

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

2017/18 Budget
Presentation



IOWA PUBLIC 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 Budget 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 general fund spending is limited by its maximum spending authority
 - Formula first determines the total spending authority
 - Primarily student 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 (Now included as a part of drop-out funding)**
 - **English Second Language (ESL)**

GENERAL FUND BUDGET DETERMINATION

- **Aid & Levy Worksheet Continued**
 - **4. District Cost Calculations**
 - **Regular Program**
 - **Other District Cost Calculations (TSS/PD/Early Childhood/TLC)**
 - **AEA District Cost Calculations**
 - **5. Combined District Cost (Summary of Section 4)**
 - **6. Uniform Levy**
 - **Basic**
 - **Utility Replacement Adjustment**
 - **Uniform Levy Commercial & Industrial State Replacement Adjustment**

GENERAL FUND BUDGET DETERMINATION

- **Aid & Levy Worksheet Continued**
 - **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) (**67 schools for Fy17 - \$33.48 million**)
 - Final Additional Levy Before Utility Replacement Adjustment
 - **9. Final State Foundation Aid Calculation**

GENERAL FUND BUDGET DETERMINATION

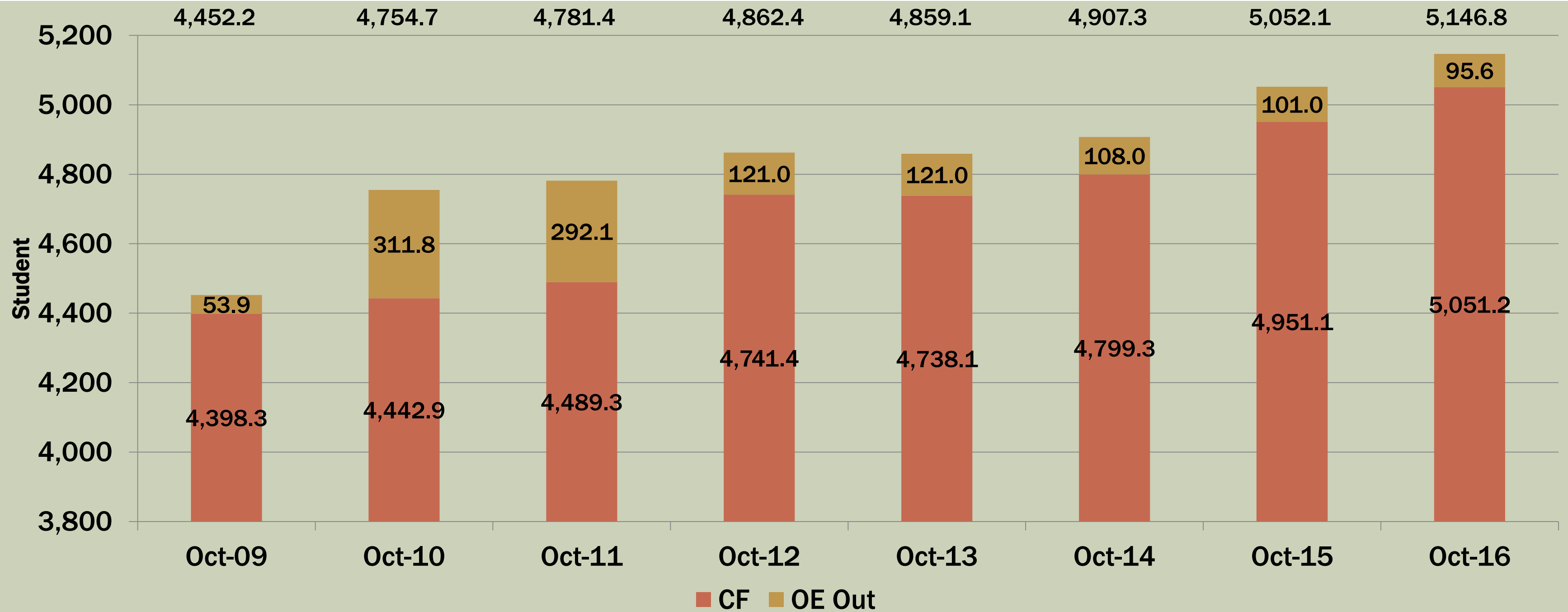
- **Aid & Levy Worksheet Continued**
 - **10. Instructional Support Levy Calculation**
 - **11. Educational Improvement Program (CF currently not eligible)**
 - **12. Reserved for Future Use**
 - **13. Additional Levy Adjustment**
 - **Utility Replacement**
 - **C & I State Replacement Adjustment**
 - **14. Reserved for Future Use**
 - **15. Summary of General Fund Levies**

GENERAL FUND BUDGET DETERMINATION

- **Aid & Levy Worksheet Continued**
 - **16. State Aid Payments to AEA & District**
 - **17. Summary of General Fund Budget Spending Authority**
 - **18. Summary of Financing for General Fund Maximum Budget**
 - **19. Voted Physical Plant & Equipment Levy (PPEL)**
 - **20. Income Surtax Rates & General Fund Surtax Dollars**
 - **21. Other Property & Utility Tax Replacement Taxes**
 - Management Levy
 - Regular Physical Plant & Equipment Levy
 - Debt Service

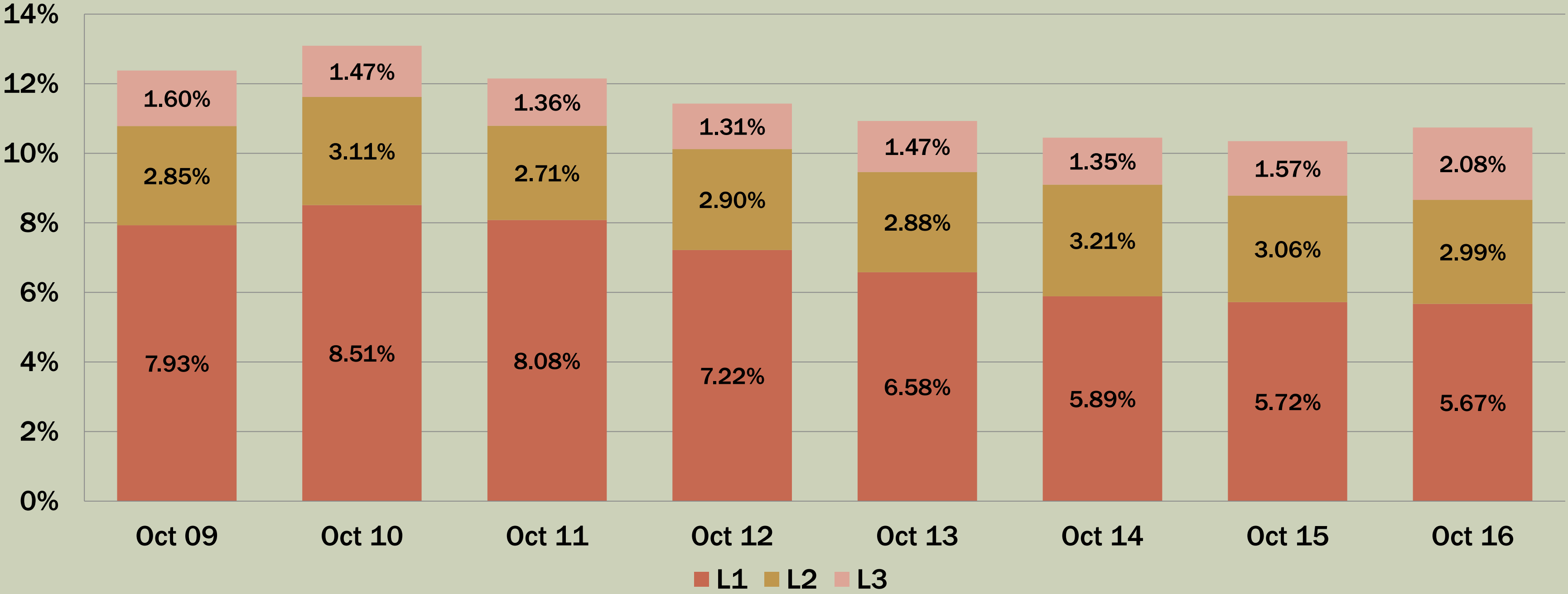
CERTIFIED ENROLLMENT

SECTION 1

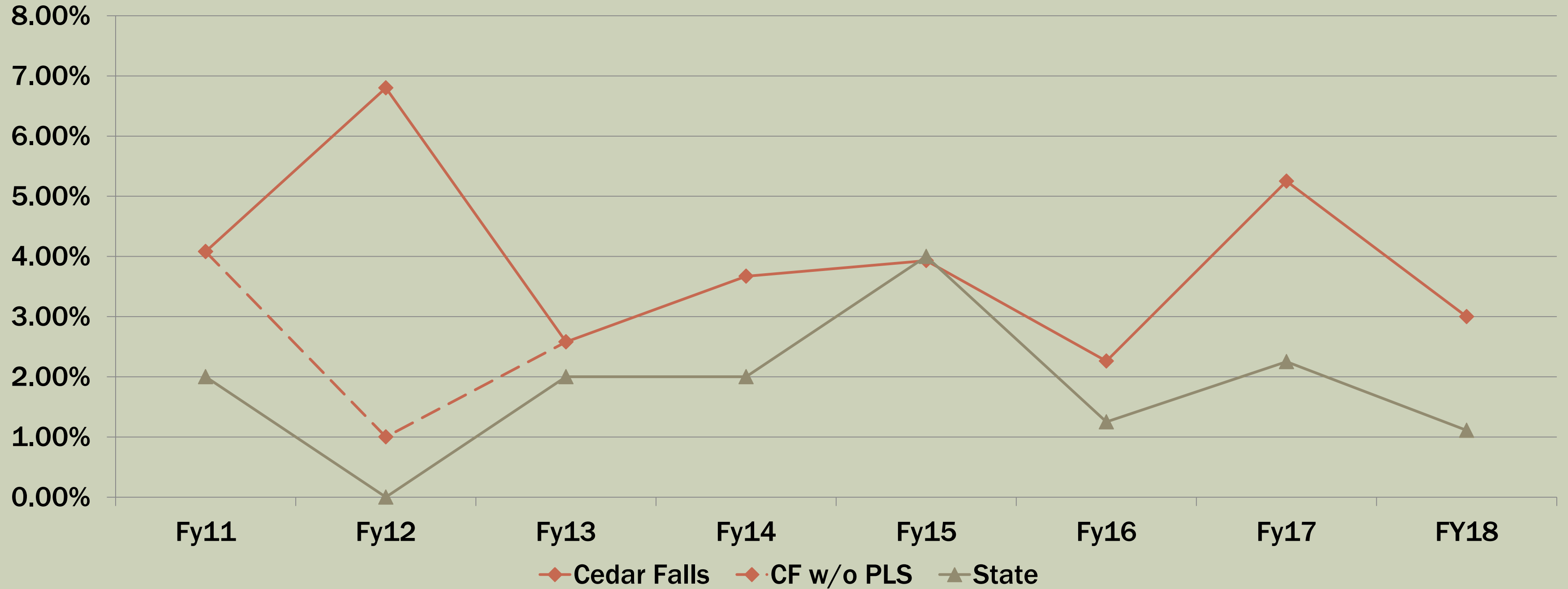


SPECIAL ED ENROLLMENT BY PERCENTAGE

SECTION 3



HISTORY OF SUPPLEMENTAL STATE AID IN PERCENTAGE

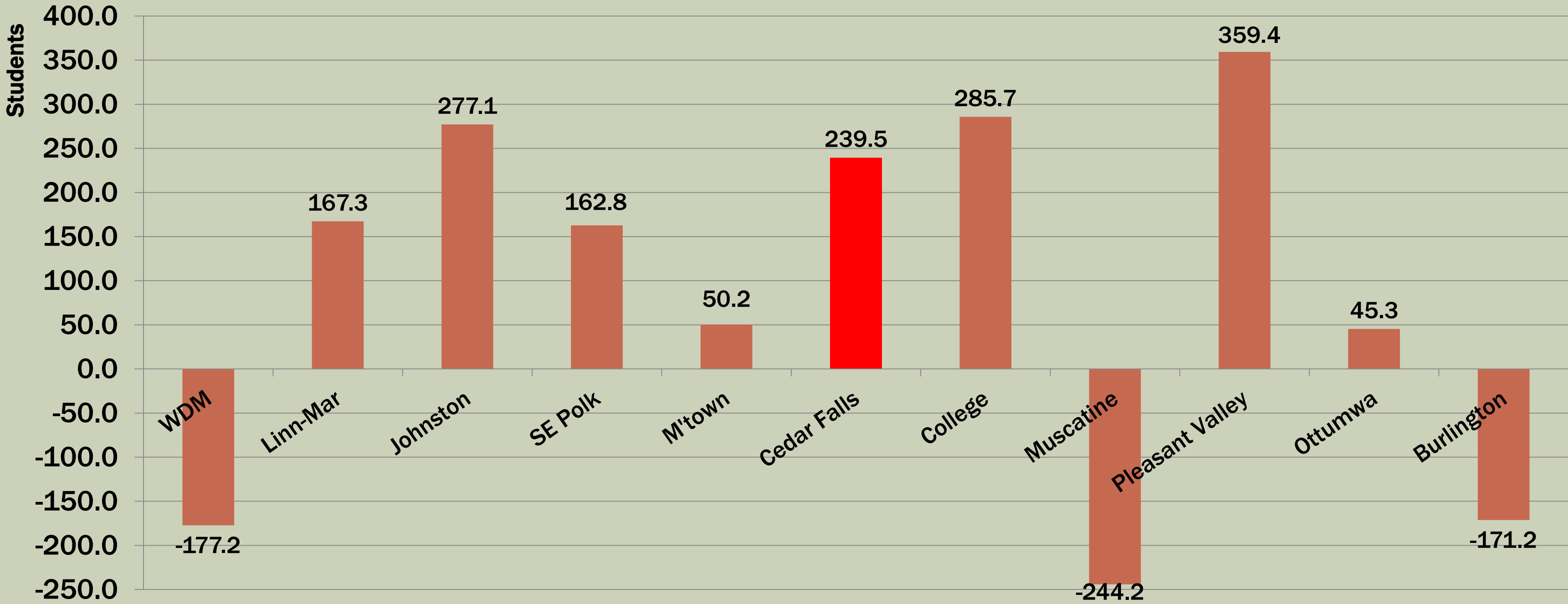


SSA COMPARISON - SIMILAR SIZED SCHOOLS

State Rank	School District	2016/17 RPDC	2016/17 RPDC/P	10/1/16 Count	2017/18 RPDC	Dollar Growth	% Growth	Per Pupil Growth	Enrollment Increase
11	W Des Moines*	\$59,545,319	\$6,591	8,968.9	\$59,995,402	\$ 450,083	0.76%	\$ 50.18	(43.6)
12	Linn-Mar	\$47,448,557	\$6,592	7,312.5	\$48,737,813	\$ 1,289,256	2.72%	\$ 176.31	114.6
13	Johnston	\$44,529,455	\$6,591	6,894.2	\$45,942,949	\$ 1,413,494	3.17%	\$ 205.03	131.1
14	Southeast Polk	\$44,828,687	\$6,591	6,797.2	\$45,296,541	\$ 467,854	1.04%	\$ 68.83	(4.3)
15	Marshalltown	\$35,289,535	\$6,632	5,435.2	\$36,443,016	\$ 1,153,481	3.27%	\$ 212.22	114.1
16	Cedar Falls	\$33,333,756	\$6,598	5,146.8	\$34,334,303	\$ 1,000,547	3.00%	\$ 194.44	94.7
17	College	\$32,608,313	\$6,664	5,086.6	\$33,897,102	\$ 1,228,789	3.95%	\$ 253.37	139.2
18	Muscatine	\$34,690,335	\$6,664	5,084.2	\$34,416,225	\$ (274,110)	(0.79)%	\$ (53.91)	(85.6)
19	Pleasant Valley	\$30,471,823	\$6,797	4,745.5	\$32,255,164	\$ 1,783,341	5.85%	\$ 375.80	213.7
20	Ottumwa	\$30,469,534	\$6,664	4,643.2	\$30,942,285	\$ 472,751	1.55%	\$ 101.82	20.3
21	Burlington	\$29,908,402	\$6,664	4,422.7	\$29,673,177	\$ (235,225)	(0.79)%	\$ (53.19)	(34.8)

