



CERTIFIED **FISCAL YEAR 2018-19** **BUDGET PROPOSAL**

PRESENTED FOR APPROVAL TO THE BOARD OF EDUCATION APRIL 9, 2018

This report format and general school funding information was borrowed from a report from the Dubuque Community School's website.




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SCHOOL FUNDING 101:

the basics on where the money comes from and where it goes



GENERAL FUND TOTAL REVENUE: \$17.7 MILLION

	State Income Taxes (state aid)	\$10.4 million
	Property Taxes	\$5.3 million
	Grants and Miscellaneous Income	\$2 million



- SALARIES
- BOOKS AND MATERIALS
- OTHER OPERATING EXPENSES


CAPITAL PROJECTS TOTAL: \$2.0 MILLION

	Property Taxes	\$444,000
	One-cent Local Option Sales Tax	\$1.5 million




- FACILITIES IMPROVEMENTS
- BOND PAYMENTS
- EQUIPMENT PURCHASES

OTHER FUNDS

	MANAGEMENT FUND Property Taxes	\$388,000
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- PROPERTY INSURANCE
- EARLY RETIREMENT BENEFITS

	NUTRITION FUND Cafeteria Revenue Subsidies and Sales	\$449,000
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- BREAKFAST AND LUNCH

	STUDENT ACTIVITY FUND Fundraising and Activity Admissions	\$502,000
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- ACTIVITIES NOT COVERED BY STUDENT FEES

AMOUNTS ARE FISCAL YEAR 2016-17 RESULTS

Navigating the labyrinth of public school funding is complicated. The budget is a maze of funding sources that, for the Nevada Community School District (the “District”), total \$30 million for the current 2017-18 fiscal year.

The previous graph and the following questions and answers outline the routes that funds take coming from taxpayers, going to classrooms, playing fields, cafeterias, and libraries.

Although the dollar amounts differ between school districts, the funding concepts described here are generally the same for all school districts in Iowa.

WHERE DOES FUNDING COME FROM?

Like most states, Iowa pays for schools through a mix of income taxes (also called state aid), local property taxes, and sales taxes. Less than three percent comes from federal funding. The *General Fund*, the District’s largest fund, pays for teachers and supports instructional programs. The *General Fund* is separate from other funds such as the *Capital Projects Fund*, which can be used only for buildings, property, and equipment.

In Iowa, the ratio of property tax to the state aid supporting a district’s General Fund budget varies based on a statewide foundation formula. This formula is designed to ensure that all districts spend approximately the same dollar amount per student.

The formula calculates district revenues based on a “uniform” property tax rate, plus a mix of state aid and an “additional” property tax rate. The current “uniform” tax rate is \$5.40 per \$1,000 of taxable valuation. The “additional” property tax rates are adjusted based on the size of the districts’ tax base. Property-rich districts (on a per-student basis) receive less state aid than property-poor districts because they can generate more revenue from the property tax levy.

The primary revenue sources for the other District funds is shown on the graph on the previous page.

HOW MUCH FUNDING DOES THE DISTRICT GET?

Most *General Fund* revenue for Iowa schools is based on the number of students enrolled. The number of students enrolled on October 1 determines a school district’s budget for the following (not the current) fiscal year. Even if more students enroll after this date, the District’s operating budget is set. For example, the 1,491 students enrolled in the District on October 1, 2017, determined the majority of the 2018-19 *General Fund* budget.

The funding formula uses certified enrollment multiplied by a cost per student. This cost is established by the state and represents the amount of revenue the district can spend per student. For 2018-19 the District’s per student cost is \$6,736.

Additional weightings are added to certified enrollment and these generate additional District revenue. Special education students and English language learners, for example, are among the students counted with additional weightings. The amount of District funding based on weighted enrollment (certified plus additional), plus some other amounts, is called *combined district cost*.

Additional General Fund revenue also comes from miscellaneous income. Miscellaneous income includes grants and fees. The amounts and sources of revenue for funds other than the *General Fund* are shown on the graph on the previous page.

HOW DOES THE DISTRICT PAY FOR COST INCREASES IN EDUCATIONAL PROGRAMS, SALARIES, AND UTILITIES?

Each year, the Iowa Legislature determines the *Regular-Program District Cost per Pupil*. This amount, multiplied by the district's certified enrollment on October 1 of the previous year, determines the total amount of foundation formula funds available for the District to spend on regular education. The increase in *District Cost per Pupil* is called *Supplemental State Aid* and is a percentage based on the previous year. For FY 2017-18, *Supplemental State Aid* was 1.11 percent. For FY 2018-19, *Supplemental State Aid* is 1 percent.

