

# Bloomington Public Schools



**2016 LEVY**  
**2018 BUDGET**  
**OCTOBER 2016**

# The Levy Is:



- The first projection for next year's 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 requests from the property tax for fiscal year 2018.
- 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.
- Once the EAV is known the rate can be calculated.

# The Levy Is Important



- The Property Tax:
  - Our largest revenue source, affects all funds.
  - Historically a growing, stable and reliable source.
  - EAV dropped 4.5% between FY13 and FY15 then grew 0.5% in FY16 and 0.4% in FY17. Estimated at 2.5% growth for FY18.
  - Arrives early providing cash flow and earning interest.
  - The Board has more control over PT compared to state and federal grants.

# Levy Assumptions



- Keep the overall tax rate as low as possible.
- Fund debt service to repay bonds.
- Project 2018 budget and fund historic % share.

# How to Estimate the Levy Amount – By Fund



- 2016 Education fund expenditures actual - \$47.4 M.
  - \$0.9 M Deficit.
- 2017 Education fund expenditures estimated - \$48.2 M.
  - \$1.6 M Deficit.
- 2018 Education fund expenditures estimated - \$48.2 M.
  - No salary or benefit assumption as negotiating.
- Property tax approximately 58% of revenues.
  
- Need at least \$28.0 M from the property tax and \$30.0 M to balance the Education Fund budget.

# Extension and Rate Impact



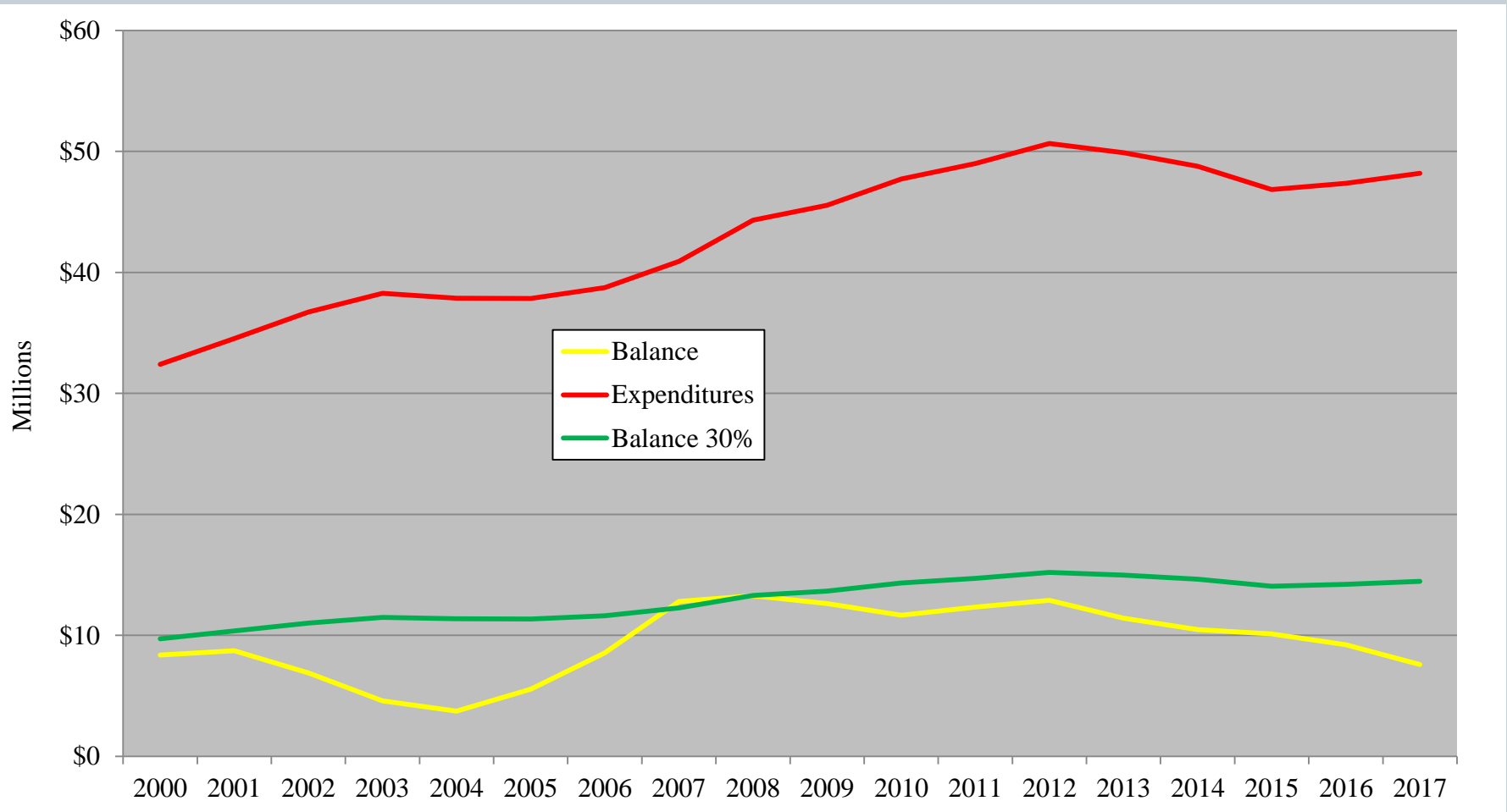
- Assuming (2.5%) EAV increase, the Extension raises \$27.5 M and we collect \$27.3 M.
- The overall tax rate goes down approximately \$0.026 to \$5.13.
- If EAV grows less, the extension will raise less and the overall tax rate may increase.

