

2022 Property Tax Levy Presentation



**October 18, 2022
Finance Committee**



Tax Levy Information

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

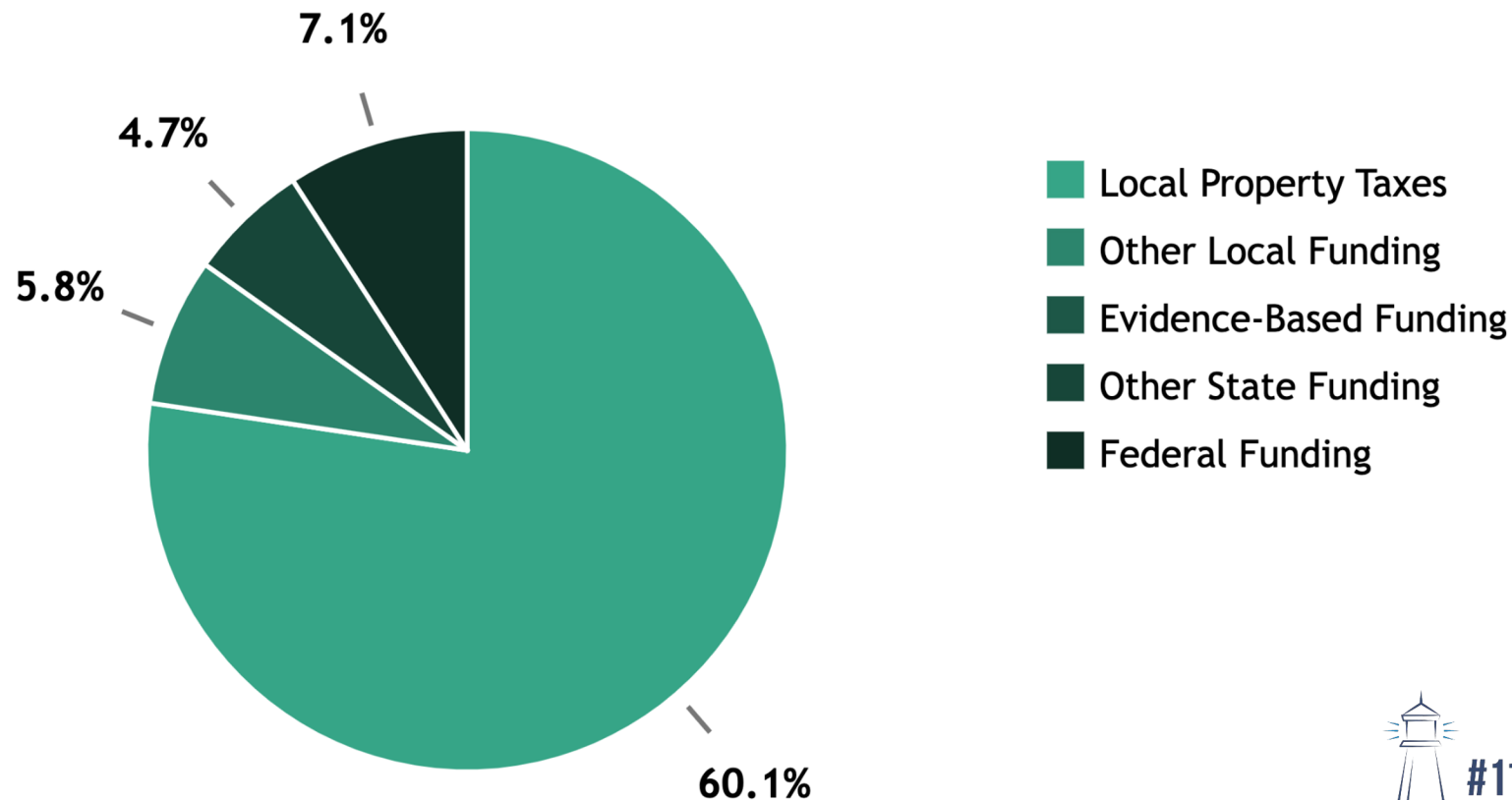
- A tax levy is the amount of money a school district requests to be raised from property taxes. A tax extension is the amount of money that a school district receives from property taxes.

