators,

emphasizing that fully funding mandated services and continuing the state's commitment to EBF are complementary priorities essential to strong, equitable public schools. IASBO is providing tools such as a January 8 webinar, customizable district impact materials, and updated advocacy resources to support local engagement. District leaders are encouraged to share their stories and work with lawmakers to protect stability, support students, and preserve the progress Illinois has made. I will monitor and update the Board on this new initiative as these resources become available.

Monthly Safety Committee

The District Safety Committee met on November 14. April Tepe, Allison Agres, Greg Martin, Marcia Reavely, and Joel Filas were in attendance. The committee focused its meeting on the review of the District's Cardiac Response Plan, the implementation of Monthly Safety Spotlights, and the use of advanced drills to test response times to various school emergencies.

A LOOK AHEAD

January Board Meeting:

- Nothing!

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Filas".