

ISFLC

Iowa Superintendents Finance
& Leadership Consortium

Welcome

New Superintendents





Amanda Schmidt

ISFLC Director

Today's Agenda

9–9:30 a.m.	Welcome & Introductions, Amanda Schmidt & Mary Sult
9:30–9:45 a.m.	IASB At Your Service, D.T. Magee
9:45–10 a.m.	School Administrators of Iowa, Brad Buck
10–11:30 a.m.	School Finance Basics w/ Mike Guanci & Jan Miller-Hook
11:30 a.m.–12:30 p.m.	Lunch with IASB Affiliated Program Introductions
12:30–3 p.m.	School Finance Basics Continued
3 p.m.	Closing
3:30 p.m.	Adjourn

ISFLC = Learning and Collegiality

Quick Introductions...

A Quick Trip Around the Room

- Please introduce yourself and tell us one thing you would like to share about yourself or your superintendency so far.

ISFLC = Learning and Collegiality

ISFLC
Iowa Superintendents Finance
& Leadership Consortium

Dr. Amanda Schmidt & Dr. Mary Sult

UNI – Program Coordinator–Institute for Educational Leadership &
Director of ISFLC UNI-Director – Institute for Educational Leadership



Clarity – the Key to Success

- As you approach the end of your third month as the superintendent, is it clear to you what the Board wants to accomplish?
- Is it clear to you what the Board wants YOU to accomplish?
- Are there accountability measures built in?

Share with others:

If the answers are **‘Yes!’** how did you arrive at this place?

If the answers are **‘No 😞’** what steps do you need to take to gain clarity?

Iowa Superintendents Finance
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One final thought as we enter the day...



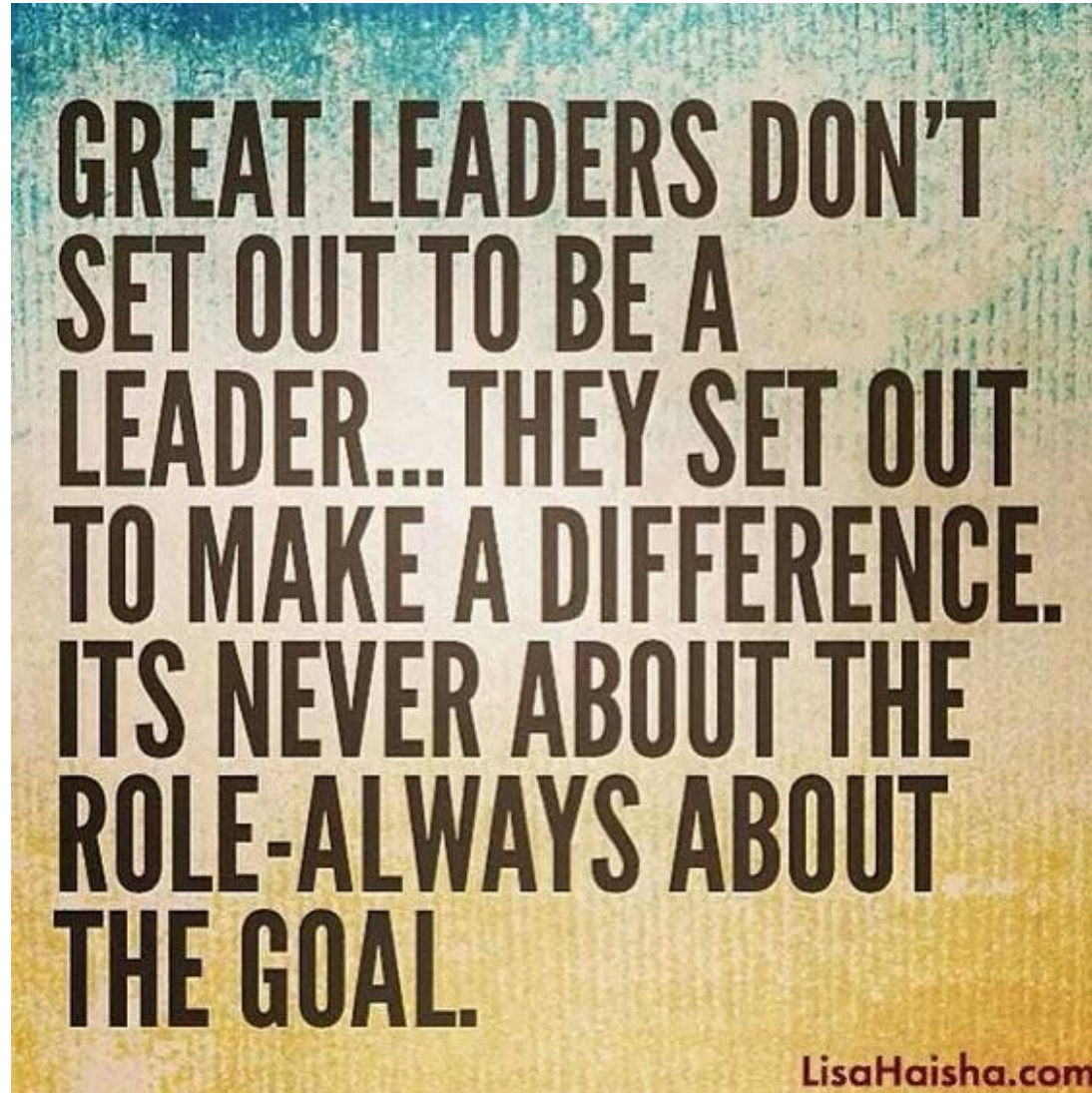
**A true leader has the
confidence to stand alone,
the courage to make tough
decisions, and the
compassion to listen to the
needs of others.**

Douglas MacArthur

funnyMemeFeed.com

A good thought to keep in mind as you embark on a new school year.

Have a great day!



Welcome from IASB



D.T. Magee

Executive Director, IASB

- Better Together: At the Board Table
- The Lighthouse Study
- IASPA Committee
- Stop the Prop
- BoardCon 2026—Nov. 18-20
- Iowa's Everyday Heroes

Welcome from SAI



Brad Buck

SAI Executive Director



Join Superintendents' Collaborative

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Superintendents' Collaborative

KICK-OFF EVENT OCT. 28

with Dr. Shannon King

Program Format & Theme

From Promise to Practice: Building Coherent, Future-Ready School Systems (a five-part series)

Learn more and register online!





Iowa Superintendents Finance
& Leadership Consortium

New Superintendents Conference | September 16, 2026

Iowa School Finance Basics

Jan Miller-Hook

School Finance Director

jmiller-hook@ia-sb.org | 515.247.7031

Mike Guanci

Associate Executive Director, Government Relations & School Finance

mguanci@ia-sb.org | 515.247.7054

- Presentation
- Financial Glossary – there are lots of key terms!
- From D.T's Desk: Top IASB Resources for New Superintendents
- Fund Summary
- Spending Authority Reference Guide
- Key financial Excel files (labeled 1 through 14)
 - 1: General Fund Fiscal Facts
 - 2: District Cost Per Pupil (DCPP) comparisons
 - 3: New Money History
 - 4: SSA/New Money Calculator
 - 5: Enrollment Information
 - 6: Weighting Information
 - 7: Dropout Prevention Program
 - 8: Unspent Authorized Budget (UAB) Report
 - 9: School District Tax Rates
 - 10: School District Taxable Valuation Per Pupil Comparisons
 - 11: Income Surtax Information
 - 12: Categorical Fund Balances
 - 13: Management Fund Balances
 - 14: SAVE Projections

Review your district's data when you see this symbol



IASB Affiliated Programs



Ann Pattison, Regional Director



Iowa Schools Joint Investment Trust

Caleb Walter, VP Investment Services
Cam Draude, Relationship Manager, PMA
Paul Kruse, SVP Director Iowa Office PTMA



Mark Panther, Director of Business
Development



Lora Appenzeller, Senior Advisor, Analytics



Protecting Iowa schools since 1974

Nolan Grimm, CIC Executive VP
Melissa Kauffman, CPCU, CIC



Eric Waters, President, ISEBA Division
Kristi Weigel, Employee Benefits Senior
Account Manager



Goals for Today

- Fiscal Facts
- History, Dillon's Rule and "Home Rule"
- School Finance Formula Principles
- Spending Authority
- Property Taxes
- Fund Accounting – Funding Silos
- Wrap up: Other Helpful Information

The Standards for Effective School Boards

5. Fiscal Responsibility

Sustain and enhance district resources through planning and fiduciary oversight.



Financial Health

Monitors and evaluates the financial health of the district, ensuring accountability and transparency in board decision-making.



Financial Forecasting

Ensures strong financial planning for the district.



Budgeting

Ensures the district budget aligns with district goals and multi-year plans.



Risk Oversight

Ensures sufficient risk management is in place to protect district resources.



Facilities

Ensures school facilities enhance and enrich student and staff learning.

Fiscal Facts





Iowa Association of School Boards School Districts and Area Education Agencies (AEAs) 2026-2027 School Year

473,329

K-12 Budget
Enrollment

22,720

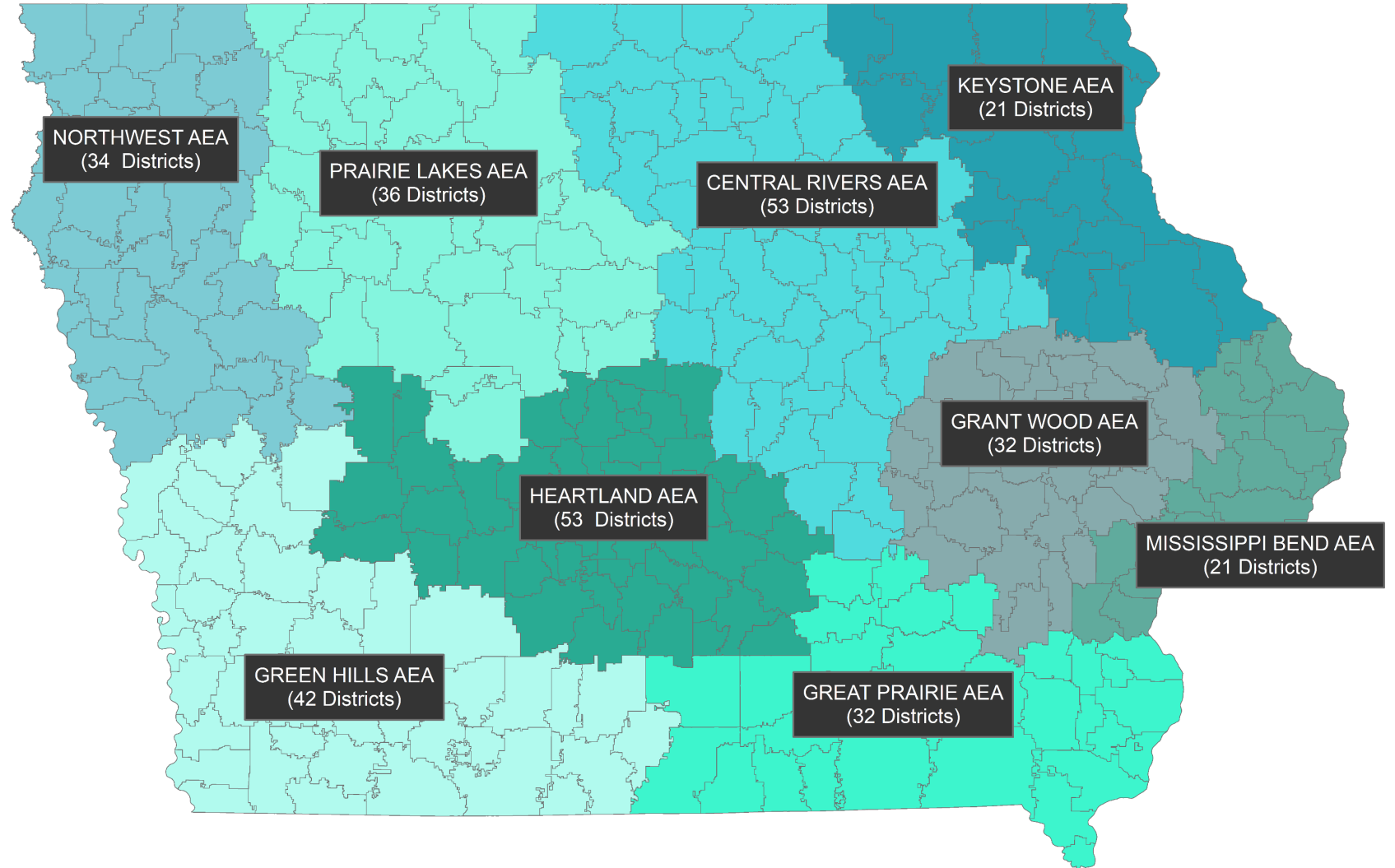
Statewide Voluntary
Preschool Enrollment

324

School Districts

9

Area Education
Agencies (AEAs)



All Funds: Revenues and Expenditures by Fund



FY 2025 All Funds - **Revenues** and **Expenditures**
(in Millions)

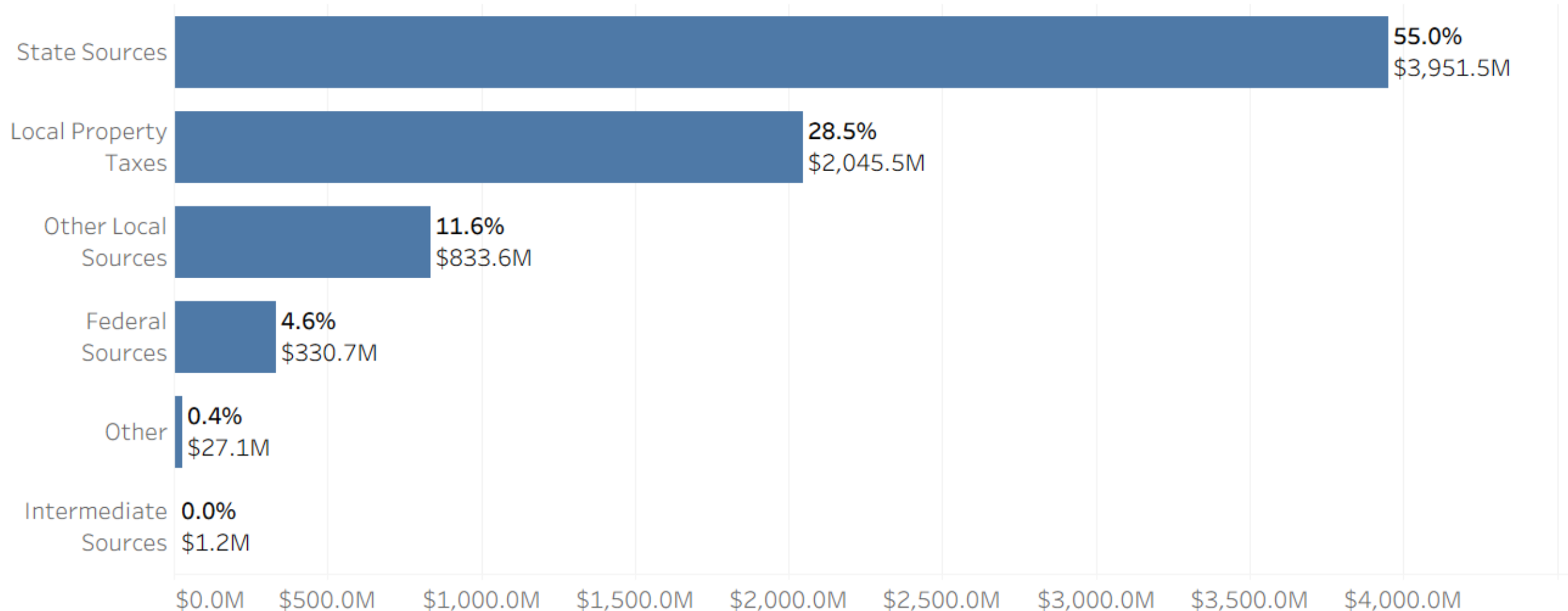


General Fund Revenues — Sources

(See: 1_General Fund Fiscal Facts)



FY 2025 General Fund Revenue — School Districts
\$7,189.2 million

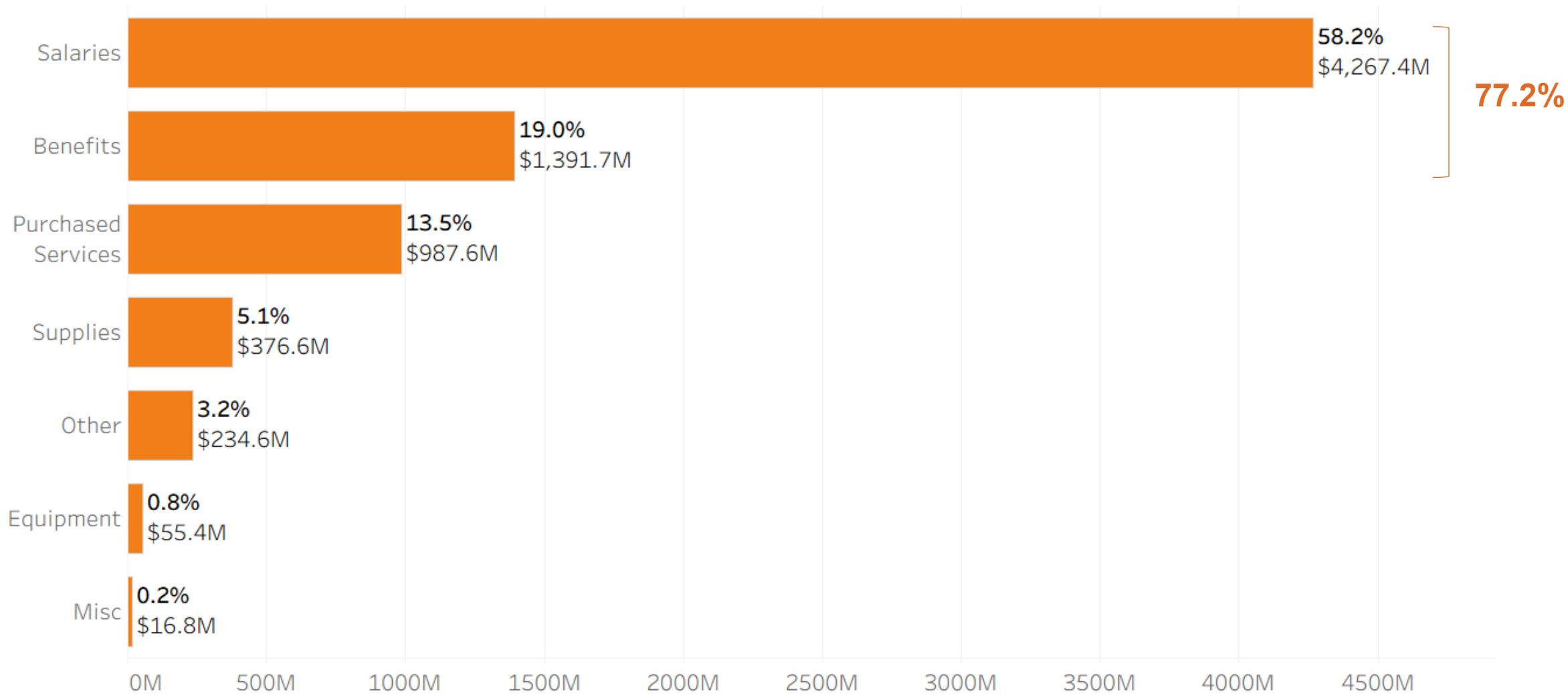


General Fund — Expenditures

(See: 1_General Fund Fiscal Facts)



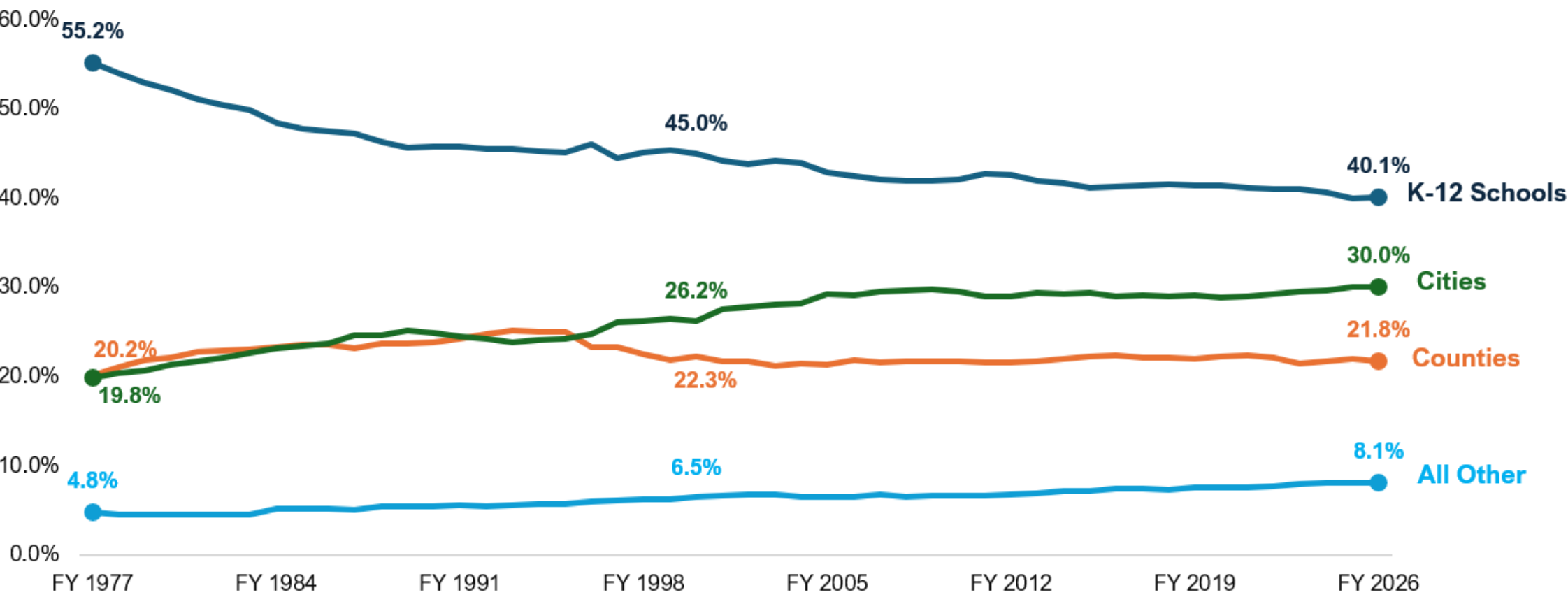
FY 2025 General Fund Object Expenditures — School Districts
\$7,329.6 Million Total



Property Taxes by Taxing Authority



While the portion of property taxes paid to schools has dropped significantly since the 1970s, statewide, it remains the largest amount of property taxes paid by property owners.



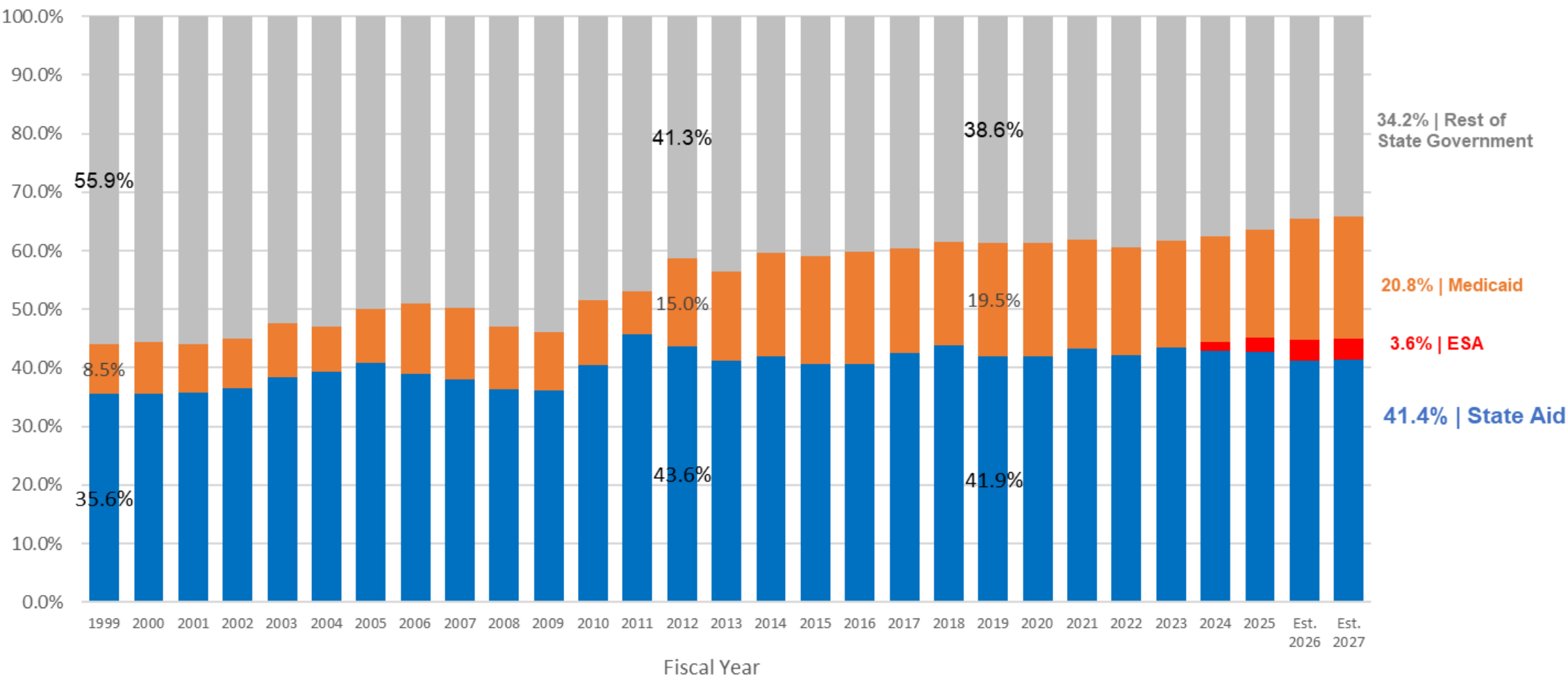
Sources: Iowa Department of Management and IASB analysis and calculations

The school aid formula provides a simple property tax relief mechanism, because of the foundation level.

