

WAYNE  
THOMAS

# 2018 Property Tax Levy Presentation

Board of Education Meeting  
November 27, 2018

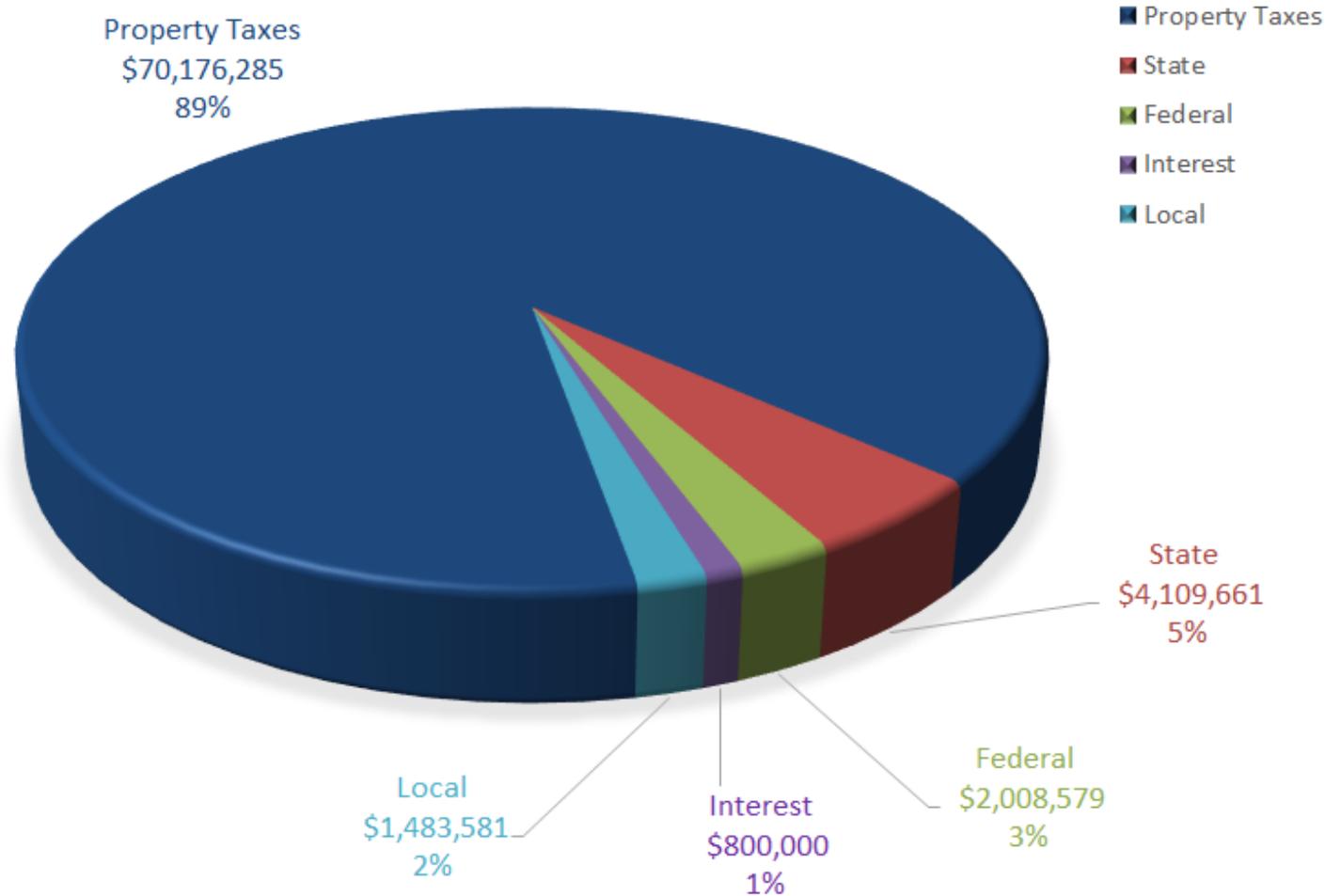
# Levy Timeline

- Levy adoption will be today, November 27, 2018, at the Board Meeting.
- File the adopted certificate of tax levy no later than the last Tuesday of December 2018.
- Extension process, receipt of levied revenues begin in Spring 2019.

