



# Diamond Lake School District 76

**Embrace Empower Excel** Each Child Each Day

## Diamond Lake School District 76 2025 Tax Levy

December 16, 2025





# Levy Calendar

- **November 18** - 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 5** - Levy notice in newspaper
  - Needs to be published no more than 14 but no less than 7 days from hearing
- **December 16** - Board/Public hearing and levy adoption
- **December 31** - Last day to file with County Clerk



# Levy Process

- Property tax levy: the amount of property tax dollars a school district requests to operate the district for the subsequent fiscal year. The property tax cycle is the annual process of adopting a levy and then receiving the tax money.
- 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 - 2.9% (max CPI under PTELL is 5.0%)**
  - **Plus new property**
    - Gather new growth data from the local assessor's office. Currently project ~5.0% growth on existing property countywide.
    - Actual EAV not known until March



# Levy Process continued...

- School districts must deposit property tax revenue into appropriate accounting funds as determined by the Illinois School Code and the Illinois Program Accounting Manual. A formula determines the amount of property tax revenue each fund is entitled to receive:

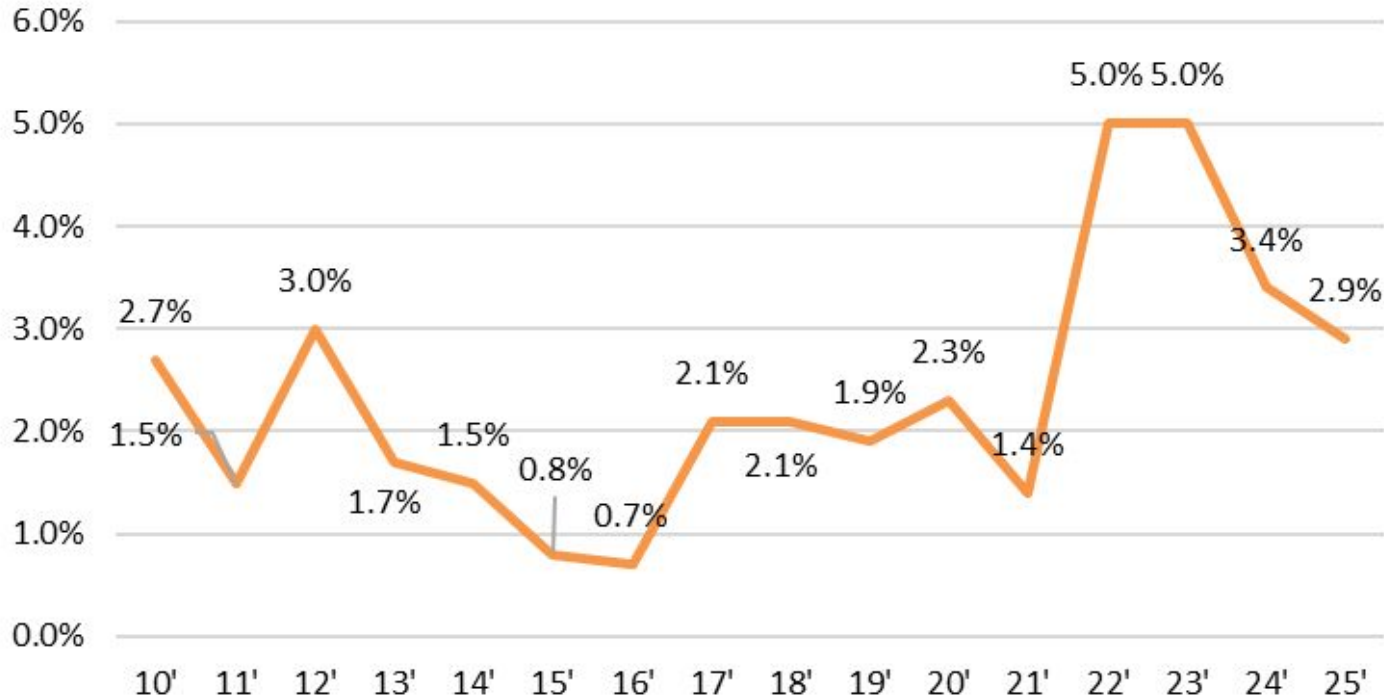
$$\text{tax rate} \times \text{equalized assessed valuation (EAV)} = \text{property tax revenue}$$

- County clerk calculates the final property tax billings using this formula and direct these billings to owners of parcels of land located in each school district. The process of preparing property tax billings is the "property tax extension".
- The District collects tax extension payments in the Spring and Fall.



