

# Carroll Community School District FY 2012 Budget Presentation

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Adams Elementary  
Superintendent's Office

# Carroll Community School District Budget Work Session

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*Working Document Prepared by:*

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# FY 2012 Budget Development Timeline

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March 16

- Budget Work Session/Presentation

Between March 21 and 25

- Publish Proposed Budget
- April 7 – 12:00 pm (Noon) - Public Hearing and Adoption of Budget

No later than April 15, 2011

- File Budget with Carroll County Auditor and Iowa Department of Management
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# Carroll Community School Clarification - Fiscal Year

School Year	Fiscal Year	Enrollment Count From October
2010-11	2011	2009
2011-12	2012	2010
2012-13	2013	2011
2013-14	2014	2012

# Carroll Community School District Budget Work Session

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## Funds

State code allows expenditures and  
revenue generating methods of  
various "TYPES"

# Carroll Community School District Budget Work Session

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These various “TYPES” are assigned  
to specific “funds” or accounts

# Carroll Community School District Budget Work Session

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- General Fund - All school purposes, except “building walls”
  - PPEL (Physical Plant and Equipment Levy) Capital expenditures
  - Capital Projects Fund – local option sales tax, state sales tax, funds capital projects and major equipment purchases.
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# Carroll Community School District Budget Work Session

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- Activity Fund - (Student centered activities outside the curriculum) – not financed by taxes!
  - Debt Service Fund - Repayment of school bonds. (Any borrowing longer than one year)
  - Management Fund (Insurance, early retirement, unemployment, and equipment ins.)
  - Nutrition Fund (Lunch, breakfast, and snack program)
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# Carroll Community School District Budget Work Session

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## ➤ General fund

- ✓ Major portion of budgeting
  - ✓ Approximately (Usually)  $\frac{3}{4}$  or more of spending is general fund spending
  - ✓ Approximately (Usually) 90% of property tax goes to the general fund
  - ✓ Majority of presentation will focus on the general fund
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# Iowa School Aid Formula

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- Foundation formula
    - Ceiling vs. Floor
      - The Iowa foundation formula results in a maximum expenditure per pupil and therefore a maximum amount a district can raise AND spend (Ceiling)
      - Other states' school aid formulas have created a minimum spending per pupil (Floor)
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# Operation of Foundation Formula

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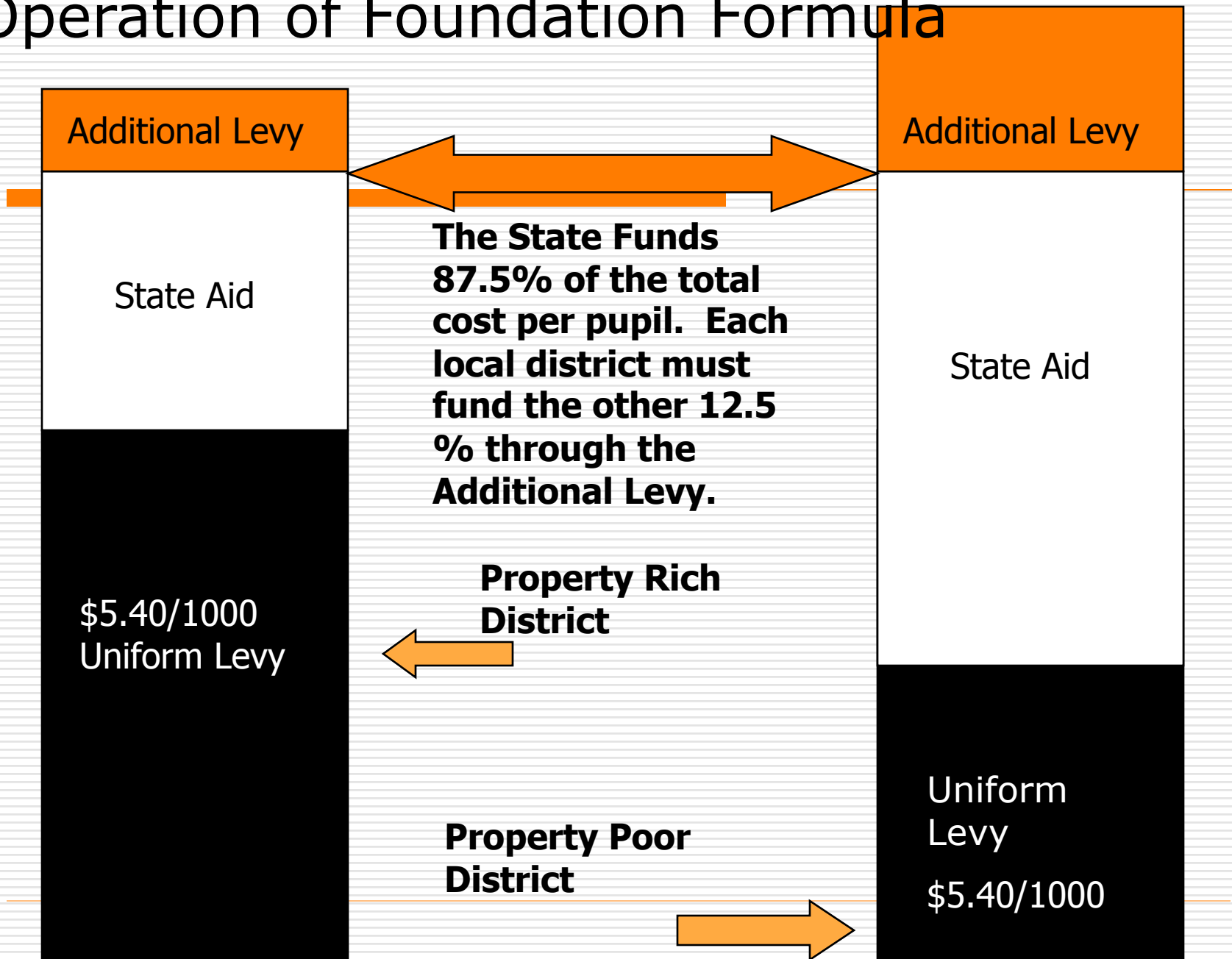
- ❑ Two factors affecting the district Regular Program Cost (RPC):
    - Enrollment – increase or decrease in enrollment affects district budgets
    - Combined district cost changes – (Allowable growth)
  - ❑ **Changes in property valuations, uniform levy rate (5.40), or foundation percentage have NO EFFECT on Regular Program Cost**
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# Operation of Foundation Formula

