

# **Bloomington Public Schools**



**2009 LEVY  
2011 BUDGET  
OCTOBER, 2009**

# Agenda



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

# Calendar



- October 28 Tax Levy Report
- November 27 Publish Hearing Notice
- December 9 Public Hearing & Levy Resolution
- December 29 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:
  - ⇒ Largest revenue source.
  - ⇒ A growing revenue source.
  - ⇒ Most stable and reliable revenue source.
- Property Tax arrives early and earns interest.
- The Levy is the first look at next year and is approved months before the fiscal year it funds begins.

# The Levy Is:



- The dollar amount the Board needs from the property tax next year (2011).
- 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 and the actual EAV.

$$\frac{\$29,000,000 \text{ Levy}}{\$892,856,430 \text{ EAV}} = \$3.25$$

# Levy Guidelines



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

$$\frac{\$27,857,121 \text{ Extension}}{\$892,856,430 \text{ EAV}} = \$3.12$$

# 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 (\$0.000)
— Transportation	\$0.20 (\$0.174)
— Working Cash	\$0.05
— Lease (Technology & Facilities)	\$0.05

# Levy Guidelines



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

— IMRF	\$0.083
— Tort	\$0.073
— Social Security & Medicare	\$0.099
— Bonds & Interest	\$0.386

# Levy Guidelines



- A public tax levy hearing must be held if the levy is 105% of the prior years extension.
- By law, a resolution is necessary to estimate the property tax revenues we believe are necessary for 2011, to establish the date of the required public hearing, and to approve publishing notice of the public hearing.

# Initial Levy Assumptions/Goals



- Keep the overall tax rate as flat as possible.
- Fund debt service schedule to repay bonds.
- Project 2011 budget and EAV growth.

# How to Estimate the Levy Amount



- 2011 Education Fund expenditures are projected at \$50.0 M.
- Assume the property tax remains approximately 60% of revenues.
- To balance the budget, need \$30.0 M from the property tax.

# How to Estimate the Levy Amount



- Assuming 6% EAV growth, the Levy raises the same amount as the extension \$28.7 M (Collect \$28.4 M).
- The overall tax rate goes down \$0.006 to \$4.57.

# How to Estimate the Levy Amount



- If EAV growth is closer to 1.5%, the Levy raises \$28.7 M but the Extension raises only \$27.4 M and Collections raise only \$27.2 M.
- The overall tax rate increases \$0.03 to \$4.61.
- In summary: We need \$30.0 M  
We receive \$28.4 M - \$27.2 M.

# Data and Assumptions

<b>Budget Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b><u>Levy Year</u></b>	<b><u>2003</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>Residential</b>	450,872,562	455,977,159	474,194,627	490,344,367	515,525,482	525,724,381	536,824,381
<b>Commercial</b>	282,092,725	292,230,382	297,413,922	303,796,634	307,066,383	309,315,797	310,862,376
<b>Industrial</b>	6,366,249	6,514,585	6,454,899	6,543,092	6,729,322	6,712,961	6,712,961
<b>Railroad</b>	222,423	359,353	355,924	384,536	389,753	434,463	434,463
<b><u>Farm</u></b>	<u>125,597</u>	<u>169,388</u>	<u>128,807</u>	<u>126,016</u>	<u>125,130</u>	<u>129,785</u>	<u>129,785</u>
<b>Total</b>	739,679,556	755,250,867	778,548,179	801,194,645	829,836,070	842,317,387	854,963,966
<b>Residential</b>	8.36%	1.13%	4.00%	3.41%	5.14%	1.98%	2.11%
<b>Commercial</b>	0.86%	3.59%	1.77%	2.15%	1.08%	0.73%	0.50%
<b>Industrial</b>	0.00%	2.33%	-0.92%	1.37%	2.85%	-0.24%	0.00%
<b>Railroad</b>	8.25%	61.56%	-0.95%	8.04%	1.36%	11.47%	0.00%
<b><u>Farm</u></b>	<u>-8.32%</u>	<u>34.87%</u>	<u>-23.96%</u>	<u>-2.17%</u>	<u>-0.70%</u>	<u>3.72%</u>	<u>0.00%</u>
<b>Total</b>	5.29%	2.11%	3.08%	2.91%	3.57%	1.50%	1.50%

