

Adams Elementary Board Conference Room  
1026 North Adams Street  
March 6, 2012 - 5:00 pm

**Carroll Community School District  
FY 2013 Budget Presentation**

# Carroll

## COMMUNITY SCHOOL DISTRICT

### FY 2013 BUDGET

*Working Document Prepared by:*  
*Rob Cordes, Superintendent*  
*Gary Bengtson, Director of Business Affairs*

# FY 2013 Budget Development Timeline

- March 6 - 5:00 pm
  - Budget Work Session/Presentation
- Between March 7 and March 16
  - Publish Proposed Budget
- March 26 – 6:00 pm - Public Hearing and Adoption of Budget
- No later than April 16, 2012
  - File Budget with Carroll County Auditor and Iowa Department of Management

# Carroll Community School Impacting Students

- Board's Primary Impact
  - Policy Development
  - Vision and Direction
  - Accountability
  - Budget
    - Board members have an obligation to the taxpayers of CCSD
    - Board members also have an obligation to the students the district serves

# Preliminary Draft of FY 13 Budget

- Gary and I have prepared a preliminary draft of the FY 13 Budget.
- It is just that preliminary – because it is the Board's responsibility to set the budget.
- Due to a significant increase in property valuation in Carroll County and other restrictions, the FY 13 tax rate is .90¢ lower than FY 12 tax rate.

# School Finance - Background

- Dillon's Rule
  - School districts only have those powers expressly authorized by the Code of Iowa
- Home Rule
  - Cities and counties can do anything not expressly prohibited

# Iowa School Aid Formula

- 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)

# Carroll Community School Clarification - Fiscal Year

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

# General Fund

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

# General Fund Property Tax Components

- There are 5 components of a school district's General Fund rate. They include:
  - Uniform Levy
  - Additional Levy
  - Instructional Support Levy (optional)
  - Cash Reserve Levy – SBRC
  - Cash Reserve Levy – Other
- = Total General Fund Levy

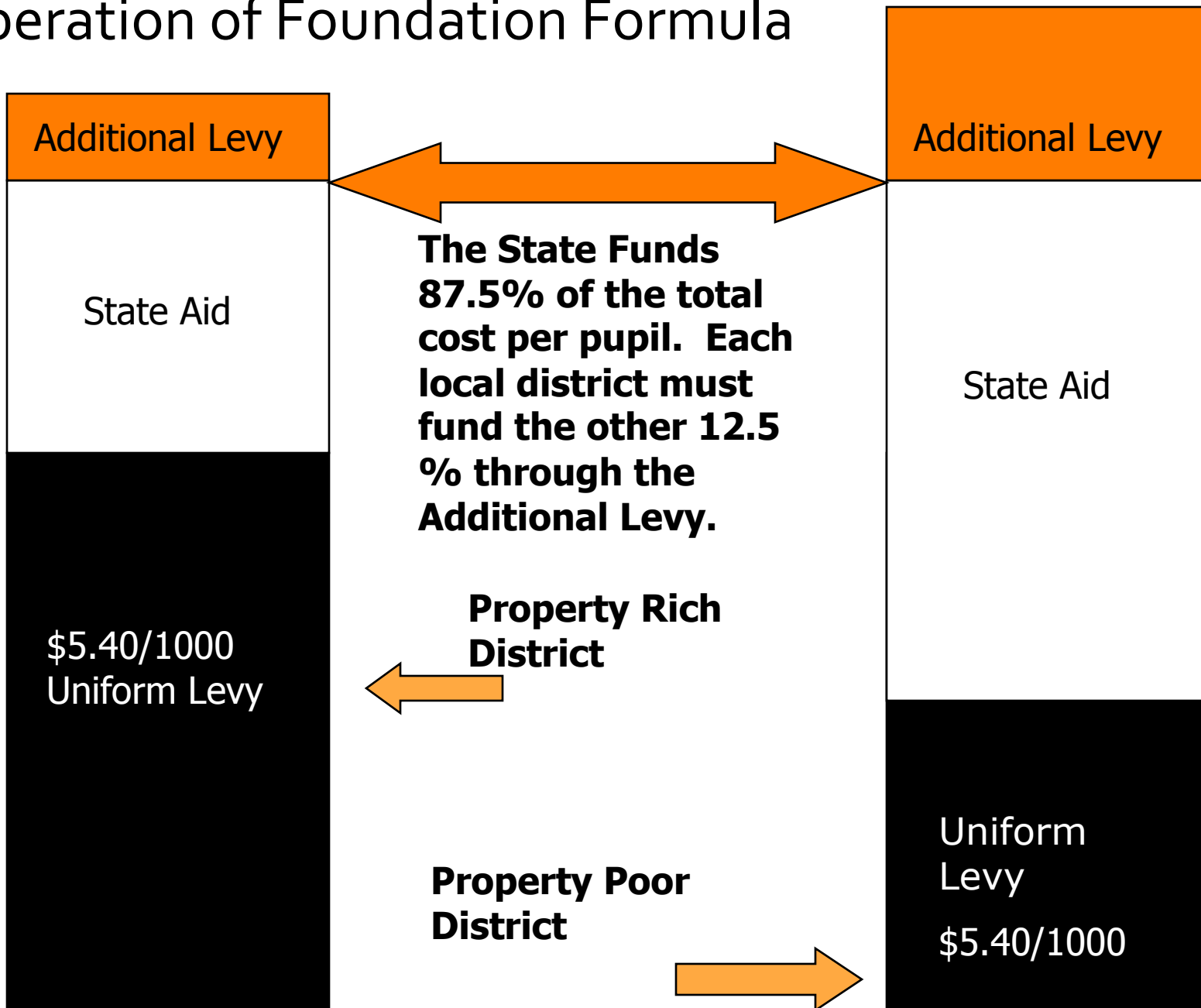
# Explanations of the Components

- 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.

# Property Taxes for the General Fund

- The funding per student is paid for by a combination of local property tax dollars and funds from the state (“state aid”).
- Statewide, property taxes make up about one third of total funding in our General Fund (where we pay for teachers and most of our non-facility related programs).
- The mix of property tax and state aid is determined by formula, a district with lower valuation will have higher tax rates than a district with more property value.

# Operation of Foundation Formula



# Operation of Foundation Formula

- 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

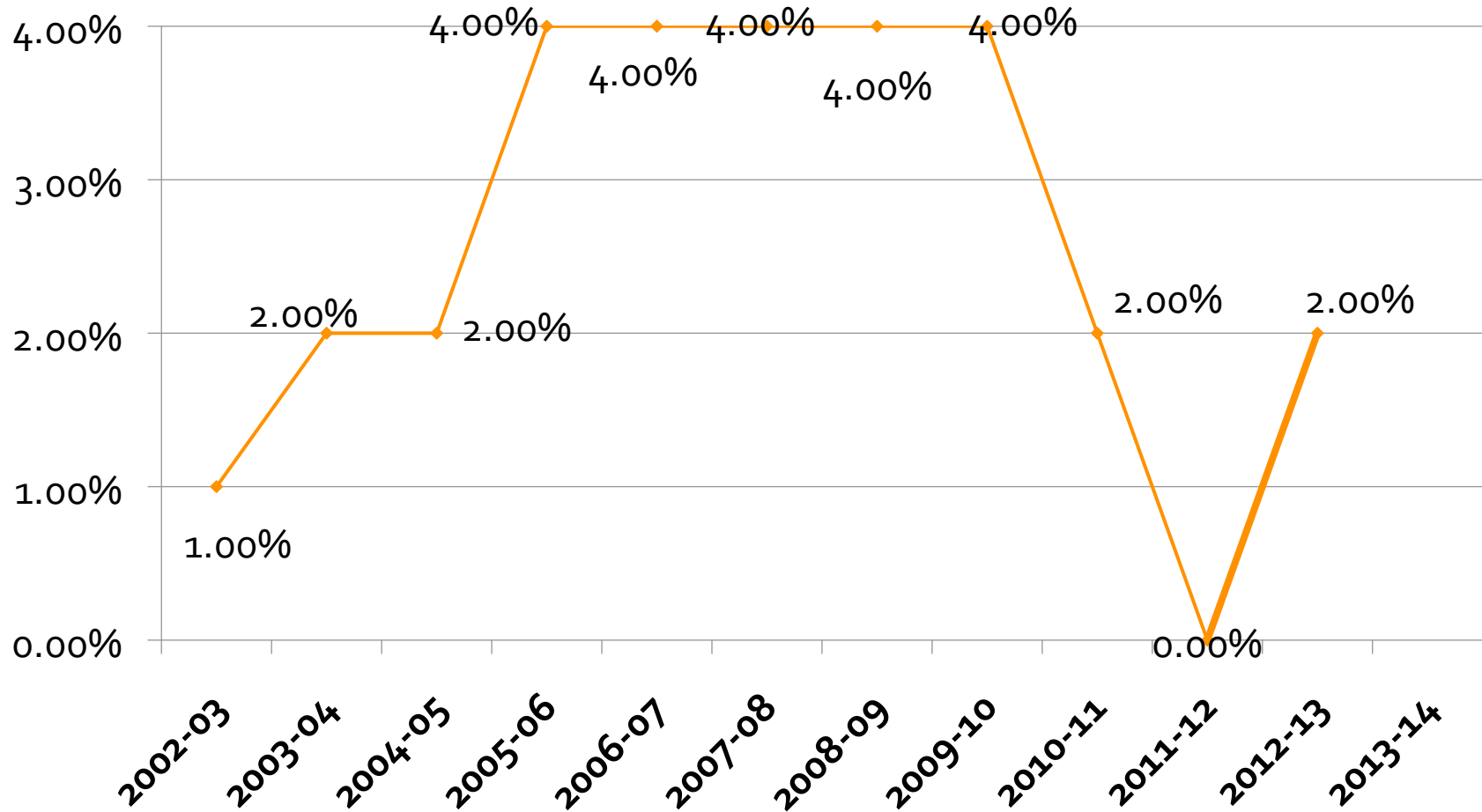
# Allowable Growth

- 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<sup>0</sup>%?
  - When a district's certified enrollment increases or decreases from the previous year.

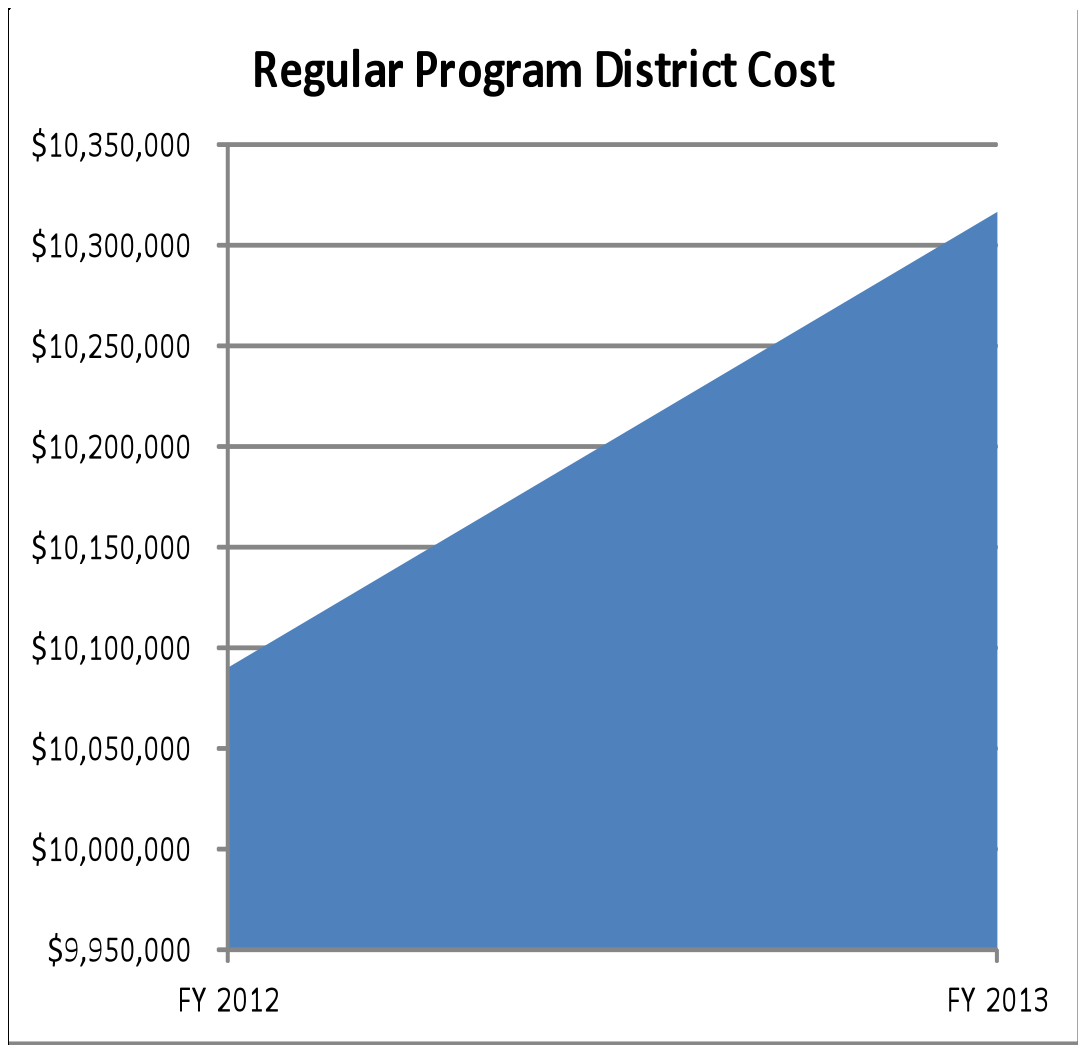
# Allowable Growth

- Current year (11- 12 state cost per pupil)
  - \$5,883 per student
- Allowable growth rate for FY 13 = 2%
- FY 12 cost per pupil = \$5,883
  - $\$5,883 \times .02 = \$118$
  - $\$5,883 + 118 = \$6001$  FY 13 cost per pupil
- FY 14 Allowable growth rate was to be set in the first 30 days of the 2012 Legislative Session.