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)

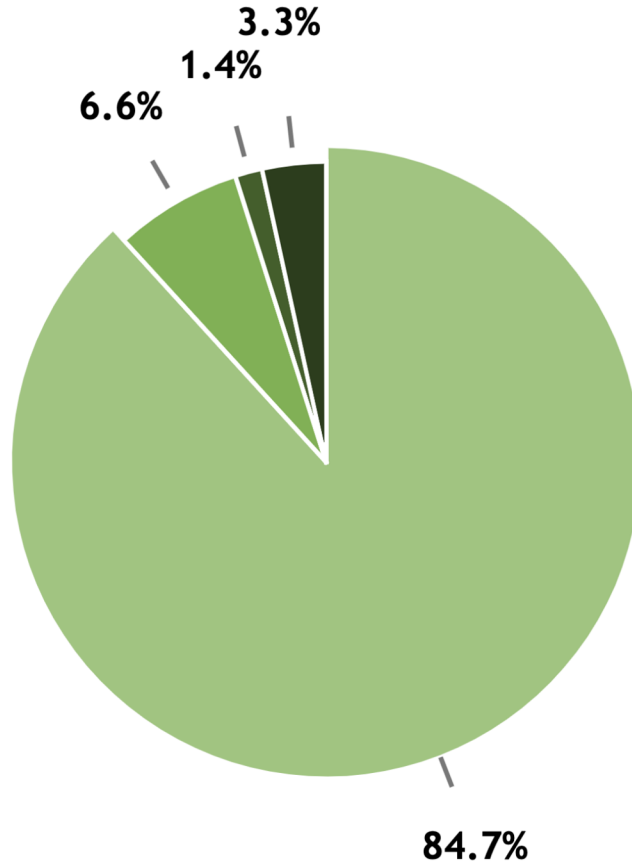


Source: [Illinois School District Report Card](#)



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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)?

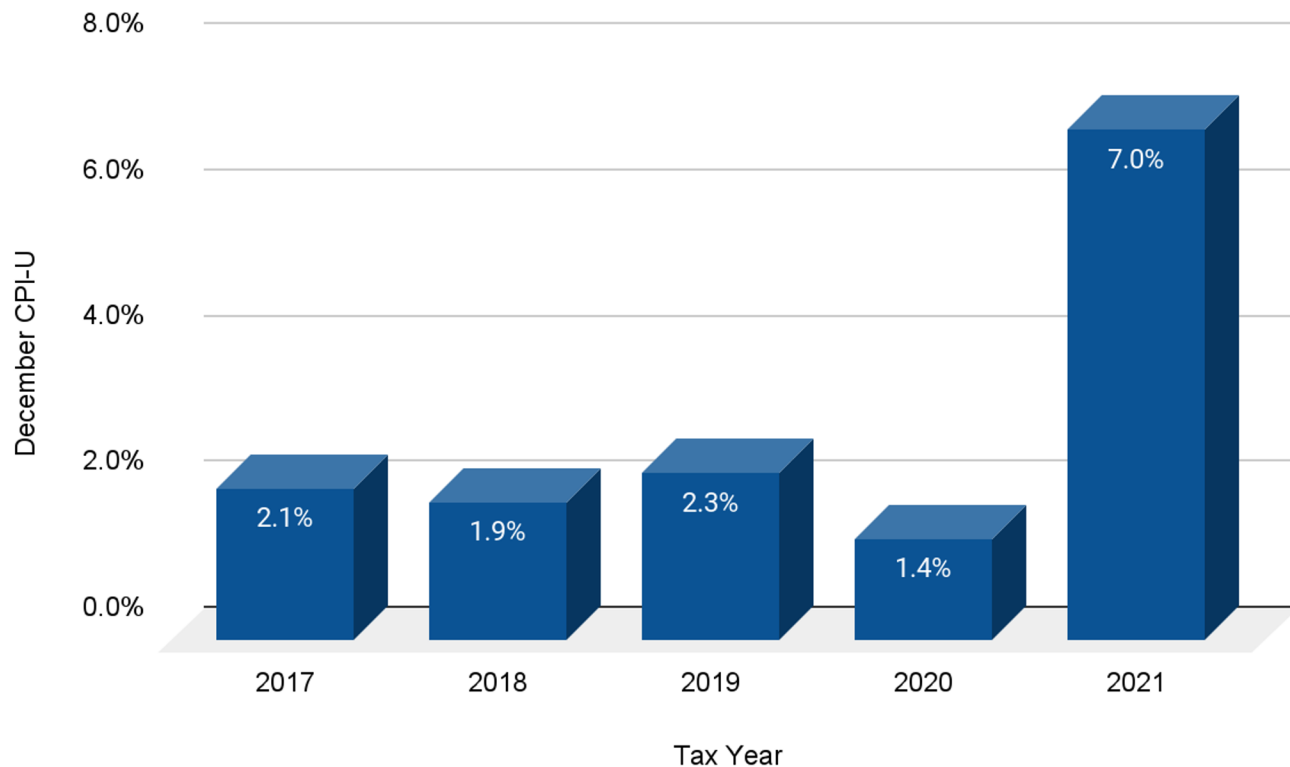
- Each tax extension is limited by the prior year's tax extension multiplied by the December Consumer Price Index for all Urban Consumers (CPI-U) or 5%, whichever is less, for the preceding calendar year. PTELL is also known as a "tax cap."