State School Aid: Impact on the State's Budget

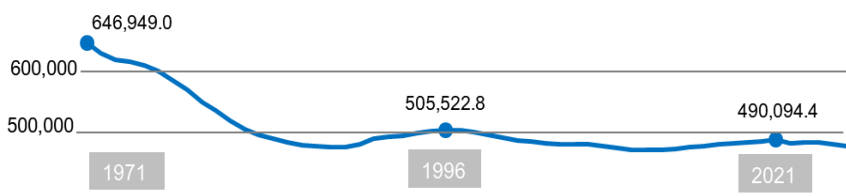


School Aid, ESA, Medicaid: Impact on the State Budget
FY 1999 through Est. FY 2027



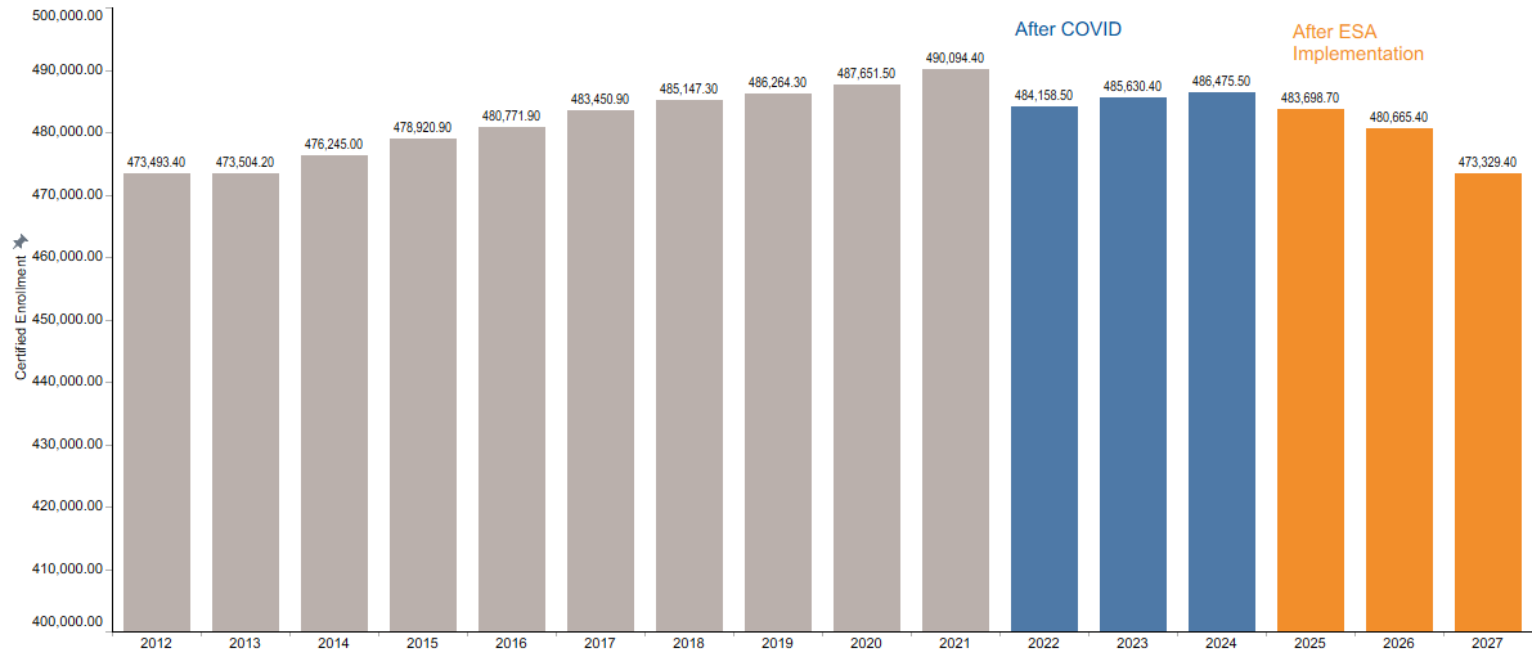
Sources: LSA Tracking files and IASB analysis and calculations

School Aid Formula—Funding is Driven By Enrollments

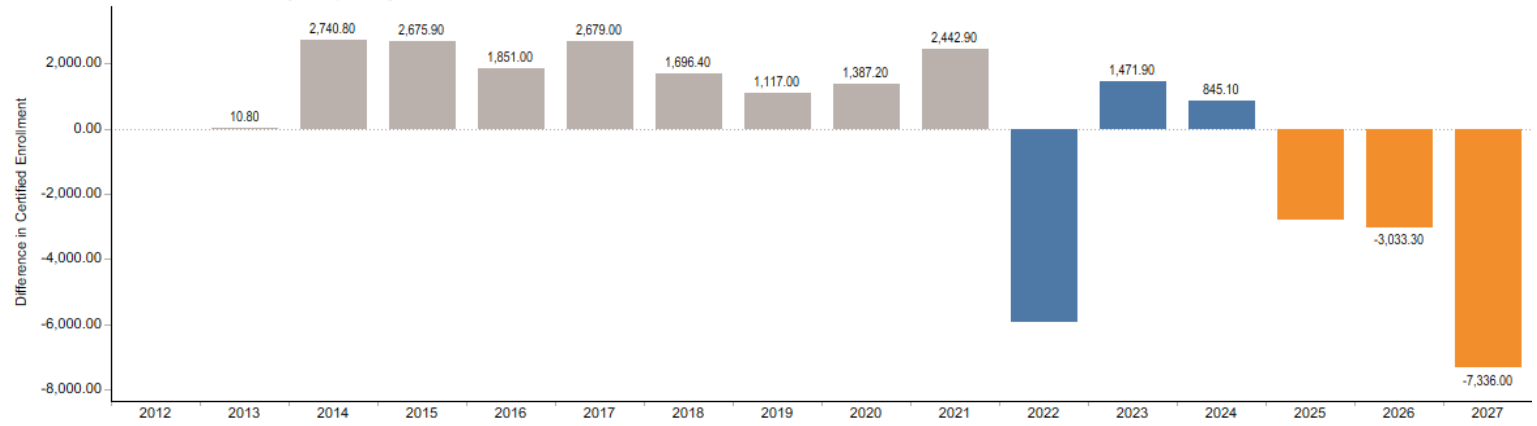


- Was a point-in-time count at the beginning of October, **now two counts: October and January**
- All-time high of 647,000 in 1971.
- Trending up since 2010, until COVID.
- Educational Savings Accounts impact: down 5,811 since October 2022.

School District Enrollment Totals By Budget Year



School District Enrollment Changes By Budget Year



Last 10 Years: Most districts have declined in enrollment



Iowa Association of School Boards Ten-Year Percent Change in Certified Enrollments: October 2015 vs. October 2025

[Click Here for Specific District Information](#)

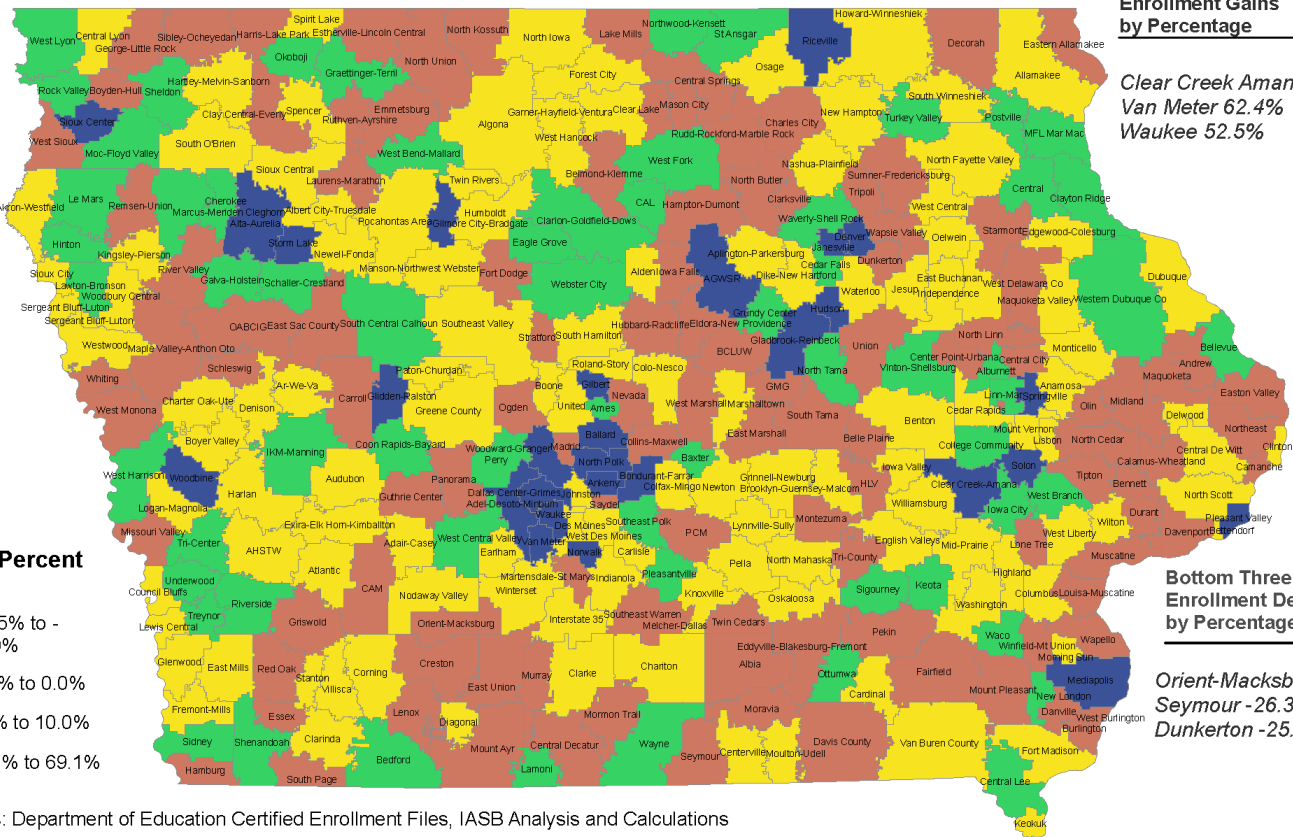
Oct 2015 Total Enrollment	Oct 2025 Total Enrollment	Total Change	Median Change	Median Percent Change
483,451	473,329	-10,122	-41.5	-6.5%

Top Three Enrollment Gains by Percentage

*Clear Creek Amana 69.1%
Van Meter 62.4%
Waukee 52.5%*

Ten-Year Percent Change

- 48.5% to -10.0%
- 9.9% to 0.0%
- 0.1% to 10.0%
- 10.1% to 69.1%



Bottom Three Enrollment Declines by Percentage

*Orient-Macksburg -48.5%
Seymour -26.3%
Dunkerton -25.6%*

Sources: Department of Education Certified Enrollment Files, IASB Analysis and Calculations

Fiscal Facts—Final Thoughts

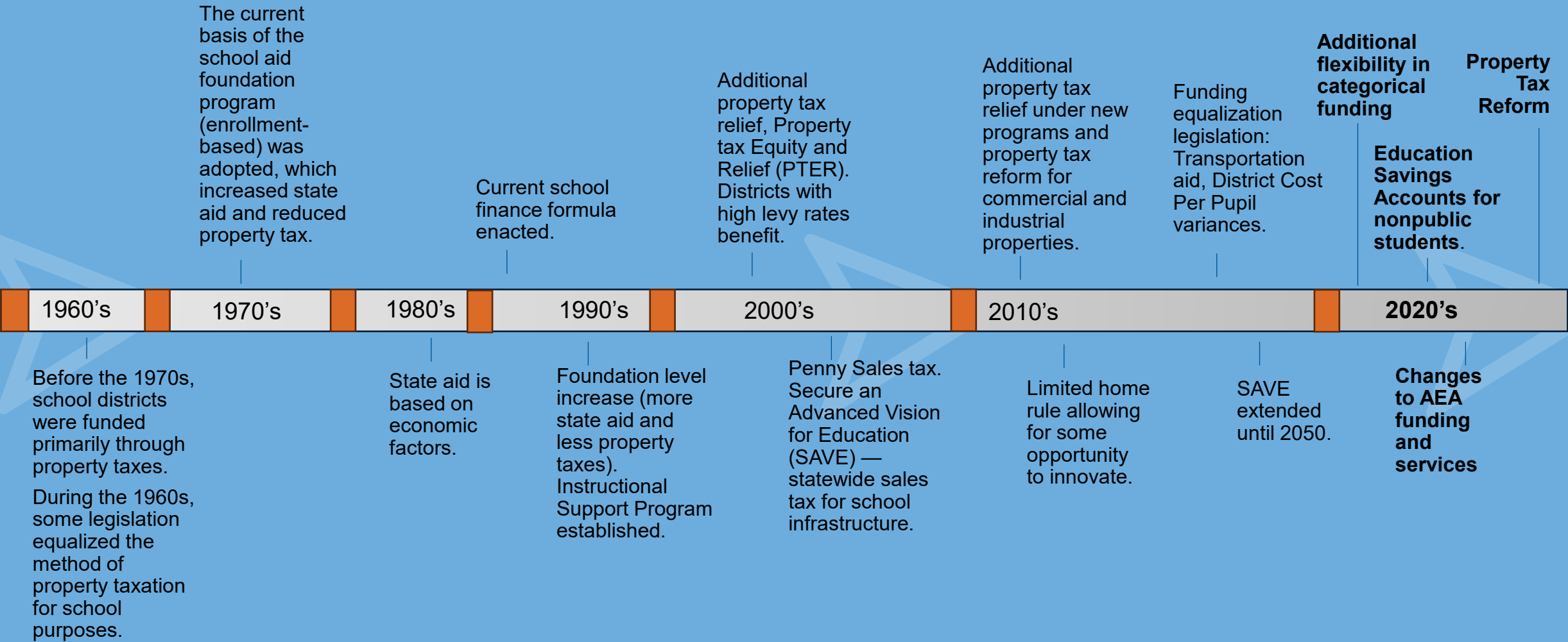


- A district's **general fund** accounts for the most significant portion of revenues and expenditures
- On average, **state aid** accounts for about 55% of general fund revenue, and property tax accounts for 30%
- A school district's percentage of overall **tax revenue** continues to decrease
- On average, **salaries/benefits** account for about 75% - 80% of general fund expenditures
- The **school aid formula** funding accounts for most of the general fund revenues (*and spending authority*)
- **Enrollments** drive school district funding amounts, and a second count date was added.

History, Dillon's Rule and “Home Rule”



School Finance Context - Changes



Dillon's Rule versus Home Rule

School Districts

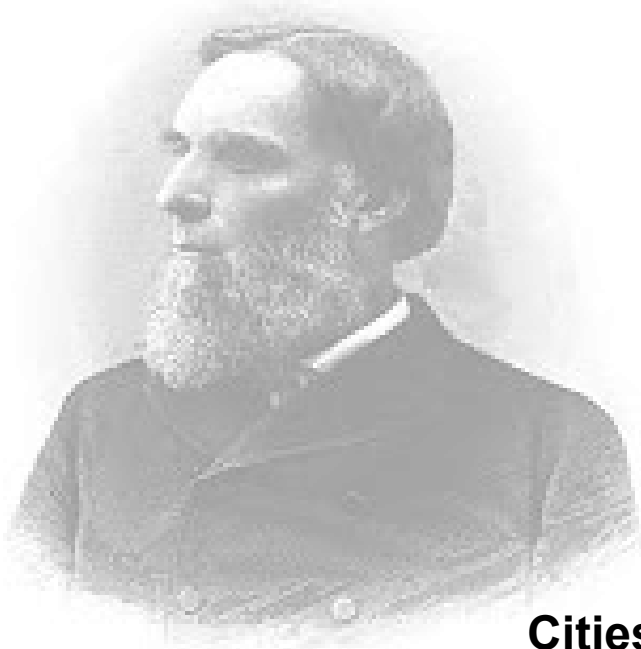
Dillon Rule

- Doctrine of enumerated powers to construe school board authority
- Meaning: Schools can only do what is expressly authorized in law or rule.
- In 2016, Iowa Code changes allow for districts to exercise any board and implied power not inconsistent with the law ... (Home-Rule lite).
- Meaning: There may be some opportunity to innovate if the law doesn't prohibit it.

Cities/Counties

Home Rule

- Constitutional provision that provides cities/counties a broad interpretation of authority.
- Meaning: cities and counties can manage their own affairs as they deem appropriate so long as the law doesn't expressly prohibit it.



John A. Dillon

What is it not?

School boards do not have the authority to:

- Levy a tax unless expressly authorized by the legislature;
- Charge students or families a mandatory fee unless expressly authorized by the legislature;
- Adopt or enforce policies that would unreasonably interfere with the duties or responsibilities of local, state, or federal law enforcement agencies; and
- Adopt a policy or initiative that conflicts with municipal or county government or is inconsistent with federal or state laws or administrative rules.

Considerations:

- Is it may or shall Code language?
 - Can existing school law be broadly interpreted?
-

- Not full Home Rule, just “lite”
- Expect pushback
- Seek school attorney advice upfront

School Finance Formula Principles



Purpose of the Finance Formula



FINANCING SCHOOL PROGRAMS, §257.1

CHAPTER 257 FINANCING SCHOOL PROGRAMS

ferred to in §256.25A, 256B.2, 256B.9, 256C.4, 256C.5, 256E.8, 256F.4, 260C.18B, 273.3, 273.9, 273.23, 274.3, 282.3, 284.11, 284.13, 284.15, 285.2, 298.1, 301.1, 331.512, 465A.4

.1	State school foundation program — state aid.	257.26	Instructional support income surtax distribution.
2	Definitions.	257.27	Continuation of instructional support program.
3	Foundation property tax.		Enrichment levy.
4	Additional property tax.	257.28	Educational improvement program.
5	Continuation of supplemental aid.	257.29	School budget review committee.
6	Enrollment.		Duties of the committee.
7	Authorized expenditures.	257.30	Area education budget review.
8	State percent of growth — supplemental state aid.	257.31	Prior enrichment approval.
9	State cost per pupil.	257.32	Cash reserve information.
.10	District cost per pupil — district cost.	257.33	Area education agency payments.
.11	Supplementary weighting plan.	257.34	Special education support services balances.
.11A	Supplementary weighting and school reorganization.	257.35	Funding media and educational services.
.11B	Education savings account program.	257.36	Area education agency salary supplement funding.
.12	Adjustment in state foundation aid.	257.37A	Funding for at-risk, alternative school, and returning dropouts and dropout prevention programs — plan.
.13	On-time funding budget adjustment.	257.38	Definitions — potential dropouts and returning dropouts.
.14	Budget adjustment.		Approval of requests for modified supplement amounts for adopted program plans.
.15	Property tax adjustment.		Funding for programs for returning dropouts and dropout prevention.
.16	Appropriations.	257.39	Gifted and talented children. Program plans.
.16A	Property tax equity and relief fund.	257.40	Gifted and talented children defined.
.16B	School district property tax replacement payments.		Submission of program plans.
.16C	Transportation equity program — fund — appropriation.	257.41	Funding.
.16D	Foundation base supplement fund.	257.42	Cooperation by area education agencies.
.17	Aid reduction for early school starts.	257.43	Advisory council.
.18	Instructional support program.	257.44	Duties of advisory council.
.19	Instructional support funding.		Federal assistance — school
20	Instructional support state aid appropriation.	257.45	
21	Computation of instructional support amount.	257.46	
22	Statutes applicable.	257.47	
23	Form and time of return.	257.48	
24	Deposit of instructional support	257.49	
		257.50	

- Equalize educational opportunity.
- Provide good education for all Iowa children.
- Provide property tax relief.
- Decrease the percentage of school costs paid from property tax.
- Provide reasonable control of school costs.

“State School Foundation Program”



Iowa's School Aid Formula:

- Impacted by legislative policy decisions (Supplemental State Aid and others)
- Implemented by the Department of Management (Aid and Levy Worksheet)
- Determines generated spending authority
- Determines the state aid and property tax mix based on the foundation levels
- Driven by district enrollments/weightings and per pupil funding levels
- Allows for some local discretion

Principles and Goals—School Finance Formula



- Equity in Expenditure
- Property Tax Relief
- Equalization in Taxation
- Provide Uniform State Aid Allocation Formula
- Predictable
- Simple
- Pupil Driven
- Provide for Local Discretion/Incentives
- Establish Maximum Spending Control→**Spending Authority**

Does Iowa's school aid formula meet these criteria?

Spending Authority



Spending Authority—Most Important Concept



- Provides Funding Equity
- General Fund only
- Not cash, just a long calculation
- Go negative → you have broken the law → work out plan needed
- **#1** Financial measure is the Unspent Authorized Budget (UAB) Ratio
- Managing spending authority and establishing goals for an unspent balance is key in the financial management of a district

$$\begin{array}{ccccc} \text{Unspent Authorized Budget Balance} & \div & \text{Maximum Spending Authority} & = & \text{UAB Ratio Equation (\%)} \end{array}$$

Spending Authority—Important Concept



- **Spending Authority: Generated on an annual basis**
 - Applies to the general fund only
 - School aid formula generates the majority (about 67% on average)
 - Others: tuition-in, state grants, federal grants
 - **Districts are limited on what they can spend annually**
- **Maximum Authorized Budget – the sum of Spending Authority generated and the prior year's UAB amount:**
 - Spending is capped at that level
 - **Overspending violates the law**
- **Unspent Authorized Budget – UAB (also called Unspent Balance) – the amount of spending authority remaining at the end of the year**
 - Needed balance to have a buffer from overspending and manage through uncertain financial times
 - **Should not be less than \$0**

Comparison of Concepts

KEY MEASURE	DEFINITION	TARGET	QUESTION TO BE ANSWERED?
Solvency Ratio	Percent of unobligated funds (cash)	7-17%, recommended not to exceed 25%	Can we manage short and long-term unexpected demands on cash?
Unspent Authorized Budget (UAB)	Percent of remaining spending authority	5-15%, recommended not to exceed 25% (<0%: report to SBRC) CANNOT CARRYFORWARD MORE THAN 35%	Are we within legal minimums or maximums? What do trends tell us? Required SBRC workout plan if negative
Annual Unspent Spending Authority	Percent of annual authority that is spent in current year	Build to UAB Ratio goal – stabilize at 100%	Are we spending authority generated for a given year, using prior years spending authority or building levels too high?

Spending Authority vs. Cash

	Spending Authority	Cash
Determination	Legislative Calculation - Annual	Accounting calculation – Point in time
Related fiscal measure	UAB Ratio	Solvency Ratio
If negative balance at year end?	On your way to the SBRC	You could borrow cash

Not All Spending Authority Comes with Cash



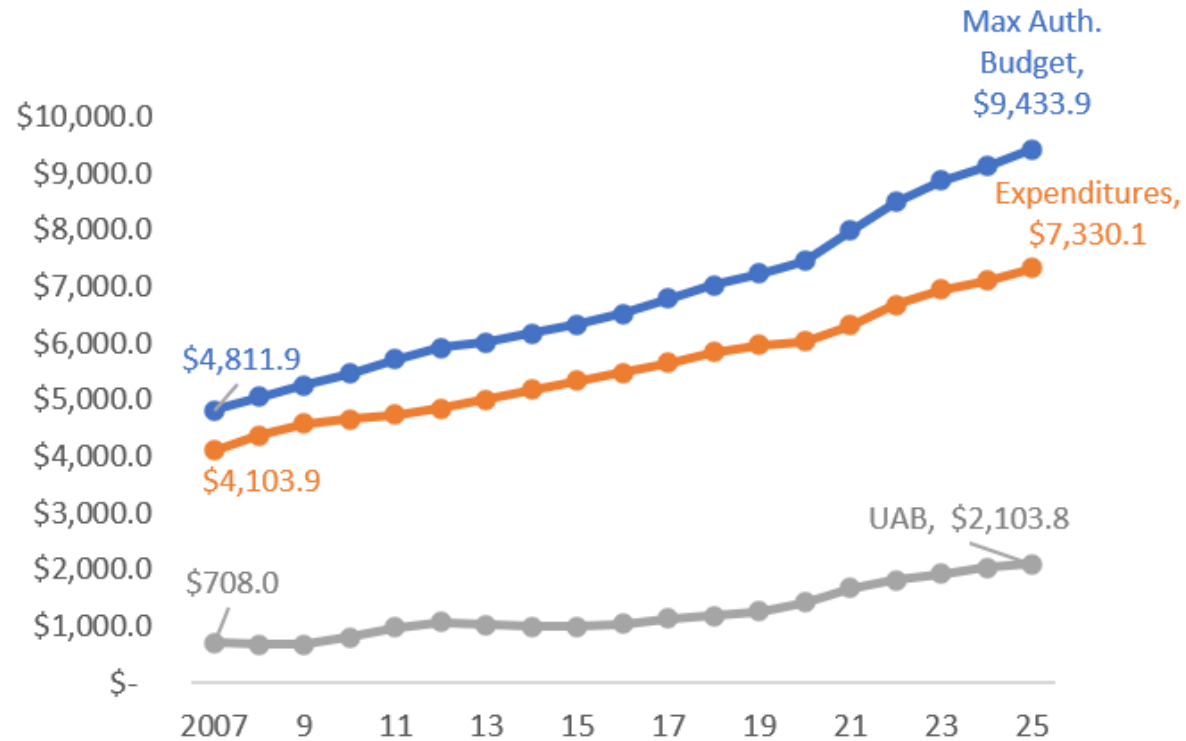
SPENDING AUTHORITY VS. CASH

Spending Authority		Revenue Source
Regular Program District Cost	→	State Aid & Property Tax
Supplementary Weighting	→	State Aid & Property Tax
Special Ed District Cost	→	State Aid & Property Tax
Teacher Salary Supplement	→	State Aid
Prof Dev Supplement	→	State Aid
Early Intervention	→	State Aid
Teacher Leadership Compensation	→	State Aid
AEA Support	→	State Aid & Property Tax
SBRC Modified Amounts	→	No Cash Source
Preschool Foundation Aid	→	State Aid
Instructional Support Authority	→	Income Surtax & Property Tax
Ed Improvement Authority	→	Income Surtax & Property Tax
Other Miscellaneous Income	→	All Revenues, except State Aid/Property Tax
Unspent Authority Budget - Previous Year	←	No Additional Cash
No Spending Authority		Cash Reserve Levy

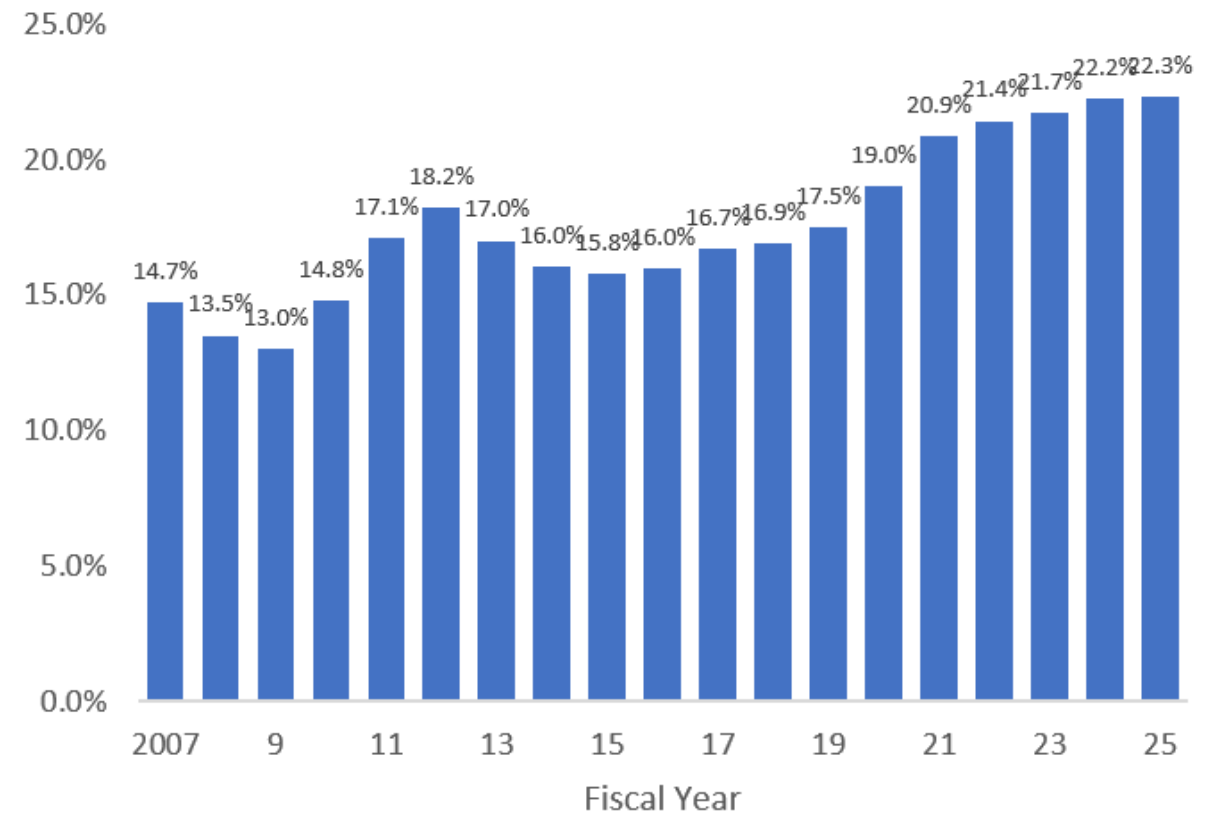
Spending Authority—Statewide Look



Annual Spending Authority: FY 2007 to FY 2025
(Dollars in Millions)



Unspent Authorized Budget as a Percent of Maximum Authorized Budget (UAB %)



SF 2472 | Unspent Balance Carryforward Maximum

Caps the unspent balance that a district can carry forward into a future fiscal year, based on its budget from two years prior.