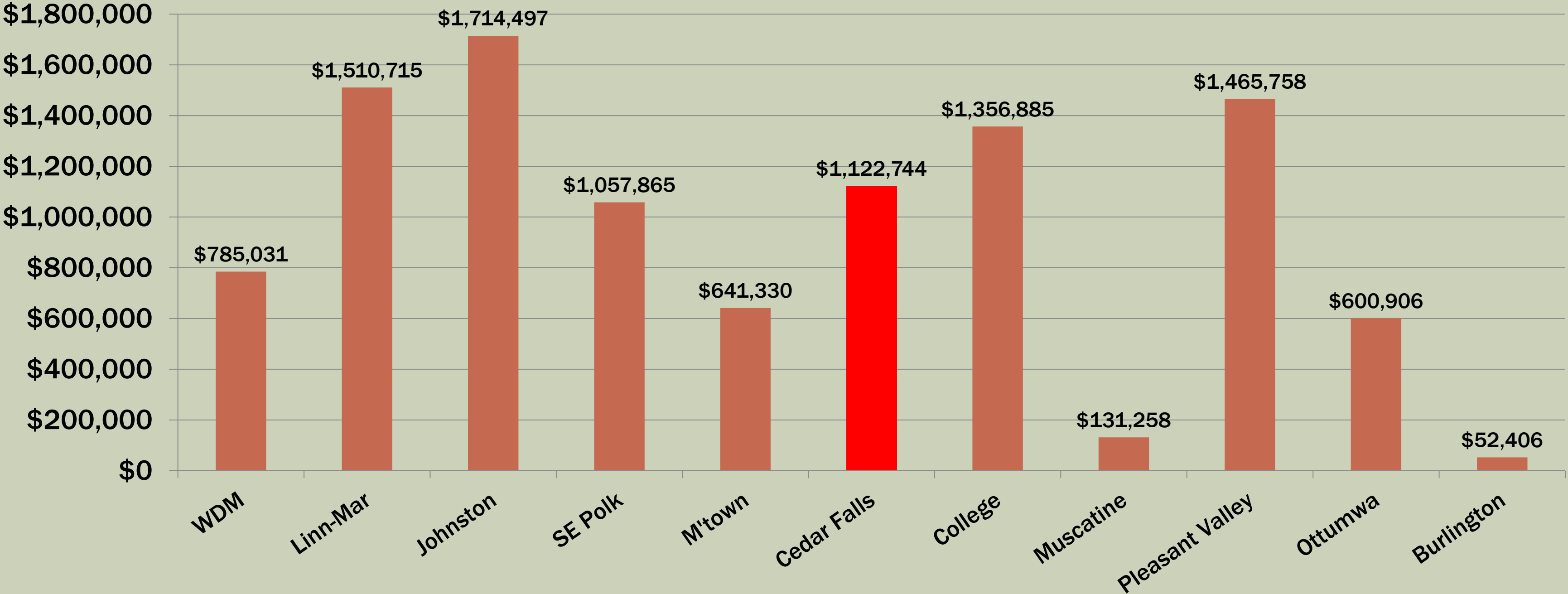
* = Indicated budget guarantee for Fy18

SIMILAR SIZED SCHOOLS THREE YEAR CUMULATIVE CHANGE CERTIFIED ENROLLMENT



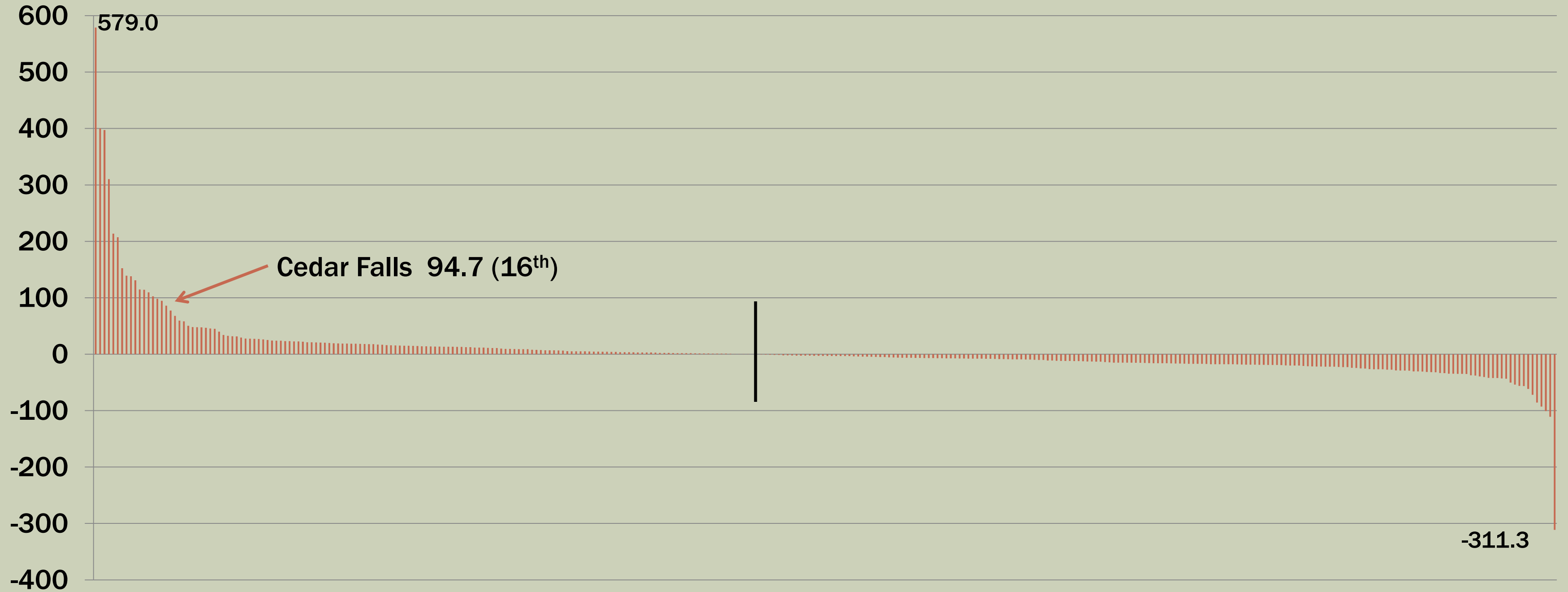
Oct. 2014, 2015 & 2016 certified enrollment count