# Budget Impact



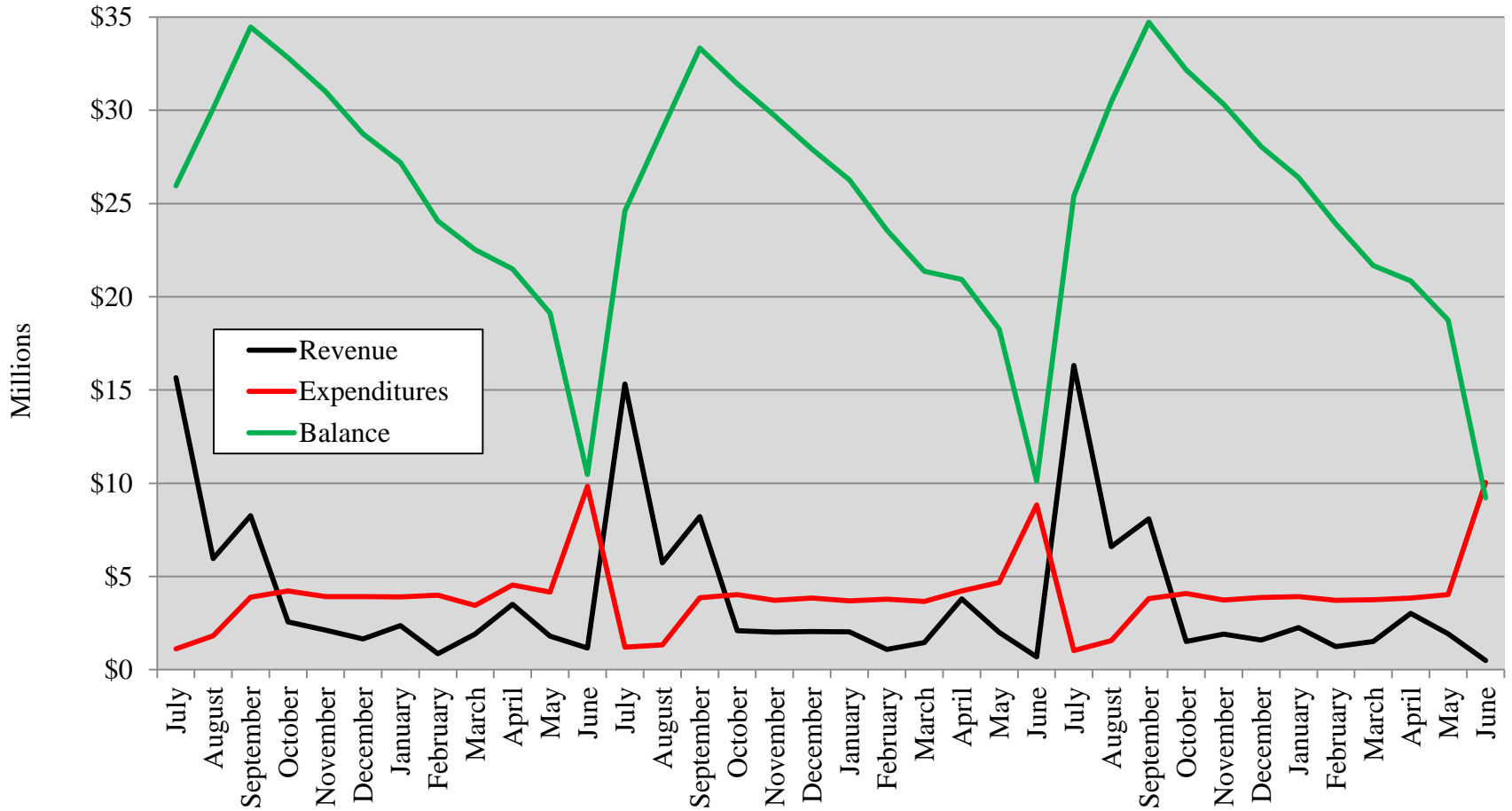
- In summary: We need \$28.0 to \$30.0 M  
We receive closer to \$27.3 to \$27.5 M
- The resulting deficit will be made up with less expenditures or drawing down the fund balance.