FY 2025

Lookback Period

Calculates 35% of the Maximum Authorized Budget

FY 2026

Carryforward Year

Districts' ending unspent balance is tested against the FY 2025 cap.

FY 2027

Budget Year

New limit takes effect in FY 2027

35% of a district's FY2025 Maximum Authorized Budget is the ceiling on how much unspent balance can carry forward into FY2027.

The carryforward available in FY 2027 is the **LESSER** of:

35% x FY 2025 Max Authorized Budget vs. Actual FY 2026 Ending Unspent Authorized Budget

Outcome A

Under the cap

The district's actual FY 2026 carryforward is less than the 35% limit, so the full unspent balance carries forward into FY27.

Outcome B

Capped at 35%

The district's actual FY25 carryforward exceeds the 35% limit, so only the capped amount carries forward, and the excess is not available in FY27.

A district may petition the School Budget Review Committee (SBRC) to exceed the limit. This requires an SBRC Hearing Request, followed by a cover letter, a narrative of need, a local impact statement, an unspent balance policy, and board minutes authorizing the request.

Outcome A

Under the cap

Spending Authority Category		Actual FY 2025	Estimated FY 2026	Estimated FY 2027
Maximum District Cost	=	15,036,374	15,456,604	15,528,735
% change in Miscellaneous Income		-4.2%	2.7%	0.0%
Other Miscellaneous Income	+	3,700,137	3,800,000	3,800,000
Unspent Auth Budget - Previous Year or Under 35% Cap 2 years prior	+	3,758,986	3,933,810	4,469,682
Maximum Authorized Budget	=	23,515,108	24,219,682	24,817,317
% Change in Expenditures		2.3%	0.9%	1.3%
Expenditures	-	19,581,298	19,750,000	20,000,000
Unspent Authorized Budget	=	3,933,810	4,469,682	4,817,317
Max Carryforward in Two Years		8,230,288	8,476,889	8,686,061
UAB Ratio		16.7%	18.5%	19.4%

Outcome B

Capped at 35%

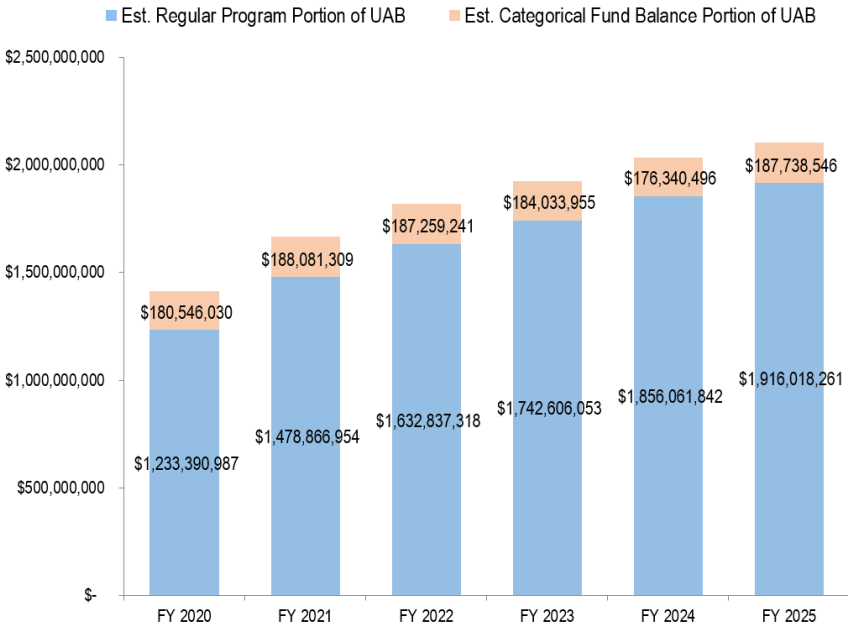
Spending Authority Category		Actual FY 2025	Estimated FY 2026	Estimated FY 2027
Maximum District Cost	=	24,894,577	25,680,018	26,367,819
% change in Miscellaneous Income		-14.1%	2.6%	4.8%
Other Miscellaneous Income	+	3,022,355	3,100,000	3,250,000
Unspent Auth Budget - Previous Year or Under 35% Cap 2 years prior	+	19,034,045	19,092,519	16,904,754
Maximum Authorized Budget	=	48,299,297	49,278,223	47,985,495
% Change in Expenditures		7.6%	2.7%	1.7%
Expenditures	-	29,206,778	30,000,000	30,500,000
Unspent Authorized Budget	=	19,092,519	19,278,223	17,485,495
Max Carryforward in Two Years		16,904,754	17,247,378	16,794,923
UAB Ratio		39.5%	39.1%	36.4%

A loss of \$2.4 million in spending authority.
This does not affect cash balances.

Categorical Fund Balances Impact UAB



Top Program Areas	FY 2020		FY 2021		FY 2022		FY 2023		FY 2024		FY 2025	
Teacher Leadership State (3116)	\$	45,034,269	\$	44,481,818	\$	40,396,594	\$	42,996,920	\$	45,941,408	\$	51,324,975
Gifted and Talented Programs (1118)	\$	25,166,086	\$	26,488,269	\$	27,095,189	\$	27,107,461	\$	24,811,288	\$	23,285,304
Professional Development (3376)	\$	27,222,053	\$	29,780,267	\$	30,277,772	\$	29,041,632	\$	25,319,808	\$	23,004,472
Four-year-old Preschool (3117)	\$	19,707,951	\$	22,798,211	\$	22,279,602	\$	21,417,004	\$	21,712,272	\$	19,614,100
Other Restricted (6000-9999)	\$	5,100,100	\$	3,126,052	\$	3,399,202	\$	2,717,021	\$	2,870,968	\$	13,836,705
Home School Assistance Program (1113)	\$	11,565,627	\$	12,553,996	\$	13,610,998	\$	13,724,731	\$	13,179,052	\$	12,579,276
Teacher Salary Supplement (3204)	\$	9,688,353	\$	9,475,095	\$	7,471,032	\$	5,435,460	\$	6,609,445	\$	10,189,690
Successful Progression for Early Readers (3342)	\$	11,034,371	\$	10,562,825	\$	9,726,718	\$	8,096,126	\$	7,188,941	\$	5,907,836
Iowa Early Intervention Block Grant (3216)	\$	2,399,029	\$	1,936,721	\$	2,401,275	\$	2,468,736	\$	2,429,709	\$	4,834,386
Returning Dropouts and Dropout Prevention Programs (1119)	\$	7,024,734	\$	7,886,249	\$	7,476,358	\$	6,470,970	\$	5,188,714	\$	3,533,261
Limited English Proficient (1112)	\$	3,465,024	\$	3,666,921	\$	3,705,768	\$	4,869,795	\$	4,493,622	\$	3,167,092
Other Categoricals*	\$	8,178,354	\$	6,729,521	\$	6,846,367	\$	7,710,172	\$	7,831,075	\$	8,447,126
Flexibility Funds	\$	2,077,756	\$	3,060,533	\$	6,864,322	\$	8,231,964	\$	6,207,627	\$	7,178,849
Sub-Total Categorical Fund Balance	\$	177,663,708	\$	182,546,477	\$	181,551,197	\$	180,287,990	\$	173,783,929	\$	186,903,072
*See categorical program by balance for a complete list												
Special Education Balance	\$	2,882,322	\$	5,534,832	\$	5,708,044	\$	3,745,965	\$	2,556,567	\$	835,474
Total Categorical Fund Balance**	\$	180,546,030	\$	188,081,309	\$	187,259,241	\$	184,033,955	\$	176,340,496	\$	187,738,546



- Restricted Fund Balance = Categorical Fund Bal.
- Has an impact on the overall UAB
- SBRC is monitoring this

Table - Spending Authority Breakdown for:

Spending Authority: Unspent Authorized Budget Amounts, Total, Regular Program, and Categorical

	FY 2020		FY 2021		FY 2022		FY 2023		FY 2024		FY 2025	
Unspent Authorized Budget (UAB)	\$	1,413,937,017	\$	1,666,948,263	\$	1,820,096,559	\$	1,926,640,008	\$	2,032,402,338	\$	2,103,756,807
UAB Percentage		19.0%		20.9%		21.4%		21.7%		22.2%		22.3%
Est. Regular Program Portion of UAB	\$	1,233,390,987	\$	1,478,866,954	\$	1,632,837,318	\$	1,742,606,053	\$	1,856,061,842	\$	1,916,018,261
Est. Reg. Program UAB Percentage		16.6%		18.5%		19.2%		19.6%		20.3%		20.3%
Est. Categorical Fund Balance Portion of UAB	\$	180,546,030	\$	188,081,309	\$	187,259,241	\$	184,033,955	\$	176,340,496	\$	187,738,546
Est. Categorical Fund UAB Percentage		2.4%		2.4%		2.2%		2.1%		1.9%		2.0%

Unspent Authorized Budget Ratio and Solvency Ratio

Where's Your District? (See: 1_General Fund Fiscal Facts)



UAB/Solvency		SOLVENCY RATIO				
	Status	Less than 0.0%	0.0% to 7.0%	7.0% to 17.0%	17.0% to 25.0%	Above 25.0%
Unspent Authorized Budget (UAB) Ratio	Less than 0.0%	Very High Concern	Very High Concern	Very High Concern	Very High Concern	Very High Concern
	0.0% to 5.0%	High Concern	Concern	Concern	Concern	Concern
	5.0% to 15.0%	High Concern	Acceptable	Best	Best	Caution - May be Excessive
	15.0% to 25.0%	High Concern	Acceptable	Good	Good	Caution - May be Excessive
	Above 25.0%	High Concern	Caution - May be Excessive	Caution - May be Excessive	Caution - May be Excessive	Caution - May be Excessive

Status of Districts - Based on FY 2025 Data		
Matrix Position	# of Districts	% of Districts
Very High Concern	3	0.9%
High Concern	11	3.4%
Concern	4	1.2%
Caution - May be Excessive	182	56.0%
Acceptable	24	7.4%
Good	75	23.1%
Best	26	8.0%

IASB Recommendations for UAB and Solvency:

- UAB ratio between 5.0%-15.0%, not to exceed 25.0%
- Solvency ratio between 7.0% to 17.0%, not to exceed 25.0%

Policy recognizes Board's fiduciary responsibility in overseeing management of school district funds as follows:

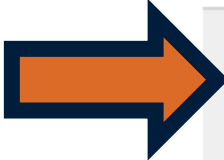
- Engaging in learning about district finances including a review of district financial trends
- Committing to annual financial goal setting/review based on measurable data and projections for the district
- District's philosophy regarding the requesting of modified supplemental amount in spending authority

Board will be provided the following financial indicators as of the previous fiscal year for a minimum of x years:

- Total revenues and expenditures by fund and major sources
- Financial Solvency Ratio
- Unspent Authorized Budget Ratio
- Unspent Authorized Budget Ratio Net of Restricted Fund Balances
- Enrollment Trend
- Staff costs as a percentage of total general fund costs

- Also included in the regulation are the following:
- Projections for x years
- Financial metric goals for the following:
 - Unspent Authorized Budget Ratio
 - Unspent Authorized Budget Net of Restricted Fund Balances
 - Solvency Ratio

Policy 701.05 New Verbiage



Policy 701.05: Fiscal Management

Status: ADOPTED

Original Adopted Date: 01/26/2023 | **Last Revised Date:** 05/21/2026 | **Last Reviewed Date:** 05/21/2026

The Board recognizes its fiduciary responsibility to oversee the management of school district funds in keeping with the school district vision, mission and goals. To achieve this purpose, the board may engage in learning about the financial needs, operations and requirements of the school district as appropriate for the board's understanding of the district's financial position. The Board also commits to engaging in annual financial goal setting for the district based upon measurable data and projections for the school district.



Monthly, the Superintendent, in coordination with the Treasurer, will provide the board with accurate reports showing the receipts, disbursements, and balances for each fund, cashflow needs, the investment portfolio, and any other reports showing the financial condition of the school district. After the fiscal year has closed, the Superintendent, in coordination with the Treasurer will provide to the Board concise, timely, well organized financial data for that fiscal year. The Board will exercise its oversight responsibilities by reviewing relevant PK-12 public education sector indicators to understand the financial trends of the district.



The Board will establish and review financial goals and fiscal management performance measures annually and publish in the minutes. The District will measure whether these goals were obtained as of June 30, but only after completion of the Certified Annual Report due September 15th each year.

Building Blocks of Spending Authority



Building Blocks to Determine District's Maximum Spending Authority



Spending Authority Components

Previous Unspent Balance
Misc. Income
SBRC - Modified Supp. Amount
ISL and Ed. Improvement
Preschool Formula
Dropout Prevention
AEA Flow-through
State Categorical Supplements
Supp. Weight
Special Ed. Weighting
Total Regular Program

Combined
District Cost
Components

Revenue Sources

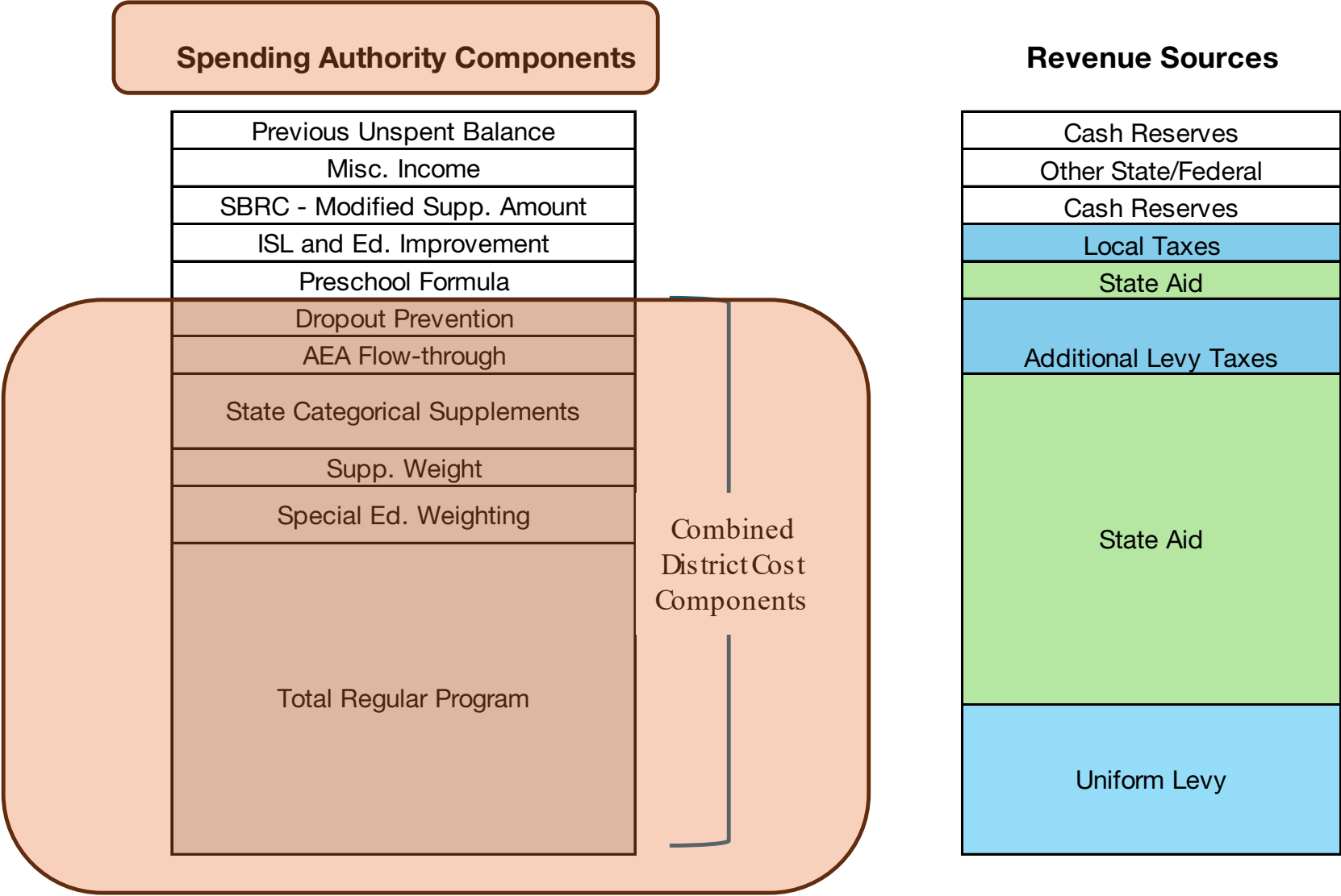
Cash Reserves
Other State/Federal
Cash Reserves
Local Taxes
State Aid
Additional Levy Taxes
State Aid
Uniform Levy

Combined District Cost



- Largest portion of spending authority
- Generated through the school aid formula
- Generally driven by district enrollments
- Consists of many different programs

Building Blocks to Determine District's Maximum Spending Authority



Spending Authority—Building Blocks



Combined District Cost

=

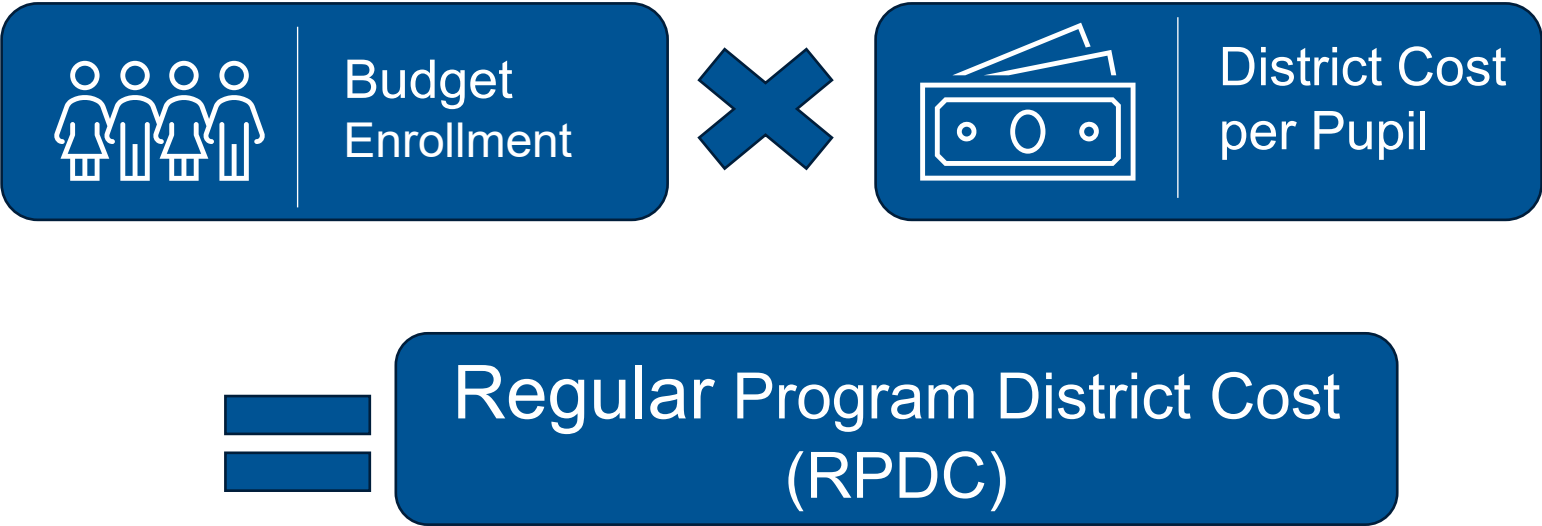
**Regular Program District Cost (RPDC)
including the budget guarantee**

+

supplementary weightings,
special education,
AEA support,
teacher salary supplement,
professional development,
early intervention,
teacher leadership,
dropout prevention,
And enrollment adjustment

- **RPDC** is largest portion of:
 - Combined District Cost (CDC)
 - Spending authority
 - No strings attached (education/operations)
- **Two factors** in RPDC calculation:
 - **District Cost Per Pupil (DCPP):** Legislation determines increases to DCPP
 - **Enrollment** - changes impact RPDC

Calculation: Regular Program District Cost (RPDC)



Example Calculation:

$$\begin{array}{|c|c|} \hline \img alt="Icon of four students" data-bbox="208 361 293 448"/> & 500.2 \\ \hline \end{array} \times \begin{array}{|c|c|} \hline \img alt="Icon of a stack of money" data-bbox="546 336 631 448"/> & \$8,148 \\ \hline \end{array} \quad \text{(DCPP)}$$

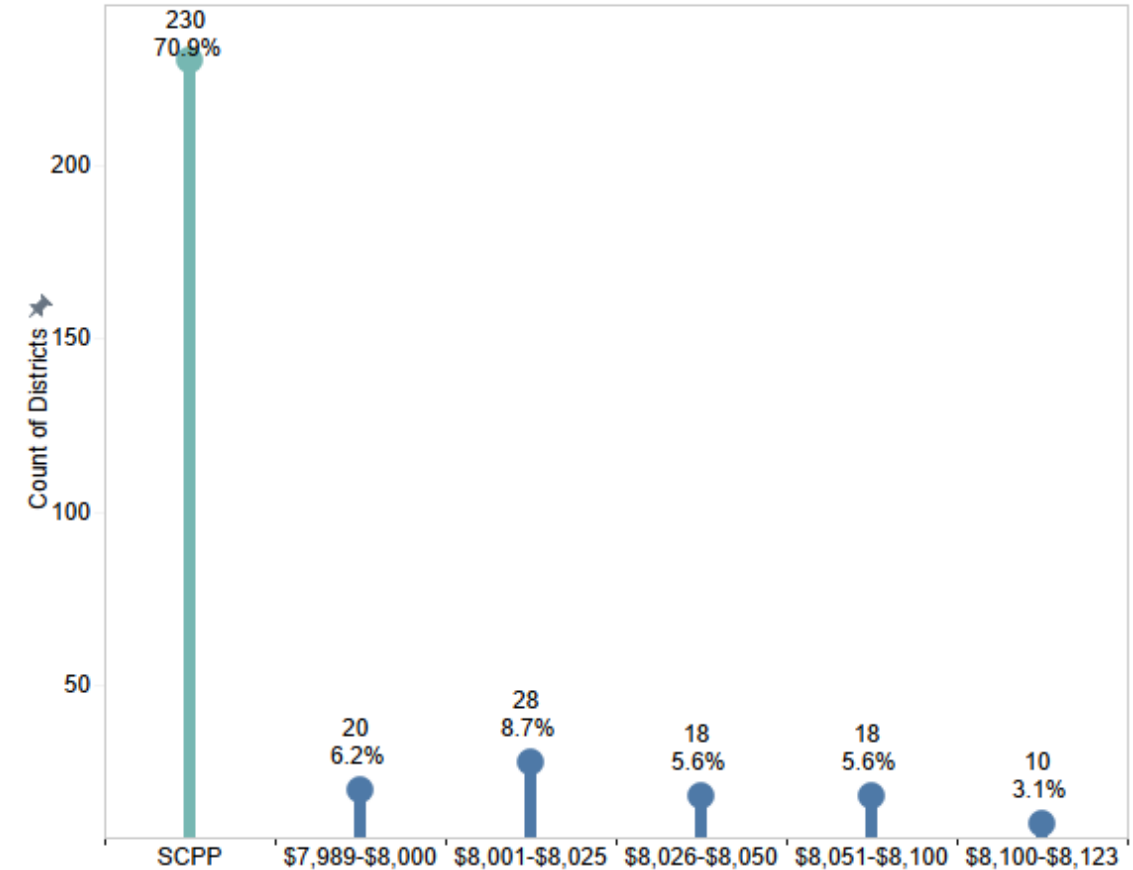
$$= \$4,075,630 \quad \text{(RPDC)}$$

Ex: Difference in the District Cost Per Pupil

- Not all districts' total per-pupil amount is the state cost per pupil.
- Variances are due to the origin of the school aid formula back in the 1970s.
- While most districts' total per-pupil amount is the SCPP (\$8,148), some districts' DCPP is higher, up to \$8,283.
- The legislature has worked to close the gap between the lowest districts' DCPP and the highest amount. Last done in FY 2026
 - FY 2018 | 162 Districts at SCPP
 - FY 2027 | 230 Districts at SCPP

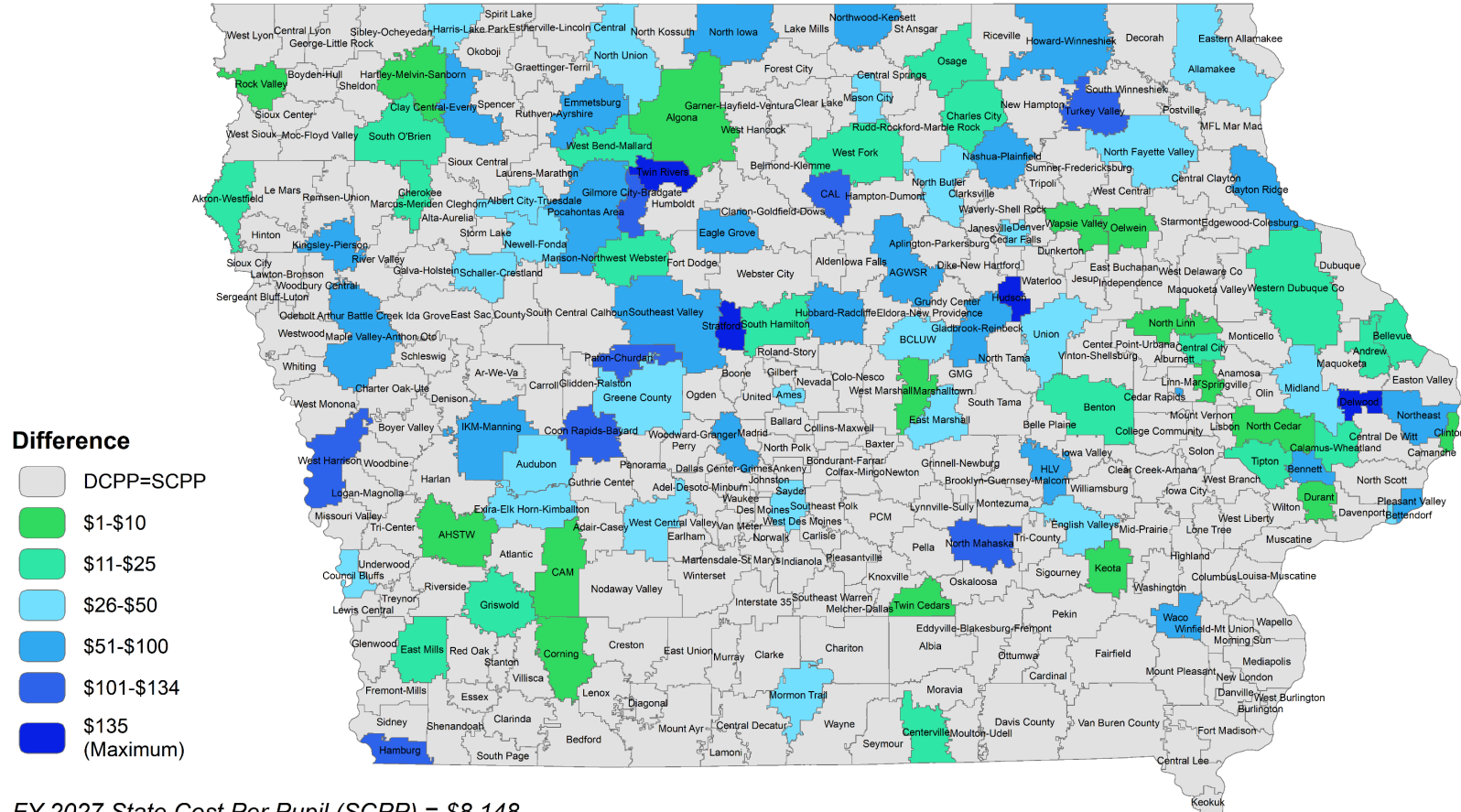


District Cost Per Pupil Above SCPP





Iowa Association of School Boards FY 2027 District Cost per Pupil (DCPP) Differentials Amount the DCPP is above the State Cost per Pupil (SCPP)



FY 2027 State Cost Per Pupil (SCPP) = \$8,148

FY 2027 Maximum District Cost Per Pupil (DCPP) = \$8,283

FY 2027 DCPP Range = \$135

Note: Since the 2018 Legislative Session, the General Assembly has reduced the DCPP range from \$175 to \$135 by adding an additional dollar amount each year (except FY 2024-25,27) to the SCPP and providing that increase to the eligible school districts as well.

