



CERTIFIED BUDGET PROPOSAL FISCAL YEAR 2024-25

PRESENTED FOR APPROVAL OF THE TOTAL LEVY TO THE
BOARD OF EDUCATION FEBRUARY 19, 2024

PRESENTED FOR FINAL APPROVAL TO THE BOARD OF EDUCATION APRIL 29, 2024

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School Budgeting for 2024-25 & Future Fiscal Years

HOUSE FILE 718 (2023)

In the 2023 Legislature, there were many changes made to the school budget process. These changes will be applicable to School Budget Year 2024-25 and future years.

House File 718 made the following changes:

- The certified budget deadline was changed from April 15 to April 30 each year.
- Provisions were added for an additional budget public hearing and a mailed taxpayer statement.
- Bond elections can now only be held in November.
- School residential value is now exempted from new TIF areas.

MAILED TAXPAYER STATEMENT

HF 718 created a mailed Property Tax Hearing Statement. This must be mailed to taxpayers and requires a public hearing on that notice. Schools must submit the information to the Iowa Department of Management (IDOM) by March 15.

Two documents are required for Public Hearing #1:

- Property Tax Hearing Statements (Summary)
 - Mailed to residents
 - County Auditor's responsibility
- Proposed Property Tax Notice (Detail)
 - Placed on District website (forever)
 - Published in newspaper

Both documents are generated after completing the Proposed Tax Notice tab on the IDOM budget system. (This system requires that the District enter a website address for the Proposed Property Tax Notice before any documents are generated.)

The Property Tax Hearing Statement requires that the District set a maximum amount that the District can levy in property tax dollars.

HEARINGS

Public Hearing #1 must occur after March 25 after notice is published in the newspaper. After this meeting, individual levies can be raised or lowered, but the total levy cannot exceed the maximum amount on the Property Tax Hearing Statement.

Public Hearing #2 is the regular hearing for the Published Certified Budget. This must be completed by April 30 and cannot occur before Public Hearing #1.

OUR CALENDAR FOR THIS PROCESS IN 2024

February 19: Regular Board Meeting FY25 Budget Presentation – **set total levy for taxpayer statement**

March 4: Regular Board Meeting – finalize hearing date for Public Hearing #1

March 5: Taxpayer Statement info provided to County Auditor via IDOM

By March 8: Public Hearing #1 Notice to Journal

March 14: Notice publishes for Public Hearing #1 to be held April 1

March 18: Regular Board Meeting

April 1: Public Hearing #1 – Taxpayer Statement for FY25 Budget (This must be a stand-alone meeting. Once this meeting is done, we will adjourn and then have our regular Board meeting.)

By April 12: Public Hearing #2 Notice to Journal

April 15: Regular Board Meeting

April 18: Notice publishes for Public Hearing #2 to be held April 29

April 29: Special Board Meeting Budget Approval Public Hearing #2

SCHOOL FUNDING 101:

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

GENERAL FUND TOTAL REVENUE: \$20.4 MILLION



State Aid \$10.3 million



Property Taxes \$6.2 million



Grants and Miscellaneous Income \$3.9 million



- BOOKS AND MATERIALS
- OTHER OPERATING EXPENSES

CAPITAL PROJECTS TOTAL: \$2.5 MILLION



Property Taxes \$557,700



One-cent Local Option Sales Tax \$1.93 million



- FACILITIES IMPROVEMENTS
- BOND PAYMENTS
- EQUIPMENT PURCHASES

OTHER FUNDS



MANAGEMENT FUND
 Property Taxes \$271,200

- PROPERTY INSURANCE
- EARLY RETIREMENT BENEFITS



NUTRITION FUND
 Cafeteria Revenue Subsidies and Sales \$1,326,283



- BREAKFAST AND LUNCH



STUDENT ACTIVITY FUND
 Fundraising and Activity Admissions \$403,616



- ACTIVITIES NOT COVERED BY STUDENT FEES

AMOUNTS ARE FISCAL YEAR 2022-23 RESULTS

NEVADA COMMUNITY SCHOOL DISTRICT

Certified Budget Proposal 2024-25

Navigating public school funding is complicated. The budget is a maze of funding sources that, for the Nevada Community School District (the “District”), total \$26.1 million for the current 2023-24 Fiscal Year (FY).

