

STATE SCHOOL FOUNDATION PROGRAM - STATE AID

- Iowa Code Chapter 257.1(2)
 - "... each school district in the state is entitled to receive foundation aid, in an amount per pupil equal to the difference between the amount per pupil of foundation property tax in the district, and the combined foundation base per pupil or the combined district cost per pupil, whichever is less.

GENERAL FUND BUDGET DETERMINATION

- **Aid & Levy Worksheet**
 - Implements the school foundation aid formula
 - Calculates the amount of spending authority, state aid and property taxes for a school district
 - A school district's spending is limited by its maximum spending authority
 - Formula first determines the total spending authority
 - Primarily enrollment times cost per pupil
 - Determines state aid vs. property taxes

GENERAL FUND BUDGET DETERMINATION

- **Aid & Levy Worksheet - 21 Sections**
 - 1. Budget Enrollment
 - 2. Cost per Pupil Amounts
 - 3. Weighted Enrollment
 - Special Education
 - Sharing
 - At-Risk (Not to be confused with drop-out)
 - English Second Language (ESL)
 - 4. District Cost Calculations
 - Regular Program
 - Other District Cost Calculations (TSS/PD/Early Childhood)
 - AEA District Cost Calculations
 - 5. Combined District Cost (Summary of Section 4)

GENERAL FUND BUDGET DETERMINATION

- **Aid & Levy Worksheet Continued**
 - **6. Uniform Levy**
 - Basic
 - Utility Replacement Adjustment
 - Uniform Levy Commercial & Industrial State Replacement Adjustment
 - **7. State Foundation Aid**
 - Regular Program Cost
 - Preschool Foundation Aid
 - **8. Additional Dollar Levy**
 - Combined District Cost
 - Property Tax Replacement Payment (PTRP)
 - Property Tax Equity & Relief (PTER) (78 schools for Fy14)
 - Final Additional Levy Before Utility Replacement Adjustment
 - **9. Final State Foundation Aid Calculation**

GENERAL FUND BUDGET DETERMINATION

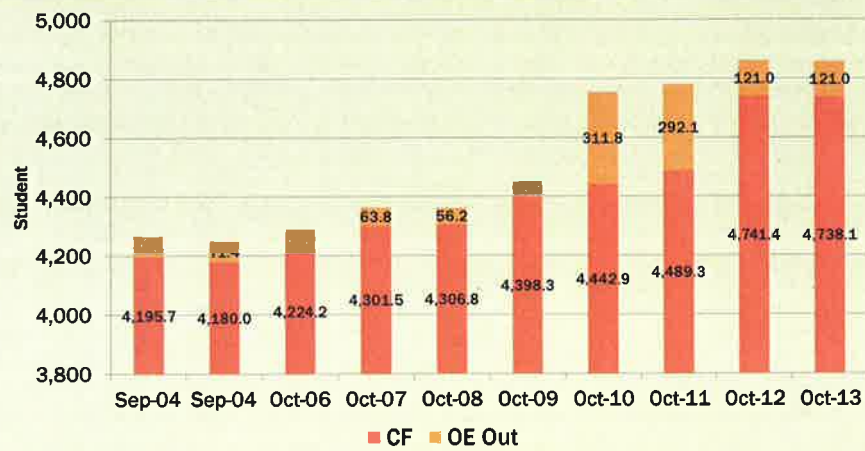
- **Aid & Levy Worksheet Continued**
 - **10. Instructional Support Levy Calculation**
 - **11. Educational Improvement Program (CF currently not eligible)**
 - **12. Reserved for Future Use**
 - **13. Additional Levy Adjustment**
 - Utility Replacement
 - C & I State Replacement Adjustment
 - **14. Reserved for Future Use**
 - **15. Summary of General Fund Levies**
 - **16. State Aid Payments to AEA & District**
 - **17. Summary of General Fund Budget Spending Authority**
 - **18. Summary of Financing for General Fund Maximum Budget**

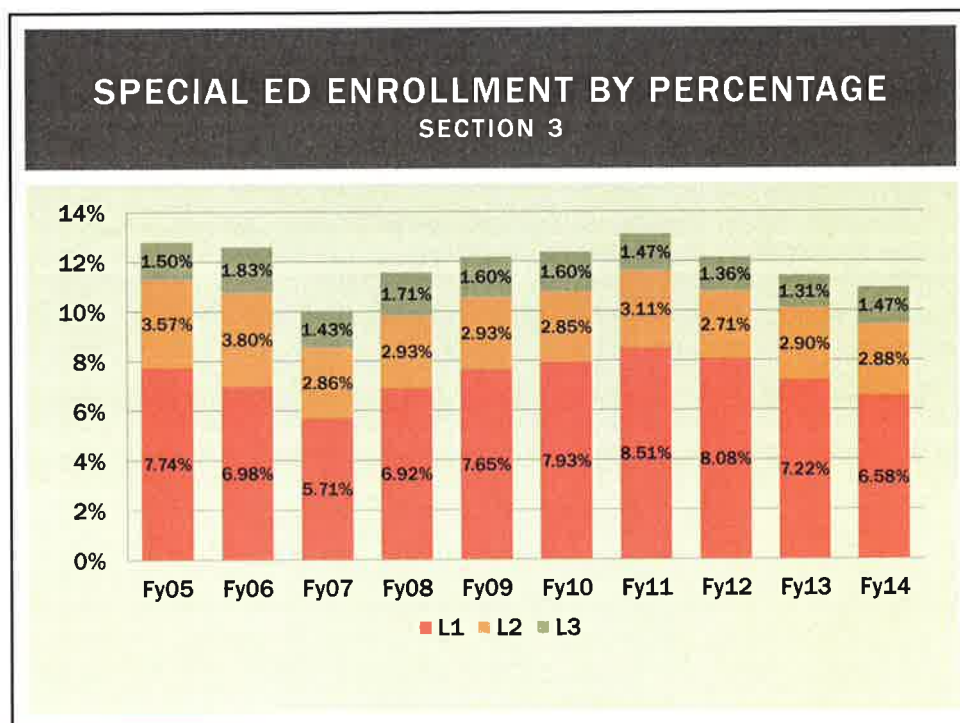
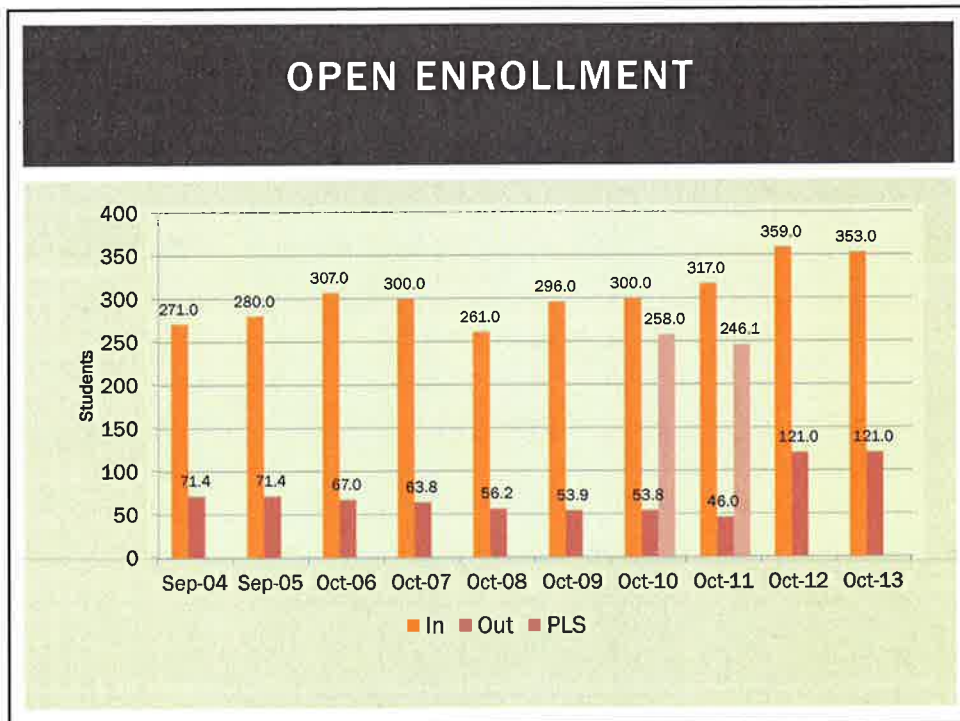
GENERAL FUND BUDGET DETERMINATION

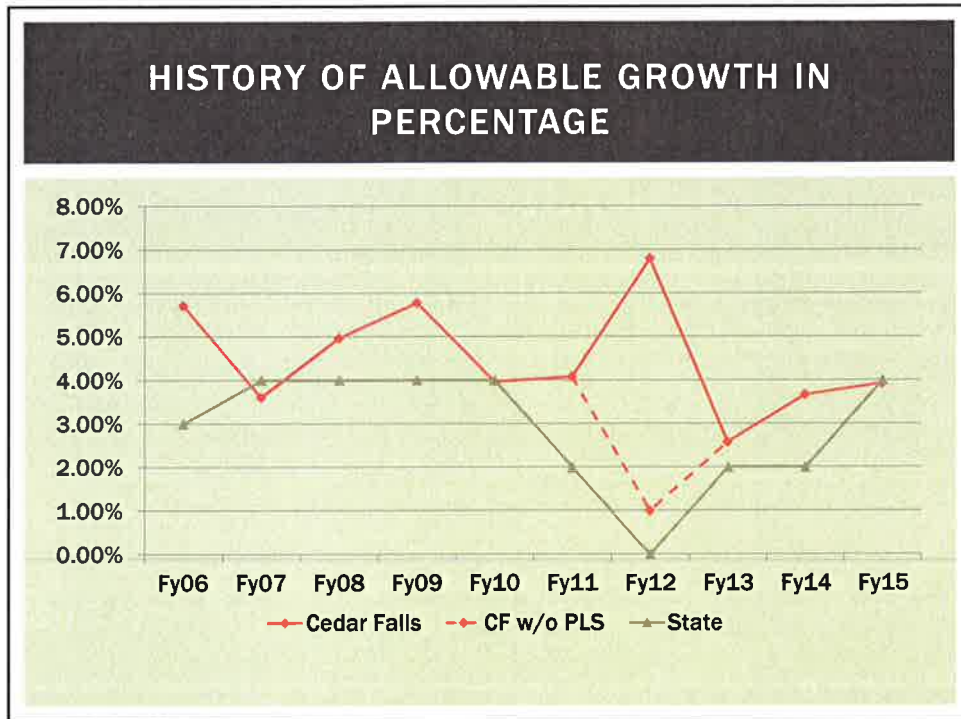
- Aid & Levy Worksheet Continued
 - 19. Voted Physical Plant & Equipment Levy (PEEL)
 - 20. Income Surtax Rates & General Fund Surtax Dollars
 - 21. Other Property & Utility Tax Replacement Taxes
 - Management Levy
 - Regular Physical Plant & Equipment Levy