Sources:
Iowa Department of Management, School Aid file
IASB analysis and calculations



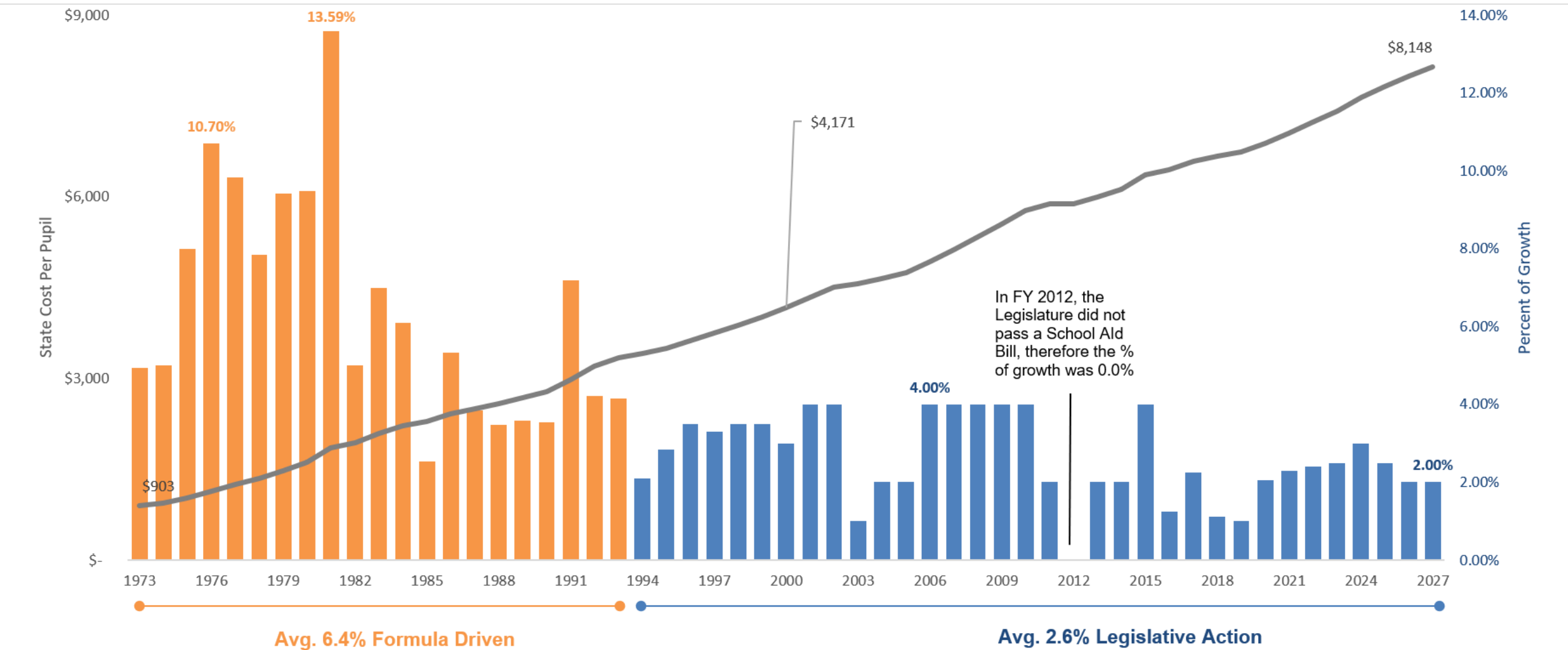
- What is your district's DCP?
- How does your district compare to your neighboring district's DCP?
- Why is there a difference between districts?
- Why is this important?
- **Will the Legislature continue to take this issue up in future sessions?**

Supplemental State Aid (SSA)



- Annual growth in District Cost Per Pupil.
- Legislative decision (2.0% growth - FY 2027).
- Impacts per-pupil funding that drives the school aid formula.
- Generates spending authority *and* cash.
- Doesn't guarantee a budget increase (enrollments play a part in that).
- Doesn't differentiate funding sources.
- ***Law Change in 2016:*** SSA will now be set in session just prior to the school year affected.
 - *Less planning time for district*

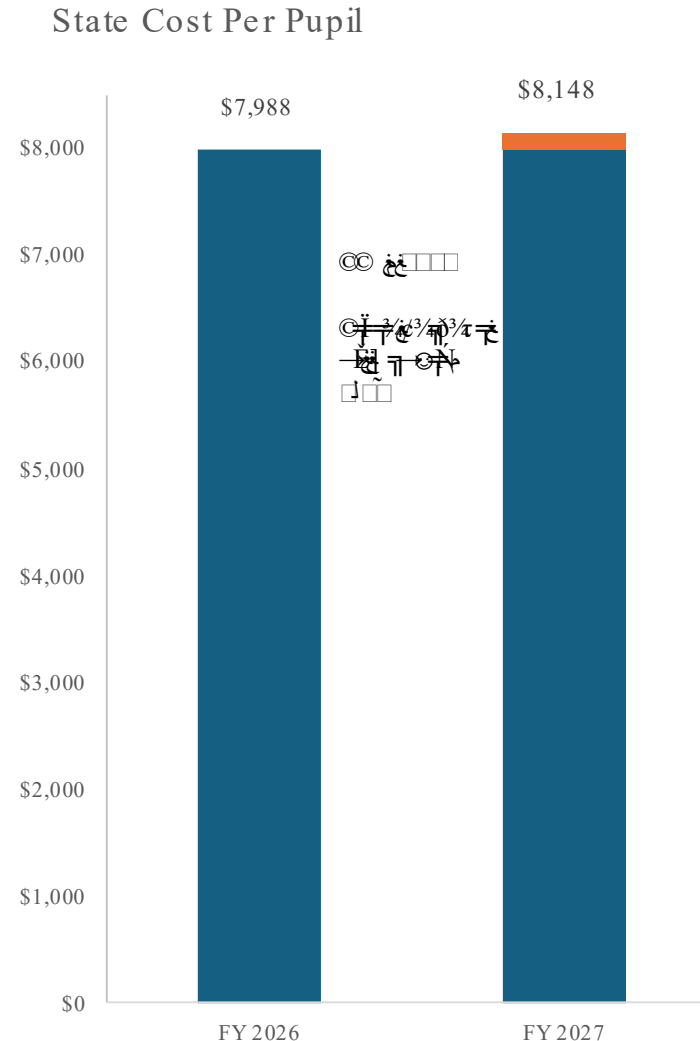
State Percent of Growth and Per Pupil Amounts FY 1973 - FY 2027



Supplemental State Aid (SSA)—Calculation (FY 2027)



- The **minimum** dollar amount assigned by the school finance formula is called the state cost per pupil.
- The SCPP is used to calculate state foundational aid.
- The Governor recommends, and the Legislature may establish a new SCPP for the next fiscal year.
- The amount of growth is called State Supplemental Aid.
- The *rate* of growth is called the state percent of growth.
- **Important** — This growth rate does not guarantee that a district's funding will increase by that rate.



$$\begin{array}{r}
 \text{Prior year "State Cost Per Pupil (SCPP)"} \\
 \times \\
 \text{"State Percent of Growth Rate"} \\
 \hline
 = \\
 \text{Supplemental State Aid} \\
 \text{(increase to the per pupil funding amount)} \\
 \hline
 \$7,988 \text{ (FY 2026 SCPP)} \\
 \times \\
 \text{"2.0\% (FY 2027 State Percent of Growth Rate)"} \\
 \hline
 = \\
 \text{\$160 (SSA)}
 \end{array}$$

Each district gets at least a per-pupil funding increase of \$160

$$\text{FY 2027 SCPP} = \$7,988 + \$160 = \$8,148$$

Note that this method is used to determine the other per-pupil funding amounts

Spending Authority—Budget Guarantee



What is it? “Guaranteed” 101% of district’s prior year’s Regular Program District Cost amount – regardless of enrollment changes

- Districts with enrollment losses not outweighed by SSA will be on budget guarantee
- *If the district is eligible, it requires **board approval as funded through local property taxes.***
- *In FY 2027, The State Paid Budget Guarantee from State Aid*
- *All districts should approve a resolution, as SSA may not be set prior to your budget certification.*

Implications?

- Impacted by:
 - SSA state percent of growth and
 - District's enrollment change
- **One-year buffer only** - districts get 1.0% increase in new money first year
- **More than one year** - Districts on budget guarantee for consecutive years will generally have “negative new money”
- Budget Guarantee is not a long-term funding solution
- → Long term requires **budget cutbacks**

Key Concept Sidebar—New Money



“New money” is an important measure in school district funding

- It represents the overall increase (or decrease) in total regular program funding - dollars with no strings attached → can be used for any general fund purpose
- It's the change in the total regular program amount (DCPP X Budget Enrollment + Budget Guarantee) from one year to the next
- Districts on “Budget Guarantee” in the first year will have a 1.0% increase in “new money”
- Districts on Budget Guarantee for consecutive years will likely have “negative” new money
- New money is not directly calculated on the Aid and Levy, but is an important measure

“New Money”—Regular Program District Cost



What is it?

- Change in total regular program district cost from year to year
- Indicator of available additional funding to cover increased costs

Enrollment?	New Money	Spending
Increase →	Yes	New staff
Decrease→	No Negative new money	Budget reductions

“New Money”—Impact on the Total Regular Program Amount



- District A:**

- Enrollment increase of 2.0%
- New money = 4.1% new money

FY 2027 Impact on Total Regular Program Amount			
		District A	District B
FY 2026 Budget Enrollment		500	500
Enrollment Change	+	10	-10
FY 2027 Budget Enrollment	=	510	490
FY 2027 DCPD	x	\$ 8,148	\$ 8,148
FY 2027 Reg. Program Amount	=	\$ 4,155,480	\$ 3,992,520
FY 2026 Unadj. Reg. Program Amount		\$ 3,994,000	\$ 3,994,000
FY 2026 RPC vs FY 2027 RPC		4.0%	0.0%
IF <1.0% Budget Guarantee		\$ -	\$ 41,420
FY 2027 Reg. Program Amount w/ BG		\$ 4,155,480	\$ 4,033,940
"New Money"		\$ 161,480	\$ 39,940
"New Money" Percent		4.0%	1.0%

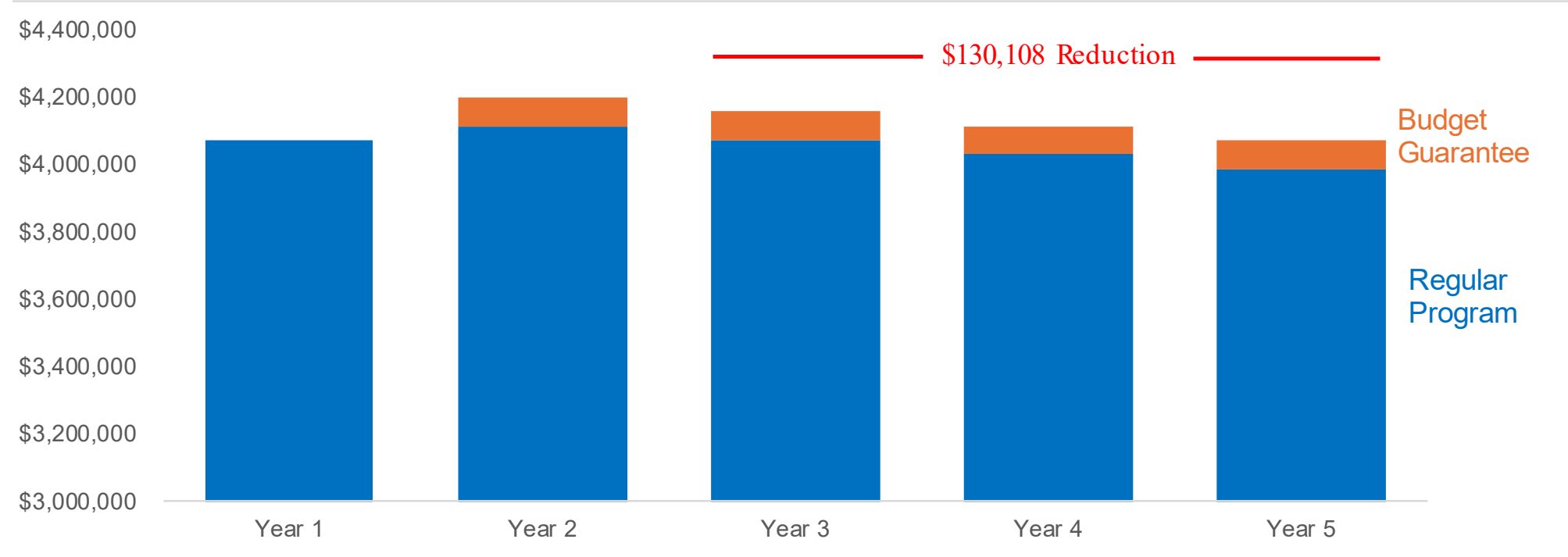
- District B:**

- Enrollment decrease of 2.0%
- On-budget guarantee (1.0% new money)

2.00% State Percent of Growth

Example—Declining Enrollments and Low SSA Impact on Regular Program Funding

SSA = 1.0% for Year 2-5		Year 1		Year 2		Year 3		Year 4		Year 5	
Enrollment		500		490		480		470		460	
DCPP	\$	8,148	\$	8,229	\$	8,311	\$	8,394	\$	8,478	
Unad. Regular Program Amount	\$	4,074,000	\$	4,032,210	\$	3,989,280	\$	3,945,180	\$	3,899,880	
Budget Guarantee Amount	\$	-	\$	82,530	\$	83,252	\$	83,993	\$	84,752	
Total Regular Program Amount	\$	4,074,000	\$	4,114,740	\$	4,072,532	\$	4,029,173	\$	3,984,632	
"New Money"		\$		40,740		\$(42,208)		\$(43,359)		\$(44,541)	
"New Money" Percentage				1.0%		-1.0%		-1.1%		-1.1%	



- Largest portion of spending authority
- Funding/spending authority with “no strings attached”
- **Impacted by supplemental state aid (SSA) & enrollments**
- Budget guarantee provides a buffer: not a solution
- Annual changes in total RPDC determine “new money”
- Negative “new money” leads to budget reductions

Budget Guarantee and New Money



Your District: “3_New Money History” & “4_SSA New Money Calculator”



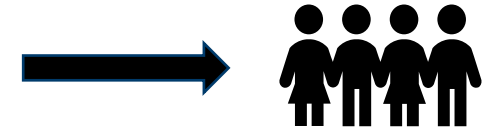
Or

[IASB Budget Guarantee Dashboard](#)

- Has your district been on budget guarantee?
- What’s the district’s new money amount?
- How does that compare to negotiated settlement increases?
- What’s the outlook in the future?

Spending Authority—Enrollments

- Spending authority is **pupil-driven**
- Money follows the child



Terminology:

- **Certified enrollment** = resident students
- **Budget enrollment** = Average of prior year's certified enrollment counts (October and January)
- **Served enrollment** = students in classrooms
- **Weighted enrollment** = additional student FTEs for specific purpose
- ***NEW: ESA Resident enrollment = resident non-public enrollment of students receiving an ESA (generates categorical funding)***

Enrollments—Timing

When is enrollment taken?	Enrollment taken impacts funding for what fiscal year?
October 1, 2025	FY 2027 (July 1, 2026 – June 30, 2027)
October 1, 2026 January 15, 2027	FY 2028 (July 1, 2027 – June 30, 2028)

Enrollments

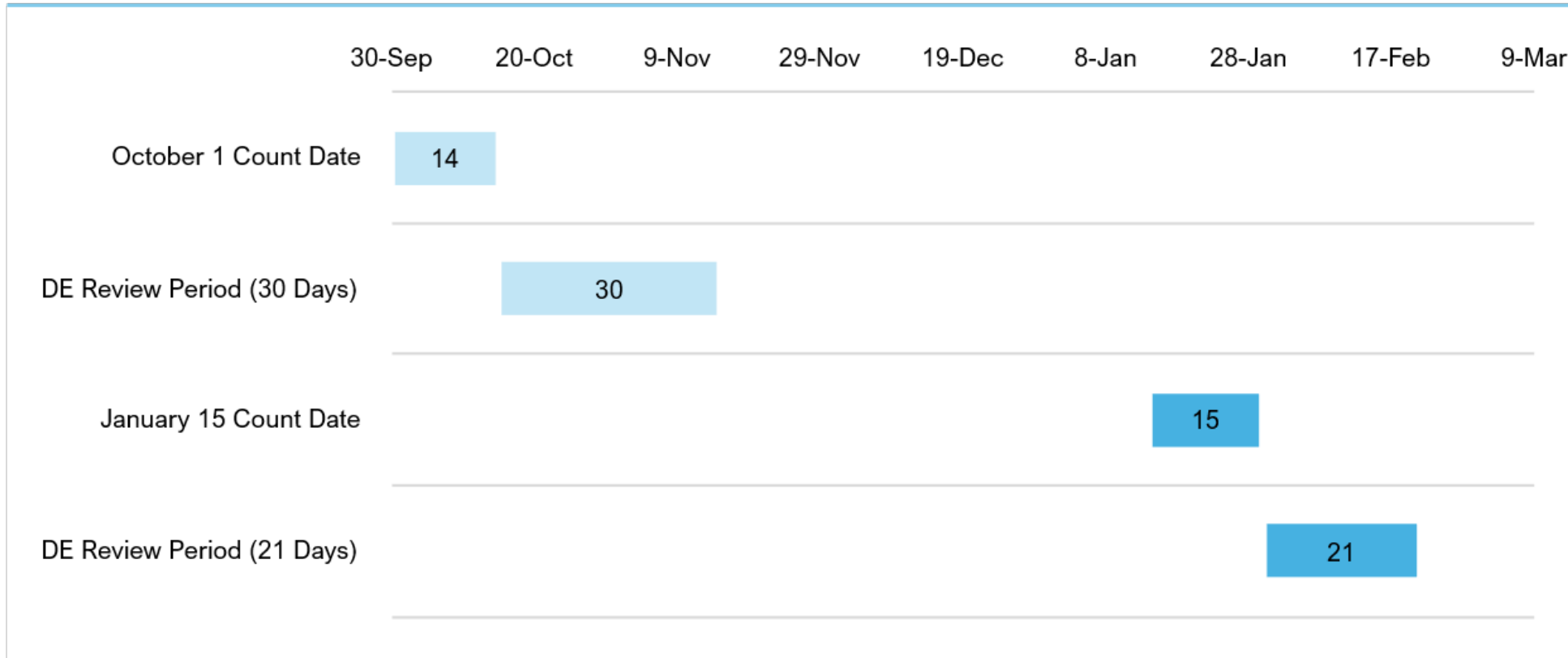
October 1 count	<u>Served</u> Enrollment -Students seated in the classroom
+	open enrollment-out students
+	tuition-out students
-	open enrollment-in students
-	tuition-in students
=	<u>Certified</u> Enrollment - Students residing in your school district
	<i>Note: Certified enrollment (2025-2026) equals budget enrollment (FY 2027)</i>

Additional Enrollment Dates



Starting in FY 2028, budget enrollment is the average of the previous October count and the previous January count.

For example: Oct 1 Count = 500.0 and Jan. 15 Count = 490.0, adjusted enrollment for the budget year will be 495.0



Open Enrollment—When Money Follows the Child



Open Enrollment - Money That Follows the Student

	Follow the Student?	Notes	Tuition in FY 2027
Regular Program	YES	Amount is equal to the budget year's State Cost Per Pupil (SCPP)	\$8,148
Special Education	YES	Amount is the cost incurred for appropriate special education	
Teacher Salary Supplement (TSS)	NO		
Professional Development Supplement (PDS)	YES	Amount is equal to the budget year's PD state cost per pupil	\$79.07
Early Intervention Supplement (EIS)	YES	Amount is equal to the budget year's EIS state cost per pupil	\$86.13
Teacher Leadership Supplement (TLS)	YES	Amount is equal to the budget year's TLS state cost per pupil	\$393.00
Secure an Advanced Vision for Education (SAVE)	NO		

Charter Schools - Money That Follows the Student

	Follow the Student?	Notes	Tuition in FY 2027
Regular Program	YES	Amount is equal to the budget year's State Cost Per Pupil (SCPP)	\$8,148
Special Education	YES	Amount is the cost incurred for appropriate special education	
Teacher Salary Supplement (TSS)	YES	Amount is equal to the budget year's TSS state cost per pupil	698.16
Professional Development Supplement (PDS)	YES	Amount is equal to the budget year's PD state cost per pupil	\$79.07
Early Intervention Supplement (EIS)	YES	Amount is equal to the budget year's EIS state cost per pupil	\$86.13
Teacher Leadership Supplement (TLS)	YES	Amount is equal to the budget year's TLS state cost per pupil	\$393.00
AEA Media Services	YES	Amount equal to the budget year AEA cost per pupil	varies
AEA Educational Services	YES	Amount equal to the budget year AEA cost per pupil	varies
Secure an Advanced Vision for Education (SAVE)	NO		

- Your DCPP per pupil may be higher or lower than the categorical SCPP. However, you are still responsible for sending the categorical SCPP.

Recap: Enrollments



- Major driver in calculating spending authority
- Resident students (certified enrollment) generate funding and spending authority
- Certified enrollment is taken on October 1 and January 15. The average of the two counts is used for certified enrollment
- Money follows open-enrolled students (*but not all money*)
- Weightings are in addition to enrollments

- What's the enrollment trend in your district?
- Open enrollment trend?
- Net dollars received, paid?
- Why is this important?



Combined District Cost

=

Regular Program District Cost (RPDC)
including Budget Guarantee

+

**Supplementary Weightings,
Special Education Weightings,**

AEA support,
teacher salary supplement,
professional development,
early intervention,
teacher leadership,
dropout prevention,
And enrollment adjustment

School Aid Formula—Weightings

Pupil-Driven System

- Weightings “add” pupils on an additional enrollment amount basis
- Reasons for additional weightings:
 - Increase student opportunities
 - Provide incentives for desired actions
 - Provide funding for additional costs



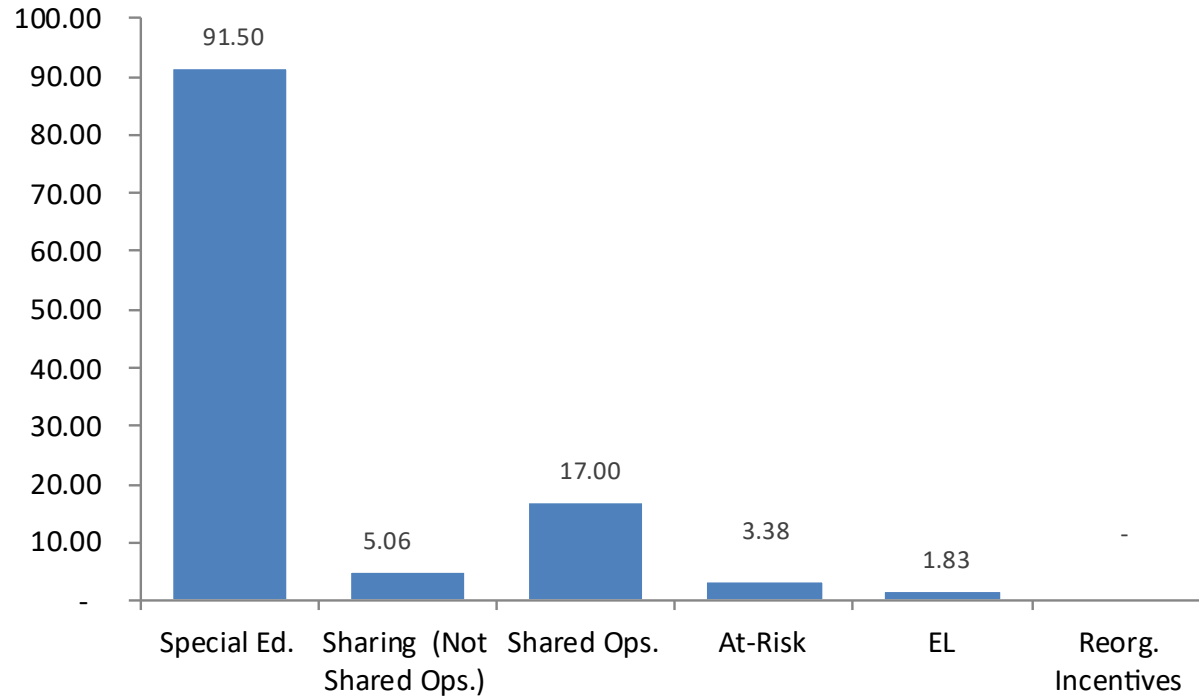
Special Education Weightings: Three levels based on the severity of additional needs

Supplementary Weightings:

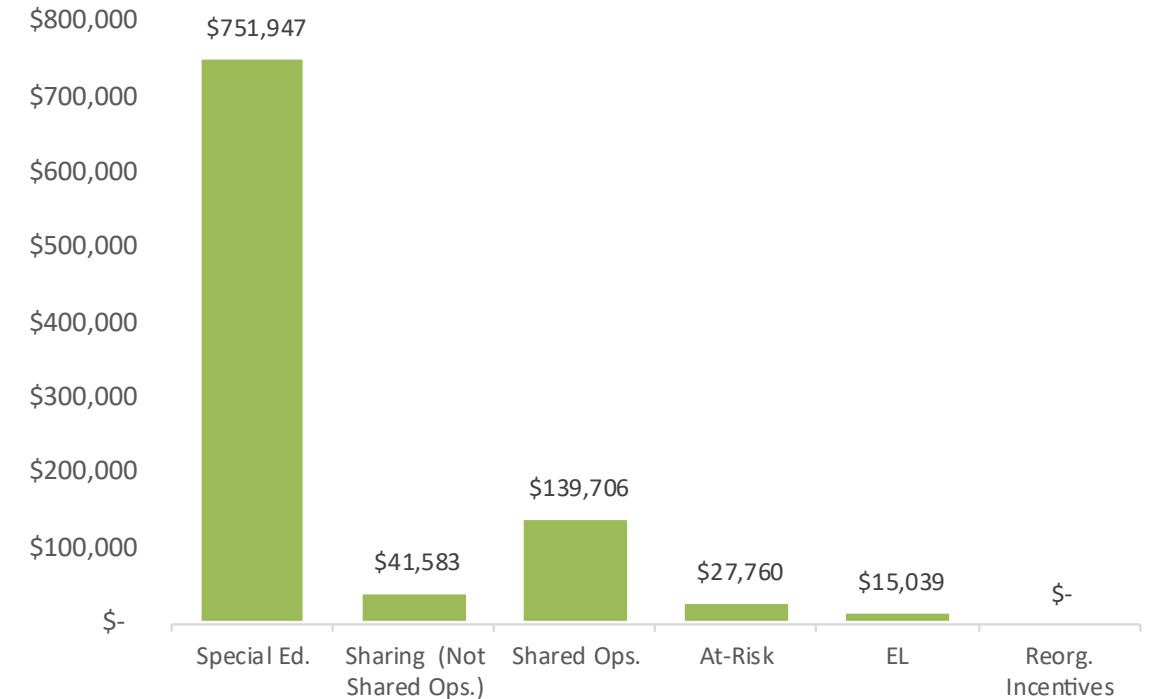
- Sharing (teachers, students, classes, programs, functions)
- Whole Grade Sharing – incentive to look at reorganizing
- At-Risk – formula based on Free/Reduced price lunch
- English Learners(EL)— for added costs due to language barriers

Weighted Enrollment Funding

Weighting Amount



Funding for Weighting Amount



Special Education accounts for the largest portion of weighted funding.