In years prior to 2010, the Legislature has always set the *Supplemental State Aid* rate early in the legislative session, to be applied to the school year beginning the July 1 a year and a half after the session. The legislature did not take this action in 2010 due to uncertainties about revenues caused by the nationwide recession. Since then, the Legislature has not followed the law and set the rate timely in 7 of the last 8 years. **This makes District planning for the next school year extremely difficult. Last year, the Legislature changed the law. Now they are required to set the Supplemental State Aid percentage within 30 days of the release of the Governor's budget. This is a full year less than the previous requirement. This is making planning a challenge.**

Authorized budget is the mechanism used by the Legislature to control school district spending. *Supplemental State Aid* is the principal driver of *authorized budget*. Since Iowa law mandates that schools stay within their *authorized budget*, their only options for coping with reduced funding are to increase other revenues, where possible, and to cut costs by reducing programs, staff, or both.

Schools are people-intensive establishments and salaries and benefits consume approximately 81 percent of the District's *General Fund* expenses. Therefore, significant

reductions of costs can only be achieved by cutting salaries and benefits.

HOW CAN SCHOOL DISTRICTS AFFORD TO BUILD AND REMODEL BUILDINGS WHEN THEY'RE CUTTING TEACHERS?

Iowa law requires school districts to maintain separate funds (restricted) for specific uses. Property insurance and early retirement benefits, for example, are paid from the *Management Fund*. These restricted funds have designated purposes and cannot be used for other types of expenses. Other examples of these restricted funds are the *Physical Plant and Equipment Levy Fund* and the *Secured an Advanced Vision for Education (SAVE) Fund*. The use of these funds is generally limited to facilities improvements, bond payments, and equipment purchases.

WHO IS ACCOUNTABLE FOR SCHOOL DISTRICT BUDGET DECISIONS?

The Iowa Legislature annually establishes the per-pupil amounts that districts may spend. These amounts are determined by Supplemental State Aid.

Iowa school boards, made up of elected citizens, are accountable to their communities for making decisions about spending school funds, and educators (superintendents and other administrators) are accountable to school boards for managing these funds.

The state limits the amount of money each district can generate and spend for General Fund educational programs. The revenue determined by the district funding formula, miscellaneous income and its unspent balance authority from the prior year makes up the district's spending authority.

WHAT HAPPENS IF A SCHOOL DISTRICT SPENDS LESS THAN ITS SPENDING AUTHORITY?

The unspent authority carries over to the next year as unspent budget authority (sometimes called unspent balance) and can be used to pay for future *General Fund* expenses.

WHAT HAPPENS IF A SCHOOL DISTRICT SPENDS MORE THAN ITS SPENDING AUTHORITY?

Iowa Code states that if a district exceeds its spending authority for two or more consecutive years, the Iowa Department of Education can conduct a fiscal review and take over management of the district.

HOW DOES THE DISTRICT FARE IN TERMS OF SPENDING AUTHORITY?

Each year the District's *General Fund* expenses are subtracted from spending authority. The resulting number is termed *unspent balance*. State law requires that *unspent balance* be more than zero. The District's unspent balance decreased by \$555,500 to \$5,240,000 as of June 30, 2017.

TAXABLE VALUATION PER PUPIL

The taxable valuation per pupil is determined by dividing the District's taxable valuation by certified enrollment. In general (with all other factors being equal), districts with higher taxable valuations per pupil have relatively lower real estate tax levy rates than districts with lower taxable valuations per pupil. The correlation of low taxable valuations per pupil with high *General Fund* levy rates is primarily a function of a concept called the uniform levy rate. The Iowa Legislature is addressing perceived inequities caused by the uniform rate levy.

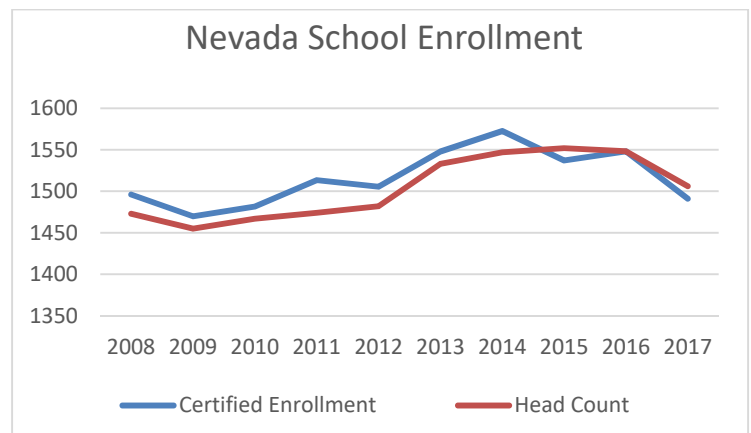
ENROLLMENT

Iowa school district budgets are closely related to enrollment. In districts with increasing

enrollments, there is a direct correlation between regular program budget and enrollment. That is, each additional pupil will generate a set additional amount of district funding. This is appropriate because additional district costs are incurred for each additional pupil. The amount of additional per pupil funding is set by the Iowa Legislature and is called *State Supplemental Aid*.

