

2022 Property Tax Levy Presentation



**November 29, 2022
Board of Education Meeting**



Tax Levy Information

What is the difference between a tax levy and a tax extension?

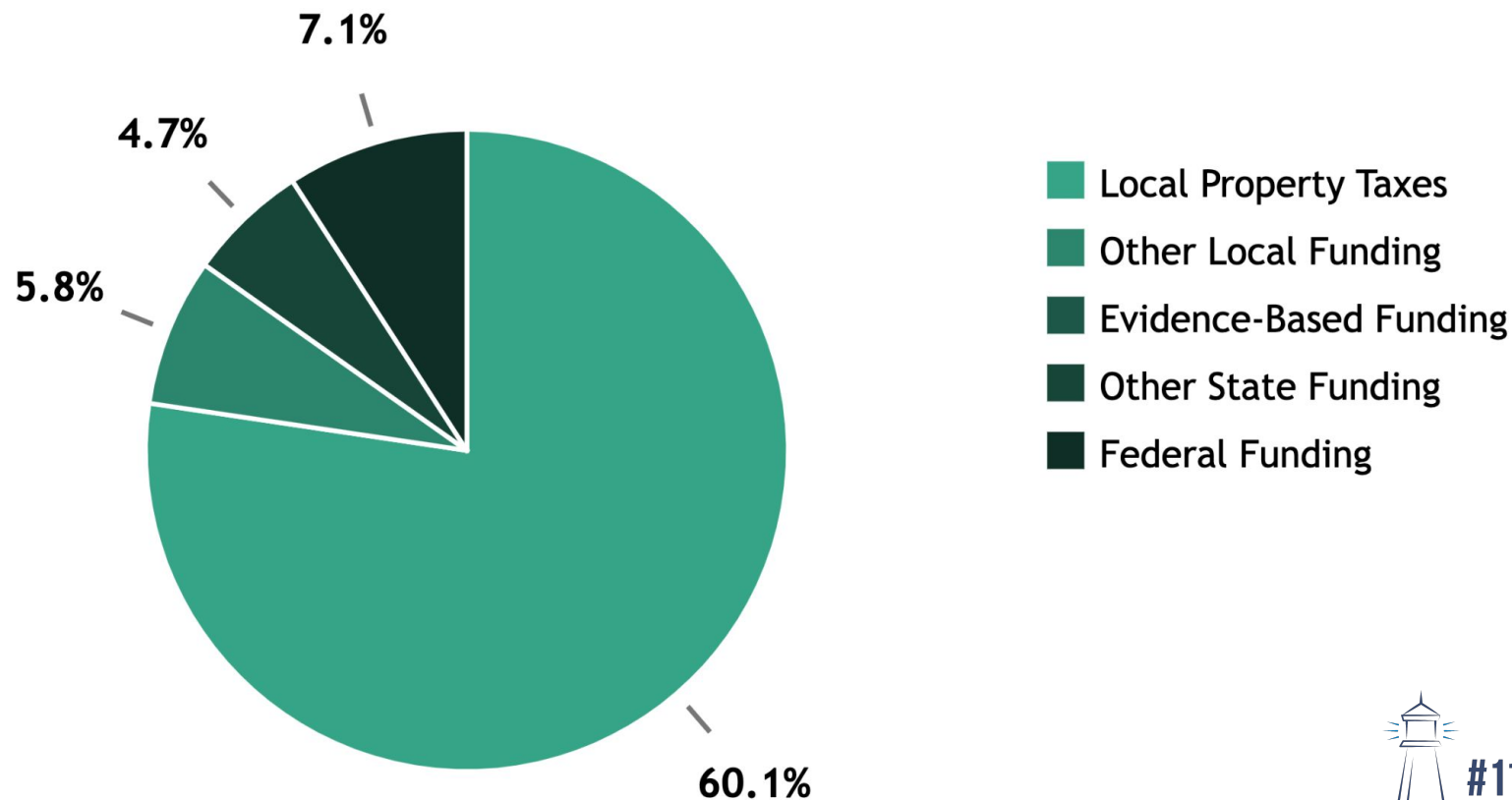
- A tax levy is the amount of money a school district requests to be raised from property taxes. A tax extension is the amount of money that a school district receives from property taxes.

Why are a tax levy and tax extension important?

- Most Illinois school district revenue comes from local property taxes.
- For tax-capped school districts, each tax extension is limited by its prior year tax extension plus inflation (CPI-U) or 5%, whichever is less.