Special Ed. Weightings*	
Level I Weighting	30.24
Level II Weighting	39.34
Level III Weighting	21.92
Total Weighting	91.50
Total Funding	\$ 751,947

At-Risk Supplementary Weightings*	
At-Risk Weighting	3.38
At-Risk Wght. Funding	\$ 27,760

EL Supplementary Weightings*	
EL Weighting	1.83
EL Wght. Funding	\$ 15,039

Sharing Weightings (Not Shared Ops)**	
Comm. College	5.06
ICN	-
Joint Employment	-
Regional Academy	-
Shared Students	-
Shared Teachers	-
Whole Grade Sharing	-
Total Weighting	5.06
Total Funding	\$ 41,583

Reorg. Incentive Supp. Weightings**	
Reorg. Inc. Weighting	-
Reorg. Wght. Funding	\$ -

Shared Operational Functions Weighting**	
Superintendent (9)	9.0
SBO (4)	-
Human Res. Dir. (4)	-
Trans. Dir. (4)	-
Op./Maint. Dir. (4)	-
Curriculum Dir. (2)	2.0
Counselor (2)	-
Social Worker (2)	2.0
Spec. Ed. Director (2)	2.0
Work Base Coord. (2)	2.0
Mental Health Prof. (2)	-
CCTC (2)	-
Schl. Resource Officer (2)	-
Total	17.0
Adjusted Total ^A	17.0
Total Funding	\$ 139,706

^AWeighting amount is capped at 25 unless the district is in the first year of a reorganization or employs a College and Career Transition Coordinator(CCTC). If a CCTC is shared, the weighting amount is capped at 27.

Notes On Weightings

Special Ed. Level I: Weighting of 0.72.

Special Ed. Level II: Weighting of 1.21.

Special Ed. Level III: Weighting of 2.74.

Shared Students: Weighting of 0.48.

Shared Teachers: Weighting of 0.48.

Community College Courses: Weighting of 0.50 for liberal arts and science courses and 0.70 for career tech courses.

Whole Grade Sharing: Weighting of 0.10 per student for eligible districts.

Regional Academy: Weighting of 0.10 per student - total weighting for a district cannot be less than 15.0 or more than 30.0.

ICN: Weighting of 0.05.

Shared Operational Functions: Weighting based on a specific function. Starting in FY 2026, the maximum weighting per district cannot exceed 25.0, unless the district shares a Community College Transition Coordinator or is in the first year of a reorganization.

At-Risk: Calculated by formula.

Limited English Proficient (LEP or ESL): Intensive Weighting of 0.26.

Intermediate Weighting of 0.21.

Reorganization Incentives: Eligible districts that reorganized receive Whole Grade Sharing weighting received in year prior to reorganization for three years.

Definitions

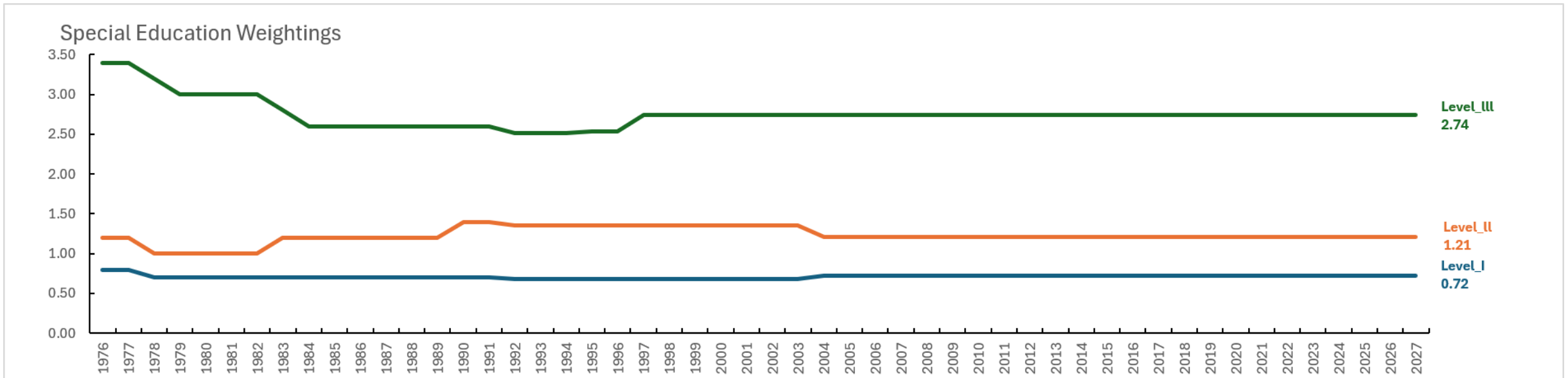
* The additional enrollment amount assigned for these subgroups generates additional funding to cover the additional costs for required services.

** The additional enrollment amount assigned for these subgroups are used as incentives to generate additional funding from participating in these activities and/or providing additional student learning opportunities.

Weightings—Special Education

Special education - three weighting levels:

- Level I = 0.72
- Level II = 1.21
- Level III = 2.74
- Note that these weightings are in addition to the 1.0 for the regular program



Shared Operational Functions Since FY 2015



	Superintendent	School Business Official	Human Resources Director	Transportation Director	Operations - Maintenance	Curriculum Director	Counselor	Social Worker	Special Ed. Director	Work Based Learning	Mental Health Prof.	Community College Transition	School Resource Officer	Total Weighting	Adjusted Weighting	Total Funding
2015-2022 Individual Position Weighting Amount	8	5	5	5	5	3	3	3	N.A.	N.A.	N.A.	N.A.	N.A.			
FY 2023 Individual Position Weighting Amount	8	4	4	4	4	2	2	2	2	2	2	N.A.	N.A.			
FY 2024 Individual Position Weighting Amount	9	4	4	4	4	2	2	2	2	2	2	2	2			
FY 2015 - Weighting Amounts	576	270	80	455	265	75	66	-	-	-	-	-	-	1,787	1,721	\$ 11,028,868
FY 2015 - Number of Districts Implementing	65	50	15	87	50	25	21	-	-	-	-	-	-	161	161	
FY 2015 - % of Districts Implementing	19.2%	14.8%	4.4%	25.7%	14.8%	7.4%	6.2%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	47.6%	47.6%	
FY 2027 - Weighting Amounts	1,197	580	696	708	524	168	104	168	148	136	4	220	244	4,897	4,843	\$ 39,540,539
FY 2027 - Number of Districts Implementing	133	145	174	177	131	84	52	84	74	68	2	110	122	312	312	
FY 2027 - % of Districts Implementing	40.9%	44.6%	53.5%	54.5%	40.3%	25.8%	16.0%	25.8%	22.8%	20.9%	0.6%	33.8%	37.5%	96.0%	96.0%	

- There have been lots of changes to this provision over the years
- Extended through FY 2035

Recap: Weightings



- Additional student enrollment amounts above budget enrollment
- Spending authority (and funding) for additional costs needed for instruction
- Spending authority (and funding) to incentivize specific action (i.e., study reorganization)
- District total weighted enrollment is the sum of budget enrollment and weightings

- What supplementary weighting does your district have? 
- Operational Sharing weighting?
- Why is this important?

Spending Authority—Building Blocks



Combined District Cost

=

Regular Program District Cost (RPDC)

including Budget Guarantee

+

Supplementary Weightings,

Special Education Weightings,

AEA Support,

teacher salary supplement,

professional development,

early intervention,

teacher leadership,

dropout prevention,

And enrollment adjustment

What AEA programs are funded with flow-through dollars?

- Special Education Support (90%)
- Media Services (non-public and charter portion)
- Educational Support (non-public and charter portion)
- Teacher Salary Supplement

Generally, funding is based on each district's enrollment and the different AEA per-pupil program amounts.

AEA Programs Moving Forward



HF 2612 changed how AEAs are funded

FY 2026 and Beyond	Programs	Revenue Source
Special Education	90% of funds must be spent with the AEAs. 10% remain with the district for any Special Ed use.	State Aid/ Property Tax
Media Services	100% less nonpublic/charter allocation of funds to the district (any GF use).	Property Tax <i>Note: you already receive these dollars from your county, and this is not part of state aid. The DOM reduces your state aid for the nonpublic portion to prevent a double payment.</i>
Education Services	100% less nonpublic/charter allocation of funds to the district (any GF use).	Property Tax <i>Note: you already receive these dollars from your county, and this is not part of state aid. The DOM reduces your state aid for the nonpublic portion to prevent a double payment.</i>
Teacher Salary Supplement	100% of funds flow through to the AEA.	State Aid
Professional Development	No funding generated.	

Combined District Cost

=

Regular Program District Cost (RPDC)
including Budget Guarantee

+

Supplementary Weightings,
Special Education Weightings,
AEA Support,

**Teacher Salary Supplement,
Professional Development,
Early Intervention,
Teacher Leadership,**

dropout prevention,
And enrollment adjustment

What are they? State funding for a specific purpose, determined on a per pupil basis, includes:

- **Teacher Salary Supplement (TSS)**
- **Professional Development Supplement(PD)**
- **Early Intervention Supplement (EIS)**
- **Teacher Leadership Supplement (TLS)**

Implications?

Per-pupil amount may vary district to district

Per pupil amounts are *generally* impacted by SSA

Must be used for the designated purpose → i.e. strings attached

Combined District Cost

=

Regular Program District Cost (RPDC)
including Budget Guarantee

+

Supplementary Weightings,
Special Education Weightings,
AEA Support,
teacher salary supplement,
professional development,
early intervention,
teacher leadership,
Dropout Prevention,
And enrollment adjustment

What is it? Funding for discretionary programs for dropout prevention or returning dropouts

Implications?

- Funding limited to 2.5% - 5.0% of district's regular program cost
- 100% local property taxes
- Requires 25% match from district general fund
- Recent legislation includes additional flexibility in allowed uses

How to obtain funding?



- District Board approves DOP request and plan and submits to the School Budget Review Committee (SBRC) by January 15 each year
- Request includes reduction for any prior-year DOP carry-forward
- SBRC reviews and approves request as a modified supplemental amount
- Issue: Built-in inequity in funding

Combined District Cost

=

Regular Program District Cost (RPDC)
including Budget Guarantee

+

Supplementary Weightings,
Special Education Weightings,
AEA Support,
teacher salary supplement,
professional development,
early intervention,
teacher leadership,
Dropout Prevention,

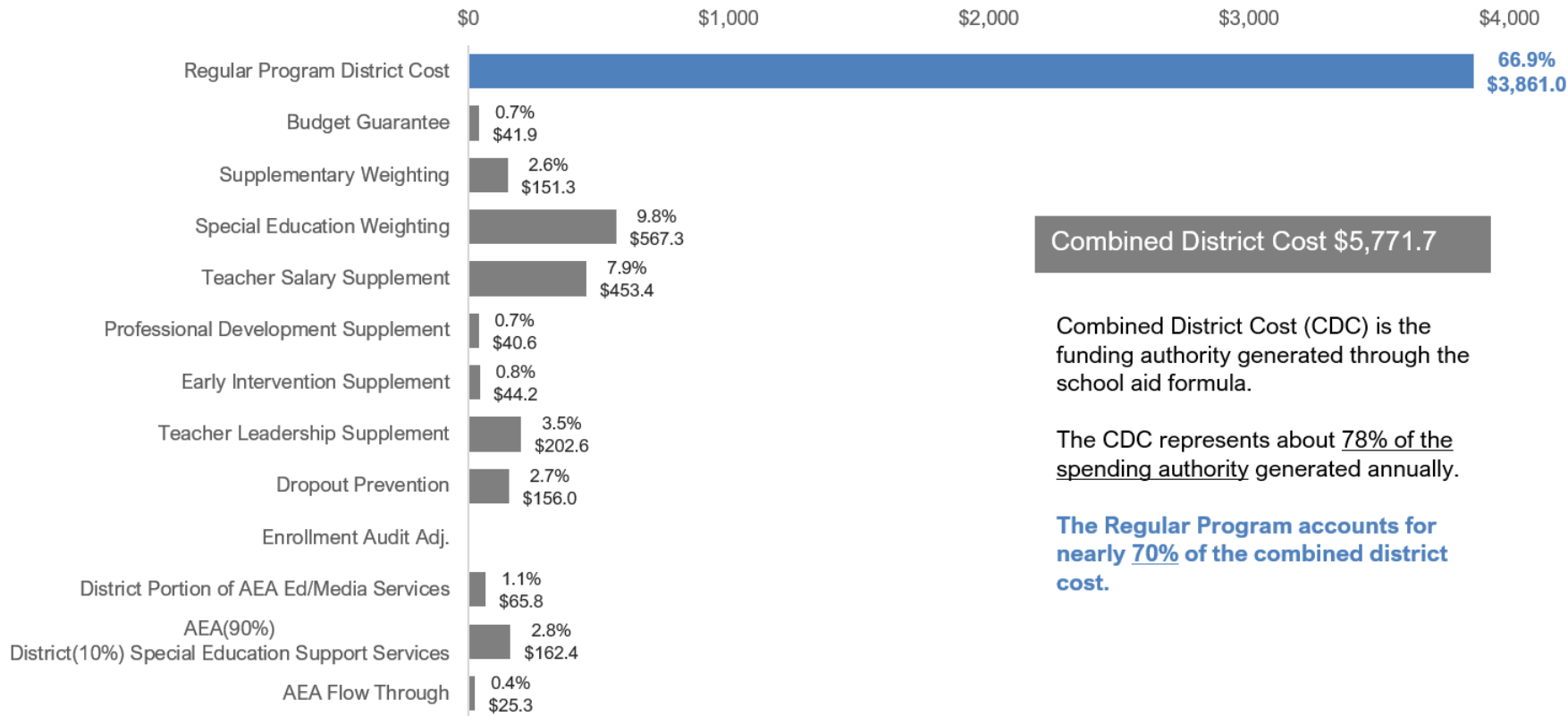
And **Enrollment Adjustment**

- **What is it?** Generally minor adjustments as a result of audit review
- Adjusts spending authority (and revenue) based on audit finding

School Aid Funding—Combined District Cost



FY 2027 Combined District Cost — Program Amounts
dollars in millions



- Combined District Cost (CDC) is the funding and spending authority generated through the school aid formula (see Section 5 of the Aid and Levy Worksheet)
- Combined District Cost represents about 75% of spending authority generated annually
- Regular program accounts for nearly 70% of combined district cost

Recap: Combined District Cost (CDC)



- Generates most of a district's spending authority
- Generally fully backed with revenues (state aid and local property taxes) – more on this coming up
- Categorical funding is designated for specified purposes
- AEA programs are part of combined district cost – all funding previously “flows through” the district. Under new HF 2612, this changed.

****There are other items included in spending authority beyond CDC**

Maximum Spending Authority

=

Combined District Cost

+

Statewide Voluntary Preschool
+Instructional Support Program (ISL)

+SBRC Modified Supplemental Amount

+Miscellaneous Income

+Previous Unspent Balance

What is it?

- Funding specifically for voluntary four-year-old preschool programs
- Funding based on 0.5 weighting = \$4,074 per eligible student (FY 2027)
- District-only or partnership programs
- State funding (no property taxes)

What is it?

Funding that can be used for any educational purposes. Must be:

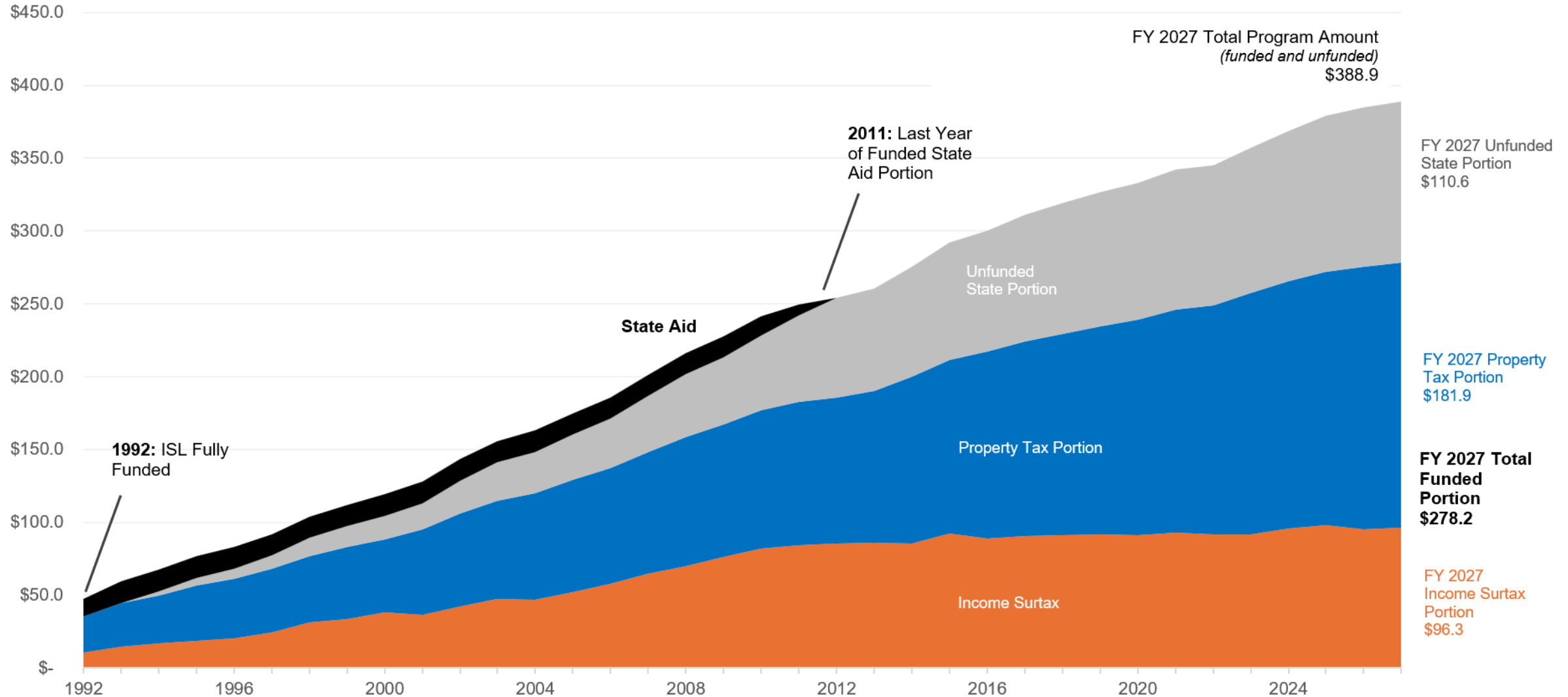
- Board-approved: max 5 years
 - could be subject to a petition
- Voter-approved: max 10 years
- Maximum 10% Regular Program Cost
- Property taxes only or combination of property taxes/income surtax

Instructional Support Levy (ISL) Program



Instructional Support Program Funding: FY 1992-2027

(millions of dollars)



Instructional Support Program (ISL)

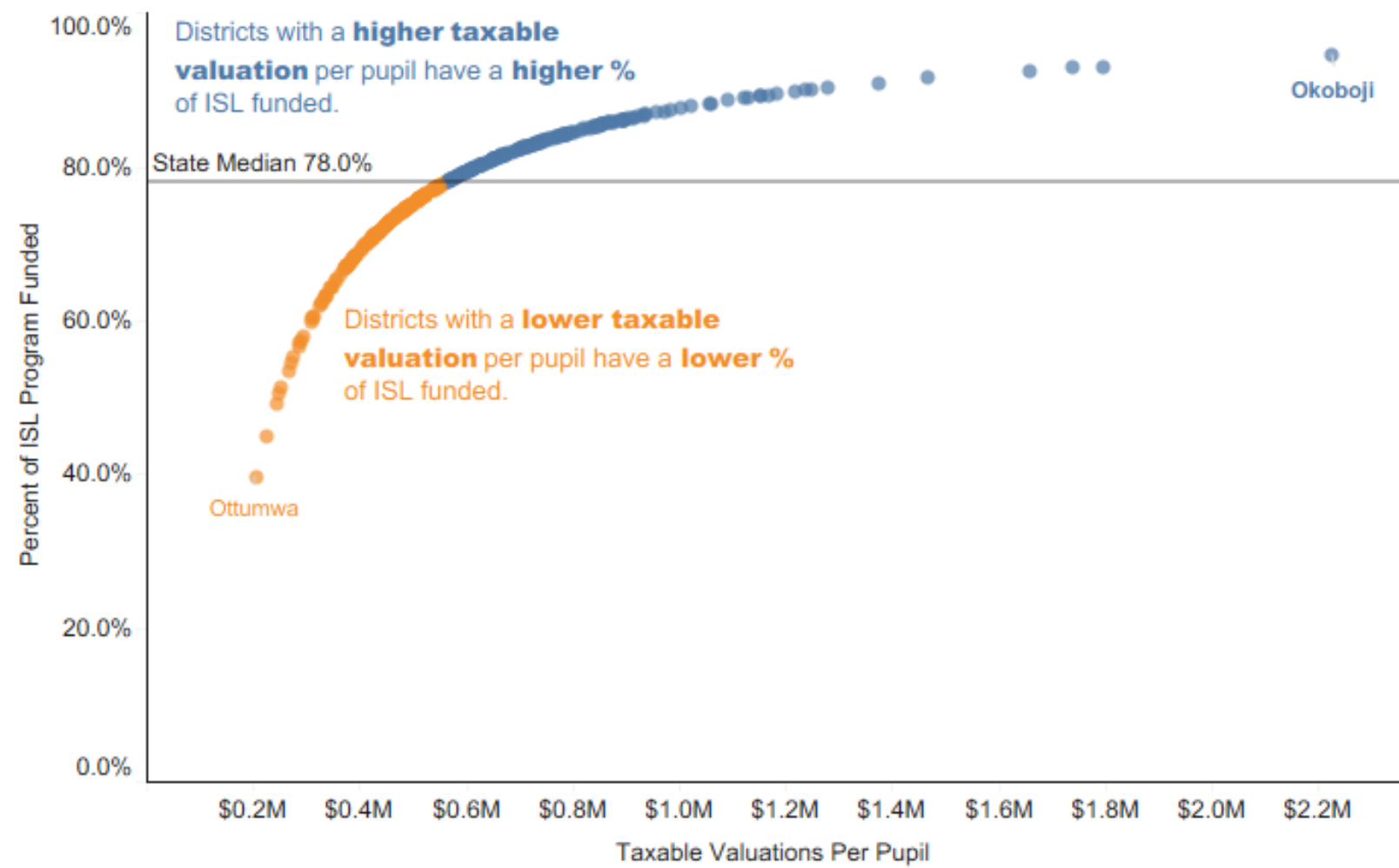


Funds can be used for **any** general fund purpose **except**:

- Dropout prevention programs
- Gifted and talented programs
- PPEL, management levy, or special education deficits

ISSUE: Lack of state funding has created funding equity issues

FY 2027 Taxable Valuations Per Pupil Correlation with the Portion of the Funded ISL Program
(one dot = one district)

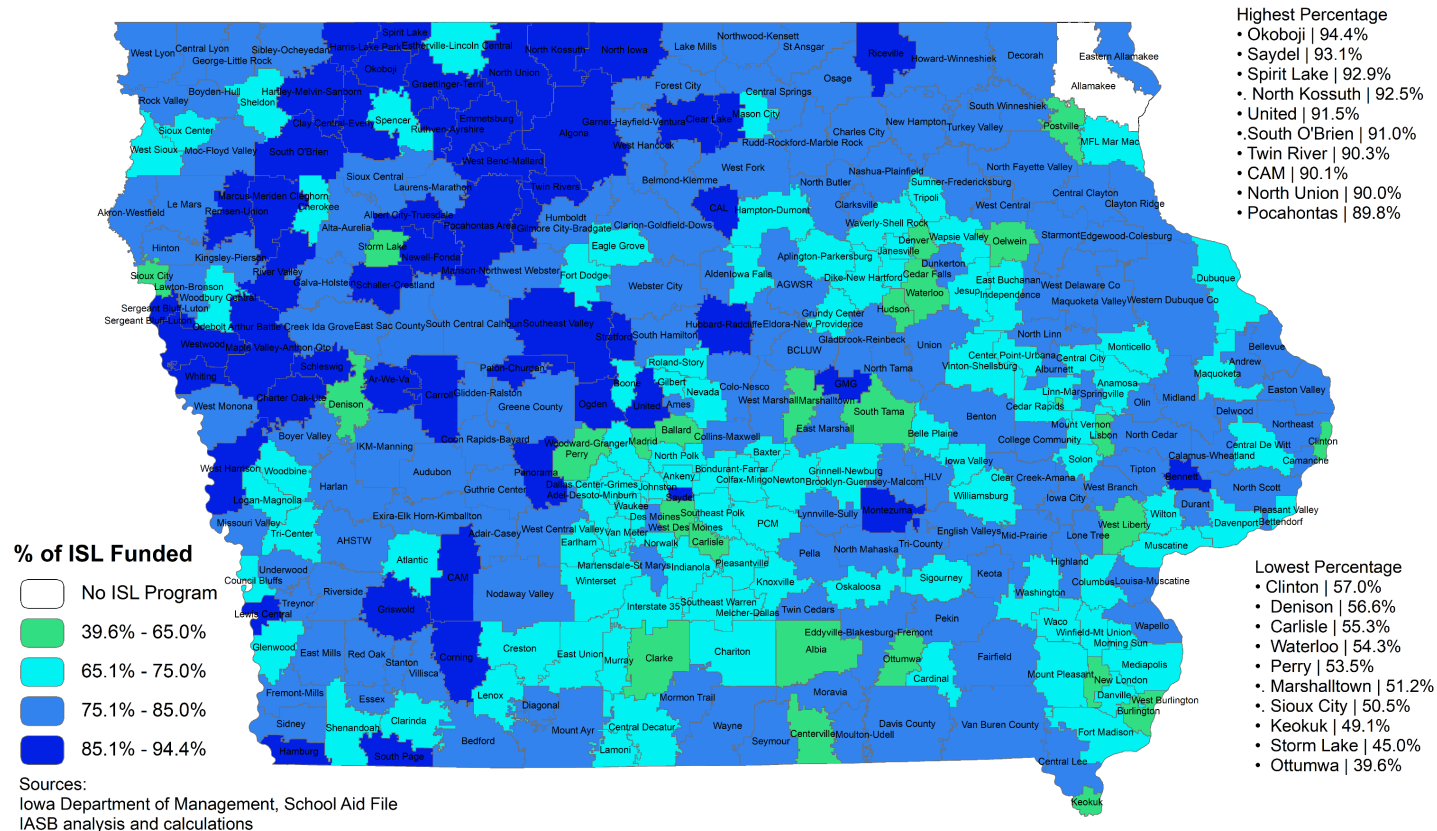


ISL Inequity



Iowa Association of School Boards Instructional Support (ISL) Program — Percentage of Program Funded in FY 2027

Districts, upon board or voter approval, may receive up to 10.0% of the district's regular program amount for the ISL Program. However, because the state portion is not fully funded (and currently not funded at all), districts only receive a portion of the amount required to fully fund the program. This map shows the percentage of the ISL program funding districts are actually receiving. If the state portion were fully funded, each participating district would be at 100.0%.



