

Bloomington Public Schools



2015 LEVY
2017 BUDGET
OCTOBER 2015

The Levy Is



- The first projection for next year's budget 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 2017.
- 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 and affects most funds.
 - Historically a growing, stable and reliable source.
 - EAV dropped 4.5% between FY10 and FY13 then grew 0.5% in FY14. Estimated at 2% growth for next year.
 - 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 2017 budget and fund historic % share.

How to Estimate the Levy Amount – By Fund



- 2015 Education fund expenditures actual - \$46.9 M.
 - \$0.3 M Deficit.
- 2016 Education fund expenditures estimated - \$47.7 M.
 - \$1.4 M Deficit.
- 2017 Education fund expenditures estimated - \$48.5 M.
 - Growth only for salaries and health insurance.
- Property tax approximately 58% of revenues.

- Need at least \$28.1 M from the property tax to balance the Education Fund budget.

Extension and Rate Impact



- Assuming (2%) EAV increase, the Extension raises \$27.3 M and we collect \$27.1 M.
- The overall tax rate goes up approximately \$0.134 to \$5.09.
- If EAV grows less, the extension will raise less and the overall tax rate will increase more.

Budget Impact



- In summary: We need \$28.1 M
We receive closer to \$27.1 M
- The resulting deficit will be made up with less expenditures or drawing down the fund balance.

2015 EAV (2% Increase)



FUND	LEVY	RATE \$100 EAV	EXTENSION
Education	26,700,000	3.12000	26,493,473
O&M	4,250,000	0.50000	4,245,749
Lease	430,000	0.05000	424,575
Transportation	1,700,000	0.20000	1,698,300
Working Cash	430,000	0.05000	424,575
Tort	2,800,000	0.32974	2,799,986
IMRF	700,000	0.08244	700,039
S.S. / Medicare	800,000	0.09421	799,984
Special Ed	340,000	0.04000	339,660
Life Safety	430,000	0.05000	424,575
<u>Bond & Interest</u>	<u>4,848,846</u>	<u>0.57102</u>	<u>4,848,815</u>
TOTAL	43,428,846	5.08741	43,199,730

Compare 2011 – 2015 Extensions



FUND	2011	2012	2013	2014	2015	15/14
Education	26,978,018	26,184,029	25,833,658	25,973,993	26,493,473	419,480
O&M	4,323,400	4,196,158	4,140,009	4,162,499	4,245,749	83,250
Lease & Tech.	432,340	419,615	414,000	416,250	424,575	13,675
Transportation	1,729,360	1,687,463	1,656,004	1,665,000	1,698,300	33,300
Working Cash	100,043	419,615	414,000	416,250	424,575	13,675
Tort	789,971	800,039	1,799,993	2,300,030	2,799,987	499,987
IMRF	695,030	649,984	649,981	699,966	700,039	73
SS / Medicare	780,201	750,021	500,030	599,983	799,984	200,001
Special Ed.	345,872	335,692	331,201	333,000	339,660	6,660
Life Safety	432,340	419,615	414,000	0	424,575	424,575
<u>Bond & Int.</u>	<u>3,665,119</u>	<u>3,785,522</u>	<u>3,879,851</u>	<u>4,666,994</u>	<u>4,848,815</u>	<u>181,821</u>
Total	40,271,696	39,638,760	40,032,730	41,233,964	43,199,730	1,965,766

Tax Rate Limits



- We estimate the following funds will be at their statutory maximum rates in 2015:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
— Education	\$3.12	\$3.12	\$3.12	\$3.12	\$3.12
— Operations & Maintenance	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
— Special Education	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
— Life Health Safety	\$0.05	\$0.05	\$0.05	\$0.00	\$0.05
— Transportation	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
— Working Cash (Transfer to ED)	\$0.01	\$0.05	\$0.05	\$0.05	\$0.05
— Lease (Technology/Facilities)	\$0.05	\$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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
— IMRF	\$0.0804	\$0.0775	\$0.0785	\$0.0841	\$0.0824
— SS/Medicare	\$0.0902	\$0.0894	\$0.0604	\$0.0721	\$0.0942
— Tort	\$0.0914	\$0.0953	\$0.2174	\$0.2763	\$0.3298
— <u>Bonds & Interest</u>	<u>\$0.4239</u>	<u>\$0.4511</u>	<u>\$0.4639</u>	<u>\$0.5606</u>	<u>\$0.5710</u>
TOTAL	\$0.6858	\$0.7132	\$0.8202	\$0.9931	\$1.0774

Levy / Extension Calculation



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

$$\frac{\$26,700,000 \text{ Levy}}{\$849,149,769 \text{ EAV}} = \$3.14$$

- However, cannot exceed the maximum statutory tax rate of \$3.12 for the Education Fund and must adjust the Levy down to a lower Extension amount.

