

# Glen Ellyn School District 41

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Abraham Lincoln Benjamin Franklin Churchill Forest Glen Hadley

## 2018 Preliminary Levy

## Board of Education Meeting

# DRAFT TIMELINE

- ~~11/05/2018 Board of Education Meeting~~
- 11/19/2018 Board of Education Meeting
- Board of Education Meeting
- 11/20/2018 Communication
- 12/17/2018 Board of Education Meeting
- Board of Education Meeting
- ~~Levy Legal Requirements Review~~
- Review Preliminary Levy
- Approval to Place Preliminary Levy on Display
- Levy Placed on Display
- Levy Public Hearing
- Approval of the 2018 Levy

# THE LEVY STATUTORY GUIDELINES

- The Board of Education must “estimate” the levy at least 20 days prior to adoption.
- The Board of Education must adopt and file the final levy before the last Tuesday in December.
- A Truth in Taxation Hearing is required if the levy will increase by 5% or more.

# TAX CAPS AND THE CONSUMER PRICE INDEX

- Property Tax Extension Limitation Act (Tax caps) Public Act 87-17
- Limits the amount of the increase in taxes from year to year to the lesser of 5% or the prior year CPI, plus the value of new property added to the tax base.
- The value of new property is unknown at the time of the levy and must be estimated.
- The December 31, 2017, CPI was 2.1% (Same % as prior year)
- The tax cap law will restrict the total tax amount to the increase in CPI or the lesser of 5% plus new property, **regardless of the amount levied.**

# TIMING

- The 2018 levy will fund the 2019-2020 school year. The first installment of taxes related to the 2018 levy are expected to be received during June of 2019. The remainder of the levy is expected to be received during September of 2019.
- The June tax receipts are commonly referred to “Early Taxes” as they arrive just prior to the year for which they will fund.

# OTHER ASPECTS OF THE LEVY

- If the district levies less than the maximum permitted under the tax cap limitation law, the district forfeits that taxing capacity for all future years.
- In regards to new property growth, if the estimate used in the levy ends up below the actual growth the district would forfeit that taxing capacity for all future years as well. That is the reason why many districts estimate a bit higher than expected in order to safely capture all taxing capacity.

# ABATEMENT vs. UNDER LEVY

- If a district wishes to collect less than the maximum permitted under PTELL, there are generally two options:
  - 1. Under levy: submit a levy request below the maximum. This lowers the district's taxing capacity by the amount of the under levy for the current year, as well as all future levy years.
  - 2. Abatement: submit a levy at (or above) the maximum permitted, and then direct the Clerk's office to refund a certain portion. This preserves the district's full taxing capacity for future years.

# DEBT SERVICE

- The 2018 Levy will be the second year taxes will be extended related to the 2017 referendum bonds.
- During March of 2018 the District abated \$125,826 from the Debt Service extension on the 2017 levy.



# Role of the DuPage County Clerk

- The Clerk's office will review all requested tax extensions, and if necessary reduce the amount to the appropriate PTELL limiting rate.
- In no event can a taxing body be granted a tax extension above the limit calculated under PTELL, regardless of the amount they request.

## Revenue Estimate for 2019-2020 School Year

<b>Object</b>	<b>FY 2019 Budget</b>	<b>FY 2020 Budget</b>	<b>\$ Δ</b>	<b>% Δ</b>
<b>Property Taxes</b>	46,610,711	48,120,735	1,510,024	3.24%
<b>CPPRT</b>	920,711	920,711	-	0.00%
<b>Other Local Revenue</b>	1,585,100	1,585,100	-	0.00%
<b>Interest Income</b>	169,100	400,000	230,900	136.55%
<b>State Sources</b>	3,887,613	3,922,613	35,000	0.90%
<b>Federal Sources</b>	937,806	1,017,806	80,000	8.53%
<b>Total Revenue</b>	<b>54,111,041</b>	<b>55,966,965</b>	<b>1,855,924</b>	<b>3.43%</b>

## Expenditure Estimate for 2019-2020 School Year

<b>Object</b>	<b>FY 2019 Budget</b>	<b>FY 2020 Budget</b>	<b>\$ Δ</b>	<b>% Δ</b>
Salaries	31,071,969	32,060,058	988,089	3.18%
Employee Benefits	6,238,169	6,737,223	499,054	8.00%
Purchased Services	5,813,305	5,686,405	(126,900)	-2.18%
Supplies & Materials	2,293,654	2,320,246	26,592	1.16%
Capital Outlay	3,201,242	5,166,842	1,965,600	61.40%
Other Objects	3,888,177	3,888,177	-	0.00%
<b>Total Expenditures</b>	<b>52,506,516</b>	<b>55,858,950</b>	<b>3,352,434</b>	<b>6.38%</b>

Estimated revenue exceeds estimated expenditures by: \$108,015

# CALCULATION OF 2018 LEVY

- [D41 CPI Worksheet for DEC 2018 Levy.pdf](#)

Thank You