Diamond Lake School District 76

Embrace Empower Excel Each Child Each Day

Diamond Lake School District 76
2026 Tax Levy

November 17, 2026







Levy Calendar

- **November 17** - Tentative tax levy is presented and Board of Education takes action to approve and certify the tentative tax levy
  - Approval needs to occur at least 20 days prior to the Levy Hearing
- **December 4** - Levy notice in newspaper
  - Needs to be published no more than 14 but no less than 7 days from hearing
- **December 15** - Board/Public hearing and levy adoption
- **December 31** - Last day to file with County Clerk

What is a Tax Levy?

What is a tax levy?

A tax levy is the district's formal request for money from local property taxes. The County Assessor finalizes property values. The county then applies legal limits to the request and determines how much the district will receive. That amount is called the extension.

Purpose

The purpose of local property taxes is to maintain and enhance the programs associated with providing students a high quality educational experience.

Process

- First step: The District determines the revenue it will need to operate and then levies that amount. This is done through developing long-term projections and a conservative budget process.
- Property taxes capped: Property Tax Limitation Act ensures the protection of taxpayers by limiting the increase in total tax dollars collected by the school. This limits the increase of property taxes to 5% or the Consumer Price Index (CPI) rate, whichever is lower.
- Property Tax Rate Increase Limited to:
  - **CPI on existing property property - 2.7% (max CPI under PTELL is 5.0%)**
  - **Plus new property**
    - Gather new growth data from the local assessor's office. Currently project ~9.38% growth on existing property countywide and $3,500,000 in new construction.
    - Actual EAV not known until March

Property Tax Extension Limitation Law (PTELL)

How Much Can The District Ask For?

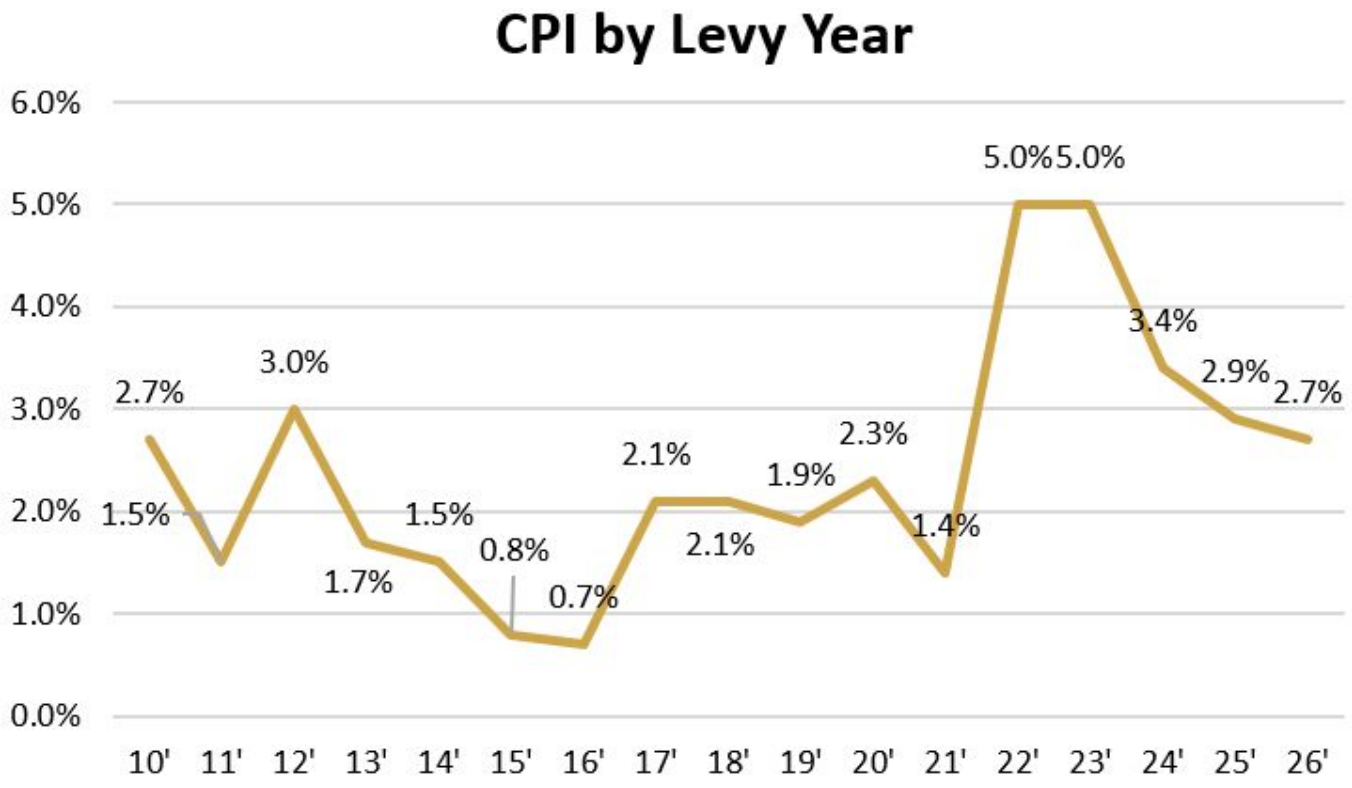
Although the law is commonly referred to as a “tax cap”, this phrase can be misleading. The Property Tax Extension Limitation Law (PTELL) does not cap individual property tax bills or property assessments.

