



North Mac CUSD #34

Kyle M. Hacke, Superintendent
khacke@northmacschools.org
525 N Third St., Girard, IL 62640
Phone: 217-627-2915/Fax: 217-627-3519

Dear Taxpayers of North Mac CUSD #34,

This letter is to inform you the North Mac School District is estimating a larger than normal increase in our Equalized Assessed Valuation (EAV) that will in turn drive an increase in our proposed tax levy. This large increase is due to the newly installed solar energy system in the northwest corner of our school district. A required notice has been placed in area newspapers outlining the proposed levy increase for the school district and subsequent levy hearing. What the notice does not explain is the reason for the proposed levy increase. The North Mac School Board of Education would like our community to know the majority of this EAV and proposed levy increase will come directly from the solar energy system and not the property owners. This is positive news for both the district and our tax payers.

HOW DOES THE SCHOOL DISTRICT LEVY PROCESS WORK?

Illinois school districts receive local revenue from property owners through the levy process. The value of each parcel located within a school district's borders is assessed by the county. A district's EAV is then determined after a series of adjustments by the county and state. The school district's tax rate is then applied to the EAV resulting in revenue to the district. The amount of money received through the levy process is the levy extension. When the proposed levy is 5% or more than the previous year's extension, the district must place a notice in local newspapers and hold a levy hearing.

HOW DOES AN EAV INCREASE IMPACT THE TAX RATE?

The increase in our EAV not only positively impacts the district's revenue, but also decreases the overall tax rate, saving tax payers money. The levy process used by school districts in Illinois multiplies the district's EAV by the tax rate to generate local revenue to help support our students' education. As our EAV increases, a lower tax rate is necessary to generate the revenue our school district receives through the levy. In this case, the majority of our estimated EAV increase and proposed levy increase will not be at the expense of our property owners.

WHAT IS OUR CURRENT EAV & HOW MUCH WILL OUR EAV INCREASE?

The district's current EAV is \$191,271,216 and we estimate next year's increase in the EAV to be approximately \$20,000,000 due to the solar energy system alone. Coupled with typical EAV increases we have experienced in the last few years, we estimate our EAV will increase to approximately \$225,000,000.

WHY DON'T WE KNOW EXACTLY WHAT OUR EAV WILL BE?

School districts rely on county assessors to estimate what the EAV will be for the upcoming year, but there is no way of knowing for certain at this time. The best information counties can



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offer at the time levies are due is an estimate. In North Mac's case, we rely on three counties, Macoupin, Sangamon and Montgomery, to estimate our EAV.

WHY DOES THE DISTRICT REQUEST MORE REVENUE THAN THEY KNOW THEY WILL RECEIVE THROUGH THE PROPOSED LEVY?

By law, school districts can receive no more revenue than requested through the levy process. As stated above, we also do not know what our annual EAV increase will be. Therefore, we estimate our EAV increase to be higher than we think, so the district is sure to capture all revenue it legally can. Unfortunately, North Mac is not in a financial position to turn down revenue. Like many districts in our area, we struggle to generate enough revenue to meet our students' needs.

IMPORTANT ITEMS OF NOTE:

- The tax rate has dropped by over \$.35 since 2021 and that trend will continue as our EAV increases.
- We also anticipate another significant increase in our EAV once the wind turbines are operational.
- You can use this hyperlink to learn more about the valuation of commercial solar energy systems - [Solar Energy Systems](#)

Please contact Kyle Hacke, Superintendent, with any questions.

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