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.



CPI - Historical



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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
State Multiplier:	x	100%
Post-State Multiplier AV:		2,594,869,229
Farm 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 Vet Exmpt:	-	0
Disabled Vet Standard Exmpt:	-	3,179,760
Disabled Person Exmpt:	-	22,000
Natural Disaster Exmpt:	-	0
EAV incl. <150 AV PINs:		2,523,628,084

EAV w/out <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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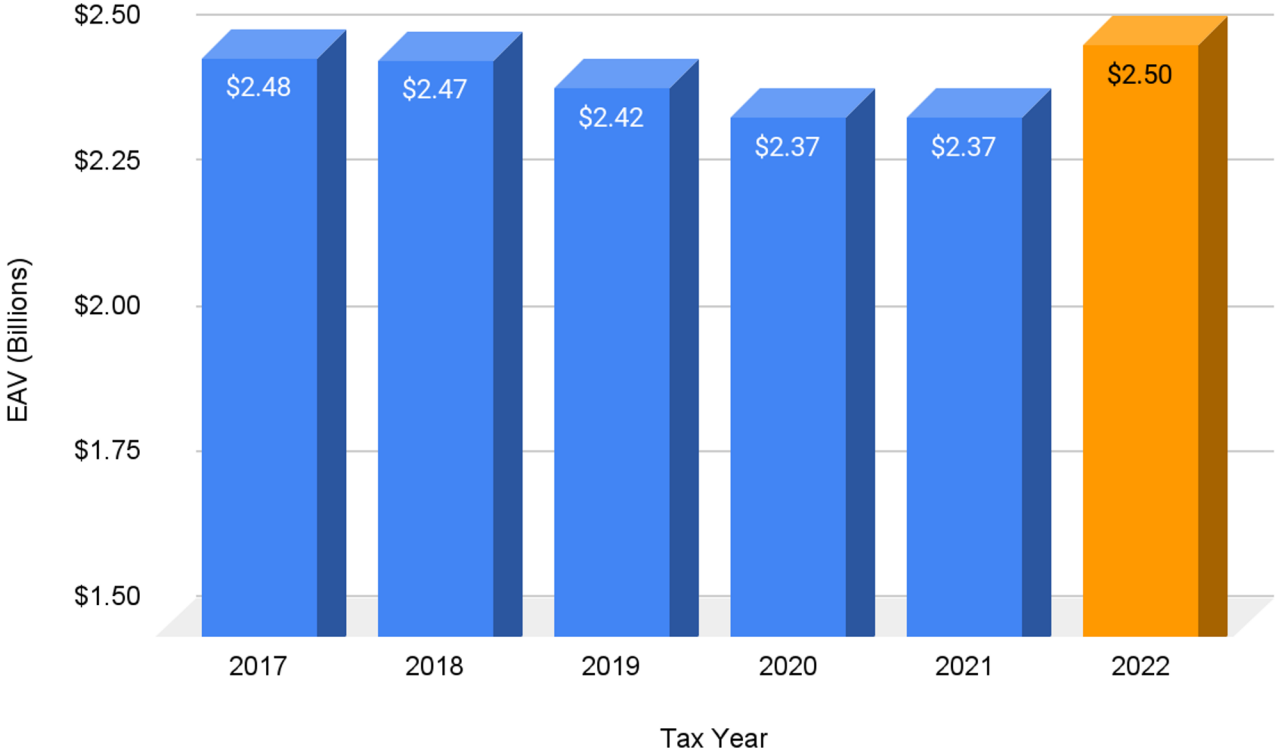