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- Three components
    - Uniform Levy - Property tax levy of \$5.40 per thousand of taxable valuation.
    - State Foundation Percentage - Amount the state pays in excess of \$5.40 - varies by district (up to 87.5% of cost per pupil).
    - Additional Levy - Property tax levy which funds the difference between the Combined District Cost and the sum of the Uniform Levy and the State Foundation Percentage.
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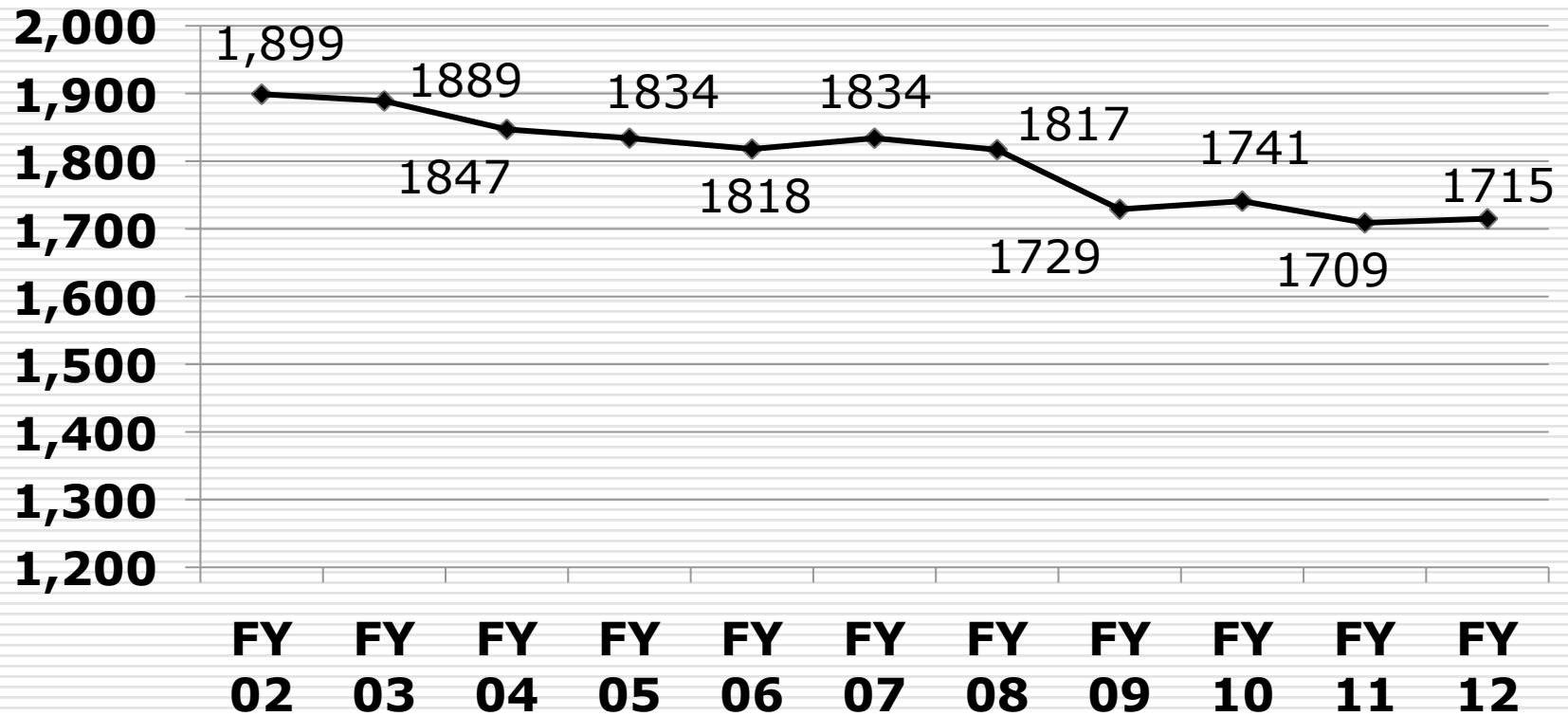
# Operation of Foundation Formula