$$\frac{\$26,493,472 \text{ Extension}}{\$849,149,769 \text{ EAV}} = \$3.12$$

2015 SUMMARY



- Assuming 2% EAV growth:

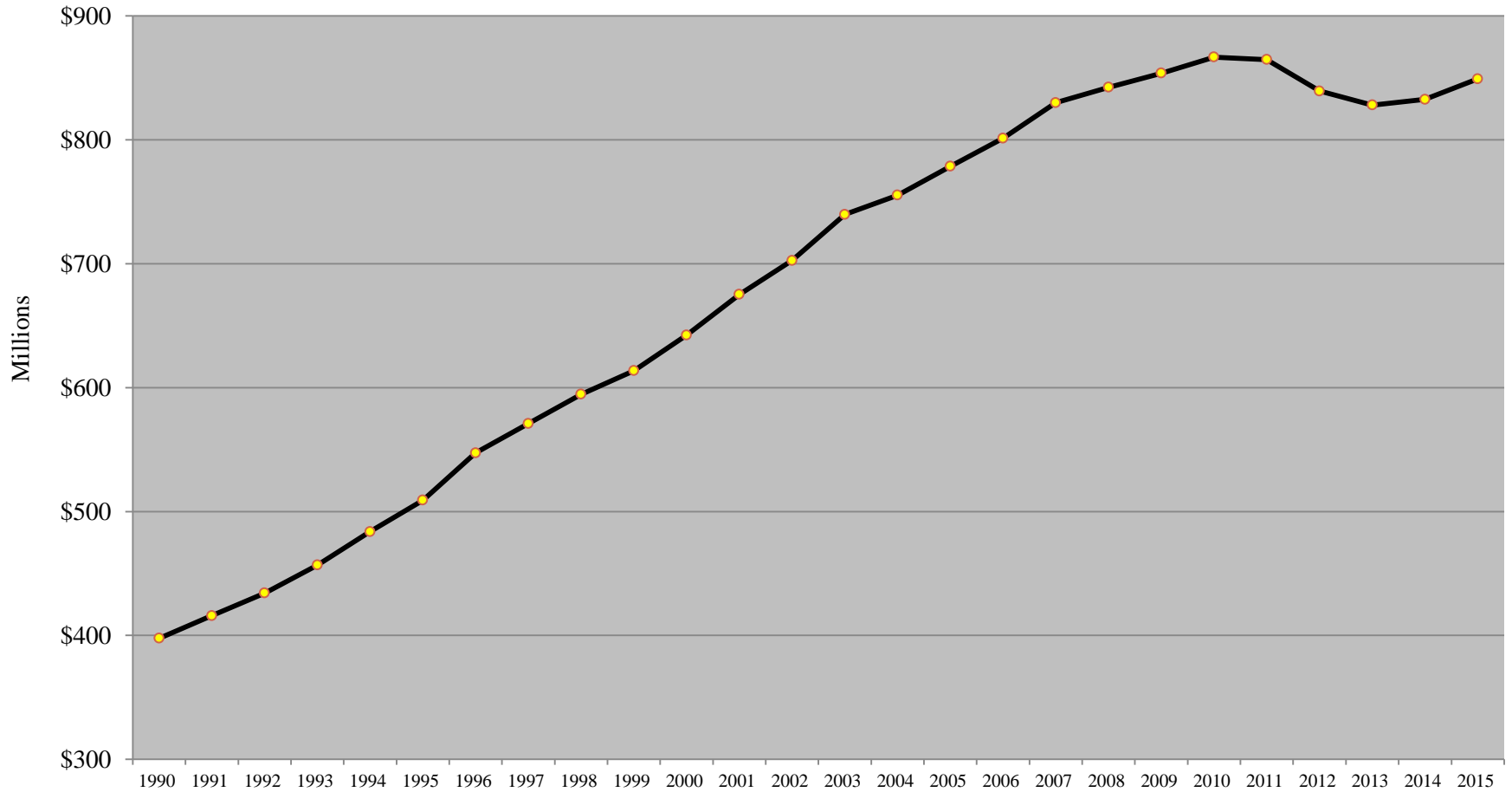
Levy	\$43,428,846
Extension	\$43,199,730
- 2015 Levy is \$1,311,878 (3.11%) more than 2014 Levy and \$2,194,882 (5.32%) more than 2014 Extension.
- 2015 Extension is \$1,965,767 (4.77%) more than 2014 Extension.
- Total 2015 estimated tax rate is \$5.09 or \$0.13 (2.71%) more than in 2014.

