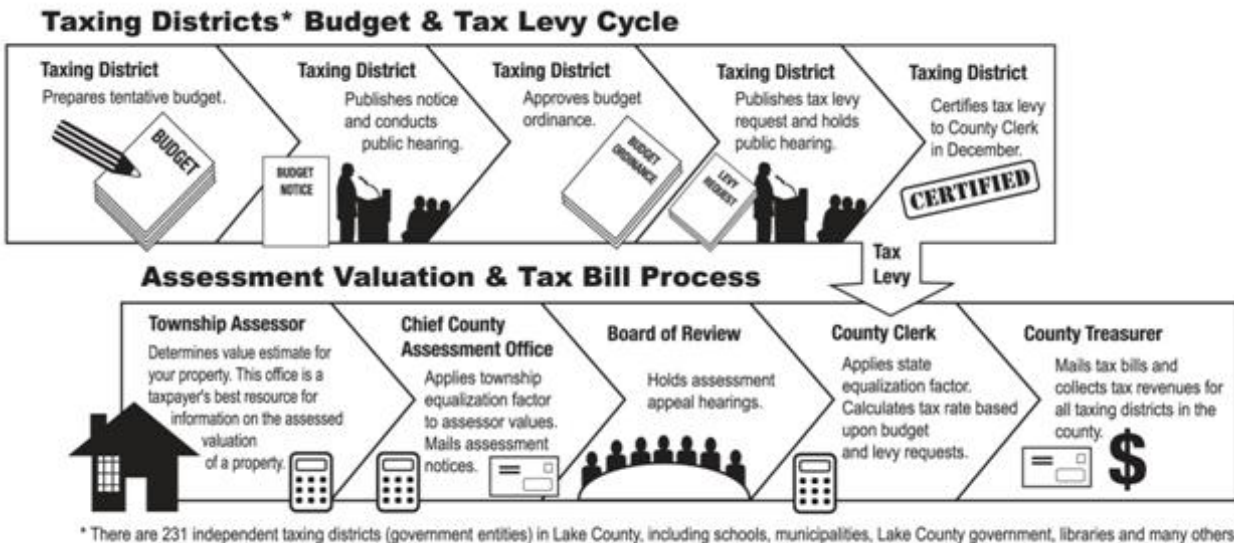




TAX LEVY FREQUENTLY ASKED QUESTIONS - 2025



What is a Levy?

A levy is the amount of money a school district requests from property tax on an annual basis.

What is an extension?

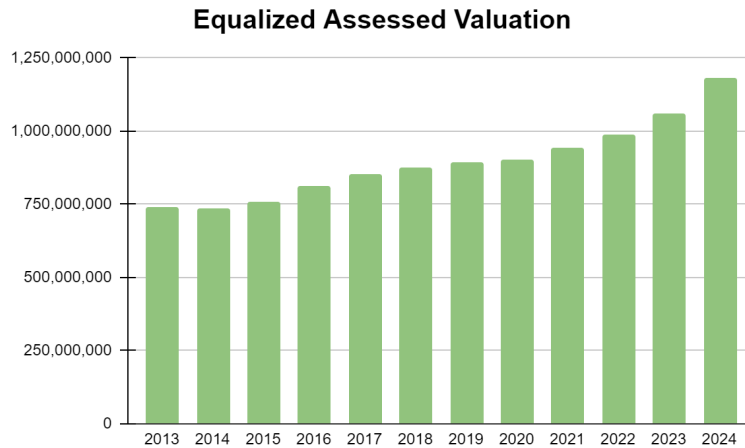
The total extension is the amount of money the school district receives. The County Clerk calculates the tax rate needed to raise the revenue certified by each school district in the County. Districts must request property tax revenue via the levy (no later than December of each year) with only knowing the estimated extension. The actual extension is calculated the following spring after the levy has been approved by the School Board. See the next question for more details.

What is The Property Tax Extension Limitation Law?

The Property Tax Extension Limitation Law, commonly referred to as "TAX CAP," limits the increase in property tax extensions to 5% or the Consumer Price Index (CPI), whichever is less, not counting new construction or bond & interest obligations.

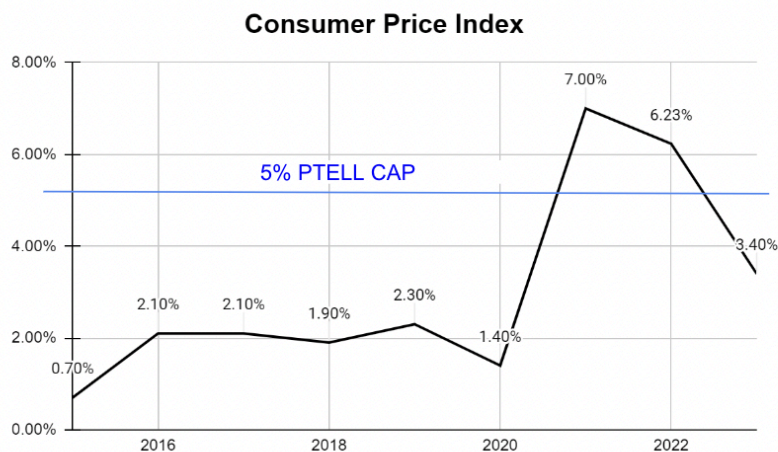
What is EAV?

