Hinsdale Township High School District 86
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Annual Levy Overview
Year 2026

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A Tradition of Excellence

Levy Overview and Timeline

The levy is an annual request by a taxing body for property tax revenue to fund its operations. In Illinois, taxing bodies must submit their levy requests to the county clerk by the last Tuesday in December. Requests are submitted by fund (e.g. Educational, Operations & Maintenance, and Transportation) for all funds subject to the property tax cap. The Debt Service Fund is exempt from the tax cap, so districts do not submit a levy for it; instead, the county clerk calculates the Debt Service levy based on the principal and interest payments due that year on the district's outstanding debt. Below is a high-level overview of the annual levy timeline.

SEPTEMBER

Budget & Assumptions

The Board adopts the annual budget and approves forecast assumptions.

OCTOBER

Forecast & Levy Review

The Five-Year Forecast is presented to the Board. The Board reviews the levy process and a draft of the estimated levy.

NOVEMBER

Estimated Levy

The Board approves the Estimated Levy Resolution at least 20 days prior to adoption of the levy.

DECEMBER

Final Adoption

The final levy is adopted by the Board & submitted to DuPage and Cook County.

JANUARY

CPI & PTELL Release

The December CPI from the prior year is released so the final PTELL percentage is available for next year’s levy.

MARCH

Draft Extension

Draft extension received. Any final adjustments and/or abatements completed (DuPage).

APRIL

Final Tax Extension

Final tax extension received from the county (DuPage).

Property Value Assessment

The responsibility of assessing property values occurs either at the county or township level in the State of Illinois. All property is reassessed every three or four years depending on the county or township, with the exception of farmland which is reassessed every year. The Assessor will use home sales data, home demand, additions and improvement projects, market conditions, and a number of additional factors to calculate a property's fair market value. In most cases, the property is assessed at 1/3 of the market value. A few notable exceptions are farmland, coal plants, and certain classes of properties located in Cook County that may be assessed at different percentages. Looking at homes specifically, the fair market value is multiplied by 1/3 and then any homestead exemptions are subtracted to reach the assessed value. The general homestead exemption applies to a homeowner's primary residence. There are additional homestead exemptions available to returning veterans, individuals with disabilities, and senior citizens. Below is an example of a typical assessed value for a home:

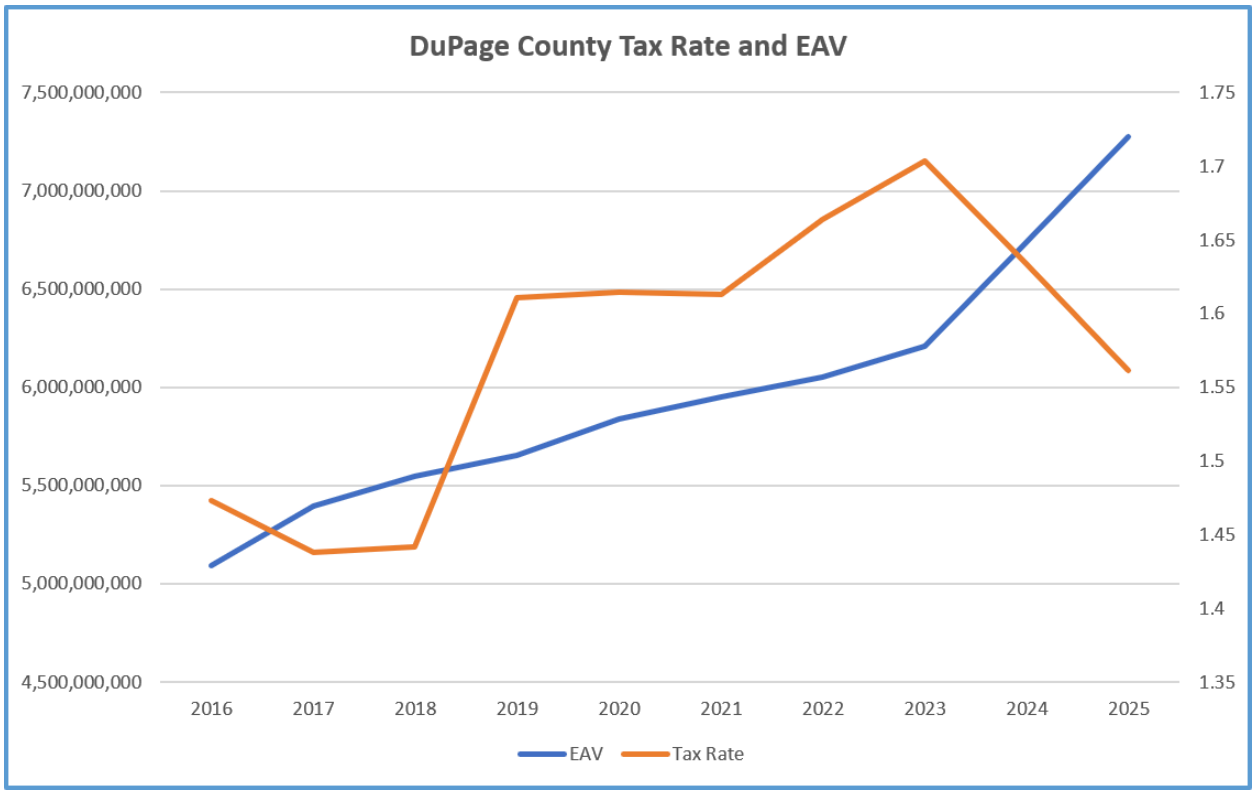
A	**Market Value**	**$500,000**
B	Assessed Value (A × ⅓)	$166,667
C	Homestead Exemption (DuPage)	-$8,000
D	**Net Assessed Value (B - C)**	**$158,667**

After the assessed values are calculated an equalization factor is applied. The equalization factor is used to keep the assessed values and fair market values from deviating significantly from each other. The equalization factor may be applied to an individual property or a group and can be processed at the state, county, or township level. The vast majority of the district's taxpayers live within DuPage County. For most properties in DuPage the equalization factor (state multiplier) is 1.0. Using the example above, applying the multiplier of 1.0 would leave the final assessed value unchanged. If the multiplier is less than or greater than 1.0, the final assessed value would be adjusted by that factor to calculate the equalized assessed value. The equalized assessed values are then compiled for each taxing district to determine the equalized assessed value (EAV) of the district. Below are the historic EAVs for District 86 (combined Cook and DuPage):

Levy Year	EAV	New Construction	Tax Rate
2021	$6,238,463,818	$41,379,226	1.3421
2022	$6,328,856,761	$39,011,993	1.4085
2023	$6,551,535,675	$40,835,345	1.4785
2024	$7,084,426,780	$39,795,338	1.5336
2025	$7,614,996,313	$45,286,652	1.5856

Property Tax Rates

After an individual taxing body files their levy with the county clerk, the county clerk computes the tax rate by dividing the tax levy by the EAV. The tax rate fluctuates every year as the EAV of the taxing body and the tax levy changes. There is an inverse relationship between the tax rate and EAV, but it is negated to an extent by the increase in the annual levy amount. The chart below shows the historic changes in the EAV and tax rate in DuPage County for the district.



Below are the 2025 levy amount, equalized assessed value, and tax rates broken out by Cook County and DuPage County.