CERTIFIED ENROLLMENT

SECTION 1

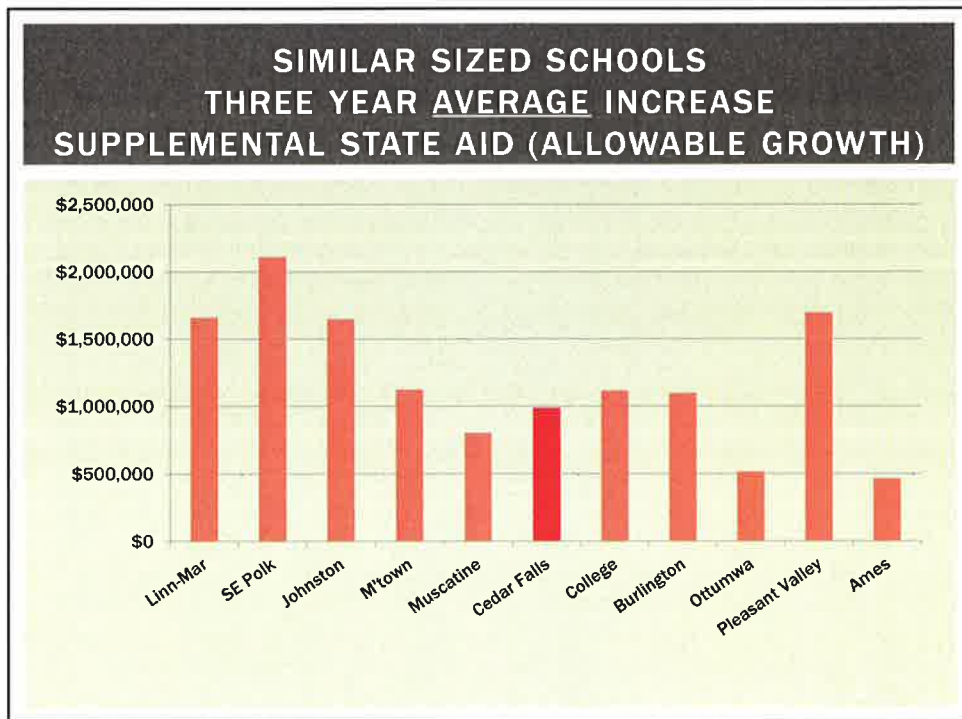
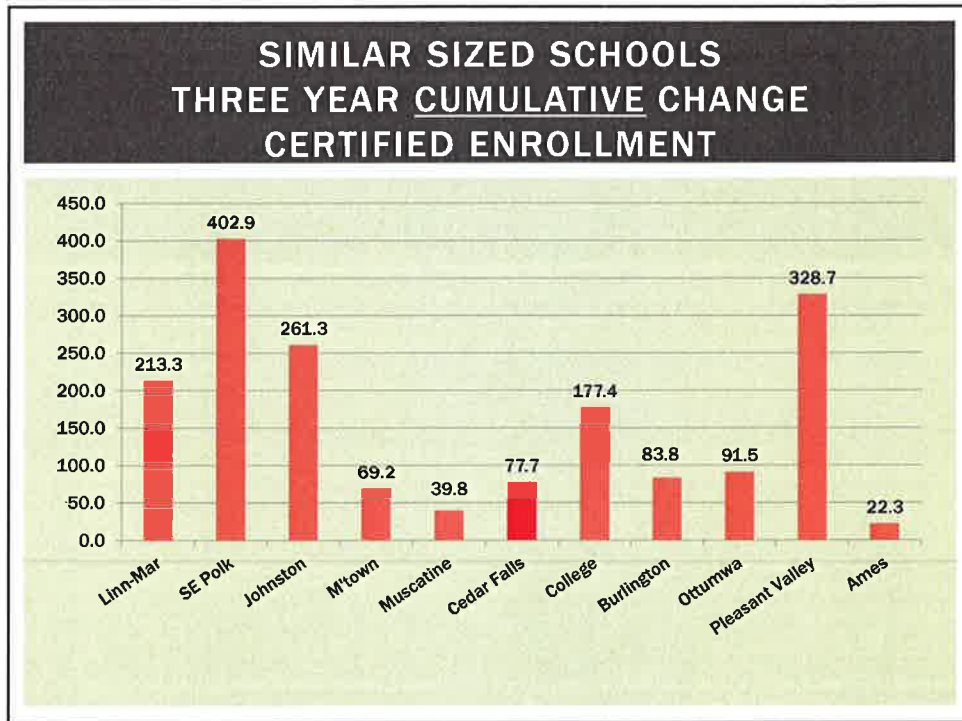




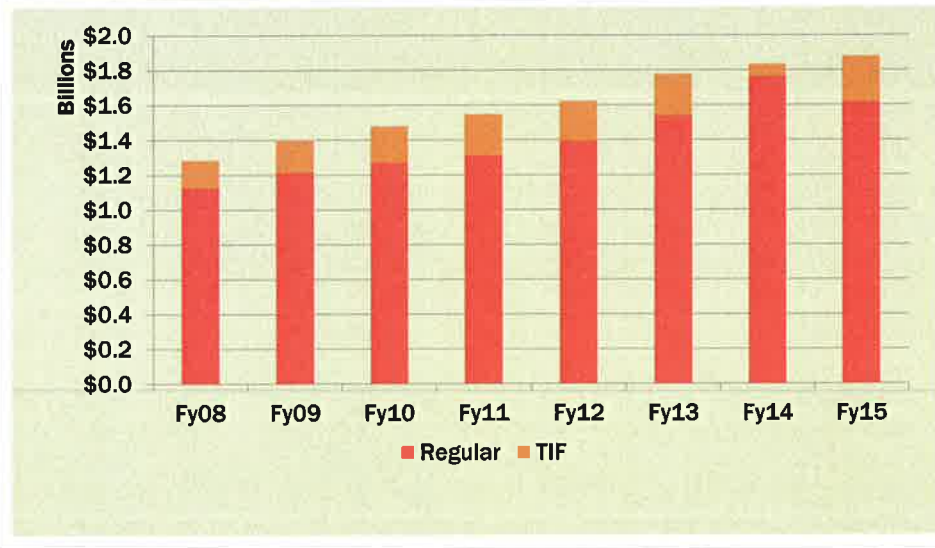


“NEW MONEY” COMPARISON WITH SIMILAR SIZED SCHOOLS

State Rank	School District	2013/14 RPDC	2013/14 RPDC/P	10/1/13 Count	2014/15 RPDC	Dollar Growth	% Growth	Per Pupil Growth	Enrollment Increase
12	Linn-Mar	\$42,118,748	\$6,122	6,943.0	\$44,206,081	\$2,087,333	4.96%	\$ 300.64	63.1
13	SE Polk	\$39,172,564	\$6,121	6,616.9	\$42,123,185	\$2,950,621	7.53%	\$ 445.92	217.2
14	Johnston	\$38,372,549	\$6,121	6,409.0	\$40,799,694	\$2,427,145	6.33%	\$ 378.71	140.0
15	Marshalltown	\$32,709,128	\$6,162	5,388.5	\$34,524,120	\$1,814,992	5.55%	\$ 336.83	80.3
16	Muscatine	\$32,438,240	\$6,121	5,344.4	\$34,022,450	\$1,584,210	4.88%	\$ 296.42	44.9
17	Cedar Falls	\$29,796,787	\$6,128	4,859.1	\$30,967,044	\$1,170,287	3.93%	\$ 240.84	(3.3)
18	College	\$27,960,728	\$6,121	4,685.3	\$29,826,620	\$1,865,892	6.67%	\$ 398.24	117.3
19	Burlington	\$28,498,764	\$6,121	4,636.5	\$29,515,959	\$1,017,195	3.57%	\$ 219.39	(19.4)
20	Ottumwa	\$27,735,475	\$6,121	4,577.4	\$29,139,728	\$1,404,253	5.06%	\$ 306.78	46.2
21	Pleasant Valley	\$26,454,420	\$6,254	4,288.6	\$27,871,611	\$1,417,191	5.36%	\$ 330.46	58.6
22	Ames	\$26,264,456	\$6,211	4,246.6	\$27,416,050	\$ 1,151,594	4.38%	\$ 271.18	17.9