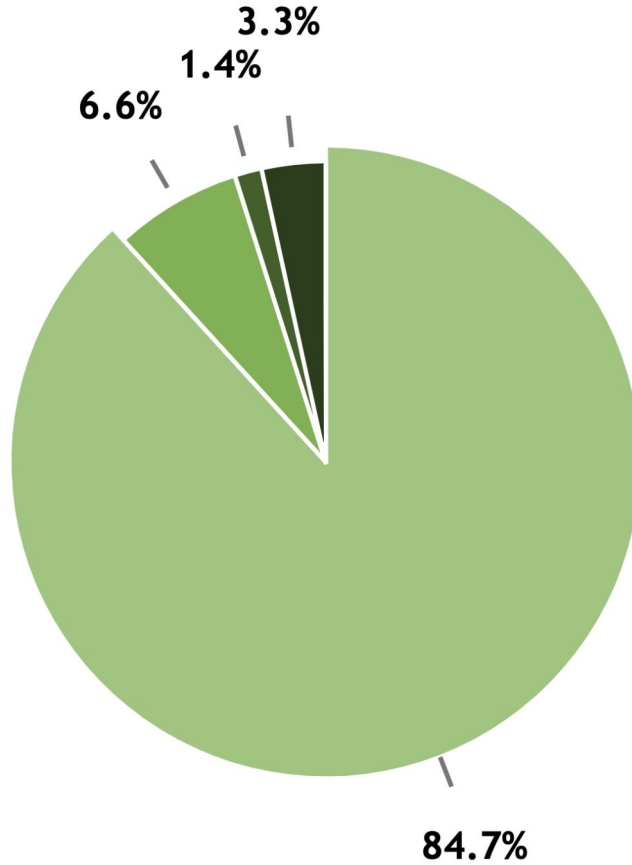
Illinois School District Averages - Revenue Percentages (FY 2020)



Source: [Illinois School District Report Card](#)



District Financial Information - Revenue Percentages (FY 2020)



\$85 M

- Local Property Taxes
- Other Local Funding
- Evidence-Based Funding
- Other State Funding
- Federal Funding

Source: [Illinois School District Report Card](#)



Tax Levy Information

What is the Property Tax Extension Limitation Law (PTELL)?

- Each tax extension is limited by the prior year's tax extension multiplied by the December Consumer Price Index for all Urban Consumers (CPI-U) or 5%, whichever is less, for the preceding calendar year. PTELL is also known as a "tax cap."

Does new property count against the tax cap?

- No, new property is added to the tax rolls after the "limiting rate" is calculated. Thus, new property provides additional revenue in excess of the tax cap.



Public Act 102-0895

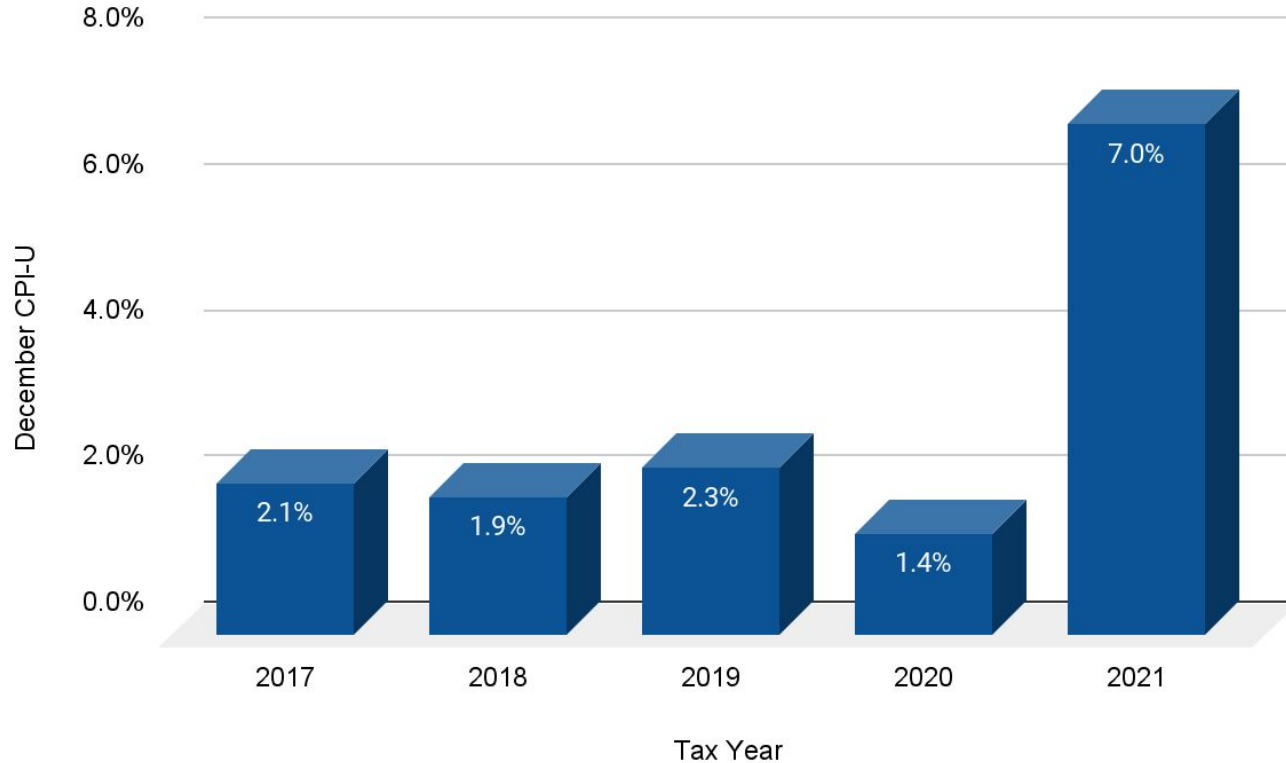
The District pays its Alternate Revenue Bonds (approximately \$3.9 million per year) out of its Operations & Maintenance Fund.

