

Bloomington Public Schools



**2012 LEVY
2014 BUDGET
OCTOBER, 2012**

The Levy Is



- The first projection for next years budget. It is approved months before the current fiscal year ends and just after the audit for last year is reviewed.
- The maximum dollar amount the Board needs from the property tax for fiscal year 2014.
- The County sets the extension once it has actual EAV data. This is likely less than the Levy and final revenue is further reduced by collection issues.

The Levy Is Important



- The Property Tax:
 - Our largest revenue source.
 - Historically a growing revenue source.
 - Historically our most stable and reliable revenue source.
 - Arrives early providing cash flow and earning interest.

- The Board has more control over the Property Tax than most other revenue sources.

Levy Assumptions



- Keep the overall tax rate as low as possible.
- Fund debt service to repay bonds.
- Project 2014 budget and fund as much as possible.

How to Estimate the Levy Amount – By Fund



- 2013 Education fund expenditures estimated - \$50.1 M.
- 2014 Education fund expenditures projected - \$50.1 M.
- Property tax approximately 58% of revenues.
- Need approximately \$29.1 M from the property tax to balance the budget.

Extension and Rate Impact



- Assuming (2.0%) EAV decrease, the Extension raises \$27.7 M and we collect \$27.0 M (99.2%).
- The overall tax rate goes up approximately \$0.059 to \$4.716.

Budget Impact



- In summary: We need \$29.1 M
We receive closer to \$27.0 M.

2012 (2.0%) EAV Decrease



FUND	LEVY	RATE \$100 EAV	EXTENSION
Education	26,700,000	3.12000	26,438,458
O&M	4,250,000	0.50000	4,236,932
Lease	430,000	0.05000	423,693
Transportation	1,700,000	0.20000	1,694,773
Working Cash	430,000	0.05000	423,693
Tort	800,000	0.09441	800,000
IMRF	650,000	0.07671	650,000
S.S. / Medicare	750,000	0.08851	750,000
Special Ed	340,000	0.04000	338,954
Life Safety	430,000	0.05000	423,693
<u>Bond & Interest</u>	<u>3,785,471</u>	<u>0.44672</u>	<u>3,785,471</u>
TOTAL	40,265,471	4.71635	39,965,756

2012 Levy & Extension Compared to 2011 Extension



FUND	2011 Extension	Chg. 2012 Levy	Chg. 2012 Extension
Education	26,978,018	(278,018)	(539,560)
O&M	4,323,400	(73,400)	(86,468)
Lease & Tech.	432,340	(2,340)	(8,647)
Transportation	1,729,360	(29,360)	(34,587)
Working Cash	100,043	329,957	323,650
Tort	789,971	10,028	10,046
IMRF	695,030	(45,030)	(45,000)
SS / Medicare	780,201	(30,201)	(30,179)
Special Ed.	345,872	(5,872)	(6,917)
Life Safety	432,340	(2,340)	(8,647)
<u>Bond & Int.</u>	<u>3,665,119</u>	<u>120,352</u>	<u>120,325</u>
Total	40,271,696	(6,225)	(305,984)

Tax Rate Limits



- We estimate the following funds will be at their statutory maximum rates in 2012, assuming a (2%) EAV decrease:

	<u>2011</u>	<u>2012</u>
— Education	\$3.12	\$3.12
— Operations & Maintenance	\$0.50	\$0.50
— Special Education	\$0.04	\$0.04
— Life Health Safety	\$0.05	\$0.05
— Transportation	\$0.20	\$0.20
— Working Cash	\$0.01	\$0.05
— Lease (Technology/Facilities)	\$0.05	\$0.05

Tax Rate Limits



- The following funds have no statutory maximum rates and are estimated to be at the following rates, assuming a (2%) EAV decrease:

	<u>2011</u>	<u>2012</u>
— IMRF	\$0.08038	\$0.07671
— SS/Medicare	\$0.09023	\$0.08851
— Tort	\$0.09136	\$0.09441
— Bonds & Interest	\$0.42387	\$0.44672

Levy / Extension Calculation



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

$$\frac{\$29,100,000 \text{ Levy}}{\$847,400,000 \text{ EAV}} = \$3.43$$

Levy / Extension Calculation



- However, the County cannot exceed the maximum statutory tax rate of \$3.12 for the Education Fund so it adjusts the Levy down to the lower Extension amount.