The previous chart and the following Q&A outline the routes that funds take coming from taxpayers, going to classrooms, playing fields, and cafeterias.

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 of income taxes (also called state aid), local property taxes, and sales taxes. Less than seven 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 chart 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 1,386 students enrolled in the District on October 1, 2023, will determine the majority of the 2024-25 **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 2024-25, the District’s per student cost is \$7,826.

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 2023-24, **Supplemental State Aid** was 3%. For FY 2024-25, **Supplemental State Aid has not been set**.

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. Five years ago, 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 which makes planning in the school districts a challenge. Also, for 2024-25, the 30-day deadline has been ignored, due mostly to other school financing proposals circulating in the Legislature.

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.

NEVADA COMMUNITY SCHOOL DISTRICT

Certified Budget Proposal 2024-25

Schools are people-intensive establishments and salaries and benefits consume approximately 79.9% 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 restricted funds 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 increased by \$201,139 to \$5,459,927 as of June 30, 2023.

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.

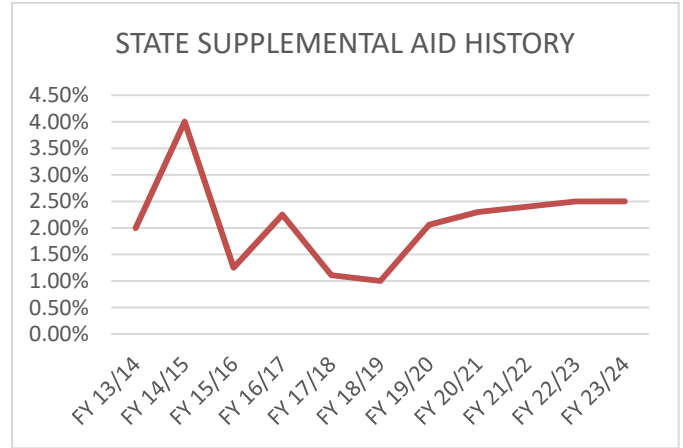
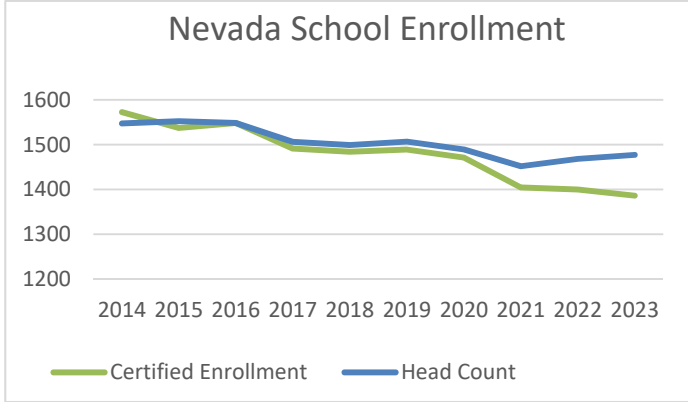
ENROLLMENT

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 chart on the following page shows Nevada's certified enrollment for the ten years ending October 2021. Starting in 2015, the head count of students is exceeding or matching the certified enrollment (more open enrolled in than out and widening every year).

NEVADA COMMUNITY SCHOOL DISTRICT
 Certified Budget Proposal 2024-25



STATE SUPPLEMENTAL AID

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. The last ten years’ State Supplemental Aid history is shown in the following chart. (No State Supplement Aid has been set for FY 2024/25.)

The table at the top of the next column on the next page illustrates the past eight 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.