SIMILAR SIZED SCHOOLS THREE YEAR AVERAGE INCREASE SUPPLEMENTAL STATE AID



Included any budget guarantee funds received

STATE ENROLLMENT CHANGE OCT. 1, 2015 - OCT 1, 2016



332 Districts

3 YEAR AVERAGE STATE ENROLLMENT CHANGE OCT. 1, 2014 - OCT 1, 2016

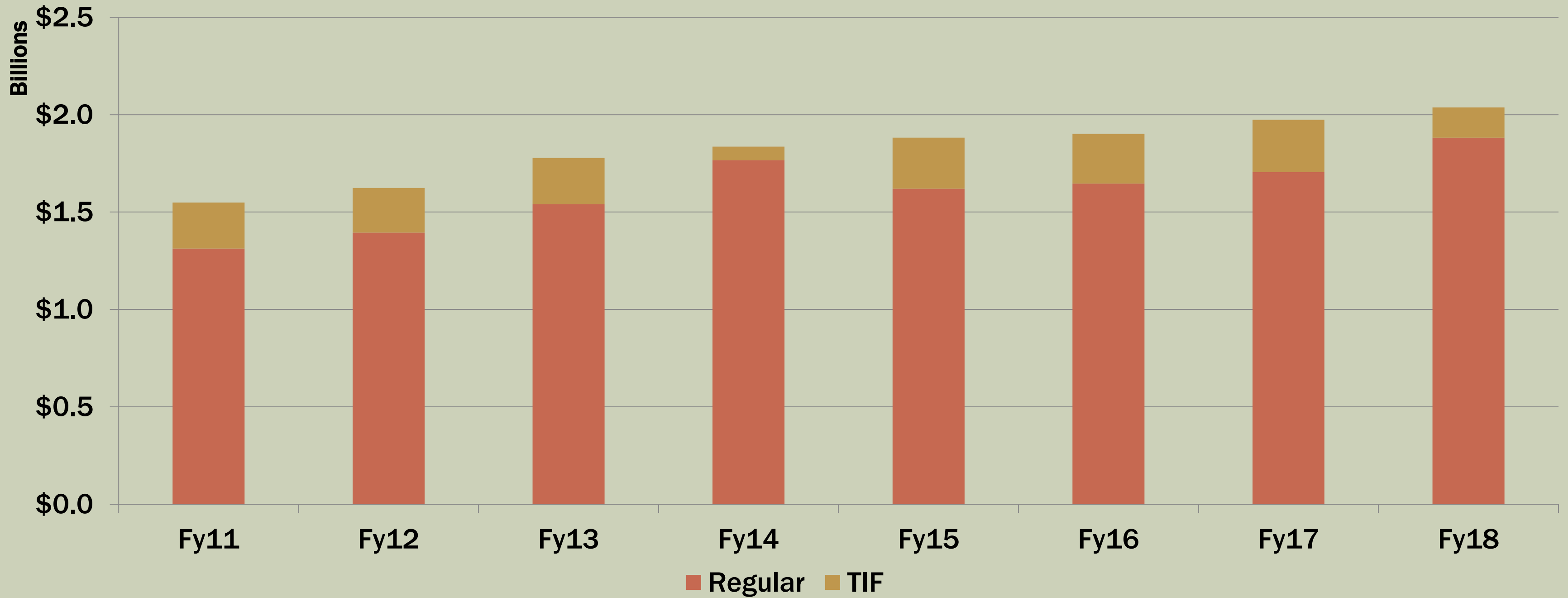


332 Districts

CEDAR FALLS CSD

HISTORY OF ASSESSED VALUATION

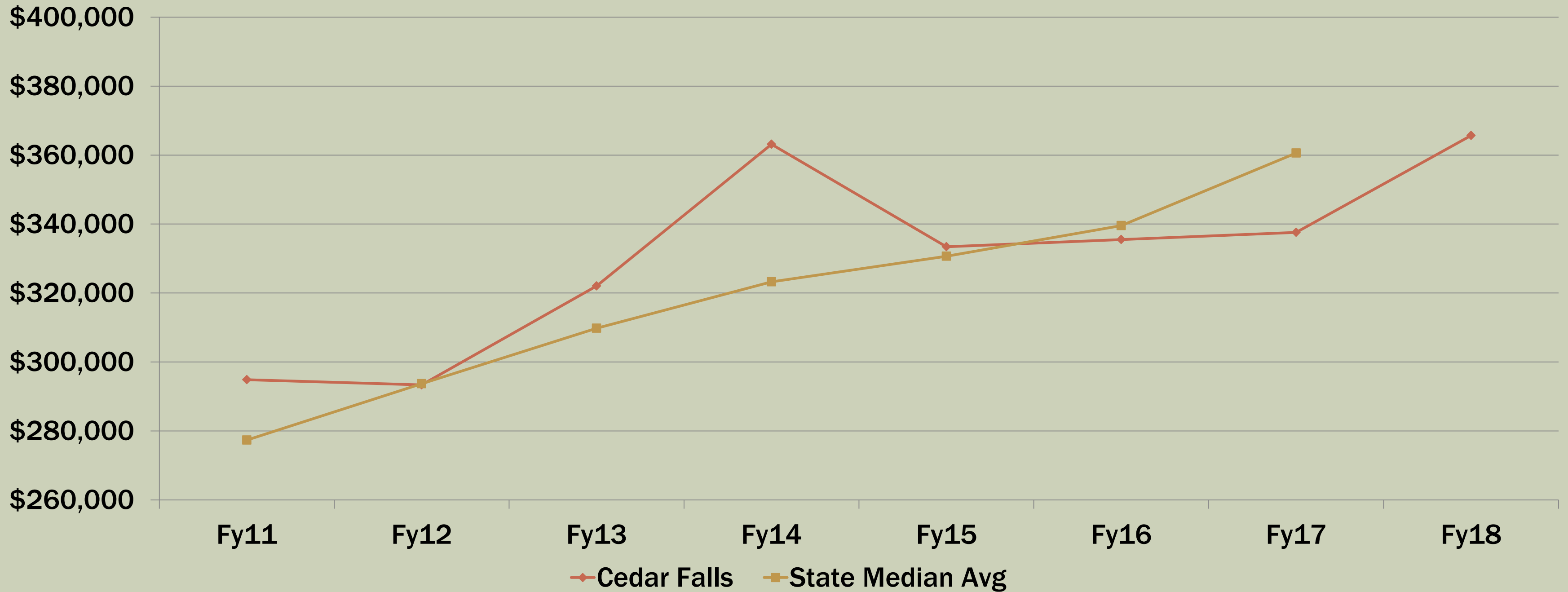
SECTION 6



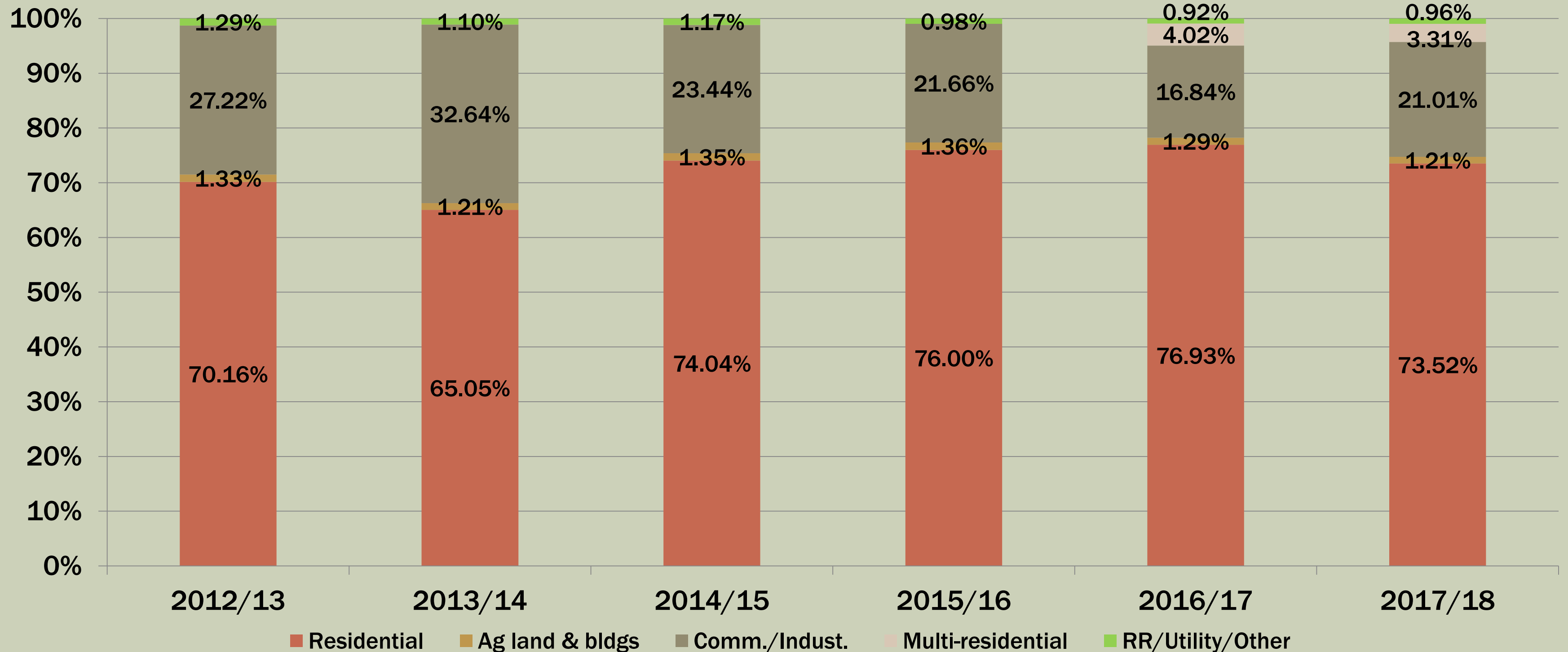
TAX INCREMENT FINANCING BASICS

- 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

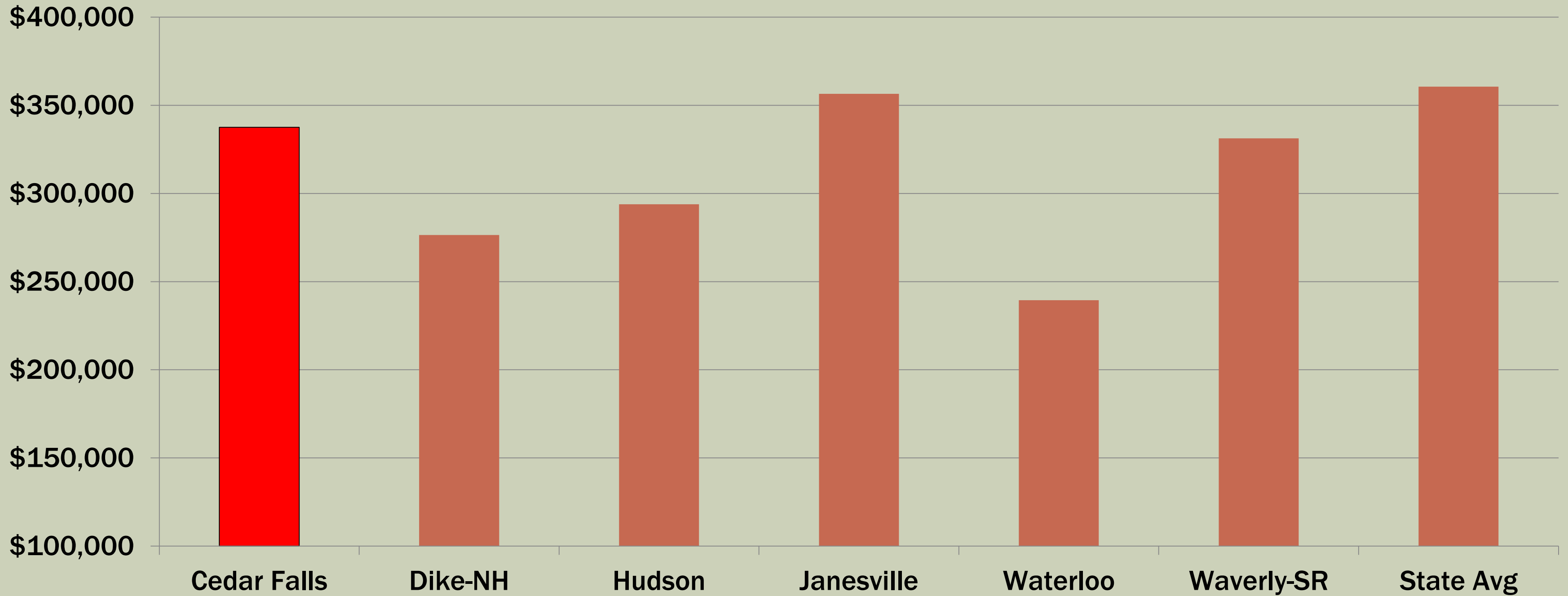
ASSESSED VALUATION PER STUDENT



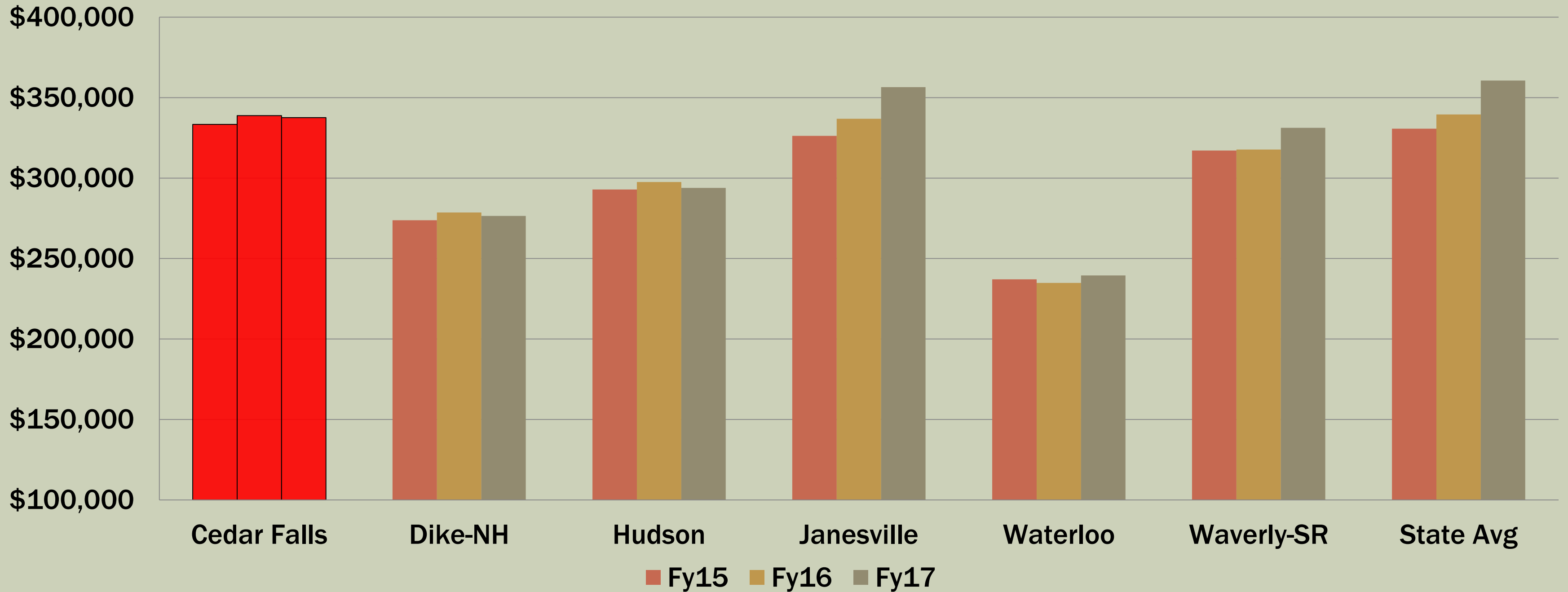
ASSESSED VALUATION BY CATEGORY



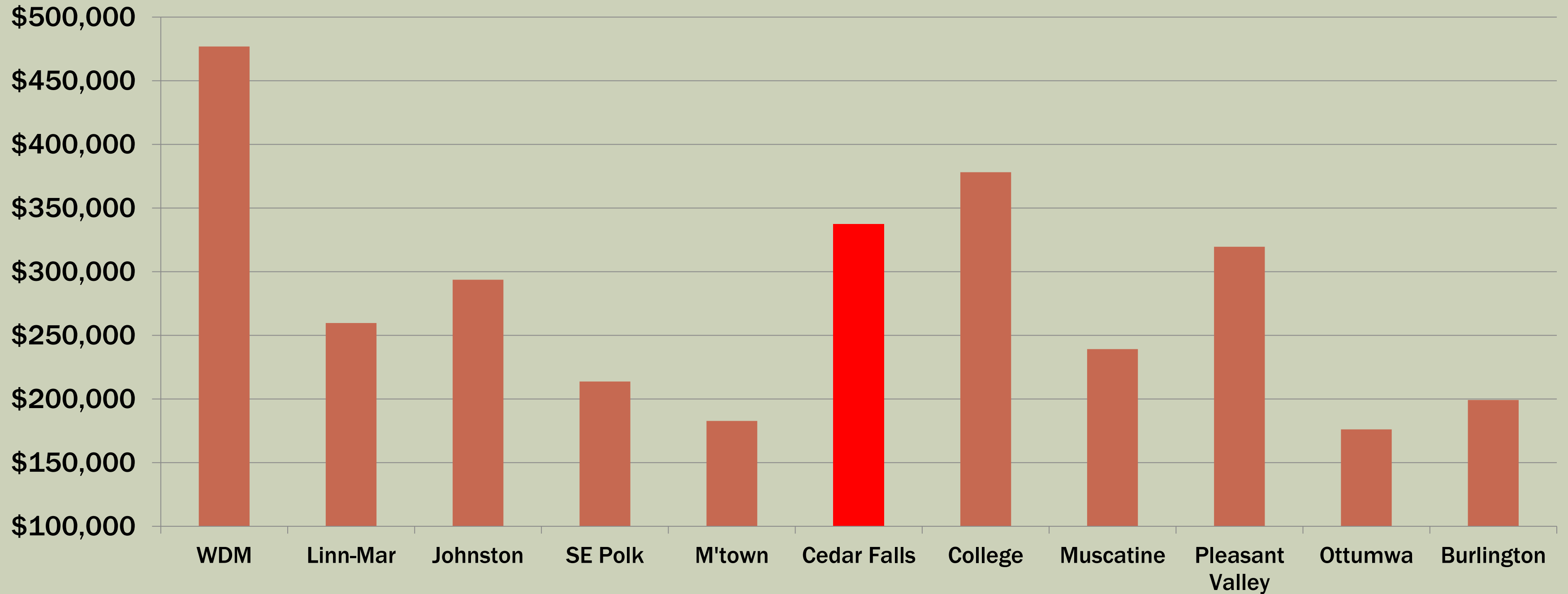
2016/17 VALUATION PER STUDENT – AREA SCHOOL COMPARISON



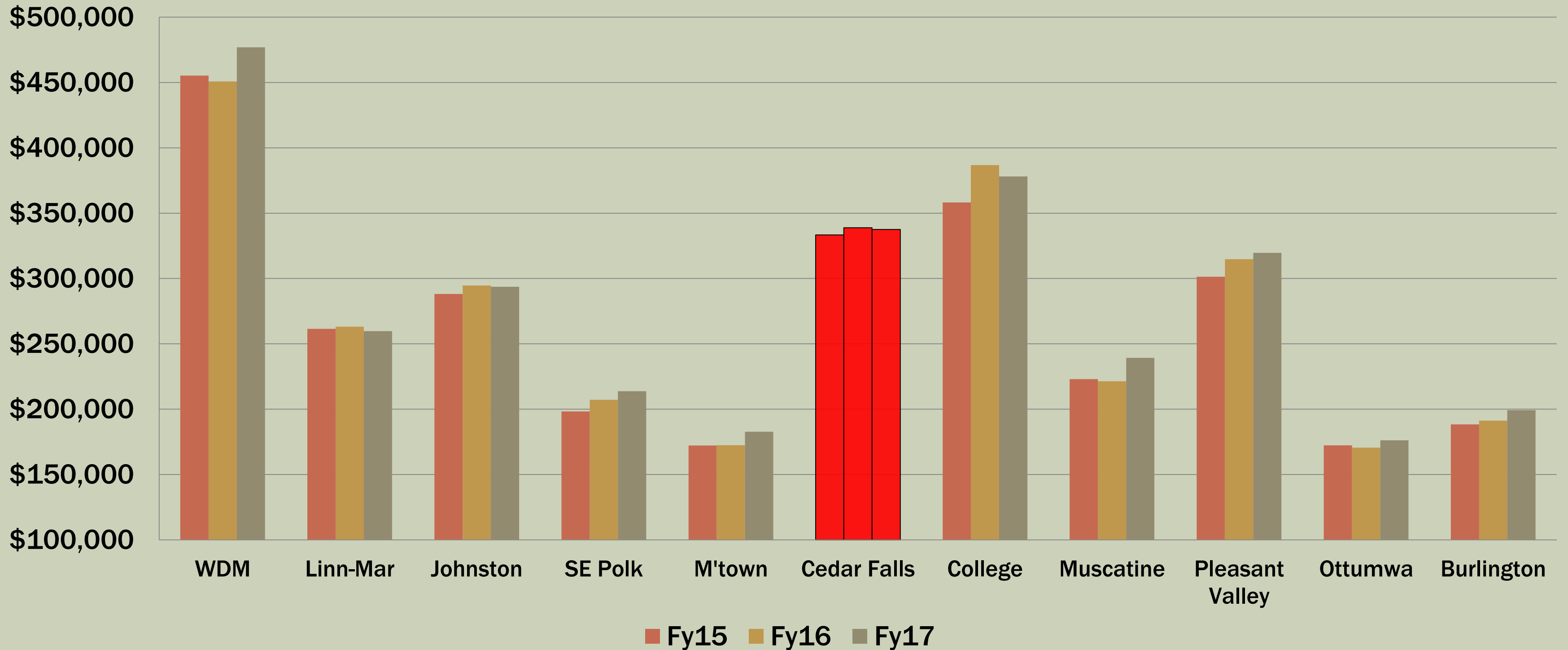
VALUATION PER STUDENT AREA SCHOOL 3 YR. COMPARISON



2016/17 VALUATION PER STUDENT SIMILAR SIZE SCHOOL COMPARISON



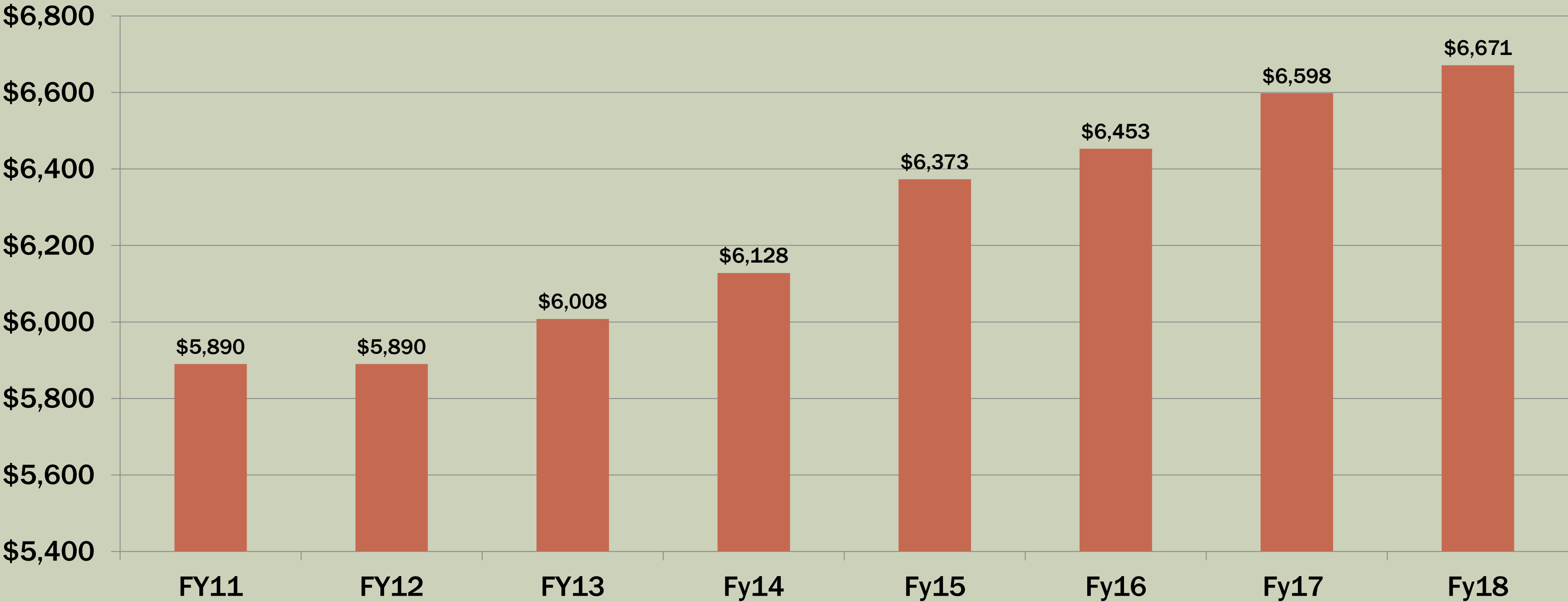
VALUATION PER STUDENT SIMILAR SIZE SCHOOL 3 YR. COMPARISON



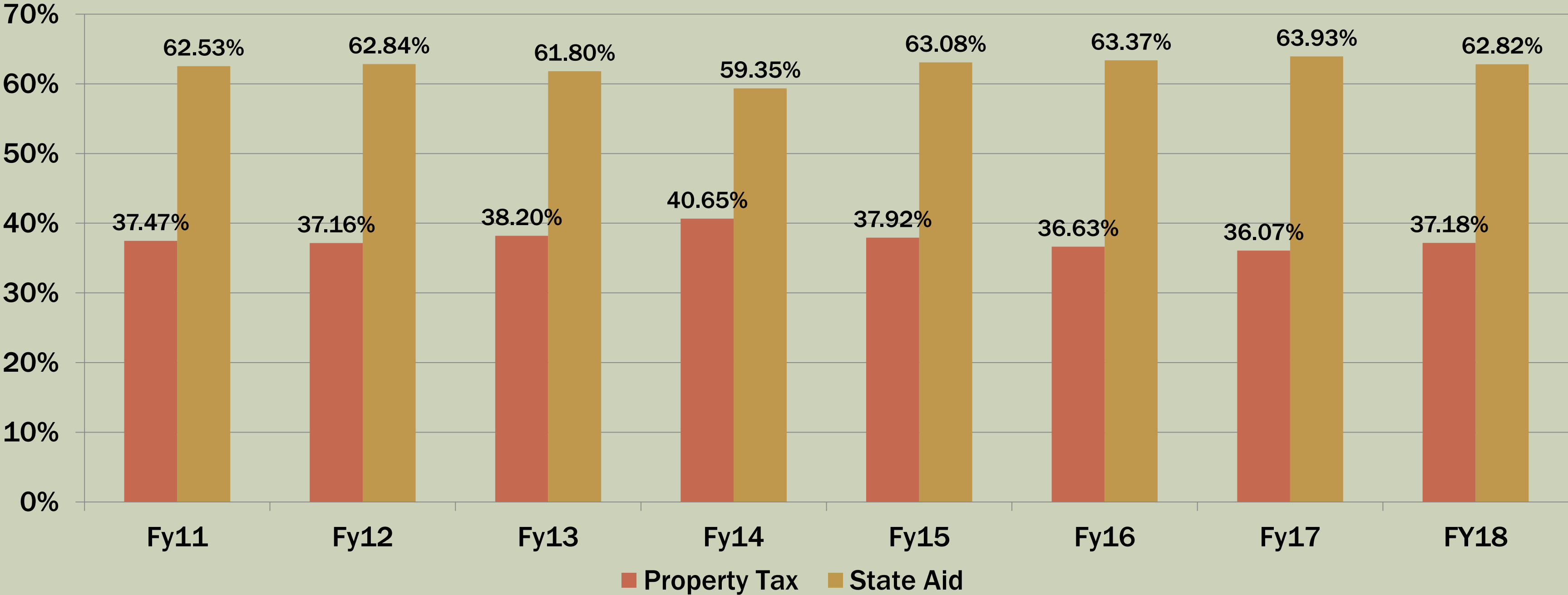
2017/18 COMBINED DISTRICT COST – \$6,771 PER STUDENT

12.57%	\$ 838 per Student	Additional Levy Combined District Cost – Foundation Dollar Level
62.82%	\$4,191 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 + SSA Prop Tax Replacement Payment
24.61%	\$1,642 per Student	Uniform Levy = \$5.40 per \$1,000 assessed valuation x school district assessed valuation

HISTORY OF COST PER PUPIL



HISTORICAL COMBINED DISTRICT COST MIX



COMBINED DISTRICT COST FUNDING

- Aid & Levy budget worksheet
 - Uniform Levy (Section 6)
 - Property Tax Portion = \$10,162,491 (Ln 6.3)
 - Property Tax Rate = \$5.40000
 - Final State Foundation Aid (Section 9)
 - Regular Program = \$31,191,420 (Ln 9.12 - Ln 9.11)
 - Includes TSS, PD, TLC, Early Intervention & Property Tax Replacement Payment (PTRP)

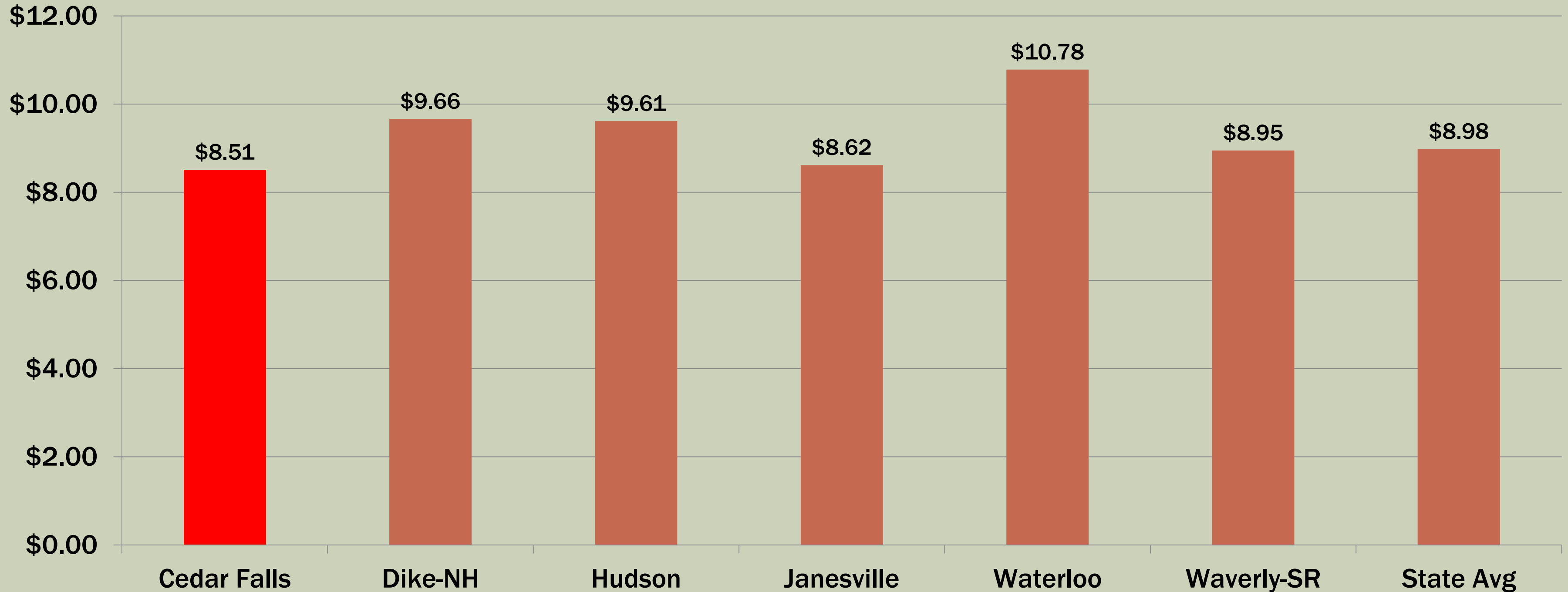
COMBINED DISTRICT COST FUNDING

■ Additional Levy (Section 8 minus Section 13)		
■ Gross Property Tax Additional Levy (Ln 8.4)	\$6,739,571	
■ Utility Replacement Adjustment (Ln 8.38)	- 38,878	
■ AEA Statewide Reduction (Ln 8.41)	+ 66,618	
■ Property Tax Replacement Payment (Ln 8.42)	- 490,585	
■ Add. Levy Utility Replacement Adjust (Ln 13.5)	+ 333	
■ Add. Levy C & I State Replacement (Ln 13.21)	- 257,749	
■ Dropout Prevention Program (Ln 5.17)	- <u>828,149</u>	
■ Net Additional Levy	\$5,191,161	
■ Property Tax Rate = \$2.75828		

