

Bloomington Public Schools



**2008 LEVY
2010 BUDGET
NOVEMBER, 2008**

Agenda



- Calendar
- Why the Levy is Important
- Levy Guidelines
- Data and Assumptions

Calendar



- November 12 Tax Levy Report
- November 28 Publish Hearing Notice
- December 10 Public Hearing & Levy Resolution
- December 12 File Levy with County
- March/April Verify Levy & Extension
- May/June County Sends Tax Bills
- June/July Collections Begin

Why the Levy Is Important



- Property Tax is:
 - ⇒ The largest revenue source.
 - ⇒ A growing percent of revenue.
 - ⇒ The most stable and reliable revenue source.
- Property Tax arrives early and earns interest.
- The Levy is approved months before the fiscal year it funds.

The Levy Is:



- The dollar amount the Board needs from the property tax next year (2010).
- The maximum amount that can be received from the property tax.
- Based on estimates of EAV, other revenue sources and spending.
- Reduced by the extension and collection rates.

Levy Guidelines






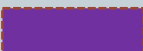
- The County calculates the final tax rate and sets the extension based on the levy, the actual EAV.

$$\frac{\$27,400,000 \text{ Levy}}{\$853,000,000 \text{ EAV}} = \$3.21$$

Levy Guidelines



- The County must adjust the final tax rate for the maximum statutory tax rates - \$3.12 Education Fund.

| | | |
|------------------------|---|--------|
| \$27,400,000 Levy |  | \$3.21 |
| <hr/> |  | |
| \$853,000,000 EAV | | |
| \$26,613,600 Extension |  | \$3.12 |
| <hr/> |  | |
| \$853,000,000 EAV | | |

Levy Guidelines



- The following funds have statutory maximum rates:

| | |
|-----------------------------------|------------------|
| — Education | \$3.12 |
| — Operations & Maintenance | \$0.50 |
| — Special Education | \$0.04 |
| — Life Health Safety | \$0.05 (\$0.045) |
| — Transportation | \$0.20 (\$0.165) |
| — Working Cash | \$0.05 |
| — Lease (Technology & Facilities) | \$0.05 |

Levy Guidelines



- The following funds have no statutory maximum rates (no adjustment):

| | |
|------------------------------|---------|
| — IMRF | \$0.076 |
| — Tort | \$0.074 |
| — Social Security & Medicare | \$0.095 |
| — Bonds & Interest | \$0.332 |

Levy Guidelines



- A public tax levy hearing must be held if the levy is 105% of the prior years extension.
- A resolution is necessary today to estimate the property tax revenues we believe are necessary for 2010, to establish the date of the required public hearing, and to approve publishing notice of the public hearing.

Initial Levy Assumptions



- Keep the overall tax rate equal to or less than the prior year.
- Fund debt service schedule to repay bonds.
- Phase in Health Life Safety rate for maintenance.
- Project 2010 budget and EAV growth.

How to Estimate the Levy Amount



- 2010 Education Fund expenditures are projected at \$49.0 M.
- Assume the property tax remains approximately 58% of revenues.
- To balance the budget, need \$28.4 M from the property tax.