BUDGET GUARANTEE

The **Budget Guarantee** is the amount of spending authority added to a school district’s budget to ensure the school district’s authorized spending limit is no less than 101% of the prior year without **Budget Guarantee** (prior year’s Regular Program Cost, without budget guarantee). It is funded by **property tax** as approved by the District’s board. *Iowa Code Section 257.14*

The last budget year where **Budget Guarantee** was used in the District was 2022-23 when the **Budget Guarantee** was \$326,420. (If **State Supplemental Aid** is set below 2% for 2024-25, the District will qualify for the Budget Guarantee for the new budget year.)

NEVADA COMMUNITY SCHOOL DISTRICT

Certified Budget Proposal 2024-25

STATE SUPPLEMENTAL AID \$ (Regular program costs only)

FISCAL YEAR	STATE SUPPLEMENTAL AID %	FROM STATE SUPPLEMENTAL AID %	FROM INCREASE IN PUPILS
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-
2019-20	2.06%	(\$ 221,479)	-0-
2020-21	2.3%	\$ 249,027	\$ 45,107
2021-22	2.4%	\$ 123,180	-0-
2022-23	2.5%	(\$ 326,420)	-0-
2023-24	2.5%	(\$ 103,855)	-0-
2024-25	2.5%*	\$ 161,400	-0-

**Assumed*

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 2023-24 and 2024-25 amounts are District estimates (including the 2024-25 SSA rate).

NEVADA COMMUNITY SCHOOL DISTRICT
 Certified Budget Proposal 2024-25

AUTHORIZED BUDGET

	Actual FY 2022-23	Re-estimated FY 2023-24	Recommended FY 2024-25 (2.5% SSA)
Budget Enrollment	1,404.3	1,399.4	1,385.9
Regular Program District Cost	\$ 10,410,076	\$ 10,684,419	\$ 10,846,053
Regular Program Budget Adjustment (Budget Guarantee)	326,420	-	-
State Categorical Funding	1,653,321	1,660,010	1,695,753
Supplementary Weighting District Cost	281,220	249,260	210,887
Special Ed District Cost	1,227,222	1,210,529	1,286,516
AEA Flow-Through	657,704	648,341	730,933
Enrollment Adjustment	-	-	11,452
Dropout Prevention	310,604	349,745	477,783
Other SBRC Allowable Growth	197,410	174,076	-
Special Ed Deficit	523,900	523,900	523,900
Instructional Support	784,194	781,458	836,148
Preschool Foundation Aid	311,346	286,313	363,909
Other Miscellaneous Income	3,908,867	2,879,298	2,902,383
Total Annual Spending Authority	\$ 20,592,284	\$ 19,447,349	\$ 19,885,717
Expenditures	\$ 20,391,145	\$ 19,556,610	\$ 19,911,827
Increase (Decrease) Unspent Balance	201,139	(109,261)	(26,110)
Year-End Unspent Balance	\$ 5,459,927	\$ 5,350,666	\$ 5,324,556

NEVADA COMMUNITY SCHOOL DISTRICT

Certified Budget Proposal 2024-25

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:

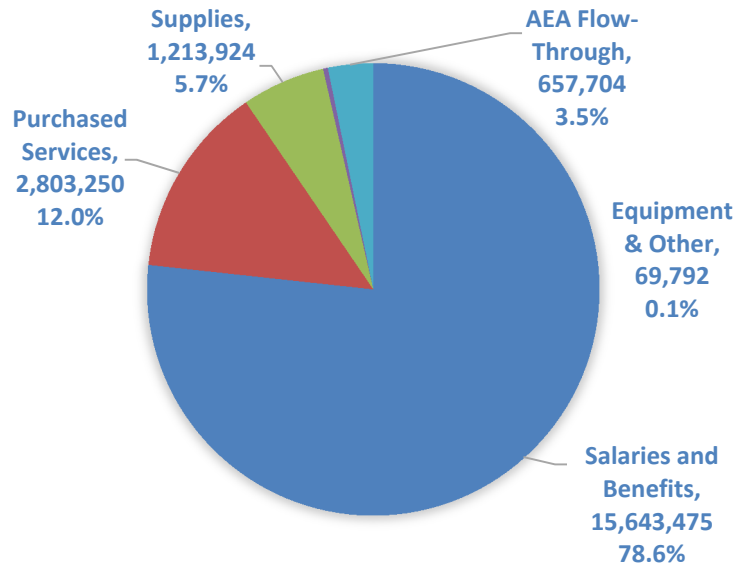
MISCELLANEOUS INCOME

	Actual FY22-23	Re-estimated FY23-24	Recommended FY24-25
Federal Sources	\$ 1,456,890	\$ 519,412	\$ 373,652
State Sources	1,305	25,350	115,877
Local Sources	2,450,671	2,334,536	2,412,854
Total	\$3,908,867	\$2,879,298	\$2,902,383

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 2022-23



NEVADA COMMUNITY SCHOOL DISTRICT

Certified Budget Proposal 2024-25

JUNE 30, 2022 PER PUPIL BALANCES

FINANCIAL CONDITION

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

- Unspent Balance
- Cash and Investment Balance
- Unassigned 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 Association of School Boards (IASB) has published acceptable and unacceptable ranges for the **solvency ratio**.

District	Unspent Balance	Cash & Investment Balance	Unassigned Fund Balance	Solvency Ratio
Solon	\$2,930	\$4,214	\$2,723	24.7%
South Tama	2,574	4,457	3,293	24.8%
Clarke	2,563	1,683	369	3.0%
Sergeant Bluff-Luton	2,927	4,242	3,309	23.6%
Atlantic	3,389	3,557	2,263	17.9%
Nevada*	3,902	3,491	2,045	15.7%
Creston	4,684	3,658	2,672	18.5%
Independence^	1,844	4,485	3,021	23.6%
Harlan*	5,003	3,610	2,280	18.0%
W Delaware	3,146	1,715	707	5.8%
Oelwein	N/A	3,843	2,442	16.3%

IASB SOLVENCY RATIO RANGES

A **solvency ratio** of 5 percent to 10 percent is IASB’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.

*Figures are for June 30, 2023

^Figures are for June 30, 2021

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:

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 four components: the **General Fund** levy, the **Management Fund** levy, the **Physical Plant and Equipment (PPEL)** levy, and the **Debt Service** 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.

NEVADA COMMUNITY SCHOOL DISTRICT
Certified Budget Proposal 2024-25

GENERAL FUND LEVY

BUDGET AUTHORITY	FY 2023-24	FY 2024-25 (2.5% SSA)
Regular Weighting (certified enrollment)	1399.4	1385.9
Supplementary Weighting	32.647	26.947
Special Education Weighting (additional)	158.55	164.39
Total Weighted Enrollment	1,590.60	1,577.24
District Cost per Pupil (set by State)	\$ 7,635	\$ 7,826
District Cost	\$ 10,684,419	\$ 10,846,053
State Categorical Funds	1,660,010	1,695,753
Budget Guarantee	0	0
AEA Flow Through (net of prorata reduction)	648,341	730,933
Dropout Prevention	349,745	477,783
Instructional Support	781,458	836,148
Preschool Foundation Aid	286,313	363,909
Miscellaneous Income	2,879,298	2,902,383
Budget Authority - <u>Before</u> SBRC Additions	\$ 17,289,584	\$ 17,852,962

FINANCING BUDGET AUTHORITY	FY 2023-24	FY 2024-25 (2.5% SSA)
State Aid	\$ 10,159,169	\$ 10,678,219
Property Taxes <i>Levied</i> (includes utility replacement)	5,433,946	5,698,810
Miscellaneous Income	2,879,298	2,902,383
General Fund Revenues (excluding cash reserve)	\$ 18,472,413	\$ 19,279,412
Taxable Valuation without TIF	\$ 541,787,243	\$ 574,384,646
General Fund Levy Rate (excluding cash reserve)	8.7744	8.6843
General Fund before ISL	\$ 4,753,838	\$ 4,988,152
Taxable Valuation with TIF	\$ 567,475,396	\$ 627,077,070
Instructional Support Levy Rate	0.2997	0.24069
Instructional Support Levy	\$ 170,044	\$ 150,931
Combined General Fund Levy Rate	9.0740	8.9250
Combined General Fund	\$ 4,923,882	\$ 5,139,083