# Historical View at Allowable Growth

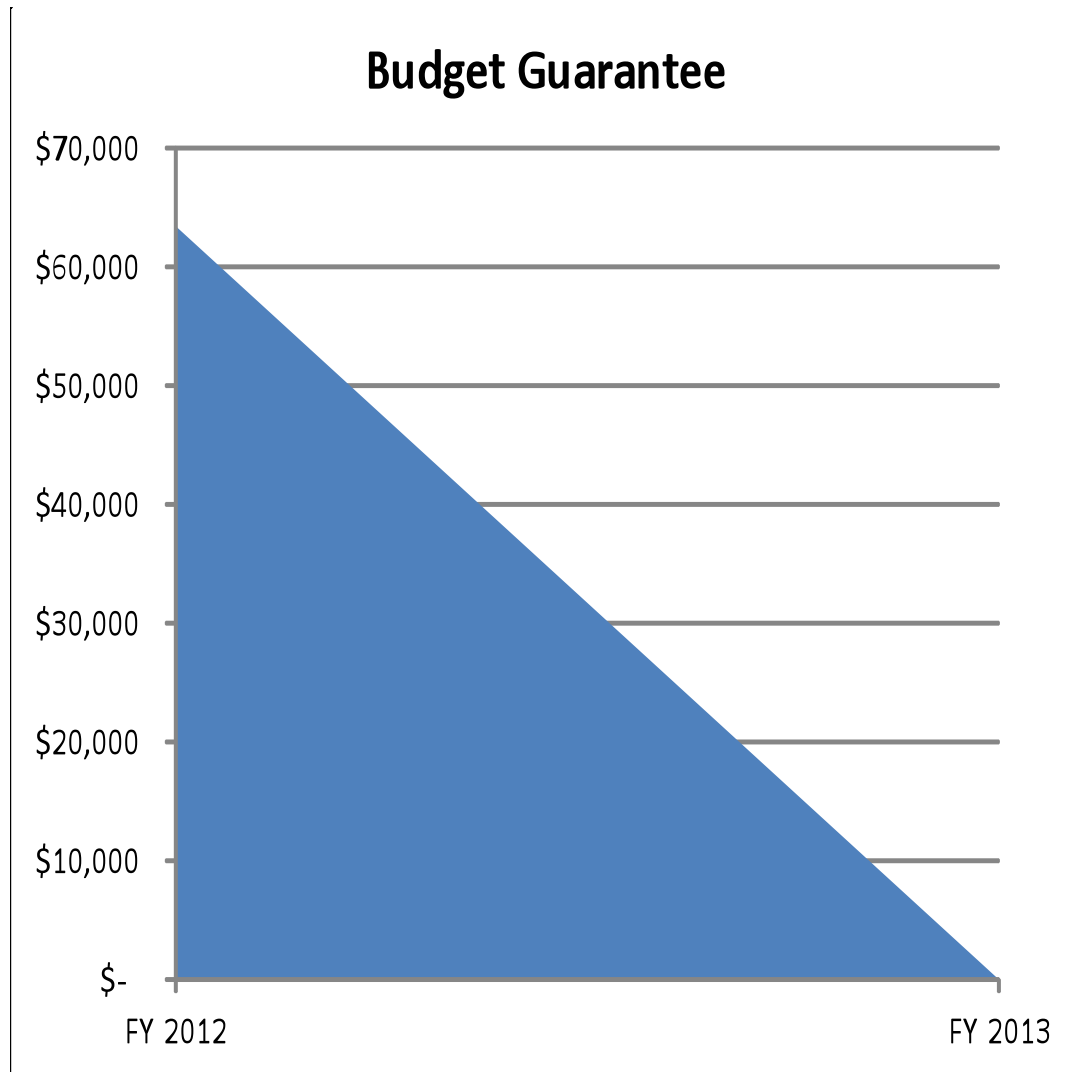


# Regular Program District Cost (RPDC)



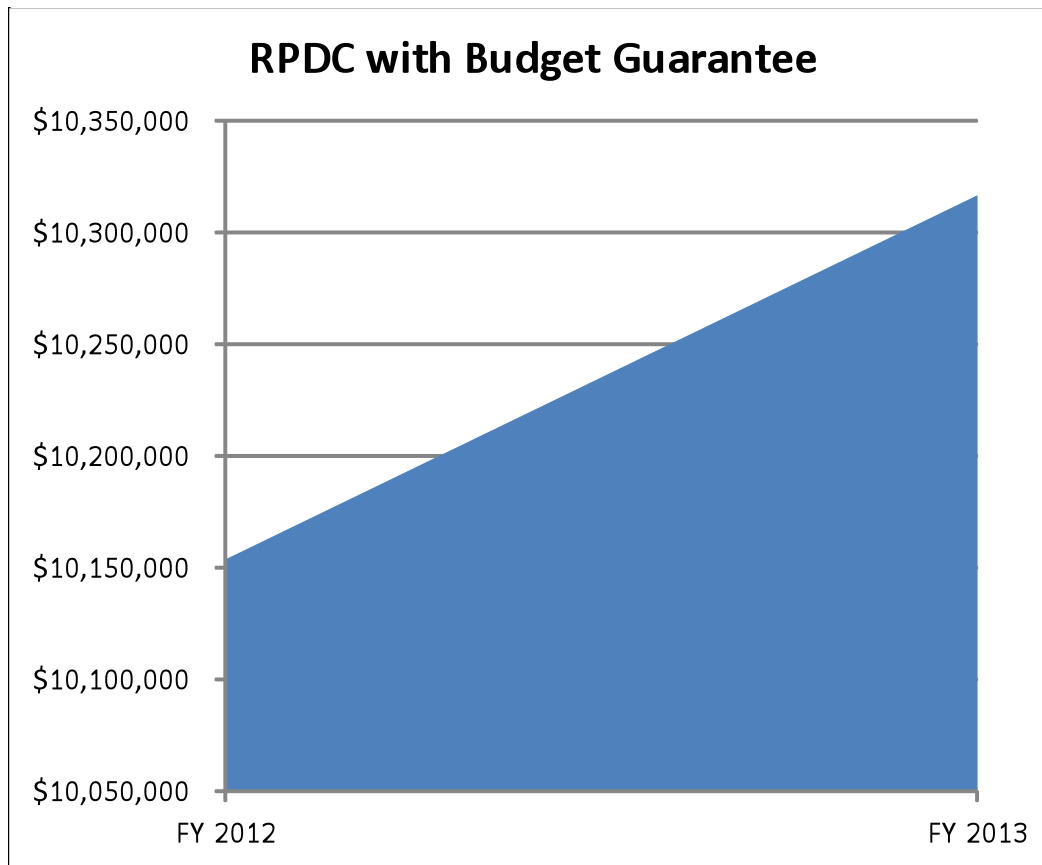
The Carroll School District's Regular Program District Cost increased by \$226,397. This is a increase of 2.2% compared to FY 2012.

# Budget Guarantee



The Carroll School District's Budget Guarantee declined by \$63,472. This is a decrease of 100.0% compared to FY 2012.

# Regular Program District Cost with Budget Guarantee



The Carroll School District's RPDC with Budget Guarantee increased by \$162,925. This is a increase of 1.6% compared to FY 2012.

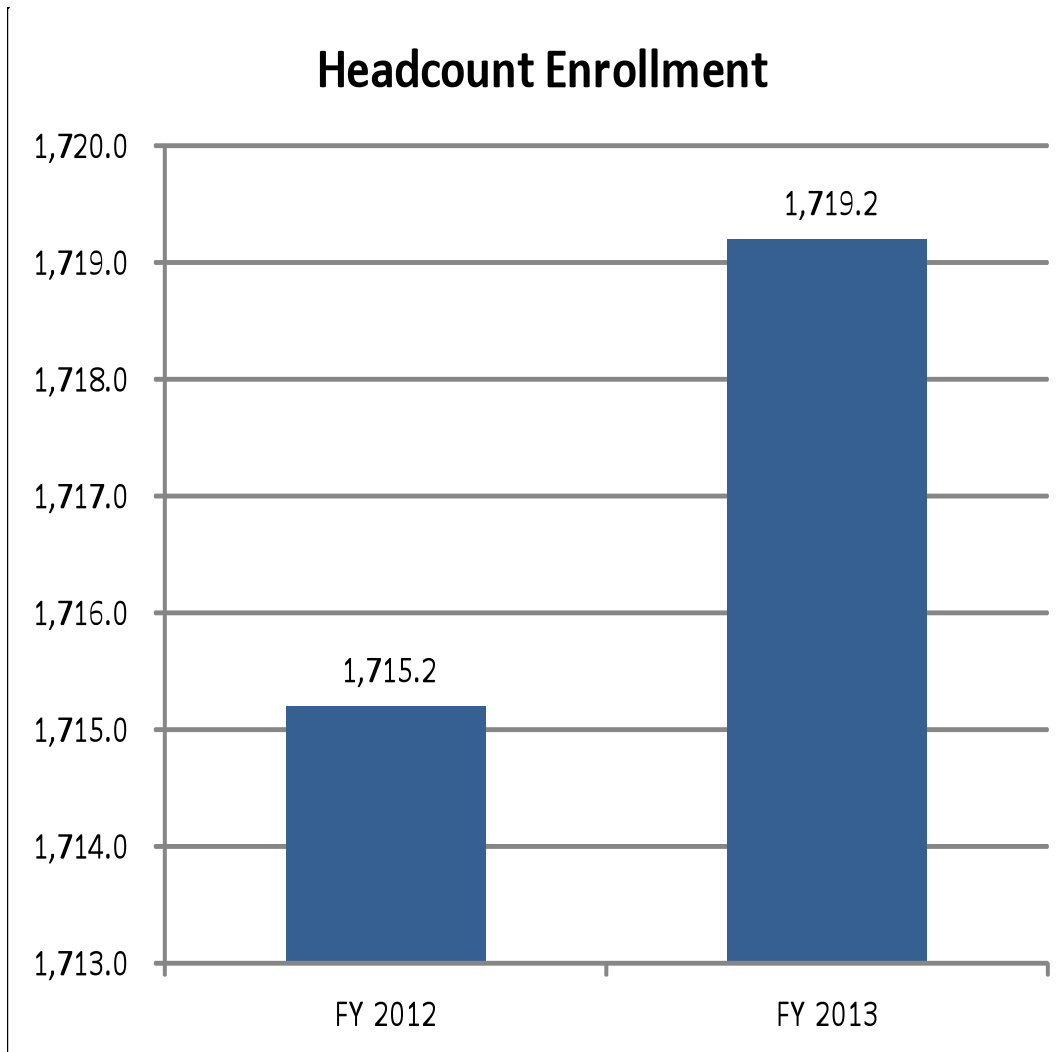
# Enrollment

- We'll look at the categories of enrollment as they impact our district.
- Our Headcount enrollment is the number of resident students. This number does not take into account the impact of open enrollment but serves as the primary driver of the amount of state funding we receive.
- Special Education Weightings are the additional amount we get to "count" a student for purposes of the state funding formula. An increase in weightings means more funds to support out students with special needs.

# Enrollment

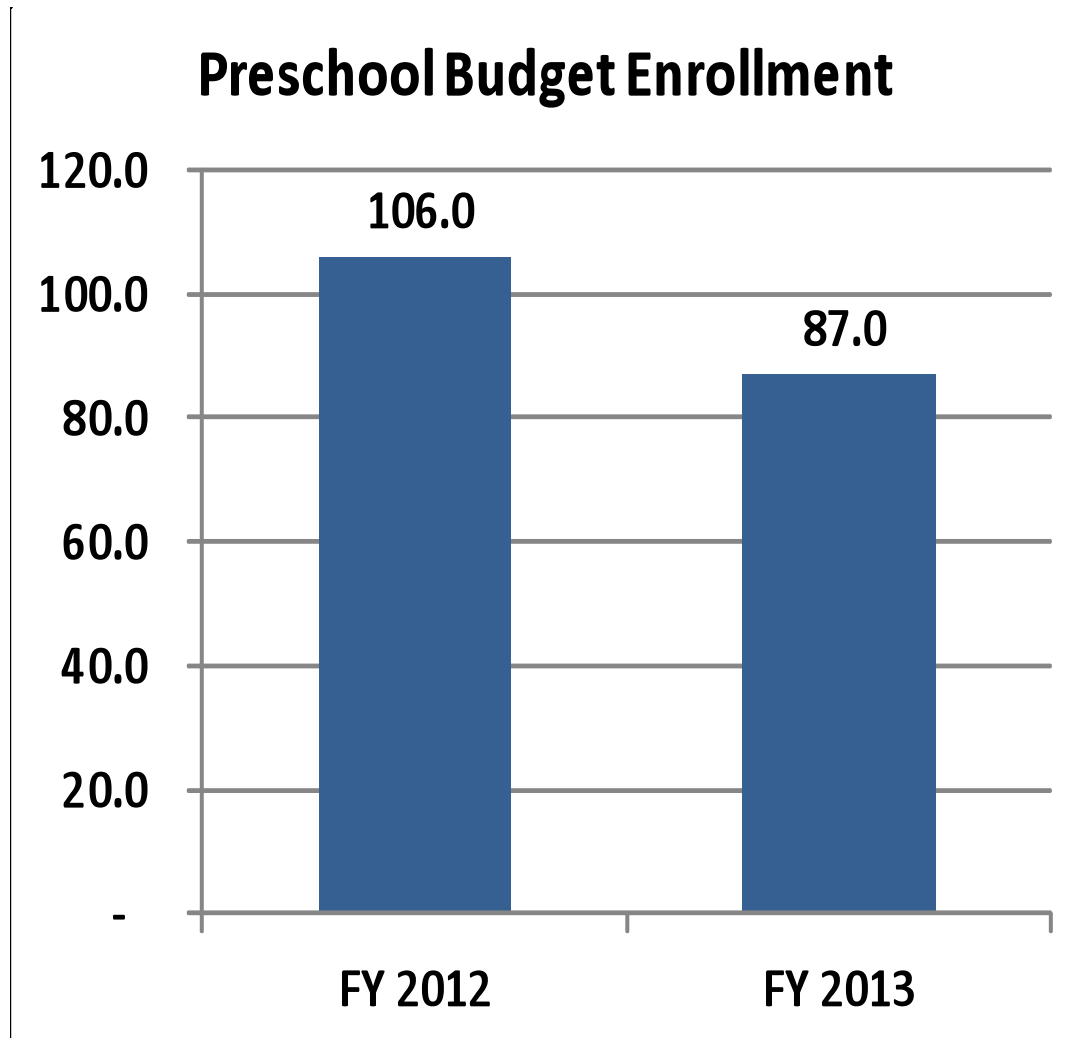
- Supplementary Weightings are other subgroups of students that the funding formula allots additional funds. This can include English Language Learners, sharing, or reorganization incentives.
- Preschool Budget Enrollment is the number of students we count for purposes of 4 year old preschool. This number represents 50 percent of the actual number of children served (the state only provides 50% of the cost of K-12 students).
- We will look at each of these in turn.