# Data and Assumptions



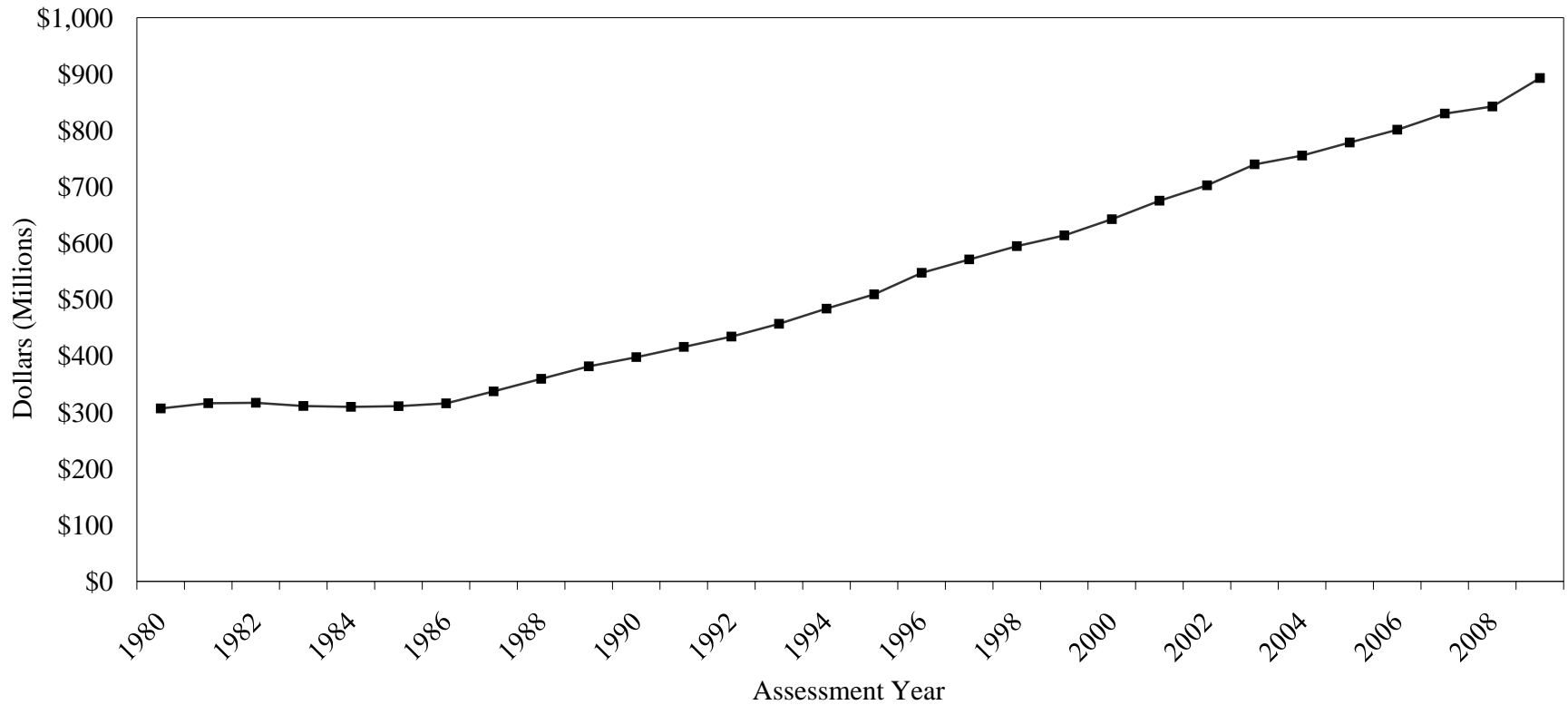
History Equalized Assessed Value (EAV) Change



# Levy – 6.0% EAV Growth



## History Equalized Assessed Value (EAV)



# Levy – 6.0% EAV Growth



FUND LEVIED	LEVY	RATE	TAX	ESTIMATED
	AMOUNT	PER 100 E.A.V.	EXTENSION	99% COLLECTION
EDUCATIONAL	27,857,121	3.12000	27,857,120.62	27,578,549
OPER/BLDG/MAINT	4,464,282	0.50000	4,464,282.15	4,419,639
LEASE & TECHNOLOGY	446,428	0.05000	446,428.22	441,964
TRANSPORTATION	1,550,000	0.17360	1,550,000.00	1,534,500
WORKING CASH	446,428	0.05000	446,428.22	441,964
TORT IMMUNITY	650,000	0.07280	650,000.00	643,500
IMRF	745,000	0.08344	745,000.00	737,550
SOC SEC/MEDICARE	885,000	0.09912	885,000.00	876,150
SPEC. EDUCATION	357,143	0.04000	357,142.57	353,571
LIFE/SAFETY	0	0.00000	0.00	0
<b>TOTAL OPERATIONAL TAXES</b>	<b>37,401,402</b>	<b>4.18896</b>	<b>37,401,401.78</b>	<b>37,027,388</b>
<b>BOND &amp; INTEREST</b>	<b>3,445,336</b>	<b>0.38588</b>	<b>3,445,336.00</b>	<b>3,410,883</b>
<b>TOTAL TAXES</b>	<b>40,846,738</b>	<b>4.57484</b>	<b>40,846,737.78</b>	<b>40,438,270</b>