North Shore School District 112 Summary of Cash & Investments October 31, 2022

	Cash & Investments October 31, 2022	% of Total	Cash & Investments September 30, 2022	Monthly Change in Cash & Investments		Cash & Investments October 31, 2021	% of Total	Annual Change in Cash & Investments
10 Education	\$ 88,152,845.41	72%	\$ 84,387,356.67	\$ 3,765,488.74		\$ 78,426,627.81	58%	\$ 9,726,217.60
20 Operations and Maintenance	\$ 15,428,667.43	13%	\$ 13,908,897.82	\$ 1,519,769.61		\$ 14,304,432.13	11%	\$ 1,124,235.30
30 Debt Service	\$ 78,027.26	0%	\$ 77,966.97	\$ 60.29		\$ 75,224.67	0%	\$ 2,802.59
40 Transportation	\$ 5,436,324.77	4%	\$ 5,252,920.83	\$ 183,403.94		\$ 8,134,172.76	6%	\$ (2,697,847.99)
50 Municipal Retirement	\$ 3,080,408.47	3%	\$ 3,198,734.78	\$ (118,326.31)		\$ 3,014,259.02	2%	\$ 66,149.45
60 Capital Projects	\$ 7,318,297.32	6%	\$ 9,368,007.30	\$ (2,049,709.98)		\$ 27,310,118.33	20%	\$ (19,991,821.01)
70 Working Cash	\$ 3,178,256.16	3%	\$ 3,148,443.05	\$ 29,813.11		\$ 2,971,389.79	2%	\$ 206,866.37
Total District Funds	\$ 122,672,826.82	100%	\$ 119,342,327.42	\$ 3,330,499.40		\$ 134,236,224.51	100%	\$ (11,563,397.69)
99 Student Activity	\$ 215,772.51	0%	\$ 215,375.65	\$ 396.86		\$ 210,606.36	0%	\$ 5,166.15
Total All Funds	\$ 122,888,599.33	100%	\$ 119,557,703.07	\$ 3,330,896.26		\$ 134,446,830.87	100%	\$ (11,558,231.54)

**Please note that the District is reporting cash and investments on a cost basis.

CPI - Historical



Levy Process Flow

CPI 7.0%
December 2021



Levy Hearing
Fall 2022



Fiscal Year
July 2023 – June
2024



Receipts
May - September
2023



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E31112: NORTH SHORE SCHOOL DISTRICT #112

Tax Year: 2022

Parcel Count: 14,032

Assessed Value (AV):	-	2,598,584,537
Homestead Impv Exmpt:	-	3,715,308
Disabled Vet Homestead Exmpt:	-	0
Pre-State Multiplier AV:		2,594,869,229
Post-State Multiplier:	x	100%
Post-State Multiplier AV:		2,594,869,229
Pollution Control AV:		2,246
Pollution Control AV:		0
Railroad AV:		3,649,098
General Homestead Exmpt:	-	55,872,000
Senior Homestead Exmpt:	-	14,813,973
Senior Freeze Exmpt:		1,004,756
Returning Military Exmpt:		0
Disabled Vet Star Exmpt:		3,179,760
Disabled Firefighter Exmpt:		22,000
Natural Disaster Exmpt:		0
EAV incl. 150 AV PINs:		2,523,628,084
EAV incl. <150 AV PINs:		2,523,622,764
TIF Increment:	-	26,982,624

District Taxable EAV (incl. new const.):	2,496,640,140
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New Const. incl. in TIF Increment:	0
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New Const. incl. in District Taxable EAV:	12,579,192
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#112LEADS