The term certified enrollment has specific meaning in Iowa school finance. Certified enrollment is defined as student count as of the first day in October as determined by state law. That enrollment is used as the basis for funding for fiscal year beginning the following July 1. It is clear from this description, that although students are already "in their seats" on count day, districts do not receive funding for these students until one full year later.

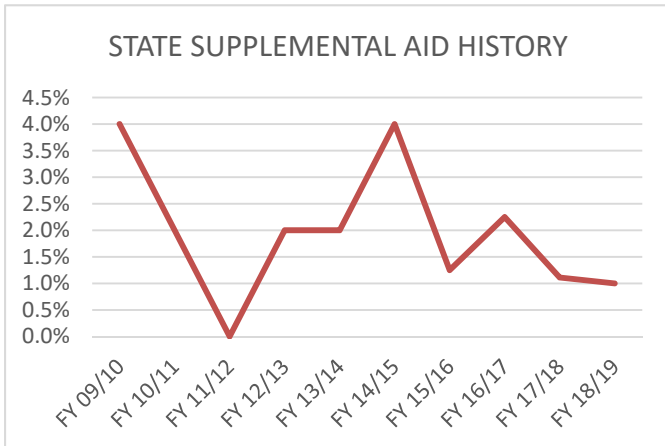
The following chart shows Nevada's certified enrollment for the ten years ending October 2017.



STATE SUPPLEMENTAL AID
(formerly known as allowable growth)

The Iowa Legislature sets the *State Supplemental Aid* percentage. This percentage is applied to the prior year’s state cost per pupil. The cost per pupil is multiplied by certified enrollment to yield the District’s regular program district cost.

Both factors (*State Supplemental Aid* and enrollment) greatly affect district budgets. However, for districts with moderate increases in enrollment, the *State Supplemental Aid* percentage has been highly variable over the past 30 years, ranging from a low of zero percent in 2011 to a high of 14.5 percent in 1981. Note for FY 2009-10, the Governor ordered a 10% across-the-board budget cut and for FY 2010-11, only a portion of the two percent *State Supplemental Aid* was funded. The last ten years’ *State Supplemental Aid* history is shown in the following chart.



The table at the top of the next column illustrates the past five years’ growth in Nevada’s regular program budget resulting from the *State Supplemental Aid* percentage and the portion resulting from the increase in pupil enrollments.

STATE SUPPLEMENTAL AID \$ (Regular program costs only)

FISCAL YEAR	STATE SUPPLEMENTAL AID %	FROM STATE SUPPLEMENTAL AID %	FROM INCREASE IN PUPILS
2014-15	4%	\$ 368,600	\$ 269,282
2015-16	1.25%	\$ 123,173	\$ 159,836
2016-17	2.25%	-0-	-0-
2017-18	1.11%	\$ 4,450	\$ 73,970
2018-19	1%	-0-	-0-

UNSPENT AUTHORIZED BUDGET

Unspent authorized budget (also called *unspent balance*) is the amount of accumulated unspent spending authority. This is a statutory concept that limits school district budgets. In general, a decline in year-end *unspent authorized budget* indicates a deteriorating financial position and an increase indicates an improving financial position. The State of Iowa monitors *unspent balance* by accumulating and reporting the following information. Certain FY 2017-18 and 2018-19 amounts are District estimates.

**AUTHORIZED BUDGET
("BUDGET")**

	Actual FY 2016-17	Re-estimated FY 2017-18	Recommended FY 2018-19
Budget Enrollment	1,537.0	1,548.1	1,491.0
Regular Program District Cost	\$ 10,130,367	\$10,316,538	\$10,043,376
Regular Program Budget Adjustment (Budget Guarantee)	107,983	-0-	376,327
State Categorical Funding	1,584,709	1,612,408	1,612,408
Supplementary Weighting District Cost	200,554	308,770	338,383
Special Education District Cost	1,143,473	1,277,289	1,143,840
AEA Flow-through (net)	620,355	650,598	691,418
Enrollment Adjustment	(1,418)	(7,250)	-0-
Drop-out Prevention	157,346	177,032	251,734
Other SBRC Allowable Growth	190,209	148,163	-0-
Special Education Deficit	209,405	284,400	284,400
Instructional Support	690,270	691,208	760,076
Preschool Foundation Aid	313,073	299,880	279,544
Other Miscellaneous Income	2,103,272	2,210,553	2,113,616
	<u>\$17,449,588</u>	<u>\$17,969,589</u>	<u>\$17,610,722</u>
Expenditures	\$18,005,082	\$18,020,998	\$18,157,106
Increase <Decrease> Unspent Balance	\$ (555,494)	\$ (51,409)	\$ (546,384)
Year-end Unspent Balance	<u>\$ 5,240,092</u>	<u>\$ 5,188,683</u>	<u>\$ 4,642,299</u>

REVENUES

District *General Fund* revenues consist primarily of state foundation aid and property taxes. Both amounts result from application of the Iowa School Finance Formula to Nevada's specific enrollment and tax data. The application of the formula is shown in the *General Fund* levy table included in this document.