CEDAR FALLS CSD HISTORY OF ASSESSED VALUATION SECTION 6



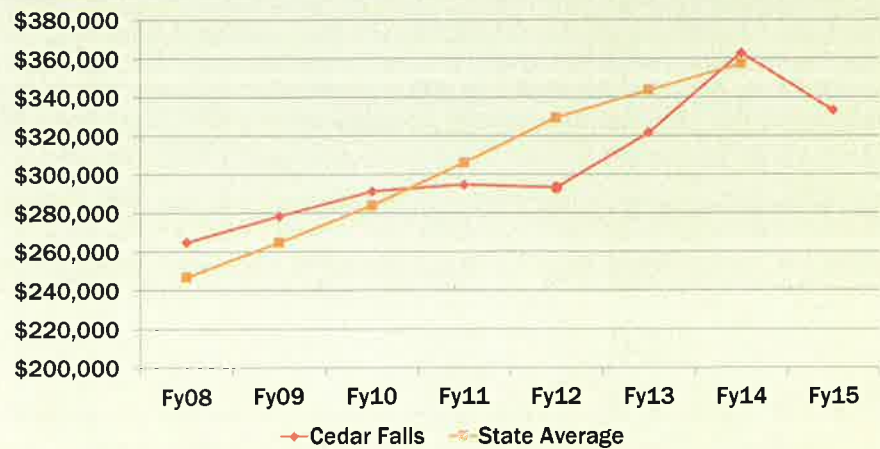
TAX INCREMENT FINANCING BASICS

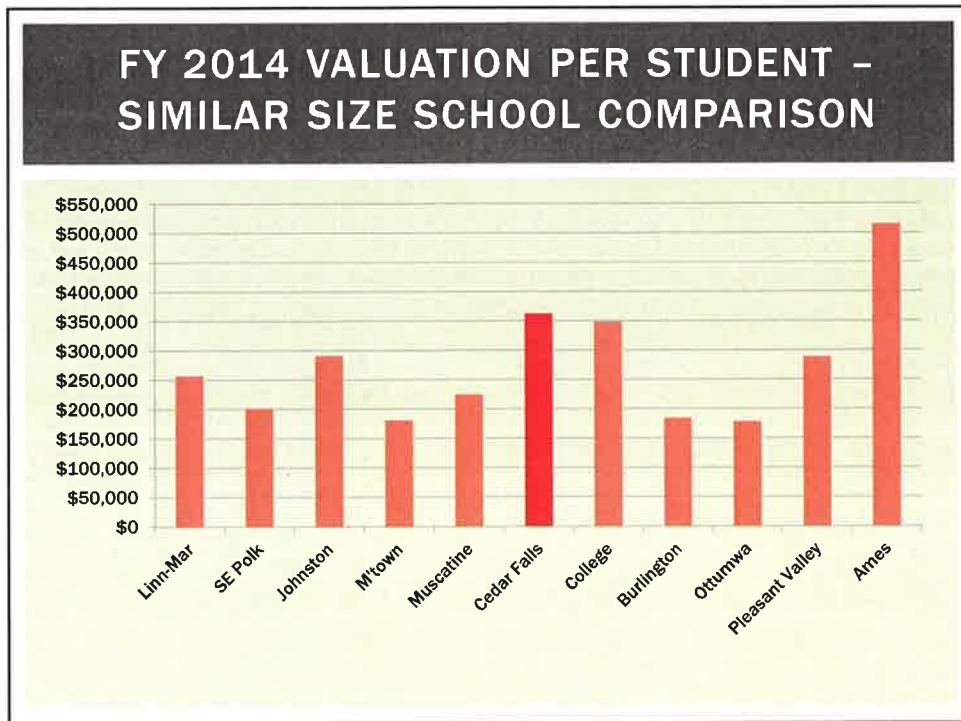
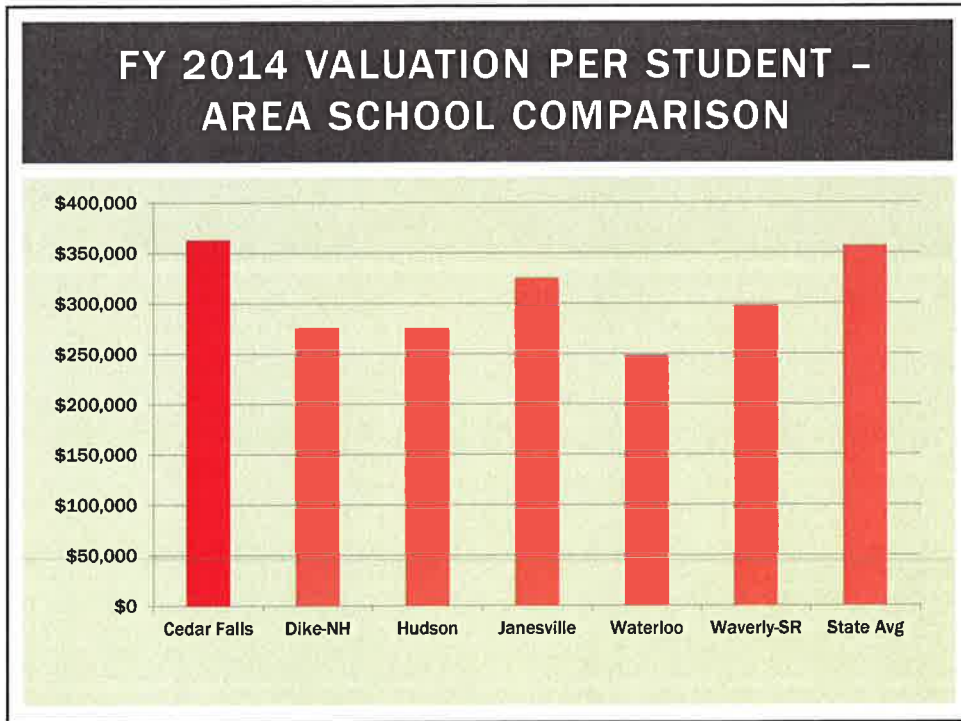
- Used by cities/counties/community colleges since 1958
- City/county adopt urban renewal plans
 - Community Colleges job training projects
- City/county adopts an ordinance to initiate Tax Increment Financing
- Establishes a base valuation at the prior years' taxable valuation level
- Increased value of TIF area is incremental valuation
- Revenue on base valuation goes to all taxing authorities
- Revenue on incremental valuation goes to TIF project with some exceptions

TAX INCREMENT FINANCING CHANGE

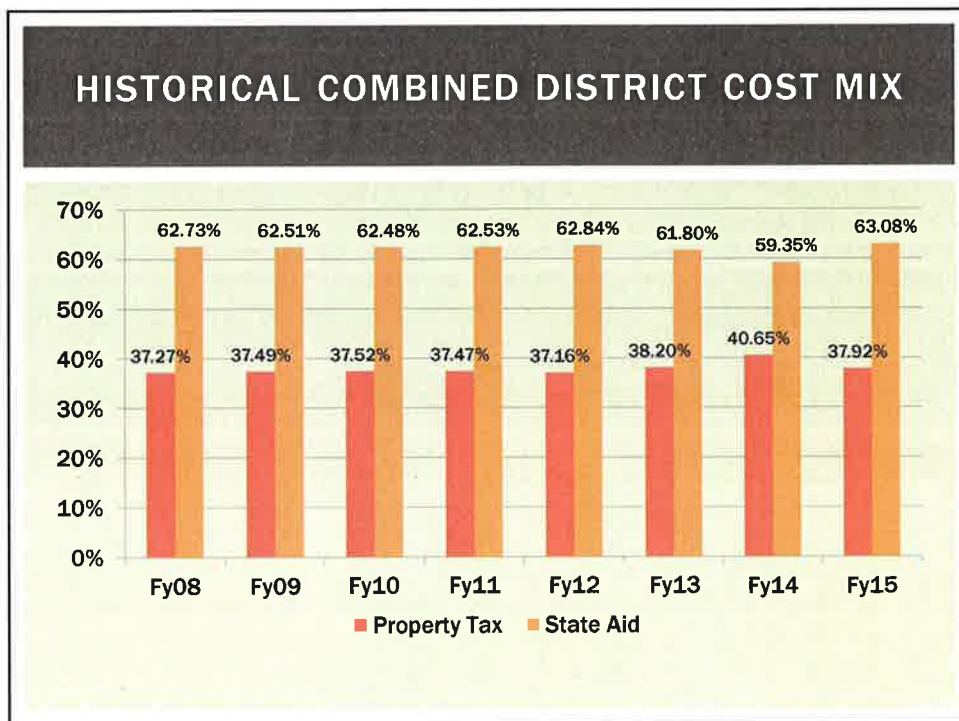
- City of Cedar Falls released \$212,746,642 of valuation from the south industrial park in Fy14
- Release was caused by the timing of infrastructure projects funded with TIF dollars
- TIF valuation will “bounce back” in Fy15 as projects are finalized
 - CFU power generation
 - Merging of north and south industrial parks
 - Viking Rd. & Hwy. 58 interchange

ASSESSED VALUATION PER STUDENT





2014/15 COMBINED DISTRICT COST - \$6,373 PER STUDENT		
14.49%	\$ 860 per Student	Additional Levy Combined District Cost - Foundation Dollar Level
63.08%	\$4,020 per Student	State Foundation Aid = Foundation Dollar Level - Uniform Levy Foundation dollar cost per pupil as set by the State of Iowa x Weighted Enrollment - Uniform Levy
23.43%	\$1,493 per Student	Uniform Levy = \$5.40 per \$1,000 assessed valuation x school district assessed valuation



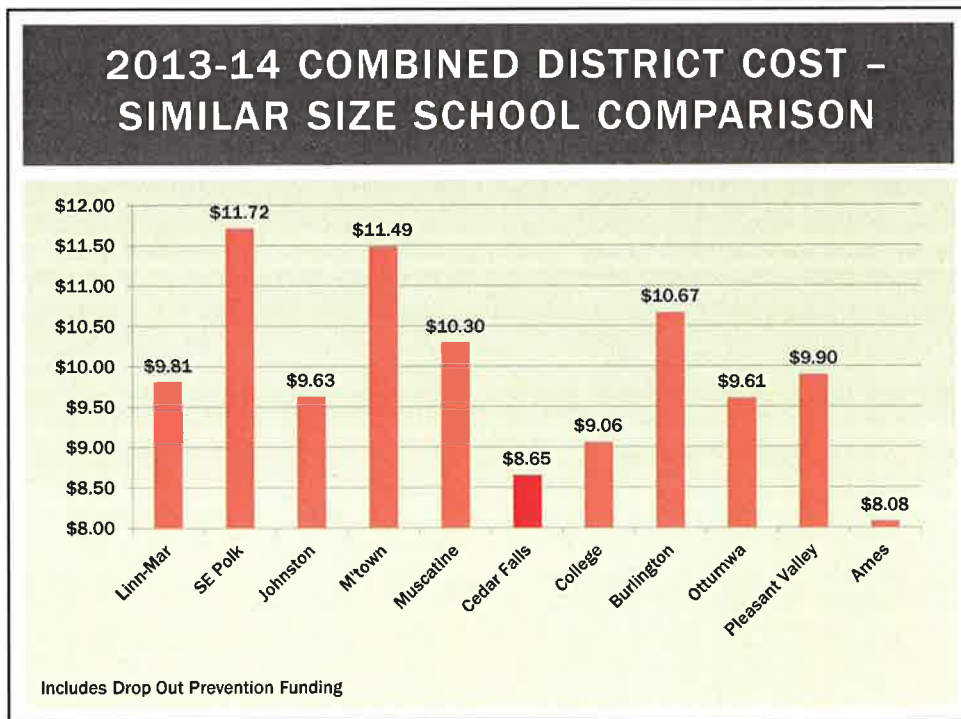
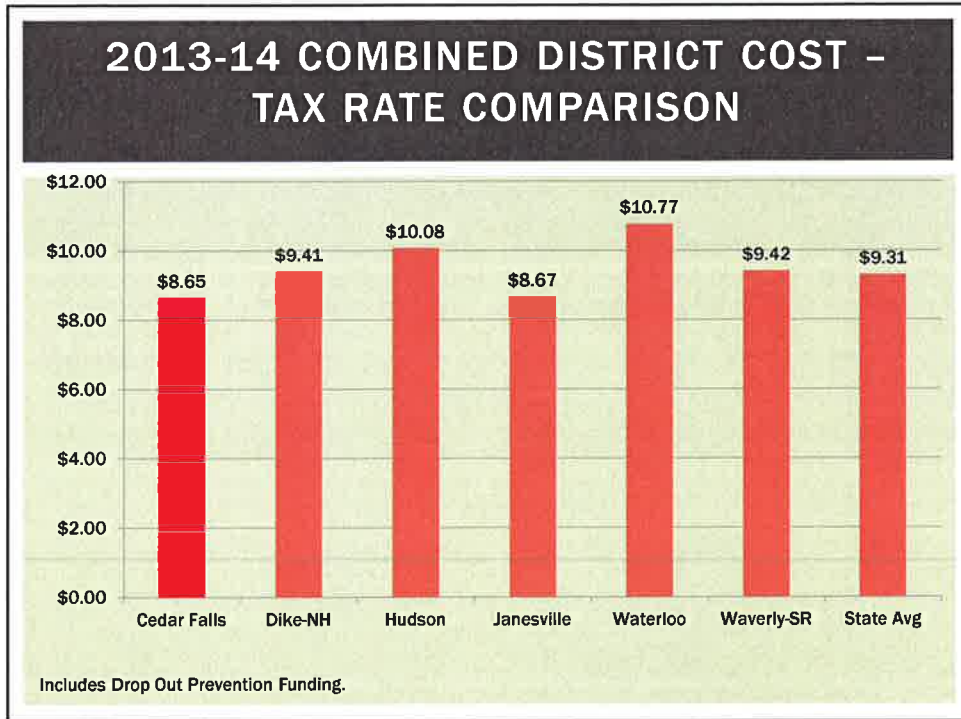
COMBINED DISTRICT COST FUNDING