E31112: NORTH SHORE SCHOOL DISTRICT #112

Tax Year: 2022

Parcel Count: 14,032

Assessed Value (AV):		2,581,031,148
Homestead Impv Exmpt:	-	3,715,308
Disabled Vet Homestead Exmpt:	-	0
Pre-State Multiplier AV:		2,577,315,840
State Multiplier:	x	100%
Post-State Multiplier AV:		2,577,315,840
Farm AV:	+	2,246
Pollution Control AV:	+	0
Railroad AV:	+	3,649,098
General Homestead Exmpt:	-	55,912,110
Senior Homestead Exmpt:	-	14,837,768
Senior Freeze Exmpt:	-	1,238,886
Returning Vet Exmpt:	-	0
Disabled Vet Standard Exmpt:	-	3,724,727
Disabled Person Exmpt:	-	44,000
Natural Disaster Exmpt:	-	0
EAV incl. <150 AV PINs:		2,505,209,693

EAV w/out <150 AV PINs: 2,505,204,373

TIF Increment: - 26,611,925

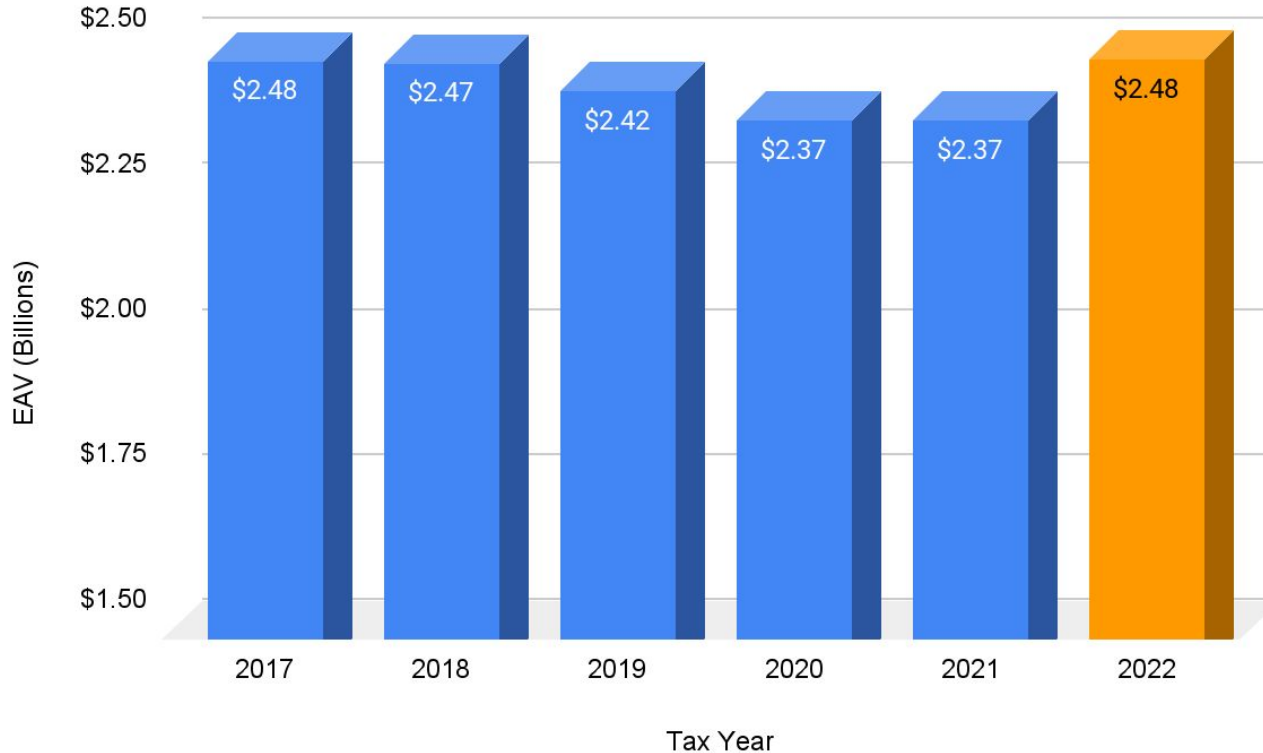
District Taxable EAV (incl. new const.):	2,478,592,448
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New Const. incl. in TIF Increment: 0

