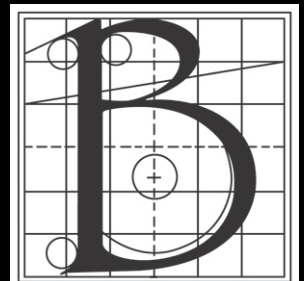


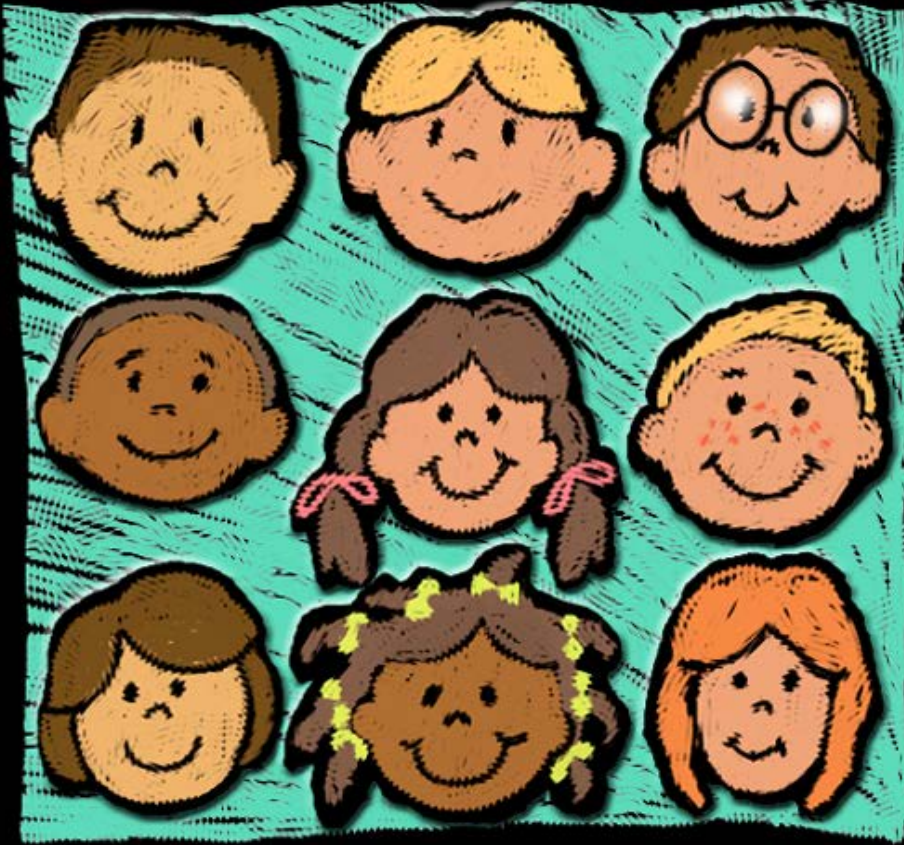
How Schools are Funded in the State of

Iowa



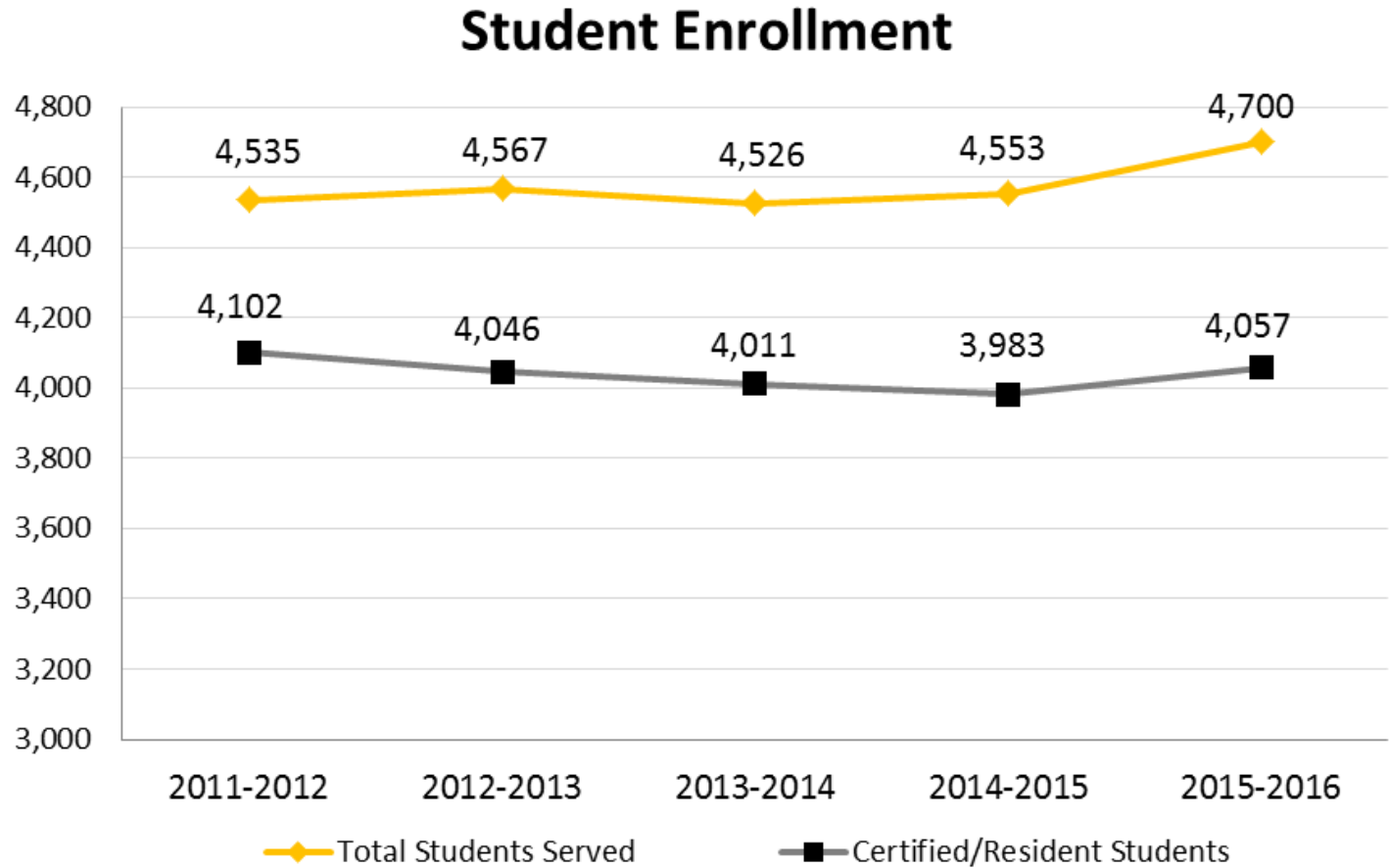
Bettendorf
Community
School District