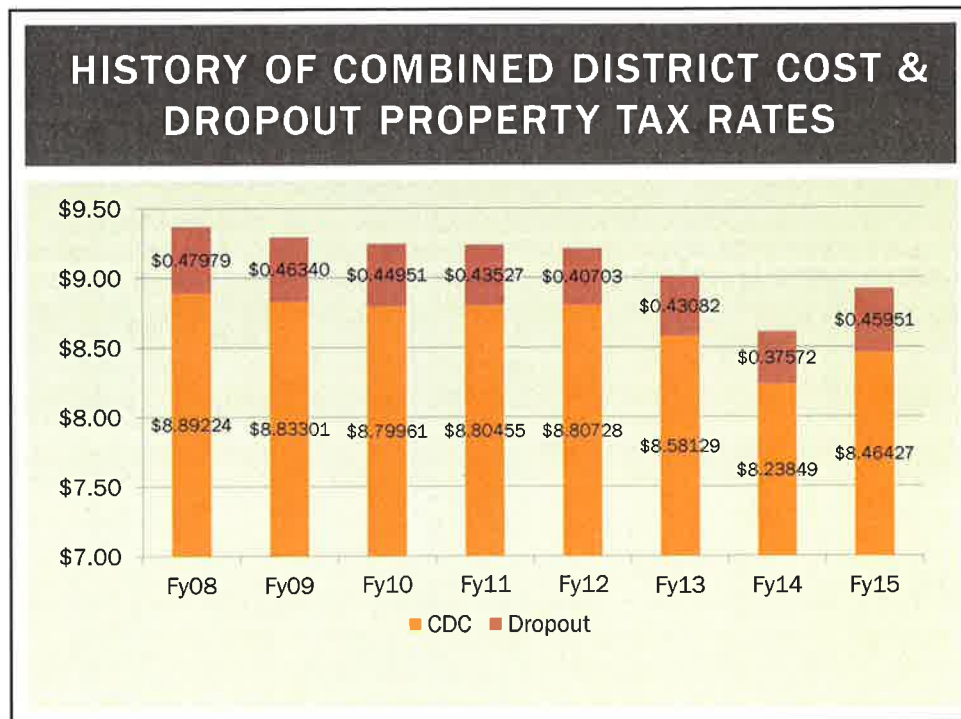
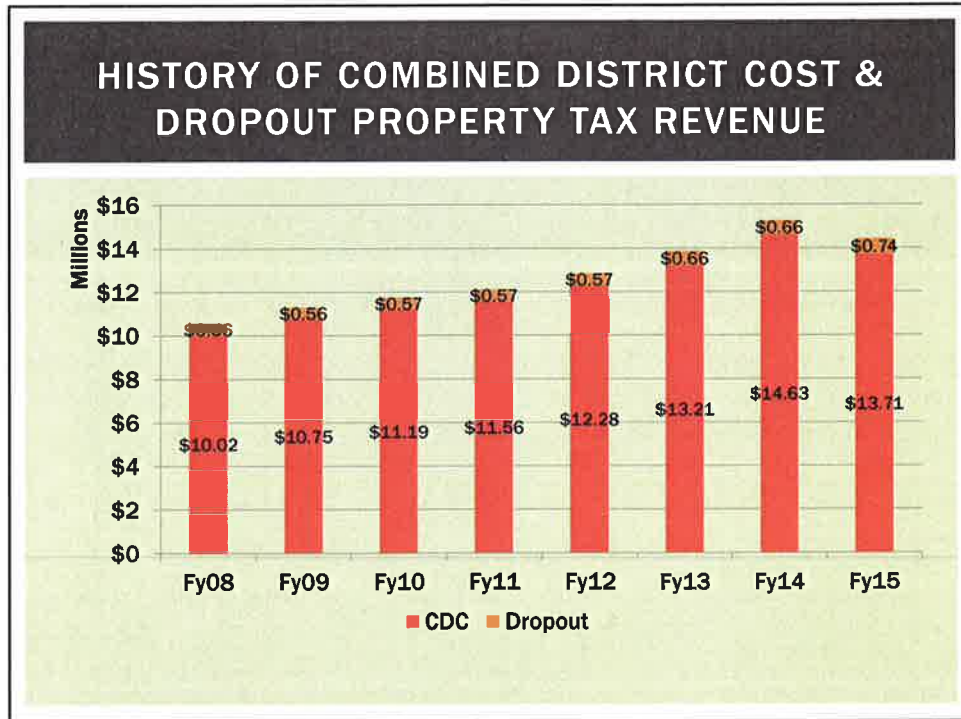
- Aid & Levy budget worksheet determines the
 - Uniform Levy (Section 6)
 - Property Tax Portion = \$8,748,012
 - Property Tax Rate = \$5.40000
 - Final State Foundation Aid (Section 9)
 - Regular Program = \$26,667,989
 - Additional Levy (Section 8 minus Section 13)

▪ Gross Property Tax Additional Levy (8.4)	\$6,012,234
▪ Utility Replacement Adjustment (8.38)	- 45,721
▪ AEA Statewide Reduction (8.41)	+ 66,618
▪ Property Tax Replacement Payment (8.42)	- 253,101
▪ Add. Levy Utility Replacement Adjust (13.5)	- 207
▪ Add. Levy C & I State Replacement (13.21)	- 71,291
▪ Dropout Prevention Program (5.6)	<u>- 744,414</u>
▪ Net Additional Levy	\$4,964,118
 - Property Tax Rate = \$3.06427

COMBINED DISTRICT COST FUNDING

- Aid & levy budget worksheet determines the
 - Property Tax Portion = \$13,712,130
 - Property Tax Rate = \$8.46427
- SBRC Dropout Prevention (approved by BOE on Dec. 9, 2013)
 - Property Tax Portion = \$744,414
 - Property Tax Rate = \$0.45951
- Totals
 - Property Tax Portion = \$14,456,544
 - Property Tax Rate = \$8.92378





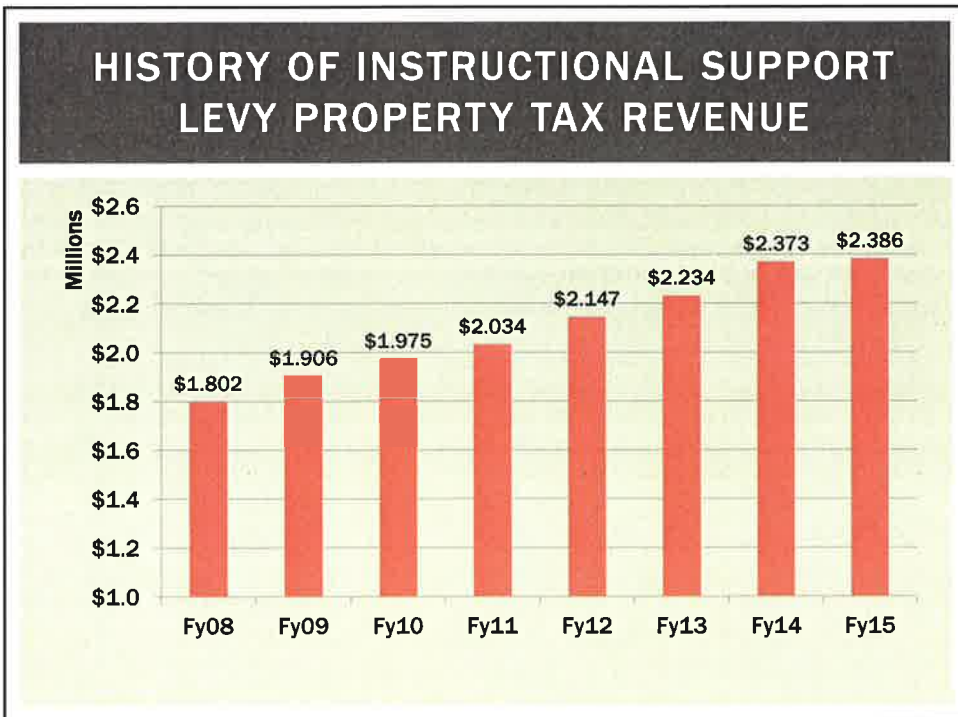
INSTRUCTIONAL SUPPORT LEVY

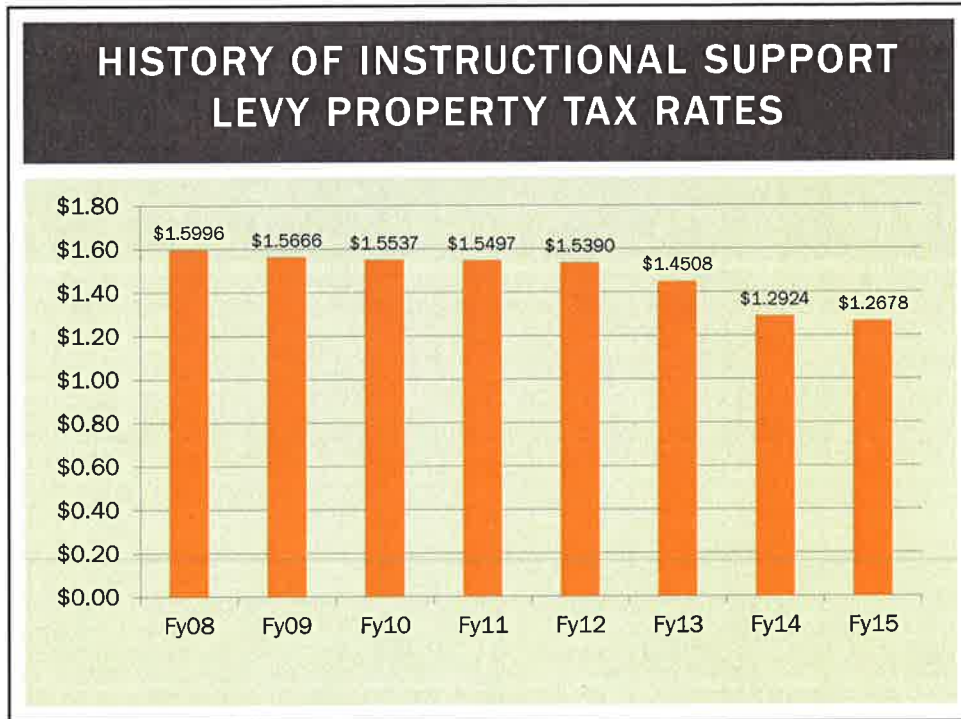
SECTION 10

- Included with General Fund for reporting to Dept. of Education
- 10 year levy approved by voters of District (Fy2022)
- 10% of regular district program cost = \$3,096,704
- Gross ISL State Aid is 22.95% of total = \$710,694
- Less State Aid reduction (0.00 multiplier) = \$0

- Property Tax \$3,096,704 - \$710,694 = \$2,386,010
- Instructional Support State Aid = \$ 0
- Total Adjusted ISL Dollars = \$2,386,010

- Property tax rate of \$1.26778/\$1,000





- ### CASH RESERVE LEVY – PART ONE SECTION 15
- **SBRC Approved Requests**
 - Increased enrollment, open enrollment out, LEP excess cost
 - \$132,022 approved by BOE on Nov. 25, 2013
 - Special Education
 - \$656,990 for FY13 deficit approved by BOE on Sept. 23, 2013
 - **Total SBRC approved requests - \$789,012**