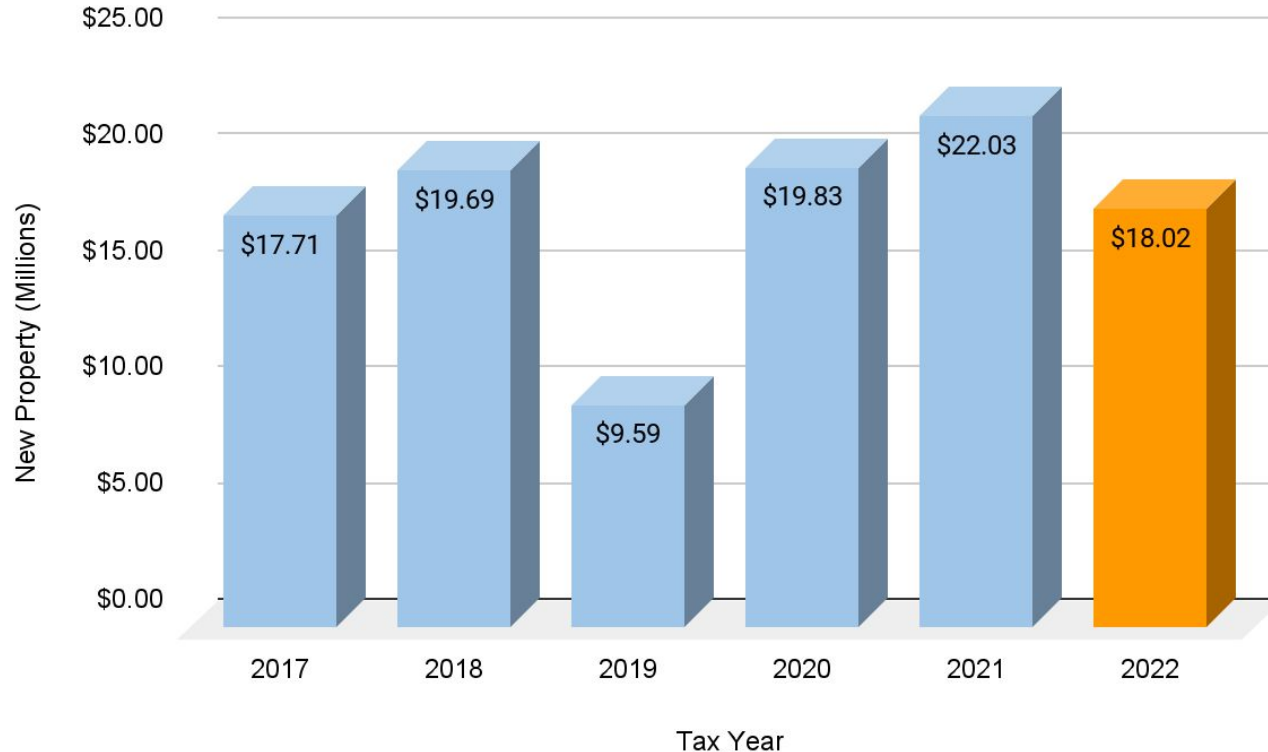
New Const. incl. in District Taxable EAV:	18,018,316
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D112 EAV - Historical & One Year Estimated



New Property - Historical & One Year Estimated



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Tax Levy Information

This tax levy does not take into account the recently passed referendum. The reason is, bonds have yet to be sold, so there is no dedicated debt service levy at this time.



Levy Comparison

Prior Year, Current Request, & Anticipated Extension

Fund	Actual Prior Year Extension	Recommended Levy Request	Levy Request % Increase	Est. Current Year Extension	\$ Change from Prior Year	% Change from Prior Year
Education	\$64,067,979	\$65,025,750	1.49%	\$64,893,674	\$825,696	1.29%
Operations & Maintenance	\$12,362,319	\$12,500,000	1.11%	\$12,474,611	\$112,292	0.91%
Transportation	\$0	\$3,500,000	Infinite	\$3,492,891	\$3,492,891	Infinite
Working Cash	\$209,836	\$200,000	-4.69%	\$199,594	-\$10,242	-4.88%
Special Education	\$716,471	\$760,000	6.08%	\$758,456	\$41,985	5.86%
Subtotal Capped Funds	\$77,356,605	\$81,985,750	5.98%	\$81,819,226	\$4,462,621	5.77%
Prior Year Recapture	\$951,941	N/A	N/A	\$951,941	\$0	0.00%
Total Levy/Extension	\$78,308,546	\$81,985,750	N/A	\$82,771,167	\$4,462,621	5.70%

Levy Comparison (Includes Referendum Dollars)