A third source of revenue is called Miscellaneous Income and includes all other sources of District revenue. The following table summarizes miscellaneous income for the years shown:

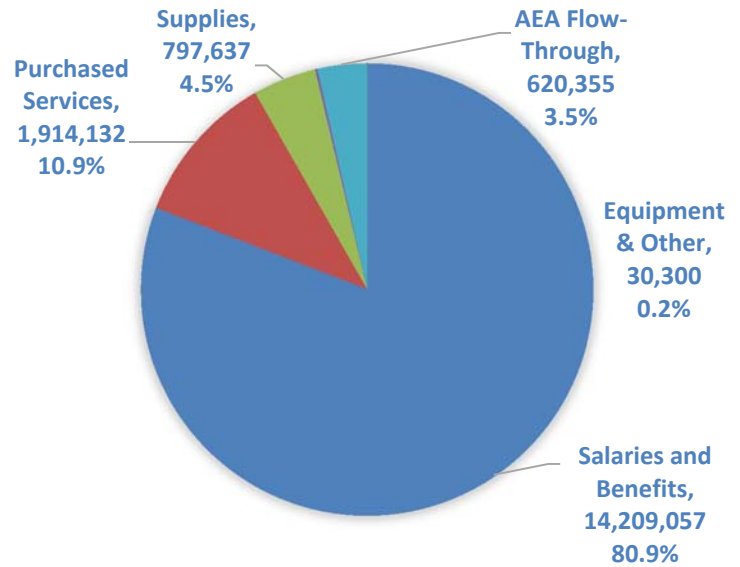
MISCELLANEOUS INCOME

	Actual FY16-17	Re-estimated FY17-18	Recommended FY18-19
Federal Sources	\$ 604,294	\$ 467,000	\$ 512,300
State Sources	48,996	34,889	33,929
Local Sources	1,449,982	1,507,336	1,567,387
Total	\$2,103,272	\$2,210,553	\$2,113,616

EXPENDITURES

Total District expenditures are reported annually to the Iowa Department of Education in a report called the Certified Annual Report ("CAR"). In addition, they are reported to the public in the comprehensive annual financial report. A summary of District expenditures is shown in the following chart:

GENERAL FUND EXPENDITURES FOR FY 2016-17



FINANCIAL CONDITION

Iowa school districts generally measure financial condition by reference to the following four standards:

- Unspent Balance
- Cash and Investment Balance
- Un-assigned Fund Balance
- Solvency Ratio

The first three standards need to be converted to a per-pupil basis for meaningful comparisons to other districts. The fourth standard is a ratio by definition and therefore readily allows district-to-district comparisons. In addition, the Iowa Schools Cash Anticipation Program (ISCAP) has published acceptable and unacceptable ranges for the *solvency ratio*. ISCAP is a financial program sponsored by the Iowa Association of School Boards and is designed to assist districts with short-term borrowings to cover cash flow deficiencies.

ISCAP SOLVENCY RATIO RANGES

A *solvency ratio* of 5 percent to 10 percent is ISCAP's target range. Between 0 percent and 5 percent is acceptable. Between -3 percent to 0 percent is the alert range. Anything less than -3 percent is cause for concern. ISCAP will not normally allow a district to participate in its cash-anticipation loan program if the district's *solvency ratio* is under -3 percent, unless a financial workout plan is in effect.

HOW DO WE COMPARE TO OTHER SCHOOLS WITH SIMILAR ENROLLMENT?

Many factors affect a district's financial performance and condition. Simple dollar-amount comparisons between districts are generally not meaningful because factors such as student populations, property values, and

other financial factors can vary greatly. Certain ratio and per-pupil comparisons can, however, be helpful.