COMBINED DISTRICT COST FUNDING

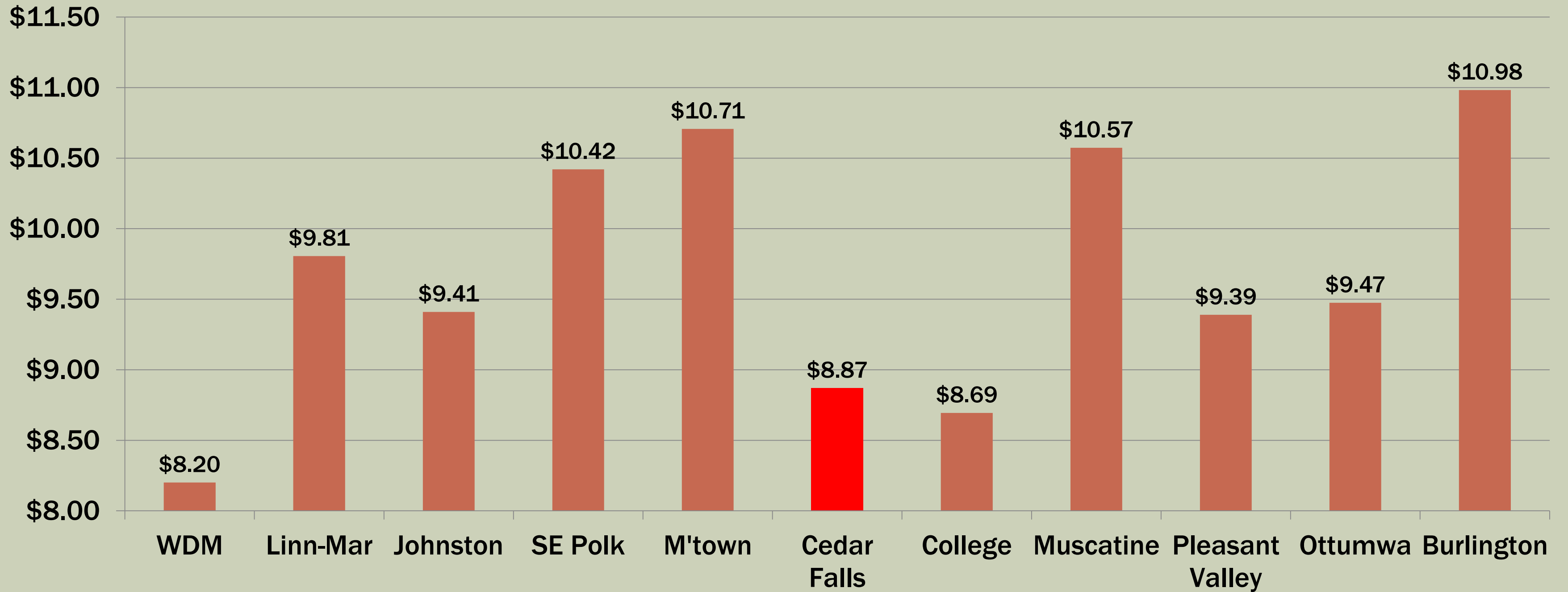
- Aid & levy budget worksheet
 - Property Tax Portion = \$15,353,652
 - Property Tax Rate = \$8.15828
- Dropout Prevention (approved by BOE on Dec. 12, 2016)
 - Property Tax Portion = \$828,149
 - Property Tax Rate = \$0.44004
- Totals
 - Property Tax Portion = \$16,181,801
 - Property Tax Rate = \$8.59832

2016/17 COMBINED DISTRICT COST – TAX RATE COMPARISON



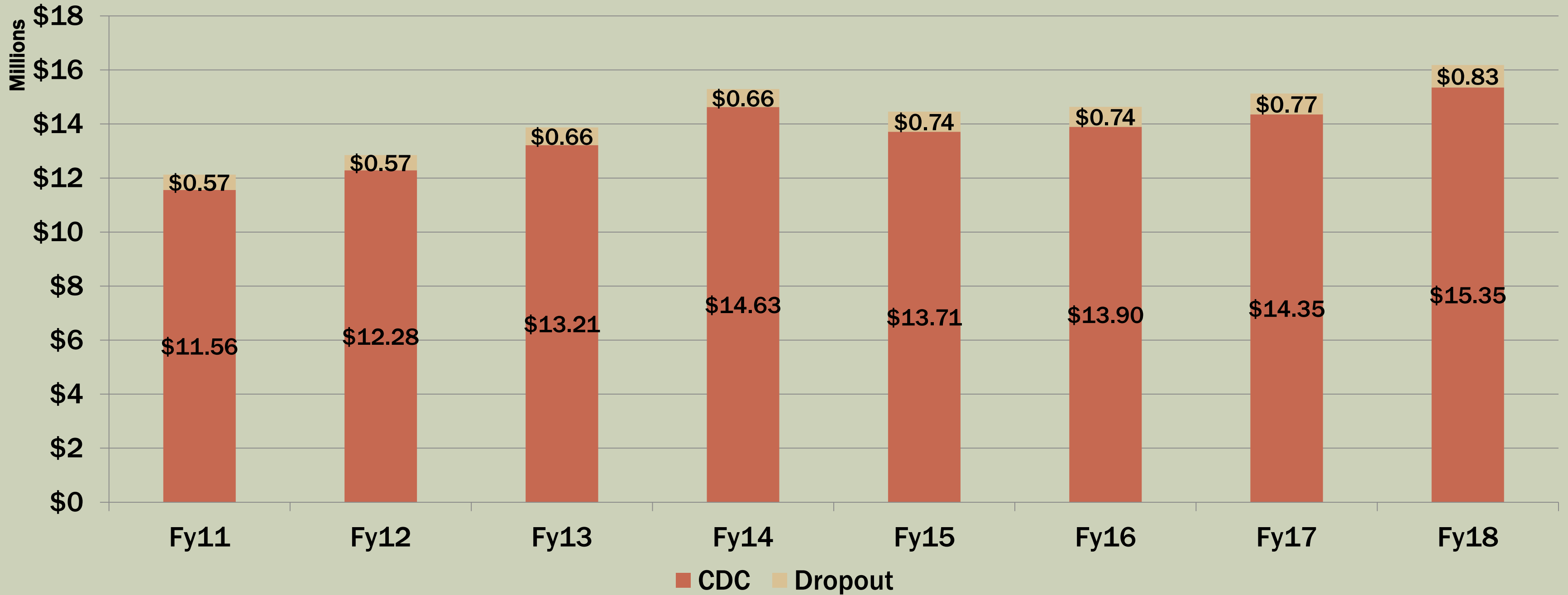
Includes Drop Out Prevention Funding.

2016/17 COMBINED DISTRICT COST – SIMILAR SIZE SCHOOL COMPARISON

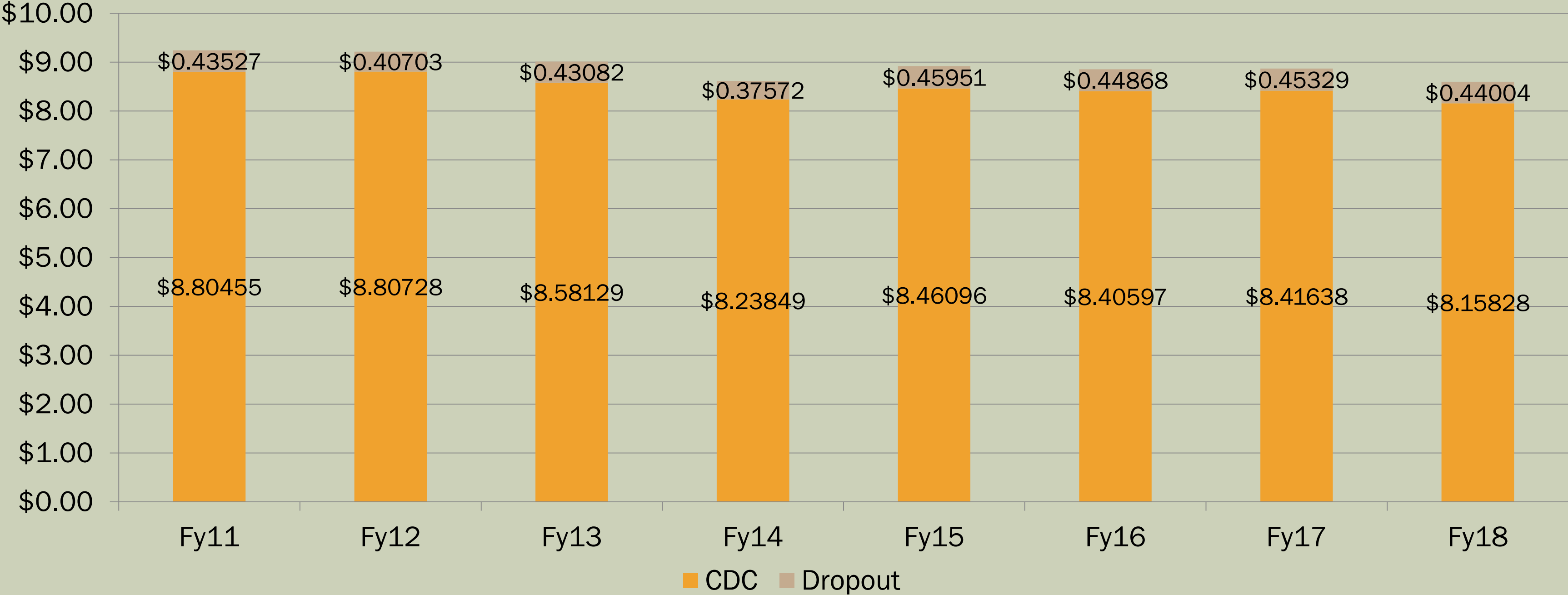


Includes Drop Out Prevention Funding

HISTORY OF COMBINED DISTRICT COST & DROPOUT PROPERTY TAX REVENUE



HISTORY OF COMBINED DISTRICT COST & DROPOUT PROPERTY TAX RATES



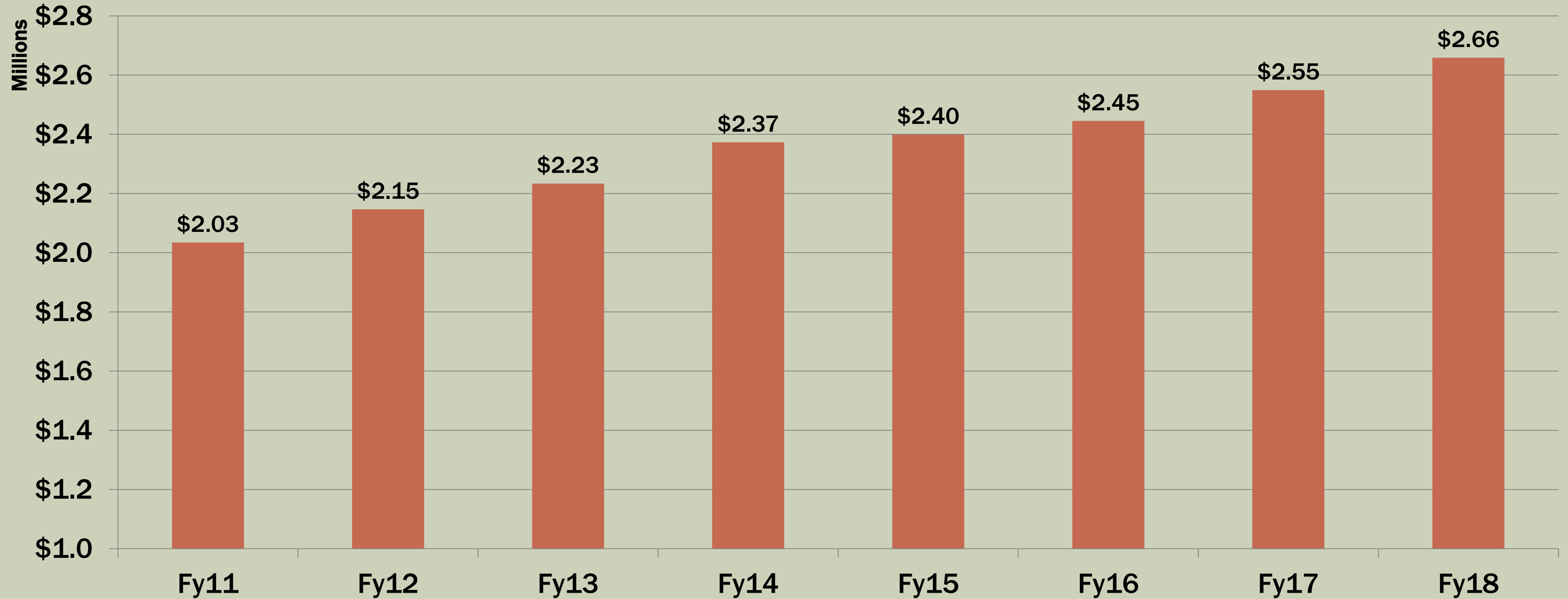
INSTRUCTIONAL SUPPORT LEVY

SECTION 10

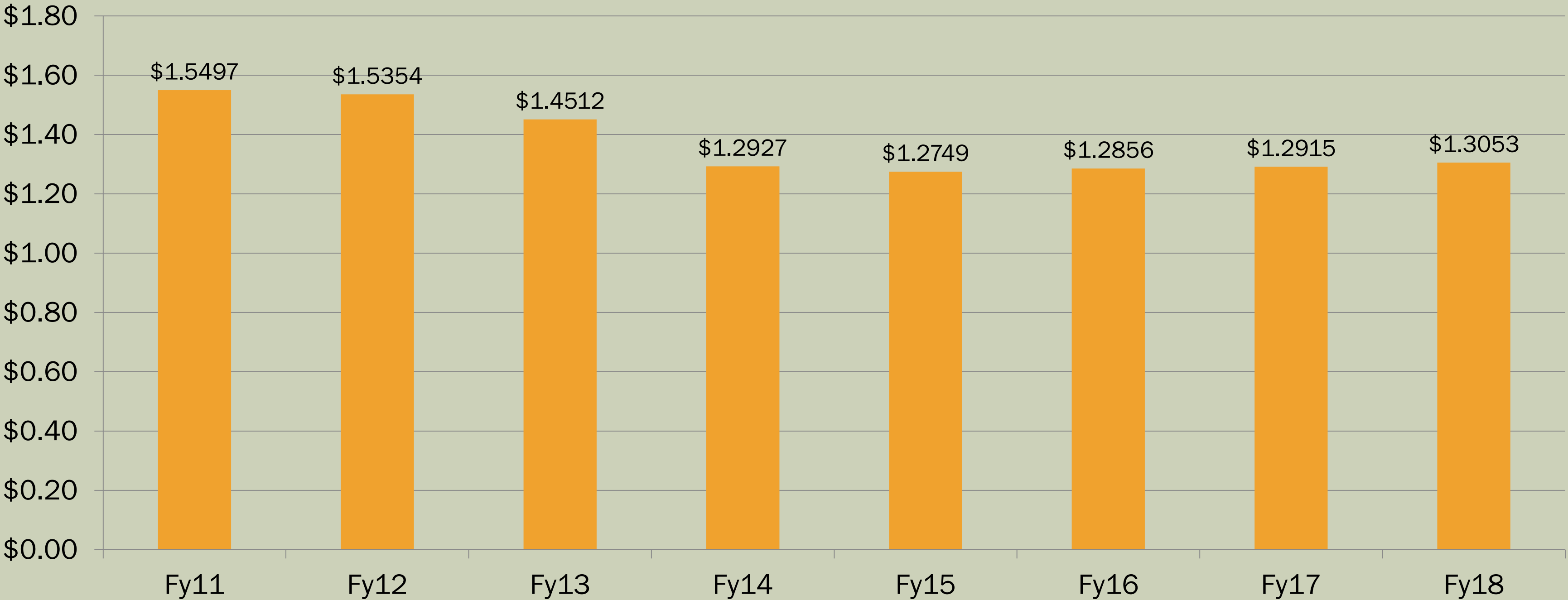
- Included with General Fund for reporting to Dept. of Education
- 10 year levy approved by voters of District (Thru Fy2022)

- 10% of regular district program cost (Ln 10.5) \$3,433,430
- Less gross ISL State Aid (22.56% of total) - \$ 774,582
- Net Property Tax \$2,658,848
- Instructional Support State Aid + \$ 0
 - (0% of Gross State Aid)
- Total Adjusted ISL Dollars = \$2,658,848
- Less anticipated actual ISL State Aid - \$ 0
- Anticipated Actual ISL Dollars = \$2,658,848
- Property tax rate of \$1.30531/\$1,000

HISTORY OF INSTRUCTIONAL SUPPORT LEVY PROPERTY TAX REVENUE



HISTORY OF INSTRUCTIONAL SUPPORT LEVY PROPERTY TAX RATES



CASH RESERVE LEVY – PART ONE

SECTION 15

■ SBRC Approved Requests

■ Increased enrollment, open enrollment out, LEP excess cost

- \$624,830 – Increased enrollment, approved by BOE on Nov. 14, 2016
- \$ 10,160 – ELL beyond 5 years, approved by BOE on Nov. 14, 2016
- \$102,442 – LEP allowable excess cost, approved by BOE on Sept. 26, 2016

■ Special Education

- \$ 807,534 – Special Ed excess cost, approved by BOE on Oct. 10, 2016

■ Total SBRC #1 approved requests - \$1,544,966

CASH RESERVE LEVY – PART TWO

SECTION 15

■ Other

■ Cash flow needs	\$ 598,702
■ Other SBRC approved requests	<u>\$ 0</u>
■ Total request for Fy18	\$ 598,702
■ Amount requested was deferred from Fy17	

2016-17 Budget	
CASH RESERVE LEVY – SUMMARY	
SECTION 15	
■ SBRC #1 Approved/Requested	\$1,106,730
■ SBRC #2 Request	<u>\$ 0</u>
■ Total Cash Reserve Levy	\$1,106,730
■ <u>\$592,540</u> deferred until Fy18	

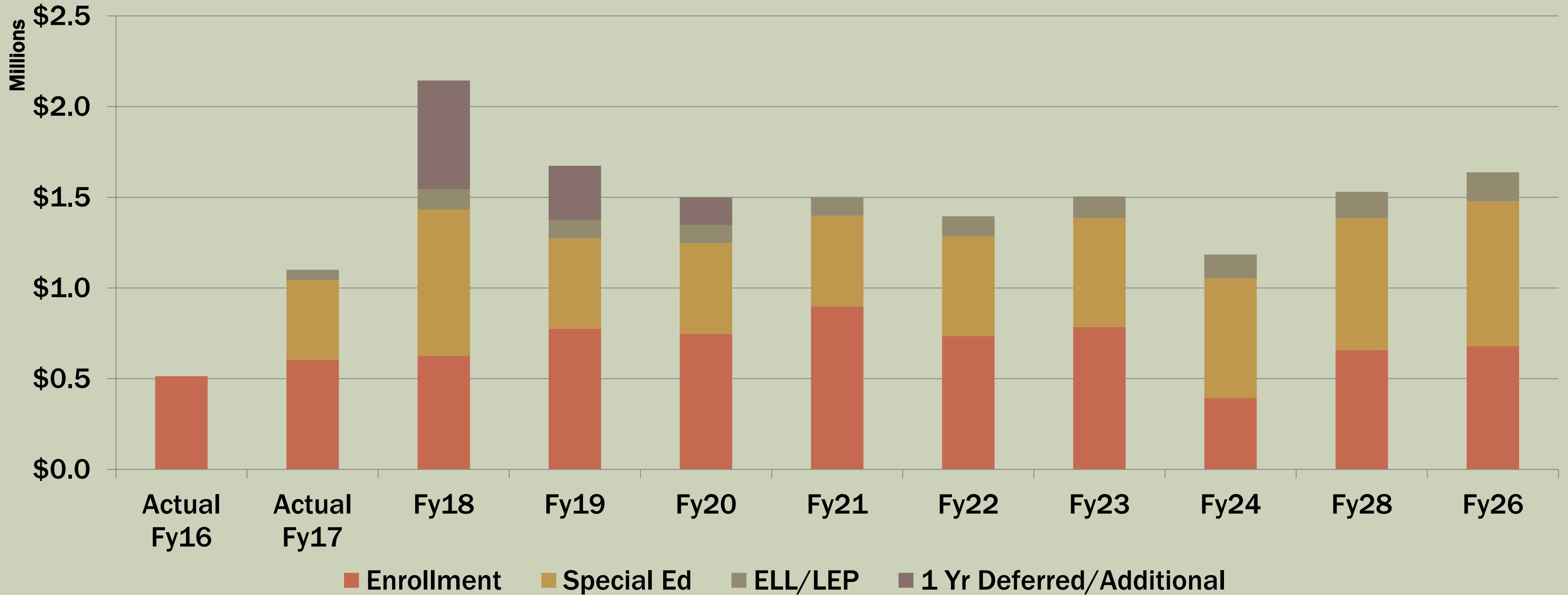
- Change due to reduction in Fy17 CR to match published Fy17 tax levy amount.