# Enrollment



The Carroll School District's Headcount Enrollment increased by 4.0. This is a increase of 0.2% compared to FY 2012.

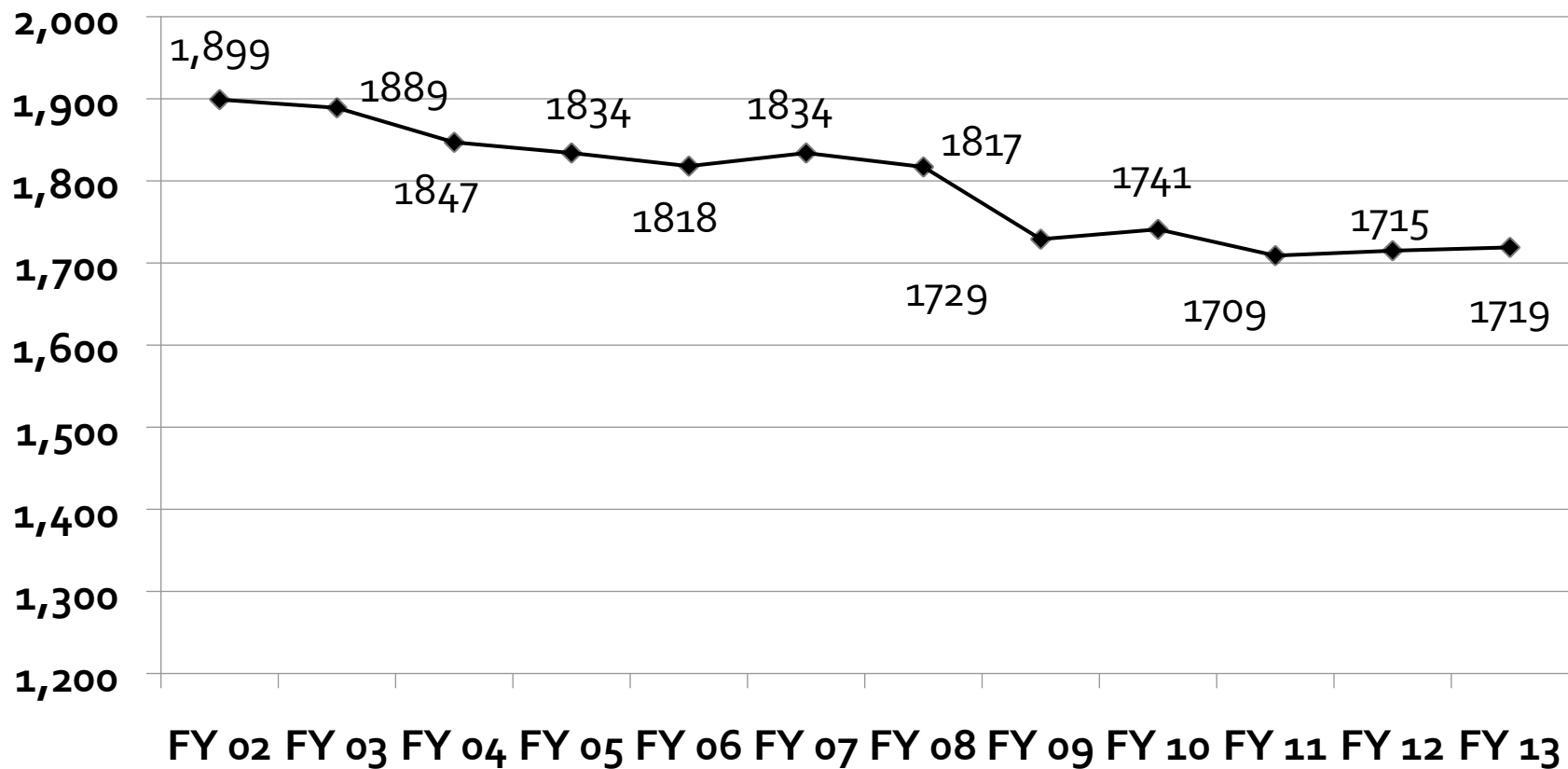
# Preschool Enrollment



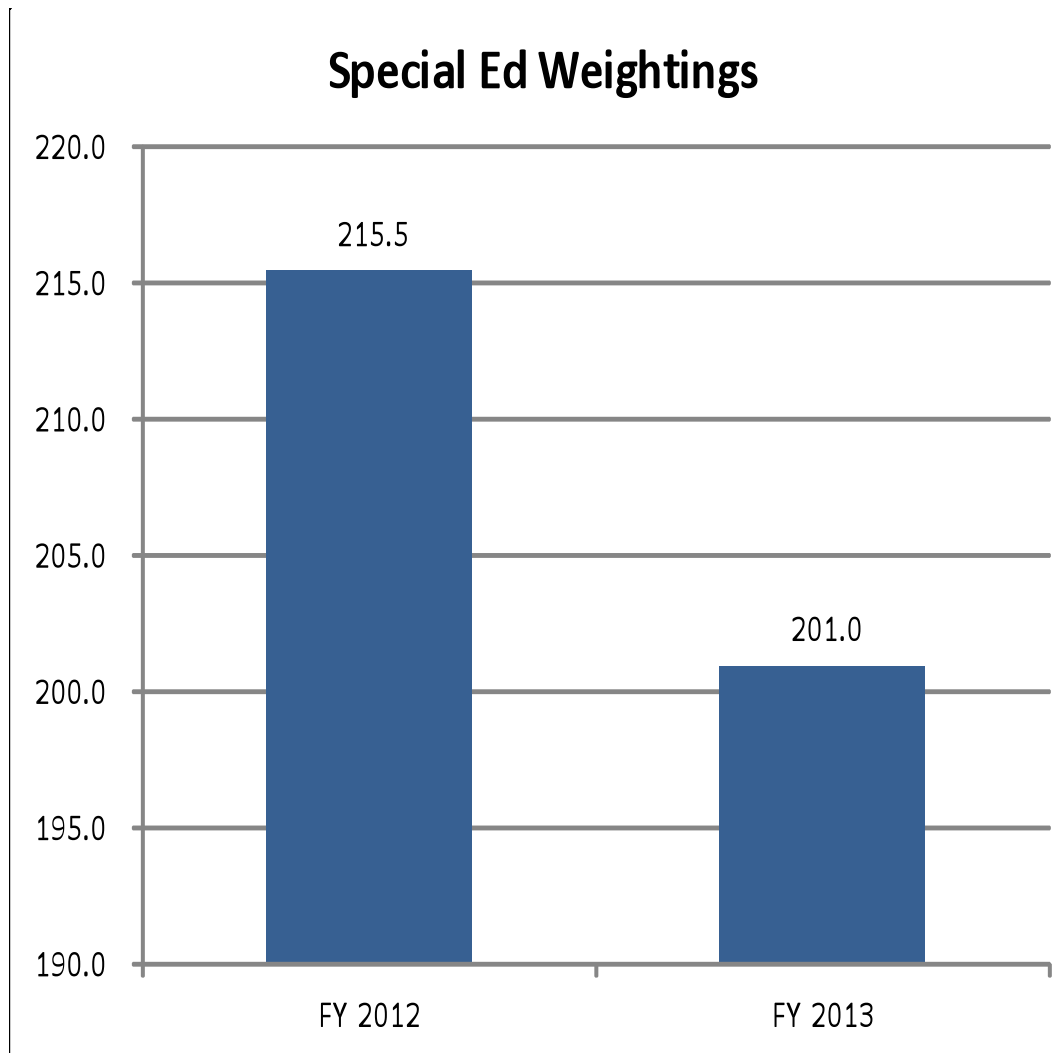
The Carroll School District's Preschool Budget Enrollment declined by 19.. This is a decrease of 17.9% compared to FY 2012.

