

EXECUTIVE BRIEF
Dakota CUSD #201
Board of Education

November 18, 2025

● **INFORMATION** ● **DISCUSSION** ● **ACTION**

2025 TAX LEVY

Each Illinois Board of Education is responsible for establishing the annual levy in terms of dollars. The process has many parts, a Truth in Taxation hearing, formal adoption by the Board of Education, and a certified levy to local county offices by the last Tuesday, in December. The last day to file this year falls on December 30, 2025.

The school district anticipates the revenue required from local sources to operate during the upcoming year. The district submits the dollar amount to the county clerk in the form of a levy. The county clerk will make sure the computed tax rate does not exceed the maximum rate as allowed by Illinois School Code. Should the calculated rate exceed the allowable limit, the county clerk will limit the levied amount to the maximum allowed, the legal limit.

We reviewed multiple resources to project our levy needs for 2026-2027; current budget, bond and interest payments, Collective Bargaining Agreement, and the 2025 Annual Financial Report.

Historical Perspective

Rate Setting Equalized Assessed Value (EAV)

2017	100,916,132	+2.8%
2018	105,116,544	+4.2%
2019	109,902,308	+4.6%
2020	111,850,021	+1.8%
2021	118,182,343	+5.7%
2022	126,802,674	+7.3%
2023	146,372,227	+15.4%
2024	167,463,585	+14.4%
2025 (anticipated)	165,118,633	-1.4%

- The assigned CPI is running at 2.90% for 2025.
- The district is expecting “New Property” on the tax rolls of .05%.
- The projected EAV includes all values in Stephenson County.
- The projected EAV can be lower than the actual assessment; therefore, you should increase your levy, so tax dollars are not left “on the table” if the actual values come out higher. Last year there was a difference of 23,767,997 from the projected to the actual EAV.
- When the district put the financial plan in place (2017), it was based on bonds being paid off and taking that bond cost and moving it over to part of the limited rate. A portion of those funds will be generated as part of the levy (Education Fund) and will be paid as alternate revenue bonds, not as a levy in bond and interest. This will require bond abatement in December 2026 in the amount of \$612,338. Kings Financial will prepare the documents to be filed with the county.

Other factors that influence the levy:

- General State Aid is being funded at 100% through the Evidenced Based Funding model for FY2026.
- Sixth day enrollment demonstrates a decrease of 33 students (-4.4%) for FY 2026.

Using this information, tax levy figures were set for all funding areas to provide for maximum access to tax revenue. In addition, working cash has funds levied so it gains you maximum flexibility where those funds are expended.

The factors included in the calculation of the tax levy are:

- The district’s equalized assessed value.
- The amount levied by the district.
- Illinois School Code limitations

Listed below is last year’s information and what we propose for the 2025 levy. It should capture all new revenue growth if it occurs while trying to minimize the tax rate. It demonstrates a 6.68% increase from the previous year’s extension excluding bond and interest calculations. It is possible we will only get 2.90% (CPI) plus the new property growth.

****ESTIMATED 2025 TAX RATE****

Education	3.6338
Operations and Maintenance	.6056
Transportation	.2725
IMRF	.0485
Social Security	.0485
Working Cash	.0485
Tort	.0969
Health Life Safety	.0454
Special Education	.0666
Lease	.0194
Projected Rate (-B&I)	4.8857
Bond and Interest	.2242
Projected Total	5.1099

- Adjusted levy amounts for the Social Security and IMRF fund was based on audited fund balances. The adjustment ensures that the Social Security/Medicare and IMRF portions of the fund are properly aligned. In the prior year, the Social Security/Medicare portion was levied at a significantly higher rate than the IMRF portion. With both components now realigned to appropriate levels, the levy may be distributed more equitably between the two funds.
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- In addition, additional funds were levied in several areas to address rising costs:
 - **Operations & Maintenance (O&M) Fund:** To manage increasing contractor expenses and costs related to aging mechanical systems.
 - **Transportation Fund:** To address escalating student transportation costs and stabilize the fund's financial position.
 - **Liability Fund:** To offset higher property insurance premiums.

- It should be noted that while additional funds were levied in these areas, the Social Security/Medicare Fund was levied significantly lower than in the prior year, which helps offset the additions.
- The 10-Year Health/Life Safety (HLS) Survey was completed in December 2023, providing updated information for facility planning.
- The new three-year Collective Bargaining Agreement (CBA) includes a 3.0% salary increase for FY 2026, with health insurance costs still to be determined.

	2024 Levy	2024 Extension	2025 Levy
Education Fund	\$5,916,433	\$5,727,271	\$6,000,000
Operations and Maintenance	\$887,594	\$859,239	\$1,000,000
Transportation	\$261,116	\$252,786	\$450,000
IMRF	\$17,780	\$17,232	\$80,000
Social Security	\$336,296	\$325,566	\$80,000
Working Cash	\$67,389	\$65,261	\$80,000
Tort	\$122,733	\$118,815	\$160,000
Health Life Safety	\$66,040	\$63,938	\$75,000
Special Education	\$104,813	\$101,466	\$110,000
Lease	\$31,496	\$30,495	\$32,000
Total	\$7,811,690	\$7,562,069	\$8,067,000

Total Levy Amounts *Does not include Bond and Interest

Fund Balances as of 06/30/2025 (Audited)

Ed Fund	\$5,696,3174
O & M Fund	\$642,649
Bond and Interest	\$24,893
Transportation Fund	\$373,622
IMRF/SS Medicare Fund	\$186,998
Site and Construction	\$279,282
Working Cash	\$2,521,309
Tort Fund	\$159,424
Health, Life, Safety	\$138,621