PTELL sets a ceiling on how much the district’s tax request can grow each year. The ceiling is 5% or CPI, whichever is less.

New property and school bond payments are not included in the limit.



Historical CPI



Current CPI Trend

- July - 3.4%
- August - 3.4%
- September - 3.7%

CPI increased 3.7% on a year-over-year basis in September, up from August and slightly above economists' expectations. Gasoline prices rose 9.1% in September, accounting for over half of the monthly all items increase. Core CPI, excluding food and energy, also increased to 2.6% in September on a year-over-year basis from 2.4% in August, also higher than expectations.

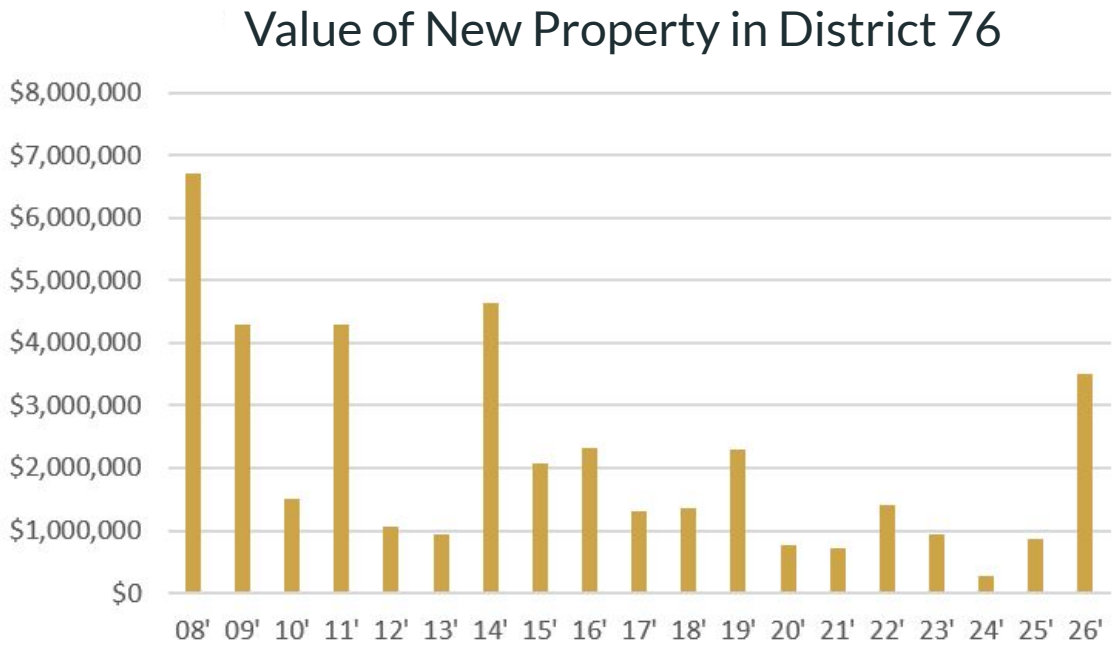
New Property Within District 76

D76 is Growing

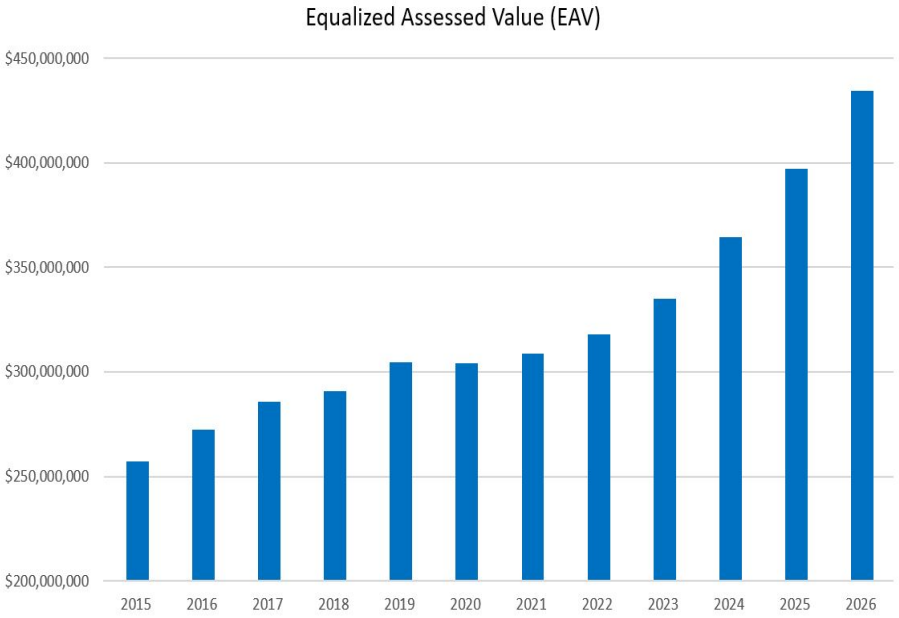
After a slower period of growth in the mid-2010s, the District is now seeing some growth in new property

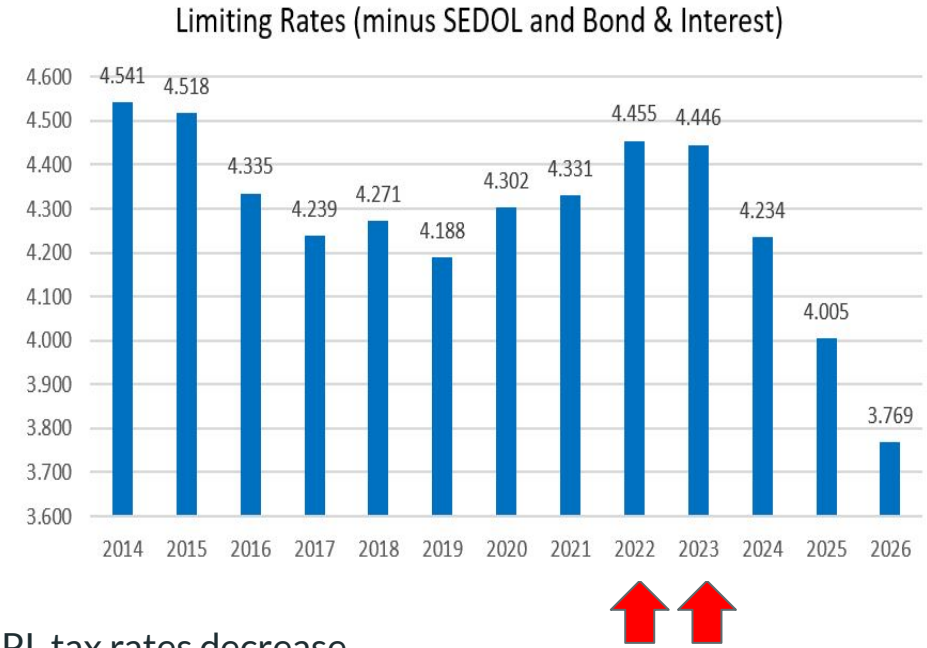
PTELL & New Property

New property isn't part of the PTELL cap in its first year. While the district's total extension may grow faster than the cap, this growth comes from the new development being taxed, not from a bigger bill for existing homeowners