# Enrollment

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## Enrollment



# Allowable Growth

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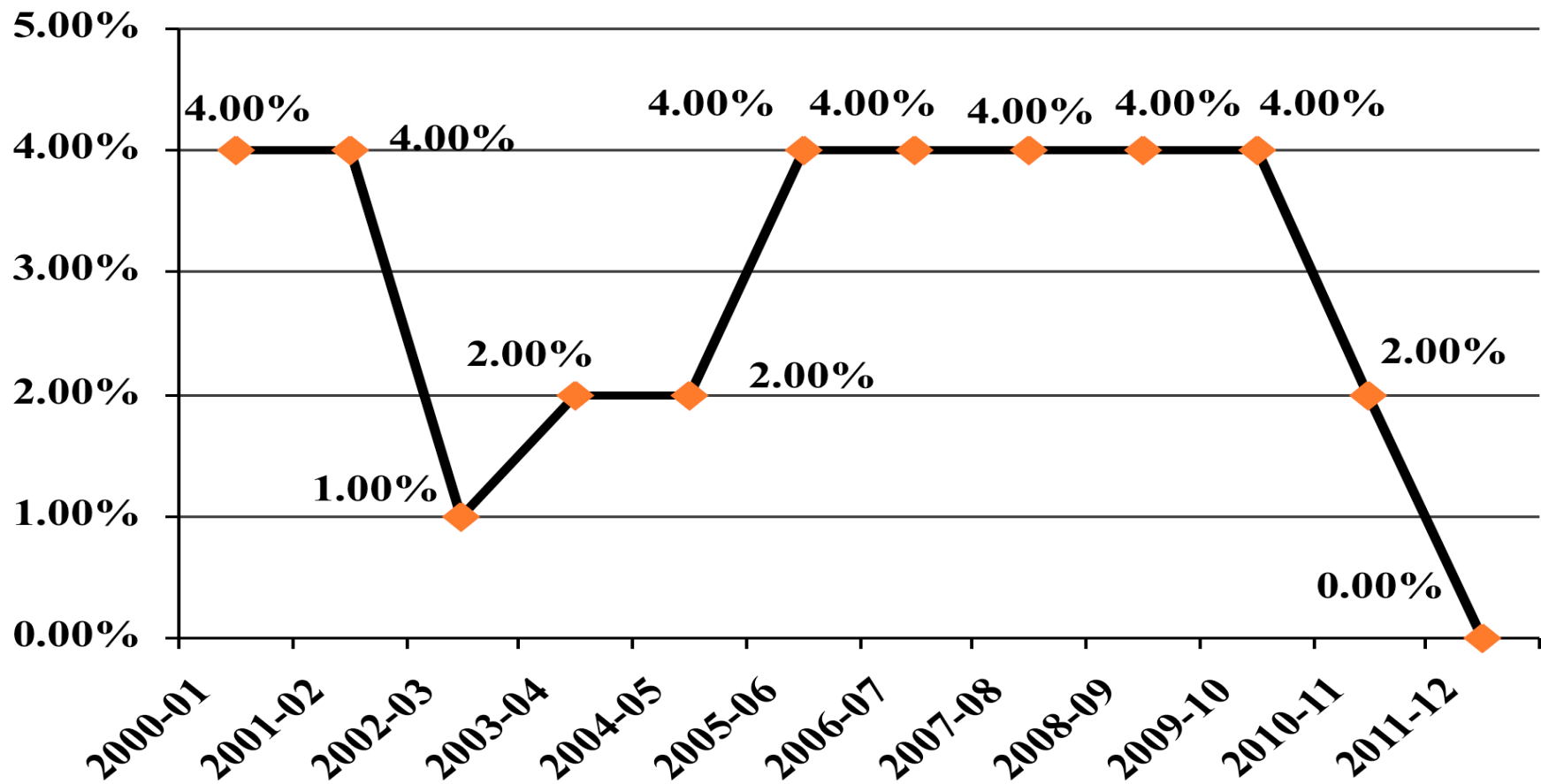
- ❑ What is it?
    - Amount per pupil spending may increase
    - Generates spending authority
  - ❑ What isn't it?
    - Does not differentiate funding sources
    - Does not guarantee budget increase
  - ❑ When is 4% allowable growth, not 4%?
    - When a district's certified enrollment increases or decreases from the previous year.
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# Allowable Growth

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- ❑ Current year (10-11 state cost per pupil)
    - \$5,883 per student
  - ❑ Allowable growth rate for FY 12 = (Gov. = 0%, R's = 0%, D's = 2%) Draft budget is set for 0%
  - ❑ FY 11 cost per pupil = \$5,883
    - $\$5,883 \times 0\% = \$0.00$        $\$5,883 \times .02 = \$118$
    - $\$5,883 + \$0 = \$5,883$        $\$5,883 + 118 = \$6001$
  - ❑ FY 12 Allowable growth rate was to be set in the first 30 days of the 2011 Legislative Session – not done yet – Legislature broke the law.
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# Historical View at Allowable Growth



# Carroll Community School Combined (Controlled) District Cost

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<b>Teacher Quality and Early Intervention</b>
<b>At-Risk</b>
<b>AEA Flow-through</b>
<b>Supp. Weighting Cost</b>
<b>Spec Ed. Cost</b>
<b>Regular Program Cost</b>

Teacher Supplemental Salary And Early Intervention

At-Risk –

Used to fund at-risk programs and dropout prevention programs

AEA Flow-through – Funds generated in each local school’s budget to fund services from Heartland AEA

Supplemental Weighting

Weighting of students multiplied by cost per student. Also receive additional weighting for sharing certain personnel

Special Education

Weighting of students multiplied by cost per student.

Regular Program Cost

Number of students multiplied by cost per student.

# General Fund

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“Carroll School District’s General Operating Fund Budget is Substantially Influenced in Terms of Total Budget Authorization and Funding Components by Iowa Statutes.”

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# What are the funding components for the General Operating Fund?

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- Combined (Controlled Budget) District Cost, plus
  - Miscellaneous Income, plus
  - Unspent Balance from previous year
    - Unspent Balance = Total spending authority – actual expenditures
  - This is also known as Total Spending Authority or TSA
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# Combined District Cost (CDC)

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- ❑ Formula Driven on the Aid and Levy Worksheet
  - ❑ Regular program cost = certified enrollment x cost per pupil
    - $1708.9 \times 5,883 = \$ 10,053,459$  – FY 11
    - $1715.2 \times 5,883 = \$ 10,090,522$  – FY 12
  - ❑ Combined district cost – sum of RPC, plus special education, ELL, all supplementary weighting, AEA support services, and At-Risk Allowable Growth, Early Intervention (Class Size Reduction), Teacher Quality dollars
  - ❑ Combined District Cost = Weighted Enrollment x District Cost Per Pupil as Determined by State
  - ❑ What happens if less is spent? Carries forward as unspent budget authority – can be used in future (one-time)
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# Operation of Foundation Formula

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- Three components
    - Uniform Levy - Property tax levy of \$5.40 per thousand of taxable valuation.
    - State Foundation Percentage - Amount the state pays in excess of \$5.40 - varies by district (up to 87.5% of cost per pupil).
    - Additional Levy - Property tax levy which funds the difference between the Combined District Cost and the sum of the Uniform Levy and the State Foundation Percentage.
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# Combined District Cost (CDC) from Aid and Levy