The following table shows the per-pupil financial standards and *solvency ratios* for districts of similar enrollment based on the current year's reported budget enrollments:

JUNE 30, 2017 PER PUPIL BALANCES

District	Unspent Balance	Cash & Investment Balance	Unassigned Fund Balance	Solvency Ratio
Adel-DeSoto-Minburn	\$ 5,781	\$ 2,790	\$ 1,700	17.3%
Benton	1,971	3,450	2,084	19.7%
West Delaware	2,142	2,648	2,291	22.1%
Nevada	3,385	2,792	1,382	12.8%
Webster City	1,868	1,380	231	2.0%
Vinton-Shellsburg	2,674	2,751	1,273	12.5%
Charles City	2,813	2,598	1,129	9.9%

TAX LEVY RECOMMENDATION

School district tax levies are intended to provide funds to support District education objectives and to achieve financial-condition goals. The District's levy has three components: the *General Fund* levy, the *Management Fund* levy and the *Physical Plant and Equipment Levy*.

The *General Fund* levy is the largest and most significant component of the total District levy. The following table shows the major components of *General Fund* Budget Authority and how the total Budget Authority is financed.

GENERAL FUND LEVY

BUDGET AUTHORITY	FY 2017-18	FY 2018-19
Regular Weighting (certified enrollment)	1,548.1	1,491.0
Supplemental Weighting	46.334	50.235
Special Education Weighting (additional)	191.67	169.81
Total Weighted Enrollment	1,786.104	1,711.045
District Cost per Pupil (set by State)	\$ 6,664	\$ 6,736
District Cost	\$ 11,902,597	\$ 11,525,599
State Categorical Funds	1,612,408	1,612,408
Enrollment Adjustment	(7,250)	-0-
Budget Guarantee	-0-	376,327
AEA Flow Through (net of prorata reduction)	650,598	691,418
Drop-out Prevention	177,032	251,734
Instructional Support	691,208	760,076
Preschool Foundation Aid	299,880	279,544
Miscellaneous Income	2,210,553	2,113,616
Budget Authority - <u>Before</u> SBRC Additions	\$ 17,573,026	\$ 17,610,722

FINANCING BUDGET AUTHORITY	FY 2017-18	FY 2018-19
State Aid	\$ 10,606,391	\$ 10,558,771
Property Taxes <i>Levied</i> (includes utility replacement)	4,607,835	4,768,136
Miscellaneous Income	2,210,553	2,113,616
Commercial and Industrial Valuation State Aid	148,247	170,199
General Fund Revenues (excluding cash reserve)	\$ 17,573,026	\$ 17,610,722
Taxable Valuation without TIF	\$ 386,054,437	\$ 398,102,553
General Fund Levy Rate (excluding cash reserve)	9.3339	10.4848
General Fund before ISL	\$ 3,605,248	\$ 4,174,044
Taxable Valuation with TIF	\$ 482,728,962	\$ 501,168,291
ISL Levy Rate	.5062	.4954
ISL	\$ 244,344	\$ 248,254
Combined General Fund Levy Rate	9.8401	10.9802
Combined General Fund	\$ 3,849,592	\$ 4,422,298

The *Management Fund* levy consists of amounts needed to fund insurance and early retirement programs, the components of which are shown in the following table:

MANAGEMENT FUND LEVY

	Actual FY 2016-17	Re-estimated FY 2017-18	Requested FY 2018-19
General/Liability Insurance	\$ 81,349	\$ 79,974	\$ 88,500
Transportation Insurance	21,313	21,416	21,500
Work Comp & Unemployment Early Retirement	97,666	86,313	90,000
Retirement	97,171	116,154	155,849
Total	\$ 297,499	\$ 303,857	\$ 355,849

The *PPEL* levy has two components. One part is set by school board action and the balance by public referendum. The *PPEL* levy can only be used for specific purposes – generally facilities improvements. It cannot be used for salaries.

The following table shows the current and prior years’ levy rates and compares them with the recommendations for FY 2018-19:

DISTRICT LEVY RATES PER \$1,000 OF TAXABLE VALUATION

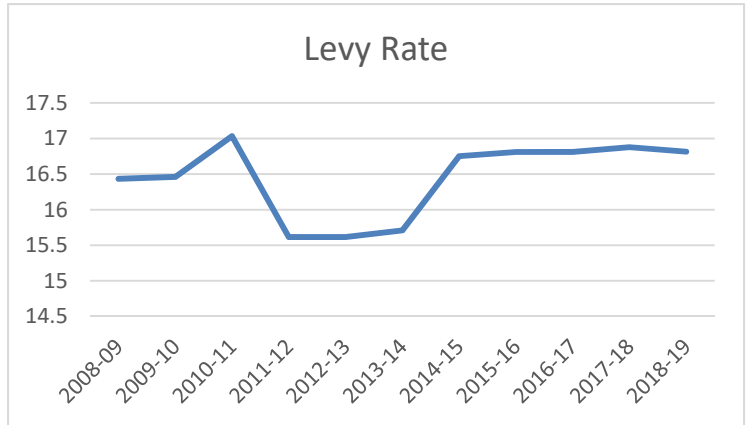
Levy Components	FY 2016-17	FY 2017-18	Recommended FY 2018-19
Combined District Cost	\$ 9.84105	\$ 9.33870	\$ 9.53954
Instructional Support	0.53168	0.50617	0.49535
For Cash Flow:			
-Enrollment/LEP	0.00000	0.00000	0.34271
-Special Ed Deficit	0.84242	1.44559	0.52601
-Budget Guarantee	0.28825	0.00000	0.94530
-Solvency Ratio Purposes	2.64270	0.51807	0.35996
Subtotal	\$14.14610	\$11.80853	\$12.20887
Management Fund	0.48769	1.30825	0.91584
Regular PPEL	0.33000	0.33000	0.33000
Voted PPEL	0.67000	0.67000	0.67000
Debt Service	1.17628	2.69829	2.69007
Total	\$16.81007	\$16.81507	\$16.81478