# Enrollment Trends

Enrollment

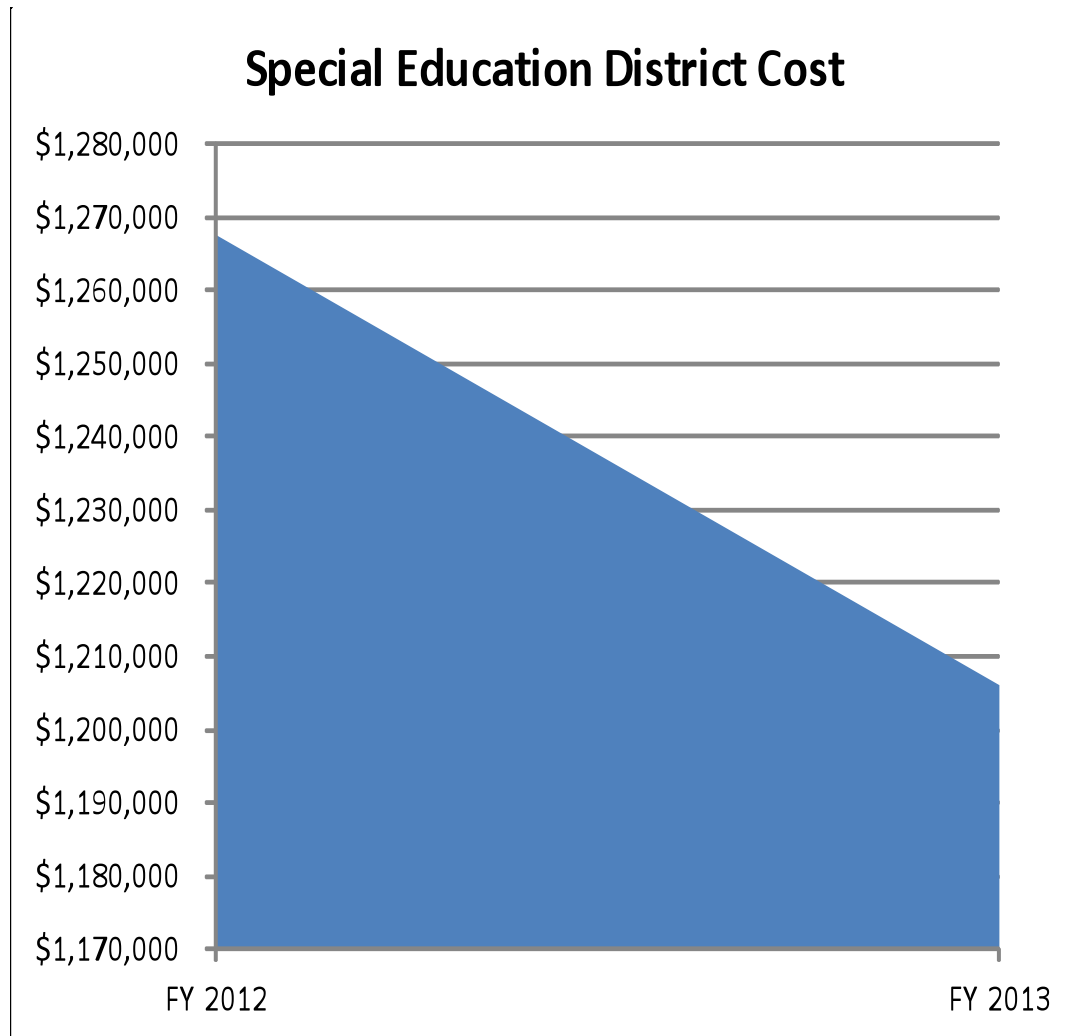


# Special Education Weightings



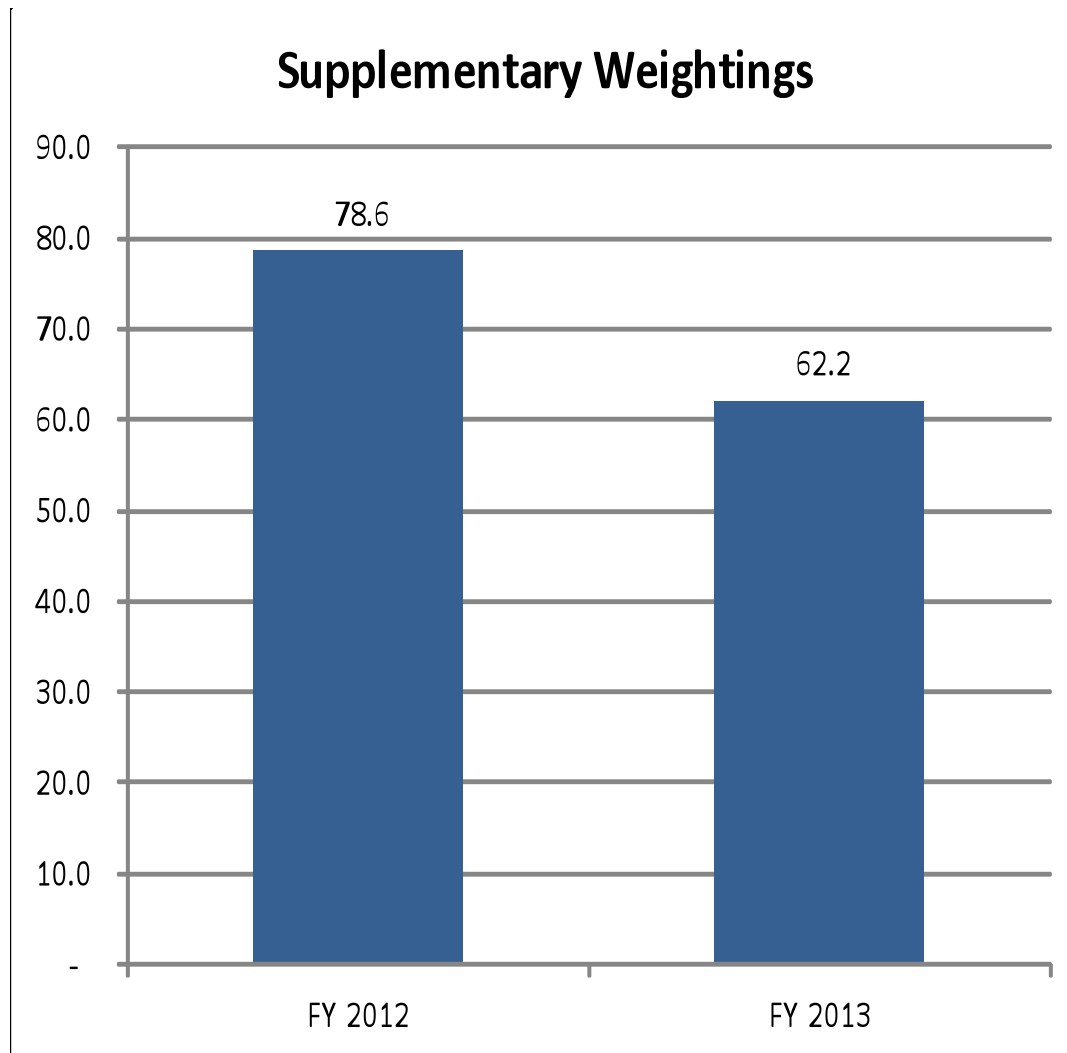
The Carroll School District's Special Ed Weightings declined by 14.5. This is a decrease of 6.7% compared to FY 2012.

# Special Education District Cost



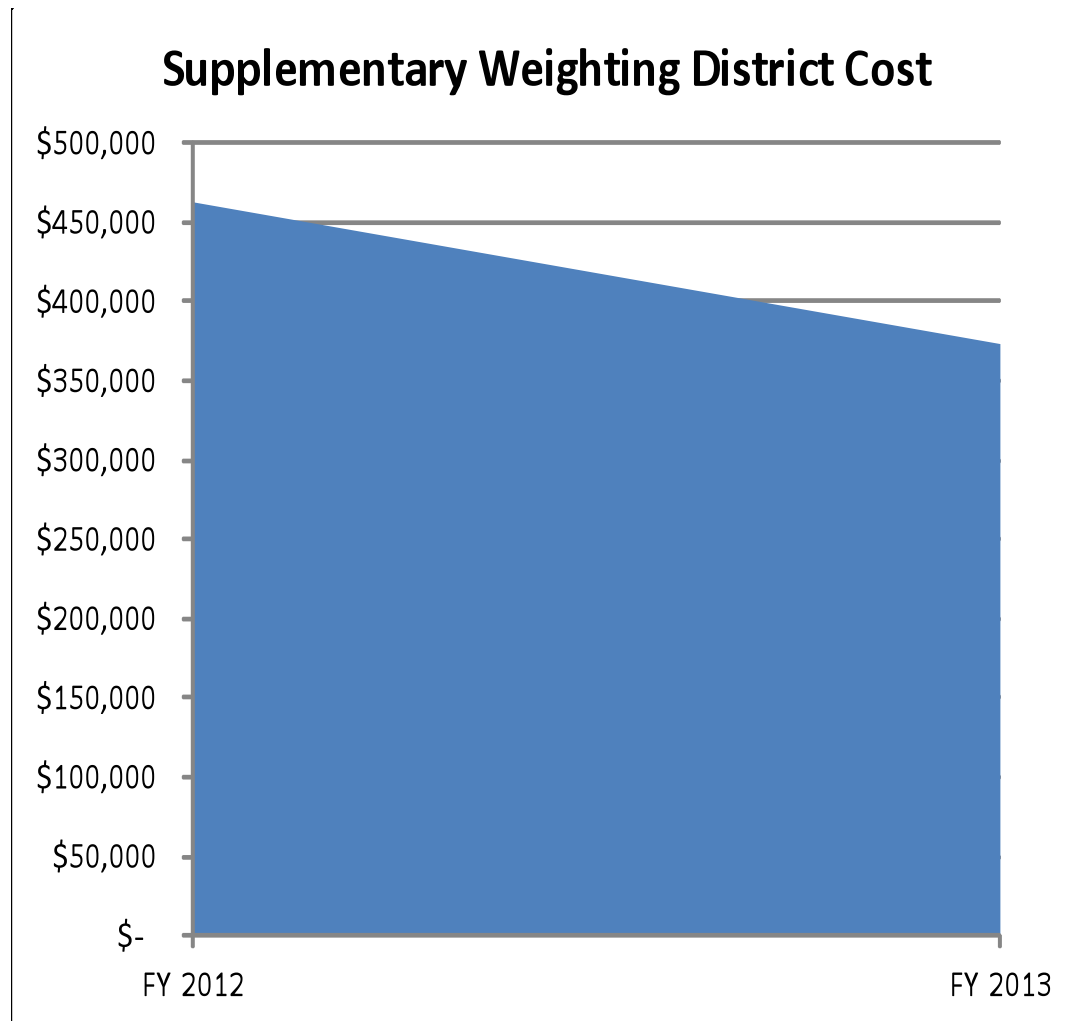
The Carroll School District's Special Education District Cost declined by \$61,529. This is a decrease of 4.9% compared to FY 2012.

# Supplementary Weightings



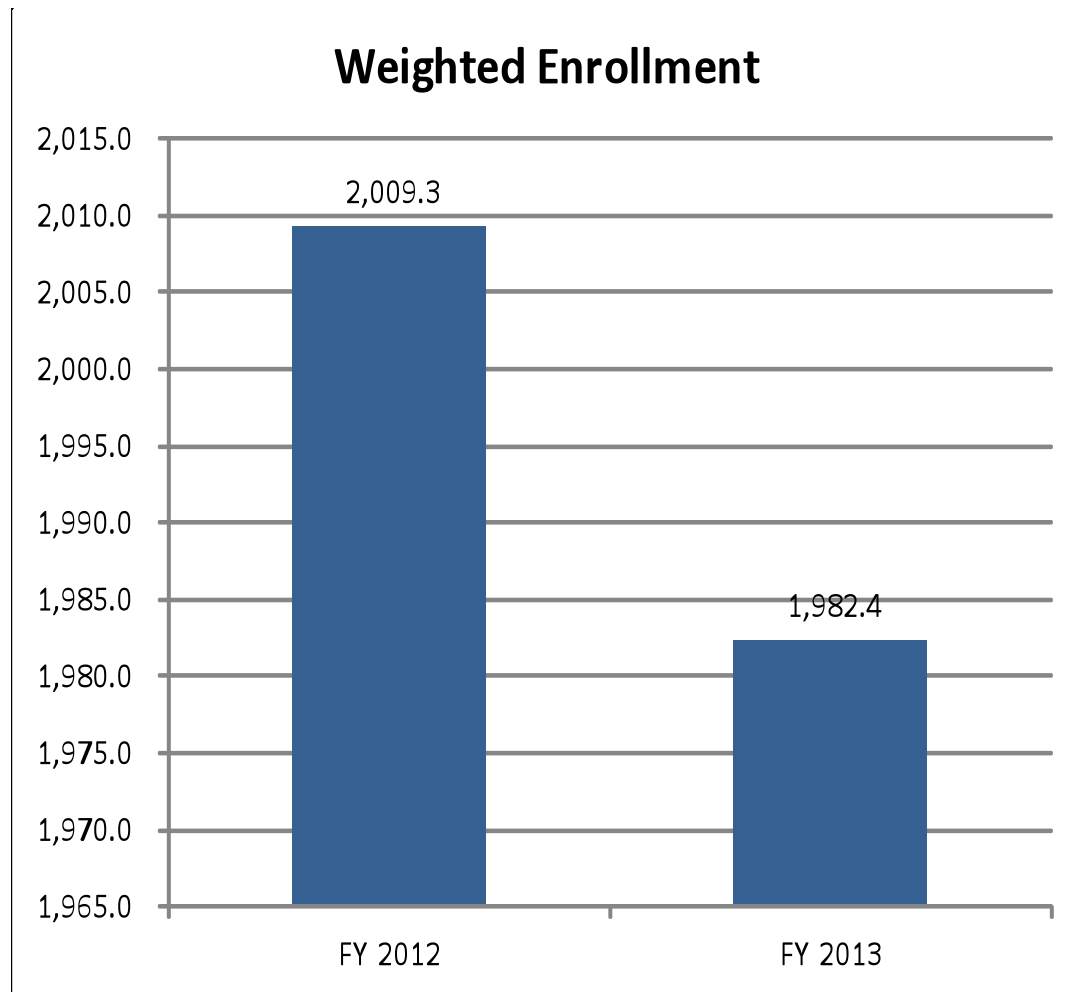
The Carroll School District's Supplementary Weightings declined by 16.5. This is a decrease of 20.9% compared to FY 2012.

# Supplementary Weighting District Cost



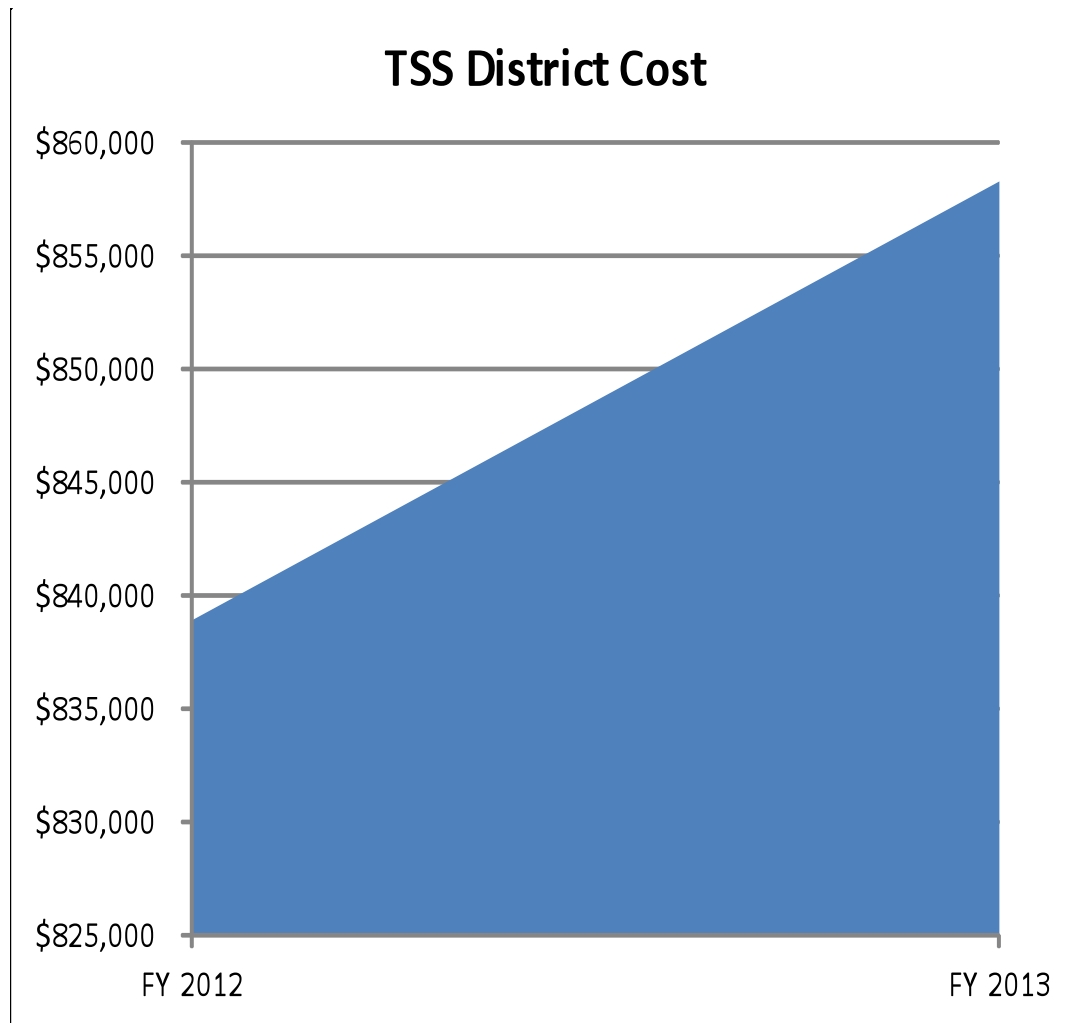
The Carroll School District's Supplementary Weighting District Cost declined by \$89,455. This is a decrease of 19.3% compared to FY 2012.