	A&L Line	Amount
<b>Regular Program Cost</b>	<b>5.1 &amp; 5.2</b>	<b>\$10,153,994.00</b>
<b>Supplementary Weighting</b>		
Shared Teachers/Students/ELL	5.3	\$462,669.00
Special Education	5.4	\$1,267,610.00
<b>Total Supplementary Weighting</b>		<b>\$1,730,279.00</b>
<b>Teacher Quality - Basic</b>	<b>5.5</b>	<b>\$838,921.00</b>
<b>Teacher Quality - Prof. Development</b>	<b>5.6</b>	<b>\$96,737.00</b>
<b>Teacher Quality - Early Intervention</b>	<b>5.7</b>	<b>\$96,274.00</b>
<b>AEA Support</b>	<b>5.8 - 5.15</b>	<b>\$755,616.00</b>
<b>At-Risk Allowable Growth</b>	<b>5.16</b>	<b>\$428,083.00</b>
<b>Total Combined District Cost</b>	<b>5.18</b>	<b>\$14,099,904.00</b>

# Maximum Authorized Budget

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- *The School District's Maximum Authorized Budget For General Fund Expenditures, Is Known As:*

*Total Spending Authority ("TSA")*

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# Total Spending Authority

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- Spending authority is the sum of:
    - CDC (property tax and state aid)
    - Miscellaneous Income
    - Unspent balance from previous year
  - Why important?
    - This is the amount Districts are allowed to spend.
    - Districts CANNOT exceed spending authority
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- Not a measure of cash

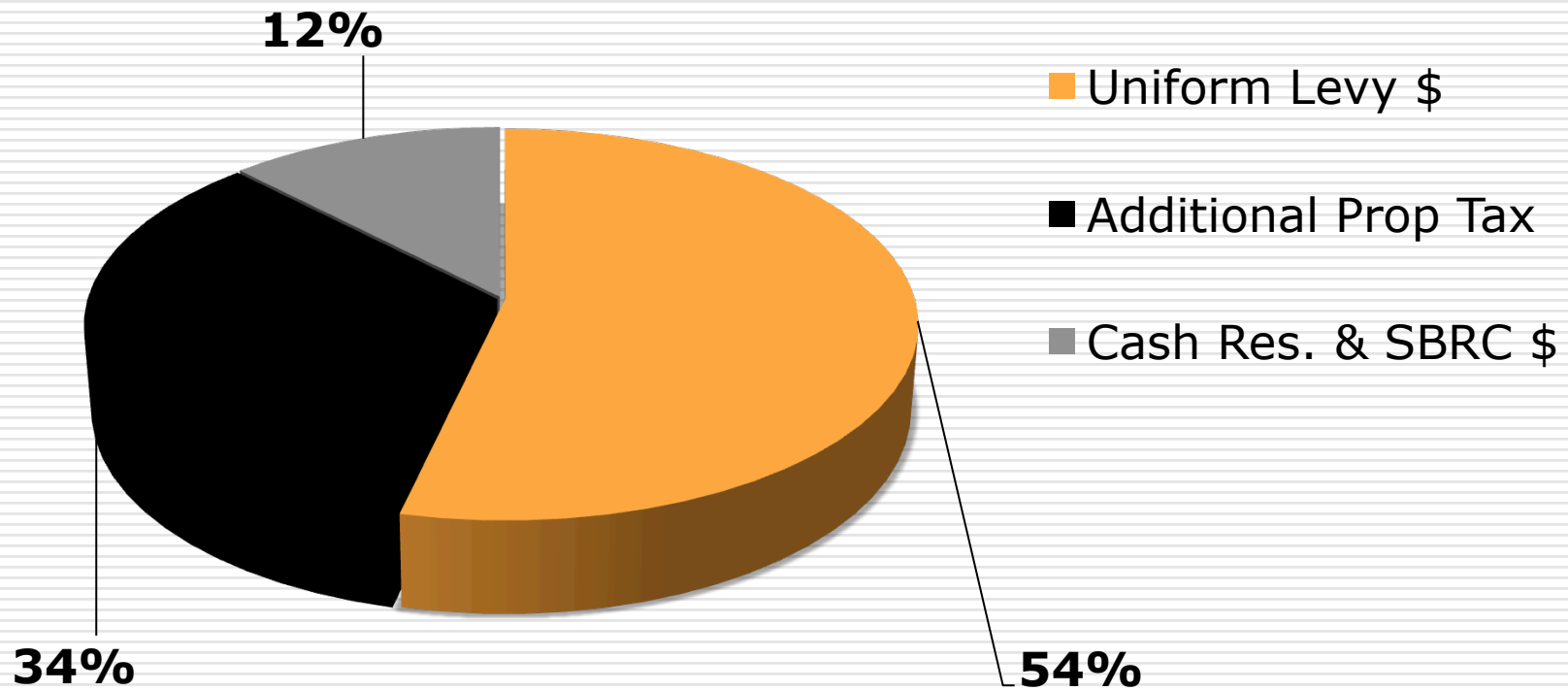
# CCSD Total Spending Authority For FY 2011

			Aid & Levy
	Combined District Cost	\$14,099,904	17.1
+/-	Prior Year's Unspent Balance	\$2,890,000	17.2
+	Allowance for Construction-SBRC	\$0	17.3
+	Instructional Support	\$0	17.4
	Preschool Foundation Aid	\$748,318	17.6
+	Miscellaneous Income	\$1,623,500	17.8
	<b>Total Spending Authority</b>	<b>\$19,361,722</b>	<b>17.9</b>

# Property Tax – General Fund

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**2011 - 12**



# Board Directed Programs & Levies

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## ➤ General Fund

- 5 Year Instructional Support Program
- Dropout Program
- Cash Reserve Levy

➤ CCSD uses two of these three

## ➤ Special Revenue Funds – Not in General Fund

- 33¢ Physical Plant & Equipment Levy
- Management Levy

➤ CCSD uses both of these

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# Voter Directed Programs & Levies