New Const. incl. in TIF Increment:	0
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New Const. incl. in District Taxable EAV:	12,579,192
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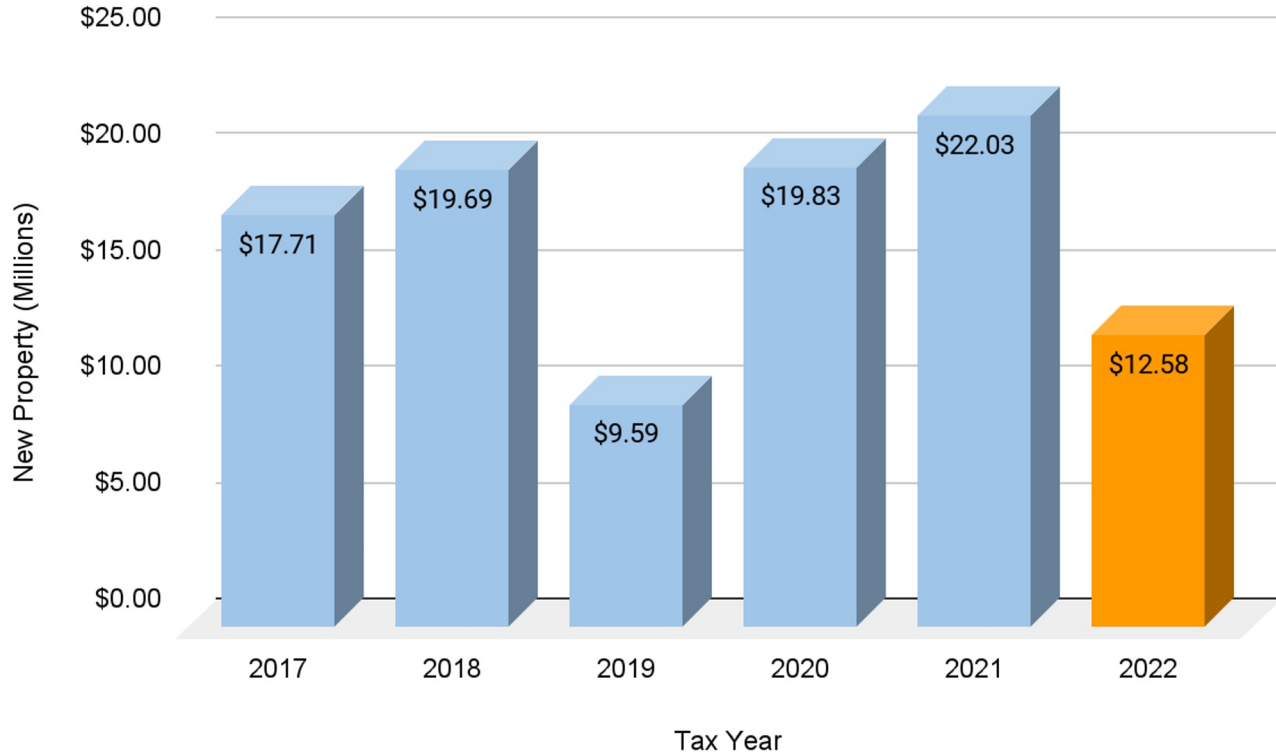


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D112 EAV - Historical & One Year Estimated



New Property - Historical & One Year Estimated



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The following slides assume no referendum dollars for the Tax Year 2022 Levy.