# Total Weighted Enrollment



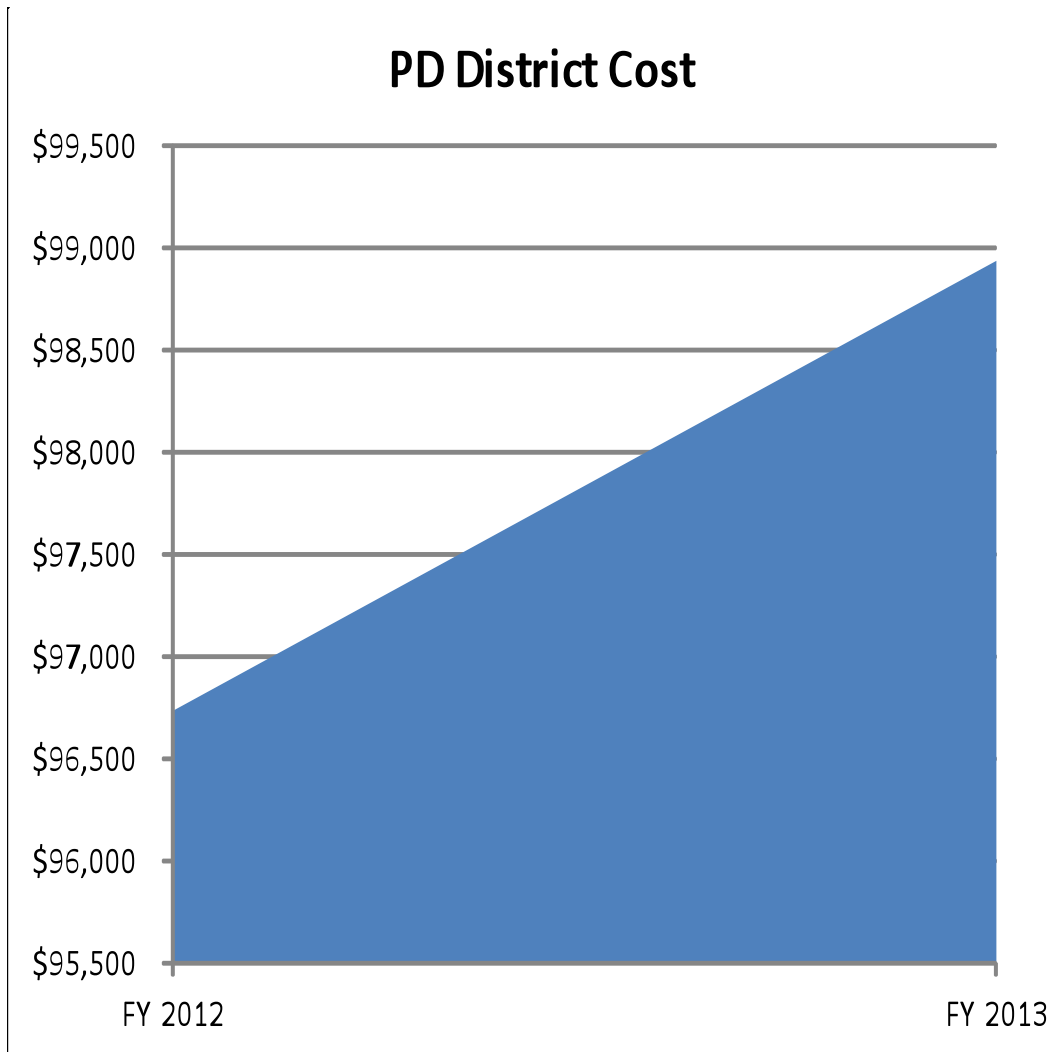
The Carroll School District's Weighted Enrollment declined by 26.9. This is a decrease of 1.3% compared to FY 2012.

# Teacher Salary Supplement District Cost



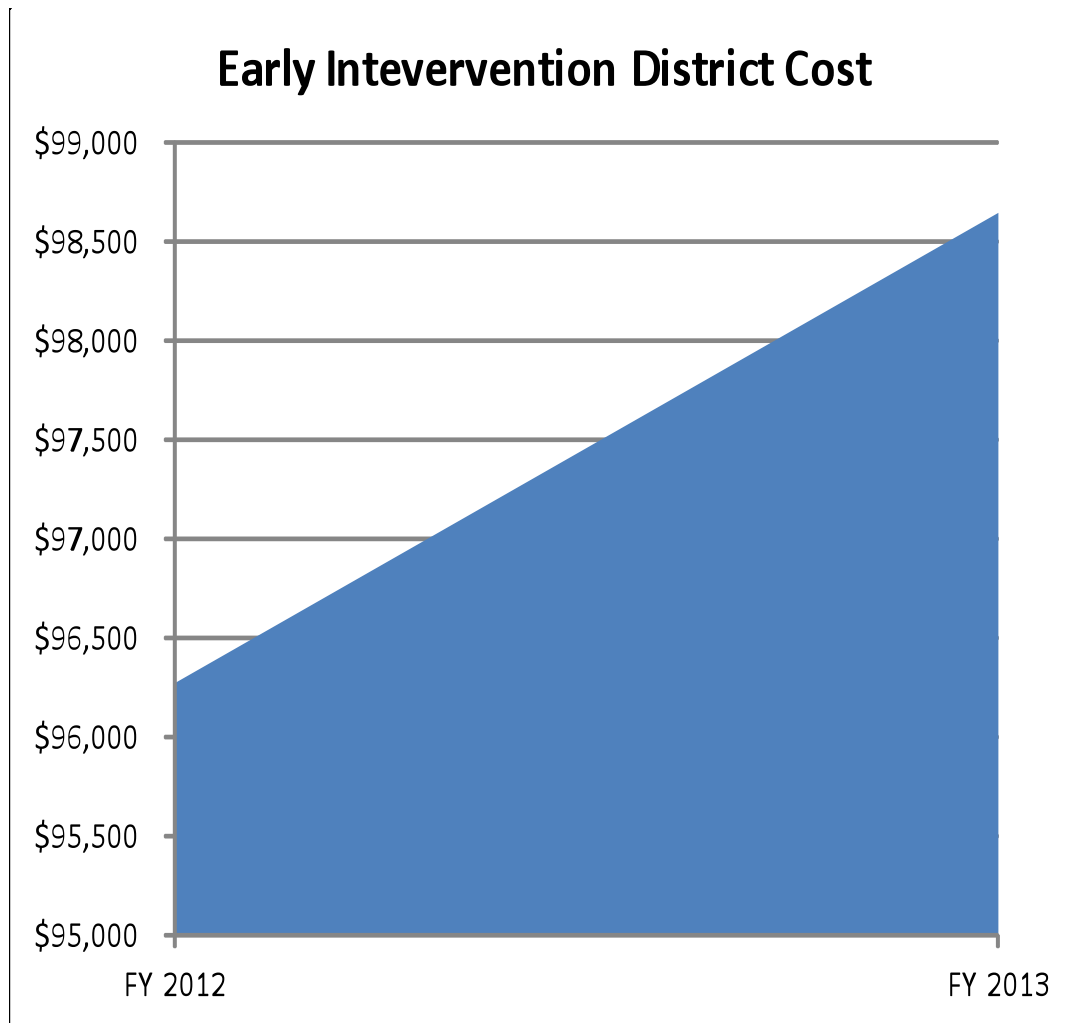
The Carroll School District's TSS District Cost increased by \$19,390. This is a increase of 2.3% compared to FY 2012.

# Professional Development District Cost



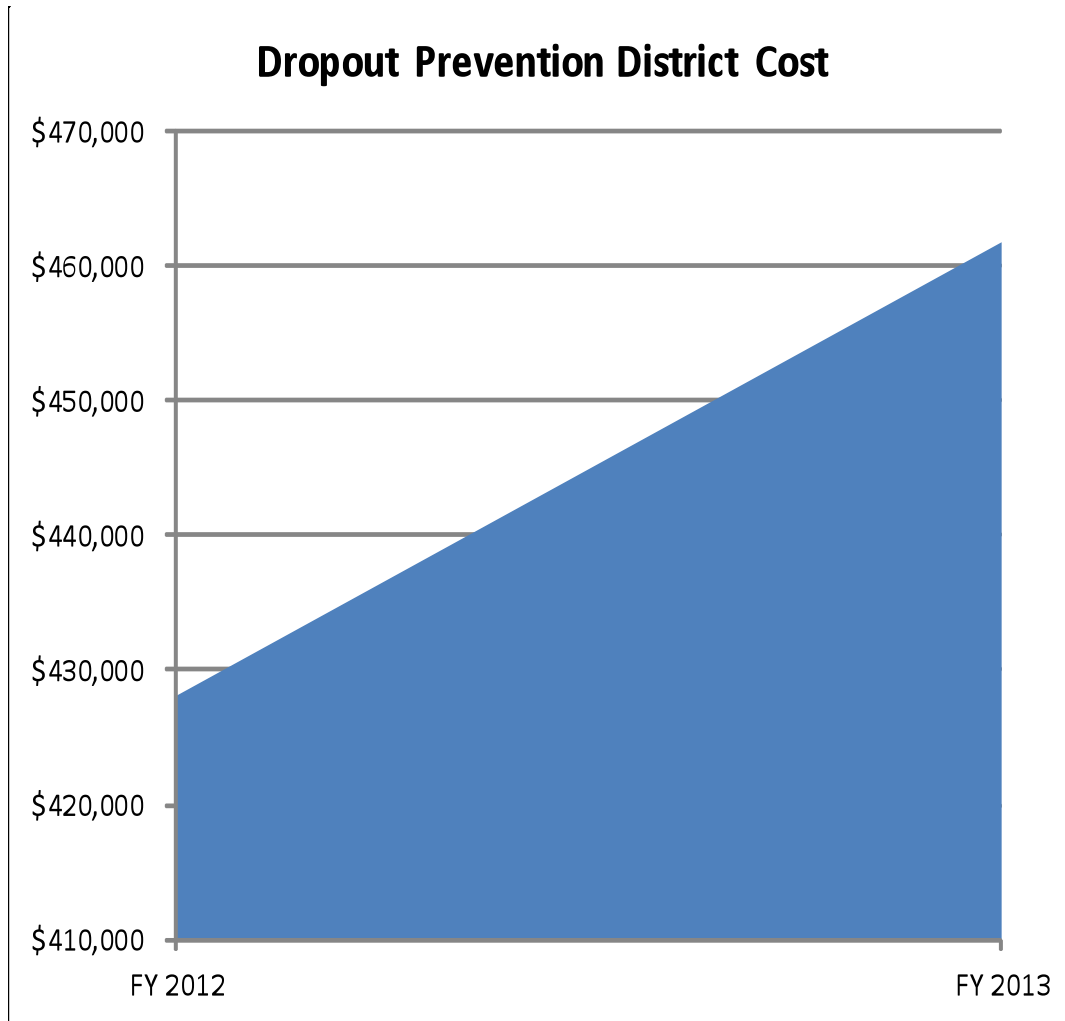
The Carroll School District's PD District Cost increased by \$2,203. This is a increase of 2.3% compared to FY 2012.

# Early Intervention District Cost



The Carroll School District's Early Intevervention District Cost increased by \$2,374. This is a increase of 2.5% compared to FY 2012.

# Dropout Prevention District Cost



The Carroll School District's Dropout Prevention District Cost increased by \$33,696. This is a increase of 7.9% compared to FY 2012.

# General Fund

- 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

# Funds

## Funds

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

# Funds and Accounts

These various "TYPES" are assigned to specific  
"funds" or "accounts"

# Various Funds

- 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.

# Various Funds

- 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)

# Board Directed Programs & Levies

## ➤ General Fund

- 5 -year Instructional Support Program
- Dropout Prevention
- 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

# Voter Directed Programs & Levies

## ➤ General Fund

- 10 Yr. Instructional Support Program (ISL)

