

Bloomington Public Schools



2014 LEVY
2016 BUDGET
OCTOBER, 2014

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 2016.
- 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 2016 budget and fund historic % share.

How to Estimate the Levy Amount – By Fund



- 2014 Education fund expenditures actual - \$48.8 M.
 - \$1.0 Deficit.
- 2015 Education fund expenditures estimated - \$47.5 M.
 - \$2.1 Deficit.
- 2016 Education fund expenditures projected - \$45.5 M.

- Property tax approximately 58% of revenues.

- Need at least \$26.4 M from the property tax to balance the Education Fund budget.

Extension and Rate Impact



- Assuming (2%) EAV increase, the Extension raises \$26.4 M and we collect \$26.1 M.
- The overall tax rate goes up approximately \$0.017 to \$4.852.

Budget Impact



- In summary: We need \$26.4 M
We receive close to \$26.1 M.

2014 EAV (2% Increase)



FUND	LEVY	RATE \$100 EAV	EXTENSION
Education	26,700,000	3.12000	26,350,331
O&M	4,250,000	0.50000	4,222,809
Lease	430,000	0.05000	422,281
Transportation	1,700,000	0.20000	1,689,124
Working Cash	430,000	0.05000	422,281
Tort	2,300,000	0.27233	2,299,995
IMRF	700,000	0.08288	699,972
S.S. / Medicare	600,000	0.07104	599,977
Special Ed	340,000	0.04000	337,825
Life Safety	0	0.00000	0
<u>Bond & Interest</u>	<u>3,933,345</u>	<u>0.46573</u>	<u>3,933,378</u>
TOTAL	41,383,345	4.85198	40,977,974

Compare 2011 – 2014 Extensions



FUND	2011 Extension	2012 Extension	2013 Extension	2014 Extension
Education	26,978,018	26,184,029	25,833,658	26,350,331
O&M	4,323,400	4,196,158	4,140,009	4,222,809
Lease & Tech.	432,340	419,615	414,000	422,281
Transportation	1,729,360	1,687,463	1,656,004	1,689,124
Working Cash	100,043	419,615	414,000	422,281
Tort	789,971	800,039	1,799,993	2,299,995
IMRF	695,030	649,984	649,981	699,972
SS / Medicare	780,201	750,021	500,030	599,977
Special Ed.	345,872	335,692	331,201	337,825
Life Safety	432,340	419,615	414,000	0
<u>Bond & Int.</u>	<u>3,665,119</u>	<u>3,785,522</u>	<u>3,879,851</u>	<u>3,933,378</u>
Total	40,271,696	39,638,760	40,032,730	40,977,974

Tax Rate Limits



- We estimate the following funds will be at their statutory maximum rates in 2014, assuming flat EAV:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
— Education	\$3.12	\$3.12	\$3.12	\$3.12
— Operations & Maintenance	\$0.50	\$0.50	\$0.50	\$0.50
— Special Education	\$0.04	\$0.04	\$0.04	\$0.04
— Life Health Safety	\$0.05	\$0.05	\$0.05	\$0.00
— Transportation	\$0.20	\$0.20	\$0.20	\$0.20
— Working Cash (Transfer to ED)	\$0.01	\$0.05	\$0.05	\$0.05
— Lease (Technology/Facilities)	\$0.05	\$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 flat EAV:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
— IMRF	\$0.0775	\$0.0785	\$0.8288
— SS/Medicare	\$0.0894	\$0.0604	\$0.0710
— Tort	\$0.0953	\$0.2174	\$0.2723
— <u>Bonds & Interest</u>	<u>\$0.4511</u>	<u>\$0.4639</u>	<u>\$0.4657</u>
— TOTAL	\$0.7132	\$0.8201	\$1.6378

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.