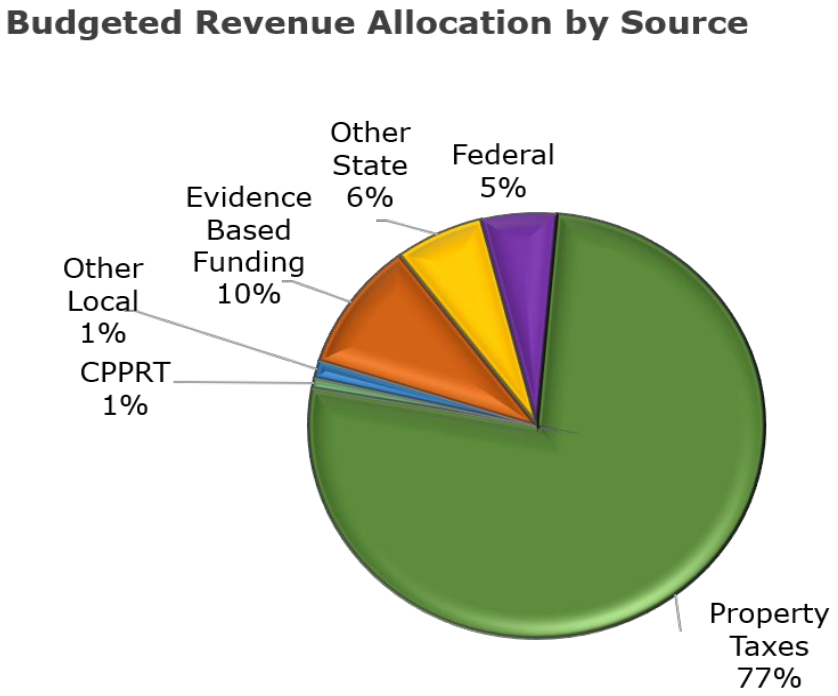
Historical





- As property values increase faster than CPI, tax rates decrease
- When property values decrease, tax rates rise

- Property Taxes = 77% of revenue



2026 Proposed Tax Levy

EAV Increase from prior Yea	8.83% EAV $364,356,825	9.04% EAV $397,279,335	Maximum Allowable Rates	PROPOSED 11/2026 9.38% EAV $434,548,078	2026 Best Guess Levy Extension
FUND/LEVY	**2024 EXTENSION**	**2025 EXTENSION**		**PROPOSED 2026 EXTENSION**	(9.38%) EAV growth
Educational	$12,076,618	$12,322,502	as needed	**$13,200,000**	$12,522,867
O & M	$1,367,333	$1,457,013	0.550%	**$1,750,000**	$1,577,410
Transportation	$895,837	$958,990	as needed	**$1,200,000**	$1,099,407
Working Cash	$80,155	$84,355	0.050%	**$90,000**	$87,422
IMRF	$3,571	$145,702	as needed	**$100,000**	$43,455
Social Security	$278,755	$168,710	as needed	**$300,000**	$291,147
Tort	$46,426	$49,847	as needed	**$25,000**	$21,727
Special Education	$678,575	$728,505	0.400%	**$800,000**	$738,732
Life Safety	$1,417	$0	0.100%	**$0**	$0
Lease Purchase			0.100%		
SEDOL IMRF Levy	$6,026	$2,976	0.008%	**$9,582**	$9,582
Debt Service	$881,485	$882,245	0.235%	**$866,738**	$866,738
Total	$16,316,197	$16,800,845	1.443%	**$18,341,320**	$17,258,487
Total w/o Bond/Sedol	$15,428,686	$15,915,623		$17,465,000	$16,382,167

Why “Balloon Levy”

- A “balloon levy” is a term used to describe the practice of requesting more money than we reasonably expect to receive.
- The reason for this is two-fold:
  - Under the Tax Cap Law, if you under levy, you can never recapture the lost revenue to the District.
  - At the time the tax levy is due, the EAV and new property of the district is unknown.
- Due to the Tax Cap formula should ACTUAL growth exceed PROJECTED growth, levying dollars in this manner will allow the district to receive all additional new property revenues. Should ACTUAL growth equal or fall below PROJECTED growth, the dollars received by the district, and thus the tax rate, will be limited by the assessed valuation and the Illinois School Code. Therefore, the taxpayer is not harmed when the district balloons its levy in those funds where a tax rate limit is imposed.