Funding is Student Driven



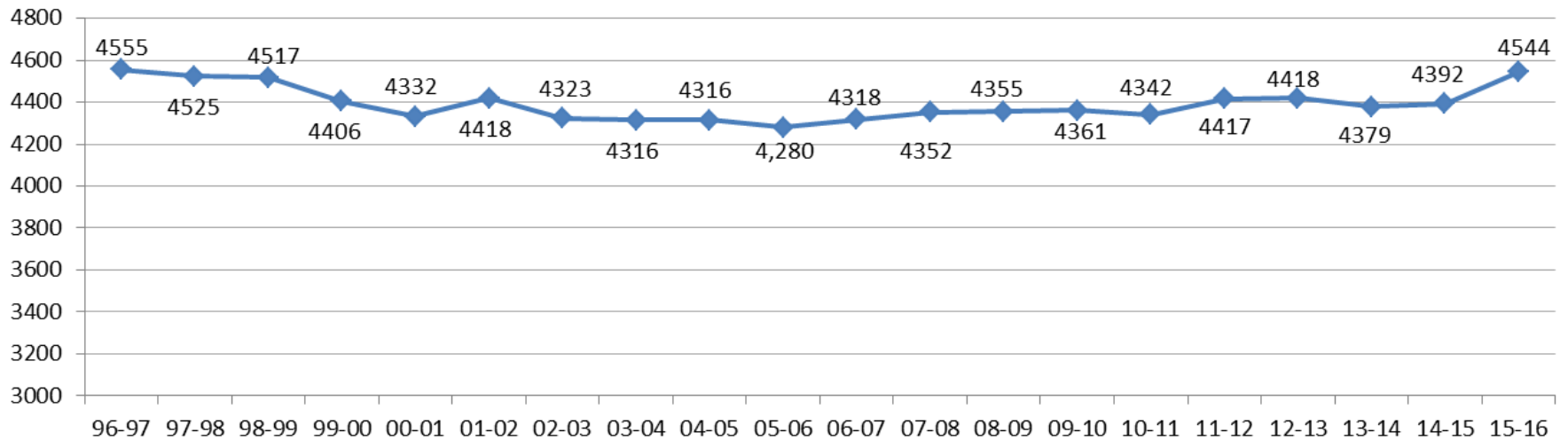
- The number of students enrolled by October 1 determines the school district's budget.
- More students may enroll after this date, but the budget is set.