Maximum Spending Authority

=

Combined District Cost

+

Statewide Voluntary Preschool

+Instructional Support Program (ISL)

+SBRC Modified Supplemental Amount

+Miscellaneous Income

+Previous Unspent Balance

What is it?

Legislatively established committee to review budgets and hold hearings on requests to modify budgetary limitations from school districts

May grant additional spending authority to school districts in certain situations - called **Modified Supplemental Amount – MSA**

Usually, MSA does ***not*** come with cash → district must use cash reserves to back MSA

SBRC Membership



Member	Affiliation
McKenzie Snow, Chair	Director, Iowa Department of Education; Chair, non-voting
Kraig Paulsen, Executive Secretary	Director, Iowa Department of Management
Patti Schroeder	Public Member
Brian Gubbels	Public Member
Sue Battani	Public Member
Craig Hansel	Public Member
Kassandra Cline (DE contact, not member)	Liaison, Iowa Department of Education

Class action approval for all requesting districts

- Open enrollment-out not on previous count
- Additional English Learner(EL) costs beyond 5 years of EL weighting
- Special education expenditure deficits
- Increasing enrollment (on-time funding)

Unique and unusual circumstances for an individual district (Code 257.31)

- Required approval (by law)
- Other approvals - Committee decision

Class Action MSA Requests Allowed



Online form—Due December 1, 2026 for FY 2027

1. Increased Enrollment
2. Open Enrollment Out not on prior year's count
3. EL budget in excess of weighted funding

EL excess costs FY 2026 – Online Form due September 30, 2026

Special education budget deficits - MSA through SEP (Special Education Supplement) due September 15

Note: Biennially, SBRC reviews SPED weighting plan, may approve change; no change since 2004

SPED Deficit—Iowa's system is unique



Surplus → Spend less revenue than generated by SPED weightings, must send back balance over 10%

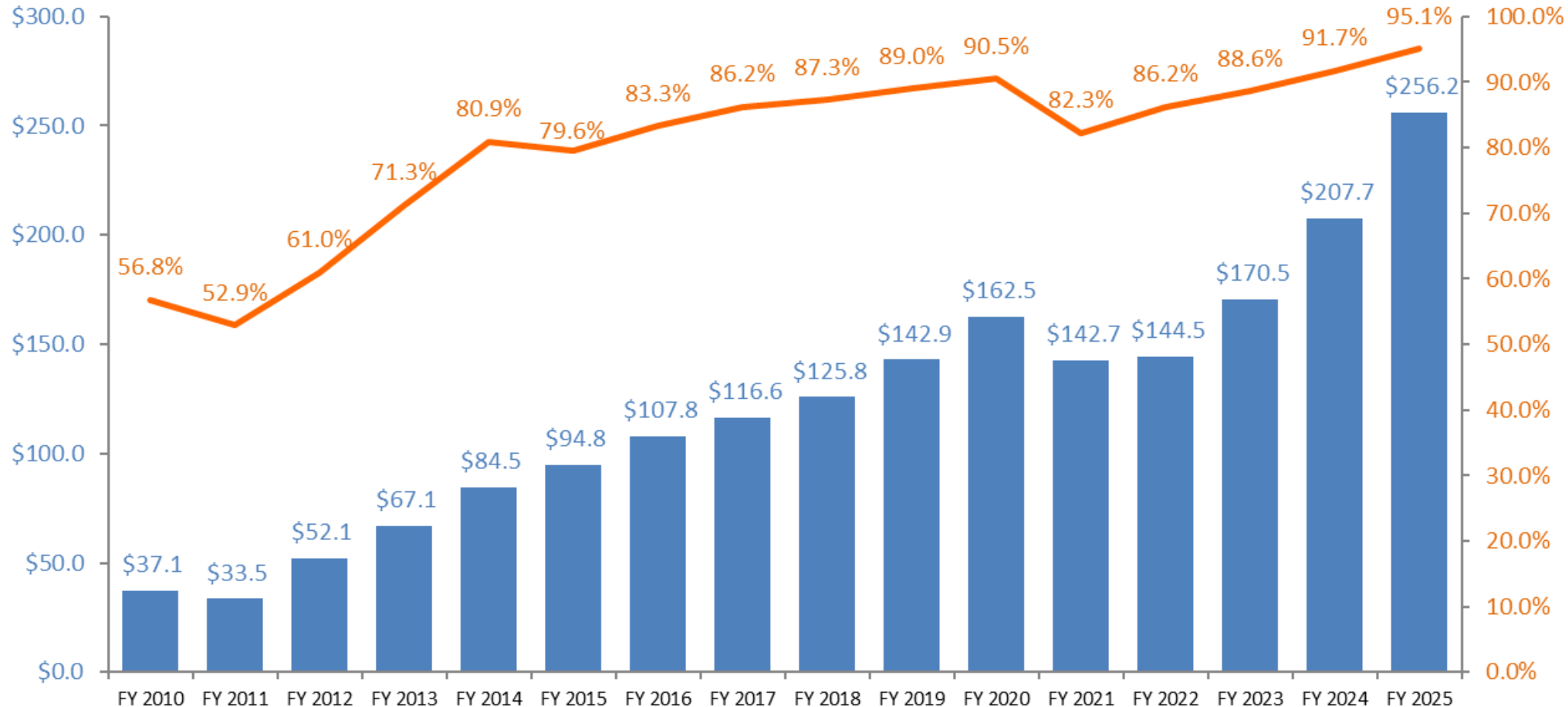
Deficit → Spending more revenue than generated

- During year, deficit costs covered using general fund program dollars
- SBRC grants MSA for deficit amount - spending authority for regular program is restored; however, deficit cash is only restored with Cash Reserve Levy

SPED Deficits Are Increasing Over Time



Modified Supplemental Amount for Special Education Deficits: Total Amount (in Millions) and Percentage of Districts — FY 2010 through FY 2025



Source: Iowa Department of Education, SBRC Modified Supplemental Amount files

SBRC:

- Monitors school district budgets
- May grant additional spending authority for specific reasons (Modified Supplemental Amount – MSA)
- Does not provide cash behind the additional MSA
- May be looking for more ways to bring down the total spending authority amounts statewide

Maximum Spending Authority

=

Combined District Cost

+

Statewide Voluntary Preschool

+Instructional Support Program (ISL)

+SBRC Modified Supplemental Amount

+Miscellaneous Income

+Previous Unspent Balance

Examples of Miscellaneous Income:

- State grants (including transportation assistance)
- Federal grants and other federal funds
- Local grants
- Tuition from open-enrolled in students
- Other income that is deposited in the district general fund

All these increase spending authority – although some of the funds can only be used for specified purposes

Spending Authority—Building Blocks



Final thoughts on building blocks:

- Maximum amount of spending authority is the maximum amount a district can spend.
- Exceeding that amount violates state law.
- Spending authority relates to the school district's general fund only.
- **Note: A cash reserve levy DOES NOT increase spending authority! More later...**

It does provide cash to back spending authority.



- What is your district's:
 - Maximum Spending Authority?
 - UAB Percentage?
 - Trend lines?
- Why are these measures so important?

Funding Sources for Spending Authority



Spending Authority—Funding Sources



Spending Authority Components

Previous Unspent Balance
Misc. Income
SBRC - Modified Supp. Amount
ISL and Ed. Improvement
Preschool Formula
Dropout Prevention
AEA Flow-through
State Categorical Supplements
Supp. Weight
Special Ed. Weighting
Total Regular Program

Combined
District Cost
Components

Revenue Sources

Cash Reserves
Other State/Federal
Cash Reserves
Local Taxes
State Aid
Additional Levy Taxes
State Aid
Uniform Levy

Spending Authority—Revenues Sources



School aid formula provides most of the revenue for spending authority:

Element	Revenue Source
Regular Program	State aid and local property taxes (represent the largest share)
Weightings (SPED and other supplementary)	State aid and local property taxes
Dropout Prevention	Property taxes
Categorical Funding	State aid
Instructional Support	Property tax and income surtax
Preschool	State aid
Modified supplemental amount (SBRC)	Part of spending authority, no cash, Recoup through Cash Reserve Levy?
Miscellaneous income	Local, state or federal grants, interest Other districts – tuition in

School Aid Formula Determines Funding Source—Basic Formula



Uniform Property Levy	1. Every district provides a property tax of \$5.40/\$1,000 of its taxable valuation <i>(reducing in FY 2029 to \$5.10 and FY 2030 to \$4.90)</i>
State Aid	2. Funds amt. needed for foundation level of 88.4% (was 87.5% prior to FY 2023) - Funds 100% of state categorical supplements - Provides property tax relief, including 100% of SSA - Funds the AEA foundation level (79.0%) - Funds preschool formula aid <i>(outside of combined district cost)</i>
Additional Levy	3. Funds the difference between the combined district cost and what's funded from state aid and the uniform levy

School Finance Formula—Revenue Determination

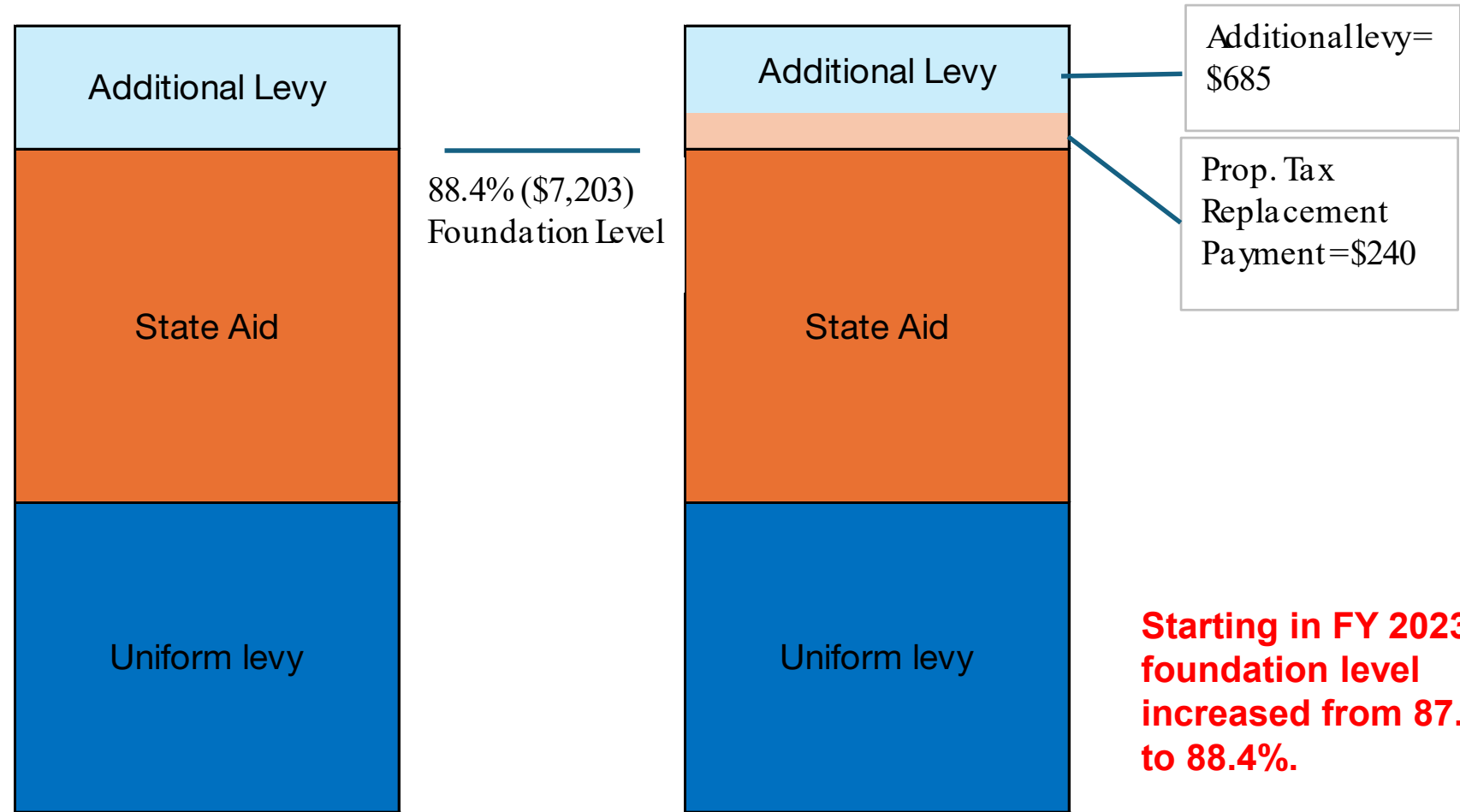


Note that the property wealth of the district determines the uniform levy/state aid mix

Property Rich = generates more in uniform levy and receives less state aid

Property Poor = generates less in uniform levy and receives more state aid

More on this in a few slides



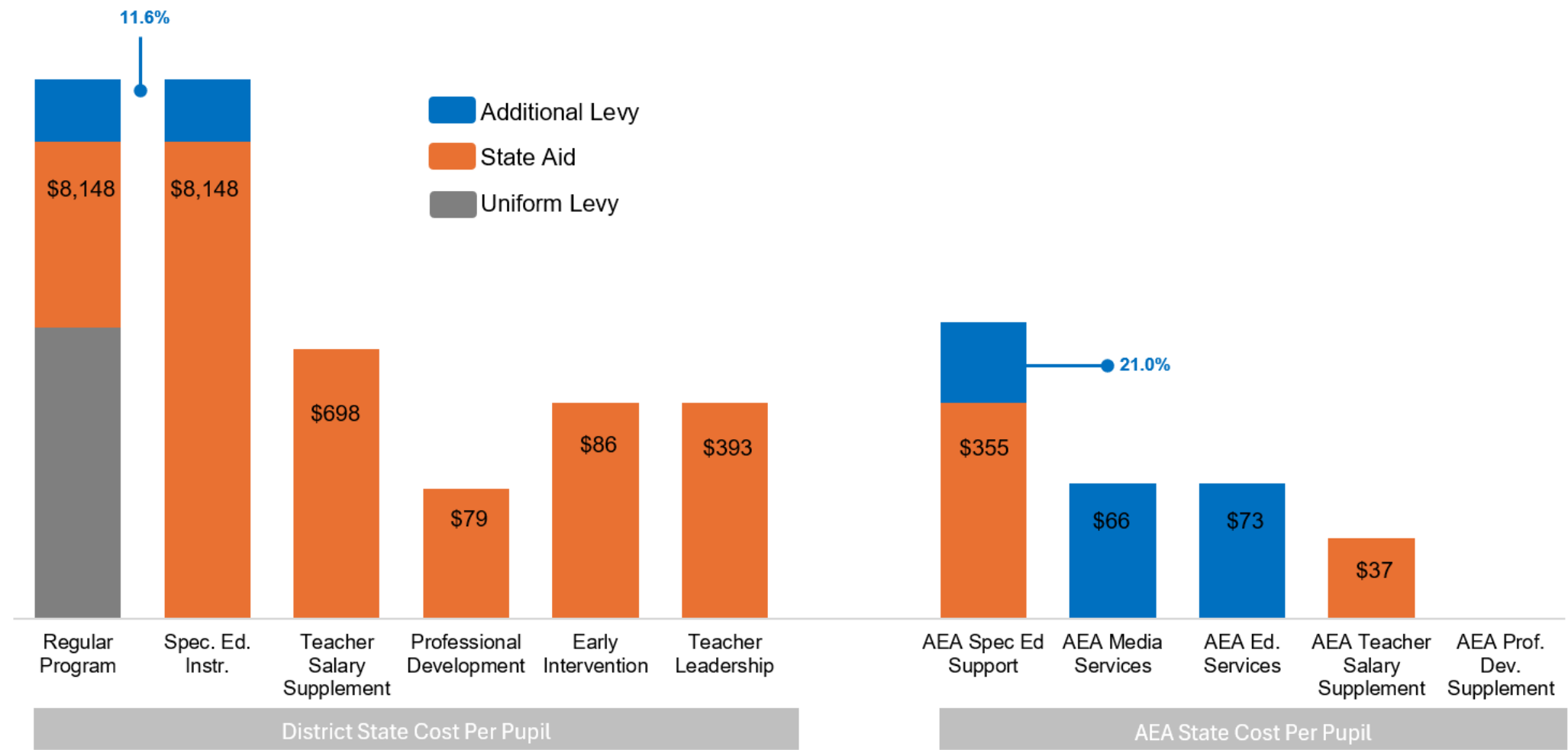
Starting in FY 2023, the foundation level increased from 87.5% to 88.4%.

What does this mean?

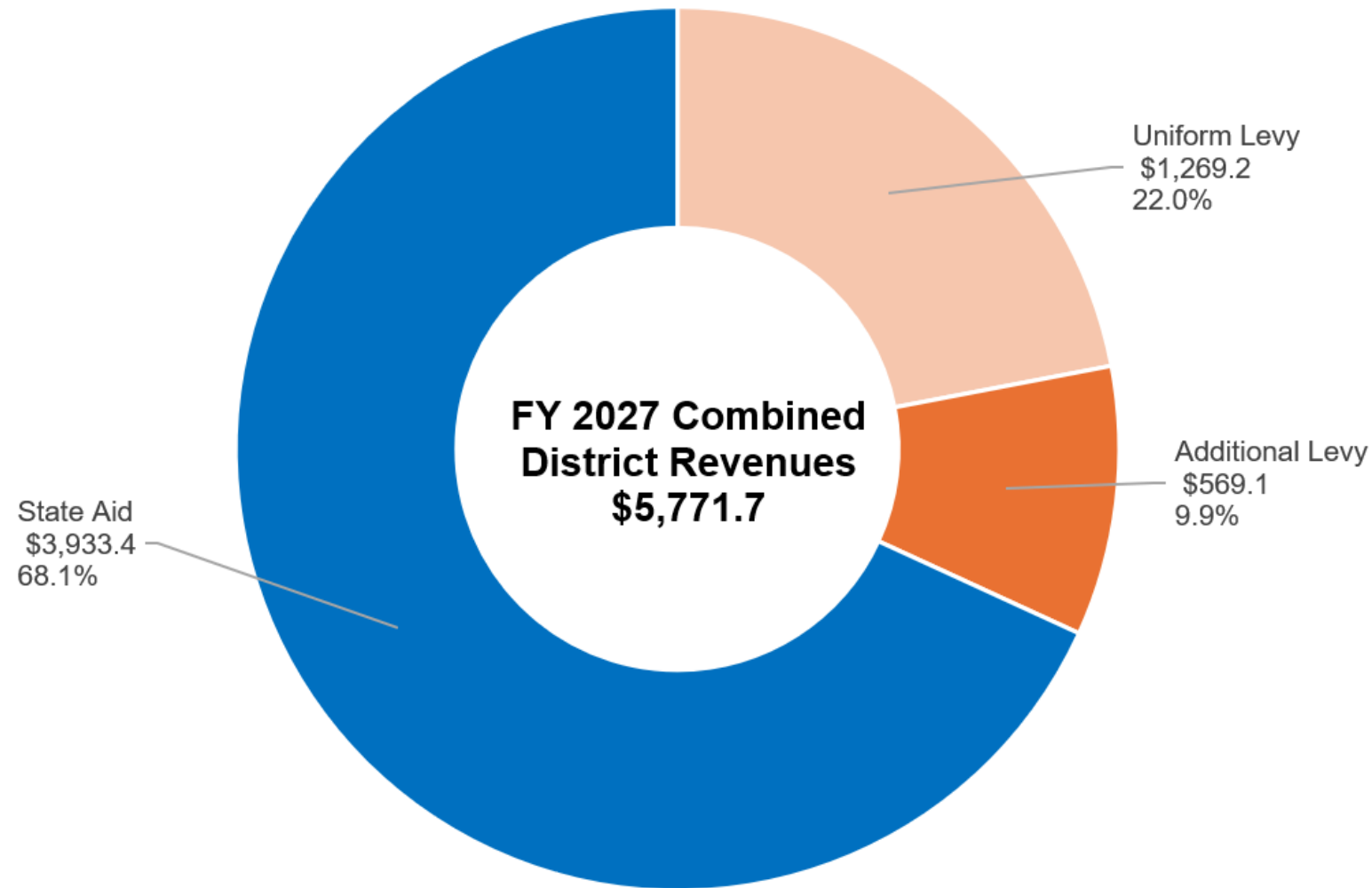
School Aid Funding—Student Driven



FY 2027 State Cost Per Pupil Amounts
District and AEA cost per pupil may vary



School Aid Formula Revenues—Combined District Cost (in millions)



- Combined District Cost (CDC) is the funding and spending authority generated through the school aid formula (see Section 5 of the Aid and Levy Worksheet)

Property Taxes



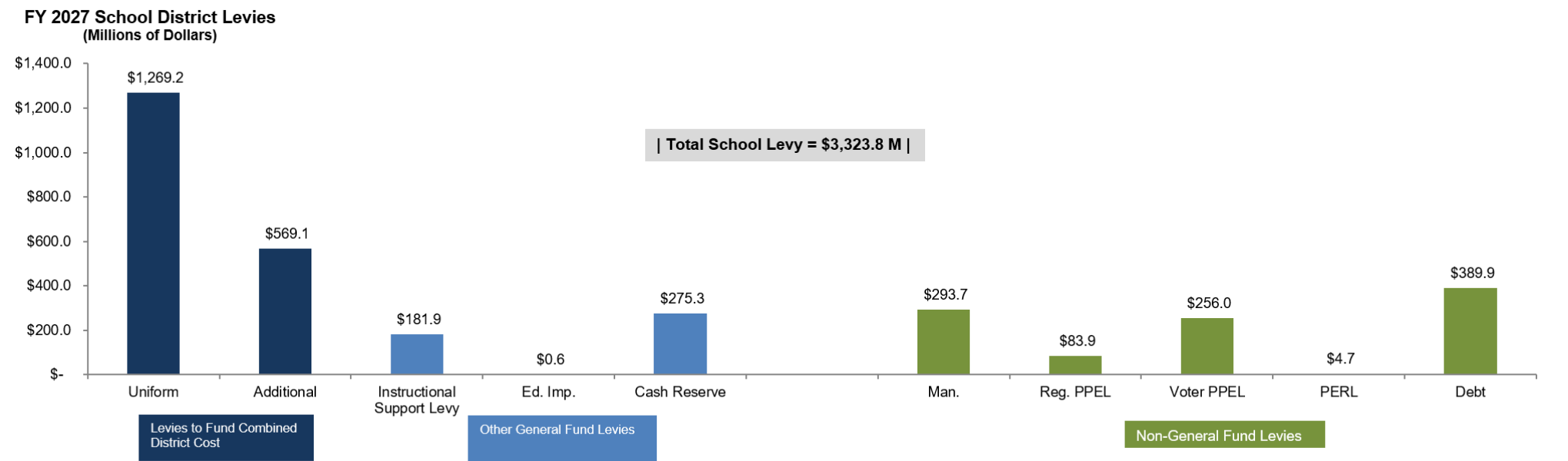
Property Taxes—Timeline



Budget Year 2027-2028 (FY 2028):

Taxable valuations used	2026
School budgets certified	April 30, 2027
Tax levies certified - based upon 2026 valuations	May/June (2027)
Property taxes paid	September 2026 and March 2027

School Property Taxes and Rates By Component—State Level



School Levy Component		Amount (in Millions)	% of Total	Authorization	# of Districts	Min. Rate	Max. Rate	Median Rate	Notes
Gen. Fund Levies	Uniform Levy	\$ 1,269.2	38.2%	Formula	324	\$ 5.40	\$ 5.400	\$ 5.40	Capped Rate
	Additional Levy	\$ 569.1	17.1%	Formula	324	\$ (0.29)	\$ 4.185	\$ 2.27	Budget guarantee and DoP require Board Approval
	Instructional Support Levy	\$ 181.9	5.5%	Board or Voter	328	\$ -	\$ 1.596	\$ 0.53	Amount capped by formula
	Ed. Improvement Levy	\$ 0.6	0.0%	N.A.	2	\$ -	\$ 2.896	\$ -	Amount capped by formula
	Cash Reserve Levy	\$ 275.3	8.3%	Board	184	\$ -	\$ 5.674	\$ 0.46	Amount capped by formula
	Total General Fund Levies	\$ 2,296.0	69.1%		324	\$ 5.97	\$ 15.173	\$ 8.96	
Non-General Fund Levies	Management Fund Levy	\$ 293.7	8.8%	Board	307	\$ -	\$ 4.437	\$ 1.28	Funds are use restricted
	Regular PPEL	\$ 83.9	2.5%	Board	323	\$ -	\$ 0.330	\$ 0.33	Max tax rate capped at \$0.33
	Voter PPEL	\$ 256.0	7.7%	Voter	282	\$ -	\$ 1.340	\$ 1.00	Max tax rate capped at \$1.34
	PERL	\$ 4.7	0.1%	Voter	29	\$ -	\$ 0.135	\$ -	Max tax rate capped at \$0.135
	Debt Services Levy	\$ 389.9	11.7%	Voter	175	\$ -	\$ 4.050	\$ 0.99	Max tax rate capped at \$2.70 or \$4.05
	Total Non-Gen. Fund Levies	\$ 1,028.1	30.9%						
Total All Levies		\$ 3,323.8	100.0%		324	\$ 7.81	\$ 19.102	\$ 12.99	

Totals may not sum due to rounding.

Levies to fund the combined district cost include the uniform and additional levies.

"Total All Levies" includes Amana Library Levy and the use of fund balance to reduce levies.

School District Discretionary Levies - FY 2027

Code Section	School Disrict - Discretionary Levies	Approval	Number of Districts with Levy	Amount Levied (in Mill.)	Income Surtax Amount (in Mill.)
298.1	Cash Reserve	Board Approved	184	\$ 275.3	N.A.
257.19	Instructional Support	Board Approved for up to 5 Years	323	\$ 181.9	\$ 94.9
Voter Approved for up to 10 Years (majority approval)					
257.29	Educational Improvement levy	Voter Approved (in place until Board rescinds or reverse referendum)	2	\$ 0.6	\$ 0.1
However, no new districts can implement this.					
298.2	Regular Physical Plant and Equipment Levy (PPEL)	Board Approved	323	\$ 83.9	N.A.
298.2	Voter Approved PPEL	Voter Approved (Up to 10 Years - requires majority approval)	282	\$ 256.0	\$ 15.2
300.2	Public Education and Recreation Levy (PERL)	Voter Approved (in place until Board rescinds or reverse referendum)	29	\$ 4.7	N.A.
Starting with FY 2024 - no new districts can approve this provision.					
298.4	Management	Board Approved	307	\$ 293.7	N.A.
298.18	Debt Services	Voter Approved (requires 60.0% approval)	176	\$ 389.9	N.A.
# of Districts = 324			Totals	\$ 1,485.8	\$ 110.1



- What types of property taxes are being collected on behalf of your district?
 - **Cash Reserve Levy**
 - **ISL**
 - **PPEL Board**
 - **Voter PPEL**
 - **PERL**
 - **Debt Service**
- Is your district managing the overall tax rate over time?
- Why is this important?

Property Tax Definitions



Assessed Valuation

The estimated market value of your property, as determined by the county assessor (*What your property may be worth in the real estate market*).

Taxable Valuation

The reduced valuation of your property that is used to calculate your property tax bill (*What your property taxes are calculated on*).

Tax Exemptions

A tax exemption reduces the taxable valuation of your property.

Tax Credits

A tax credit reduces the amount of property tax owed.

Rollback

The rollback is the percentage of a property's assessed value that is subject to taxation.