How to Estimate the Levy Amount



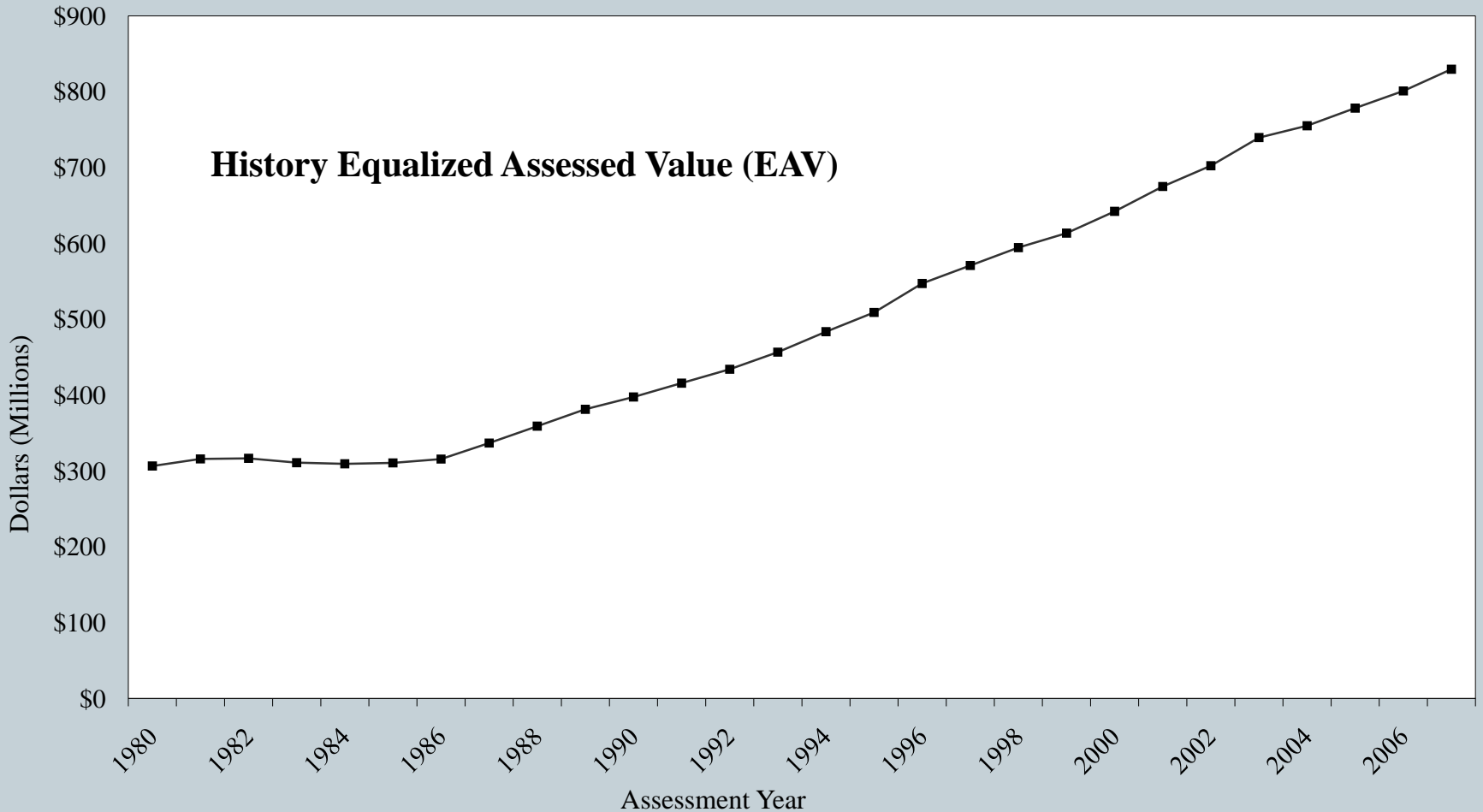
- Assuming 6% EAV growth, the Levy raises the same amount as the extension \$28.2 M (Collect \$28.0 M).
- The overall tax rate increases from \$4.51 in 2009 to \$4.55 in 2010, an increase of \$0.03.