Bettendorf Community School District Student Enrollment 5 Year History



Bettendorf Community School District K-12 Enrollment 20 Year History

K-12 Enrollment History



Equalization

Distributing State dollars fairly



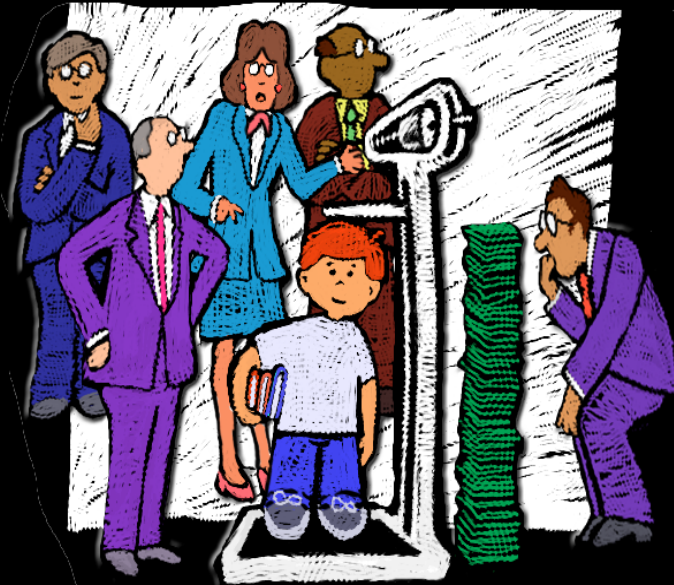
- The State Legislature established a law that “cost per student” across the state will be equal to ensure every student equal access to a quality education.

General Fund



- Iowa schools are funded through a mechanism called the Iowa State Foundation Program.
- This Program is commonly referred to as the "state foundation formula" or "school financial formula".
- The General Fund provides funds for day-to-day district operations such as employee benefits, purchased services, supplies, and expenditure for instructional equipment.
- Our General Fund expenditures will be approximately \$47M for 2015-2016. We have cash reserves of \$11M. That is a solvency ratio of 23.4%. The Iowa Association of School Boards recommendation is to maintain a solvency ratio between 5% and 15%, not to exceed 25%.

Allowable Growth



- The State Legislature determines annually how much the local districts' budgets are allowed to grow.
- This is called "Allowable Growth".
- 2015/2016 Allowable Growth is 1.25% or \$80 per pupil.

General Fund

- The major revenue source in the General Fund is the state Foundation Formula – which is made up of a combination of State aid and property taxes.
- The General Fund is primarily used to provide the education program for the school district.
- 2015-2016 General Fund regular program district cost without budget guarantee adjustment is \$25,971,116 (3,983.3 budget enrollment times \$6,520 – district per pupil cost).