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%	\$64,792,627	\$724,648	1.13%
Operations & Maintenance	\$12,362,319	\$12,500,000	1.11%	\$12,455,186	\$92,868	0.75%
Transportation	\$0	\$3,500,000	Infinite	\$3,487,452	\$3,487,452	Infinite
Working Cash	\$209,836	\$200,000	-4.69%	\$199,283	-\$10,553	-5.03%
Special Education	\$716,471	\$760,000	6.08%	\$756,756	\$40,284	5.62%
Subtotal Capped Funds	\$77,356,605	\$81,985,750	5.98%	\$81,691,304	\$4,334,699	5.60%
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	\$82,643,245	\$4,334,699	5.54%

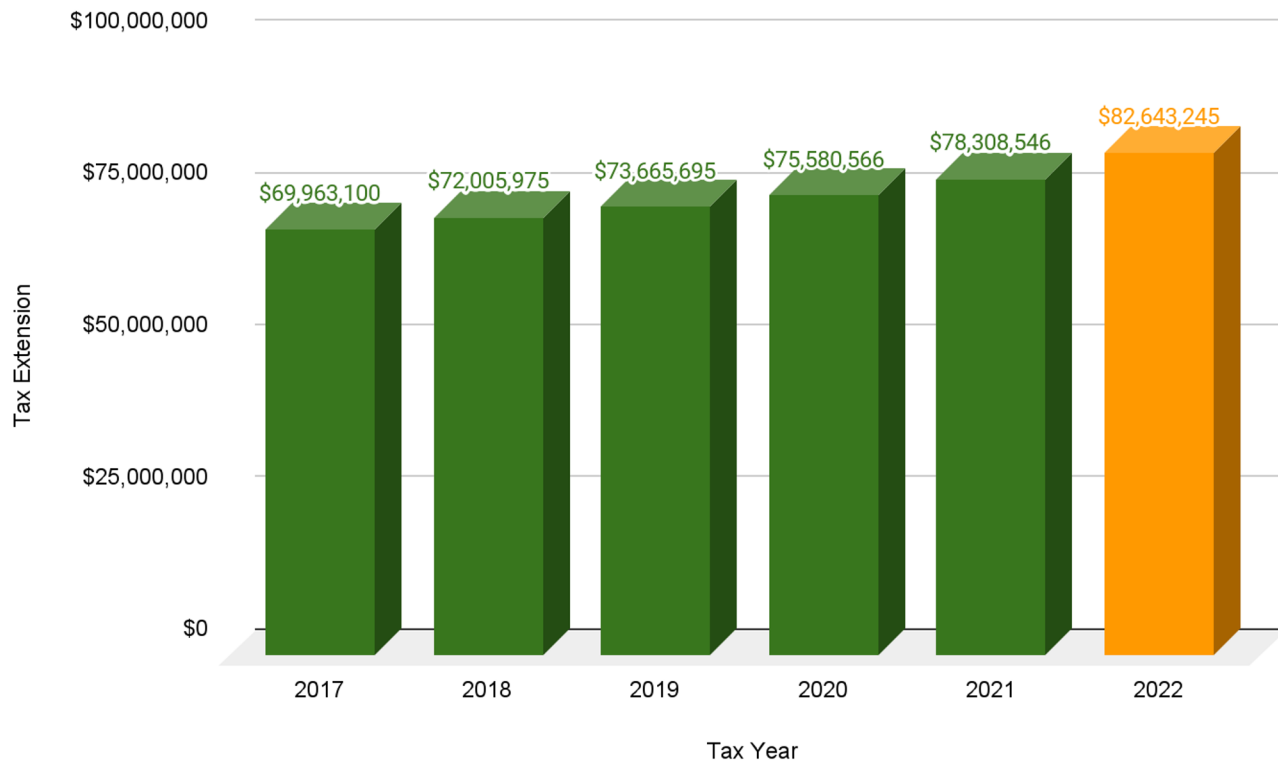
Tax Levy Information

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

EAV = Equalized Assessed Valuation (D112 property values)