# Historical CPI

## CPI by Levy Year



### Current CPI Trend

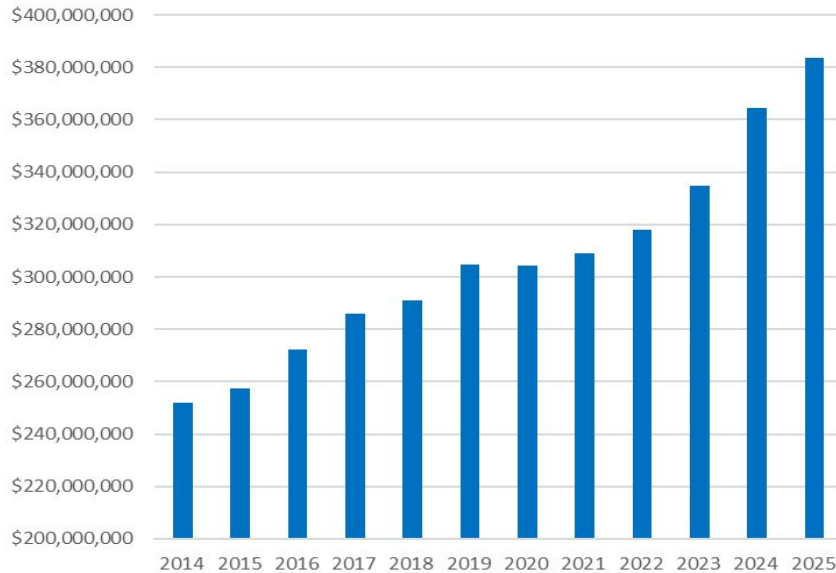
- July - 2.7%
- August - 2.9%
- September - 3.0%

September considered "cooler-than-expected" because it came in below the widely anticipated 3.1%.

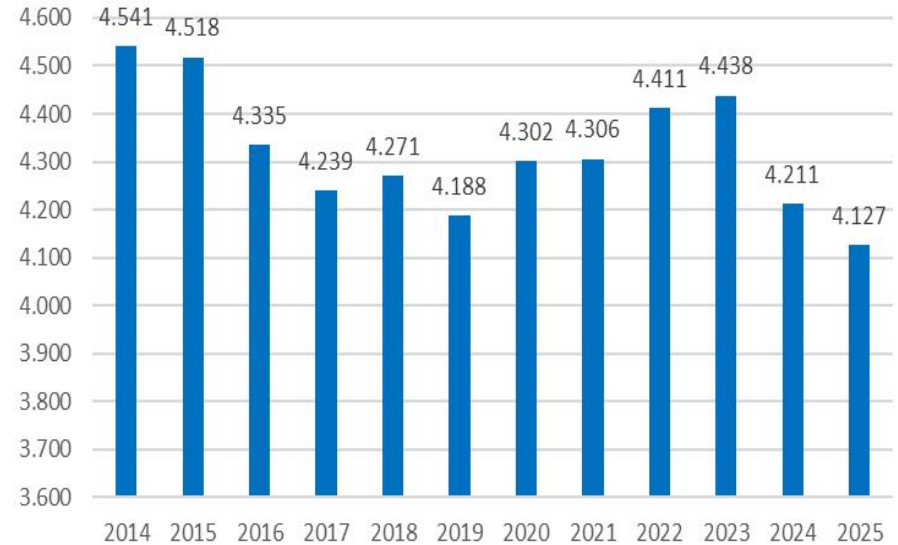


# Historical

Equalized Assessed Value (EAV)



Limiting Rates (minus SEDOL and Bond & Interest)



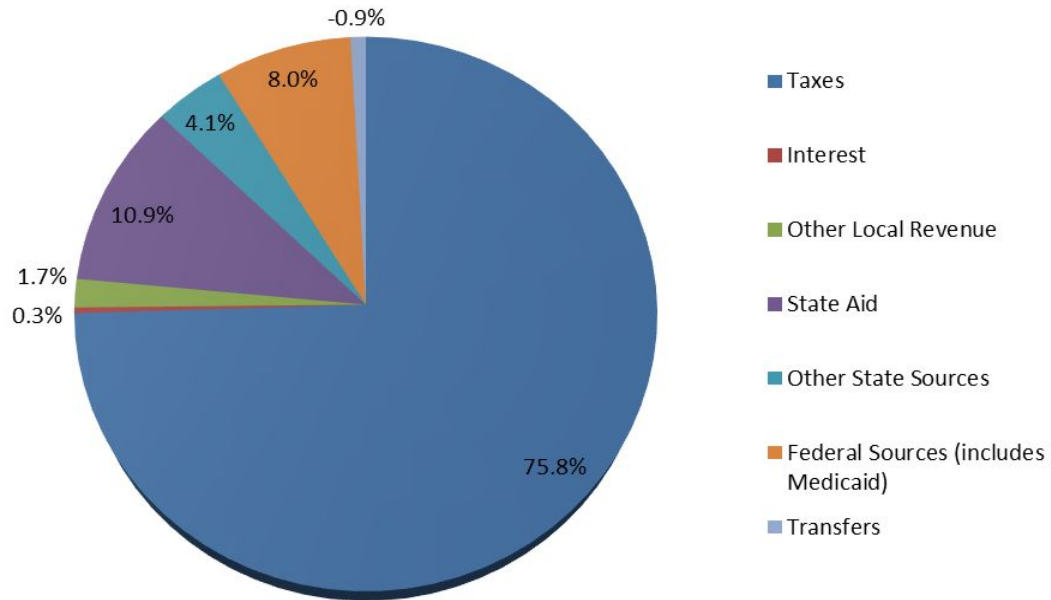
- As property values increase faster than CPI, tax rates decrease
- When property values decrease, tax rates rise



