

Bloomington Public Schools



**2013 LEVY
2015 BUDGET
OCTOBER, 2013**

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 2015.
- 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, though lately shrinking.
 - 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 2015 budget and fund historic % share.

How to Estimate the Levy Amount – By Fund



- 2014 Education fund expenditures estimated - \$48.8 M.
 - \$2.0 Deficit.

- 2015 Education fund expenditures projected - \$48.3 M.
 - \$1.0 Increase in Tort Revenue.
 - \$0.5 Decrease in Spending per DRP.
 - \$0.5 Deficit Continues
 - No Salary or Benefit Increases

- Property tax approximately 58% of revenues.

- Need at least \$28.5 M from the property tax to balance the Education Fund budget.

Extension and Rate Impact



- Assuming (1.3%) EAV decrease, the Extension raises \$27.6 M and we collect \$27.4 M (@ 99.2%).
- The overall tax rate goes up approximately \$0.107 to \$4.830.

Budget Impact



- In summary: We need \$28.5 M
We receive closer to \$27.4 M.

2013 (1.3%) EAV Decrease



FUND	LEVY	RATE \$100 EAV	EXTENSION
Education	26,700,000	3.12000	25,837,434
O&M	4,250,000	0.50000	4,140,614
Lease	430,000	0.05000	414,061
Transportation	1,700,000	0.20000	1,656,245
Working Cash	430,000	0.05000	414,061
Tort	1,800,000	0.21736	1,800,007
IMRF	650,000	0.07849	649,993
S.S. / Medicare	500,000	0.06038	500,020
Special Ed	340,000	0.04000	331,249
Life Safety	430,000	0.05000	414,061
<u>Bond & Interest</u>	<u>3,841,470</u>	<u>0.46388</u>	<u>3,841,496</u>
TOTAL	41,071,470	4.83011	39,999,247

Compare 2011, 2012 & 2013 Extensions



FUND	2011 Extension	2012 Extension	Est. 2013 Extension
Education	26,978,018	26,184,029	25,837,435
O&M	4,323,400	4,196,158	4,140,615
Lease & Tech.	432,340	419,615	414,061
Transportation	1,729,360	1,687,463	1,656,246
Working Cash	100,043	419,615	414,061
Tort	789,971	800,039	1,800,008
IMRF	695,030	649,984	649,994
SS / Medicare	780,201	750,021	500,021
Special Ed.	345,872	335,692	331,249
Life Safety	432,340	419,615	414,061
<u>Bond & Int.</u>	<u>3,665,119</u>	<u>3,785,522</u>	<u>3,841,497</u>
Total	40,271,696	39,638,760	39,999,248

Tax Rate Limits



- We estimate the following funds will be at their statutory maximum rates in 2013, assuming a (1.3%) EAV decrease:

	<u>2011</u>	<u>2012</u>	<u>2013</u>
— Education	\$3.12	\$3.12	\$3.12
— Operations & Maintenance	\$0.50	\$0.50	\$0.50
— Special Education	\$0.04	\$0.04	\$0.04
— Life Health Safety	\$0.05	\$0.05	\$0.05
— Transportation	\$0.20	\$0.20	\$0.20
— Working Cash (Transfer to ED)	\$0.01	\$0.05	\$0.05
— Lease (Technology/Facilities)	\$0.05	\$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 (1.3%) EAV decrease:

	<u>2012</u>	<u>2013</u>
— IMRF	\$0.07745	\$0.07849
— SS/Medicare	\$0.08937	\$0.06038
— Tort	\$0.09533	\$0.21736
— <u>Bonds & Interest</u>	<u>\$0.45107</u>	<u>\$0.46388</u>
— TOTAL	\$0.71322	\$0.82011

Levy / Extension Calculation



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

$$\frac{\$26,700,000 \text{ Levy}}{\$828,122,916 \text{ EAV}} = \$3.22$$

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.