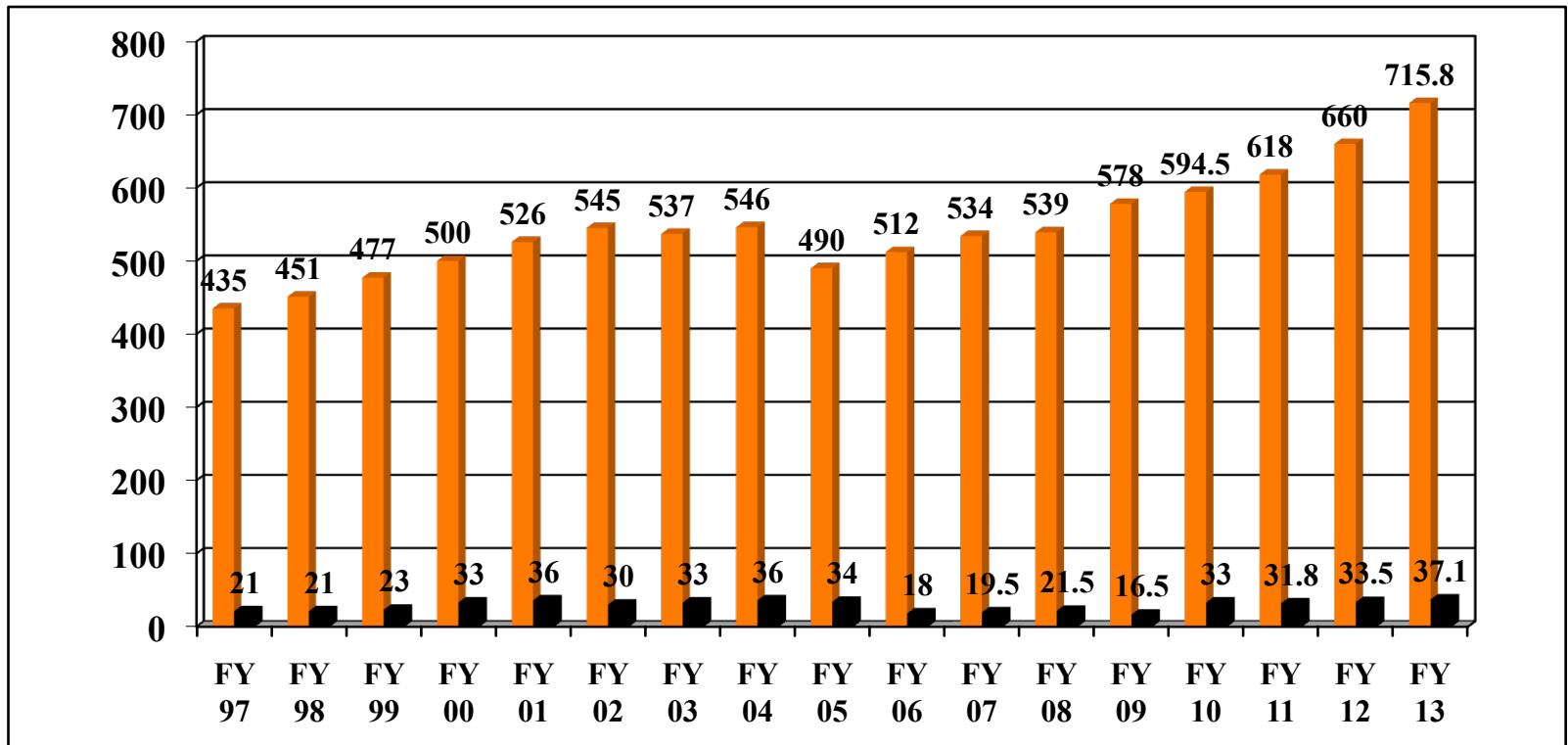
- CCSD does not have an ISL

## ➤ 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 4 years of debt service left (counting FY 13)

# Property Tax Valuation Trends

\$ Millions



# Combined District Cost

- 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

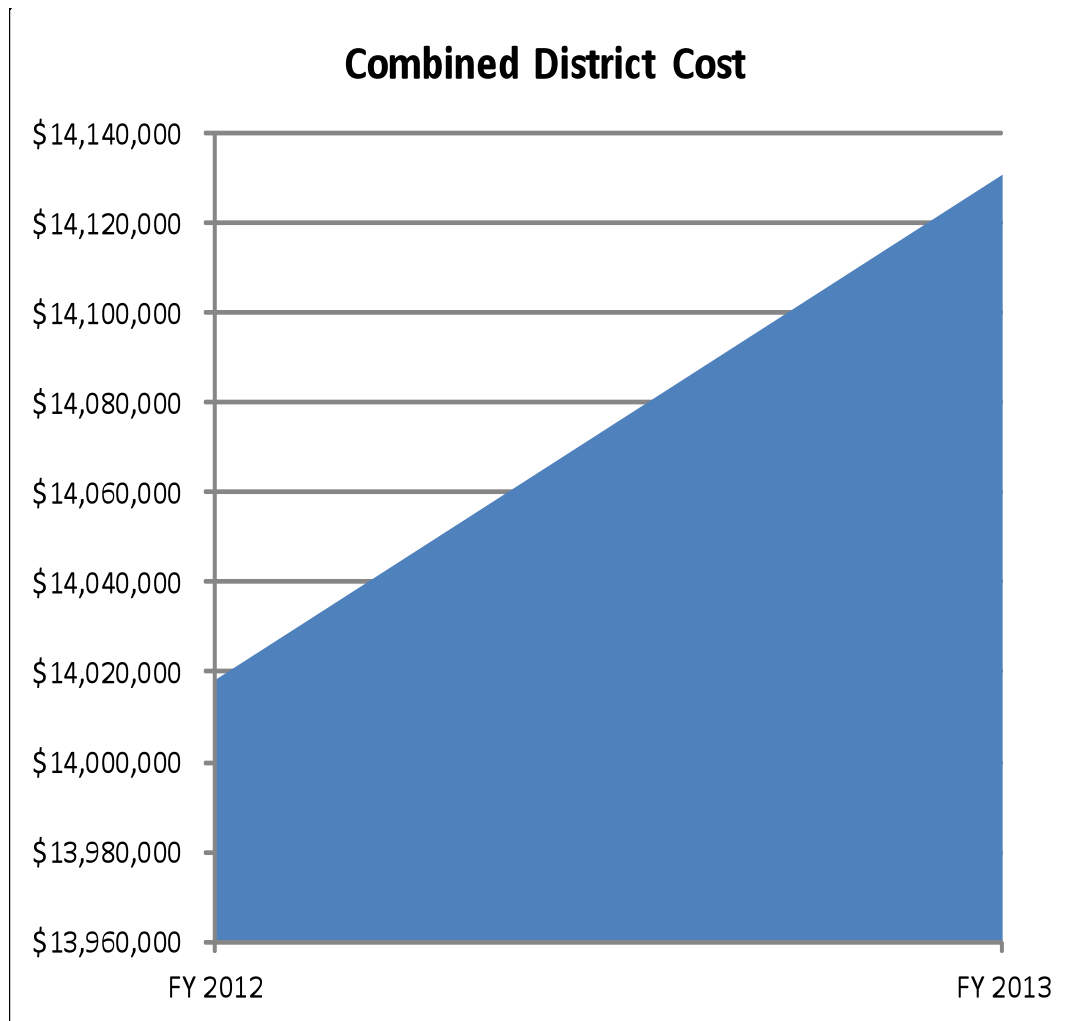
# Combined District Cost (CDC)

- Formula Driven on the Aid and Levy Worksheet
- Regular program cost (RPC) = certified enrollment "x" cost per pupil
  - $1715.2 \times 5,883 = \$10,090,522$  – FY 12 (+ \$63,472 from the budget guarantee = \$10,153,994)
  - $1719.2 \times 6001 = \$10,316,919$  – FY13 (\$162,925 in new money)
  - Actual % of Allowable Growth = 1.6%
- 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)

# 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>\$10,316,919.00</b>
<b>Supplementary Weighting</b>		
<b>Shared Teachers/Students/ELL</b>	<b>5.3</b>	<b>\$373,214.00</b>
<b>Special Education</b>	<b>5.4</b>	<b>\$1,206,081.00</b>
<b>Total Supplementary Weighting</b>		<b>\$1,579,295.00</b>
<b>Teacher Quality - Basic</b>	<b>5.5</b>	<b>\$858,311.00</b>
<b>Teacher Quality - Prof. Development</b>	<b>5.6</b>	<b>\$98,940.00</b>
<b>Teacher Quality - Early Intervention</b>	<b>5.7</b>	<b>\$98,648.00</b>
<b>AEA Support</b>	<b>5.8 - 5.15</b>	<b>\$727,187.00</b>
<b>At-Risk Allowable Growth</b>	<b>5.16</b>	<b>\$461,779.00</b>
<b>Enrollment Adjustment</b>	<b>5.17</b>	<b>-\$10,236.00</b>
<b>Total Combined District Cost</b>	<b>5.18</b>	<b>\$14,130,843.00</b>

# Combined District Cost



The Carroll School District's Combined District Cost increased by \$112,750. This is a increase of 0.8% compared to FY 2012.

# Spending Authority

- The state funding formula provides us “spending authority”. We are limited in total spending by the number of students we have times what each student is worth (as set by the General Assembly).
- There are a number of components of our General Fund spending authority that are set by the state, these include the following:

# Sources of Spending Authority

- + Regular Program District Cost (RPDC)
- + Budget Guarantee
- + RPDC with Budget Guarantee
- + Supplementary Weighting District Cost
- + Special Education District Cost
- + Teacher Salary Supplement District Cost
- + Professional Development District Cost
- + Early Intervention District Cost
- + AEA District Cost
- + Dropout Prevention District Cost
- = Combined District Cost

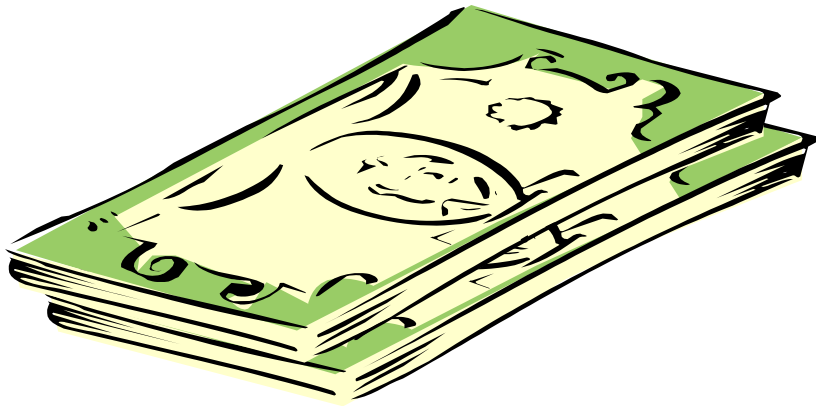
# Total Spending Authority

- Why important?
  - This is the amount Districts are allowed to spend.
  - Districts CANNOT exceed spending authority
  - Not a measure of cash

# CCSD Total Spending Authority For FY 2013

			Aid & Levy
	Combined District Cost	\$14,130,843	17.1
+/-	Prior Year's Unspent Balance	\$2,790,125	17.2
+	Allowance for Construction-SBRC	\$0	17.3
+	Instructional Support	\$0	17.4
	Preschool Foundation Aid	\$522,087	17.6
+	Miscellaneous Income	\$1,966,500	17.8
<b>Total Spending Authority</b>		<b>\$19,409,555</b>	<b>17.9</b>

# Miscellaneous Income



- Any revenue except State Aid and Property Tax
- From Federal, State & Local Sources
  - Many Sources are Categorical or Restricted Purpose Funds
- Varies According to Sources & Levels of Funding

# Examples of Miscellaneous Income

- Transportation Reimbursement
- State Grants
- Federal Grants
- Interest
- ISCAP Investment Surplus
- SBRC Additional Allowable Growth
- Student Fees
- Rental
- Open Enrollment & Tuition

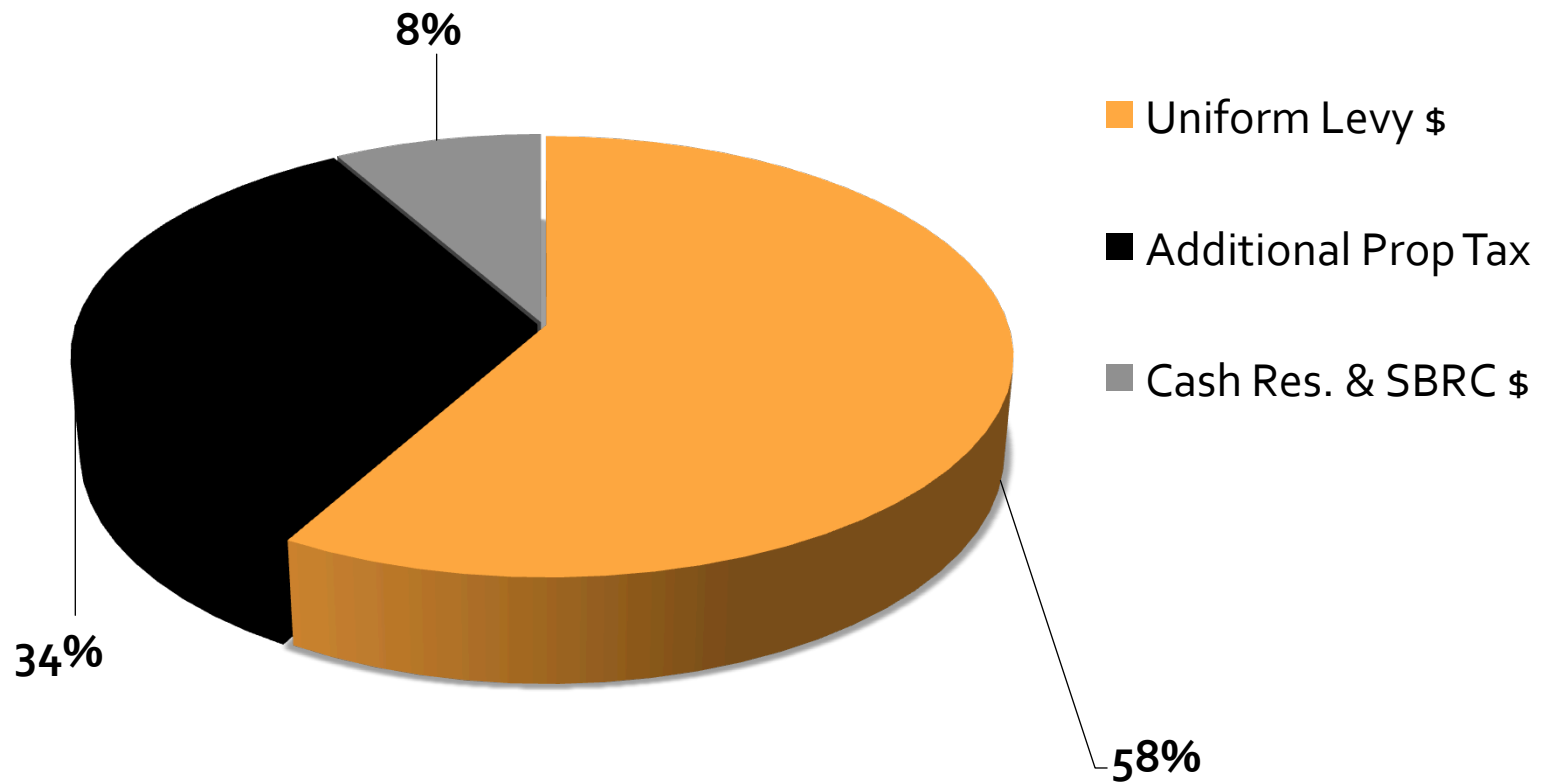
# Operating Fund Revenues by Source

		<b>Controlled By</b>
Property Taxes	\$5,681,777	100% State Formula
Foundation Aid	\$8,509,322	100% State Formula
<i>Subtotal</i>	<i>\$14,191,099</i>	
Instructional Support	\$0	Voter/Board
Other Misc. Income	\$1,966,500	Federal, State, Local
<i>Subtotal Misc. Income</i>	<i>\$1,966,500</i>	
Dropout Program	\$461,779	100% Board
Cash Reserve Levy	\$546,478	100% Board
<b>Total Budgeted Revenues *</b>	<b>\$17,165,856</b>	