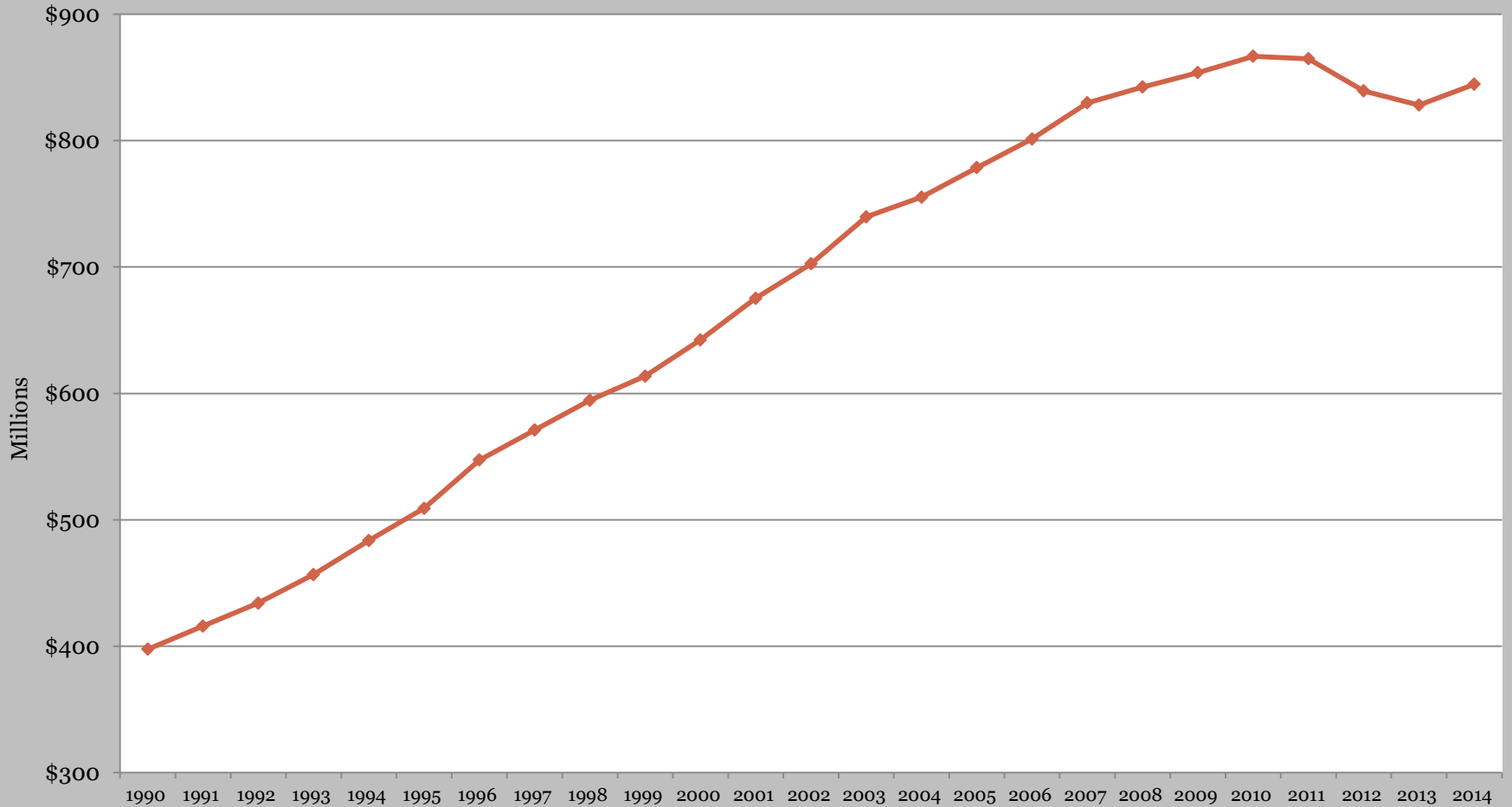
$$\frac{\$25,837,435 \text{ Extension}}{\$828,122,916 \text{ EAV}} = \$3.12$$