# Impact of Continuing Structural Deficit (FY14-16)





# Cash Flow Cycle



# 2016 EAV (2.5% Increase)



FUND	LEVY	RATE \$100 EAV	EXTENSION
Education	26,750,000	3.12000	26,730,307
O&M	4,300,000	0.50000	4,283,703
Lease	430,000	0.05000	428,370
Transportation	1,750,000	0.20000	1,713,481
Working Cash	430,000	0.05000	428,370
Tort	2,800,000	0.32682	2,799,999
IMRF	700,000	0.08171	700,043
S.S. / Medicare	800,000	0.09338	800,024
Special Ed	345,000	0.04000	342,696
Life Safety	430,000	0.05000	428,370
<u>Bond &amp; Interest</u>	<u>5,319,474</u>	<u>0.62090</u>	<u>5,319,502</u>
TOTAL	44,054,474	5.13281	43,974,868

# Compare 2011 – 2016 Extensions



FUND	2011	2012	2013	2014	2015	2016	16/15
Education	26,978,018	26,184,029	25,833,658	25,973,993	26,078,348	26,730,307	651,959
O&M	4,323,400	4,196,158	4,140,009	4,162,499	4,179,223	4,283,703	104,480
Lease & Tech.	432,340	419,615	414,000	416,250	417,922	428,370	10,448
Transportation	1,729,360	1,687,463	1,656,004	1,665,000	1,671,689	1,713,481	41,792
Working Cash	100,043	419,615	414,000	416,250	417,922	428,370	10,448
Tort	789,971	800,039	1,799,993	2,300,030	2,799,995	2,800,000	5
IMRF	695,030	649,984	649,981	699,966	700,020	700,043	23
SS / Medicare	780,201	750,021	500,030	599,983	799,987	800,024	37
Special Ed.	345,872	335,692	331,201	333,000	334,338	342,696	8,358
Life Safety	432,340	419,615	414,000	0	417,922	428,370	10,448
<u>Bond &amp; Int.</u>	<u>3,665,119</u>	<u>3,785,522</u>	<u>3,879,851</u>	<u>4,666,994</u>	<u>5,301,929</u>	<u>5,319,502</u>	<u>17,573</u>
Total	40,271,696	39,638,760	40,032,730	41,233,964	43,119,295	43,974,868	855,573