CASH RESERVE LEVY – PART TWO

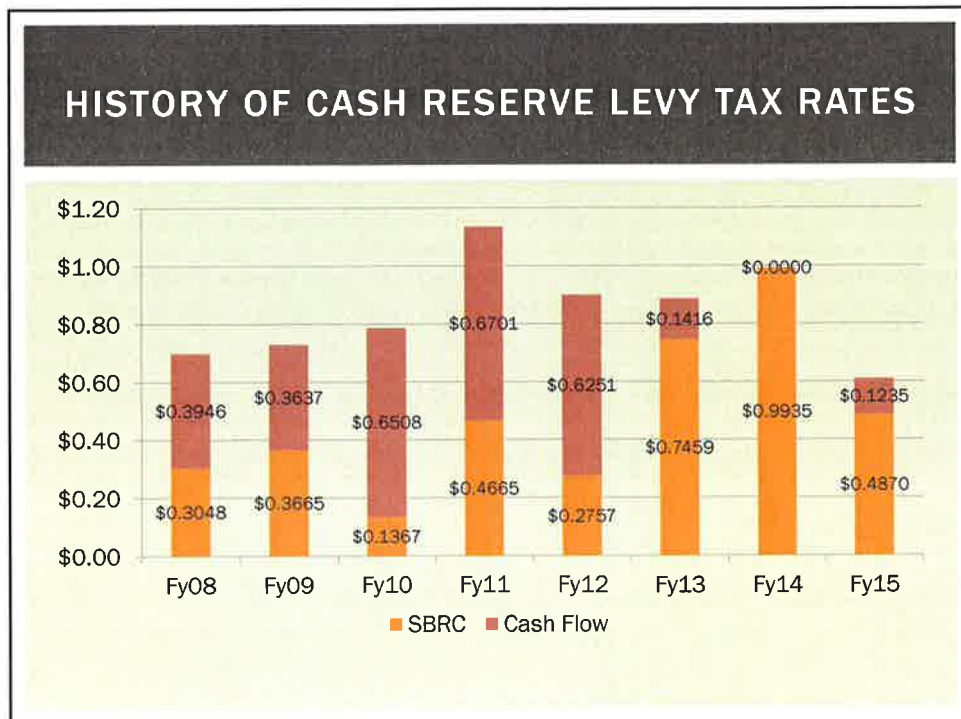
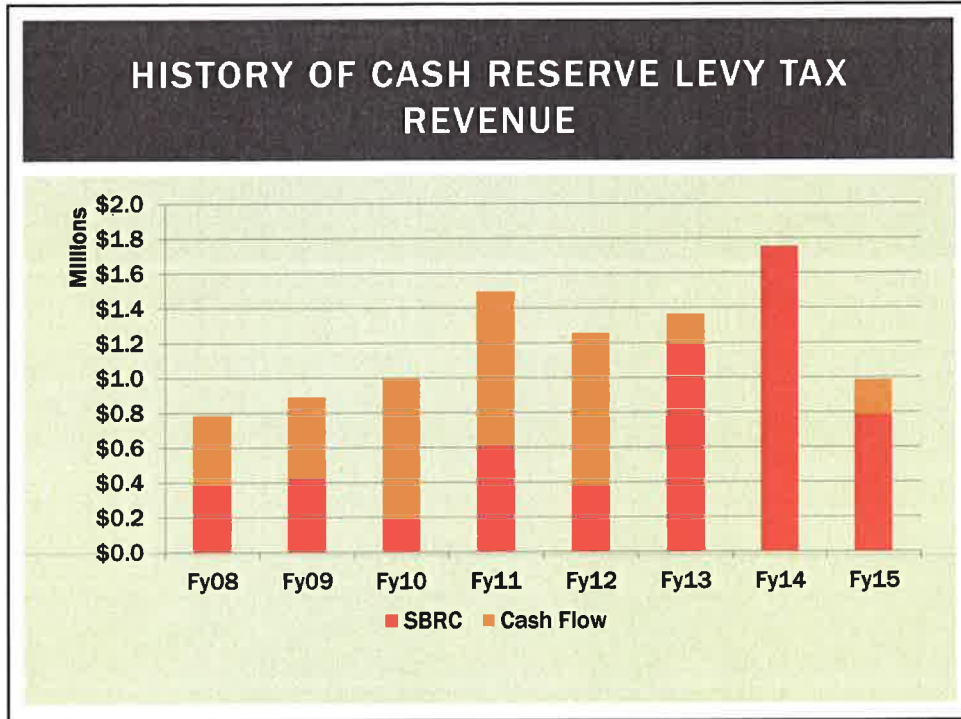
SECTION 15

■ Cash Flow	
▪ Fy10 10% ATB Reversion	\$2,052,213
▪ Fy11 Funding Shortfall	<u>\$1,435,296</u>
▪ 2 year cash shortfall	\$3,487,509
▪ Spread out over 4 years (original plan)	\$ 871,877
▪ Recommended amount for FY15	\$ 200,000

CASH RESERVE LEVY – SUMMARY

SECTION 15

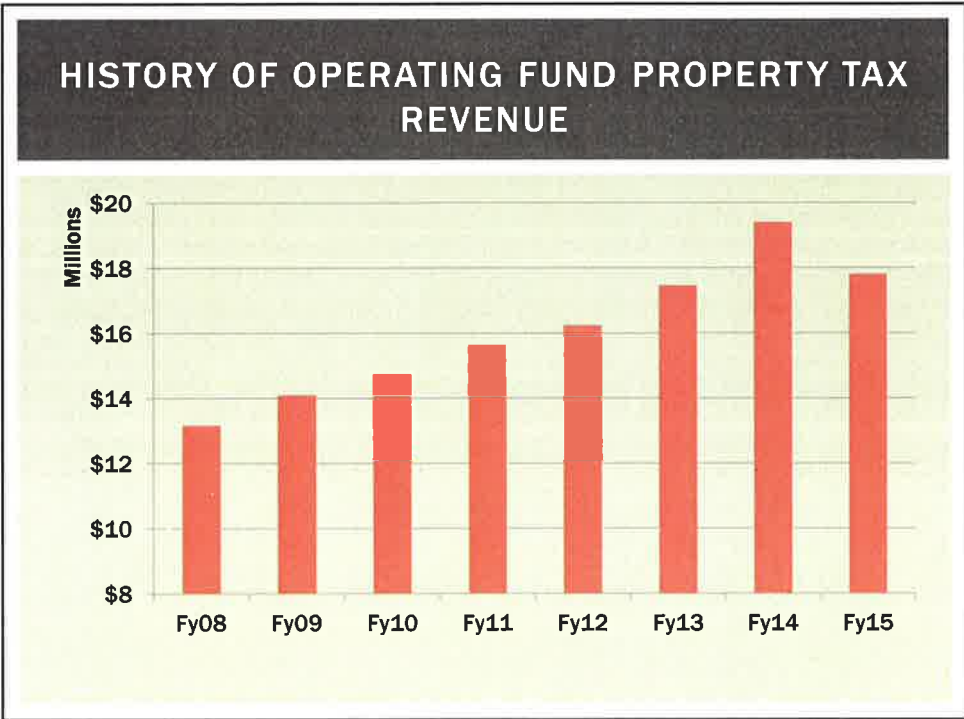
■ SBRC Approved/Requested	\$789,012
■ Cash Flow Requirements	<u>\$200,000</u>
■ Total Cash Reserve Levy	\$989,012
■ Property Tax Rate of \$0.61050	

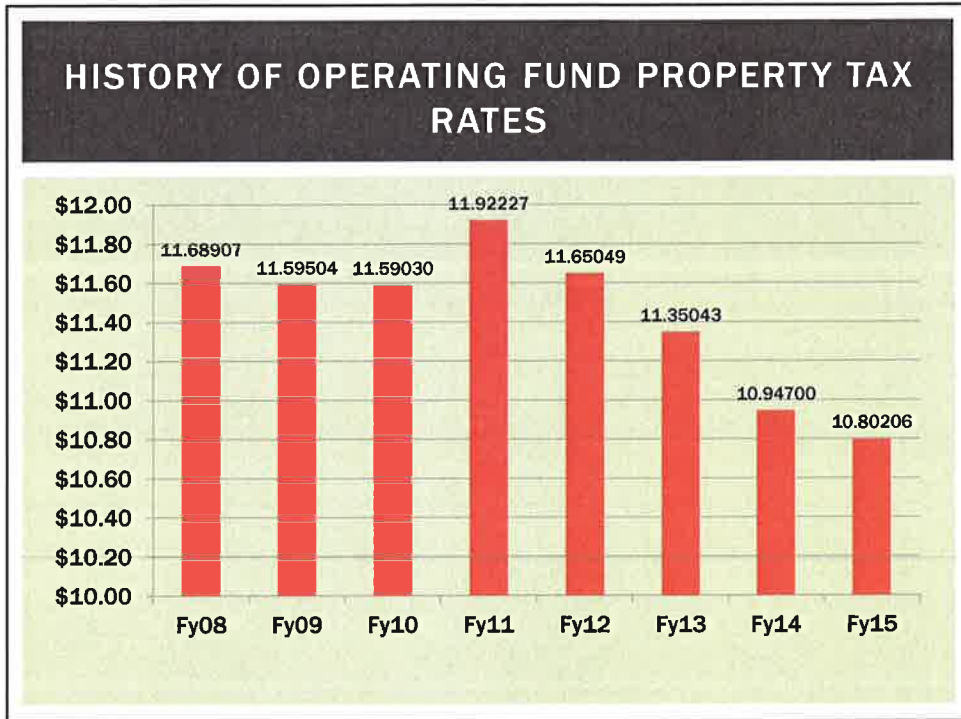


GENERAL FUND SUMMARY SECTION 15

■ **Total General Fund Request**

	Dollars	Tax Rate
■ Comb. District Cost	\$13,712,130	8.46427
■ SBRC Dropout	\$ 744,414	0.45951
■ Instructional Support	\$ 2,386,010	1.26788
■ Cash Reserve Levy	\$ 989,012	0.61050
■ Totals	\$17,831,566	10.80206