CASH RESERVE LEVY – SUMMARY

SECTION 15

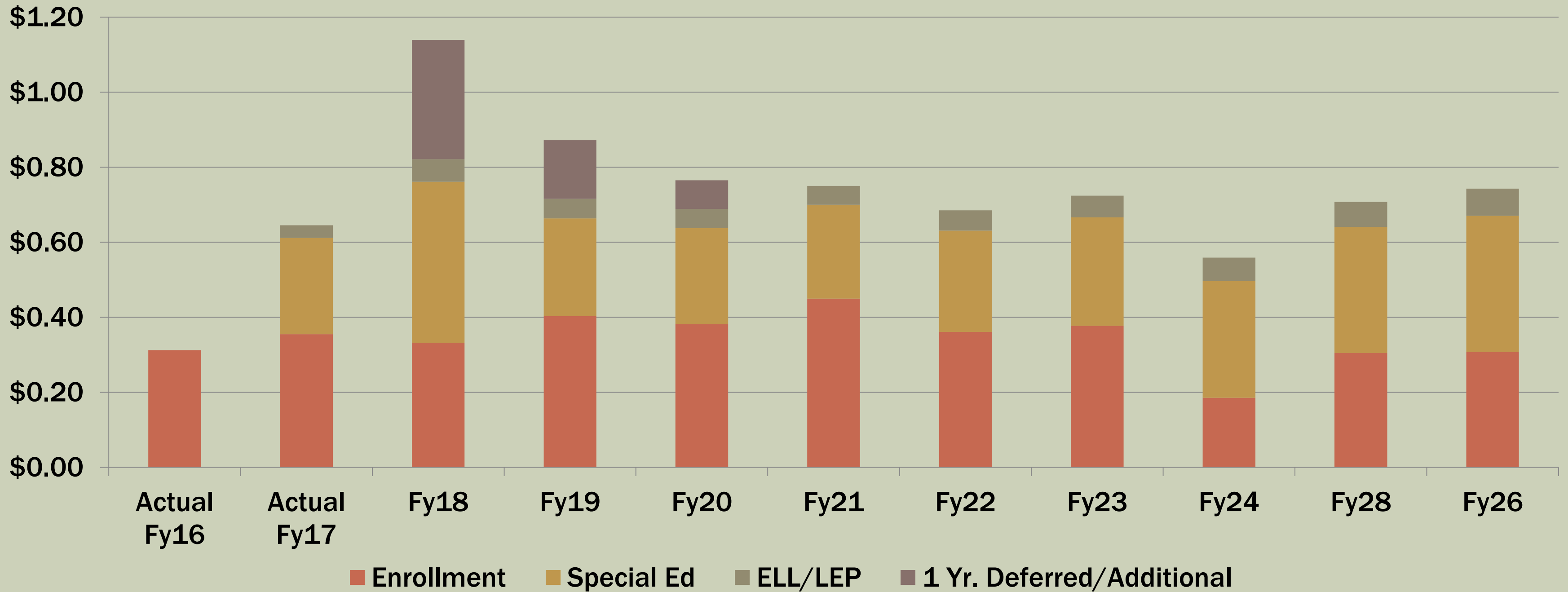
■ SBRC Approved/Requested	\$1,544,966
■ Other Request (Fy17 deferral)	<u>\$ 598,702</u>
■ Total Cash Reserve Levy	\$2,143,668
■ Property Tax Rate of \$1.13907	

FUTURE PROJECTED SBRC REQUESTS



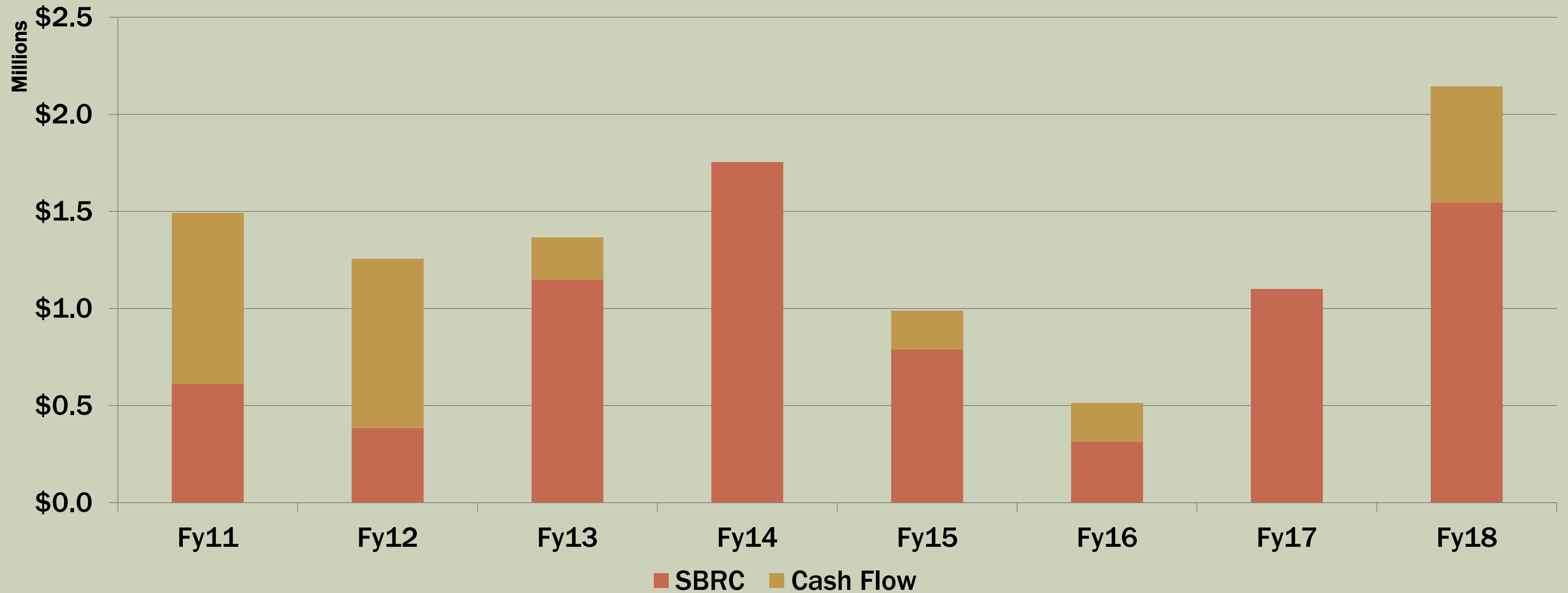
Projections based on RSP & Associates student enrollment growth, \$604,325 average annual special education program & \$120,865 average annual ELL/LEP program deficits.

FUTURE PROJECTED SBRC REQUESTS TAX RATE

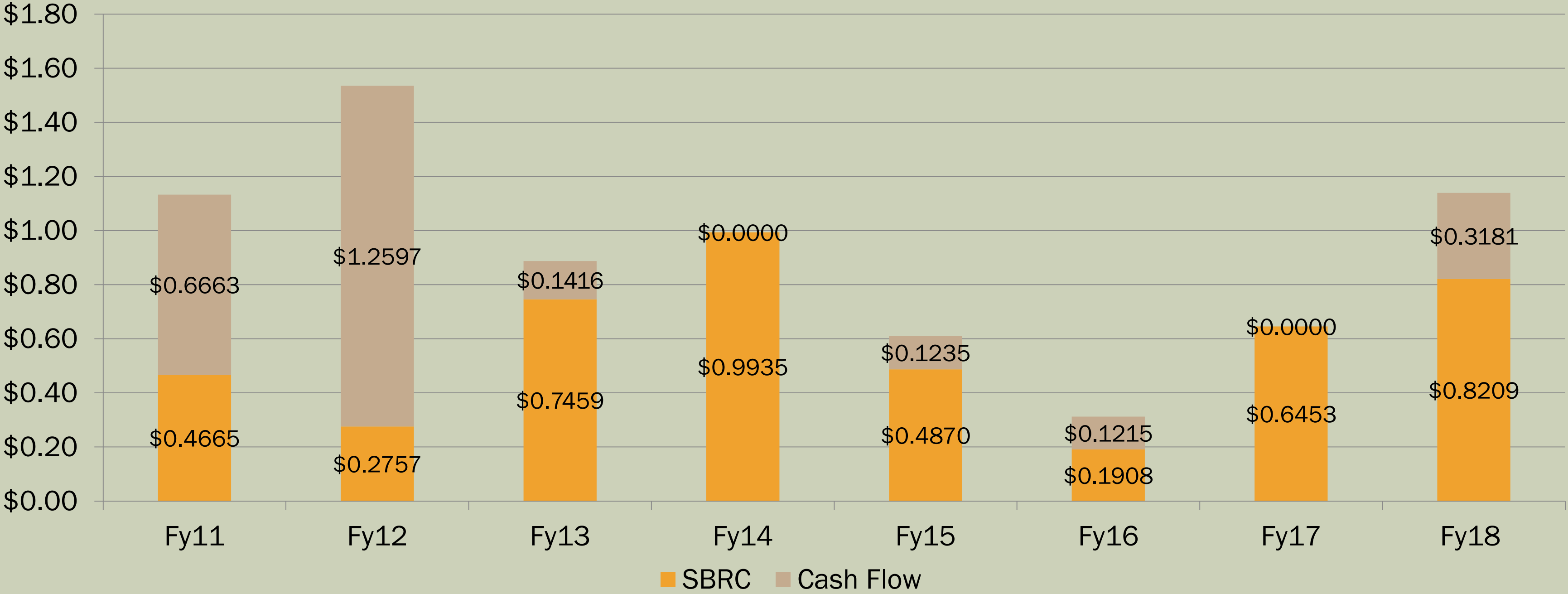


Projections based on RSP & Associates student enrollment growth, \$604,325 annual special education program deficit, \$120,865 annual ELL/LEP program deficit & 2.0% annual assessed valuation increase.

HISTORY OF SBRC CASH RESERVE LEVY TAX REVENUE



HISTORY OF CASH RESERVE LEVY TAX RATES



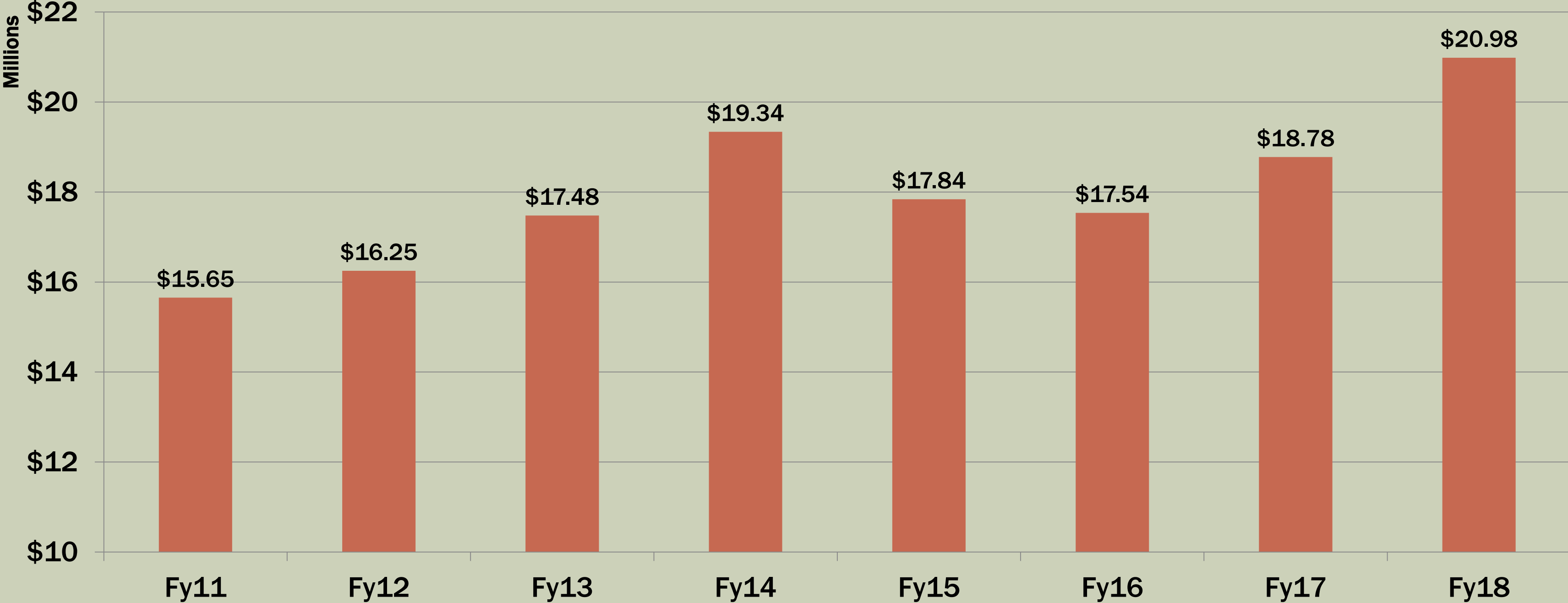
GENERAL FUND SUMMARY

SECTION 15

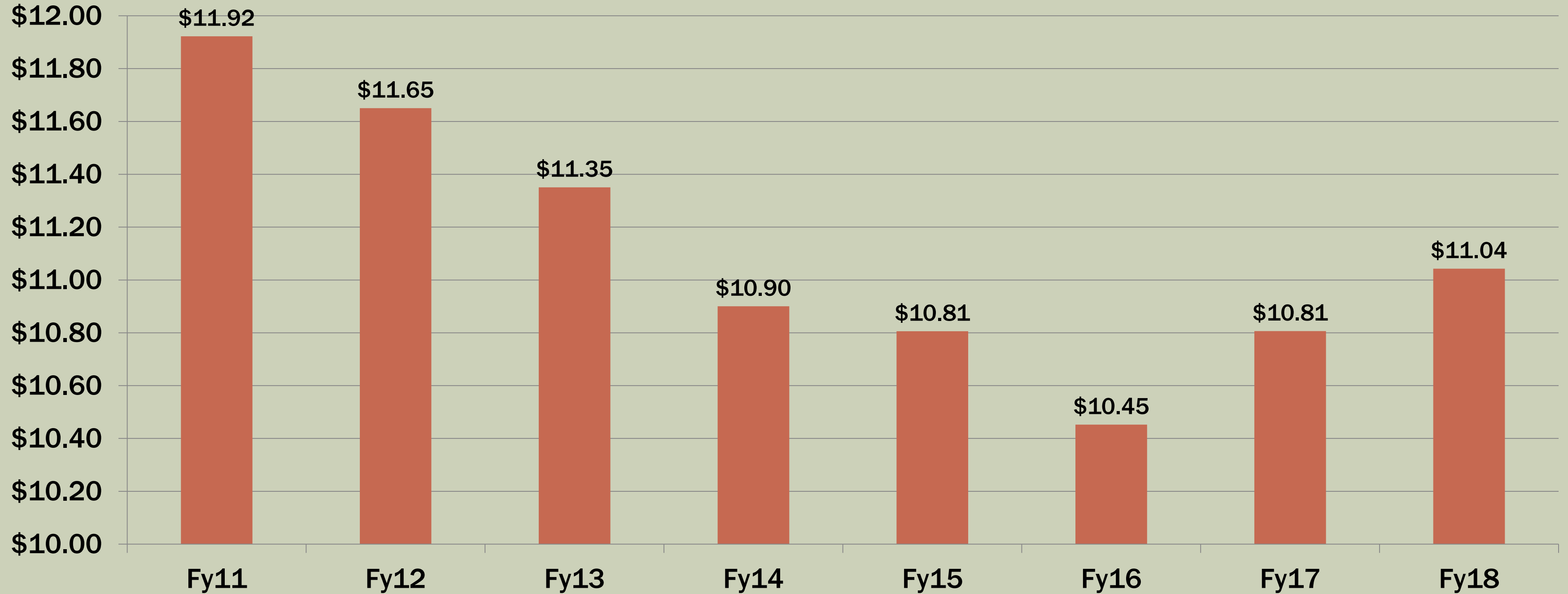
■ Total General Fund Request

	Dollars	Tax Rate
■ Comb. District Cost	\$15,353,652	8.15841
■ Dropout	\$ 828,149	0.44005
■ Instructional Support	\$ 2,658,848	1.30531
■ Cash Reserve Levy	<u>\$ 2,143,668</u>	<u>1.13907</u>
■ Totals	\$ 20,984,317	11.04284

HISTORY OF OPERATING FUND PROPERTY TAX REVENUE



HISTORY OF OPERATING FUND PROPERTY TAX RATES



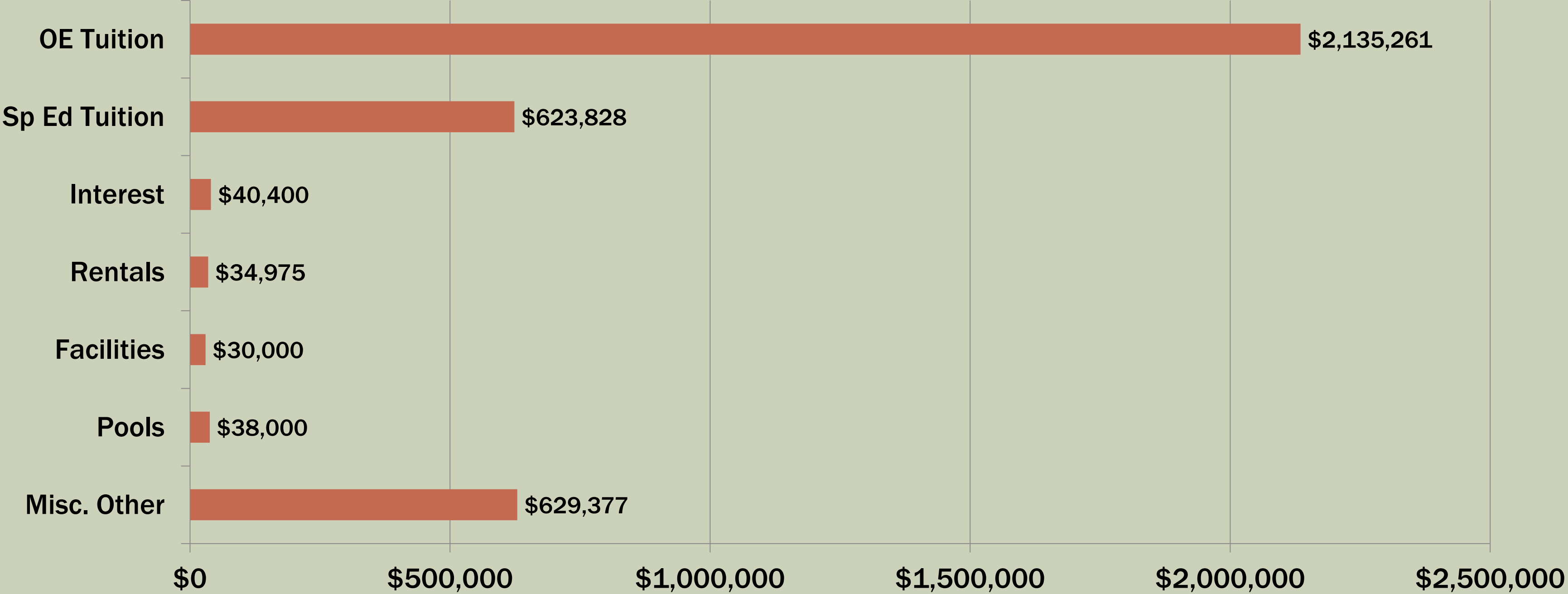
COMMERCIAL & INDUSTRIAL (C & I) STATE REPLACEMENT ESTIMATE

- Beginning in Fy2015, commercial & industrial property valuations are being reduced through rollback. Rollback was 95% in Fy2015 and 90% beginning in Fy2016. The state is reimbursing local governments and school districts for the loss of property tax receipts.
- Beginning in Fy2018, commercial and industrial replacement payments paid by the State of Iowa becomes limited by the total amount of payments made in Fy2017.
- District is estimating a 97% prorated payment for Fy2018.