# Tax Rate Limits



- We estimate the following funds will be at their statutory maximum rates in 2016:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Education	\$3.12	\$3.12	\$3.12	\$3.12	\$3.12	\$3.12
Operations & Maintenance	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
Special Education	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Life Health Safety	\$0.05	\$0.05	\$0.05	\$0.00	\$0.05	\$0.05
Transportation	\$0.20	\$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	\$0.05
Lease (Technology/Facilities)	\$0.05	\$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>	<u>2016</u>
— IMRF	\$0.0804	\$0.0775	\$0.0785	\$0.0841	\$0.0838	\$0.0817
— SS/Medicare	\$0.0902	\$0.0894	\$0.0604	\$0.0721	\$0.0957	\$0.0934
— Tort	\$0.0914	\$0.0953	\$0.2174	\$0.2763	\$0.3350	\$0.3268
— <u>Bonds / Interest</u>	<u>\$0.4239</u>	<u>\$0.4511</u>	<u>\$0.4639</u>	<u>\$0.5606</u>	<u>\$0.6343</u>	<u>\$0.6209</u>
TOTAL	\$0.6858	\$0.7132	\$0.8202	\$0.9931	\$1.1488	\$1.1228

# Levy / Extension Calculation



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

$$\frac{\$26,750,000 \text{ Levy}}{\$856,740,611 \text{ EAV}} = \$3.122$$

- 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.

$$\frac{\$26,730,307 \text{ Extension}}{\$856,740,611 \text{ EAV}} = \$3.120$$

# 2015 SUMMARY



- Assuming 2.5% EAV growth:

Levy	\$44,054,474
Extension	\$43,974,868
- 2016 Levy is \$172,568 (0.39%) more than 2015 Levy and \$935,179 (2.17%) more than 2015 Extension.
- 2016 Extension is \$855,573 (1.98%) more than 2015 Extension.
- Total 2016 estimated tax rate is \$5.13 or \$0.03 (0.50%) less than 2015.