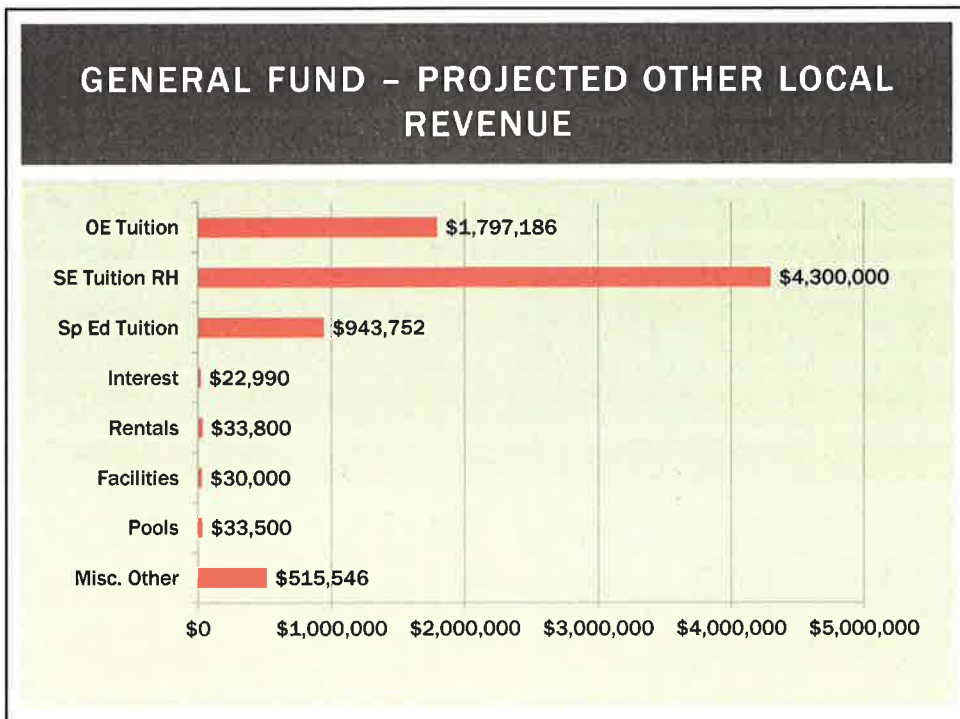


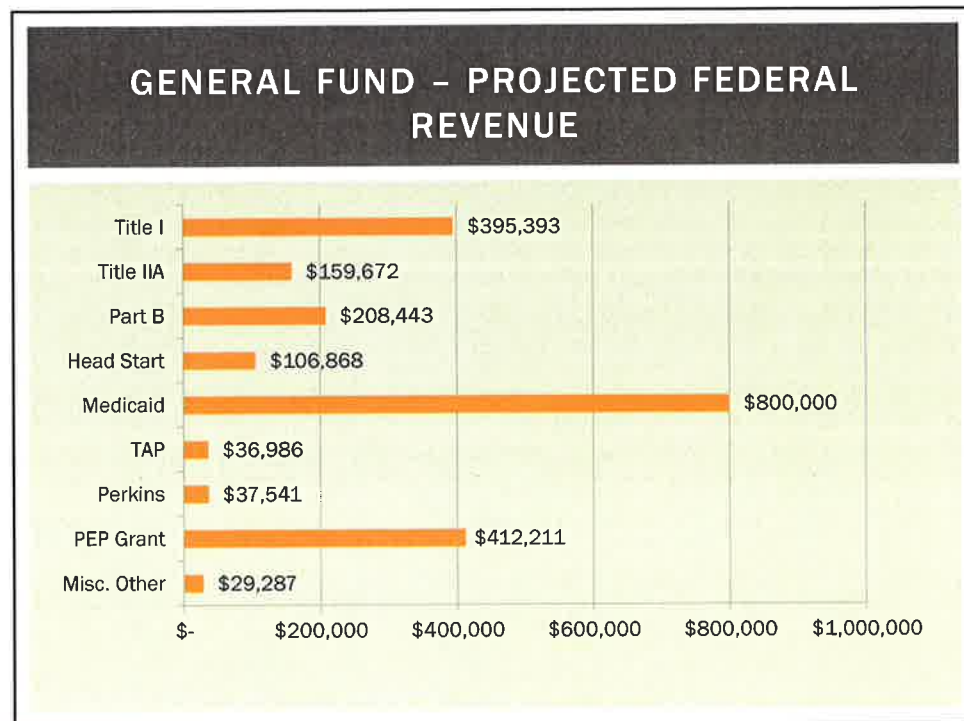
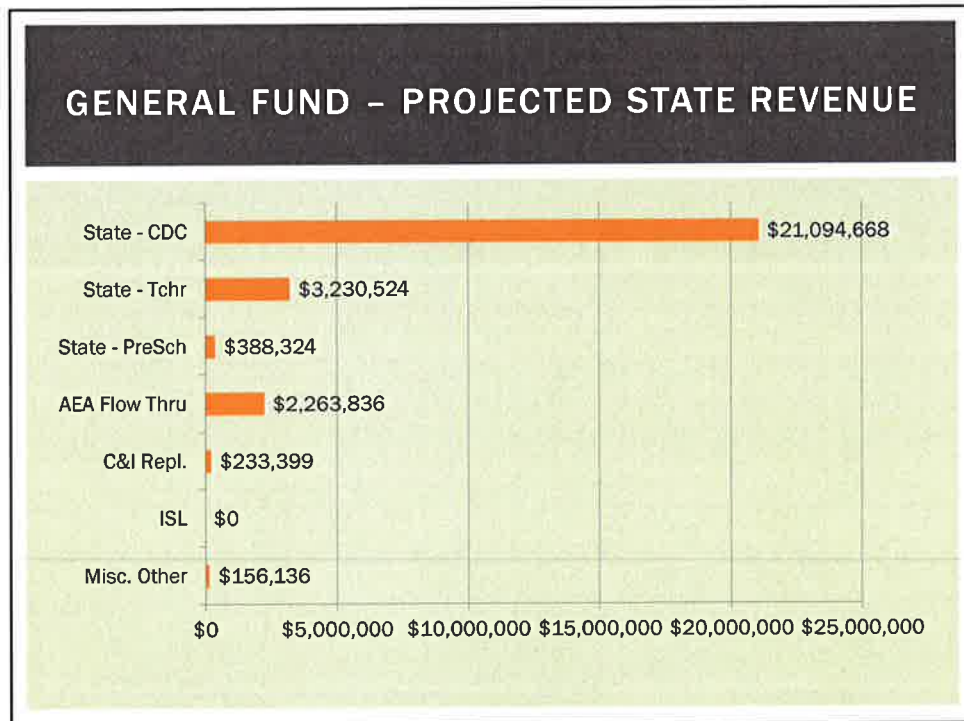


COMMERCIAL & INDUSTRIAL (C & I) STATE REPLACEMENT ESTIMATE

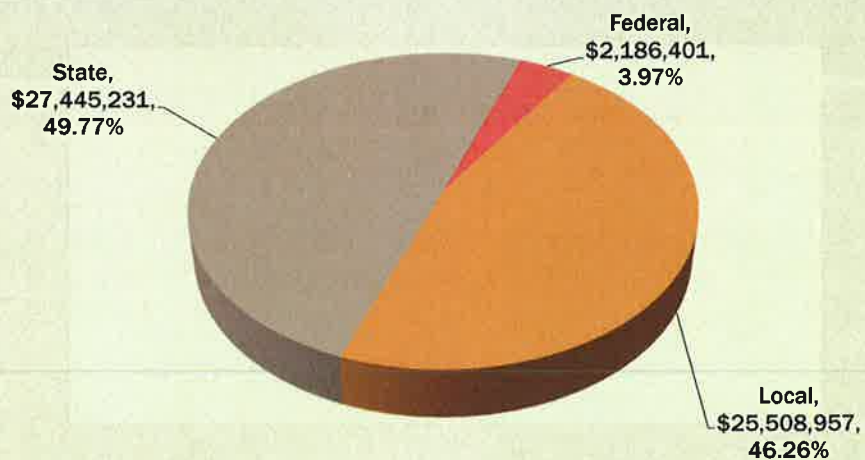
- Beginning in Fy2015, commercial & industrial property valuations are being reduced through rollback. Rollback will be 95% in Fy2015 and 90% beginning in Fy2016. The state is reimbursing local governments and school districts for the loss of property tax receipts.

CFCSD COMMERCIAL & INDUSTRIAL (C & I) STATE REPLACEMENT ESTIMATE		
■ C & I Non-TIF 100% valuation	\$399,637,882	
■ C & I Non-TIF taxable valuation	<u>-\$379,655,988</u>	
■ Est. Non-TIF valuation reduction (GF/Mgt. Fund)		\$19,981,894
■ C & I TIF 100% valuation	\$267,173,616	
■ C & I TIF taxable valuation	<u>-\$253,814,935</u>	
■ Est. TIF valuation reduction		\$13,358,681
■ Est. combined valuation reduction (Debt/PP&L/ISL)		\$33,340,575
■ Est. General Fund C & I replacement		
▪ $(\$19,981,894 / 1,000) * 9.53428$ (tax rate)		\$190,513
■ Est. Inst. Support Levy C & I replacement		
▪ $(\$33,340,575 / 1,000) * 1.26778$ (tax rate)		\$ 42,269



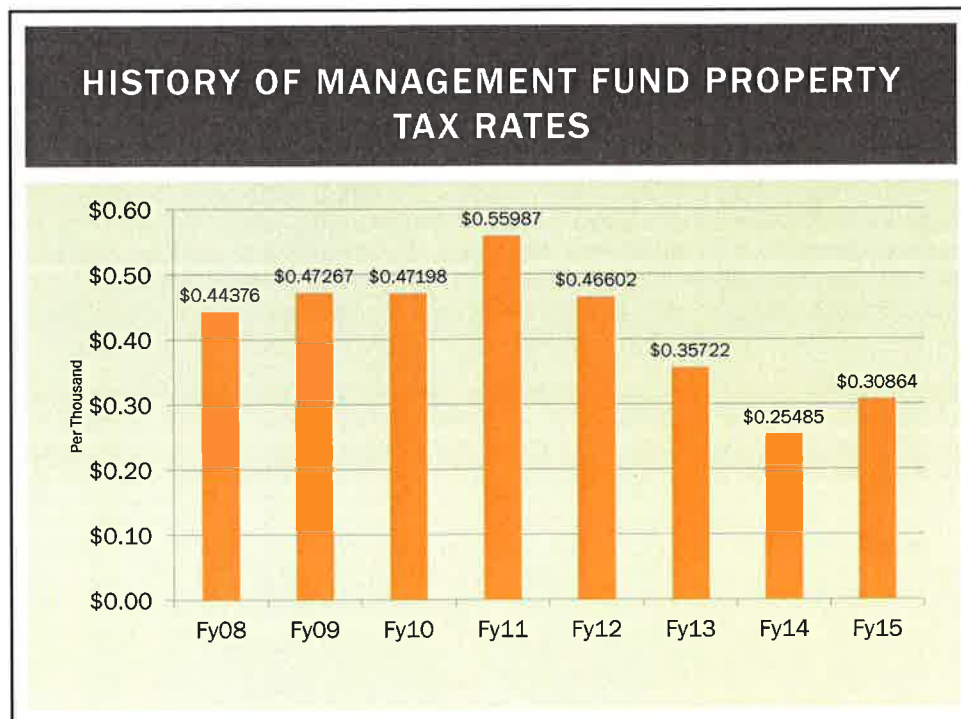
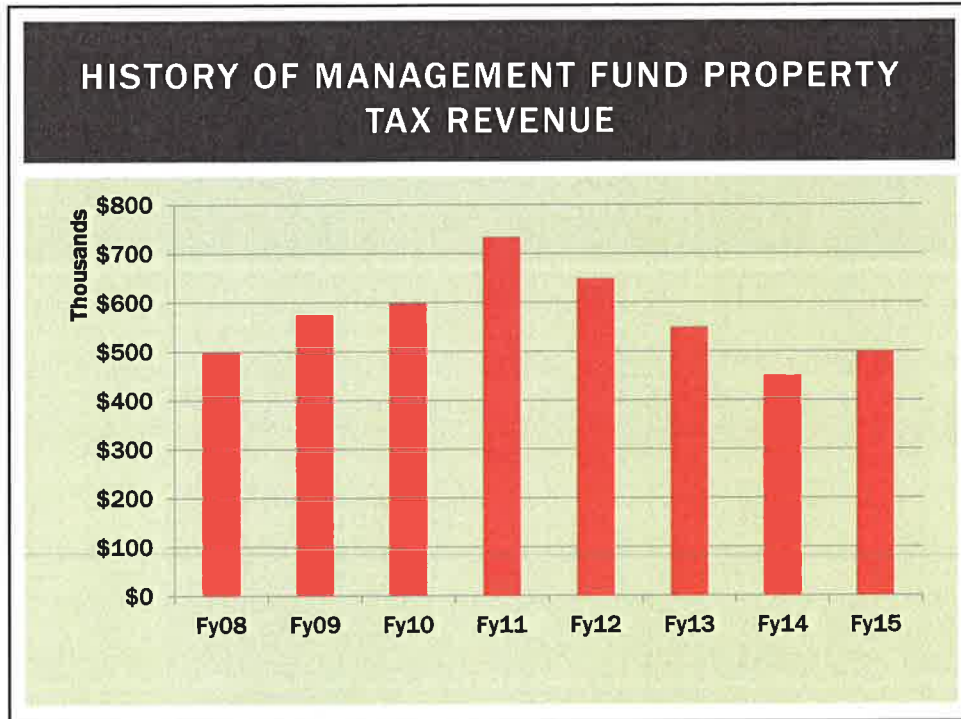


TOTAL 2014/15 GENERAL FUND BUDGET



MANAGEMENT FUND

- **Restricted fund**
 - Board of Education Controlled
 - Used for property/liability/auto/workman compensation/etc. insurance premiums
 - Property loss not covered by deductibles
 - Early severance benefits
- **Amount requested for 2014/15**
 - \$500,000
 - Property tax rate of \$0.30864/\$1,000
- **Est. General Fund C & I replacement**
 - $(\$19,981,894 / 1,000) * 0.30864$ (tax rate) = \$6,167