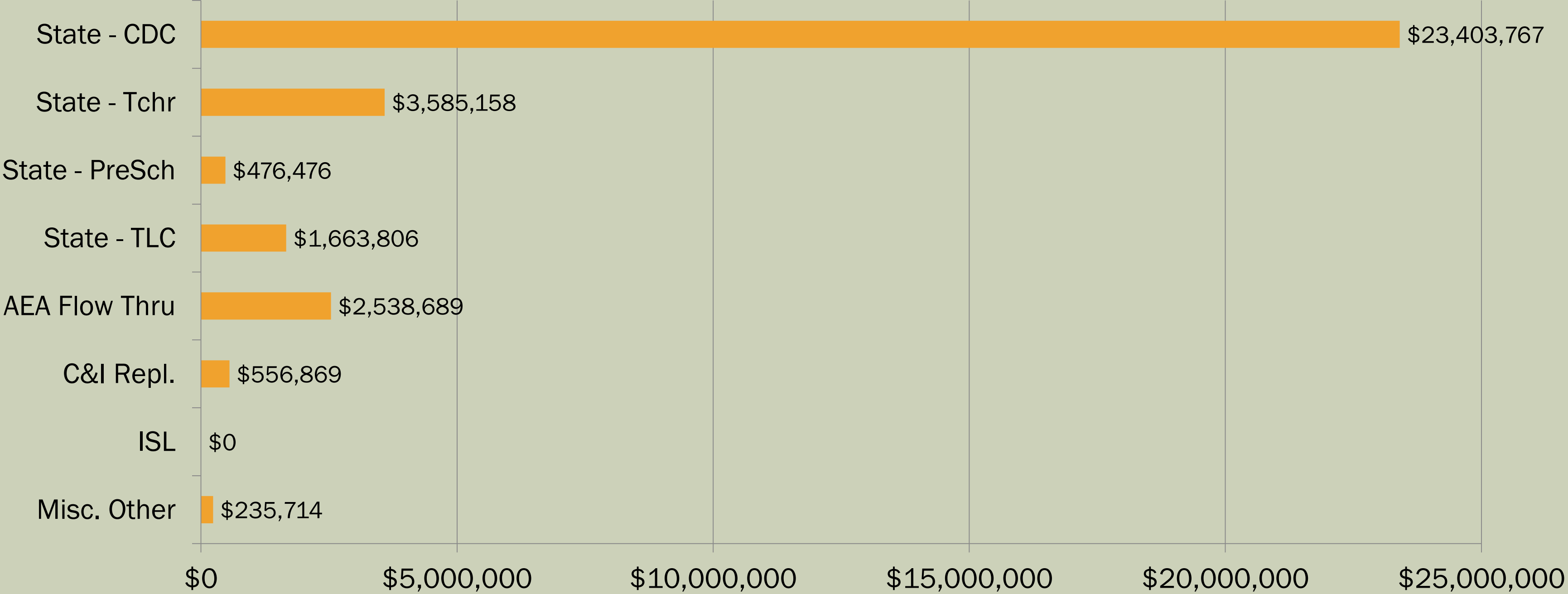
CFCSD COMMERCIAL & INDUSTRIAL (C & I) STATE REPLACEMENT ESTIMATE

■ C & I Non-TIF 100% valuation	\$446,290,221
■ C & I Non-TIF taxable valuation	<u>-\$395,327,795</u>
■ Est. Non-TIF valuation reduction (GF/Mgt. Fund)	\$ 50,962,426
■ C & I TIF 100% valuation	\$150,071,961
■ C & I TIF taxable valuation	<u>-\$141,398,178</u>
■ Est. TIF valuation reduction	<u>\$ 8,673,783</u>
■ Est. combined valuation reduction (Debt/PPEL/ISL)	\$ 59,636,209
■ Est. General Fund C & I replacement	
■ $(\$50,962,426 / 1,000) * 9.73753$ (tax rate)	$\$496,248 \times 0.97 = \$481,361$
■ Est. Inst. Support Levy C & I replacement	
■ $(\$59,636,209 / 1,000) * 1.30531$ (tax rate)	$\$ 77,844 \times 0.97 = \$ 75,508$

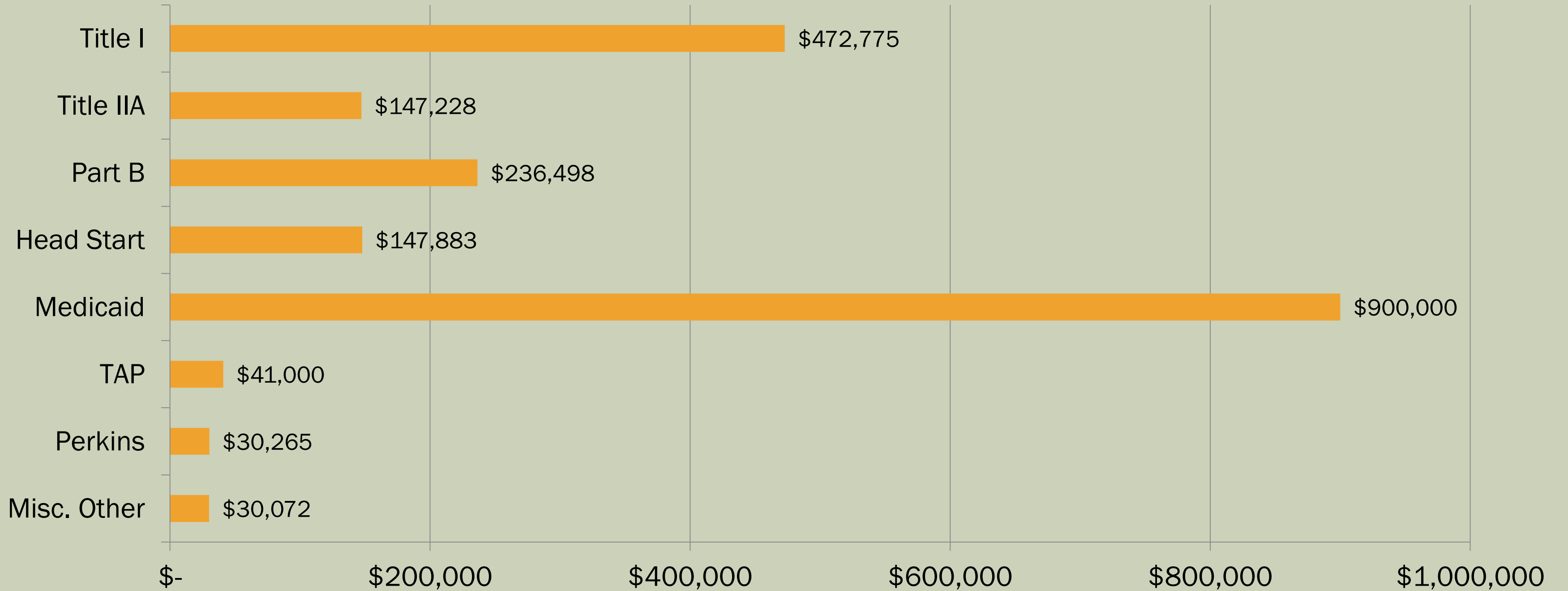
GENERAL FUND – PROJECTED OTHER LOCAL REVENUE



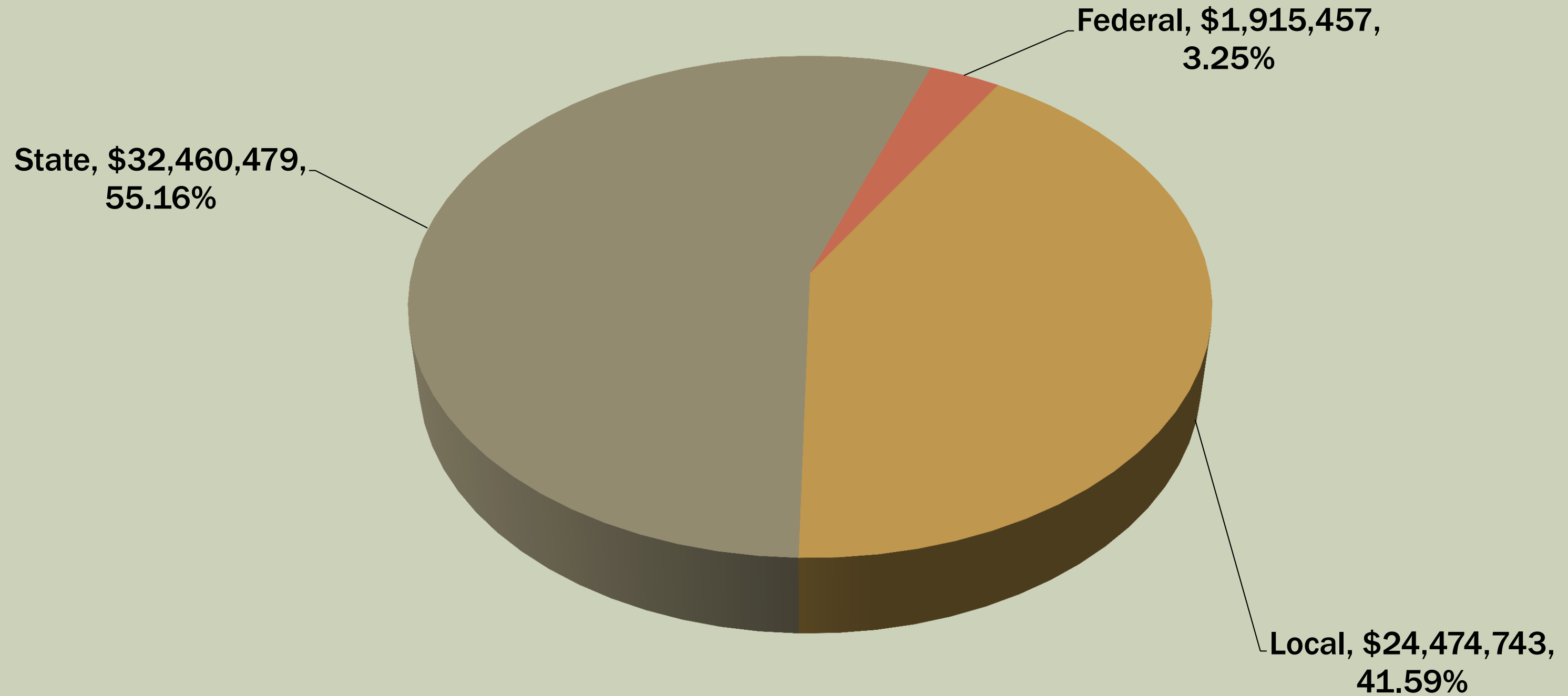
GENERAL FUND – PROJECTED STATE REVENUE



GENERAL FUND – PROJECTED FEDERAL REVENUE



TOTAL 2017/18 GENERAL FUND REVENUE

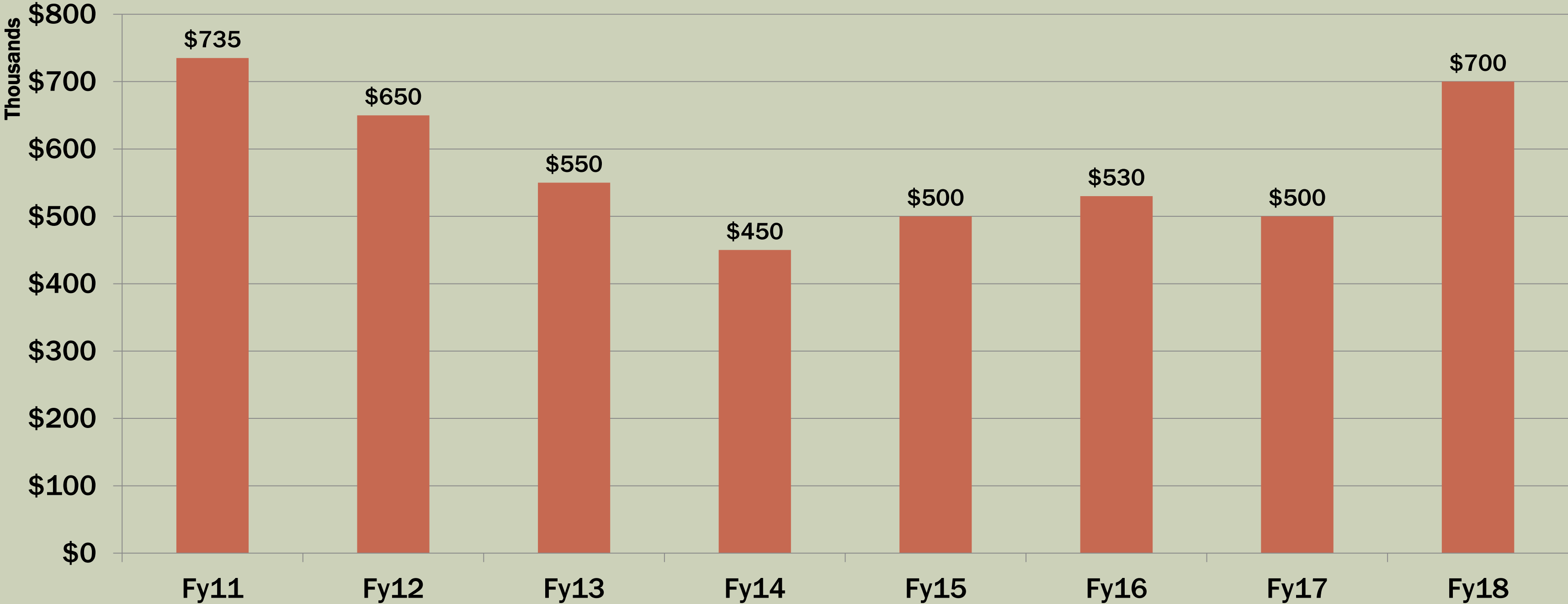


Due to rounding, percentages may not equal 100.00%

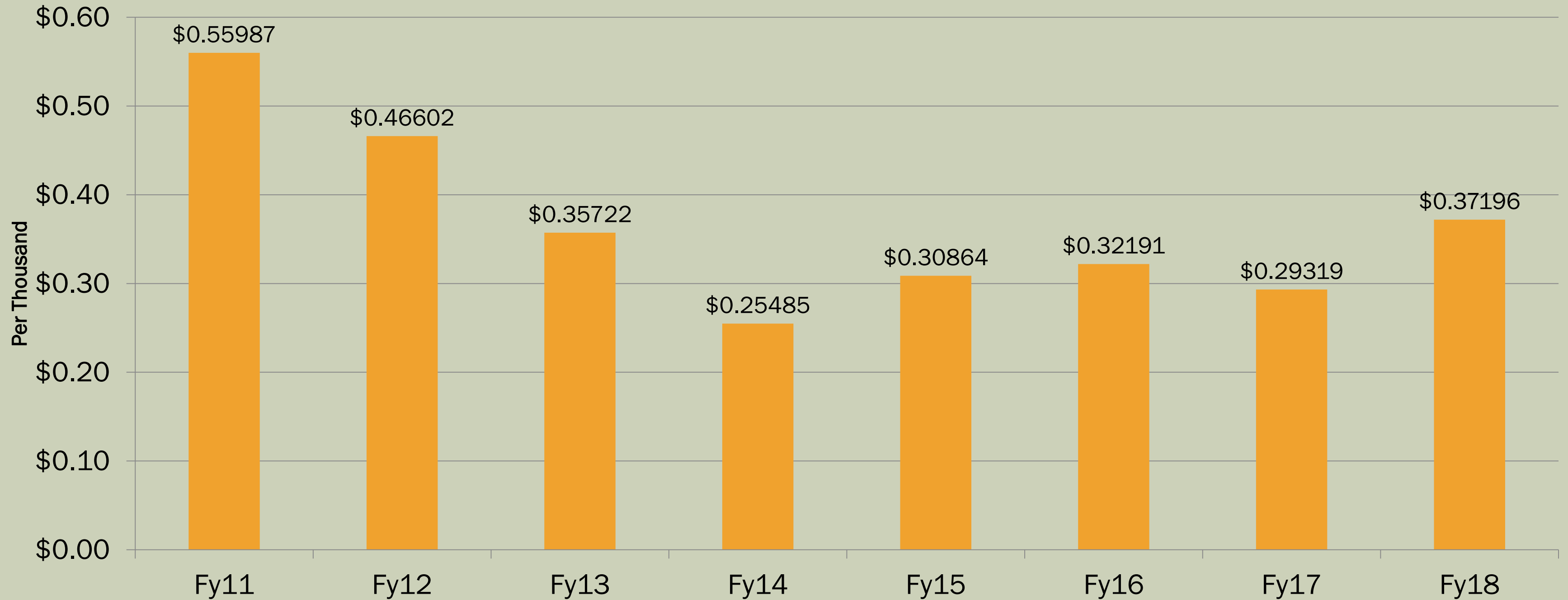
MANAGEMENT FUND

- **Restricted fund**
 - Board of Education Controlled
 - Used for property/liability/auto/workman compensation/etc. insurance premiums
 - Property loss deductible
 - Early severance benefits
- **Amount requested for 2017/18**
 - \$700,000
 - Property tax rate of \$0.37196/\$1,000
- **Est. General Fund C & I replacement**
 - $(\$50,962,426 / 1,000) * 0.37196 \text{ (tax rate)} * 0.97 = \$18,387$

