



MUNDELEIN CONS. HIGH SCHOOL
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BUSINESS OFFICE

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Representative Ed Sullivan, Jr.
700 N. Lake Street, Suite 101
Mundelein, Illinois 60060
E-mail: ilhouse51@sbcglobal.net

Dear Representative Sullivan:

Mundelein Consolidated High School District 120 strongly opposes HB3793 and SB2073. The reasons for our opposition are both simple and compelling:

- The Consumer Price Index increase percentage is the major determining factor in the calculation of the annual property tax levy. The average annual increase since the CPI inception is 2.4% per year. The actual CPI factor for the 2011 property tax levy is only 1.5%.
- If MHS were a business, we would be hard pressed to continue operations, if the largest component of local revenue increases at merely 2.4% per year. This is particularly true at MHS, because local revenues, including student fees and charges, represent 73.6% of all revenues. MHS has been very conservative in managing fees and charges. We understand the local economy is not strong, and we do not wish to impose additional fees on parents, who may already be financially stressed.
- The property tax levy distributes the financial burden over a much larger pool of both private and commercial tax-paying entities.
- The CPI component of the Property Tax Extension Limitation Law (PTELL) basically limits the growth of the levy from year to year. The prior year's billed taxes or the "extension" is increased by the CPI component. If this factor is held to be zero, there is no increase in that tax year, and the loss to the increase in the extension base is compounded in succeeding years. The revenue loss is not confined to a single year.
- The other major factor in the determination of the property tax levy is the "new property" effect. In past years, this factor has yielded significant additional dollars to the taxing bodies. However, in recent years, this yield has declined to the point that it no longer offsets the overall decrease in the EAV.

Mr. Sullivan, we are not asking for new revenue rather, we are asking to keep what we already have. Clearly, this letter does not attempt to address the numerous factors in the State of Illinois that already constrain school operations, but we would be remiss to ignore legislation that imposes another constraint. Please do not support HB3793, and please oppose SB2073.

Thank you for your consideration.

Sincerely,

Gary Lonquist