$$\frac{\$25,837,435 \text{ Extension}}{\$828,122,916 \text{ EAV}} = \$3.12$$

2013 SUMMARY



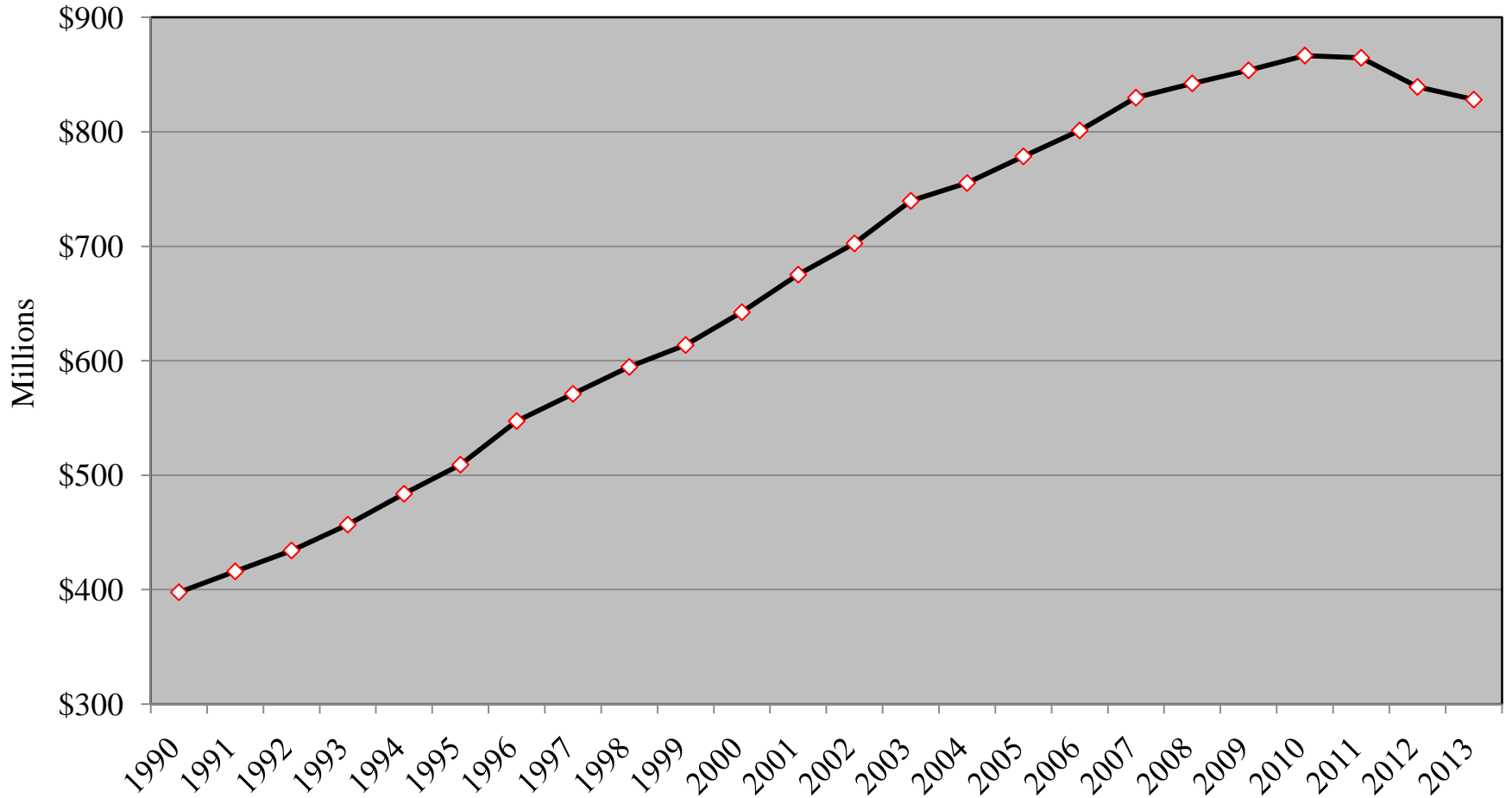
- Assuming a (1.3%) decrease in EAV: Levy \$41,071,470
Extension \$39,999,248
- 2013 Levy is \$806,000 (2.00%) more than 2012 Levy and \$1,432,710 (3.61%) more than 2012 Extension.
- The 2013 Extension is \$360,488 (0.91%) more than 2012 Extension.
- Total 2013 estimated tax rate is \$4.83 or \$0.1069 (2.26%) more than in 2012.