The Miller Ratio

- The Miller Ratio is a law under Public Act 103-0394 (SB1994)
  - The goal is aimed at limiting excessive school district cash reserves
  - Requires starting in the 2024-2025 school year and in each subsequent school year:
    - any district that does not receive federal impact aid to calculate the combined, annual average expenditures of its operational funds for the previous three fiscal years, as reported in the school district's most recently audited annual financial reports.
    - If a district's combined cash reserve balance of its operational funds exceeds 2.5 times annual average expenditures of its operational funds for the previous three fiscal years, the school board shall adopt and file with the State Board of Education a written operational funds reserve reduction plan by December 31. - Also requires the State Board of Education to publish these plans on its Internet website.
- If excess exists, levying bodies are subject to Tax Objection lawsuits

The Miller Ratio

Expenditures	Education Fund 10	Operations & Maintenance Fund 20	Transportation Fund 40	Totals Operational Funds
2022-23	$ 14,032,576	$ 1,131,489	$ 1,640,280	$ 16,804,345
2023-24	$ 14,030,133	$ 1,230,399	$ 1,898,165	$ 17,158,697
2024-25	$ 15,315,932	$ 1,324,008	$ 1,932,372	$ 18,572,312
3-Yr Avg Expenditures	$ 14,459,547	$ 1,228,632	$ 1,823,606	$ 17,511,785
* Cash Reserve as of 6/30/2026	$ 15,439,505	$ 2,187,488	$ 1,352,230	$ 18,979,223
Cash Reserve as a % of Expenditures	106.78%	178.04%	74.15%	108.38%

- Statute (105 ILCS 5/17-1.3): Districts must disclose cash reserve balances and related obligations at the annual levy hearing
- Board Policy 4:10: Districts must report 3-year average operational expenditures; if reserves exceed 2.5 times that average, a Reserve Reduction Plan is required

Estimated Impact on Taxpayer

Using the projected 2026 tax extension rates the District anticipates it will receive, provided below is the projected impact of the 2026 Tax Levy on a residential home owner. This calculation is based upon the estimated change in the equalized assessed valuation and the tax rate generated.

The actual percentage change for each taxpayer will vary based on each individual assessment from the Lake County Assessment office.

Fair Cash Value of Home *Estimated 8.5% increase to home value, on average	$300,000	$325,500
Assessed Valuation (33.3% estimated) **w/ Homestead Exemption** **Taxed Value**	$99,900 $8,000 $91,900	$108,500 $8,000 $100,500
D76 Estimated Tax Rate **D76 Estimated Taxes**	4.228 $3,886	3.971 $3,991
Estimated $ Increase **Estimated % Increase**		$105 2.70%
D120 Estimated Tax Rate* **D120 Estimated Taxes** *Sourced from the October 2026 D120 Board of Education Packet	2.635 $2,422	2.505 $2,518
Estimated Taxes D76 & D120	**$6,308**	**$6,509**

Frequently Asked Questions

- **Why doesn't the District lower its Levy?**
  We would be penalized due to the Tax Cap formula for future years as each year is limited by the year prior. This results in a permanent reduction in revenue that can never be recovered. For example, the District is estimating around a $559K increase in revenue in this year's extension vs. last year. If we were to keep the tax extension the same as last year we would not only lose out on that revenue this year, but exponentially every year after that. Assuming a 2% CPI over the next 5 years, the district would forfeit $2,909,058 in revenue.
- **Did the District raise my tax rate this year?**
  The District does not set tax rates and did not raise the rate. By law, the school district requests a specified amount of money. This amount of money is capped by the Property Tax Extension Limitation Law (PTELL) at no more than the CPI (plus new construction). Tax rates are established by the county after the total equalized assessed value in the taxing district is taken into account. The school district receives only an increase of CPI (capped at 5% plus new construction).
- **If the District is only getting an increase of CPI, why are my taxes going up more than that?**
  This has to do with the value of your home in relation to others in the district. If your value is higher than the previous year, in relation to other properties in the district, you may pay more than the CPI. Conversely, if your value is lower than in the previous year, in relation to other properties in the district, you pay less than CPI. If all properties either went up or down the same percentage, or stayed the same, the tax rate for everyone would increase only by CPI.

Frequently Asked Questions

- **How does Diamond Lake SD 76 tax rate compare to other districts?**
  The amount and type of property in a community affects individual homeowner's tax bill. A community that has more successful commercial/industrial property will typically have a higher overall EAV. This balanced mix of properties helps distribute the tax burden throughout the community. The higher the combined property value, the lower the tax rate.

Tax Rate = Total Tax Extension / Total EAV

	EAV Per Pupil *	Tax Rate (2025)
Diamond Lake SD 76	$509,894	3.983
Hawthorn SD 73	$520,975	3.210
Mundelein SD 75	$352,520	3.592
Fremont SD 79	$659,537	2.509
Kildeer Countryside SD 96	$497,517	3.729

*From Forecast5, tax rate minus Bond & Interest