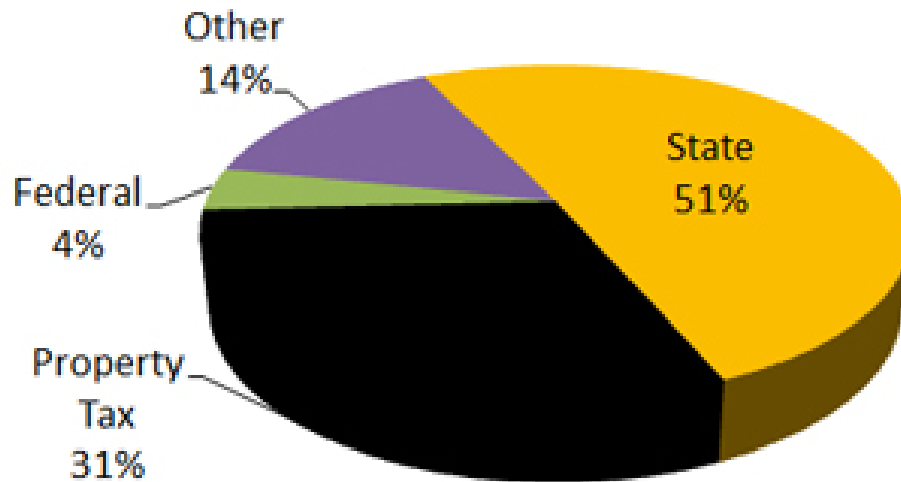
Balance



- The ratio of property tax and state aid varies by district.
- Property-rich districts receive less state aid. Those with less property tax base receive more state aid.

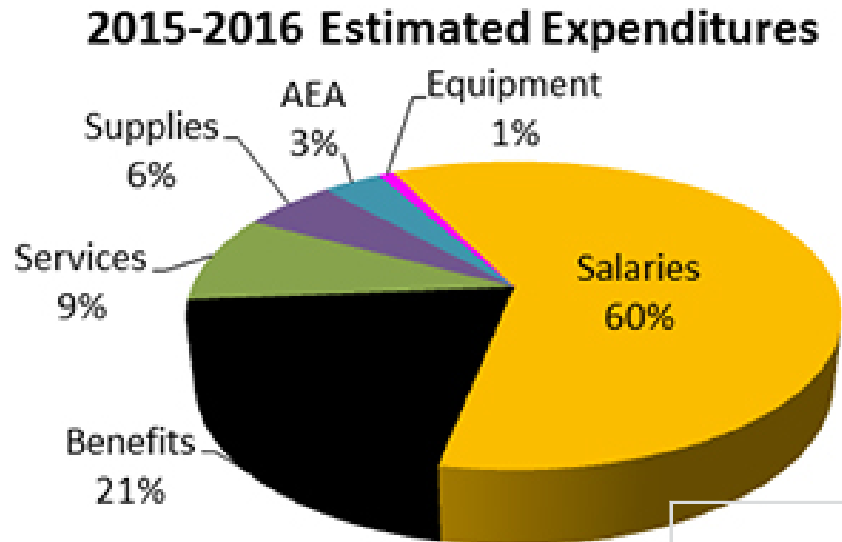
2015-2016 General Fund Sources

2015-2016 Estimated Revenue



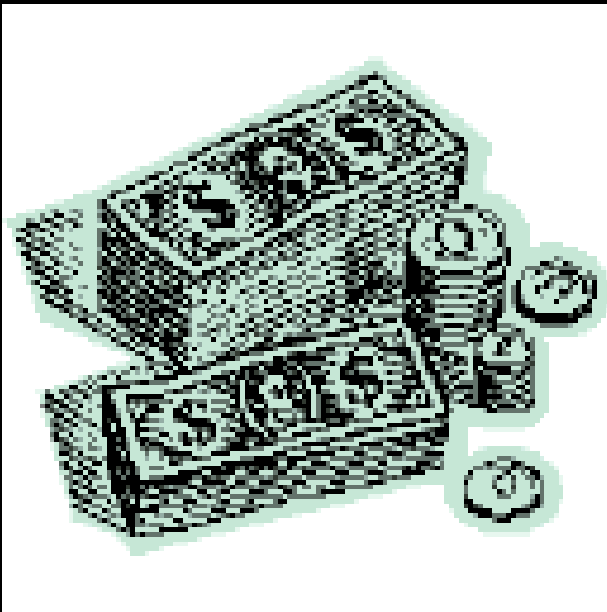
| | 2015-2016 | 2014-2015 |
|--------------|---------------------|---------------------|
| State | \$23,955,793 | \$23,614,285 |
| Property Tax | \$14,519,402 | \$14,572,448 |
| Federal | \$1,911,175 | \$1,867,500 |
| Other | \$6,864,777 | \$5,562,471 |
| TOTAL | \$47,251,147 | \$45,616,704 |

