



## AN INDEPENDENT VOICE FOR CENTRAL IOWA TAXPAYERS

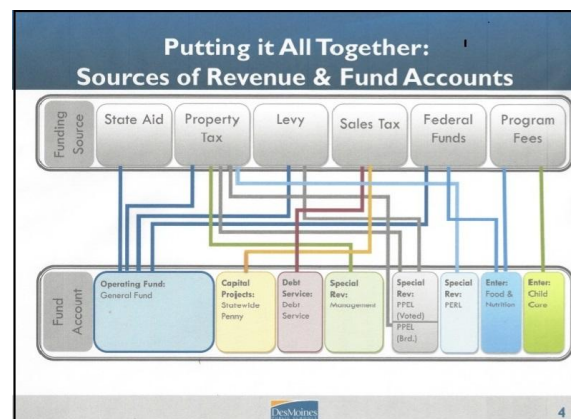
December 2019

### ICYMI

In case you missed the last **T.A.C.I. in the Tavern**, here's a brief recap:

The diagram on the right gives you an idea of the complexity of public school budgets. Numerous accounts and funding sources, but strict limitations on how funds can be spent, thanks to Dillon's Rule. This 100-year-old ruling

limits districts to spending funds only on items specified by state law. An account may be flush with monies, but if the district wants to spend on something not specifically designated for that account, it cannot be done. This rule, together with the state funding formula presents real budgeting dilemmas for some districts.



#### Realities that impact all Iowa school districts:

- The Iowa legislature establishes the cost per student that each district receives. It is currently set at \$6880.
- Schools are budget limited, but not rate limited. If property values double, the property tax rate falls; a district will not have additional money to spend.
- The tax rate is driven by the state funding formula more than district actions. The formula does not take into account variables within a district such as the number of English Language Learners, special needs students, or poverty levels.
- 80% of a district's budget is personnel costs.

**Challenges unique to three central Iowa districts:** (Click each school link for the complete presentation from their representatives.)

#### Des Moines Public Schools

- shrinking enrollment and lower property values than suburban districts
- district has \$90M in the general fund, but faces a \$24M budget deficit because they do not have the authority to spend general funds on salaries--thus must cut personnel.
- The recent approval of PPEL reduces the deficit to \$17M, but the district must continue to look for creative ways to increase revenue or decrease expenses.
- 76% of DSM students are at the federal poverty level.

### Southeast Polk Community Schools

- Due to the lower property values in the district, SE Polk is a property poor district and relies more on state aid than a district with higher property values
- The district has reduced its property tax rate by \$6/1000 in the last 5 years by refinancing debt and securing a better bond rating. Some increase in property values can be attributed to the maturation of TIF (Tax Increment Financing) properties in the district.

### Waukee Community Schools

- One of the fastest growing districts in the state. Added 500 students last year.
- Challenged to keep up with infrastructure and building needs of growing enrollment

---

For an in-depth look at Iowa's school funding process, check out **School Finance Basics** at Iowa School Finance Information Services.

---



In January we look at Part IV of **Understanding Your Property Tax Statement**. We'll hear from representatives from the tri-county area: Polk, Dallas, and Warren counties.

**Mark your calendar--  
January 8, 2020 at the Cub Club.**

**REGISTER NOW**

---

**Do you appreciate the networking and educational opportunities of T.A.C.I. in the Tavern?**

**Do you value smart local government i.e. taxing entities that make effective and effective use of your hard-earned tax dollars?**

**Are you looking for more facts and data-driven information on local public policy and fewer partisan soundbites?**

**If you answer YES to these questions, but are not yet a member of the Taxpayers Association of Central Iowa, consider **joining** now. We are only as strong and effective as our membership.**

---

---

**Now accepting nominations for the 2020**

**In the Public Interest Award**

**Do you know an individual, a local government, or an intergovernmental project that demonstrates "the aggressive pursuit of efficiency"?**

**If so, submit their name and project for our annual award.**

For a list of past recipients, [click here](#).

**Taxpayers Association of Central Iowa**  
1312 Locust Street - Suite 301  
Des Moines, IA 50309  
515.288.3328

[Visit our website](#)