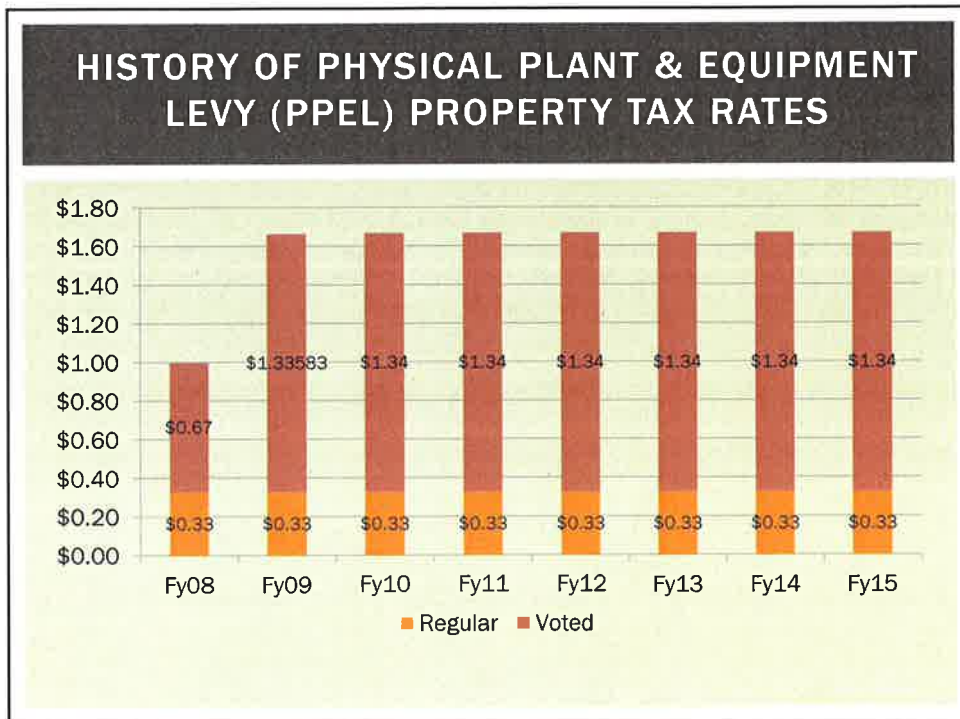
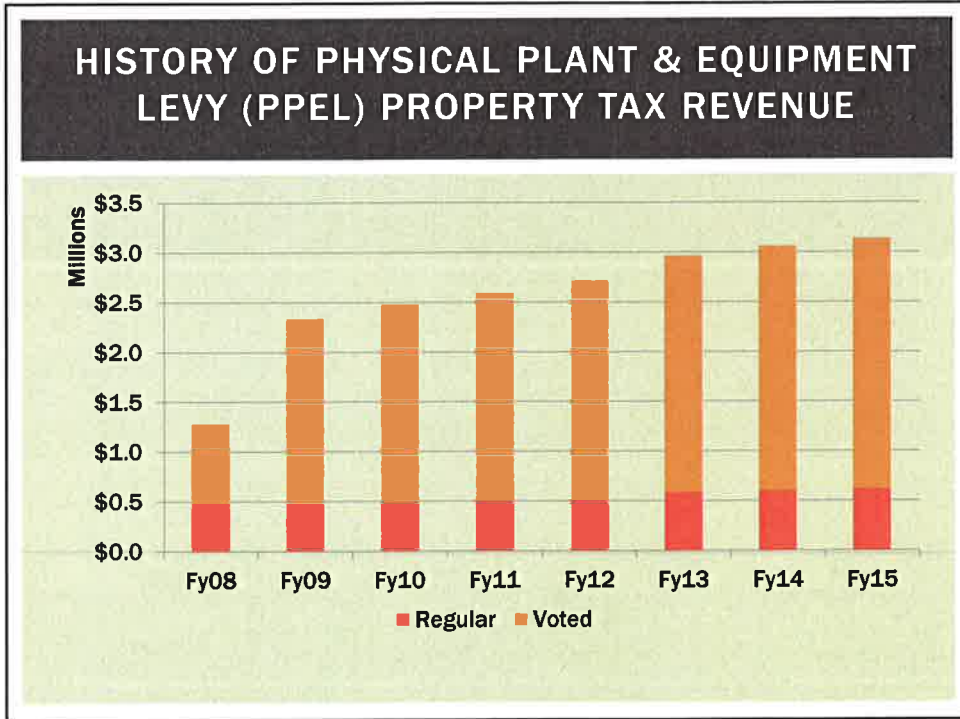


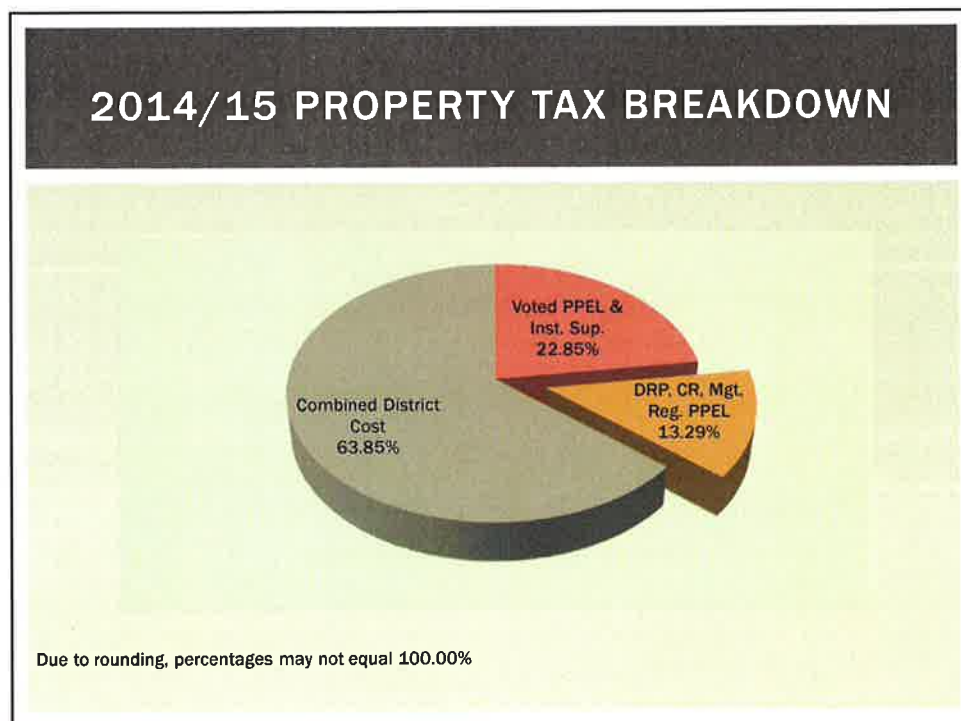
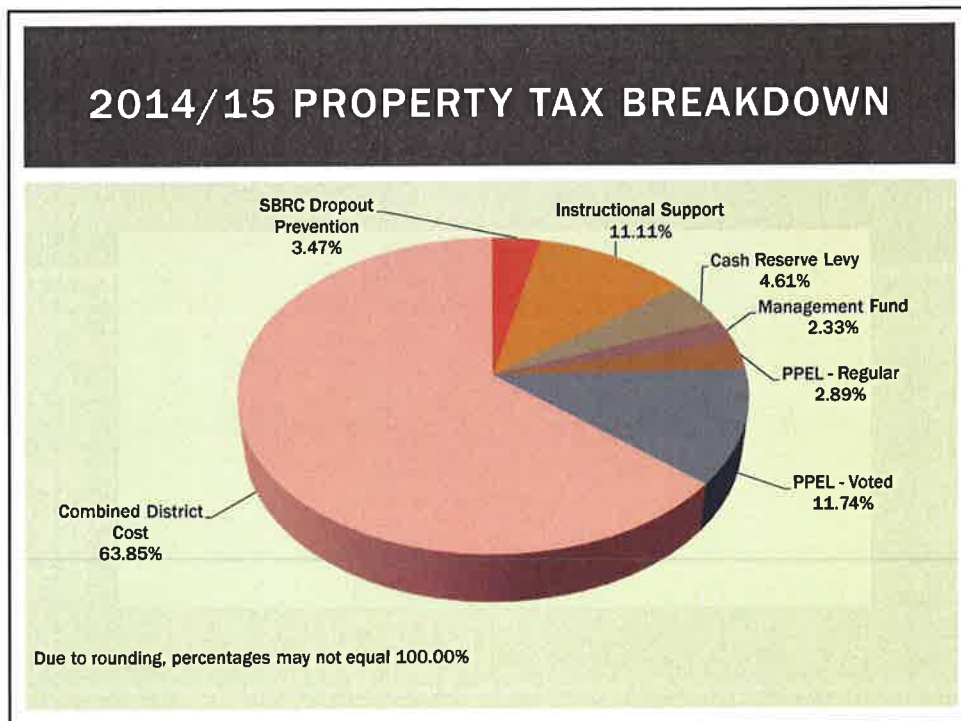
PHYSICAL PLANT & EQUIPMENT LEVY (PPEL)

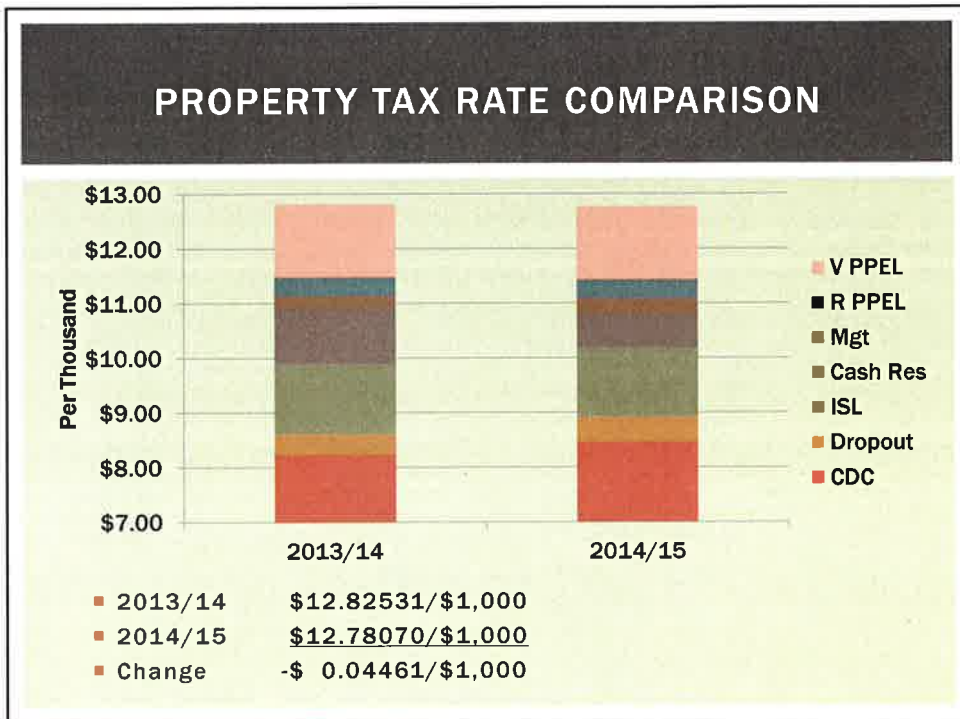
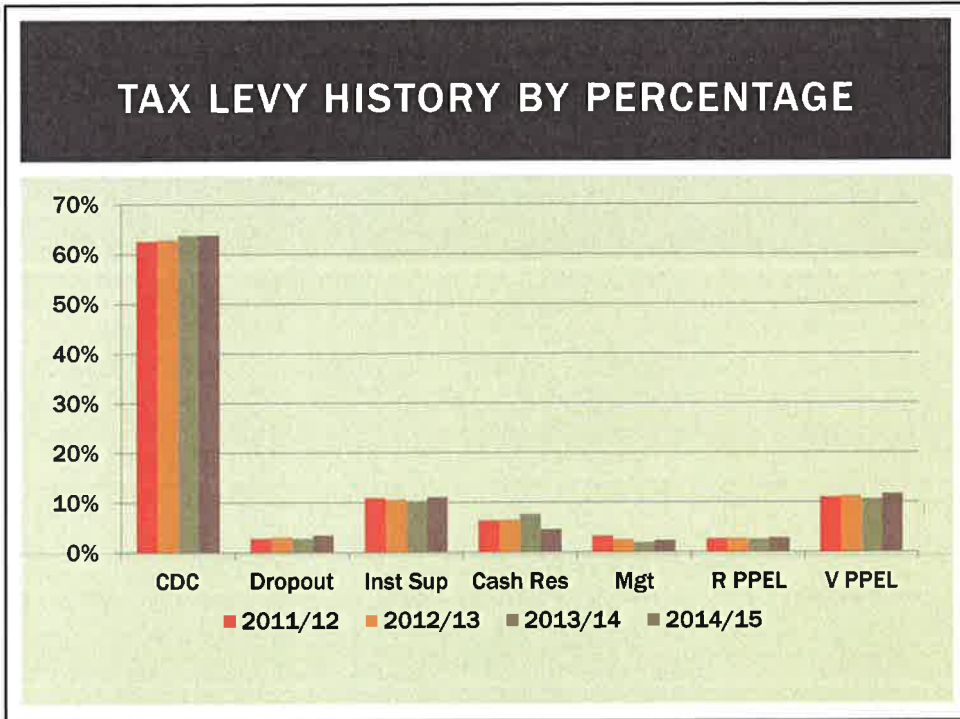
- **2 Parts**
 - Board of Education Controlled - up to \$0.33/\$1,000 (regular)
 - Voters approved additional \$1.34/\$1,000 levy for 10 years beginning with the 2008/09 school year (voted)
 - Can be used for:
 - Purchase or improvement of grounds
 - Construction, repairing or remodeling of schoolhouses or roads to schoolhouses including debt for same
 - Purchase or lease of equipment greater than \$500 per unit
 - Purchasing of "bundled" technology greater than \$500
 - Purchase or lease of school buses or other vehicles
 - Leasing or renting of facilities