Tax Abatement

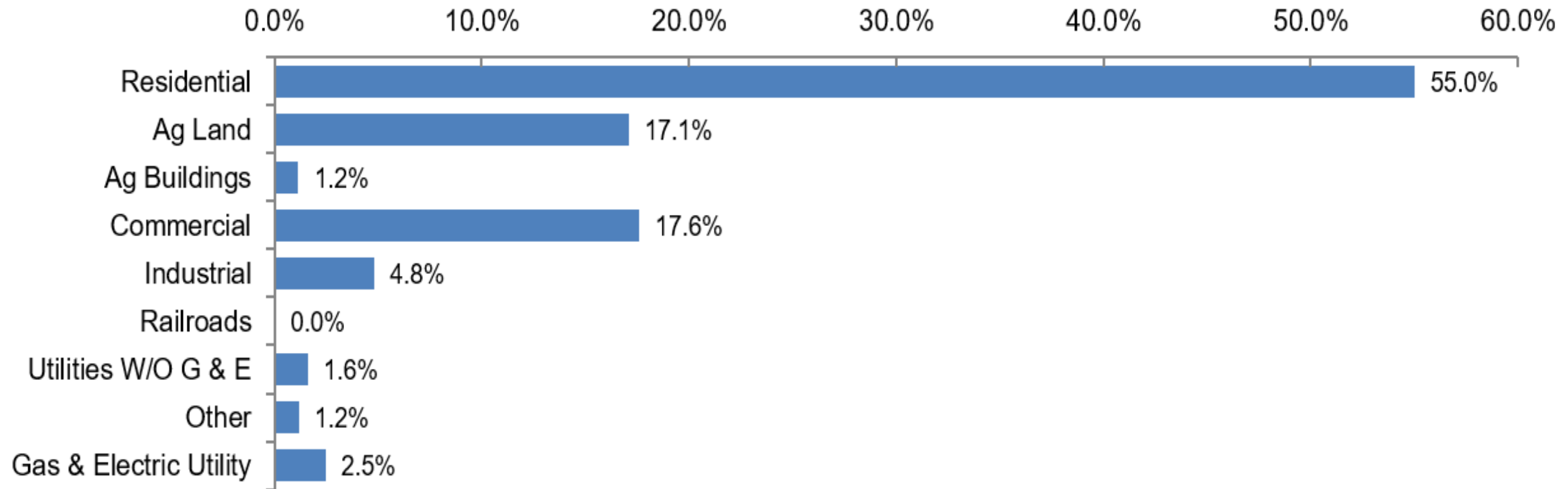
A temporary reduction in property taxes that are otherwise payable on the actual value added to a residential or commercial property due to a qualified improvement.

Property Valuations—Classifications



Statewide Taxable Valuations by Class AY 2025 (impacting FY 2027)

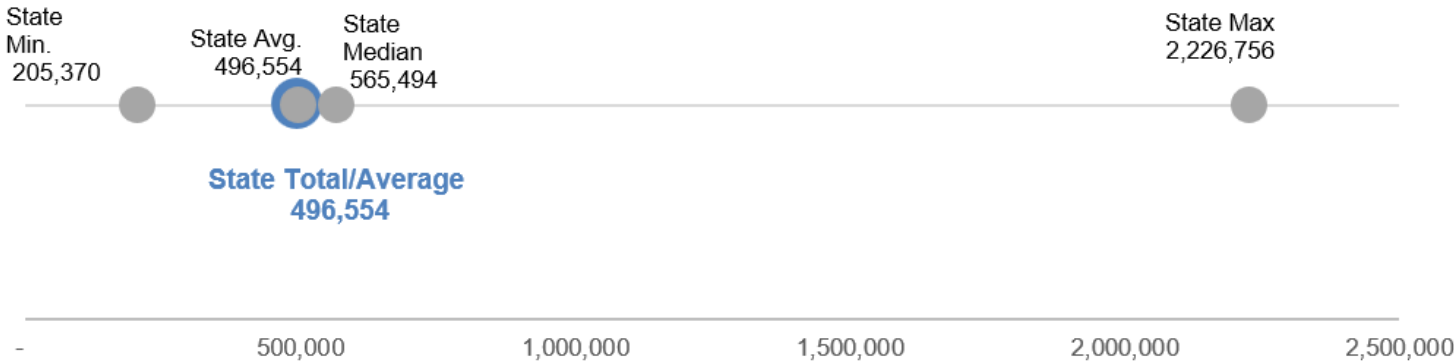
Percent Taxable Valuation by Class



Property Wealth of a District



Taxable Valuation Per Student



What is it?
Property valuation per student in a district

How is it calculated?
District Property Valuation / Enrollment

	Taxable Valuation Per Pupil	Property Tax Rate Impact
“Property Rich”	Larger	Lower rates
“Property Poor”	Lower	Higher rates

Foundation Level—Equalize Property Effort (to a point)



Each District has:

- SCPP = \$7,988
- Foundation Level Per Pupil = \$7,061
- Property Tax Rep. Per Pupil = \$242
- Foundation Base Supplement = \$18
- Additional Levy Per Pupil = \$685

Property Poor – District A:

- **Higher** tax rate for Additional levy
- Generates **less** from fixed levy rate
- Gets **more** state aid from foundation level

Property Rich – District B:

- **Lower** tax rate for Additional levy
- Generates **more** from fixed levy rate
- Gets **less** state aid from foundation level

District (A) | Property Poor
DCPP = \$8,148



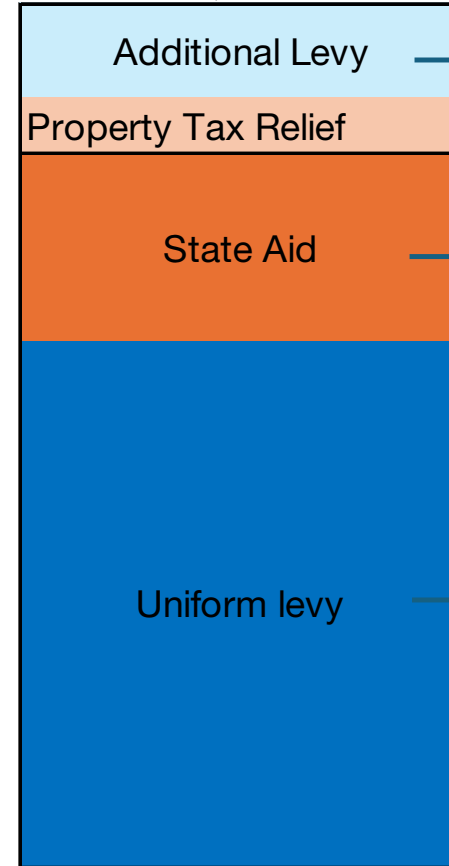
Higher Tax Rate

88.4% (\$7,203)
Foundation Level

More State Aid

Generate Less \$

District (B) | Property Rich
DCPP = \$8,148



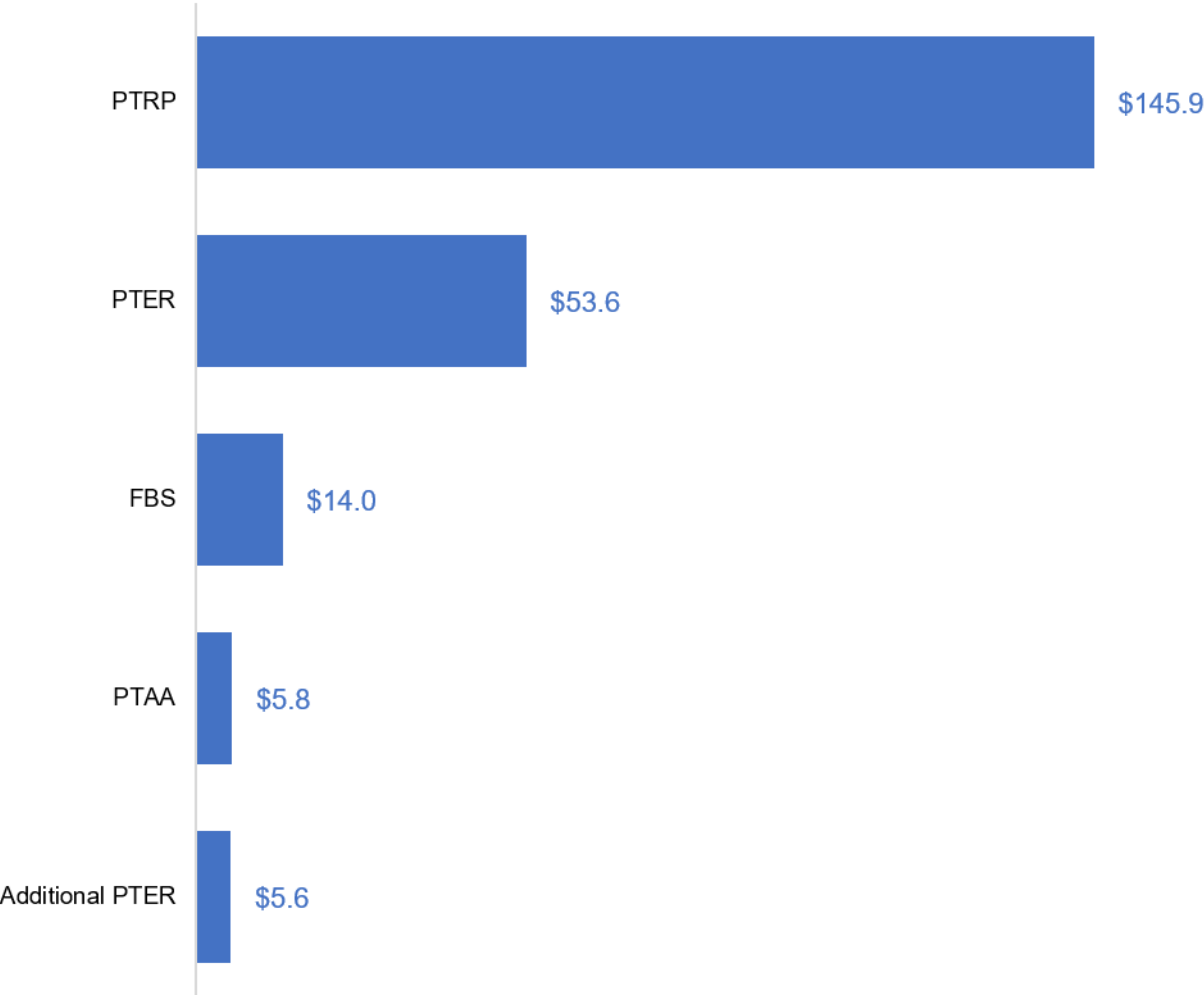
Lower Tax Rate

Less State Aid

Generate More \$

Property Tax Relief Programs

FY 2027 | Five property tax relief provisions that replace additional levy dollars with state dollars



Property Tax Replacement Program | 324 Districts

Freezes the additional levy portion of the SCPP by covering SSA increases with state aid each year.

Property Tax Equity & Relief Fund | 122 Districts

Lowers the additional levy rate for districts above the statewide average using a mix of SAVE funds and a state appropriation.

Foundation Base Supplement | 324 Districts

Artificially increases the foundation level with SAVE funds.

Property Tax Aid Adjustment | 277 Districts

Since 1992, this program has been phasing out as taxable valuations increase.

Additional PTER Dollars | 324 Districts

Once all districts with an additional levy rate above the statewide average are brought down to the average, the remaining funding is distributed to all districts.

\$225.0 Million total property tax relief

Is your district property-rich or property-poor?

Why is this important?

Timeline of Property Tax Changes

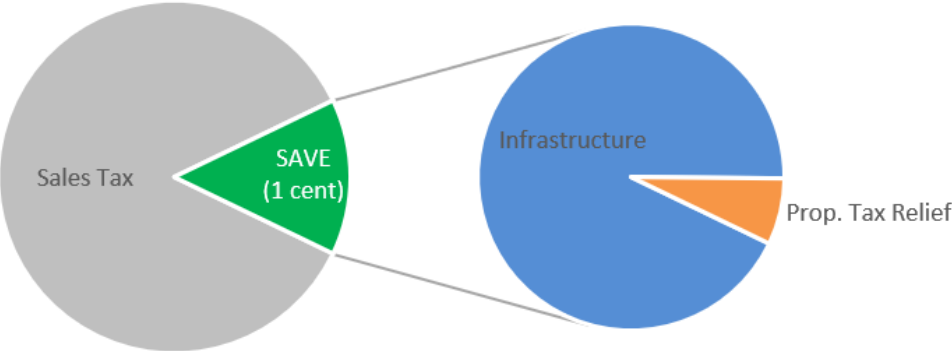
Indirect Impact on Property Taxes	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Spending Authority Limitations					
SAVE Revenue Reductions					
Two-Tier Assessment Payments Removed					

Direct Impact on Property Taxes	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Additional Levy Reductions from SAVE Revenue (General Fund)					
Homestead Exemptions					
Uniform Levy Reductions (General Fund)					
PERL/Amana Library Levies					

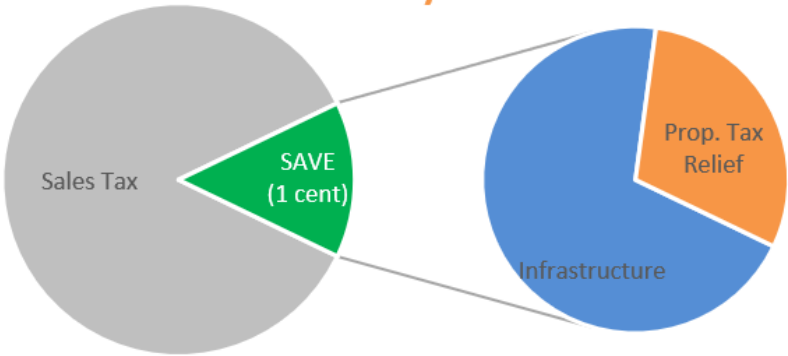


How will your district be impacted?: (14_SAVE Projections)

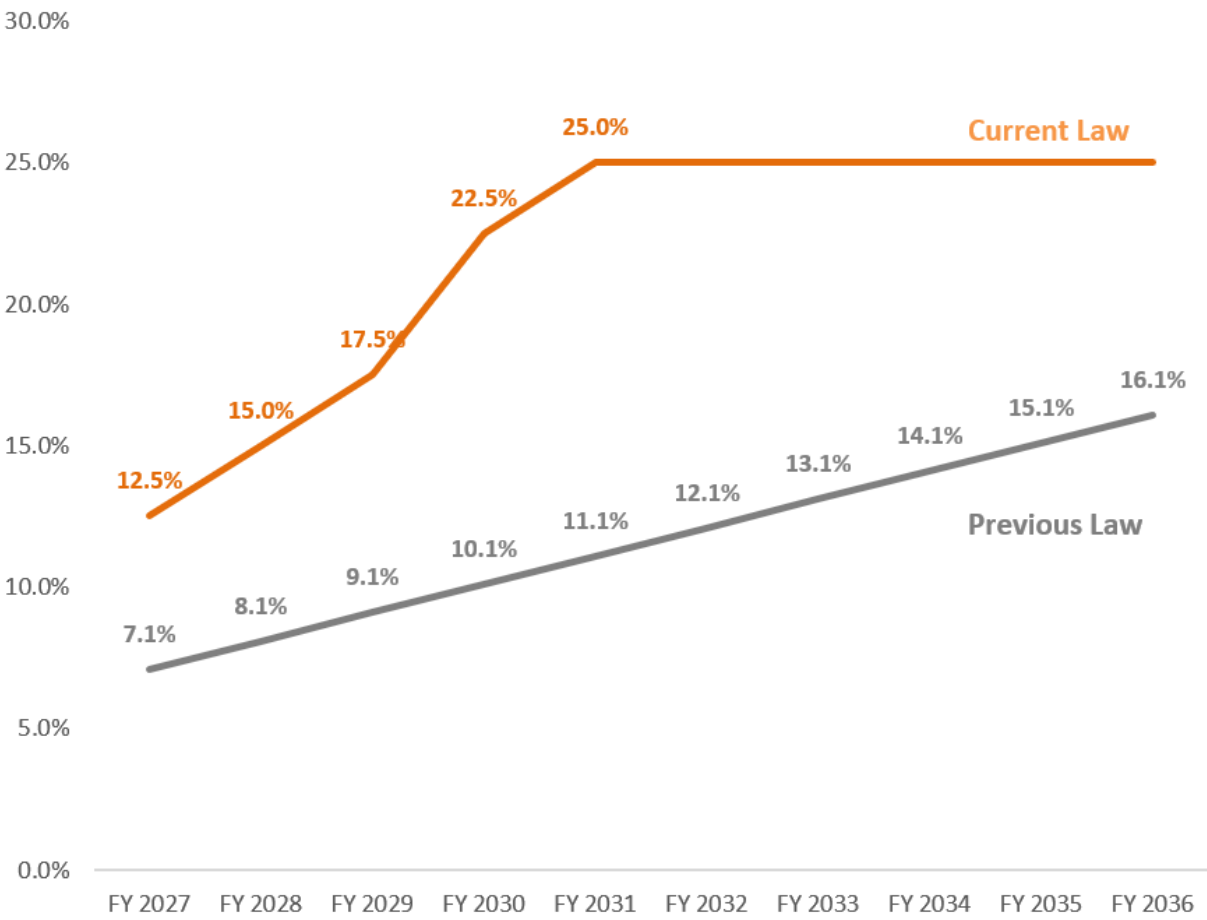
Under Previous Law, **7.1% of the penny sales tax was directed to property tax relief in the school aid formula.**

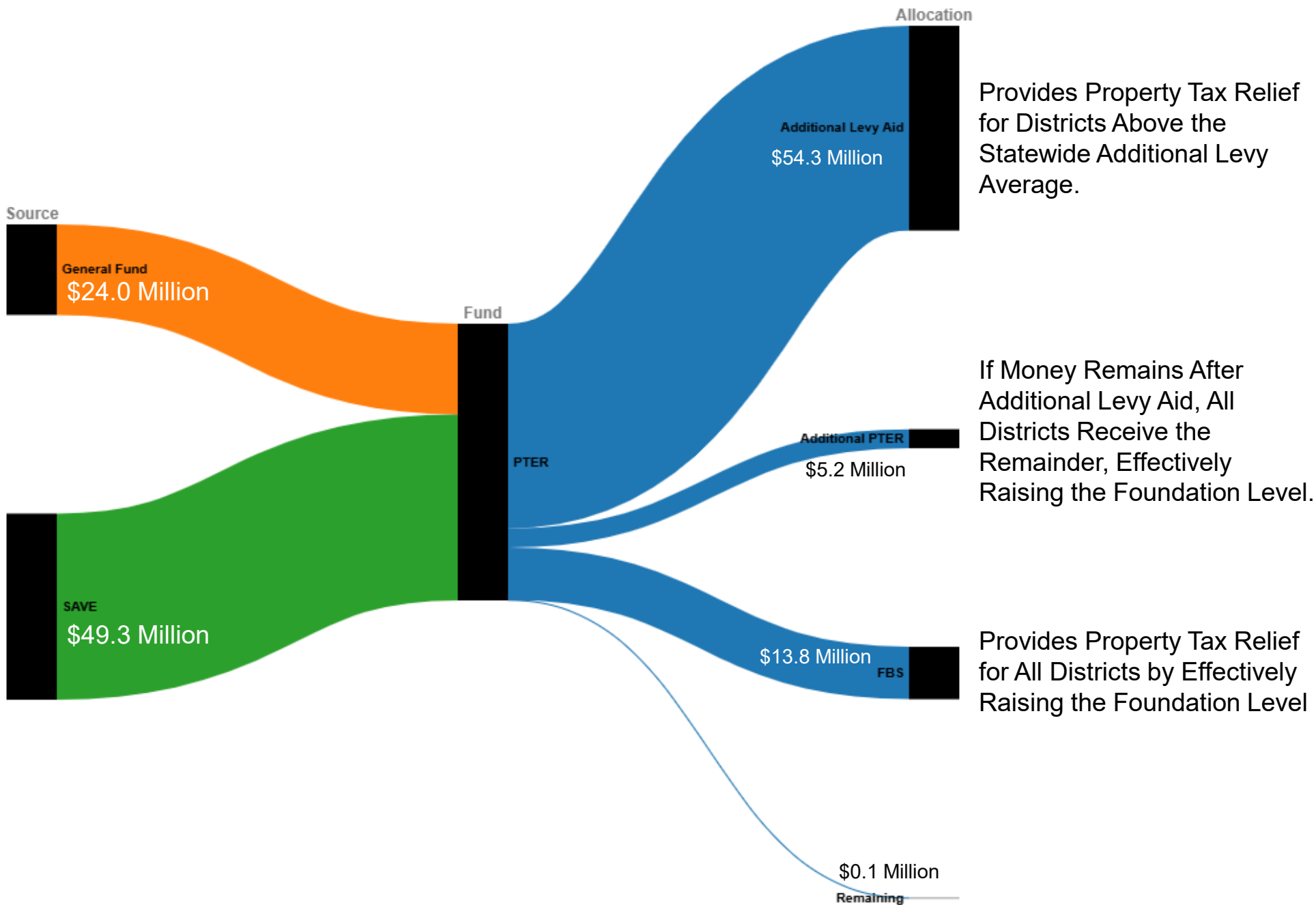


With this increasing under positive economic conditions to **30% of the penny sales tax directed to property tax relief in the school aid formula by FY 2049.**



Under SF 2472, **the property tax relief allocation increases by set amounts in Code, capping at 25% in FY 2031.**



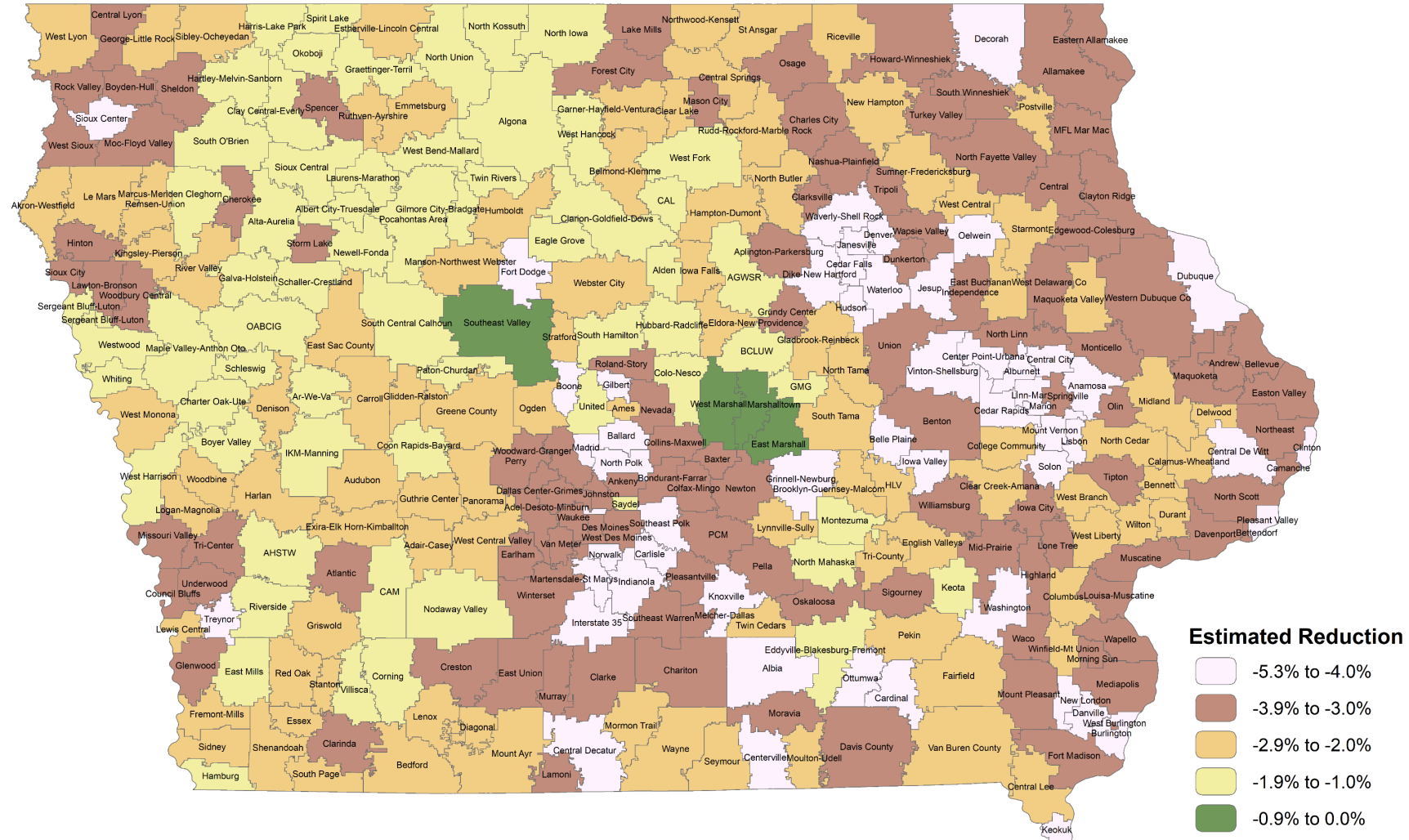


SF 2472 will increase the amounts for both programs, providing decreases in the additional levy for all districts.



Iowa Association of School Boards

Estimated Reduction In Taxable Valuation Due to Changes in Homestead Exemptions — SF 2472

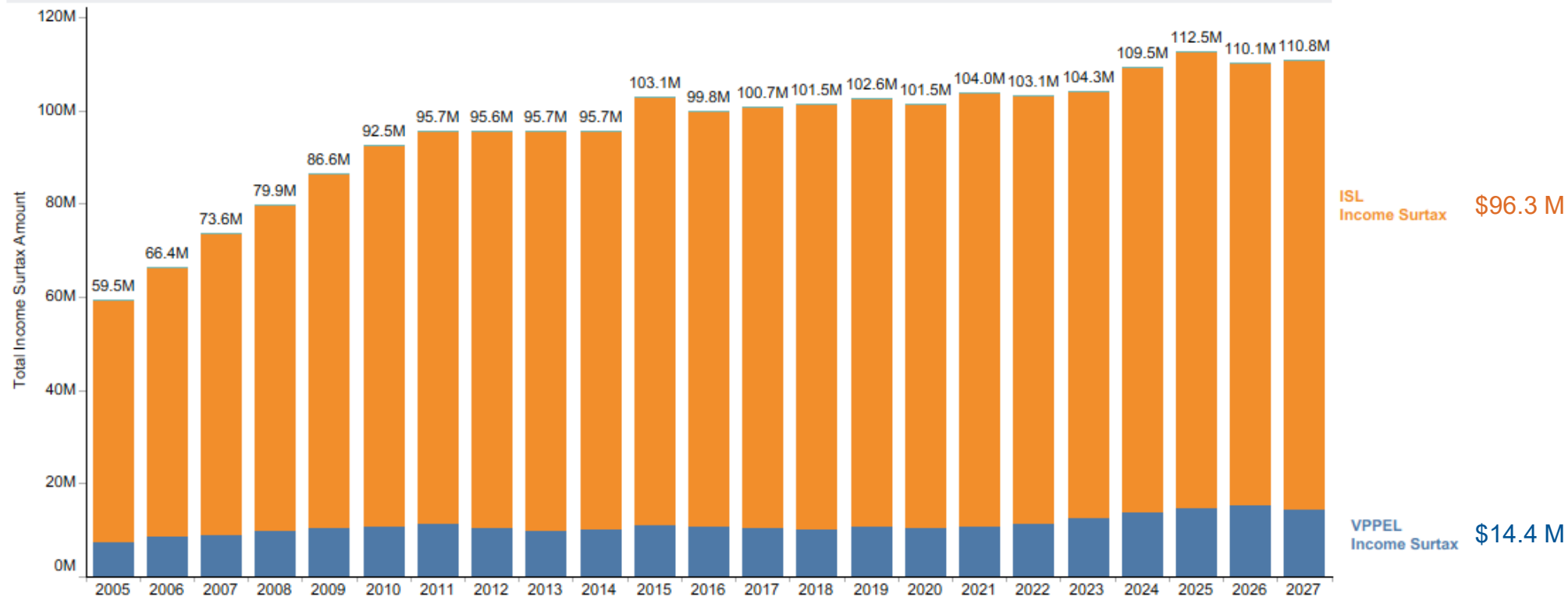


Sources: Department of Management, IASB analysis and calculations

What is it?