$$\frac{\$26,438,880 \text{ Extension}}{\$847,400,000 \text{ EAV}} = \$3.12$$

2012 SUMMARY



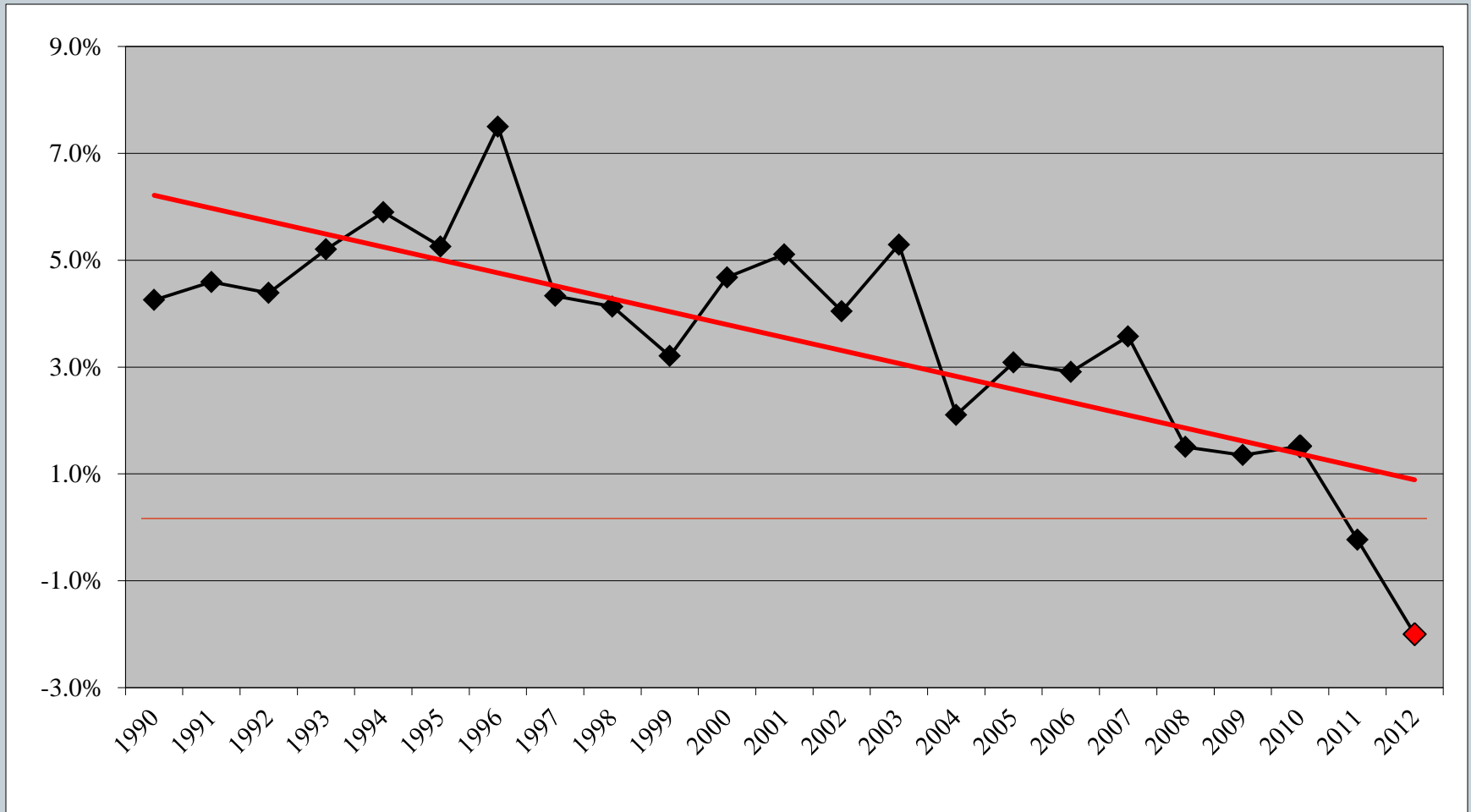
- Assuming a (2.0%) decrease in EAV: Levy \$40,265,471
Extension \$39,965,712.
- Levy is \$602,824 (1.48%) less than 2011 Levy and \$6,225 (0.02%) less than 2011 Extension.
- The 2012 Extension is \$305,984 (0.76%) less than 2011 Extension.
- Total tax rate is \$4.716 or \$0.0589 (1.27%) more than in 2011.