Prior Year, Current Request, & Anticipated Extension

Fund	Actual Prior Year Extension	Recommended Levy Request	Levy Request % Increase	Est. Current Year Extension	\$ Change from Prior Year	% Change from Prior Year
Education	\$64,067,979	\$65,025,750	1.49%	\$64,893,674	\$825,696	1.29%
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Subtotal Capped Funds	\$77,356,605	\$81,985,750	5.98%	\$81,819,226	\$4,462,621	5.77%
Prior Year Recapture	\$951,941	N/A	N/A	\$951,941	\$0	0.00%
Referendum Debt Service	\$0	N/A	N/A	\$8,567,224	\$8,567,224	Infinite
Total Levy/Extension	\$78,308,546	\$81,985,750	N/A	\$91,338,391	\$13,029,845	16.64%

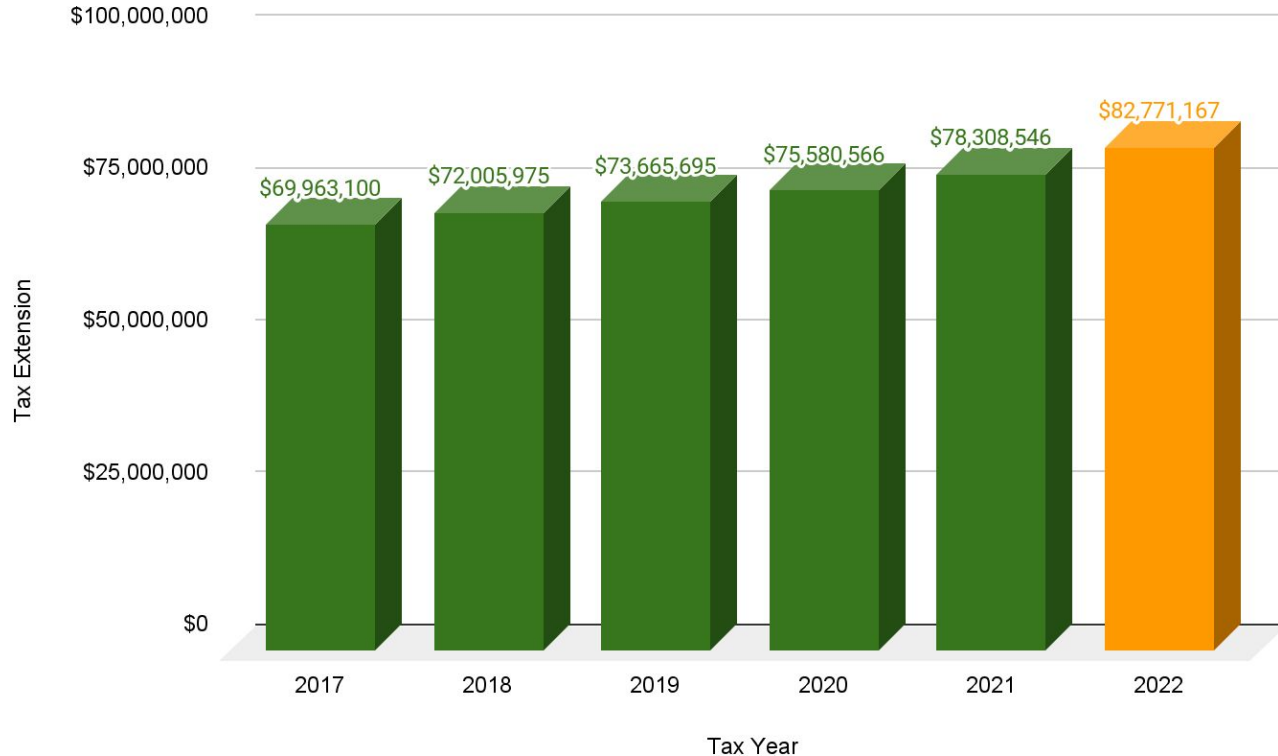
Tax Levy Information

$$\text{Tax Rate} = \frac{\text{Tax Extension}}{\text{EAV}}$$

EAV = Equalized Assessed Valuation (D112 property values)