The FY 2018-19 Cash Reserve levy for cash flow generates funds to improve the District’s *solvency ratio* and to offset a cash reduction. Over the past few years, the District’s cash reserve has effectively generated an accumulation of cash that allows the District to cash flow during summer months when there are no payments from the State of Iowa. For FY 2018-19, there will be a Cash Reserve levy due to the cash reduction caused by the FY 2016-17 special education deficit, FY 2016-17 LEP deficit, and FY 2017-18 increased open enrollment out.

The graph to the right shows a ten-year history of the District's total levy rate and the proposed total levy rate for FY2018-19.

GENERAL FUND FINANCIAL ISSUES FOR FISCAL 2018-19 AND BEYOND

The 2017-18 fiscal year had 1.11 percent *State Supplemental Aid*. FY 2018-19 is 1 percent. Due to continued low levels of school funding, the future beyond 2018-19 is a concern. The District will need to monitor future expending levels very closely as future school funding levels are expected to remain low.



The current percent of *State Supplemental Aid* signed by the governor will adversely affect *unspent balance* which will probably decline for the year. The clear challenge will be maintaining an acceptable level of *unspent balance*.

Respectfully submitted,

Brian Schaeffer, SBO®
Business Manager

Notice of Public Hearing
Proposed Nevada School Budget Summary
Fiscal Year 2018-2019

Department of Management - Form S-PB-8

		Budget 2019	Re-est. 2018	Actual 2017	Avg %17-19
Taxes Levied on Property	1	6,972,504	6,743,393	6,512,724	3.5%
Utility Replacement Excise Tax	2	152,877	154,769	155,092	-0.7%
Income Surtaxes	3	446,039	455,841	445,837	0.0%
Tuition\Transportation Received	4	1,248,860	1,219,856	987,371	
Earnings on Investments	5	116,800	68,739	42,963	
Nutrition Program Sales	6	472,500	450,000	418,286	
Student Activities and Sales	7	365,700	270,000	487,408	
Other Revenues from Local Sources	8	1,649,527	344,238	427,706	
Revenue from Intermediary Sources	9	0	0	0	
State Foundation Aid	10	10,455,504	10,749,469	10,442,503	
Instructional Support State Aid	11	55,704	0	0	
Other State Sources	12	37,529	1,450,136	1,528,048	
Commercial & Industrial State Replacement	13	240,755	148,247	110,418	
Title I Grants	14	177,000	177,000	186,974	
IDEA and Other Federal Sources	15	575,100	570,093	809,607	
Total Revenues	16	22,966,399	22,801,781	22,554,937	
General Long-Term Debt Proceeds	17	0	1,000,000	1,912,000	
Transfers In	18	1,497,009	1,553,612	1,167,676	
Proceeds of Fixed Asset Dispositions	19	0	895	118,936	
Total Revenues & Other Sources	20	24,463,408	25,356,288	25,753,549	
Beginning Fund Balance	21	5,497,922	4,540,987	7,273,065	
Total Resources	22	29,961,330	29,897,275	33,026,614	
*Instruction	23	12,051,749	11,984,686	12,404,791	-1.4%
Student Support Services	24	901,388	881,626	895,332	
Instructional Staff Support Services	25	1,540,600	1,576,159	1,561,101	
General Administration	26	441,294	460,893	393,919	
School/Building Administration	27	1,481,200	1,464,727	1,437,890	
Business & Central Administration	28	239,200	236,763	230,352	
Plant Operation and Maintenance	29	1,427,911	1,418,904	1,519,669	
Student Transportation	30	404,383	538,937	537,826	
This row is intentionally left blank	31	0	0	0	
*Total Support Services (lines 24-31)	31A	6,435,976	6,578,009	6,576,089	-1.1%
*Noninstructional Programs	32	721,400	868,763	960,755	-13.4%
Facilities Acquisition and Construction	33	500,000	1,388,309	2,523,953	
Debt Service	34	2,835,039	2,861,188	4,257,033	
AEA Support - Direct to AEA	35	691,418	650,598	620,355	
*Total Other Expenditures (lines 33-35)	35A	4,026,457	4,900,095	7,401,341	-26.2%
Total Expenditures	36	23,235,582	24,331,553	27,342,976	
Transfers Out	37	1,497,009	67,800	1,142,651	
Total Expenditures & Other Uses	38	24,732,591	24,399,353	28,485,627	
Ending Fund Balance	39	5,228,739	5,497,922	4,540,987	
Total Requirements	40	29,961,330	29,897,275	33,026,614	

