

Memorandum of Information

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2012-13

TO: Board of Education
Dr. Philip Bender

FROM: Becky Allard, Business Manager

DATE: July 9, 2012

RE: Update on 2011 Tax Extension



District 64's total real estate property tax extension for 2011 will show a limited increase of \$1 million over the prior year, growing from about \$59.5 million to \$60.5 million, as announced by the Cook County Clerk. This 1.7% increase also is on target with the revenue assumptions built into the District's tentative 2012-13 budget.

Cook County made a coordinated effort this year among several agencies to move forward the real estate property tax process to issue bills to property owners earlier. As a result of this concerted effort, Cook County property tax owners received bills last week that are due August 1. These bills are the second installment of tax year 2011.

The County's goal was to save taxpayers overall by reducing interest costs on short-term borrowing many school districts and other local taxing bodies often need to bridge the gap from the start of their fiscal years in summer to the late fall, when tax revenues have typically been received in recent decades. Although District 64's sound Operating Fund balance means that such borrowing would not have been needed, receiving tax revenues earlier this fall will provide a welcome cushion and offer the opportunity for potential, small interest income.

The current bills show a tax rate for District 64 of 3.285, as calculated by the Cook County Clerk. The calculation of the rate and the associated dollars are shown by fund on Attachment 1.

This is actually the end of the tax cycle, which began on December 19 when the Board of Education adopted the District 64 final 2011 tax levy. The Clerk calculated the rates based on that requested levy and the total value of property – equalized assessed valuation (EAV) – within District 64. However, the rate was adjusted so that tax revenues – the extension – met the tax cap requirements of the Property Tax Extension Limitation Law (PTELL). For District 64, this means that the increase in the total amount of taxes collected over the prior year was limited to the Consumer Price Index (CPI) for 2011, which was an increase of 1.5% overall.

As the chart indicates, District 64's EAV for 2011 declined for the second year in a row. EAV was 8.6% less than the 2010 tax year; previously, EAV had declined 5.6% between 2010 and 2009.

To achieve a 1.5% increase in the tax extension to be collected when the total EAV declined, the County Clerk adjusted the tax rate upwards. District 64's tax rate, therefore, moved from 2.951 to 3.285.

As emphasized by the County Clerk: "The effect of reduced EAV's results in higher tax rates for the vast majority of taxing districts. But this does not necessarily mean higher tax bills and more money for taxing districts. Districts continue to be limited by the CPI increase under the tax cap law."

This is certainly true in District 64, which will see a limited \$1 million increase in its levy this year – a 1.7% increase – as limited by the tax cap law.

The District 64 Business Office will work directly with any local taxpayer who would like assistance to understand the calculation of the District 64 portion of their tax bill. Taxpayers are asked to provide both the current and prior bills as reference, and may email me (rallard@d64.org) or call our office (847-318-4300).

Park Ridge - Niles School District 64
2011 Final Tax Extension

	Actual 2008 Tax Extension	Actual 2009 Tax Extension	Actual 2010 Tax Extension	Estimated 2011 Tax Extension - Budget Assumption	2011 Tax Levy Request December 2011	2011 FINAL Tax Extension June 2012
	2008	2009	2010	2011	2011	2011
New Construction	23,786,571	15,461,652	10,407,071	11,003,912	11,003,912	5,731,156
Reassessment	1,968,799,003	2,121,453,047	2,005,935,226	2,120,974,827	2,120,974,827	1,837,384,292
Total EAV	1,992,585,574	2,136,914,699	2,016,342,297	2,131,978,739	2,131,978,739	1,843,115,448
% Increase in EAV		7.2%	-5.6%	5.7%		-8.6%
Tax Cap CPI Factor	4.10%	0.10%	2.70%	1.50%	1.50%	1.50%
Fund	Tax Rates					
Education	1.9570	1.8996	2.1686	2.2450	2.2450	2.3906
Special Ed	0.0158	0.0212	0.0240	0.0200	0.0200	0.0284
Tort	0.0595	0.0635	0.0360	0.0400	0.0400	0.0394
O&M	0.2917	0.3177	0.3815	0.3800	0.3800	0.4513
Transportation	0.0893	0.0953	0.0841	0.0650	0.0650	0.0805
IMRF	0.0446	0.0529	0.0540	0.0400	0.0400	0.0518
Social Security	0.0566	0.0593	0.0540	0.0500	0.0500	0.0518
Working Cash	0.0428	0.0500	0.0000	0.0200	0.0200	0.0282
Bond & Interest	0.1271	0.1258	0.1483	0.1400	0.1400	0.1621
Total	2.684	2.6853	2.951	3.000	3.000	3.2841
Change in Rate		0.0%	9.9%	1.7%		11.3%
Fund	Tax Dollars					
Education	\$41,516,066	\$40,611,477	\$43,726,428	\$45,266,885	\$46,231,952	\$44,061,698
Special Ed	\$335,209	\$452,746	\$484,225	\$403,268	\$508,436	\$523,689
Tort	\$1,262,871	\$1,358,238	\$726,337	\$705,720	\$705,720	\$726,892
O&M	\$6,189,180	\$6,791,191	\$7,691,912	\$7,863,735	\$8,076,508	\$8,318,803
Transportation	\$1,894,305	\$2,037,358	\$1,694,787	\$1,310,622	\$1,440,569	\$1,483,786
IMRF	\$947,153	\$1,131,865	\$1,089,506	\$806,537	\$926,080	\$953,862
Social Security	\$1,199,728	\$1,267,689	\$1,089,506	\$806,537	\$926,080	\$953,862
Working Cash	\$908,869	\$1,068,457	\$0	\$504,086	\$504,086	\$519,209
Sub-Total (Capped Funds)	\$54,253,381	\$54,719,021	\$56,502,701	\$57,667,390	\$59,319,431	\$57,541,801
% of Change in Capped Levy Dollars		0.9%	3.3%	2.1%		1.8%
Bond & Interest	\$2,697,385	\$2,690,520	\$2,991,030	\$2,987,250	\$2,987,250	\$2,987,250
% of Change in Non-Capped Levy Dollars		-0.3%	11.2%	-0.1%		-0.1%
Grand Total	\$56,950,766	\$57,409,541	\$59,493,731	\$60,654,640	\$62,306,681	\$60,529,051
% of Change in Total Levy Dollars		0.8%	3.6%	2.0%		1.7%