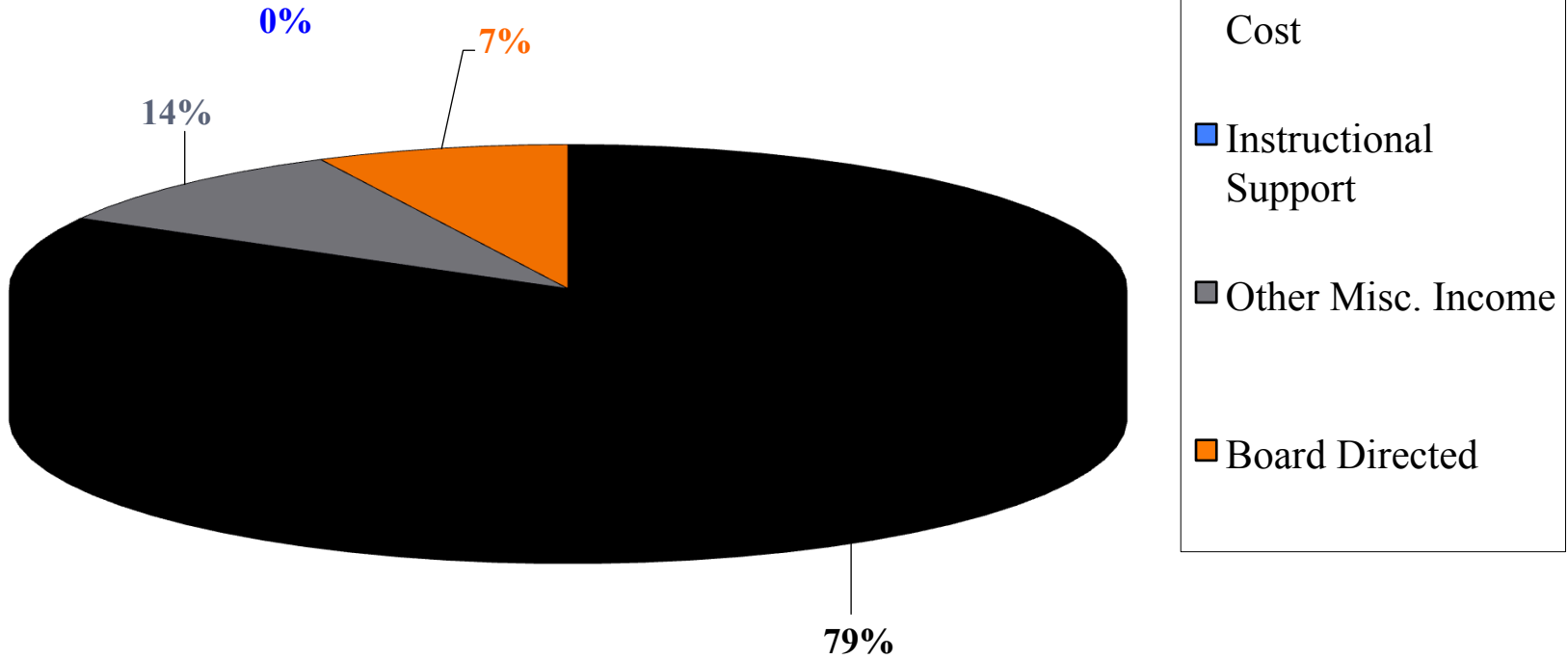
\* Includes AEA Flow Thru

# Property Tax – General Fund

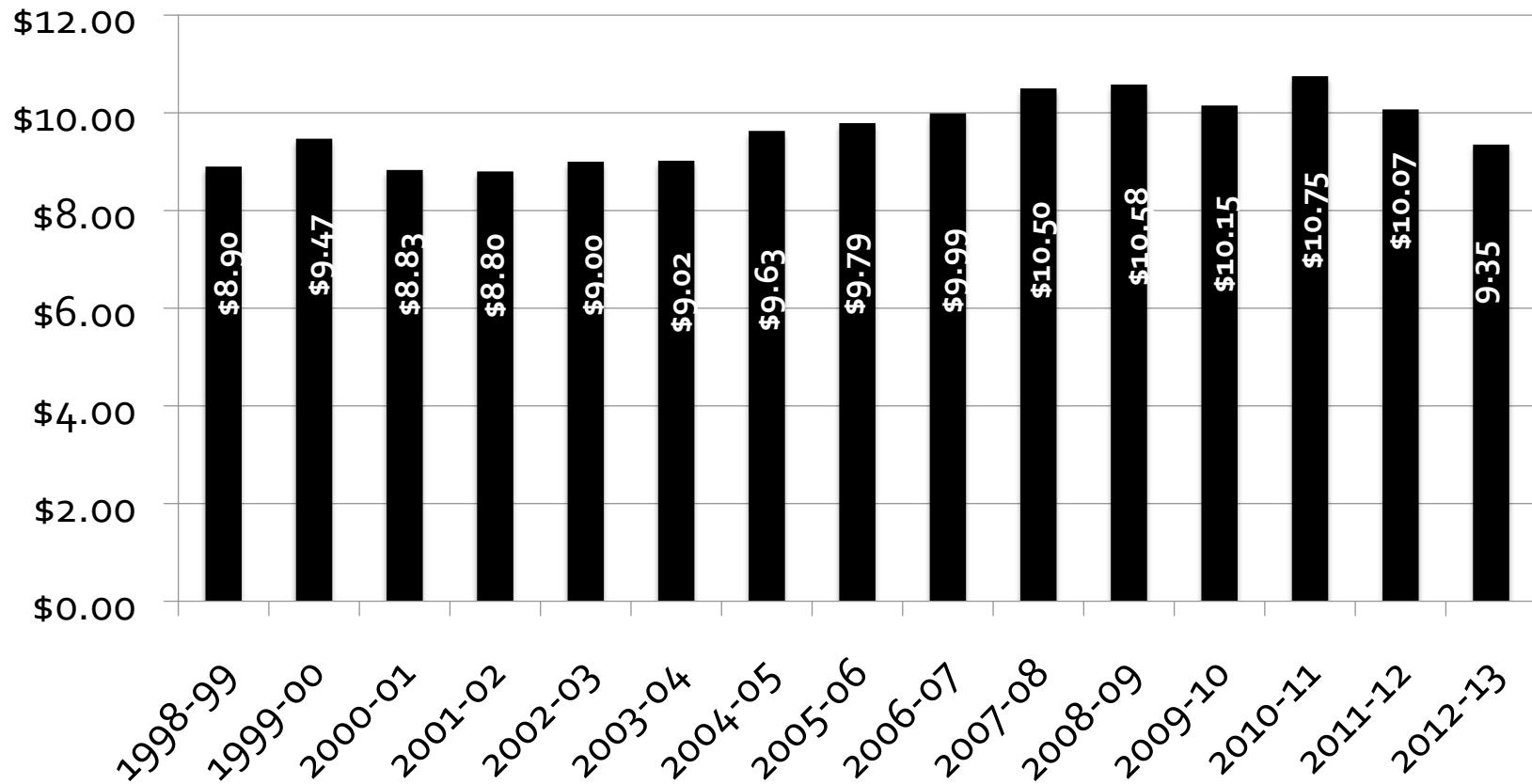
2012 - 2013



# General Operating Fund



# Fifteen Year Historical Comparison of the General Fund Levy



# Property Tax Rates to Finance the General Fund for the FY 13 Budget

Source	Amount	Rate	%Total	Control
Controlled Budget	\$5,681,777	7.93758	73.80%	State
Instruc. Support	\$0	0.00000	0.00%	Voter/Board
Dropout	\$461,779	0.64512	6.00%	Board
Cash Reserve				
Spec. Ed. & SBRC	\$66,478	0.09287		
Cash Reserve Levy	\$480,000	0.67057		
<i>Subtotal Cash Reserve</i>	<i>\$546,478</i>	<i>0.76344</i>	<i>7.10%</i>	<i>Board</i>
Total Gen. Fund	\$6,690,034	9.34614	86.90%	

# Comparative General Fund Tax Rate Data Conference Schools

School District	Tax Rate
Ballard	
Perry	
Winterset	
Carlisle	
Boone	
ADM	
Dallas Center-Grimes	
Carroll	
Saydel	
Bondurant - Farrar	

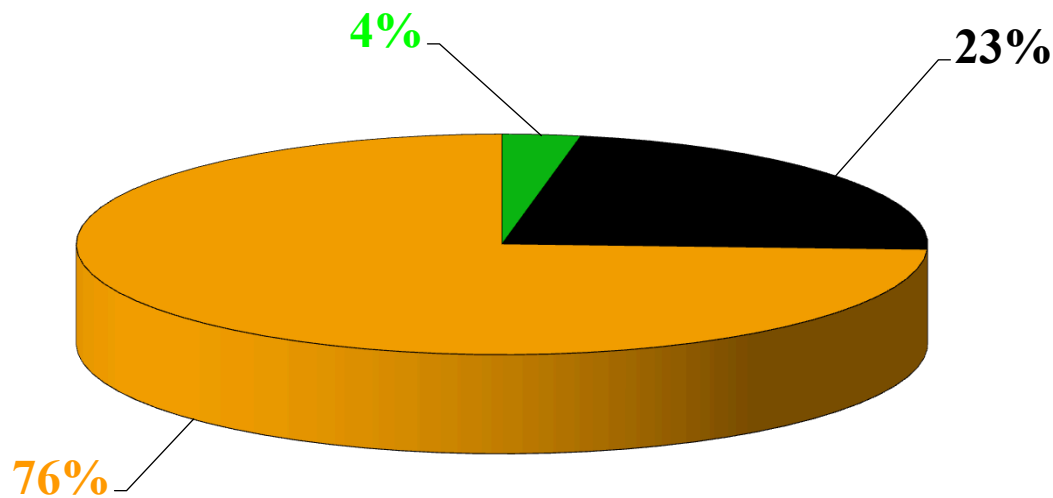
# Comparative General Fund Tax Rate Data Neighboring Schools

School District	Tax Rate
Audubon	
Coon Rapids - Bayard	
South Central Calhoun	
Manning	
East Sac	
AR-WE-VA	
Glidden Ralston	
Carroll	

# FY 2013 Total Tax Levy

**Voter Controlled  
– Debt Service**

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



**State Controlled –  
Combined District Cost**

# Proposed Levy Details: FY 2013 Per 1000 Taxable Valuation

Source	Current Year	Budget Year	Change + (-)
Controlled Levy	\$8.18846	\$7.93758	(-) \$0.25088
Management	\$0.83326	\$0.68314	(-) \$0.15012
Dropout Prevention	\$0.64855	\$0.64512	(-) \$0.00343
ISL	\$0.00000	\$0.00000	\$0.00000
Cash Reserve	\$1.23231	\$0.76344	(-) \$0.46887
Voted PPEL	\$0.00000	\$0.00000	\$0.00000
Board Approved PPEL	\$0.33000	\$0.33000	\$0.00000
Debt Service	\$0.33150	\$0.30213	(-) \$0.02937
<b>Total</b>	<b>\$11.56409</b>	<b>\$10.66141</b>	<b>(-) \$0.90258</b>

# FY 13 Property Tax Levy

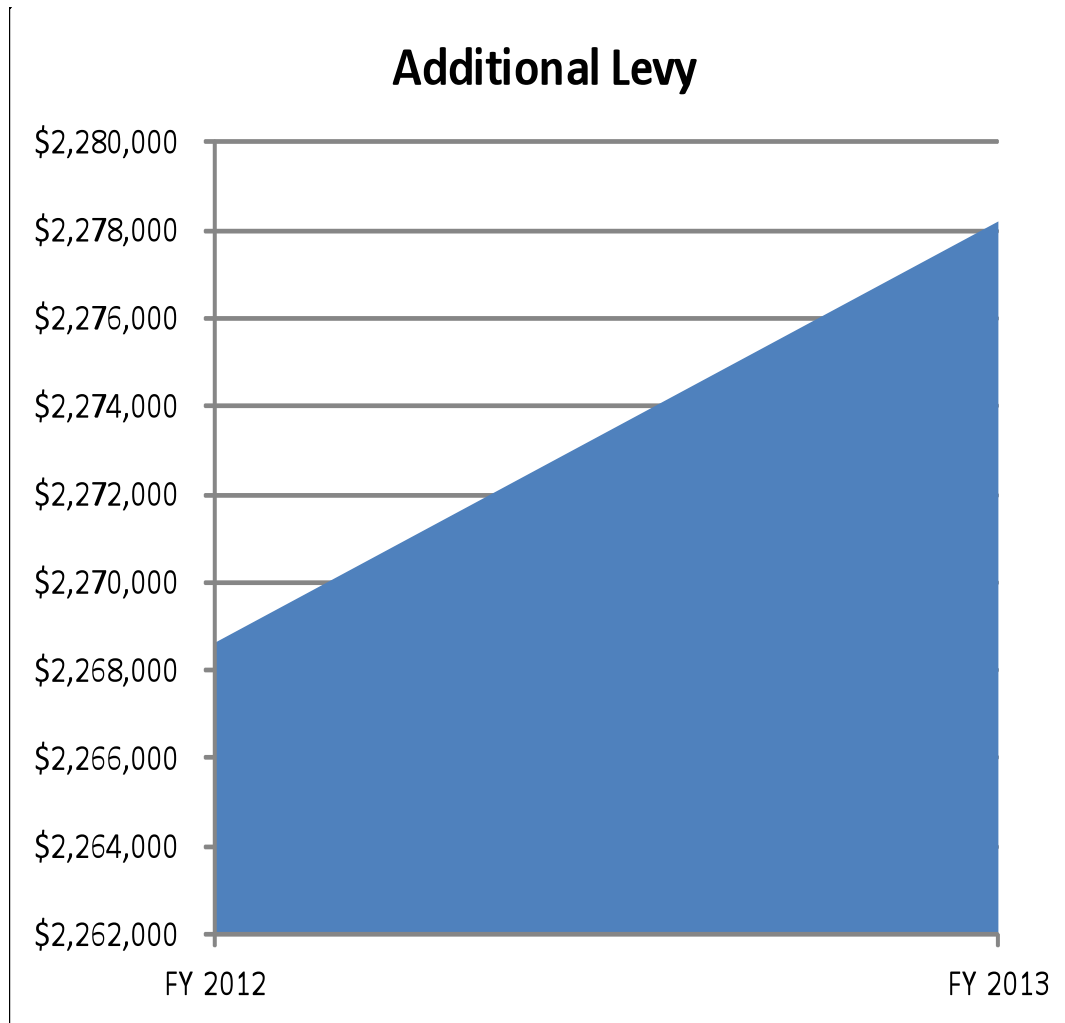
Source	Amount	Rate	%Total	Control
General Fund	\$6,690,034	\$9.34614	87.39%	State/Board
Management	\$489,000	\$0.68314	6.39%	Board
Regular PPEL	\$248,489	\$0.33000	3.25%	Board
Instructional Support	\$0	\$0.00000	0.00%	Board/Voter
Current Debt	\$227,501	\$0.30213	2.97%	Voter
<i>Subtotal Special Revenue</i>	<i>\$964,990</i>	<i>\$1.31527</i>	<i>12.61%</i>	
<b>Total Tax Levy</b>	<b>\$7,655,024</b>	<b>\$10.66141</b>	<b>100.00%</b>	