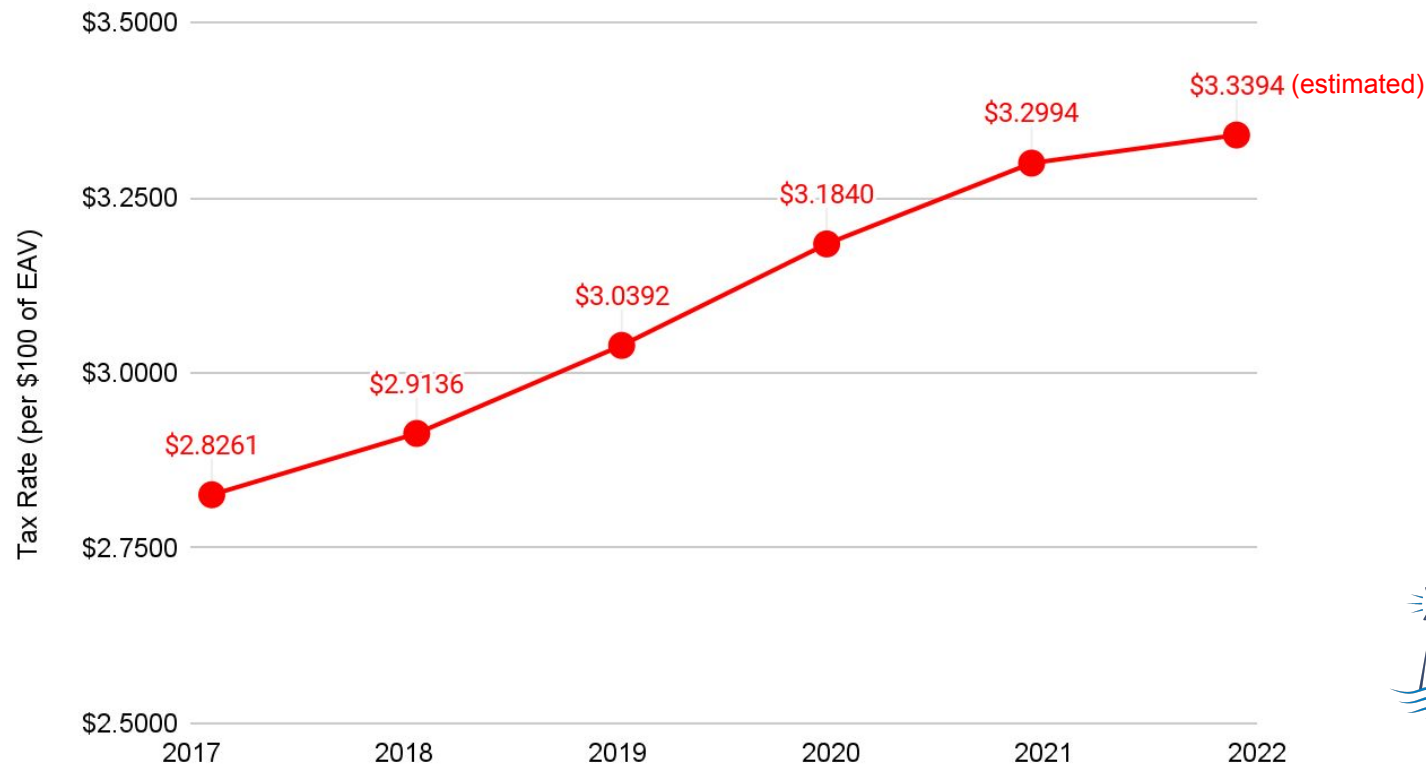


Tax Extension - Historical & One Year Estimated



Tax Rate - Historical & One Year Estimated

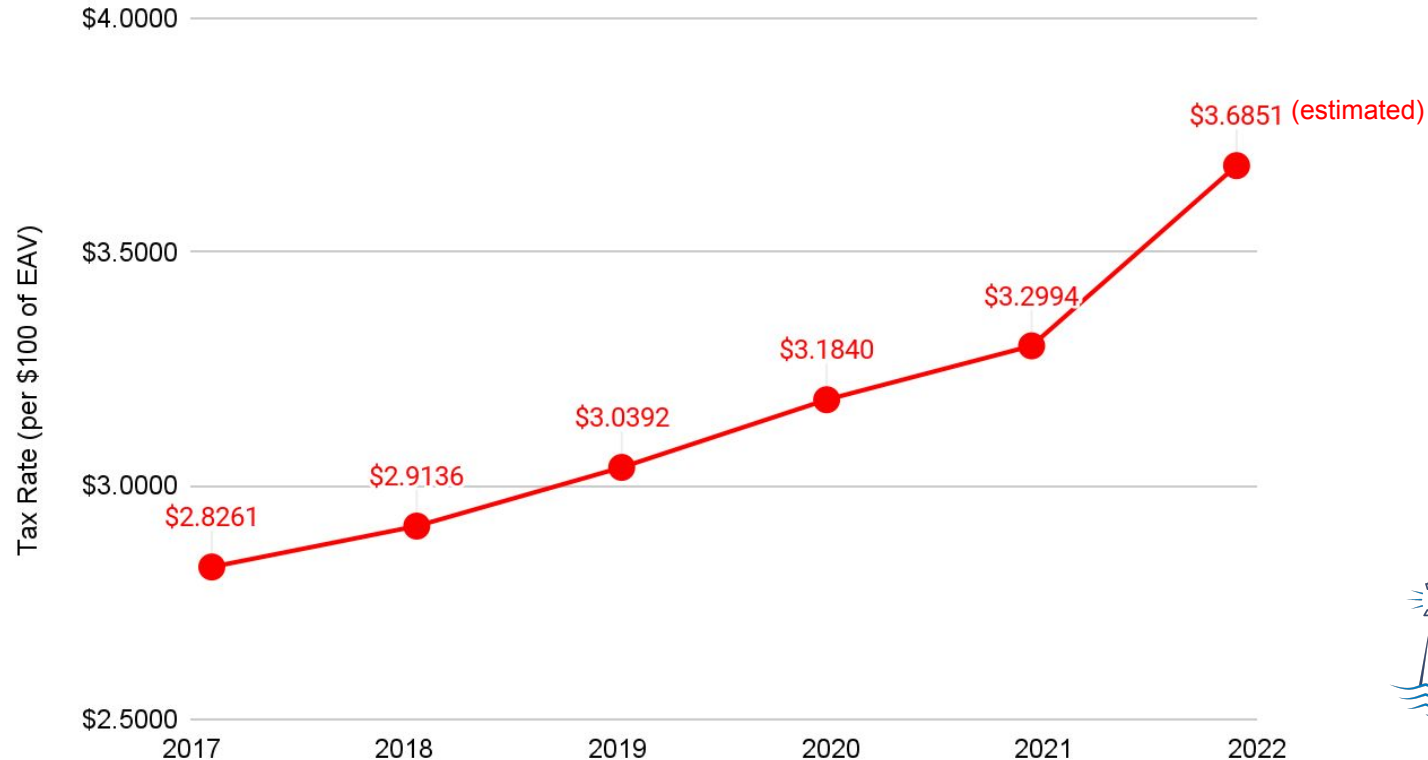
Does Not Include Referendum



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Tax Rate - Historical & One Year Estimated

Includes Referendum Bond and Interest Levy



#112LEADS

What has NSSD 112 done to keep its budget balanced?

- NSSD 112 closed 2 schools in 2018
 - Lincoln and Elm Place
- NSSD 112 reduced its staff from 620 in 2012-2013 down to 552 in 2021-2022.
 - 11.0% reduction in staffing



Why is NSSD 112 Requesting an Increased Levy?

- Inflation (CPI-U) was 7% last fiscal year and is running over 7% year-over-year currently. Despite our projected dollar increase of \$4.5 million, this operating levy will not keep up with inflation.
- NSSD 112 has agreed to contribute approximately \$15.8 million of its own funds to Phase 2.
- Due to high inflation, NSSD 112 would have difficulty recapturing anything less than the maximum allowable 5% levy in future fiscal years.
- Many of NSSD 112's costs have increased from the previous fiscal year.



Increasing Costs

- ABM custodial contractual increase of 17.0% over prior year rates - needed to hire/retain custodians
- First Student transportation contractual increase of 6.0% - contract was bid immediately prior to this fiscal year
- Organic Life food service management company contractual increase of 6.0%