HISTORY OF MANAGEMENT FUND PROPERTY TAX REVENUE



HISTORY OF MANAGEMENT FUND PROPERTY TAX RATE



PHYSICAL PLANT & EQUIPMENT LEVY (PPEL)

■ 2 Parts

- Board of Education Controlled – up to \$0.33/\$1,000 (regular)
- Voters approved renewal of additional \$1.34/\$1,000 levy for 10 years on December 6, 2016. Levy now expires June 30, 2028 (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

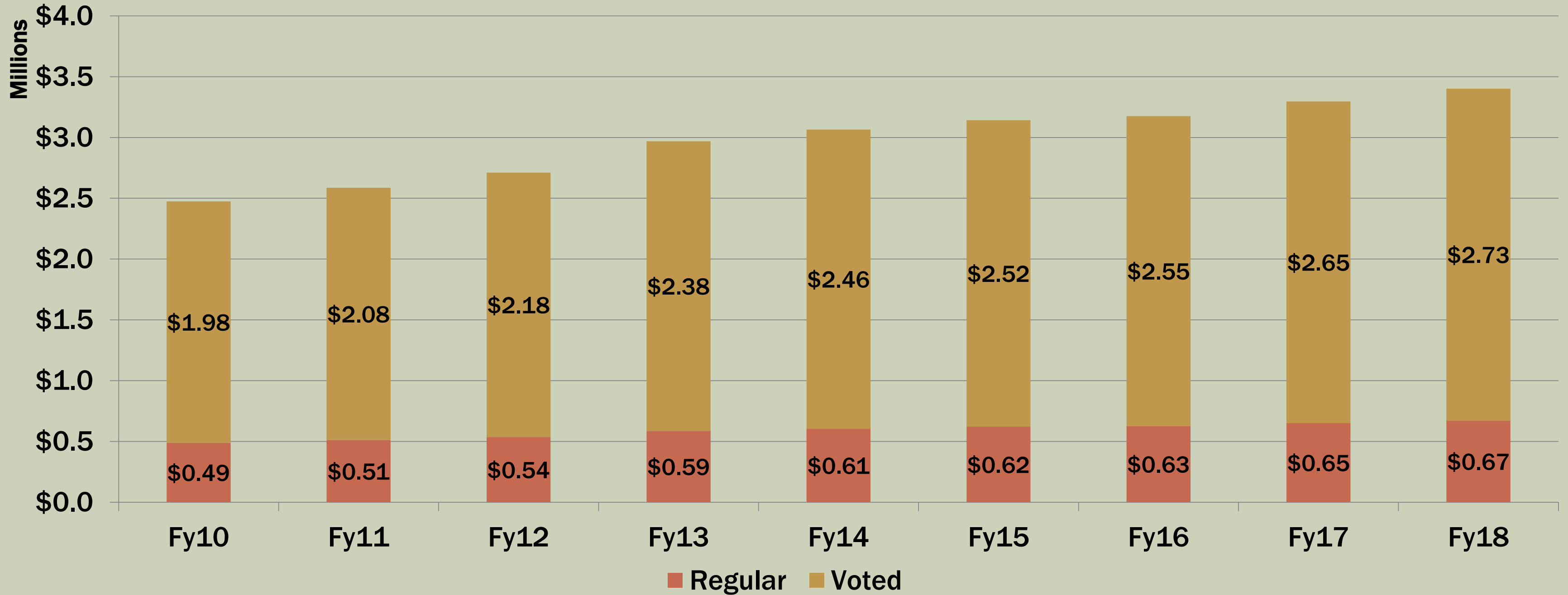
■ Amount requested for 2017/18

- \$672,195 (regular) & \$2,729,517 (voted) = \$3,401,712
- Property tax rate of \$1.67/\$1,000

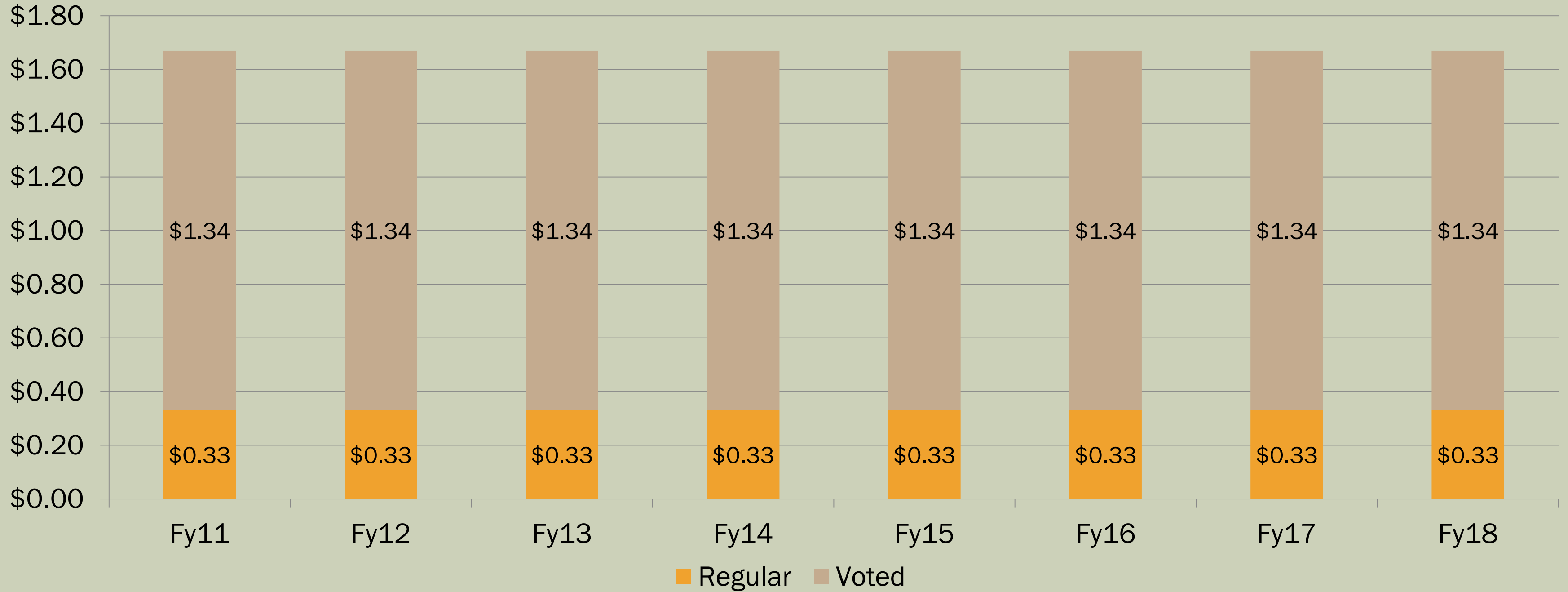
■ Est. Inst. Support Levy C & I replacement

- $(\$59,636,209 / 1,000) * 1.67 \text{ (tax rate)} * 0.97 = \$96,605$

HISTORY OF PHYSICAL PLANT & EQUIPMENT LEVY (PPEL) PROPERTY TAX REVENUE



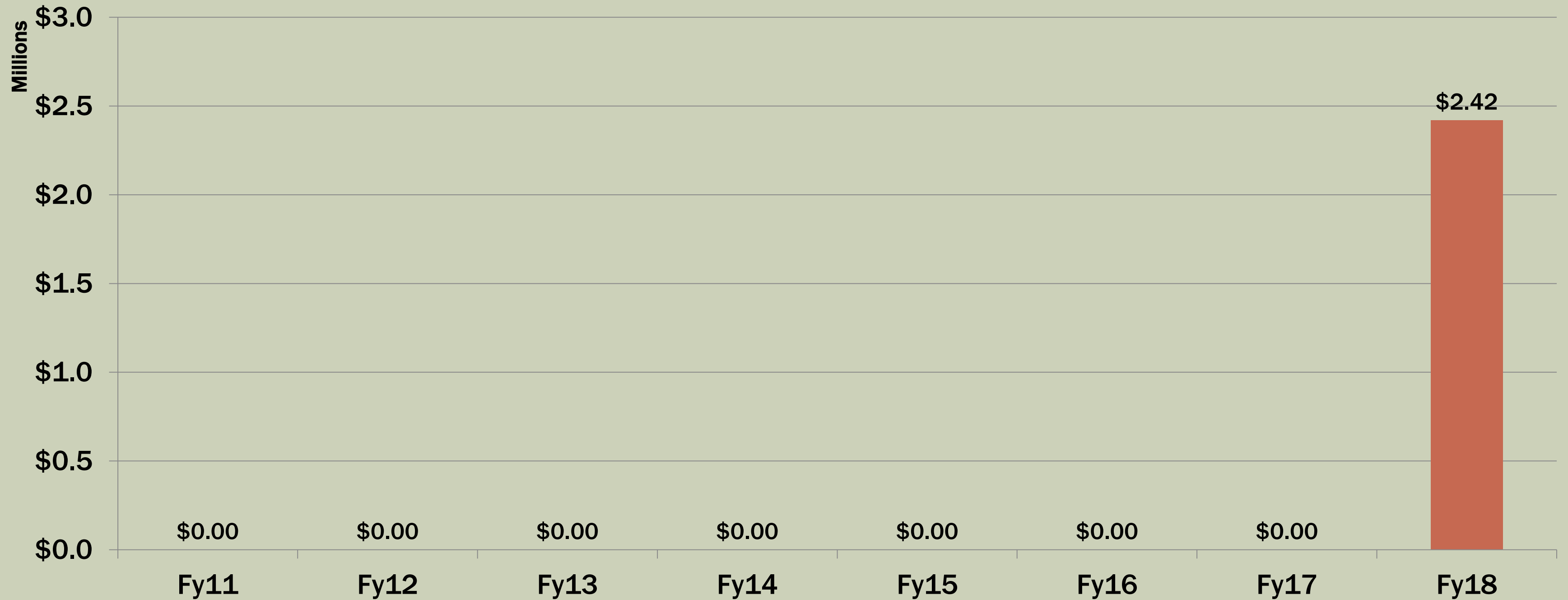
HISTORY OF PHYSICAL PLANT & EQUIPMENT LEVY (PPEL) PROPERTY TAX RATES



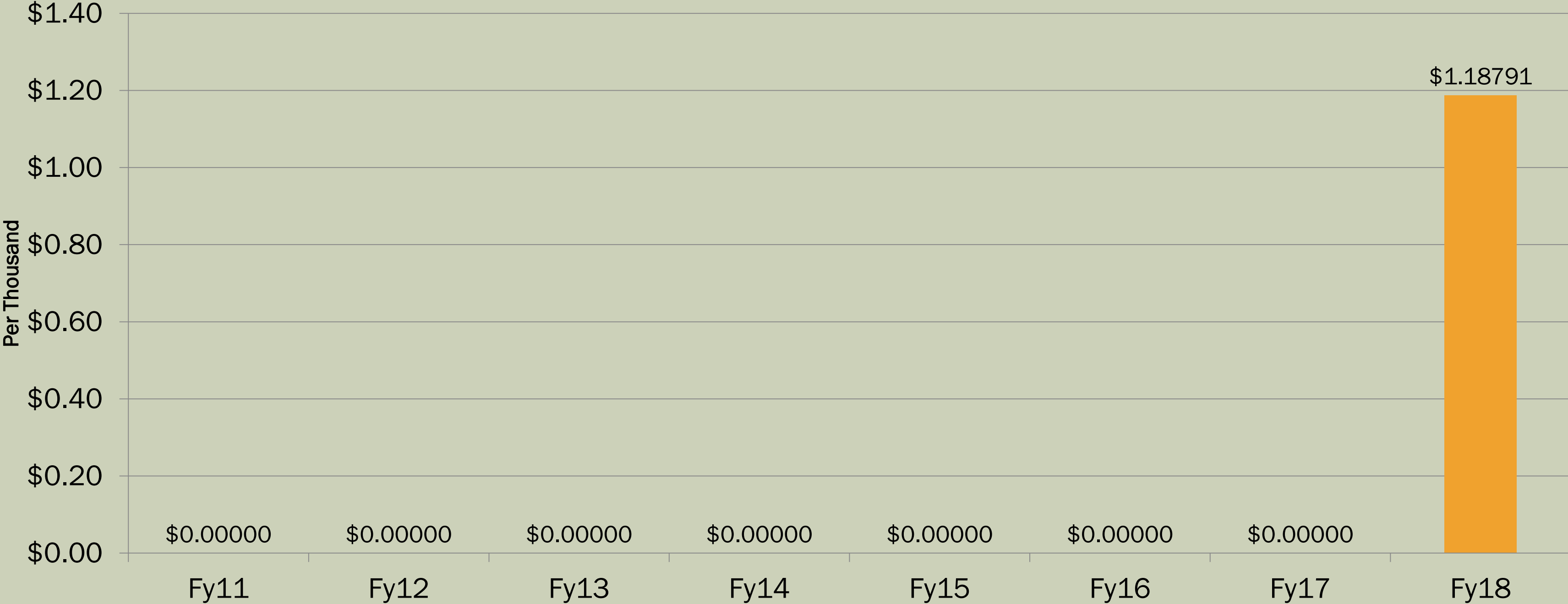
DEBT SERVICE LEVY

- **Restricted fund**
 - Used to pay interest as it becomes due and the amount necessary to pay the principal when due on bonds or other authorized indebtedness issued by the district, and to make payments required under a loan, lease-purchase agreement, or other evidence of indebtedness authorized by this code. (298A.10)
- **\$32 million bond – Voter approved on April 5, 2016**
 - Bonds sold February 7, 2017 – 19 years at 3.0785%
- **Amount requested for 2017/18**
 - \$2,419,725
 - Property tax rate of \$1.18791/\$1,000
- **Est. General Fund C & I replacement**
 - $(\$59,636,209 / 1,000) * 0.37196 \text{ (tax rate)} * 0.97 = \$68,717$

HISTORY OF DEBT SERVICE LEVY PROPERTY TAX REVENUE



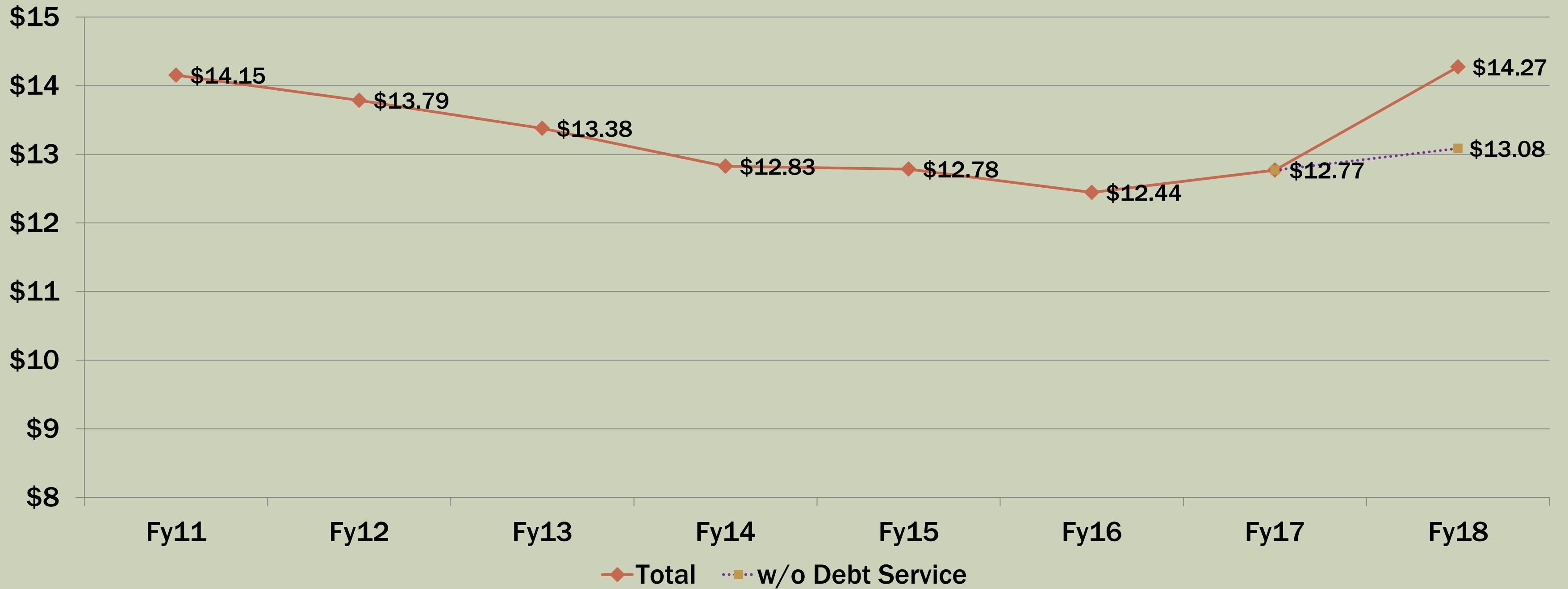
HISTORY OF DEBT SERVICE LEVY PROPERTY TAX RATE