EAV By Type

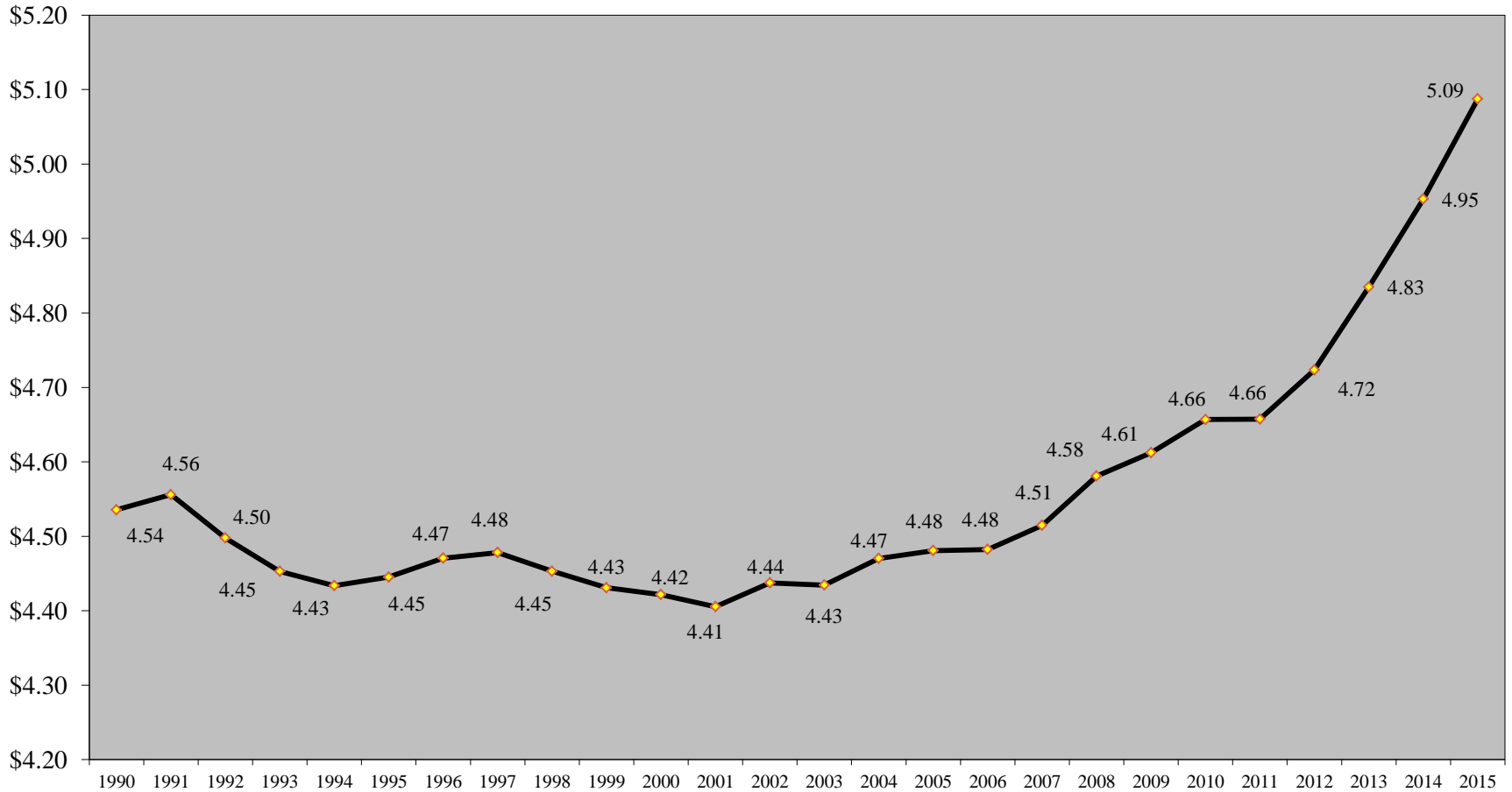


	Recent High	2011	2012	2013	2014
Residential	541,785,666 2010	541,708,388	526,713,161	513,087,746	518,328,575
Commercial	318,885,791 2010	316,952,238	306,608,516	306,292,217	306,083,152
Industrial	6,729,322 2013	5,363,048	5,202,033	7,834,682	7,278,813
Railroad	683,433 2014	633,886	683,433	760,374	779,910
Farm	129,785 2008	<u>22,517</u>	<u>24,573</u>	<u>26,835</u>	<u>29,324</u>
TOTAL	866,675,375 2010	864,680,077	839,231,716	828,001,854	832,499,774