## ***Mission Statement***

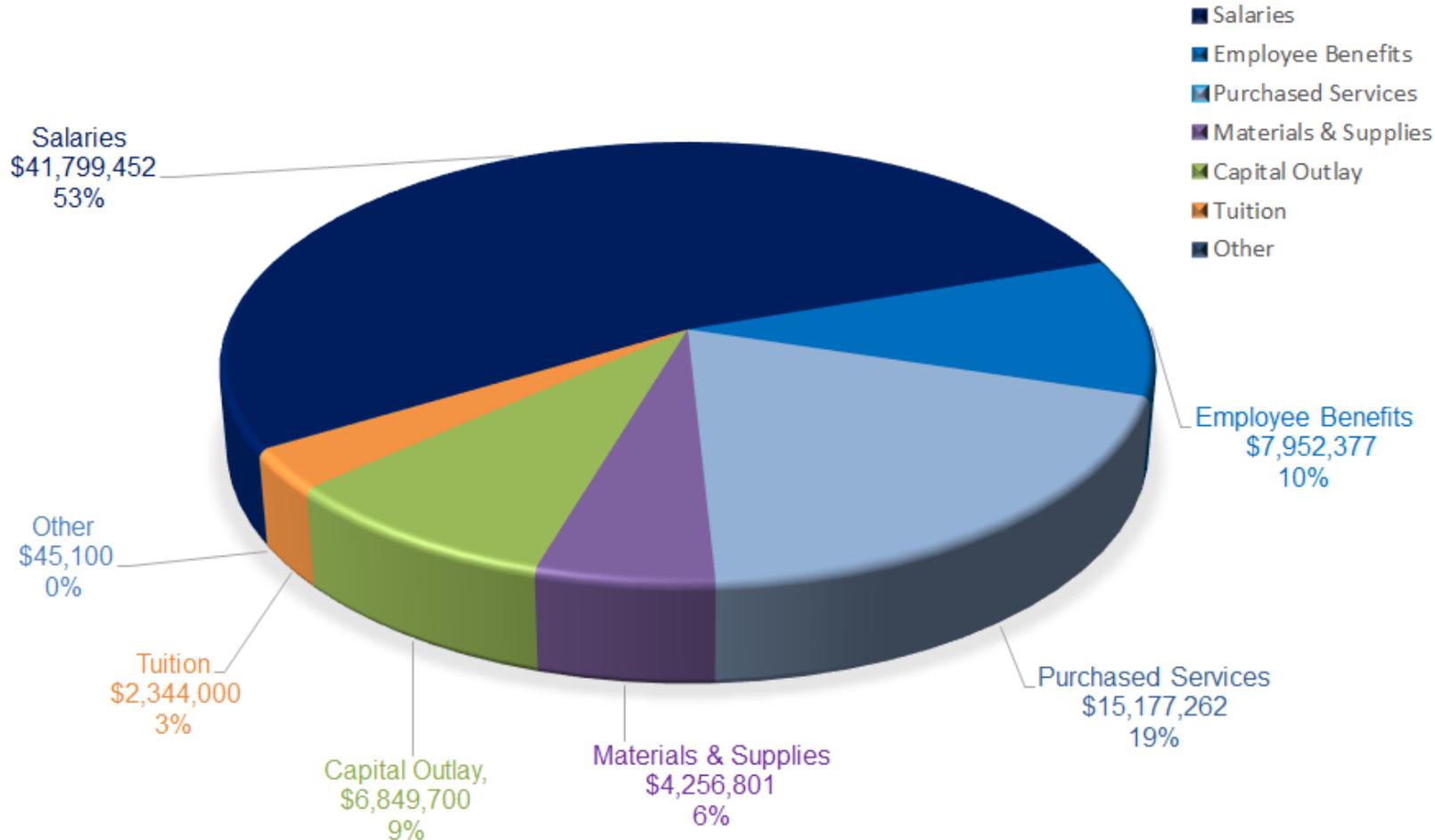
*The mission of North Shore School District 112, a community partnership committed to a world-class education, is to nurture every child to become an inspired learner, a well-rounded individual and contributing member of a global community by striving for excellence within an environment that fosters innovation, respect, engagement and intellectual inquiry.*