County	Levy	EAV	Tax Rate
Cook County	$7,145,222	$340,572,224	2.0980
DuPage County	$113,597,407	$7,274,424,089	1.5616

Levy Process

District 86 is subject to the Property Tax Extension Limitation Law (PTELL), which limits the amount of additional tax dollars that can be requested over the previous year. The law limits a taxing bodies' tax increase to CPI (Consumer Price Index) or five percent, whichever is less. PTELL uses a variation of the Consumer Price Index for All Urban Consumers (CPI-U). CPI-U is the annual average of monthly changes in price, for a basket of goods, whereas PTELL does not average the change, but calculates the change between December of the current and previous year. While CPI-U and PTELL can vary dramatically in a given year, over a longer period of time they will average out to be nearly the same. Below is a chart that shows the PTELL percentage compared to CPI-U for the past five years. The 2025 PTELL is 2.7% and is the number being used to calculate the 2026 levy. The 2026 levy will be used to determine the 2027 tax bills for property owners and will fund fiscal year 2028 for the district.

Year	CPI %	PTELL %
2021	4.7%	7.0%*
2022	8.0%	6.5%*
2023	4.1%	3.4%
2024	2.9%	2.9%
2025	2.7%	2.7%

*Capped at 5%

A taxing body is allowed to levy the amount of taxes that were extended the previous year increased by the PTELL percentage. For example, if a taxing body extended $10,000,000 in taxes for 2025, they would be allowed to increase that amount by 2.7 percent or levy a total of $10,270,000 in 2026. There is one additional factor considered for the levy request and that is new construction. New construction allows a taxing body to increase the levy amount beyond the established PTELL rate. The tax limitation law assumes that new construction results in additional service needs that must be provided by the taxing body, so the taxing body is allowed to increase its levy to account for the new construction to offset the potential increase in required services.

The portion of the levy that falls under PTELL is known as the "capped" levy because increases are limited by the law. In the event that the "capped" levy request from the taxing body exceeds 5.0%, the

body is required to hold a Truth in Taxation Hearing. This hearing must be posted publicly and allows the public an opportunity to comment on the levy. The other portion of the levy is “non-capped,” which is used to fund the debt obligations of a taxing body. The levy to make the debt payments is tied to the total principal and interest payments owed by the taxing body for the year and is not limited by PTELL. While the bond payments are not limited under the tax cap, other laws limit the total debt a taxing body may issue with or without approval from the voters within the taxing body’s boundaries. After taxing bodies submit their levies, counties apply the PTELL limits to the request and return the draft tax extension to the taxing bodies in the spring. The taxing bodies have a final opportunity to abate or redistribute the extension between funds, but no additional funds can be requested at that time.

The final components that go into the tax extension are the loss and cost factor, the aggregate refund adjustment, and the limiting rate. All of these calculations are managed by the county prior to the taxing bodies completing their final review of the tax extensions in the spring. The loss and cost factor adds a small percentage increase to the levy amount to account for unpaid tax bills and property tax objections that reduce a property owner's tax liability. Cook County applies the loss and cost across all funds while DuPage only applies it to the Debt Service Fund levy. Additionally, under Illinois law, counties calculate an aggregate refund adjustment, which allows taxing bodies to automatically recover revenue lost due to successful prior-year tax appeals and refunds. The aggregate refund adjustment is calculated and added outside of the PTELL limiting rate, meaning these recovered funds are not subject to the limiting rate cap. While the loss and cost factor increases the total extension request, the limiting rate continues to govern the underlying capped extension under PTELL. The limiting rate is what ultimately caps the tax extension. The limiting rate calculation is as follows:

$$\text{Limiting Rate:} \quad \frac{\text{(Prior Year Extension x (1+Lesser of 5\% or CPI)}}{\text{(Total EAV - New Construction)}}$$

Below is the five-year tax extension history for the district (combined Cook and DuPage):

Fund	Fund Name	2021	2022	2023	2024	2025
10	Educational	$69,593,362	$71,836,492	$75,287,891	$77,762,219	$79,737,926
10	Special Education	$2,247,478	$2,375,624	$2,502,826	$2,609,501	$2,710,098
20	Operations & Maintenance	$11,574,948	$13,613,893	$14,891,156	$16,281,697	$17,668,903
40	Transportation	$2,349,079	$3,038,969	$3,453,322	$3,889,884	$4,339,531
50	Social Security	$1,969,102	$1,937,429	$1,987,583	$1,909,059	$1,822,076
51	Municipal Retirement	$1,032,001	$946,390	$910,502	$707,289	$485,950
70	Working Cash	$31,633	$44,267	$45,813	$13,925	$7,547