EAV By Type

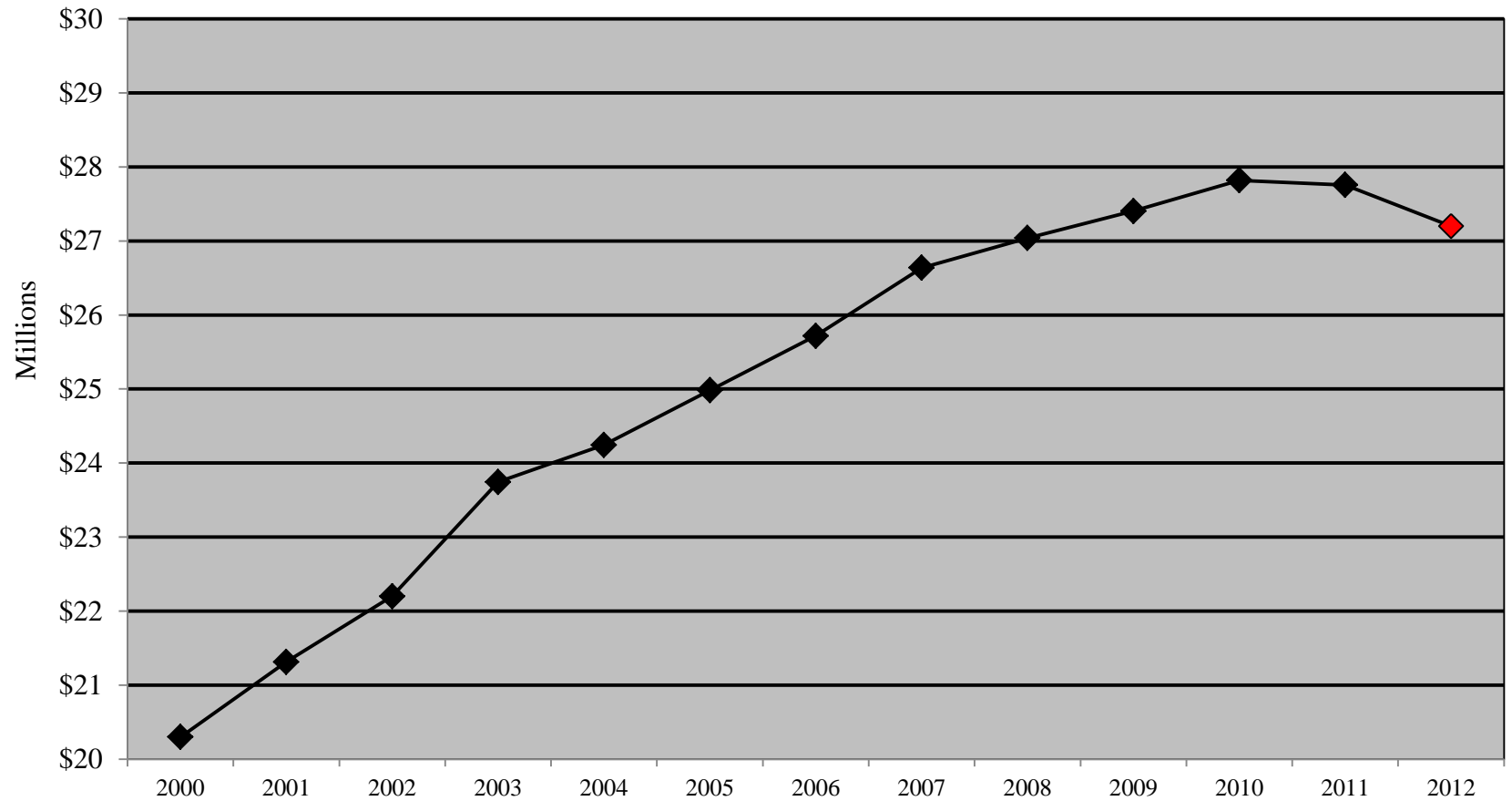


Levy Yr	2004	2009	\$ 09/04	% 09/04	2011	\$ 11/04	% 11/04
Residential	455,977,159	540,290,650	84,313,491	18.5%	541,708,388	8,573,123	18.8%
Commercial	292,230,382	306,855,791	14,068,940	4.8%	316,952,238	2,472,185	8.5%
Industrial	6,514,585	6,562,786	48,201	0.7%	5,363,048	1,151,537	17.7%
Railroad	359,353	528,343	168,990	47.0%	633,886	274,533	76.4%
<u>Farm</u>	<u>169,388</u>	<u>18,872</u>	<u>150,516</u>	<u>88.9%</u>	<u>22,517</u>	<u>146,871</u>	<u>86.7%</u>
TOTAL	755,250,867	853,699,973	98,449,106	13.0%	864,680,077	10,942,921	14.5%

EAV History



Extension History



Rate History



Tax Rate	2005	2012	Change
Total Rate	\$4.481	\$4.716	\$0.235
Operations	\$3.830	\$3.910	\$0.080
Bond & Interest	\$0.300	\$0.447	\$0.147
All Other	\$0.351	\$0.360	\$0.009

The total seven year rate change was 23.5 cents of which 8 cents was operations (34%) and 14.7 cents was B&I (63%). Operations will not increase going forward since we are at the statutory maximum rates.

McLean County Rates



District	Total Rate
Ridgeview	\$6.07
Lexington	\$5.68
Tri-Valley	\$5.34
Heyworth	\$5.32
Blue Ridge	\$5.28
Olympia	\$4.86
Prairie Central	\$4.85
Unit 5	\$4.73
District 87	\$4.66
Eureka	\$3.77

Impact on Taxpayer



- The owner of a \$150,000 house would pay approximately \$29.50 more due to the \$0.0589 rate increase.
- This same owner would pay approximately \$47.17 less due to the value of their property decreasing (2%) for a net decrease in taxes of \$17.69.
- Without the Working Cash Levy, the rate increase would be only \$0.0089 and the net decrease in taxes would be \$42.17.