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- General Fund
    - 10 Yr. Instructional Support Program (ISL)
  - CCSD does not have an ISL
  - Special Revenue Funds – Not in General Fund
    - \$1.34 Physical Plant & Equipment Levy
    - Playground Levy
    - Debt Levies
    - CCSD does not have a voted PPEL or Playground Levy
    - CCSD has 5 years of debt service left
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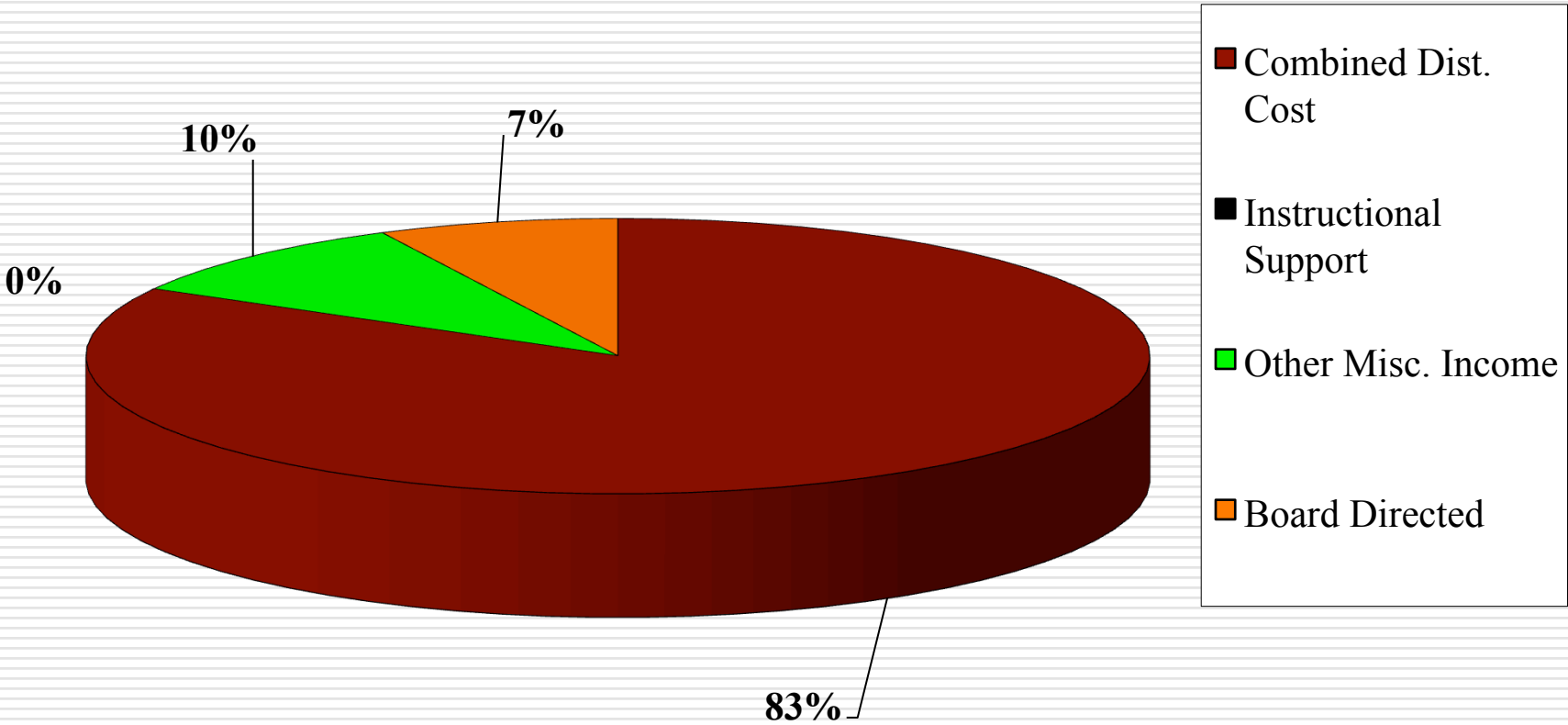
# Operating Fund Revenues by Source

		<b>Controlled By</b>
Property Taxes	\$5,404,863	100% State Formula
Foundation Aid	\$9,017,040	100% State Formula
<i>Subtotal</i>	<i>\$14,421,903</i>	
Instructional Support	\$0	Voter/Board
Other Misc. Income	\$1,623,500	Federal, State, Local
<i>Subtotal Misc. Income</i>	<i>\$1,623,500</i>	
Dropout Program	\$428,083	100% Board
Cash Reserve Levy	\$813,399	100% Board
<b>Total Budgeted Revenues *</b>	<b>\$17,286,885</b>	