5.0% CPI (PTELL Limit)



- Property Taxes = 76% of revenue





# 2025 Proposed Tax Levy

EAV Increase from prior Year	5.30%	8.83%	Maximum	PROPOSED 11/2025 5.23%	
	EAV	EAV	Allowable	EAV	2025 Best Guess
	\$334,797,175	\$364,356,825	Rates	\$383,424,667	Levy Extension
FUND/LEVY	2023 EXTENSION	2024 EXTENSION		PROPOSED 2025 EXTENSION	(5.23%) EAV growth
Educational	\$11,498,783	\$12,076,618	as needed	\$12,800,000	\$12,229,875
O & M	\$1,519,936	\$1,367,333	0.550%	\$1,600,000	\$1,457,014
Transportation	\$772,692	\$895,837	as needed	\$1,050,000	\$958,562
Working Cash	\$73,910	\$80,155	0.050%	\$90,000	\$84,353
IMRF	\$147,820	\$3,571	as needed	\$180,000	\$145,701
Social Security	\$147,820	\$278,755	as needed	\$180,000	\$168,707
Tort	\$50,394	\$46,426	as needed	\$60,000	\$49,845
Special Education	\$671,908	\$678,575	0.400%	\$800,000	\$728,507
Life Safety	\$1,259	\$1,417	0.100%	\$1,500	\$1,297
Lease Purchase			0.100%		
SEDOL IMRF Levy	\$6,067	\$6,026	0.008%	\$2,974	\$2,974
Debt Service	\$884,514	\$881,485	0.235%	\$882,241	\$882,241
Total	\$15,775,101	\$16,316,197	1.443%	\$17,646,715	\$16,709,076
Total w/o Bond/Sedol	\$14,884,520	\$15,428,686		\$16,761,500	\$15,823,861





# 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

	Education	Operations & Maintenance	Transportation	Totals
Expenditures	Fund 10	Fund 20	Fund 40	Operational Funds
2021-22	\$ 13,407,319	\$ 1,490,552	\$ 1,426,802	\$ 16,324,673
2022-23	\$ 14,242,937	\$ 1,132,348	\$ 1,640,366	\$ 17,015,651
2023-24	\$ 14,536,970	\$ 1,243,223	\$ 1,898,283	\$ 17,678,476
3-Yr Avg Expenditures	\$ 14,062,409	\$ 1,288,708	\$ 1,655,150	\$ 17,006,267
* Cash Reserve as of 6/30/2025	\$ 14,974,507	\$ 2,393,825	\$ 1,345,244	\$ 18,713,576
Cash Reserve as a % of Expenditures	106.49%	185.75%	81.28%	110.04%

- 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 2025 tax extension rates the District anticipates it will receive, provided below is the projected impact of the 2025 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.

<b>Fair Cash Value of Home</b> <small>*Estimated 5.0% increase to home value, on average</small>	\$300,000	\$315,000
<b>Assessed Valuation</b> (33.3% estimated) <b>w/ Homestead Exemption</b> <b>Taxed Value</b>	\$99,900 \$8,000 \$91,900	\$104,895 \$8,000 \$96,895
<b>D76 Estimated Tax Rate</b> <b>D76 Estimated Taxes</b>	4.478 \$4,115	4.358 \$4,222
<b>Estimated \$ Increase</b> <b>Estimated % Increase</b>		\$107 2.60%
<b>D120 Estimated Tax Rate*</b> <b>D120 Estimated Taxes</b> <small>*Sourced from the November 2025 D120 Board of Education Packet</small>	3.795 \$3,487	3.559 \$3,448
<b>Estimated Taxes D76 &amp; D120</b>	<b>\$7,602</b>	<b>\$7,670</b>



# 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 \$480K 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 \$2,498,199 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 (2024)
Diamond Lake SD 76	\$459,466	4.213
Hawthorn SD 73	\$487,205	3.333
Mundelein SD 75	\$323,348	3.797
Fremont SD 79	\$592,828	2.715
Kildeer Countryside SD 96	\$445,433	3.946

\*From Forecast5, tax rate minus Bond & Interest