How to Estimate the Levy Amount

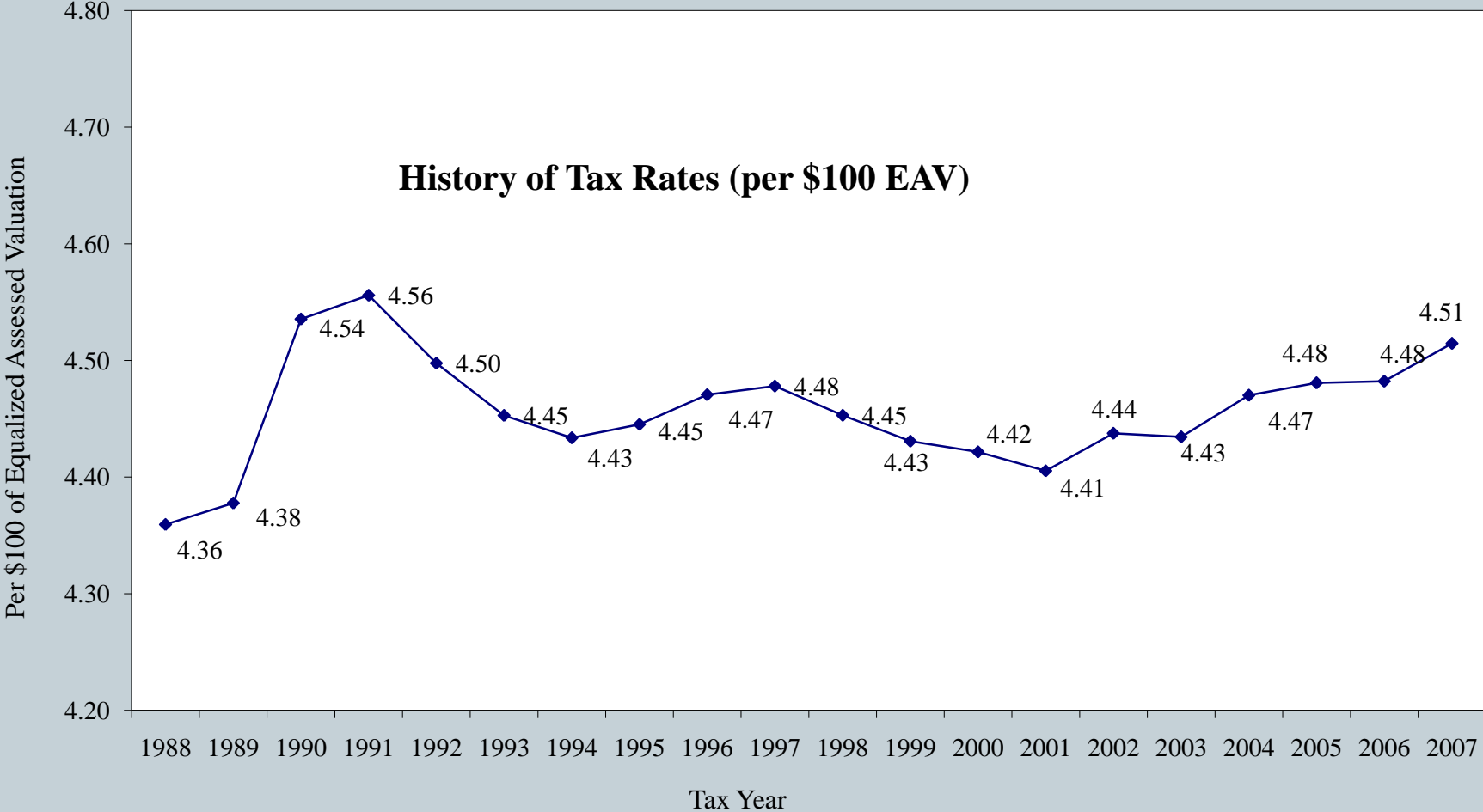


- If EAV growth is closer to 2.8%, the Levy raises \$28.2 M but the Extension raises only \$27.4 M and Collections raise only \$27.1 M.
- The overall tax rate increases from \$4.51 in 2009 to \$4.57 in 2010, an increase of \$0.05.
- In summary: We need \$28.4 M
We receive only \$28.0 M - \$27.1 M.

Data and Assumptions



Data and Assumptions



Levy – 6.0% EAV Growth



2008 ESTIMATED TAX LEVY

| | | |
|--------------------------------|--------------------|--------------|
| ASSESSED VALUATION 2007 | 829,836,070 | |
| ASSESSED VALUATION 2008 | 879,626,234 | |
| Difference | 49,790,164 | 6.00% |

| FUND LEVIED | LEVY AMOUNT | RATE PER 100 E.A.V. | TAX EXTENSION | ESTIMATED 99% COLLECTION |
|--------------------------------|------------------------|--------------------------------|--------------------------|-------------------------------------|
| EDUCATIONAL | 27,444,339 | 3.12000 | 27,444,338.51 | 27,169,895 |
| OPER/BLDG/MAINT | 4,398,131 | 0.50000 | 4,398,131.17 | 4,354,150 |
| LEASE & TECHNOLOGY | 439,813 | 0.05000 | 439,813.12 | 435,415 |
| TRANSPORTATION | 1,450,000 | 0.16484 | 1,450,000.00 | 1,435,500 |
| WORKING CASH | 439,813 | 0.05000 | 439,813.12 | 435,415 |
| TORT IMMUNITY | 650,000 | 0.07390 | 650,000.00 | 643,500 |
| IMRF | 665,000 | 0.07560 | 665,000.00 | 658,350 |
| SOC SEC/MEDICARE | 835,000 | 0.09493 | 835,000.00 | 826,650 |
| SPEC. EDUCATION | 351,850 | 0.04000 | 351,850.49 | 348,332 |
| LIFE/SAFETY | 391,434 | 0.04450 | 391,433.67 | 387,519 |
| TOTAL OPERATIONAL TAXES | 37,065,380 | 4.21376 | 37,065,380.08 | 36,694,726 |
| BOND & INTEREST | 2,922,763 | 0.33227 | 2,922,763.00 | 2,893,535 |
| TOTAL TAXES | 39,988,143 | 4.54604 | 39,988,143.08 | 39,588,262 |