\* Includes AEA Flow Thru

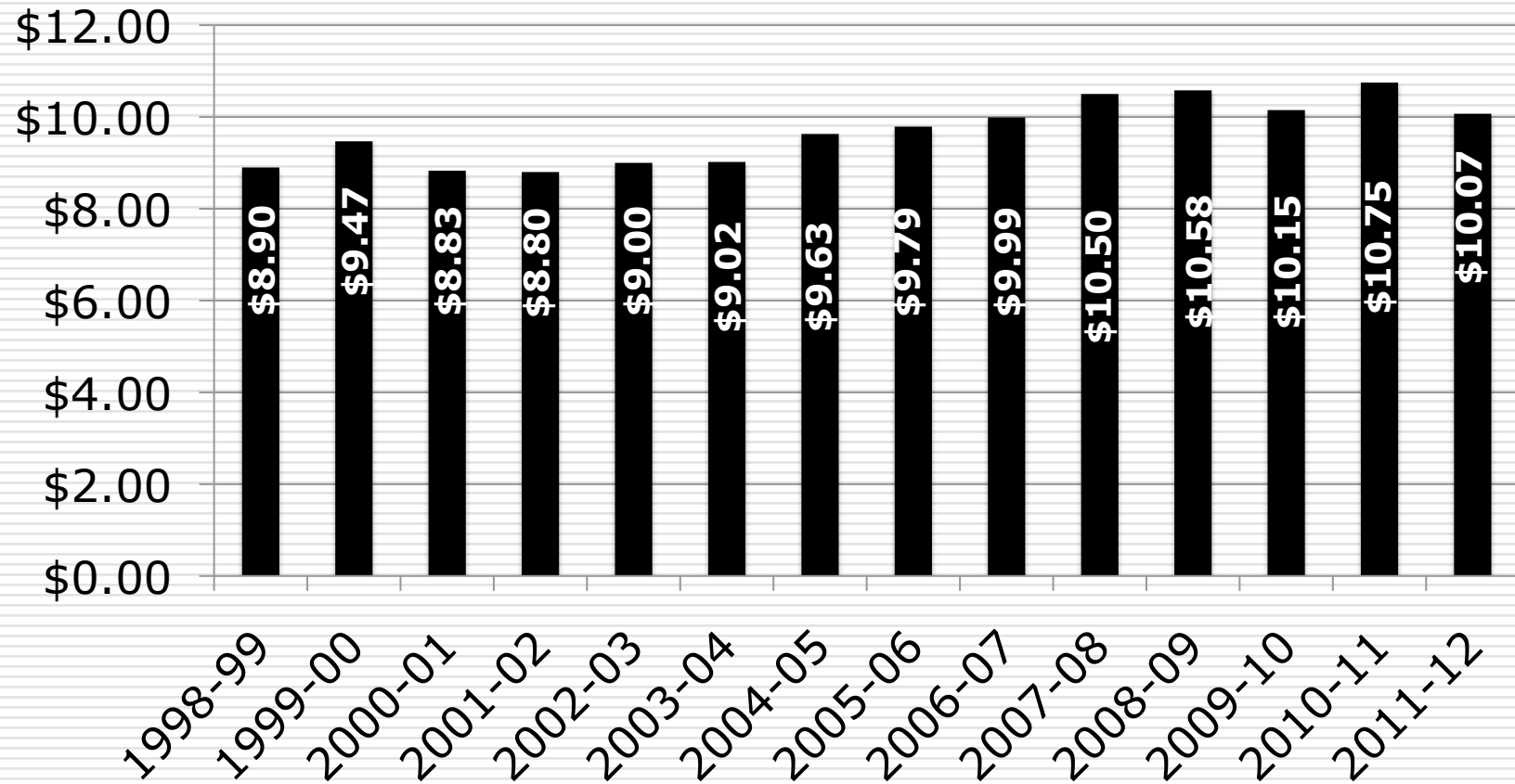
# General Operating Fund

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# Fourteen Year Historical Comparison of the General Fund Levy

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# Property Tax Rates to Finance the General Fund for the FY 12 Budget

Source	Amount	Rate	%Total	Control
Controlled Budget	\$5,404,864	8.18846	70.60%	State
Instruc. Support	\$0	0.00000	0.00%	Voter/Board
Dropout	\$428,083	0.64855	5.59%	Board
Cash Reserve				
Spec. Ed. & SBRC	\$88,399	0.13393		
Cash Reserve Levy	\$725,000	1.09839		
<i>Subtotal Cash Reserve</i>	<i>\$813,399</i>	<i>1.23231</i>	<i>10.63%</i>	<i>Board</i>
Total Gen. Fund	\$6,646,346	10.06933	86.82%	

# Comparative General Fund Tax Rate Data Conference Schools

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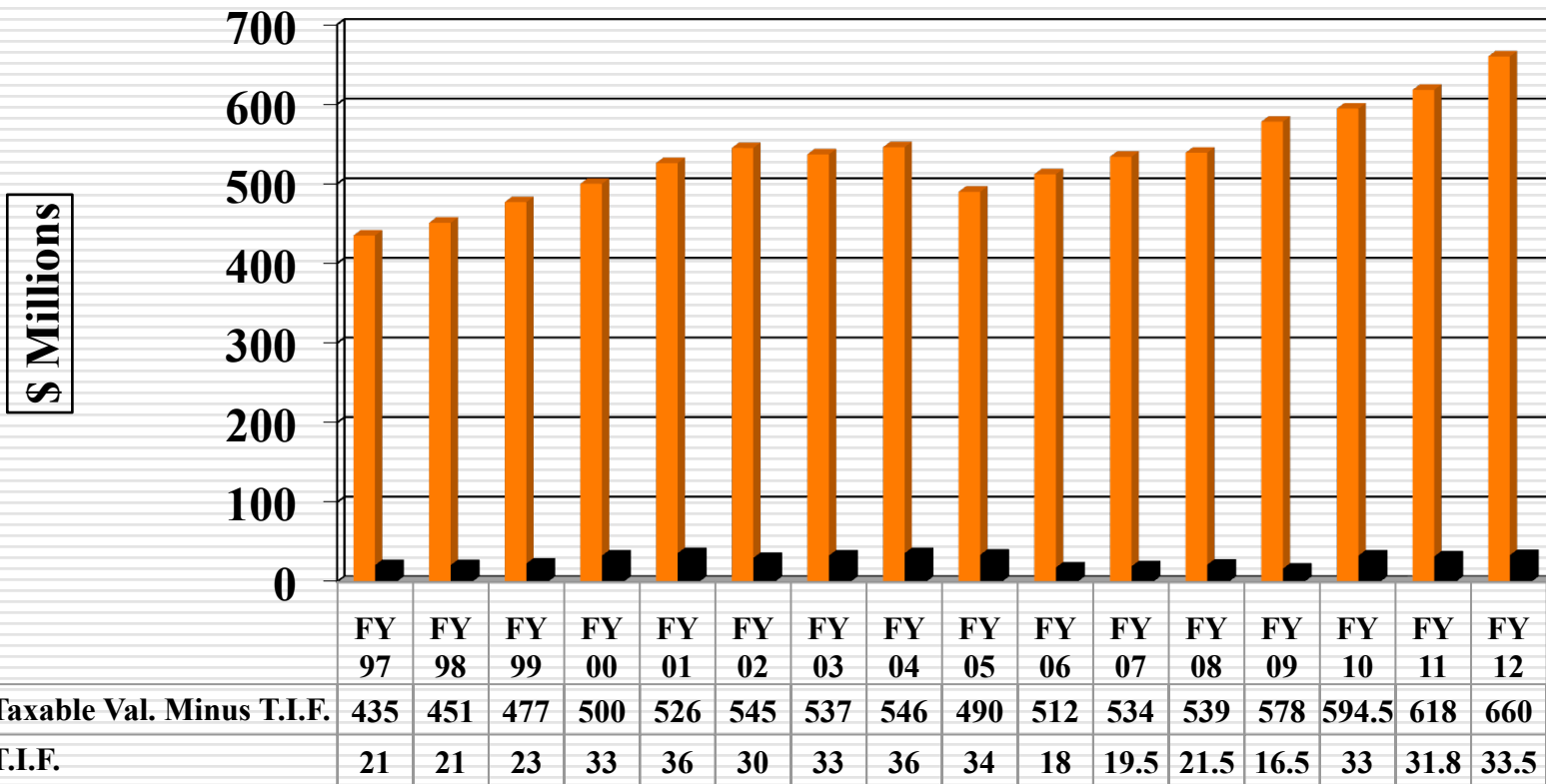
1. Perry
  2. Ballard ➤ \$17.15
  3. Winterset
  4. Carlisle ➤ \$15.20
  5. Boone ➤ \$14.90
  6. Adel-Desoto-Minburn ➤ \$11.64
  7. Dallas Center – Grimes ➤ \$10.07
  8. Carroll
  9. Saydel
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# Comparative General Fund Tax Rate Data Neighboring Districts