# Revenues Sources: FY 2019 Recap



**Total Revenues**  
**\$78,578,106**

# Expenditures Sources: FY 2019 Recap



**Total Expenditures**  
**\$78,424,692**

# Key Terms

- **Tax Levy:** The amount of money a school district requests to be raised from property tax.
- **Property Tax Extension Limitation Law:** Commonly referred to as the 'Tax Cap' of PTELL.
- **Extension:** The growth in the levy, limited by PTELL.
- **CPI (Consumer Price Index):** An inflationary indicator that measures the change in the cost of a fixed basket of products and services including housing, electricity, food, and transportation.
- **EAV (Equalized Assessed Valuation):** The term EAV refers to the assessed value of all taxable real estate in the district.

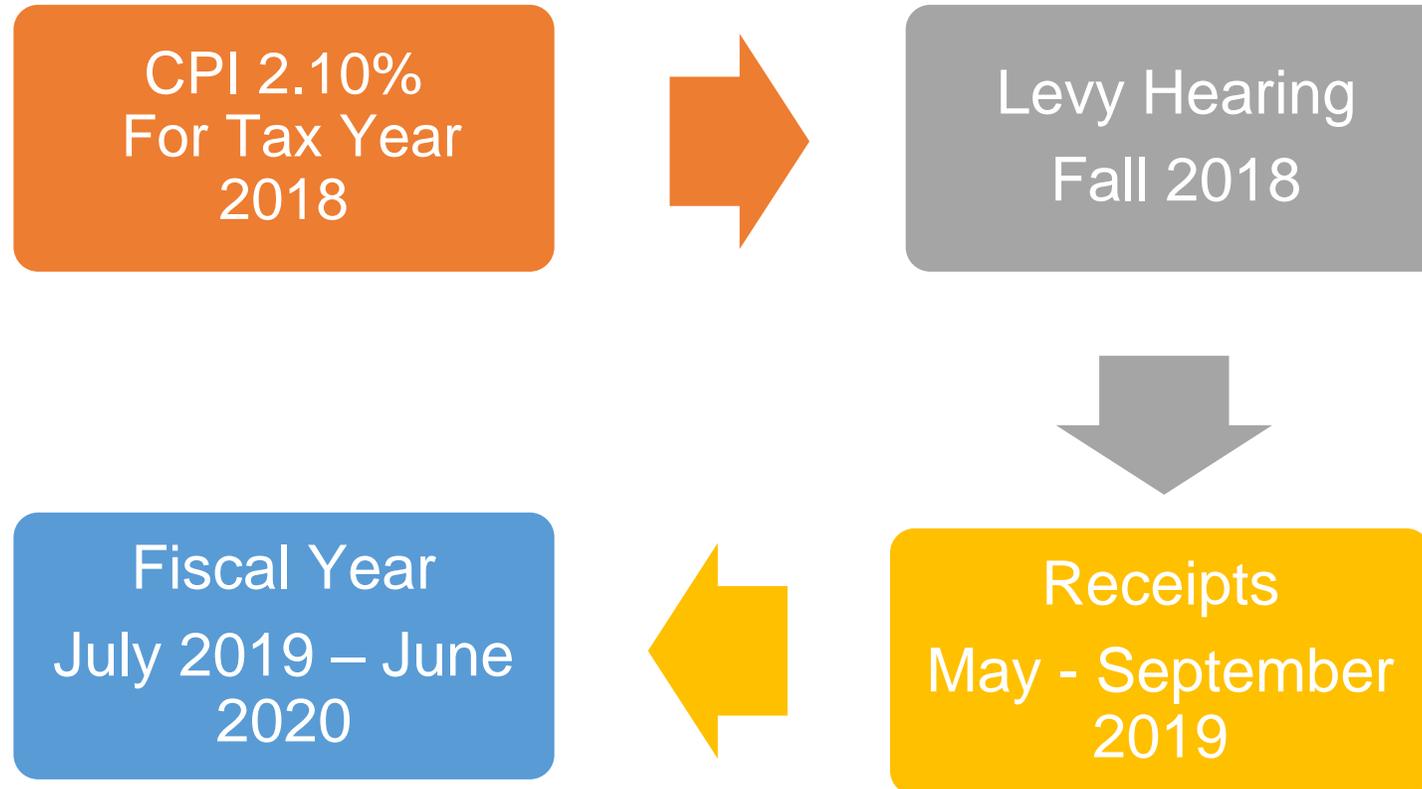
# Levy – General Information

- The final levy amount and related tax rate (or extension) are determined by the Lake County Clerk's office based on the requested amounts, after applying PTELL reductions (tax cap law).
- PTELL limits an amount of increase in taxes from year to year to the lesser of 5% or the prior year CPI, plus the value of new construction.

# Levy – General Information

- A minimum of 20 days between the presentation of a tentative levy and its adoption is required if in excess of the 5% threshold.
- If the tentative/final levy is in excess of 5%, a Truth-In Taxation notice must be published and a Public hearing conducted.
- Once the levy is adopted, it must be filed with the Lake County Clerk.