2015-2016 Estimated Expenditures



| | 2015-2016 | 2014-2015 |
|------------------|---------------------|---------------------|
| Salaries | \$28,418,315 | \$27,396,073 |
| Benefits | \$9,695,685 | \$9,352,162 |
| Services | \$4,340,315 | \$4,178,531 |
| Supplies | \$2,595,866 | \$2,905,464 |
| AEA | \$1,647,854 | \$1,642,368 |
| Equipment | \$425,690 | \$421,474 |
| TOTAL | \$47,123,725 | \$45,896,072 |

Restricted Funds



- “Restricted funds” cannot be used to support the general operating fund. They were legislated to fund specific things like school lunches, building improvements, and property insurance.

Physical Plant and Equipment Levy

PPEL



- A regular physical plant and equipment \$.33 property tax and a \$1.34 voter approval property tax are currently being levied in our school district.
- The two levies together generate \$2,322,447.

PPEL funds can be used for the following purposes:

- Purchase and improvement of grounds
- Construction of schoolhouses or buildings and opening roads to schoolhouses or buildings
- Purchase, lease, or lease-purchase of equipment or technology exceeding \$500 per transaction
- Payment of debts contracted for the erection or construction of schoolhouses or buildings, not including interest on bonds
- Procuring or acquisition of library facilities
- Repairing, remodeling, reconstructing, improving, or expanding the schoolhouses or buildings and additions to existing schoolhouses
- Expenditures for energy conservation
- Rental of facilities
- Purchase of transportation equipment for transporting students
- Purchase or lease-purchase of school buildings
- Equipment purchases for recreational purposes
- Payments to a municipality or other entity as required under section 403.19, subsection 2 [TIF]
- Demolition, clean up and other costs incurred within two years of a natural disaster

Management Fund Levy

The district is currently levying a \$1.39 Management levy.
The authorized purposes of the levy are:

- Unemployment benefits
- Property, casualty and workers compensation insurances
- Early retirement benefits

Secure a Vision for Education

SAVE

(1 cent sales tax)

- The Local Option Sales and Services (LOSS) tax revenue is assessed countywide and distributed to school districts based on the percentage of students residing in their districts. The tax has been approved by the legislature until 2029.
- The district started receiving LOSS tax revenues in September 1999 and to date have received \$57.8 million

SAVE tax revenue may only be spent for infrastructure purposes, including:

- construction
- reconstruction or repair
- purchasing or remodeling schoolhouses
- stadiums
- gyms and fieldhouses
- bus garages
- procurement of schoolhouse construction sites
- site improvements
- payment or retirement of bonds previously issued for school infrastructure purposes
- payment of 10-year negotiable interest-bearing bonds issued by school board action

Grants

- The district receives funds through grants each year. The amounts vary from year to year. This current year our projected receipts from grants is approximately \$500,000.
- The sources are:
 - BCSD Foundation
 - SCRA
 - State of Iowa

Instructional Support Levy

- The instructional support program provides additional funding for school districts. The program is funded by state money and a combination of property tax or property tax and income surtax.
- The total funding can not exceed 10% of our regular program district cost.
- The money can be used for any general fund purpose.

Financial Facts

2015/2016 General Fund per pupil expenditure \$10,000

Property Tax Breakdown

| | |
|---|-----------------------------------|
| ▪ General fund | \$10.96 |
| ▪ Management fund | \$ 1.39 |
| ▪ Voted Physical Plant & Equipment | \$ 1.34 |
| ▪ Regular Physical Plant & Equipment | <u>\$.33</u> |
| ▪ 2015/2016 Property tax levy for all funds | \$14.02 |
| | per \$1,000 assessed valuation |



For more information about Bettendorf Community Schools
visit our Web site at

www.bettendorf.k12.ia.us

Produced by the Bettendorf Community School District Department of Finance and Business Services. Power point adapted with approval from Dubuque Community Schools.