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- |                         |   |         |
|-------------------------|---|---------|
| 1. Audubon              | ➤ | \$11.87 |
| 2. Coon Rapids – Bayard |   |         |
| 3. Southern Cal         | ➤ | \$12.95 |
| 4. Manning              | ➤ | \$11.89 |
| 5. WLVA                 | ➤ | \$9.16  |
| 6. Carroll              | ➤ | \$10.07 |
| 7. AR-WE-VA             | ➤ | \$11.53 |
| 8. Glidden Ralston      |   |         |
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# Property Tax Valuation Trends

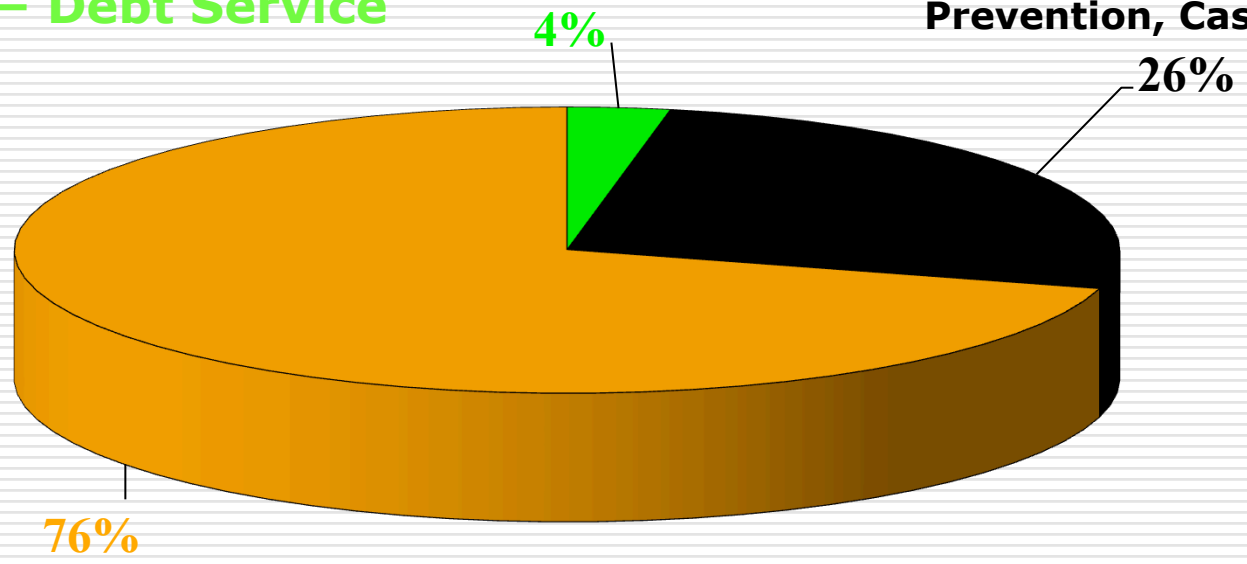


# FY 2012 Total Tax Levy

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**Voter Controlled  
– Debt Service**