Proposed Tax Rate (per \$1,000 taxable valuation)

16.81478

Location of Public Hearing:

Date of Hearing:

Time of Hearing:

School Board Room, 1035 15th St

04/09/2018

6:30 pm

mm/dd/yy

The Board of Directors will conduct a public hearing on the proposed 2018/19 school budget at the above-noted location and time. At the hearing, any resident or taxpayer may present objections to, or arguments in favor of, any part of the proposed budget. This notice represents a summary of the supporting detail of revenues and expenditures on file with the district secretary. A copy of the details will be furnished upon request.

LEVY IMPACT ON RESIDENTIAL PROPERTY - \$100,000 valuation

	BUDGET YEAR 2018-19	BUDGET YEAR 2017-18	\$ CHANGE	% CHANGE
Property Value	\$ 100,000	\$ 100,000	\$ 0.00	0.00%
Rollback	0.556209	0.569391	(0.013182)	-2.32%
Taxable Value	\$ 55,621	\$ 56,939	\$ (1,318)	-2.31%
School Tax Rate	\$ 16.81478	\$ 16.81507	\$ (0.00029)	0.00%
School Tax	\$ 935.25	\$ 957.43	\$ (22.18)	-2.32%

**ADOPTION OF BUDGET AND TAXES
JULY 1, 2018-JUNE 30, 2019**

Department of Management - Form S-TX

Nevada

District Number **4617**

Total Special Program Funding

Instructional Support (A&L line 10.27)	097	760,076
Educational Improvement (A&L line 11.3)	099	0
Voted Physical Plant & Equipment (A&L line 19.3)	105	335,783

Special Program Income Surtax Rates

Instructional Support (A&L line 10.15)	096	5
Educational Improvement (A&L line 11.4)	098	0
Voted Physical Plant & Equipment (A&L line 19.4)	104	0

Utility Replacement and Property Taxes Adopted

		Utility Replacement AND Property Tax Dollars	Levy Rate	Property Taxes Levied	Estimated Utility Replacement Dollars
Levy to Fund Combined District Cost (A&L line 15.3)	1	4,174,044			
+Educational Improvement Levy (A&L line 15.5)	2	0			
+Cash Reserve Levy - SBRC (A&L line 15.9)	3	345,838			
+Cash Reserve Levy - Other (A&L line 15.10)	4	143,300			
-Use of Fund Balance to Reduce Levy (A&L line 15.11)	5	0			
=Subtotal General Fund Levy (A&L line 15.14)	6	4,663,182	11.71352	4,556,686	106,496
+Instructional Support Levy (A&L line 15.13)	7	248,254	.49535	243,750	4,504
=Total General Fund Levy (A&L line 15.12)	8	4,911,436	12.20887	4,800,436	111,000
	9				
Management	10	364,600	.91584	356,272	8,328
Amana Library	11	0	.00000	0	0
Voted Physical Plant & Equipment (Loan Agreement)	12	0			
+Voted Physical Plant & Equipment (Capital Project)	13	335,783			
=Subtotal Voted Physical Plant & Equipment	14	335,783	.67000	329,691	6,092
+Regular Physical Plant & Equipment	15	165,386	.33000	162,385	3,001
=Total Physical Plant & Equipment	16	501,169			
	17				
Reorganization Equalization Levy	18	0	.00000	0	0
Emergency Levy (for Disaster Recovery)	19	0	.00000	0	0
Public Education/Recreation (Playground)	20	0	.00000	0	0
Debt Service	21	1,348,176	2.69007	1,323,720	24,456
GRAND TOTAL	22	7,125,381	16.81478	6,972,504	152,877

1-1-17 Taxable Valuation	WITH Gas & Electric Utilities	398,102,553	WITHOUT Gas&Elec	389,010,856
1-1-17 Tax Increment Valuation	WITH Gas & Electric Utilities	103,065,738	WITHOUT Gas&Elec	103,065,738
1-1-17 Debt Service, PPEL, ISL Valuation	WITH Gas & Electric Utilities	501,168,291	WITHOUT Gas&Elec	492,076,594

GLOSSARY

Comprehending Iowa school finance concepts assumes an understanding of certain unique technical terms and phrases whose meanings have evolved over the past decades. Some of these terms and phrases are defined in Iowa statutes. Others are simply used by finance practitioners who have developed a common understanding of their meanings. Some of these terms and phrases are defined below.