EAV By Type

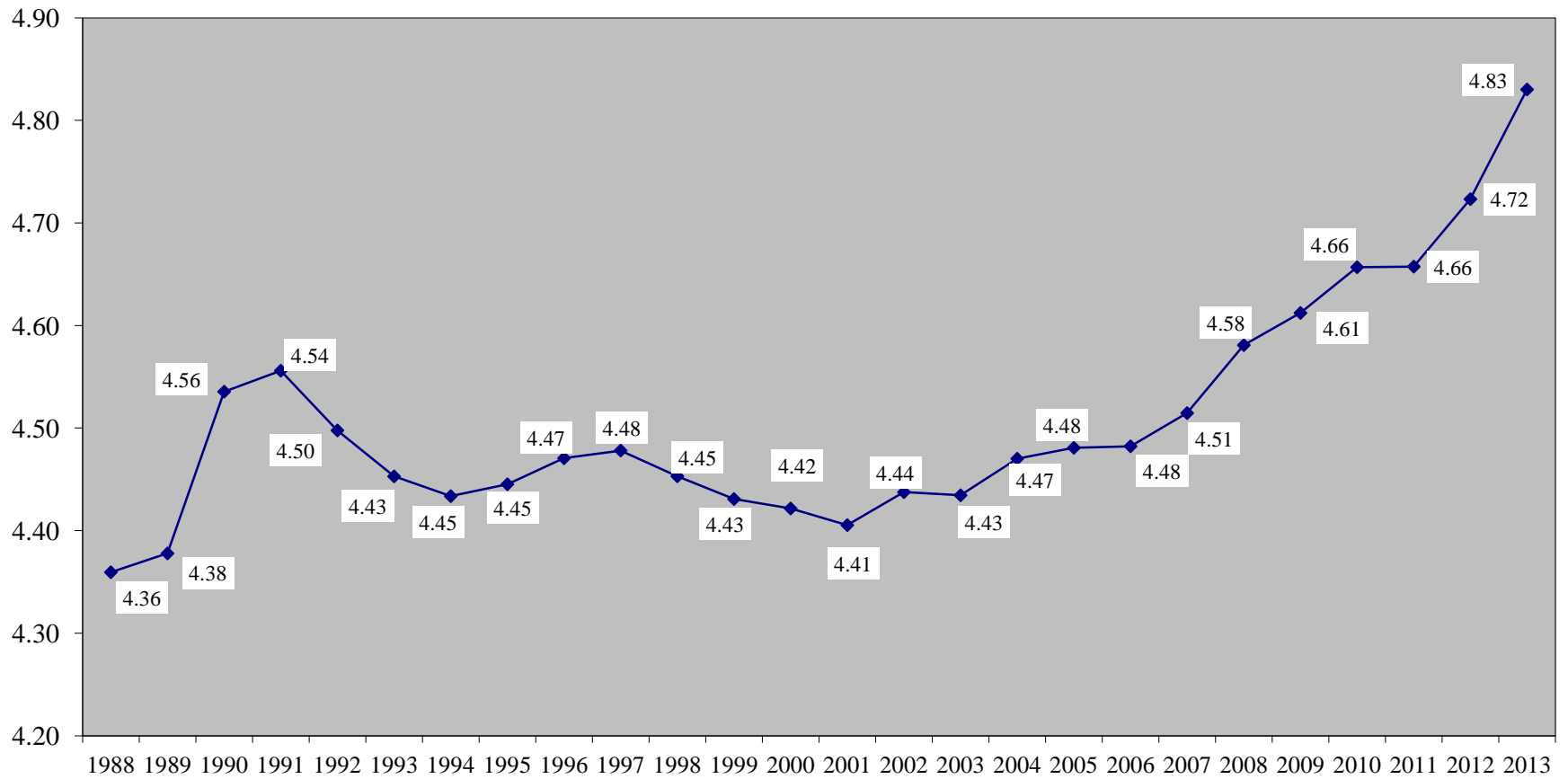


	Recent High	2011	2012	\$ 12/11	%
Residential	541,785,666 2010	541,708,388	526,713,161	(14,995,227)	2.77%
Commercial	318,885,791 2010	316,952,238	306,608,516	(10,343,722)	3.26%
Industrial	6,729,322 2007	5,363,048	5,202,033	(161,015)	3.00%
Railroad	683,433 2012	633,886	683,433	49,547	7.82%
Farm	129,785 2008	<u>22,517</u>	<u>24,573</u>	<u>2,056</u>	<u>9.13%</u>
TOTAL		864,680,077	839,231,716	(25,448,361)	2.94%

EAV History



Tax Rate History (Per \$100 EAV)



Rate History



Tax Rate	2007	2012	2013	13/12	12/07
Total Rate	\$4.514	\$4.716	\$4.830	\$0.114	\$0.202
Operations	\$3.850	\$3.910	\$3.910	\$0.000	\$0.060
Bond & Int.	\$0.350	\$0.447	\$0.464	\$0.017	\$0.106
All Other	\$0.324	\$0.360	\$0.456	\$0.096	\$0.035

Over the first five years (12/07), the rate increased 20.2 cents; 10.6 cents for B&I, 6 cents for operations, and 3.5 cents for all other. The estimate of rate change for this year (13/12), is 11.4 cents; 9.6 cents for all other (primarily tort) and 1.7 cents for B&I.

McLean County Rates 2012

District 87 Rate 2013



District	Total Rate
Ridgeview	\$5.75
Lexington	\$5.68
Heyworth	\$5.67
Tri-Valley	\$5.39
Blue Ridge	\$5.28
Olympia	\$4.99
Prairie Central	\$4.92
Unit 5	\$4.88
District 87	\$4.83
Eureka	\$4.32

Impact on Taxpayer



- The owner of a \$150,000 house would pay approximately \$53.44 more due to the \$0.10688 rate increase.
- This same owner would pay approximately \$31.97 less due to the value of their property decreasing (1.3%) for a net increase in taxes of \$21.47.