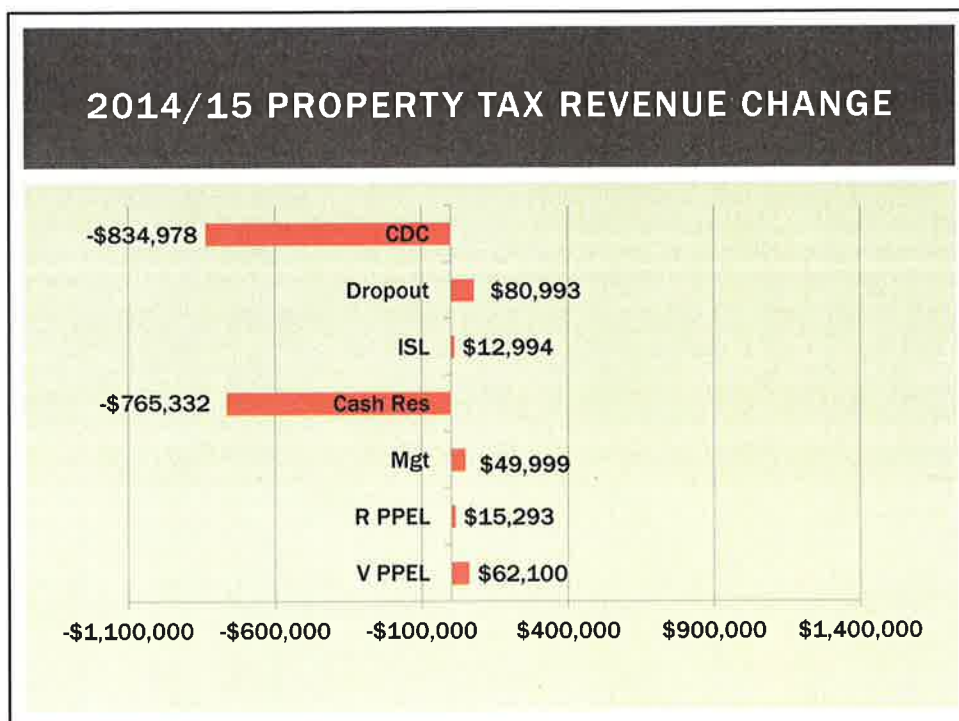
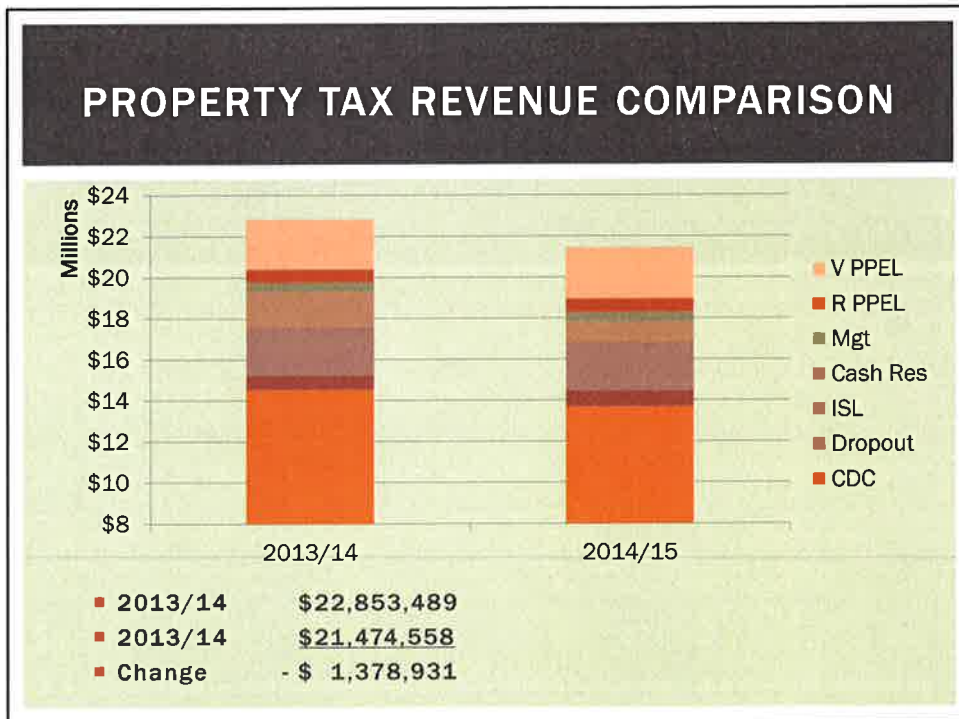
PHYSICAL PLANT & EQUIPMENT LEVY (PPEL)

- **PPEL Fund**
 - Amount requested for 2014/15
 - \$621,070 (regular) & \$2,521,922 (voted) = \$3,142,992
 - Property tax rate of \$1.67/\$1,000
 - Est. Inst. Support Levy C & I replacement
 - $(\$33,340,575 / 1,000) * 1.67$ (tax rate) = \$55,678





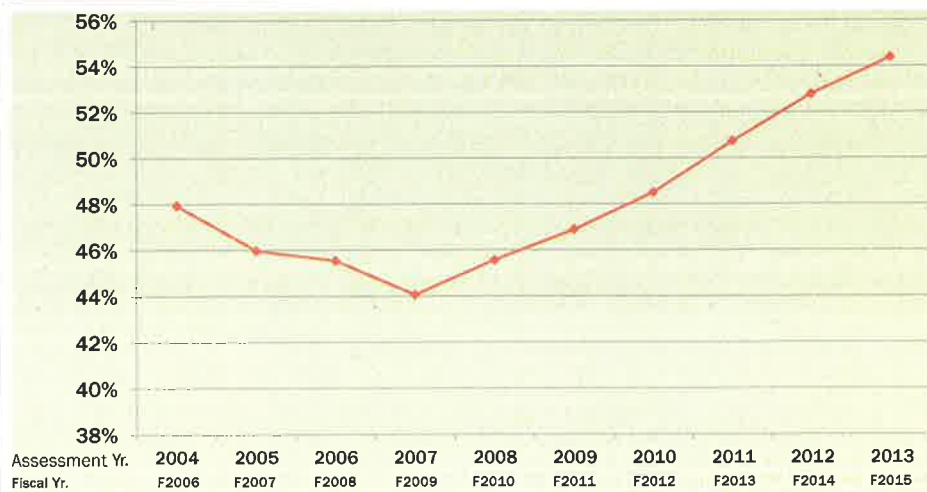




ASSESSMENT & VALUATION OF PROPERTY ASSESSMENT LIMITATIONS ORDER (ROLLBACK)

- Iowa Code 441.21
 - Adjustments in value to comply with state law that allows no more than a 4% increase in taxable value from year to year for all classes of property, except utility property which has a maximum increase of 8% per year.
 - Rate adjustment determined by Iowa Department of Revenue.
 - Rate adjustment is the same for all counties in Iowa.

RESIDENTIAL ROLLBACK HISTORY



PROJECTED RESIDENTIAL PROPERTY TAX

		2013/14	2014/15
▪ Prop. Value		\$100,000	\$100,000
▪ Rollback	x	0.528166	0.544002
▪ Tax Rate	x	<u>0.01282531</u>	<u>0.0127807</u>
▪ Gross Tax	=	\$ 677.39	\$ 695.27
▪ Est. Homestead	-	<u>\$ 62.20</u>	<u>\$ 62.20</u>
▪ Net Tax	=	\$ 615.19	\$ 633.07
▪ Change			\$ 17.88
▪ Change if rollback remained the same	-		\$ 2.36

2014/15 BUDGET TIMELINES

- March 24, 2014 - Establish Proposed Budget
- March 26, 2014 - Publish Proposed Budget
- April 07, 2014 - Public Hearing & Adoption of Budget
- April 15, 2014 - File Budget with County Auditor

2013/14 SCHOOL BUDGET AMENDMENT

- **Iowa Code Section 24.9**
 - Budget estimates adopted and certified in accordance with this chapter may be amended and increased as the need arises to permit appropriation and expenditure during the fiscal year covered by the budget of amounts of cash anticipated to be available during the year **from sources other than taxation** and which had not been estimated and appropriated for expenditure during the fiscal year of the budget sought to be amended.

- **Iowa Code Section 257.7(2)**
 - If actual miscellaneous income for a budget year exceeds the anticipated miscellaneous income in the certified budget for that year a school district may amend its certified budget.

2013/14 SCHOOL BUDGET AMENDMENT

- **Amendment to 2013-14 Budget**
 - **Instruction**
 - No Change
 - **Total Support Services**
 - No Change
 - **Non-instructional Programs**
 - No Change
 - **Other Expenditures**
 - Amend expenditures from \$15,844,128 to \$16,077,200
 - 2013 Series Statewide Sales Tax Debt

- **Public hearing required**

2013/14 BUDGET AMENDMENT TIMELINES

- **March 24, 2014 - Establish Proposed Budget Amendment**
- **March 26, 2014 - Publish Proposed Budget Amendment**
- **April 07, 2014 - Public Hearing & Adoption of Budget Amendment**
- **April 15, 2014 - File Budget Amendment with County Auditor**

QUESTIONS?