Regular-Program District Cost per Pupil (cost per pupil), also called **district cost per pupil**, was originally established by dividing the school district's expenditures by the number of pupils in the district. Iowa Code 257.10(1). Each school district had its own district cost per pupil. In FY 1990-91, each district's cost per pupil was recalculated by the state and subsequent changes were only made by statute.

Regular-Program State Cost per Pupil (state cost per pupil) was originally calculated by dividing a statewide expenditure figure by the total number of pupils. Since the original calculation, the value has been modified to meet changing state policy. Iowa Code 257.9(1). The state cost per pupil is the basis for calculating state aid. However, the amount of state aid a school district receives consists of only a portion of the state cost per pupil multiplied by a school district's weighted enrollment. This portion of the state cost per pupil is called the state regular program and special education foundation cost per pupil and is currently set at 87.5 percent.

Supplemental State Aid (formerly known as Allowable Growth) is also called state percent of growth. This percentage is legally required to be established annually by the legislature and is used (along with other factors) to calculate a district's authorized budget, real estate tax levy and state aid. Supplemental State Aid has ranged between 1.25 percent and 4.0 percent during the past five years. State Supplemental Aid is extremely important to districts.

Authorized Budget, sometimes called spending authority, is the sum of:

- Property tax and state aid (as calculated under the Iowa School Finance Formula)
- Miscellaneous income (all revenues not included above)
- Unspent balance from previous years
- Other amounts granted by School Budget Review Committee ("SBRC")

Unspent Balance (also known as **Unspent Authorized Budget**) is the end-of-fiscal-year amount remaining after all expenditures are subtracted from authorized budget.

Special Education Deficits occur when current-year special education expenditures exceed current-year special education receipts. Receipts come from various sources including taxes, state program dollars, nonresident tuition, Federal IDEA Part B program dollars, and the Medicaid program. Expenditures include general program expenses, special program expenses, and tuition paid to other districts for resident students served elsewhere. A special education deficit is not part of the Iowa School Finance Formula and therefore funding is not automatically provided. However, upon district application, the SBRC retroactively grants authorized budget for the year in which the deficit occurred. A district may then use the cash reserve levy to subsequently collect taxes to cover this deficit.

Solvency Ratio is a percentage determined by dividing the (assigned plus unassigned fund balance) by (total general fund revenue – AEA support).

School Budget Review Committee (“SBRC”) is established in Section 257.30, Code of Iowa. One of its enumerated duties is to grant supplemental aid to school districts for unusual or extraordinary circumstances.

Assigned Fund Balances are those amounts that are set aside by the governing body itself, by another body (budget or finance committee), or by an official who has been delegated the authority to assign those amounts for a specific purpose by the governing body.

Unassigned Fund Balances are those amounts in the general fund that have not been classified as nonspendable, restricted, committed, or assigned.

Capital Projects Fund money comes from bond proceeds, PPEL property taxes, and the one-cent local option sales tax; used for purchase and construction of major capital projects, such as new schools.

Secure an Advanced Vision for Education (SAVE) Fund money comes from the one-cent local option sales tax and bond proceeds; may be used only for buildings, grounds, and certain equipment.

Physical Plant and Equipment Levy (PPEL) Fund money comes from special property tax levy and/or income surtax; may be used only for buildings, grounds, and certain equipment.

Cash Reserves money comes from General Fund dollars not used in prior year; kept as savings and may be used for any General Fund operating expenses.

General Fund money primarily comes from property taxes, state aid, state and federal grants, and student fees; used for salaries, supplies and other operational costs, and specific activities and materials funded by the student fees.

Student Activity Fund money comes from fundraising and activity admissions only, not taxes; used to augment district-sponsored and supervised student activities such as athletics, band, speech, and student council.

Management Levy Fund money comes from special property tax levy; used for liability insurance, unemployment benefits, early retirement incentives, and legal judgments.

Debt Service Fund money comes from a separate property tax levy approved by voters and/or local option sales tax revenue; used to pay principal and interest on long-term debt such as bonds. Money is also transferred here from the SAVE fund.

Nutrition Fund is a separate fund used to manage the revenue and expenses for the district's food service program.



1035 15th Street, Nevada, IA 50201

P: 515.382.2783

F: 515.382.2836

www.nevadacubs.org