80	Tort Immunity	$874,207	$933,143	$943,505	$1,073,047	$1,189,081
Total Capped Funds		**$89,671,810**	**$94,726,207**	**$100,022,599**	**$104,246,622**	**$107,961,111**
30	Bond & Interest	$12,358,546	$12,347,363	$12,338,108	$12,355,173	$12,430,285
All	Aggregate Refunds	$171,561	$181,637	$227,001	$185,053	$351,233
Total Non Capped Funds		**$12,530,107**	**$12,529,000**	**$12,565,109**	**$12,540,226**	**$12,781,518**
Grand Total		**$102,201,917**	**$107,255,207**	**$112,587,707**	**$116,786,848**	**$120,742,629**

Abatement

A local government in Illinois has the authority, with a majority vote of its governing body, to direct the county clerk to abate a portion of its taxes. An abatement can be directed against the Debt Service Fund or any other fund. An abatement against other levies (any non-Debt Service Fund) would reduce the current year final tax extension resulting in a lower capped base for determining future levies.

An abatement against the Debt Service Fund would reduce the current year final tax extension for this fund requiring the district to fund the required debt service payment through a transfer from another fund. This would not impact the levy in subsequent years. The district bond resolutions contain a covenant by the Board that it will not impair the levy that will repay the bonds. The district has the option to seek a waiver of this covenant from the bondholders, which is not practical for any bonds held by third parties. The district could also complete a transfer prior to approving the abatement so the levy is fully funded.

Property Taxes – Homeowner

An individual homeowner's tax bill is determined by two components, their EAV and the tax rate. Assuming a market value of $500,000 the EAV of the property would be $166,667 (ignoring exemptions and multipliers). The DuPage County tax rate for the district in 2025 was 1.5616. To calculate the property taxes owed, the EAV is multiplied by the tax rate.

TAXES OWED = $166,667 X 0.015616

TAXES OWED = $2,602.67

Forecasted Levy 2026

For the 2026 levy the PTELL percentage is 2.7%. The new construction is estimated at $50,000,000 and the EAV growth is being forecasted at 3%. The PTELL percentage and the new construction amount directly impact the levy amount. The EAV has a very negligible impact on the levy and is primarily provided to forecast the tax rate.

$$\text{Limiting Rate:} \quad \frac{\$107{,}961{,}111.37 \times (1+0.027)}{(\$7{,}893{,}446{,}202 - \$50{,}000{,}000)}$$

The forecasted limiting rate for 2026 is 1.4136 which would result in a total capped levy of $111,582,868.43. This would be a year-over-year increase of 3.35% compared to the capped levy from 2025. The projected EAV for 2026 is $7,893,446,202 would result in an estimated blended tax rate of 1.4136 for the capped portion of the levy. Below is the forecasted levy for 2026.

Fund	Fund Name	Rate	Levy
10	Educational	1.0441	$82,412,883.33
10	Special Education	0.0355	$2,801,013.78
20	Operations & Maintenance	0.2314	$18,261,638.87
40	Transportation	0.0568	$4,485,108.86
50	Social Security	0.0239	$1,883,200.77
51	Municipal Retirement	0.0064	$502,252.10
70	Working Cash	0.0001	$7,800.05
80	Tort Immunity	0.0156	$1,228,970.67
Total Capped Funds		**1.4136**	**$111,582,868.43**
30	Bond & Interest	0.1494	$11,790,622.87
All	Aggregate Refunds		
Total Non Capped Funds		**0.1494**	**$11,790,622.87**
Grand Total		**1.5630**	**$123,373,491.30**

For the final levy certificate in December the levy allocation between funds will be adjusted to increase the annual funding for the Transportation Fund to reduce the future need for fund transfers.