EAV refers to the Equalized Assessed Value of properties as determined by the local and county assessors, and is used for determining and allocating the extended property taxes. The chart below represents the past history of FSD79's EAV. The **Levy Year 2024 EAV is estimated at 1,180,507,765** which is approximately a 11.2% increase over LY23.



What is CPI?

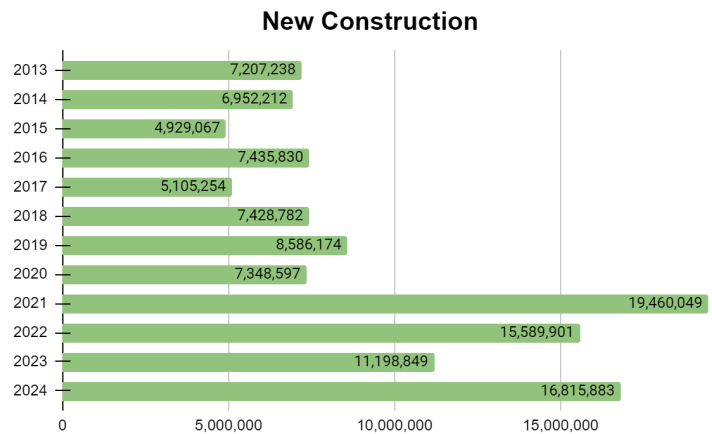
The Consumer Price Index (CPI) is an index published by the federal government as a measure, per state school code, of annual inflationary impact on a district. The CPI factor used for computing the amount of property taxes and related revenue for the district is the rate fixed at the beginning of the tax year, not the end of the tax year. Due to "Tax Cap" legislation (PTELL), the CPI percentage increase cannot exceed 5% in any year. The chart below represents the past CPI history. **Levy Year 2024 is based on a 3.4% CPI.**



What is New Property?

New Property is property within the district boundaries that has been newly developed and initially assessed during the tax year. The chart below represents FSD79's new construction history. These properties are not included in the "tax capped" properties, therefore producing additional revenue without negatively impacting current taxpayers.

New construction for Levy Year 2024 is estimated at \$16,815,883 which is an increase of \$5.6M over the previous levy year.



Why is the District proposing a levy that is higher than the limits of the Property Tax Extension Limitation Law?

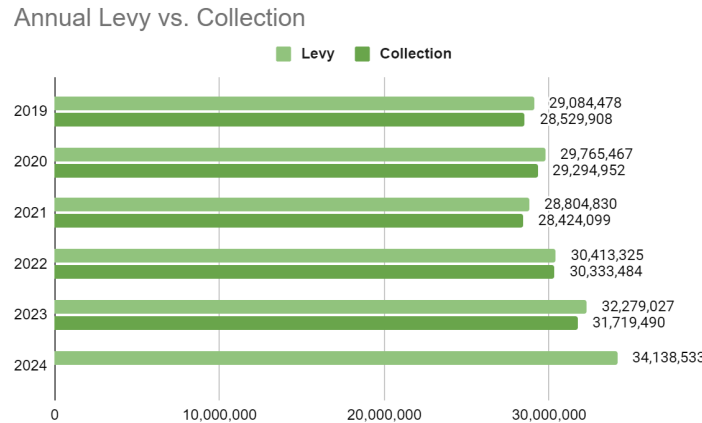
When the levy is required to be submitted, three very important facts that comprise part of the levy calculation are unknown to the School District:

- 1) The tax rate (determined by the county assessor at a later date);
- 2) The New Construction value in the district (EAV); and
- 3) Total EAV within the district boundaries

A district will request a rate higher than what might be anticipated in order to ensure they have the captured new growth/construction. Per law, current taxpayers will not be taxed for more than the CPI or 5%, whichever is less.

Do most districts levy for more than expected in their initial request?

Yes, in Lake County and throughout the Greater Chicago Suburban area for the same reason stated above. Lake County districts do not know the “New Rate,” “New Construction EAV,” or “Total EAV” at the time they must approve the levy. Below is a comparison between FSD79’s levy request and the actual amount granted for the past seven years.



Why does the school district levy the maximum amount?

The district levies the maximum amount to ensure it captures all available revenue from new construction. This approach is essential for securing important funding that supports our operations. New properties are not included in the “tax capped” limitation, therefore producing additional revenue without negatively impacting current taxpayers. Additionally, the district is committed to maintaining a strong fund balance to address future facility needs and the anticipated increase in operational costs due to projected enrollment growth.

How can the Debt Service Fund levy request decline between years?

Annual levies for debt service on bonds are determined when the bonds are approved by voters. These levies may fluctuate between years, based on the bond's predetermined payment schedule, and decrease as bonds are paid off. The District paid off a bond in tax year 2021, resulting in a lower tax bill for 2022. Currently, the District has one outstanding bond, which is scheduled to be fully paid by FY26. For the 2024 levy, the District has included an abatement from the Debt Service Fund, returning \$355,970 to our local taxpayers. This equates to approximately \$41 in savings for the average homeowner of a \$350,000 home.