- A tax levied based on an individual's state income; used in lieu of a portion of the property tax levy for ISL and/or VPPEL and Ed Improvement Program (if eligible):

Income Surtax Amounts: FY 2005 - FY 2027



For ISL:

- Calculations for FY 2027 are estimated on CY 2024 tax collections.
 - Gives you the spending authority amount only.
 - Does not give you the actual revenue amount.
 - Only receive the full property tax portion.
- You receive the revenue for FY 2027 in FY 2028 based on the rate applied in FY 2027 to the CY 2026 income revenue collected.

For VPPEL:

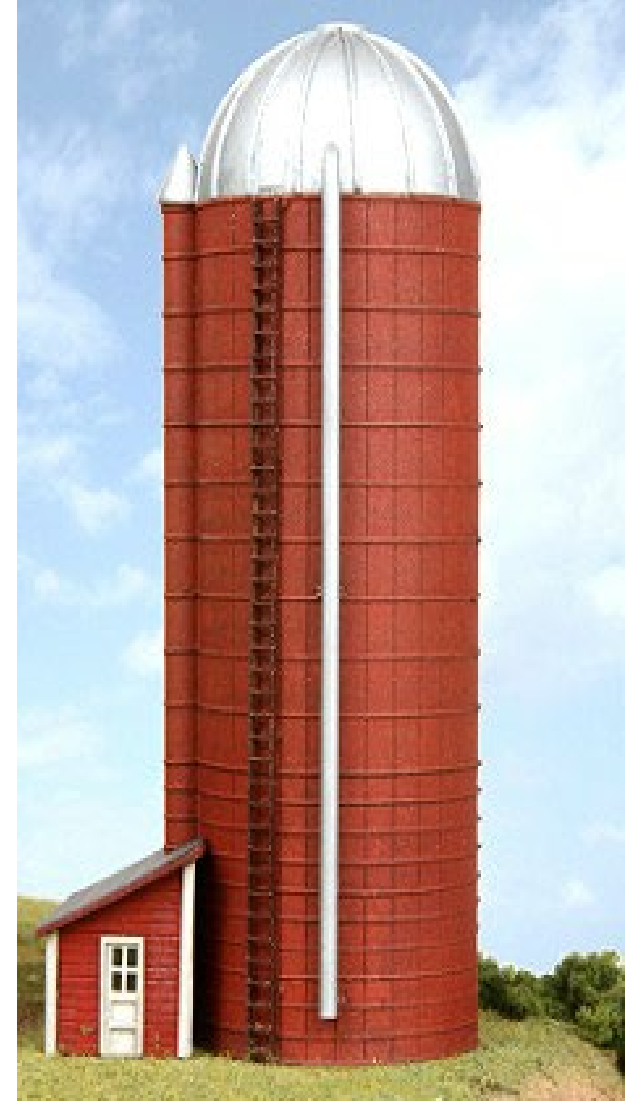
- Calculations for FY 2027 are estimated on CY 2024 tax collections.
 - Does not give you the actual revenue amount.
 - Only receive the property tax portion.
- You receive the revenue for FY 2027 in FY 2028 based on the rate applied in FY 2027 to the CY 2026 income revenue collected.

Fund Accounting— Funding Silos



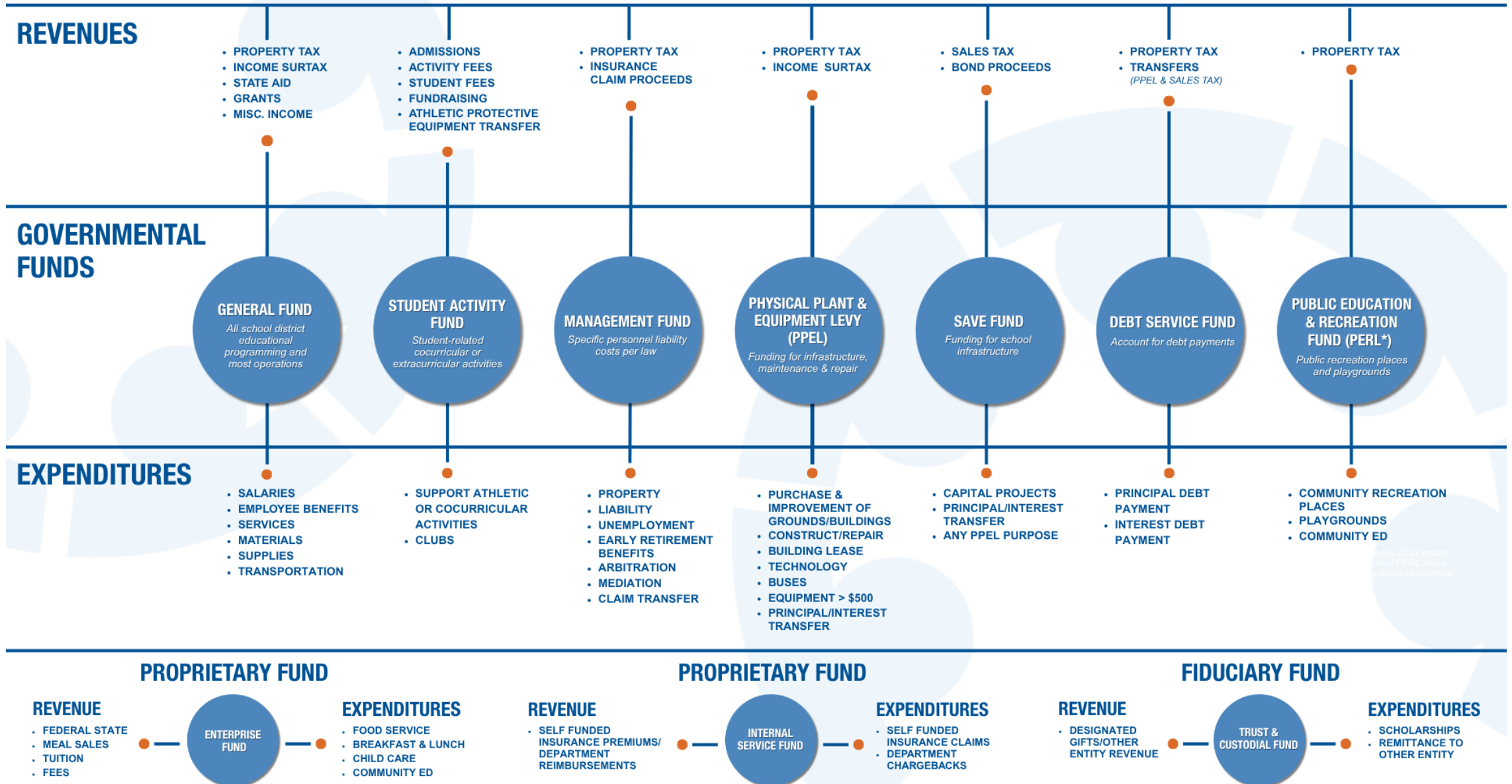
KEY CONCEPT! FUNDING SILOS

(You can't mix corn and beans!)



Lots of different funds, BUT Dillon's Rule – these funds are separate – can't mix

IOWA ASSOCIATION OF SCHOOL BOARDS: FUND SUMMARY



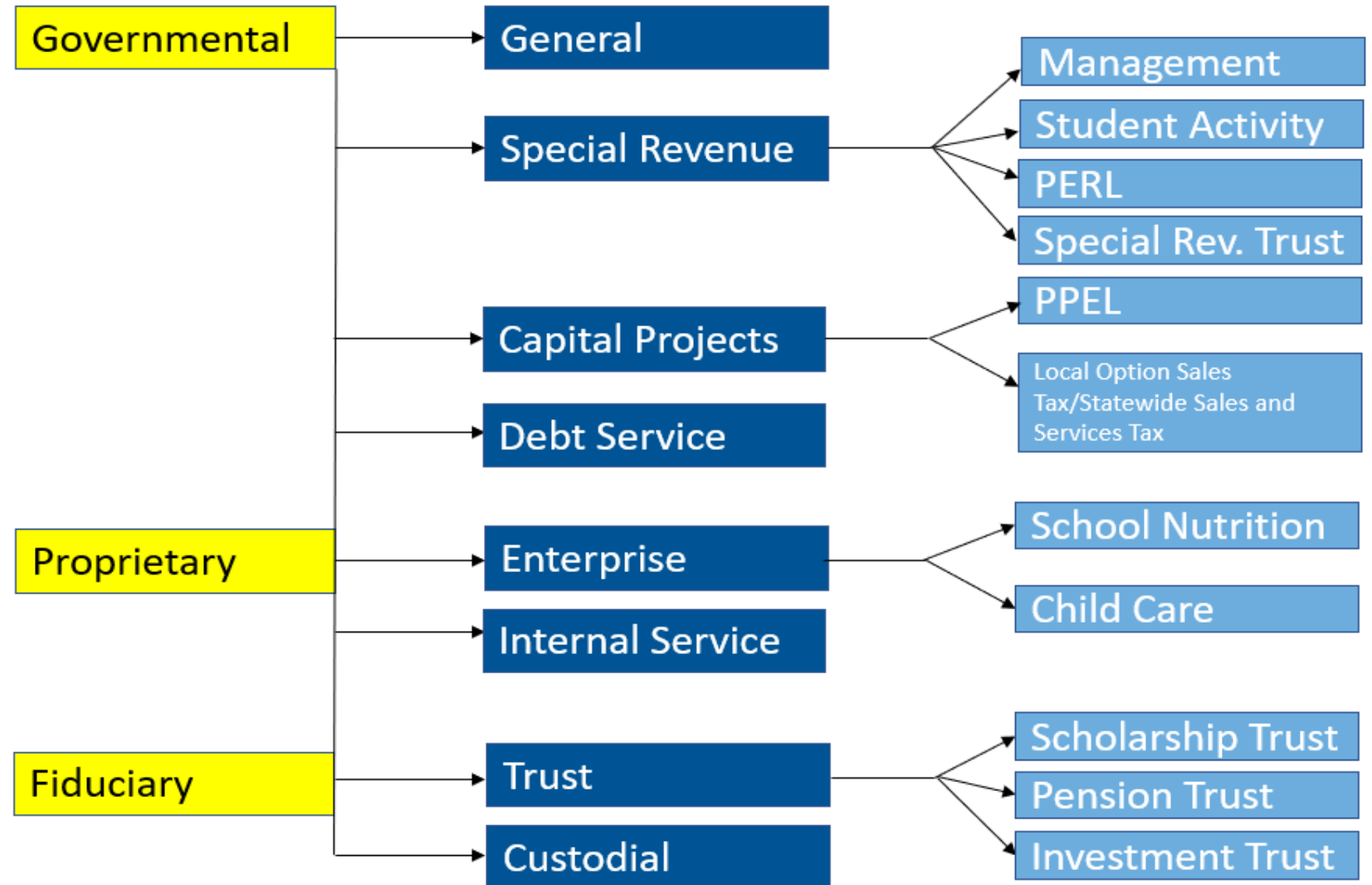
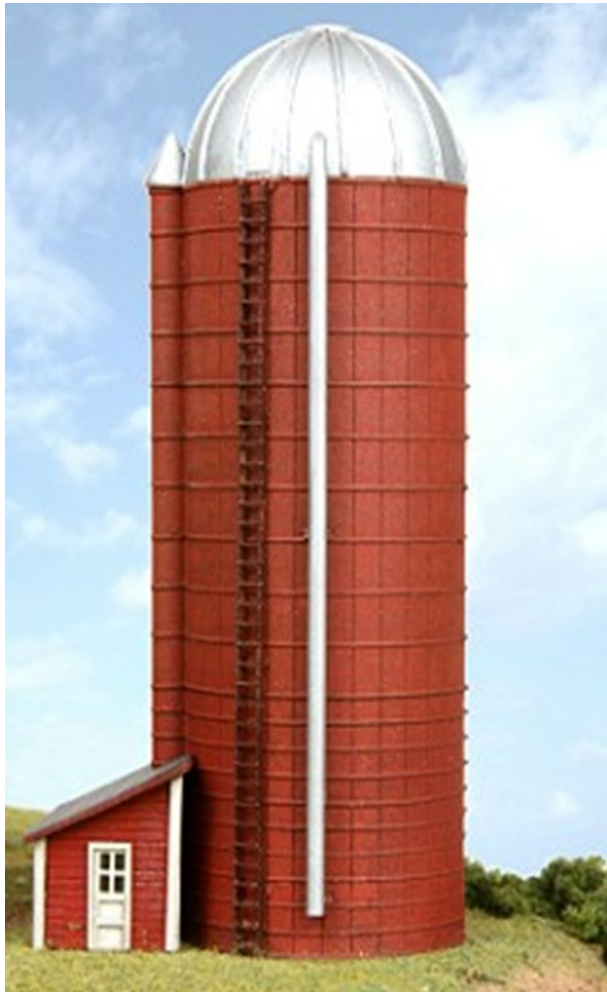
* PERL stands for Public Education & Recreation Levy

Funds Summary



Fund	Description	Code Cite	Major Revenue Sources	Major Expenditures
General Fund	All school district educational programming and most operations	298A	-State Aid and property taxes generated through the school aid formula -Other local taxes, state aid, federal aid and grants -Tuition from open enrolled students	-Salaries and benefits (except Nutrition/Enterprise), utilities, curriculum, services, instruction support staff, transportation, administration
Student Activity Fund	Student-related cocurricular or extracurricular activities	298A.8	-Activity fees -Gate Receipts -Student fundraising	-Cost of co-curricular activities (athletics, clubs, trips) -Protective/safety equipment (General Fund transfer)
Management Fund	Fund activities for specified items, per law	298A.3, 298.4	-Property taxes (board approved)	-Liability insurance -Early retirement -Unemployment claims -Tort payments -Arbitration/Mediation
Capital Projects Funds	Fund accounts for infrastructure, such as land and buildings	298A.9, 298.21	-Bond proceeds from General Obligation (GO) bonds and Revenue bonds -Sales tax (from SAVE funds) -Property taxes	-Acquisition -Construction -Major renovation -Technology -Stated bond purpose
Physical Plant and Equipment Levy (PEL) Fund		298A.4, 298.2, 298.5	-Property taxes (board approved) -Property taxes (voter approved)	-Purchase/construction of infrastructure -Purchase, lease, lease-purchase of buildings -Technology -Busses and bus repair
Debt Service Fund	Account for debt payments	298A.10, 298.18	-Property taxes (voter approved) -Transfers-in	-Payment of principal and interest on bonds
School Nutrition Fund	Meals provided to students	298A.11	-Lunch fees -State and federal student lunch reimbursements	-School nutrition programs -Compensation of lunch staff -Food
Other Enterprise Funds	Funds for programs that are run like a business		-Fee for services	- Examples include: -Before/after school day care -Student house construction programs
Internal Services Funds	Services provided to other district departments	298A	-Department charge-backs	-Self-insurance fund -Flex benefit plans -Print shop
Trust Funds	Designated purposes monetary gifts - district is trustee	298A.13	-Benefactor gifts or donations	-Use of principal/interest in accordance with trust document -Example: College scholarships
Other Funds	Catch-all	298A.14	- Examples: -Property tax from the Public Educational and Recreational Levy (PERL) -Entrepreneurial fund revenues	-Expenses in accordance with the terms of the specific "other fund"

GAAP Funding Chart



Governmental: General Fund



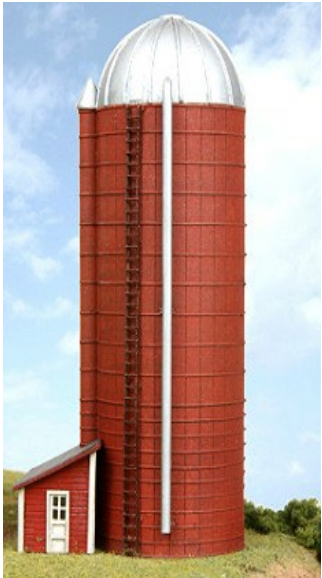
Money In:

- State aid
- Property taxes from:
 - School Aid Formula Levies
 - Instructional Support Taxes
 - Cash Reserve Levy
- Grants
- Most miscellaneous Income

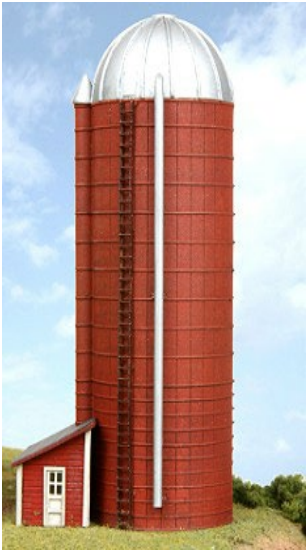
• Money Out:

- Most wages and benefits
- Supplies
- Equipment
- Utilities
- Purchased services

- Also treat as Silos—only Accounts, not Funds



Teacher Salary Supplement	Dropout Prevention
Professional Development	Successful Early Readers
Iowa Early Intervention	Beginning Administrator Mentoring
Statewide Voluntary Four-Year-Old Preschool	Nonpublic Textbook Services
SPED – Special Education	Gifted and Talented
At-Risk	EL – English Learners
Home School Assistance	Teacher Leadership Compensation



Flexibility Account

HF 565 - Flexibility Account

(Updated for HF 847)

Balances from:

- SVPP
- PD
- Home School
- Teacher Leadership Supplement
- Expired/Repealed Programs

Balances to:

- SVPP Start Up
- PD
- Home School
- DOP/At Risk
- Gifted & Talented
- Unpaid Student Meals Account
- Approved flexible student and school support program
- Any GF purpose

Program requirements met?

Flexibility Account

Flexibility Account Board Hearing

Board Resolution to spend?

Deference will be given to
decisions made by a school board

Things to remember:

- Transferring balances to the flex account **IS NOT** providing additional spending authority – it's authority you already have.
- When you spend from the flex account you are reducing spending authority
- Balances are one-time in nature so wise not to spend flex account funds on on-going expenditures!

Additional TSS Flexibility



Balances carried forward from the prior year, as well as ongoing revenues, may be transferred to TSS (Teacher Salary Supplement) for the following funds:

- Professional Development (PD)
- Teacher Leadership and Compensation (TLC)
- Gifted and Talented (TAG)

This is done as a transfer for PD (Project 3373 or 3376), TLC (Project 3116), or TAG (Project 1118), and the coding is the following:

- Debit Function 231X, Program XXX, Project XXXX (PD, TLC, TAG), Object 959
- Credit Function 231X, Program XX, Project 319X (PD 3191, TLC 3192, TAG 3193), Object 959

Issue: Management Fund Balances

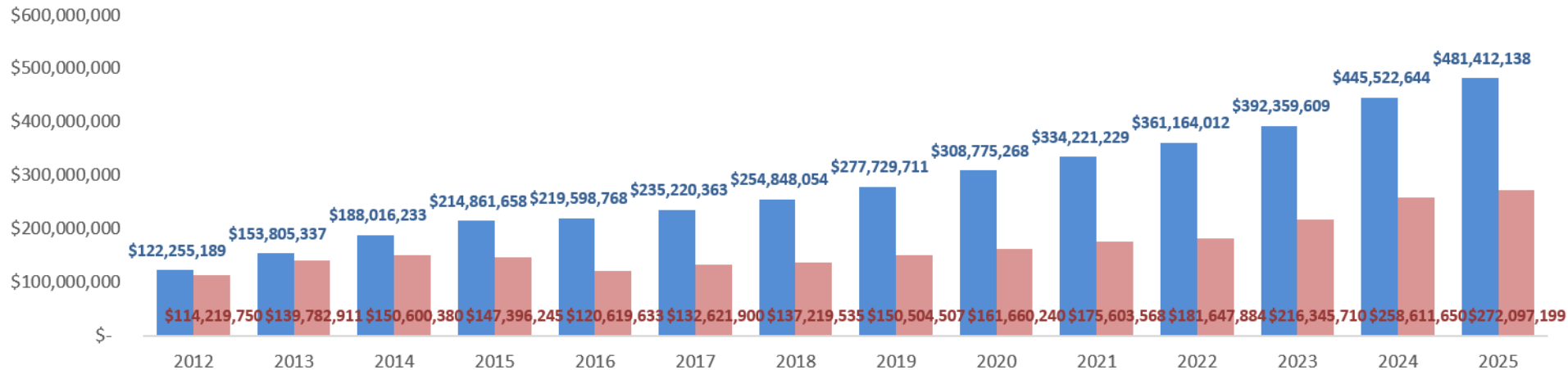
What's your district's balance: (13_Management Fund Balances)



Fiscal Year	Certified Enrollment	Enrollment Served	Property Tax Revenue	Total Revenues	Total Expenditures	Total Fund Balance	Per Pupil Fund Balance	Percentage of Expenditures
2012	473,504.2	473,177.1	\$ 114,219,750	\$ 120,220,658	\$ 108,791,031	\$ 122,255,189	\$ 258	112.4%
2013	476,245.0	476,245.0	\$ 139,782,911	\$ 144,587,975	\$ 113,037,828	\$ 153,805,337	\$ 323	136.1%
2014	478,920.9	478,920.9	\$ 150,600,380	\$ 155,268,212	\$ 121,057,315	\$ 188,016,233	\$ 393	155.3%
2015	480,771.9	480,771.9	\$ 147,396,245	\$ 154,788,041	\$ 127,731,417	\$ 214,861,658	\$ 447	168.2%
2016	483,450.9	483,450.9	\$ 120,619,633	\$ 131,527,939	\$ 126,675,584	\$ 219,598,768	\$ 454	173.4%
2017	485,147.3	485,147.3	\$ 132,621,900	\$ 145,321,805	\$ 129,697,640	\$ 235,220,363	\$ 485	181.4%
2018	486,264.3	486,264.3	\$ 137,219,535	\$ 149,294,846	\$ 129,667,154	\$ 254,848,054	\$ 524	196.5%
2019	487,651.5	487,651.5	\$ 150,504,507	\$ 159,888,130	\$ 137,006,473	\$ 277,729,711	\$ 570	202.7%
2020	490,094.4	490,094.4	\$ 161,660,240	\$ 170,226,146	\$ 139,180,589	\$ 308,775,268	\$ 630	221.9%
2021	484,158.5	484,158.5	\$ 175,603,568	\$ 182,484,873	\$ 157,038,912	\$ 334,221,229	\$ 690	212.8%
2022	485,630.4	485,630.4	\$ 181,647,884	\$ 190,517,830	\$ 163,575,047	\$ 361,164,012	\$ 744	220.8%
2023	486,475.5	486,475.5	\$ 216,345,710	\$ 228,620,836	\$ 197,425,240	\$ 392,359,609	\$ 807	198.7%
2024	483,698.7	483,698.7	\$ 258,611,650	\$ 276,273,801	\$ 222,060,765	\$ 445,522,644	\$ 921	200.6%
2025	480,665.4	480,066.4	\$ 272,097,199	\$ 291,321,382	\$ 255,431,888	\$ 481,412,138	\$ 1,002	188.5%

Total Management Fund Balance and Property Tax Revenue

■ Total Fund Balance ■ Property Tax Revenue



Wrap-Up: Other Helpful Information



Critical Budget Deadlines



Requirement	Deadline
Budget Statement-Tax Info	To DOM by March 5
Tax Information Publication	10-20 days prior to official Board hearing on tax info
Budget Publication <i>(Official hearing is many times on this same date)</i>	10-20 days prior to official Board hearing on budget
Board Adoption of Budget	Prior to April 30
Notice of successful elections on ISL and PPEL	No later than April 30
Due date to DOM and County Bond Resolution for New Bond Issue	April 30 To County Auditor by May 1
FY 2027 Budget Amendment Resolution	No later than May 31, but before exceeding budget

Budget Statements (Iowa Code 24.2A, 24.3)



- County auditors are now required to send each property owner or taxpayer within the county by regular mail no later than March 20th an individual statement containing information compiled and calculated by the Department of Management (DOM).
- Districts must furnish tax information to DOM by March 5
- Districts may not certify or levy in any fiscal year any tax on property subject to taxation unless and until the individual statements have been mailed and public hearings held.
- Required hearing must be separate from any other meeting of the district-after hearing, district may decrease but not increase proposed property tax amount to be included in district's budget
- Notice of public hearing must be published not less than 10 but not more than 20 days prior to hearing in newspaper published in district
- Notice of public hearing must be posted on district website along with copies of the budget statement and prior years' notices same day as publication of notice
- Notice of public hearing must also be posted on all district social media accounts or have an electronic link to the public hearing notice same day as publication of notice

- The Department of Education has defined public purpose as something that benefits the public, not an individual:
- It is a governmental action or direction that is intended to benefit the populace as a whole, but not intended to give benefit to private parties or particular individuals. It is not the board simply saying that it believes there is public purpose.
- Public purpose matters because school district funds come from taxpayers. These are public funds that must be spent for a public purpose (IA Cons. Art. III, sec 31).

Who Decides What is a Public Purpose?



- School boards do. Not employees, students or others.
- School boards are required by law to state the purpose of all bills authorized for payment. (*Iowa Code 279.30*)
- State Auditor has restated this authority as:
- **The harder it is to document a public purpose, the less likely one exists.**
- **If it's not for a public purpose, why should the public pay for it?**
- Current District Policies-Public Purpose Policy 705.04 Expenditures for Public Purpose and 705.04R1 Use of Public Funds Regulation

Important Things to Know About Your District



- What is our certified enrollment trend? Net open enrolled trend?
- Do we have a positive or negative unspent spending authority? Positive/negative trend?
- Does our district have a fiscal management policy-financial goals, multi-year projections?
- Are we on a budget guarantee? Plans?
- What is our SPED deficit/surplus? Plans?
- What are the components of our tax rate? Trend?
- What is our Dropout Prevention funding rate? Is it at 5%?
- Why do/don't we have a cash reserve levy?
- When is our ISL or Voter PPEL set to expire? Plans?
- Are we engaged in operational sharing? Plans?

- Spending Authority-Most important financial concept and more important than cash.
- Fiscal management policy/reg will help drive Board decisions through financial metrics and budget planning.
- Funds can only be used as authorized in Iowa Code.
- PPEL and ISL can be renewed up to 2 years in advance.
- We offer complimentary Financial Focus district visits for new/transitioning Superintendents.

School Finance Web Resources



- IASB: www.ia-sb.org
- Dept. of Education: www.educateiowa.gov
- Legislature - bills, amendments, etc.: www.legis.iowa.gov/index.aspx
- Legislative Service Agency: www.legis.iowa.gov/agencies/nonpartisan/lsa
- Dept. of Revenue: <https://tax.iowa.gov/>
- Dept. of Management: www.dom.state.ia.us
- State Auditor: www.auditor.iowa.gov
- State Treasurer: www.treasurer.state.ia.us/

IASB Affiliated Programs



Ann Pattison, Regional Director



Iowa Schools Joint Investment Trust

Caleb Walter, VP Investment Services
Cam Draude, Relationship Manager, PMA
Paul Kruse, SVP Director Iowa Office PTMA



Mark Panther, Director of Business
Development



Lora Appenzeller, Senior Advisor, Analytics



Protecting Iowa schools since 1974

Nolan Grimm, CIC Executive VP
Melissa Kauffman, CPCU, CIC



Eric Waters, President, ISEBA Division
Kristi Weigel, Employee Benefits Senior
Account Manager

Register Now: December ISFLC Conference

Registration is now open for the December ISFLC Conference on **Dec. 16–17, 2026** at the FFA Enrichment Center in Ankeny!

Visit www.ia-sb.org/isflcdec to register or scan the QR code to the right.





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