**Board Controlled – Board PPEL,  
Management Levy, Dropout  
Prevention, Cash Reserve**



**State Controlled –  
Combined District Cost**

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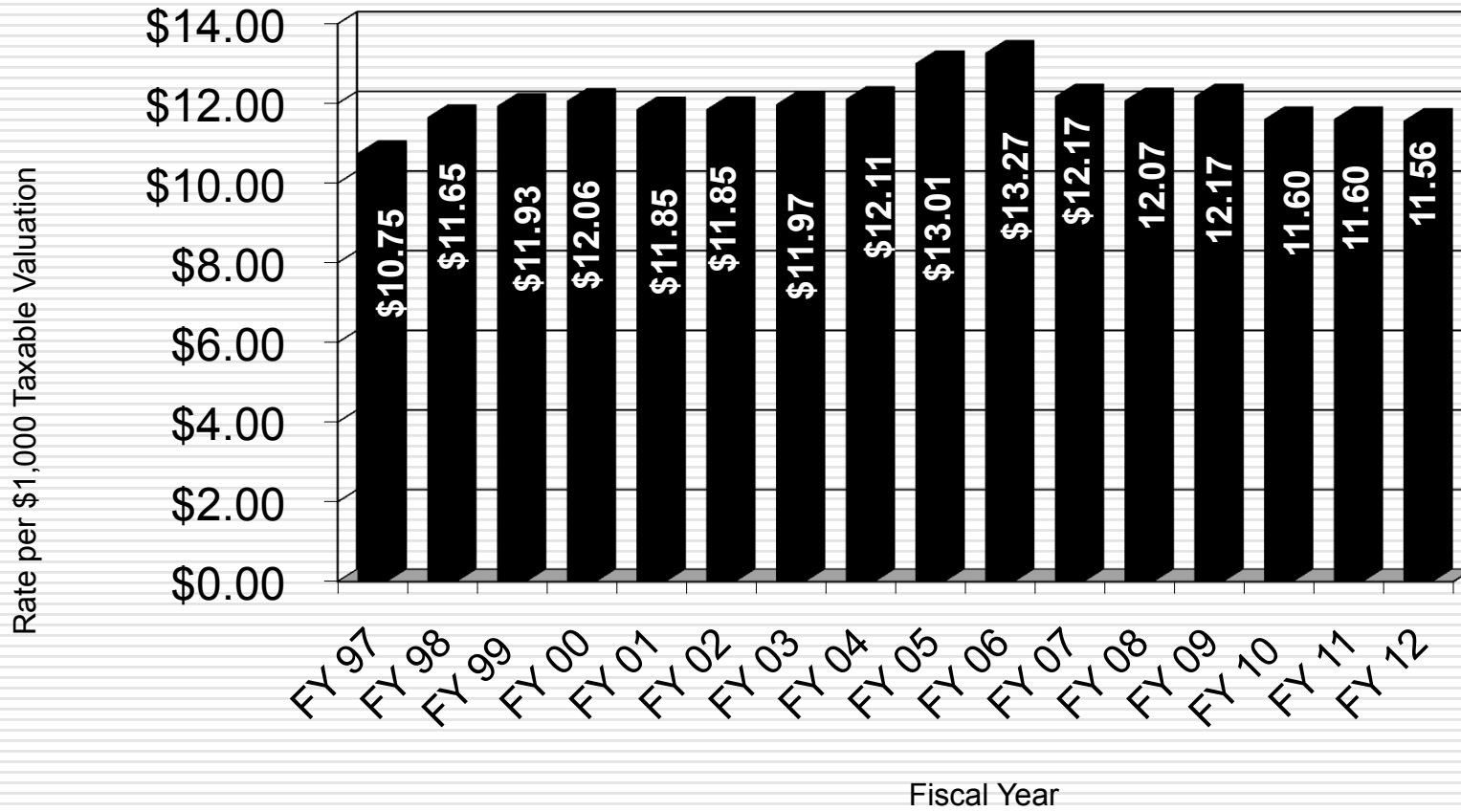
# Proposed Levy Details: FY 2012 Per 1000 Taxable Valuation

Source	Current Year	Budget Year	Change + (-)
Controlled Levy	\$8.41402	\$8.18846	(-)\$0.22556
Management	\$0.32356	\$0.83326	(+)\$0.50970
Dropout Prevention	\$0.72802	\$0.64855	(-)\$0.07947
ISL	\$0.00000	\$0.00000	\$0.00000
Cash Reserve	\$1.60973	\$1.23231	(-)\$0.37742
Voted PPEL	\$0.00000	\$0.00000	\$0.00000
Board Approved PPEL	\$0.33000	\$0.33000	\$0.00000
Debt Service	\$0.20288	\$0.33150	(+)\$0.12862
<b>Total</b>	<b>\$11.60821</b>	<b>\$11.56409</b>	<b>(-)\$0.04412</b>

# FY 12 Property Tax Levy

Source	Amount	Rate	%Total	Control
General Fund	\$6,646,346	\$10.06933	86.82%	State/Board
Management	\$550,000	\$0.83326	7.18%	Board
Regular PPEL	\$228,882	\$0.33000	2.99%	Board
Instructional Support	\$0	\$0.00000	0.00%	Board/Voter
Current Debt	\$229,922	\$0.33150	3.00%	Voter
<i>Subtotal Special Revenue</i>	<i>\$1,008,804</i>	<i>\$1.49476</i>	<i>13.18%</i>	
Total Tax Levy	\$7,655,150	\$11.56409	100.00%	

# Sixteen Year Historical Comparison of the Total Tax Rate



# Comparative Total Tax Rate Data Neighboring Districts

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1. Coon Rapids – Bayard
  2. Manning ➤ \$12.94
  3. Audubon ➤ \$14.42
  4. Southern Cal ➤ \$13.78
  5. AR-WE-VA ➤ \$13.03
  6. Carroll ➤ \$11.56
  7. WLVA ➤ \$10.07
  8. Glidden Ralston
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# Comparative Total Tax Rate Data For Conference Schools

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1. Ballard	➤	\$22.95
2. Perry	➤	\$22.00
3. Carlisle	➤	\$20.78
4. Adel-Desoto-Minburn	➤	\$18.42
5. Dallas Center – Grimes	➤	\$17.50
6. Boone	➤	\$16.97
7. Winterset	➤	\$19.73
8. Saydel	➤	\$14.16
9. Carroll	➤	\$11.56

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# Proposed Total Tax Levy for FY 2012

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- The proposed budget will require a tax levy of \$11.56409/1000 taxable valuation
  - The Current Levy = \$11.60821/1000
  - Decrease = \$0.04412/1000
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# One cent Levied = \$6,601

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- One cent levied on the 2003 – 2004 taxable valuation generated \$5,275.
  - One cent levied on the 2004 – 2005 taxable valuation generated \$4,901.
  - One cent levied on the 2005 – 2006 taxable valuation generated \$5,119.
  - One cent levied on the 2006 – 2007 taxable valuation generated \$5,340.
  - One cent levied on the 2007 – 2008 taxable valuation generated \$5,394.
  - One cent levied on the 2008 – 2009 taxable valuation generated \$5,782.
  - One cent levied on the 2009 – 2010 taxable valuation generated \$5,945.
  - One cent levied on the 2010 – 2011 taxable valuation generated \$6,181.
  - One cent levied on the 2011 – 2012 taxable valuation generated \$6601.
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# Recommendations

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- Use \$400,000 of state sales tax revenue to buy debt in Debt Service as required to do according to original ballot language of Local Option Sales Tax vote
  - Approve a proposed budget which includes the following:
    - \$813,399 for Cash Reserve Levy
    - \$428,083 for At-Risk – Dropout Prevention
    - \$228,882 or 0.33/1000 taxable valuation for Board approved PPEL Levy
    - \$550,000 for the Management Fund Levy
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# Questions from the Board?

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