EAV By Type

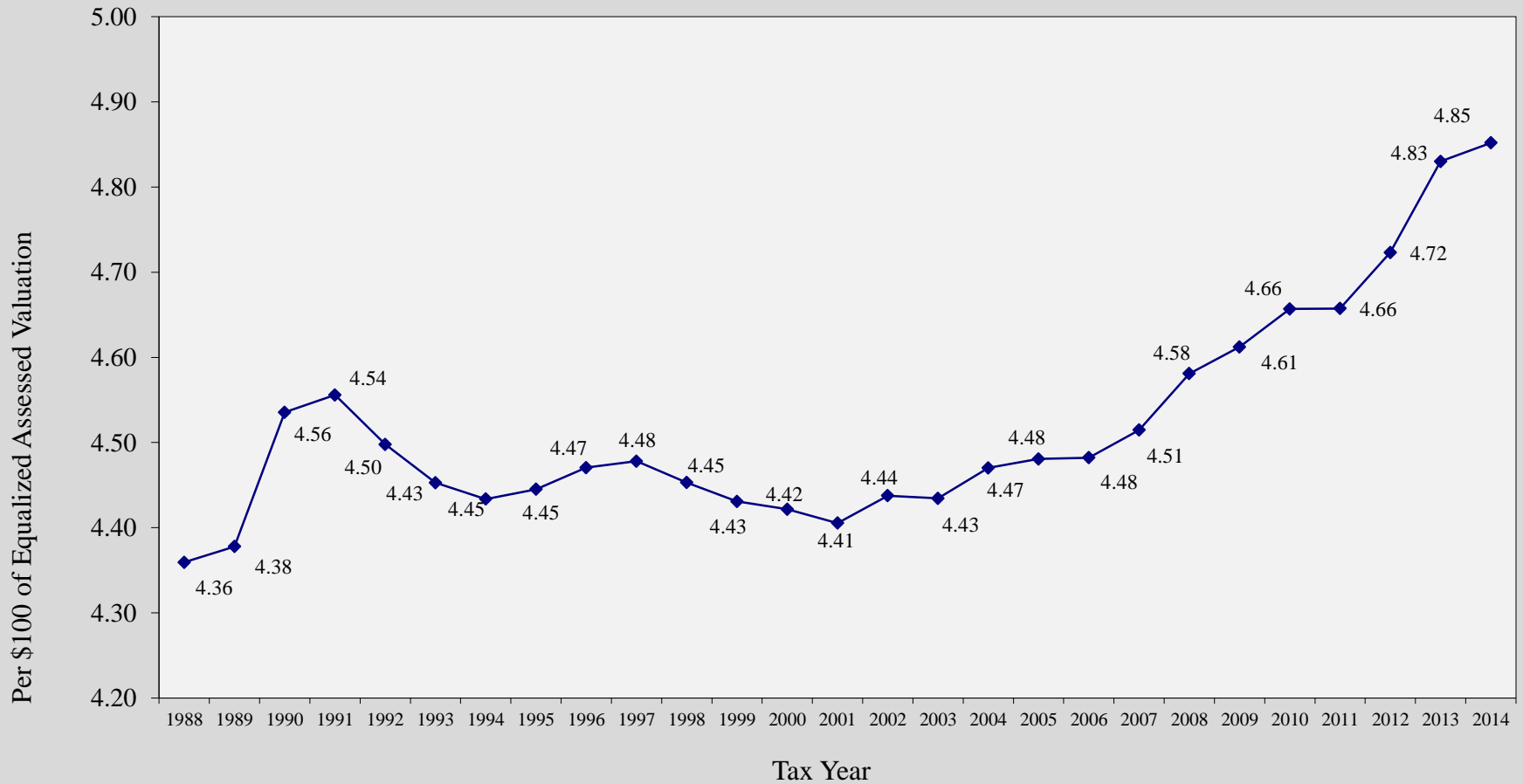


	Recent High	2011	2012	2013
Residential	541,785,666 2010	541,708,388	526,713,161	513,087,746
Commercial	318,885,791 2010	316,952,238	306,608,516	306,292,217
Industrial	6,729,322 2013	5,363,048	5,202,033	7,834,682
Railroad	683,433 2013	633,886	683,433	760,374
Farm	129,785 2008	<u>22,517</u>	<u>24,573</u>	<u>26,835</u>
TOTAL		864,680,077	839,231,716	828,001,854

EAV History



Tax Rate History (Per \$100 EAV)



Rate History



Tax Rate	2007	2012	2013	2014	14/13
Total Rate	\$4.514	\$4.716	\$4.835	\$4.852	\$0.017
Operations	\$3.850	\$3.910	\$3.910	\$3.910	\$0.000
Bond & Int.	\$0.350	\$0.447	\$0.469	\$0.466	(\$0.003)
All Other	\$0.324	\$0.360	\$0.456	\$0.476	\$0.020

McLean County Rates 2013

District 87 Rate 2014



District	Total Rate
Lexington	\$5.68
Heyworth	\$5.59
Tri-Valley	\$5.41
Blue Ridge	\$5.24
Unit 5	\$5.01
Prairie Central	\$4.93
Ridgeview	\$4.91
Olympia	\$4.85
District 87	\$4.85
Eureka	\$4.25

Impact on Taxpayer



- The owner of a \$150,000 house would pay approximately \$8.56 more due to the \$0.017 rate increase. If the value of their property increased, they would also pay more on that increase.
- If EAV grows less than 2%, the rate will increase more.