

# **Bloomington Public Schools**



**2010 LEVY  
2012 BUDGET  
OCTOBER, 2010**

# The Levy Is



- The maximum dollar amount the Board needs from the property tax for next years budget (2012).
- The County sets a lower extension once it has actual EAV data. Collection issues also reduce the amount received.
- The Levy is the first projection of next year and is approved months before the current fiscal year ends.

# The Levy Is Important



- The Property Tax:
  - Our largest revenue source.
  - A growing revenue source.
  - Our most stable and reliable revenue source.
  - Arrives early and provides cash flow and earns interest.
  
- The Board has more control over the Property Tax than most other revenue sources.

# Levy Assumptions



- Keep the overall tax rate as flat as possible.
- Fund debt service schedule to repay bonds.
- TIF ends and District receives revenue in 2012.
- Project 2012 budget and EAV growth.

# How to Estimate the Levy Amount – By Fund



- 2011 Education fund expenditures estimated - \$49.0 M.
- 2012 expenditures projected - \$50.5 M (3.0% growth).
- Property tax approximately 57% of revenues.
- Need approximately \$28.8 M from the property tax to balance the budget.

# How to Estimate the Levy Amount



- Assuming TIF ( $\$18.3 \text{ M} / 2.1\%$ ) + 2.76% EAV growth (total 4.97%), the Levy/Extension raise approximately the same amount  $\$28.8 \text{ M}$  and collect  $\$28.3 \text{ M}$ .
- The overall tax rate goes up approximately  $\$0.02$  to  $\$4.63$ .

# How to Estimate the Levy Amount



- Assuming TIF + loss of \$2 M EAV (total 1.91%), the Extension raises \$27.9 M and collect \$27.5 M.
- The overall tax rate goes up approximately \$0.04 to \$4.65.
- In summary: We need \$28.8 M  
We receive \$28.3 M - \$27.5 M.

# Tax Rate Limits



- The following funds are at their statutory maximum rates with the exception of Working Cash:

— Education	\$3.12	
— Operations & Maintenance	\$0.50	
— Special Education	\$0.04	
— Life Health Safety	\$0.05	
— Transportation	\$0.20	
— Working Cash	\$0.00	(\$0.05)
— Lease (Technology & Facilities)	\$0.05	

# Tax Rate Limits



- The following funds have no statutory maximum rates and are estimated to be at the following rates:

	<u>Levy Rate</u>
— IMRF	\$0.08271
— Tort	\$0.09439
— Social Security & Medicare	\$0.09731
— Bonds & Interest	\$0.39951

# Levy / Extension Calculation



- The County calculates the final tax rate and sets the extension based on the levy and the actual EAV.

$$\frac{\$ 28,800,000 \text{ Levy}}{\$896,122,968 \text{ EAV}} = \$3.21$$

# Levy / Extension Calculation



- The County cannot exceed the maximum statutory tax rate of \$3.12 for the Education Fund. The EAV is also set. The Levy is adjusted down to the lower Extension amount.

\$ 27,959,036 Extension	=	\$3.12
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\$896,122,968 EAV		

# EAV By Type – Impact of TIF

<b>Budget Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b><u>Levy Year</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
<b>Residential</b>	455,977,159	474,194,627	490,344,367	515,525,482	525,724,381	540,290,650	542,280,604
<b>Commercial</b>	292,230,382	297,413,922	303,796,634	307,066,383	309,315,797	306,299,322	322,517,528
<b>Industrial</b>	6,514,585	6,454,899	6,543,092	6,729,322	6,712,961	6,562,786	6,676,952
<b>Railroad</b>	359,353	355,924	384,536	389,753	434,463	528,343	528,343
<b><u>Farm</u></b>	<u>169,388</u>	<u>128,807</u>	<u>126,016</u>	<u>125,130</u>	<u>129,785</u>	<u>18,872</u>	<u>18872</u>
<b>Total</b>	755,250,867	778,548,179	801,194,645	829,836,070	842,317,387	853,699,973	872,022,299
<b>Residential</b>	1.13%	4.00%	3.41%	5.14%	1.98%	2.77%	0.37%
<b>Commercial</b>	3.59%	1.77%	2.15%	1.08%	0.73%	-0.98%	5.29%
<b>Industrial</b>	2.33%	-0.92%	1.37%	2.85%	-0.24%	-2.24%	1.74%
<b>Railroad</b>	61.56%	-0.95%	8.04%	1.36%	11.47%	21.61%	0.00%
<b><u>Farm</u></b>	<u>34.87%</u>	<u>-23.96%</u>	<u>-2.17%</u>	<u>-0.70%</u>	<u>3.72%</u>	<u>-85.46%</u>	<u>0.00%</u>
<b>Total</b>	2.11%	3.08%	2.91%	3.57%	1.50%	1.35%	2.15%

# 2010 Levy (TIF + 2.76% EAV Growth)



<b>FUND LEVIED</b>	<b>LEVY AMOUNT</b>	<b>RATE PER 100 E.A.V.</b>	<b>TAX EXTENSION</b>	<b>Estimated 98.5% Collection</b>
EDUCATIONAL	28,023,309	3.12000	27,959,036.60	27,539,651
OPER/BLDG/MAINT	4,490,915	0.50000	4,480,614.84	4,413,406
LEASE & TECHNOLOGY	449,091	0.05000	448,061.48	441,341
TRANSPORTATION	1,796,366	0.20000	1,792,245.94	1,765,362
WORKING CASH	0	0.00000	0.00	0
TORT IMMUNITY	845,862	0.09439	845,861.63	833,174
IMRF	741,219	0.08271	741,218.95	730,101
SOC SEC/MEDICARE	872,022	0.09731	872,022.30	858,942
SPEC. EDUCATION	359,273	0.04000	358,449.19	353,072
LIFE/SAFETY	449,091	0.05011	449,091.48	442,355
<b>TOTAL OPERATIONAL TAXES</b>	<b>38,027,148</b>	<b>4.23453</b>	<b>37,946,602.41</b>	<b>37,377,403</b>
<b>BOND &amp; INTEREST</b>	<b>3,580,096</b>	<b>0.39951</b>	<b>3,580,096.00</b>	<b>3,526,395</b>
<b>TOTAL TAXES</b>	<b>41,607,244</b>	<b>4.63404</b>	<b>41,526,698.41</b>	<b>40,903,798</b>

# 2010 Levy (TIF + 2.76% EAV Growth)



- Operating Levy increases \$625,746 (1.67%).
- Bond & Interest Levy increases \$134,762 (0.62%).
- Total tax rate estimated to increase approximately \$0.02 to \$4.63.