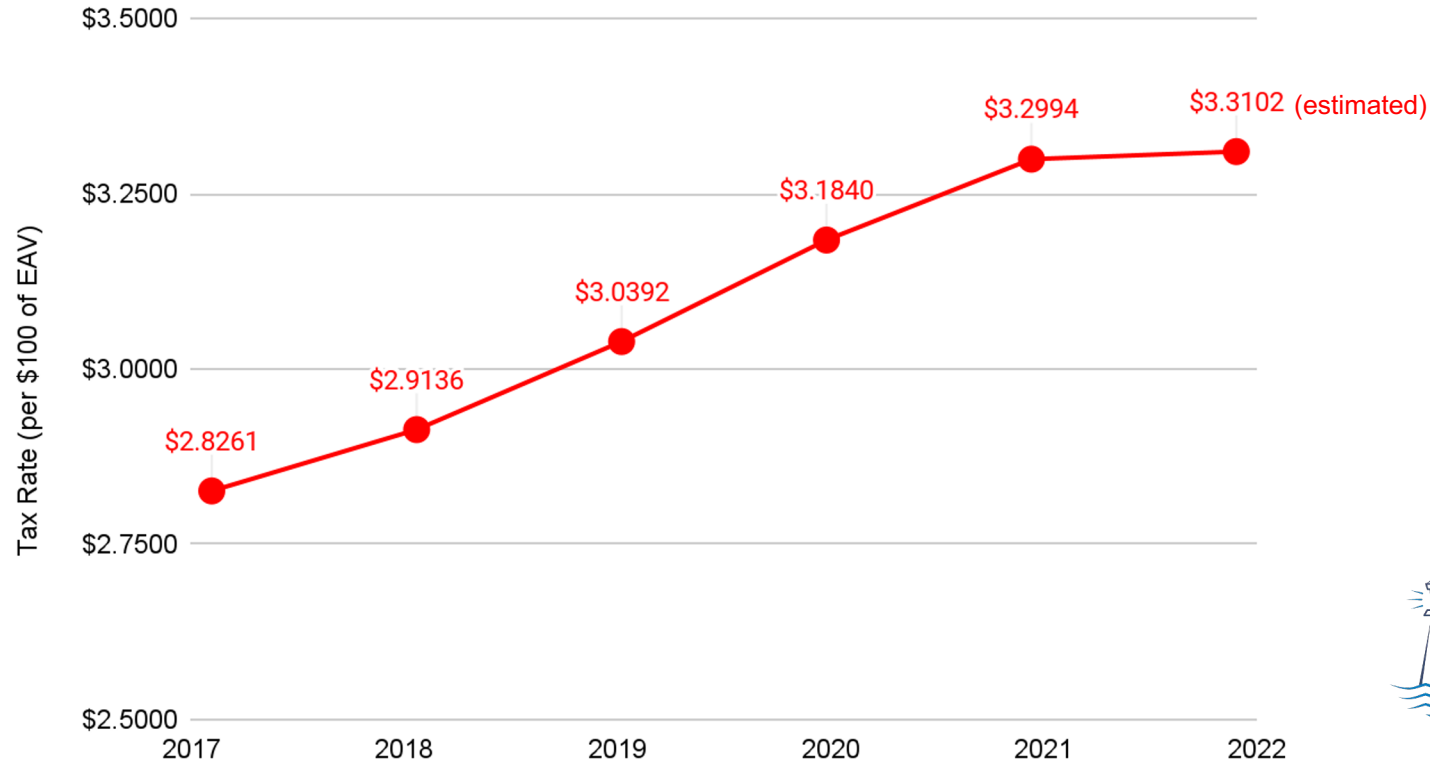


Tax Extension - Historical & One Year Estimated



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Tax Rate - Historical & One Year Estimated



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?

- 6 of the District's 7 elementary schools have millions of dollars in deferred maintenance that must be addressed.
- Inflation (CPI-U) was 7% last fiscal year and is running over 8% year-over-year currently. Despite our projected dollar increase of \$4.3 million, this levy will not keep up with inflation.
- 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 this mean for an individual taxpayer?

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 c

Estimated 2022 Increase:

2021 D112 Taxes Paid:

Estimated 2022 D112 Taxes:

Estimated 2022 Increase:



\$7,910.51

\$376.68*

*Estimated tax increase is \$31.39 per month for a \$685,000 house



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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's Tax Levy increase is less than inflation and will provide NSSD 112 with the revenue it needs to sustain its operations while costs are increasing.
- District 112 has millions of dollars in deferred maintenance that must be addressed.



ANY QUESTIONS?