# Uniform Levy Property Taxes



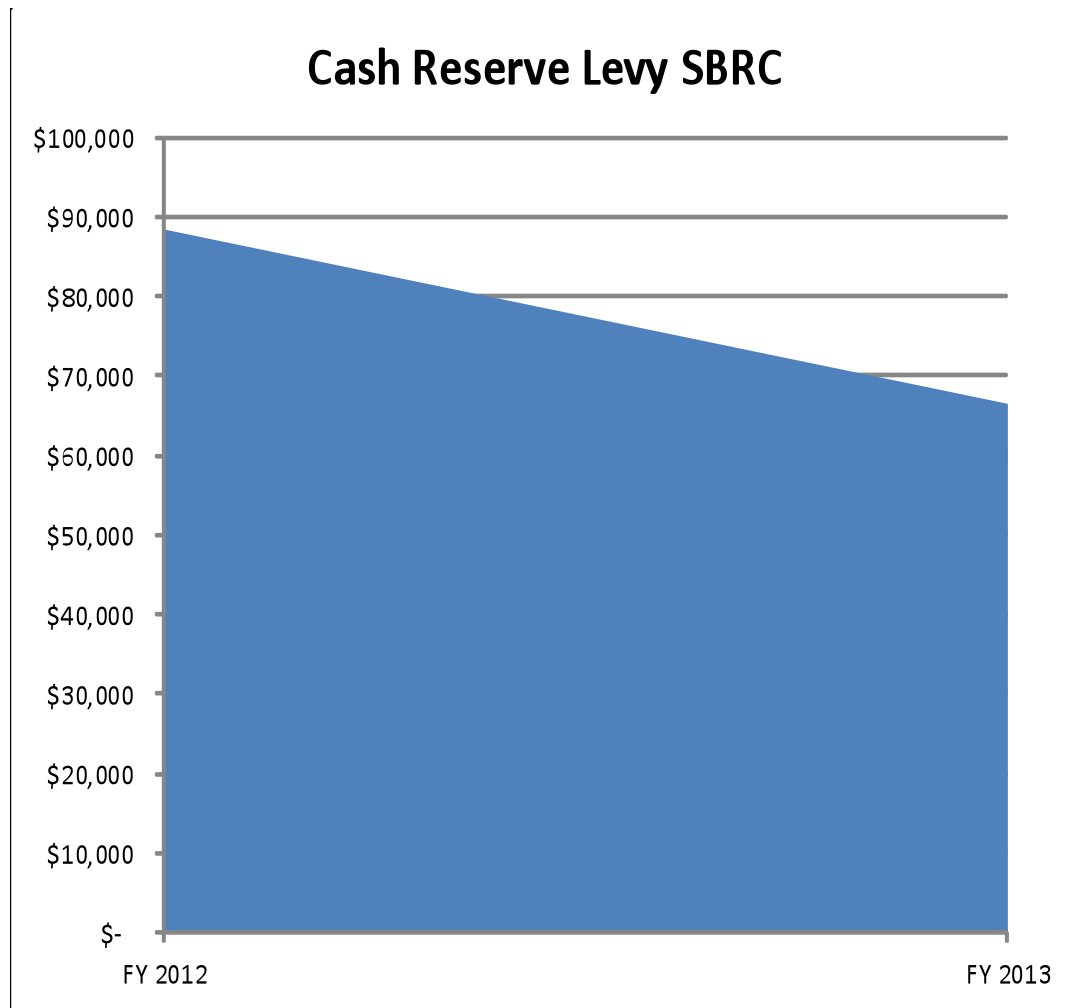
The Carroll School District's Uniform Levy increased by \$301,042. This is a increase of 8.4% compared to FY 2012.

# Additional Levy Property Taxes



The Carroll School District's Additional Levy increased by \$9,567. This is a increase of 0.4% compared to FY 2012.

# Cash Reserve Levy Property Taxes - SBRC



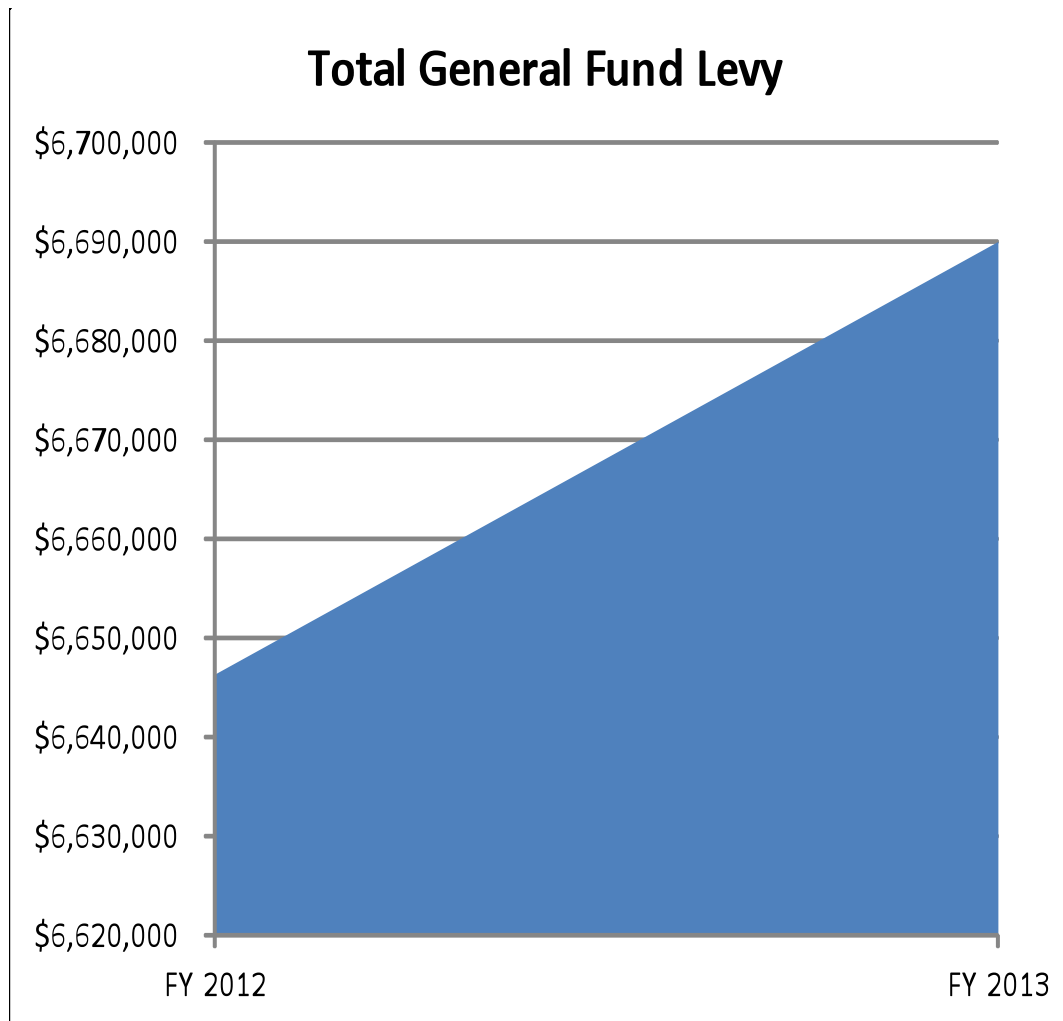
The Carroll School District's Cash Reserve Levy SBRC declined by \$21,921. This is a decrease of 24.8% compared to FY 2012.

# Cash Reserve Levy Property Taxes- Other



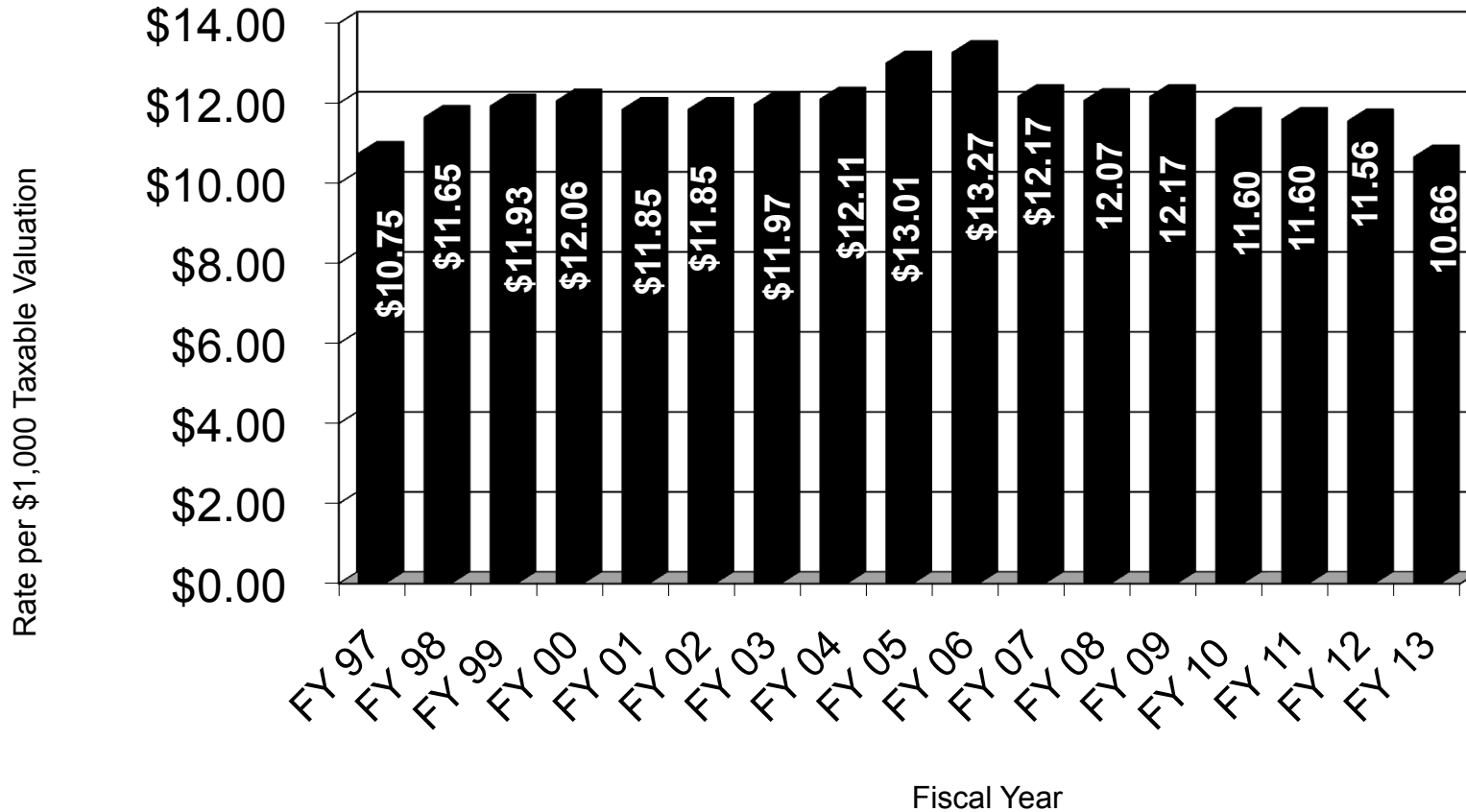
The Carroll School District's Cash Reserve Levy Other declined by \$245,000. This is a decrease of 33.8% compared to FY 2012.

# Total General Fund Levy Property Taxes



The Carroll School District's Total General Fund Levy increased by \$43,688. This is a increase of 0.7% compared to FY 2012.

# Seventeen Year Historical Comparison of the Total Tax Rate



# Comparative Total Tax Rate Data Neighboring Schools

School District	Tax Rate
Audubon	
Coon Rapids - Bayard	
South Central Calhoun	
Manning	
East Sac	
AR-WE-VA	
Glidden Ralston	
Carroll	

# Comparative Total Tax Rate Data Conference Schools

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Saydel	
Bondurant - Farrar	

# Proposed Total Tax Levy for FY 2013

- The proposed budget will require a tax levy of \$10.66141/1000 taxable valuation
- The Current Levy = \$11.56409/1000
- Decrease = \$0.90258/1000

# One cent Levied = \$7,158

- 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 \$6,601.
- One cent levied on the 2012 – 2013 taxable valuation generated \$7,158.

# Recommendations

- 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:
  - \$546,478 for Cash Reserve Levy
  - \$461,779 for At-Risk – Dropout Prevention
  - \$248,489 or 0.33/1000 taxable valuation for Board approved PPEL Levy
  - \$489,000 for the Management Fund Levy

# Questions from the Board?