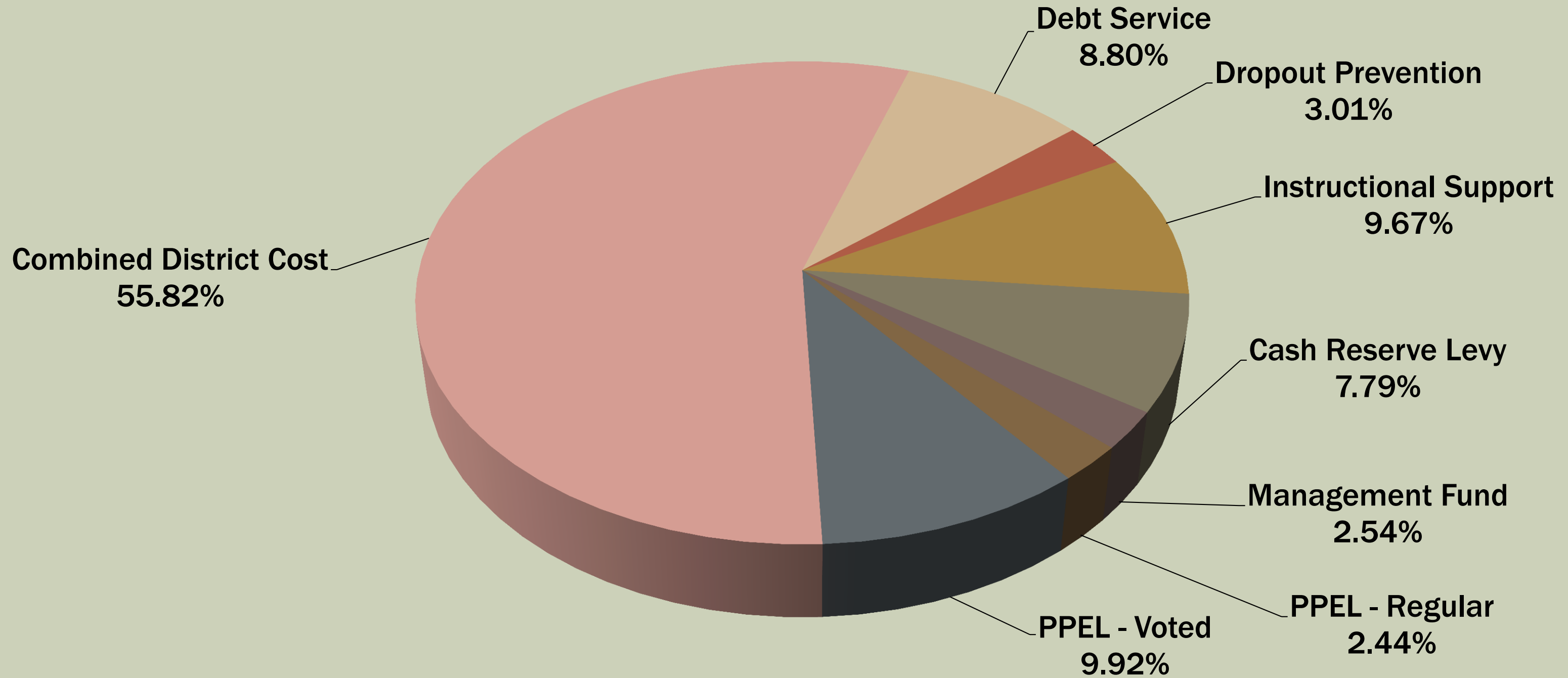
SUMMARY

■ Comb. Dist. Cost	\$16,181,801	
■ Cash Res. Levy - SBRC	\$ 1,544,966	
■ Cash Res. Levy - Other	<u>\$ 598,702</u>	
■ Sub-Total – General Fund	\$18,325,469	\$ 9.73753
■ Instructional Support Levy	\$ 2,658,848	\$ 1.30531
■ Management Fund	\$ 700,000	\$ 0.37196
■ Voted PPEL Levy	\$ 2,729,517	\$ 1.34000
■ Regular PPEL Levy	\$ 672,195	\$ 0.33000
■ Debt Service Levy	<u>\$ 2,419,725</u>	<u>\$ 1.18791</u>
■ Total	\$27,505,754	\$14.27271

TOTAL PROPERTY TAX RATE HISTORY

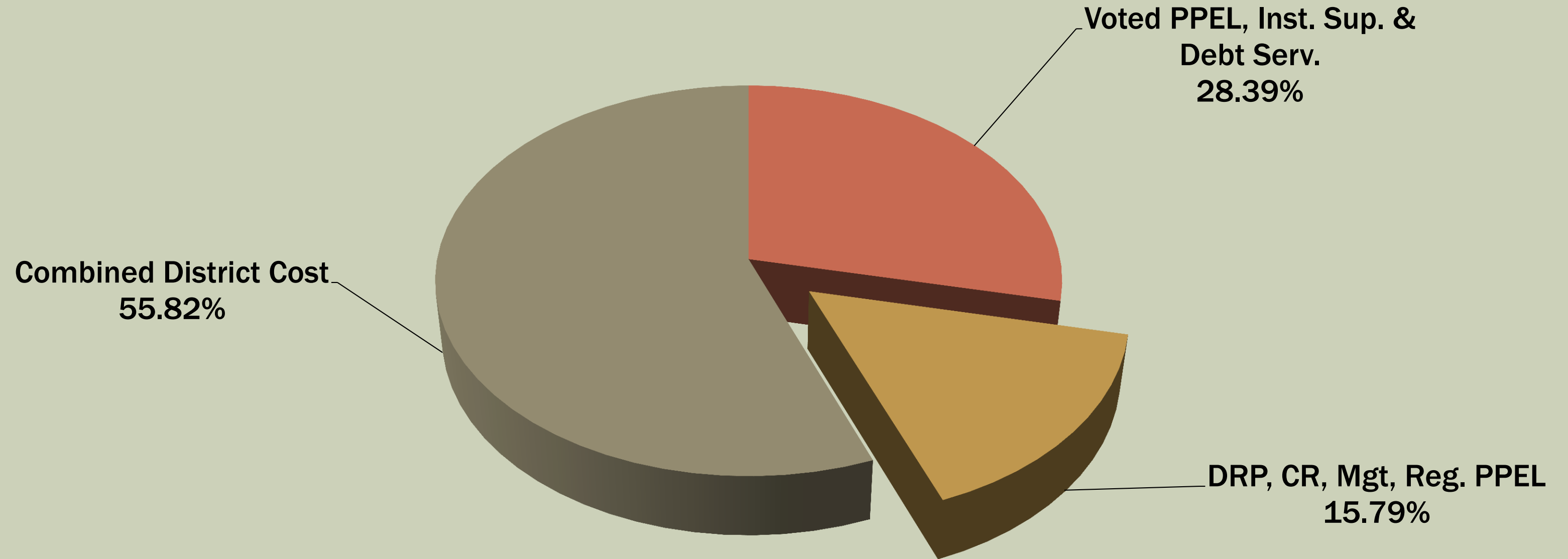


2017/18 PROPERTY TAX BREAKDOWN



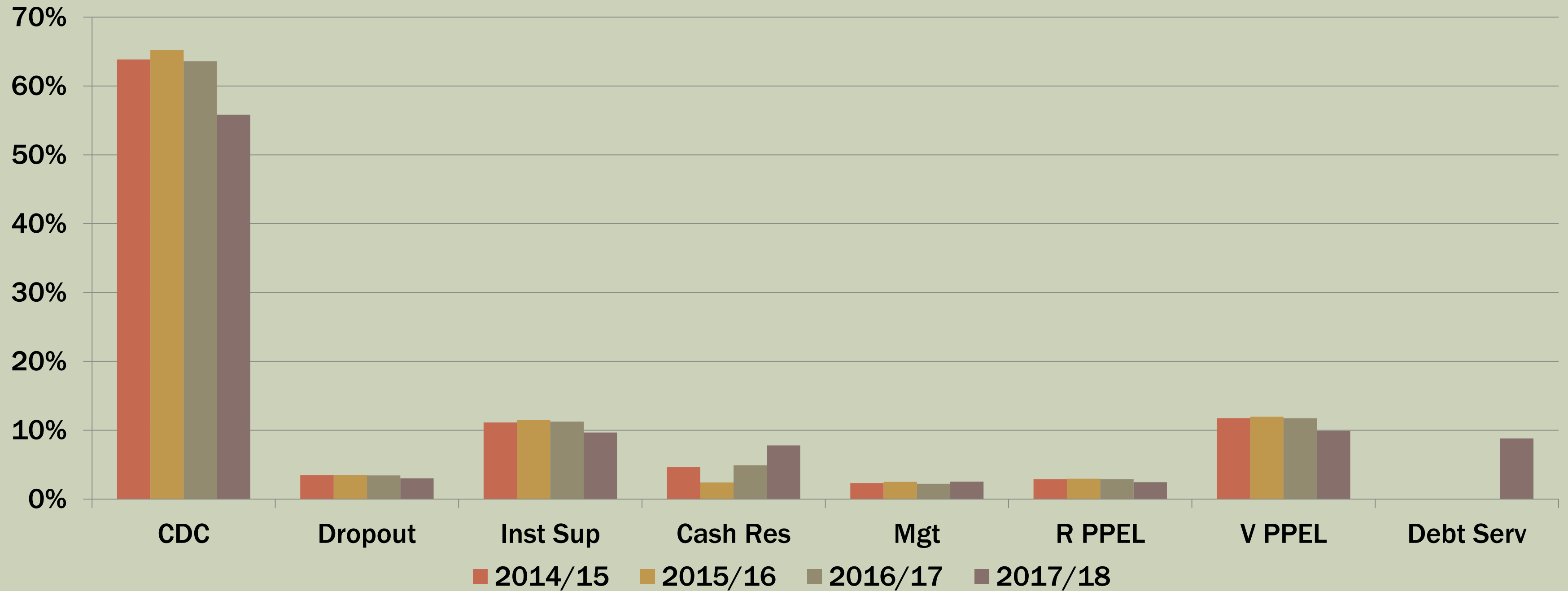
Due to rounding, percentages may not equal 100.00%

2017/18 PROPERTY TAX BREAKDOWN

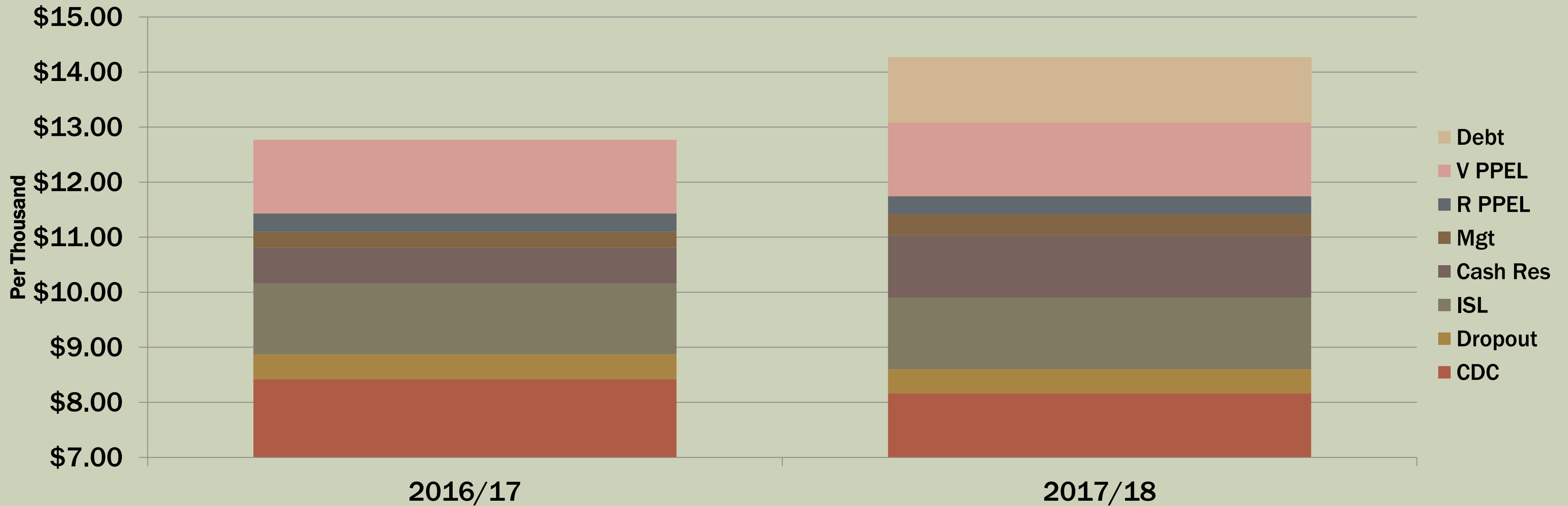


Due to rounding, percentages may not equal 100.00%

TAX LEVY HISTORY BY PERCENTAGE

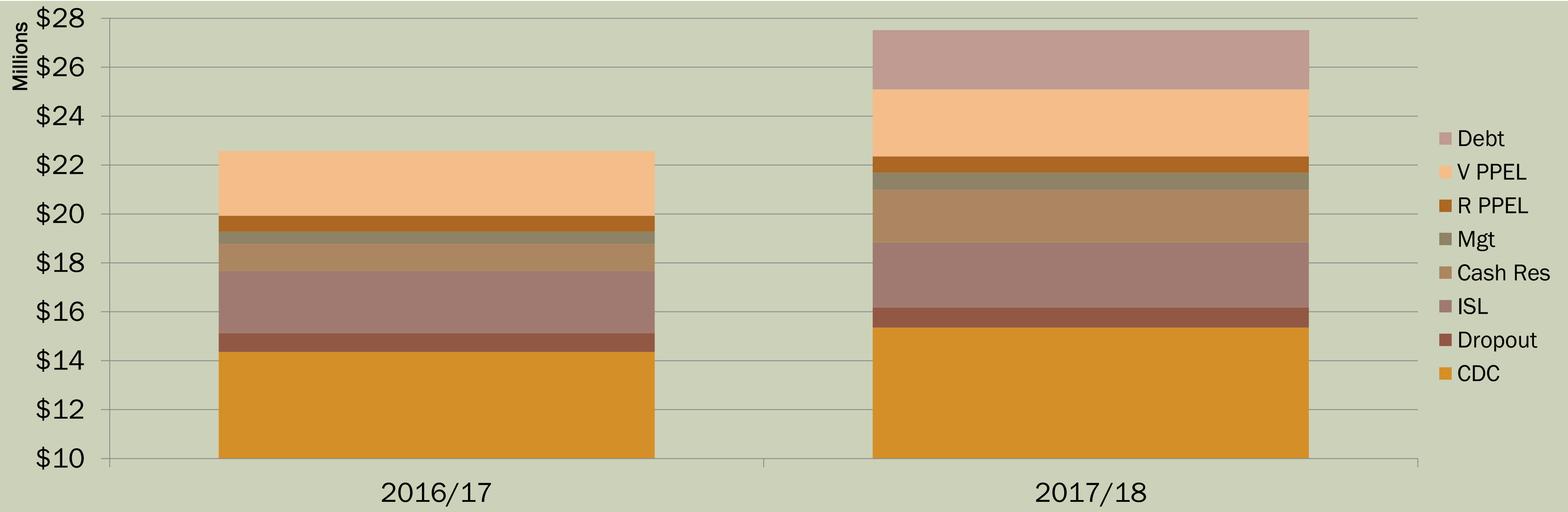


PROPERTY TAX RATE COMPARISON



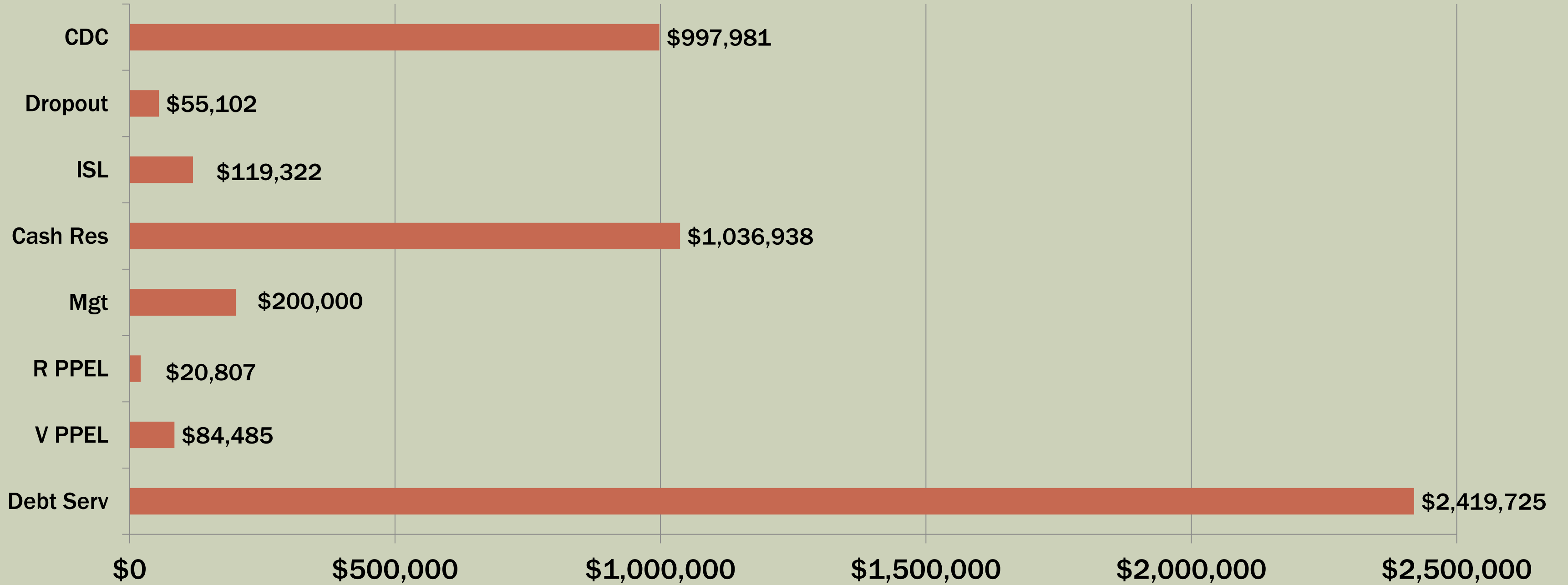
■ 2016/17	\$12.76973/\$1,000
■ 2017/18	<u>\$14.27271/\$1,000</u>
■ Change	+\$ 1.50298/\$1,000

PROPERTY TAX REVENUE COMPARISON



■ 2016/17	\$22,571,394
■ 2017/18	<u>\$27,505,754</u>
■ Change	+\$ 4,934,360

2017/18 PROPERTY TAX REVENUE CHANGE



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



Assessment Yr.

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

Fiscal Yr.

F2009

F2010

F2011

F2012

F2013

F2014

F2015

F2016

F2017

F2018

PROJECTED RESIDENTIAL PROPERTY TAX

		2016/17	2017/18
■ Prop. Value		\$100,000	\$100,000
■ Rollback	x	0.556259	0.569391
■ Tax Rate	x	<u>0.01276973</u>	<u>0.01427271</u>
■ Gross Tax	=	\$ 710.33	\$ 812.68
■ Est. Homestead	-	<u>\$ 62.00</u>	<u>\$ 62.53</u>
■ Net Tax	=	\$ 648.33	\$ 750.15
■ Change w/o Debt Service			\$ 34.18
■ Debt Service			<u>\$ 67.64</u>
■ Total Change			\$ 101.82

2017/18 BUDGET TIMELINES

- **March 27, 2017 - Establish Proposed Budget**
- **March 29, 2017 - Publish Proposed Budget**
- **April 10, 2017 - Public Hearing & Adoption of Budget**
- **April 17, 2017 - File Budget with County Auditor**

2016/17 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.

2016/17 SCHOOL BUDGET AMENDMENT

- **Amendment to 2016-17 Budget**
 - **Instruction**
 - Amend expenditures from \$40,700,355 to \$41,444,549
 - TLC Grant, technology equipment & staffing due to increased enrollment
 - **Total Support Services**
 - Amend expenditures from \$16,392,197 to \$17,005,312
 - Technology equipment & staffing due to increased enrollment
 - **Non-instructional Programs**
 - No Change
 - **Other Expenditures**
 - Amend expenditures from \$12,361,198 to \$34,912,469
 - Refinancing of Series 2011 revenue bonds & construction projects

- **Public hearing required**

2016/17 BUDGET AMENDMENT TIMELINES

- **March 27, 2017 - Establish Proposed Budget Amendment**
- **March 29, 2017 - Publish Proposed Budget Amendment**
- **April 10, 2017 - Public Hearing & Adoption of Budget Amendment**
- **April 17, 2017 - File Budget Amendment with County Auditor**

QUESTIONS?