# Levy Process Flow

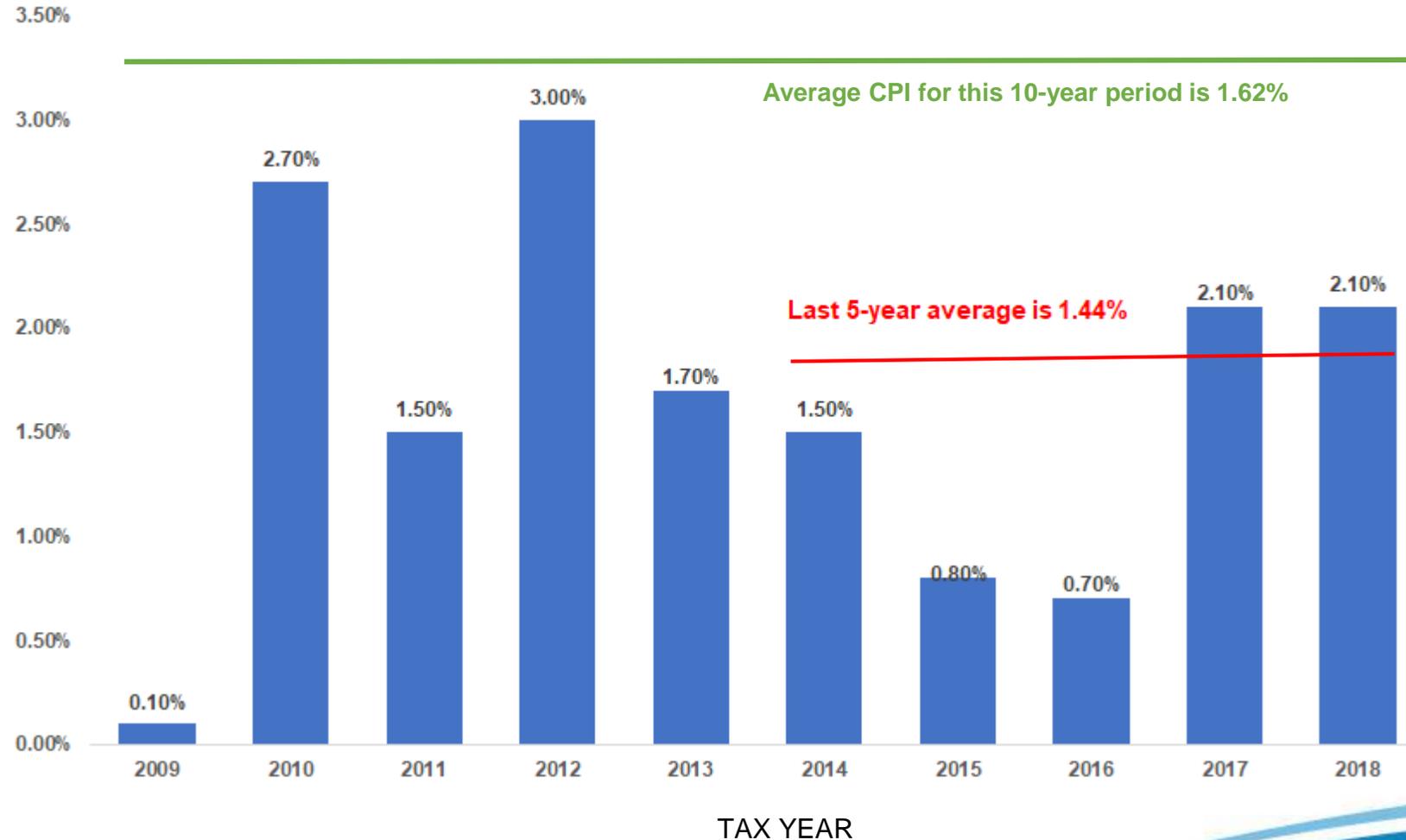


# 2018 Levy Calculation

- Equalized Assessed Valuation of all property = \$2,475,570,036
- Prior Year Extension = \$69,963,100
- CPI = 2.1%
- In addition to getting tax revenue from existing property, we request additional taxes related to new property/new taxpayers. This is an estimate at the time of the levy.
- Estimated New Property = \$20 million
- The district is also entitled to revenues from properties, which were previously not paying taxes to the school district in a TIF (Tax Increment Financing) District.

# Consumer Price Index (CPI)

Percent of Change in December CPI for the last 10 Years



The CPI rate for Tax Year 2018, is the rate used to cap our 2018 tax levy that we will collect in the calendar in 2019 to be used for the 2019-2020 school year.

# Expected Increase

- This levy represents a 3.49% increase over last year's extension.
- The District conservatively levies more to account for any unforeseen increases in New Construction or EAV.



# Property Tax Extension Limitation Law (PTELL)



- Why do we levy up to the PTELL Limit?
  - Heavy dependence on local property taxes (89%)
  - Only mechanism for significant revenue growth
  - State/Evidence-Base Funding - NSSD112 is Tier 4 (0.1% of New Funding)
  - Federal - no increase
  - Other local funding mechanisms
    - Student Fees
    - FDK Tuition

# Property Tax Extension Limitation Law (PTELL)



- Why do we levy up to the PTELL Limit?
  - Majority of our expenditures (human capital) are tied to CPI, e.g. Salaries and Purchased Services Contracts
  - NSSD112 has significant capital needs beyond our operating levy capacity (\$100 million +)
  - No Debt Service Extension Base (DSEB); an amount that a district can levy to pay on loans or bonds each year. Typically used for ongoing Health Life Safety (HLS)

# Summary

- What are we asking for: \$72.4 million
- What do we think we will get: \$71.9 million



A young girl with brown hair and blue eyes, wearing a yellow sweater, is sitting at a desk in a classroom. She has her right hand raised high in the air, indicating she wants to ask a question or make a comment. Other children in the background are also raising their hands. The scene is set in a bright, modern classroom with wooden desks and chairs. A large blue curved graphic element is on the left side of the image.

# Questions and Comments