THE JOSEPH SEARS SCHOOL

KENILWORTH SCHOOL DISTRICT NO. 38

To: Dr. Kelley Kalinich, Superintendent

From: Dr. Crystal LeRoy, Business Services and Human Resources Manager

Date: November 17, 2014

Re: 2013 Estimate of Tax Levy

Background Information

Adopting a levy on an annual basis is one of the major functions of our Board of Education. Excluding the State's on-behalf payment, residential property taxes generate approximately 92% of all revenues for the District.

Commonly used terms during the levy adoption process are:

Levy

- The formal request by a school district for a certain amount of revenue to be generated by the property tax. This formal request must be sent to the County Clerk prior to the last Tuesday in December. The levy determines the total amount to be raised by property taxes.

Extension

- The process in which the County Clerk determines the tax rate needed to raise the revenue (levy) certified by each taxing district in the county.
- The actual dollar amount billed to property taxpayers in a district.

Equalized Assessed Value

- The assessed value multiplied by the state equalization factor (the multiplier), which is determined by the Department of Revenue; this gives the property value from which the tax rate is calculated after deducting exemptions.

New Growth

- New improvements or additions to existing buildings on any parcel of real property that increased the assessed value of that real property during the levy year. It does not include maintenance and repairs. The value of the new property is limited to the actual assessed value added by the new improvement multiplied by the state equalization factor.

DR. KELLEY M. KALINICH, SUPERINTENDENT DR. CRYSTAL S. LEROY, BUSINESS SERVICES/HUMAN RESOURCES MANAGER
DR. JANICE H. MATTHEWS, PRINCIPAL
542 Abbotsford Road Kenilworth, Illinois 60043 phone: 847.256.5006 fax: 847.256.4418 www.kenilworth38.org

Truth in Taxation Act

The Truth in Taxation Act (Public Act 88-455) requires Boards of Education to determine the amount of money to be raised by property taxes not less than 20 days prior to the adoption of the aggregate tax levy. If the estimate of the aggregate tax levy (excluding Debt Service levy) exceeds 105% of the amount extended the previous year then, a public hearing must be held prior to the levy adoption.

The notice for the hearing must be published in a local newspaper (no more than 14 days and no less that 7 days) prior to the date of any such hearing. Based on the current 2014 Levy Estimate, a Truth in Taxation hearing is not required. However, it is a common practice for school districts to hold a Truth in Taxation hearing even if the amount of the request is below the legal limit (105% of prior year extension).

At the December board meeting, the Board will be asked to certify that it has complied with the regulations of the Truth in Taxation Act.

Based on these requirements, the following levy calendar calls for determination of a proposed levy at the November 17th Board of Education meeting.

November 17, 2014	Board of Education meeting. Review 2014 Levy material. Determine amount of proposed levy. This determination must not be made less than 20 days prior to the levy adoption.
December 4, 2014	Prescribed form of notice of public hearing must be published in a newspaper with general circulation within the school district no more than fourteen nor less than seven days prior to the public hearing. (Optional)
December 15, 2014	Scheduled Board of Education meeting. Public hearing on proposed 2014 levy at 7:30 p.m. and adoption of 2014 levy.
December 30, 2014	Last day to file 2014 levy with the Cook County Clerk.

Summary

The estimated levy is based upon several variables including the Consumer Price Index (CPI), the value of new construction, the county multiplier, and the Limiting Rate calculation. The CPI has been determined to increase 1.5% over the prior year's final extension; the other variables have to be finalized. All assumptions were based on the analysis of historical data, local trends and future projections. The Administration recommends your favorable approval to establish the Tax Year 2014 Estimate of Levy.