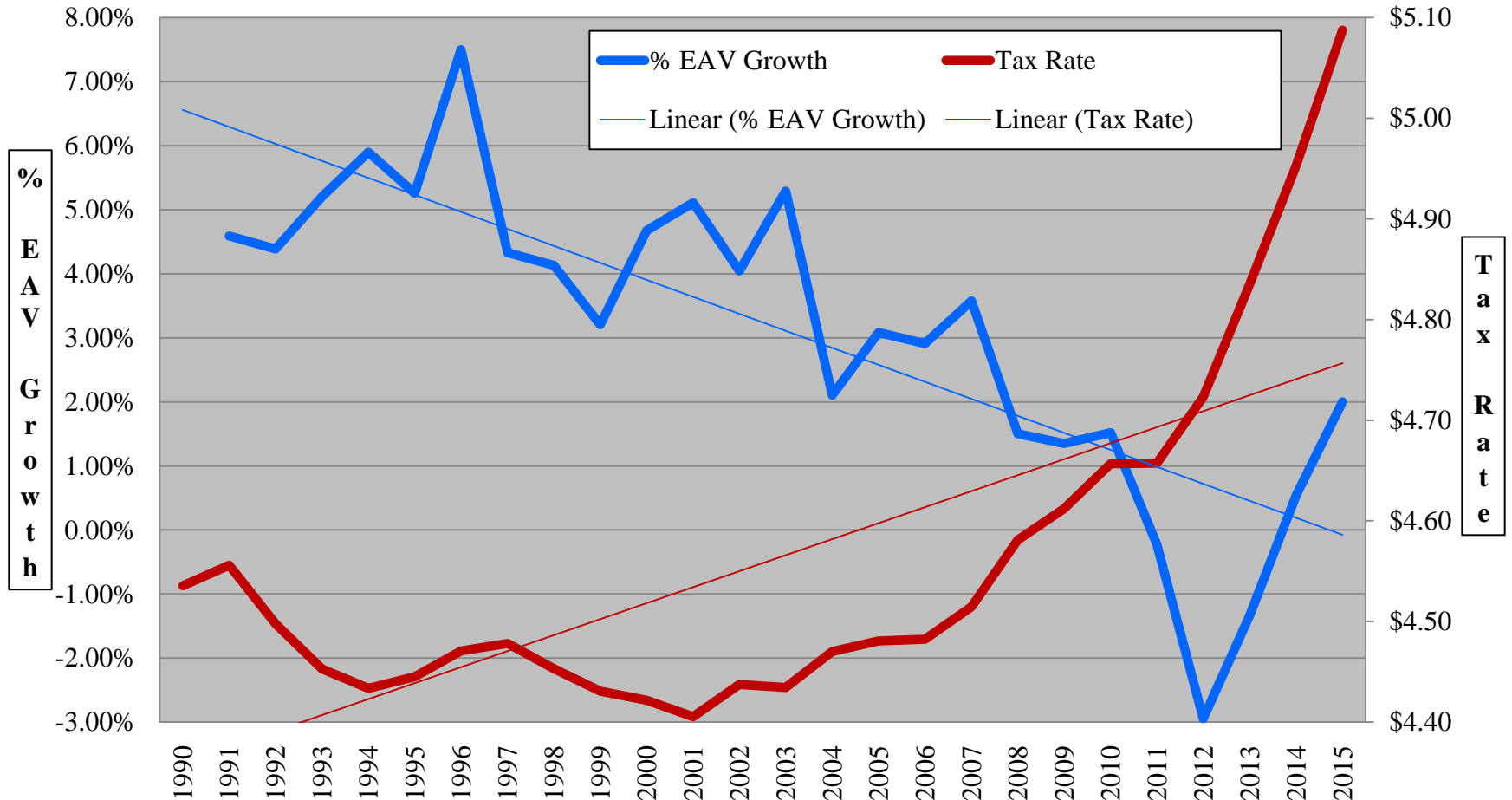
EAV History



Tax Rate History (Per \$100 EAV)



Percent EAV Growth and Tax Rate Trends



Rate History



Tax Rate	2012	2013	2014	2015	15/14	15/12
Total Rate	\$4.723	\$4.835	\$4.953	\$5.087	\$0.134	\$0.364
Operations	\$3.960	\$3.960	\$3.960	\$3.960	\$0.000	\$0.000
B&I	\$0.451	\$0.469	\$0.561	\$0.571	\$0.010	\$0.120
All Other	\$0.312	\$0.406	\$0.432	\$0.556	\$0.124	\$0.244

All Other includes: HLS, Tort, IMRF & FICA.
Growth since 2012 has mainly been in Tort (\$0.234).

McLean County Rates 2014

District 87 Rate 2015



District	Total Rate
Lexington	\$5.66
Heyworth	\$5.62
Tri-Valley	\$5.43
Blue Ridge	\$5.31
District 87	\$5.09
Unit 5	\$5.03
Prairie Central	\$4.99
Ridgeview	\$4.96
Olympia	\$4.82

Impact on Taxpayer



- The owner of a \$150,000 house would pay approximately \$67 more due to the \$0.13 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.