- Andy Frain crossing guard contractual increase of 4.0%
- NIHIP health insurance cost increases of 6.8%
- Collective Bargaining Agreement increases of approximately 3.6% (step) for teachers. Negotiations begin this year with support staff.



What does all this mean for an individual taxpayer? (Referendum & Levy)

Fair Cash Value of House (HP Median Sale): \$685,000

EAV of House ($\frac{1}{3}$ of Fair Cash Value): \$228,333

2021 D112 Tax Rate: \$3.2994 per \$100 of EAV

Estimated 2022 EAV Increase: 3.67%

2022 D112 Est. Tax Rate: \$3.6851 per \$100 of EAV

2021 D112 Taxes Paid: (\$7,533.63)

Estimated 2022 D112 Taxes: \$8,723.12

Estimated 2022 Increase: \$1,189.49*

*Estimated tax increase 15.8%



#112LEADS

Levy Timeline

- ~~● Approve the estimated tax levy on October 18, 2022.~~
- ~~● Publish the required Truth in Taxation notice in The Pioneer Press on November 17, 2022.~~
- Hold a public hearing and approve the 2022 final tax levy on November 29, 2022.
- File the 2022 adopted certificate of tax levy no later than the last Tuesday of December in 2022 (December 27th).



Key Takeaways

- NSSD 112 homeowners will see a large tax increase on their upcoming summer 2023 tax bills due to the successful referendum (72% favorable) and our 5% levy increase on existing property.
- Inflation (CPI-U) was 7% last fiscal year and is running over 7% year-over-year currently. Despite our projected dollar increase of \$4.5 million, this operating levy will not keep up with inflation.



ANY QUESTIONS?