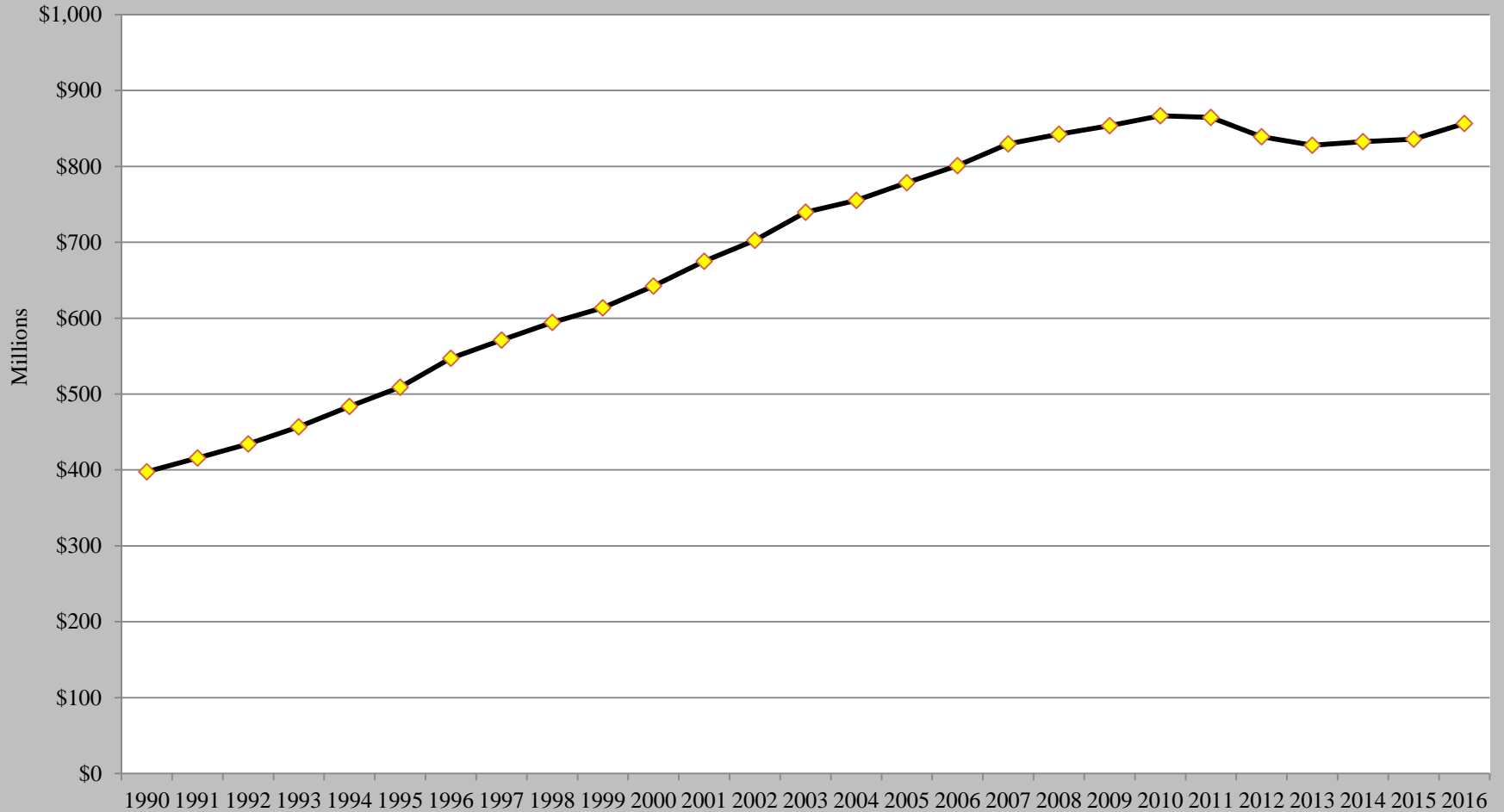
# EAV By Type



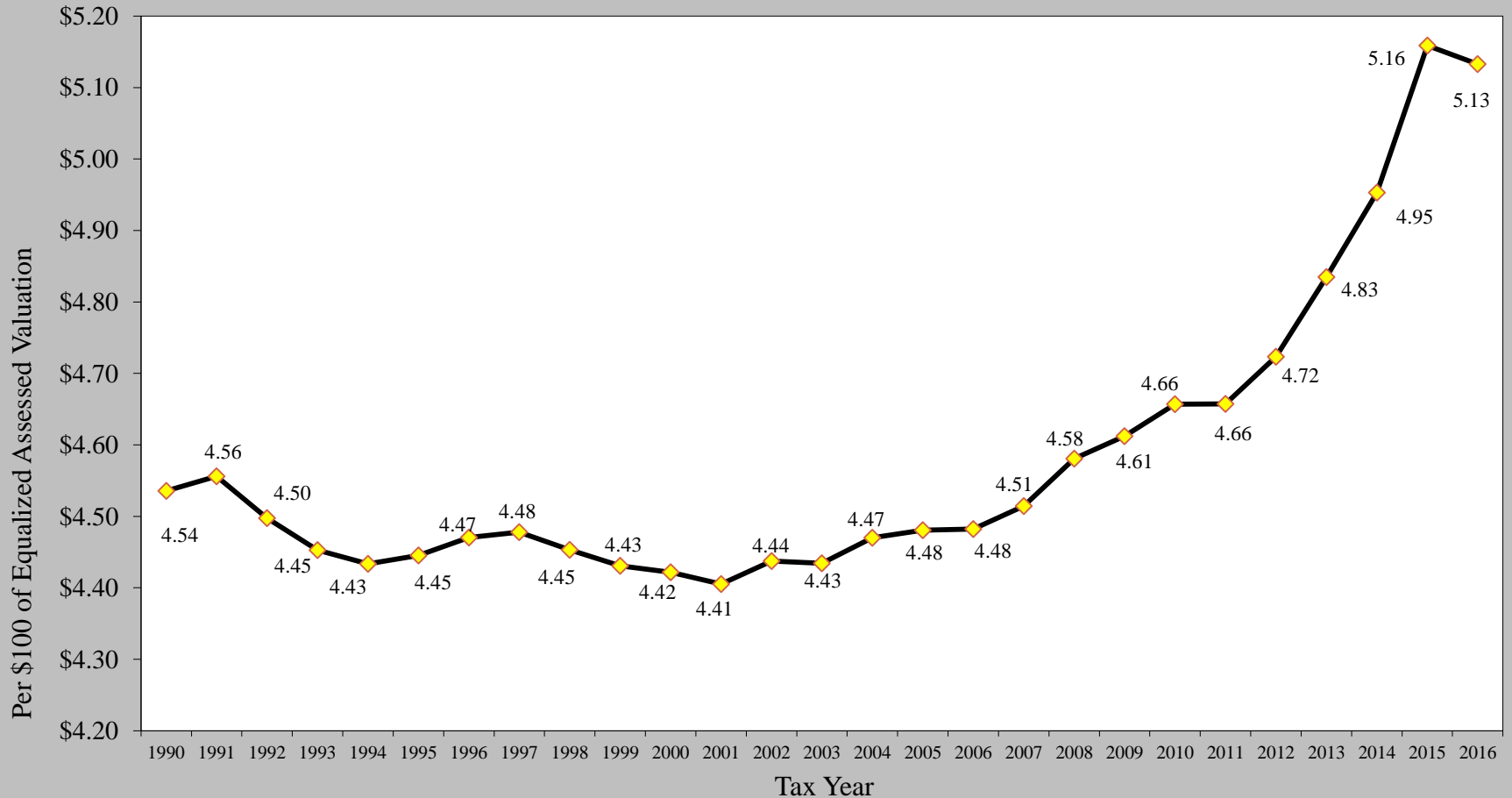
	Recent High	2011	2012	2013	2014	2015
Residential	541,785,666 2010	541,708,388	526,713,161	513,087,746	518,328,575	523,401,068
Commercial	318,885,791 2010	316,952,238	306,608,516	306,292,217	306,083,152	305,032,305
Industrial	6,729,322 2013	5,363,048	5,202,033	7,834,682	7,278,813	6,483,956
Railroad	899,189 2015	633,886	683,433	760,374	779,910	899,189
Farm	129,785 2008	<u>22,517</u>	<u>24,573</u>	<u>26,835</u>	<u>29,324</u>	<u>27,981</u>
<b>TOTAL</b>	866,675,375 2010	864,680,077	839,231,716	828,001,854	832,499,774	835,844,499



# EAV History



# Tax Rate History (Per \$100 EAV)



# Rate History



Tax Rate	2012	2013	2014	2015	2016	16/15	16/12
Total Rate	\$4.723	\$4.835	\$4.953	\$5.159	\$5.133	\$0.026	\$0.410
Operations	\$3.960	\$3.960	\$3.960	\$3.960	\$3.960	\$0.000	\$0.000
B&I	\$0.451	\$0.469	\$0.561	\$0.634	\$0.621	-\$0.013	\$0.170
All Other	\$0.312	\$0.406	\$0.432	\$0.565	\$0.552	-\$0.013	\$0.240

All Other includes: HLS, Tort, IMRF & FICA.  
Growth since 2012 has mainly been in Tort (\$0.231).

# McLean County Rates 2015

## District 87 Rate 2016



District	Total Rate
Lexington	\$6.18
Heyworth	\$5.69
Tri-Valley	\$5.68
Olympia	\$5.46
Blue Ridge	\$5.37
Ridgeview	\$5.15
District 87	\$5.13
Unit 5	\$5.06
Prairie Central	\$4.91

# Impact on Taxpayer



- The owner of a \$150,000 house would pay approximately \$51 more.
  - \$64 more due to value of home increasing
  - \$13 less due to rate decreasing