NEVADA COMMUNITY SCHOOL DISTRICT
Certified Budget Proposal 2024-25

MANAGEMENT FUND LEVY

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:

	Actual FY 2022-23	Re- estimated FY 2023-24	Requested FY 2024-25
General/Liability Insurance	\$138,301	\$284,866	\$305,772
Transportation Insurance	22,484	36,037	43,244
Work Comp & Unemployment	123,318	118,099	141,719
Early Retirement	103,079	100,000	114,165
Total	\$387,182	\$539,002	\$604,900

PPEL LEVY

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.

DEBT SERVICE LEVY

Since the 2017-18 budget years, the **Debt Service Levy** has been approved by the Board at the \$2.70 per thousand maximum levy. The same request is **not** being recommended for 2024-25. There is only one small payment remaining of \$65,000 principal for the old 2012 G O Bonds. The 2021 G O Bonds can be called on June 1, 2026, but levying the full \$2.70 levy would result in only \$36,080 in interest savings in the first year. The Debt Service Levy being recommended for 2024-25 will cover the current interest and principal coming due for the District’s G O Bonds.

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

The following table shows the current and prior years’ levy rates and compares them with the recommendations for FY 2023-24:

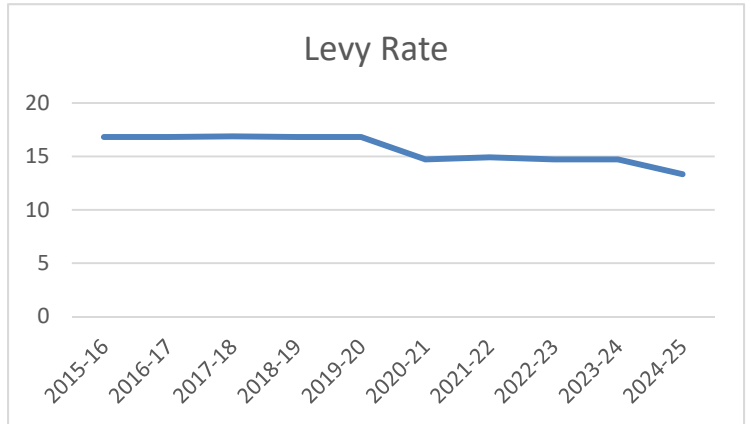
Levy Components	FY 2022-23	FY 2023-24	Recommended FY 2024-25
Combined District Cost	8.56152	8.46734	8.44365
Instructional Support	0.40552	0.29965	0.24069
For Cash Flow:			
-Enrollment/LEP	0.43839	0.37174	0.30306
-Special Ed Deficit	0.48590	0.87673	0.91211
-Budget Guarantee	0.61468	-	-
Subtotal - General Fund	10.50600	10.01546	9.89951
Management Fund	0.50843	0.99486	1.05313
Regular PPEL	0.33000	0.33000	0.33000
Voted PPEL	0.67000	0.67000	0.67000
Debt Service	2.69900	2.68937	1.38779
Total	14.71343	14.69969	13.34043

For FY 2024-25, there will be a Cash Reserve levy due to the cash reduction caused by the FY 2023-24 LEP deficit (\$25,653) and FY 2023-24 increased open enrollment out (\$148,422). The Special Ed Deficit to be levied in FY 2024-25 was for FY 2022-23 (\$523,900).

NEVADA COMMUNITY SCHOOL DISTRICT

Certified Budget Proposal 2024-25

The graph to the right shows a ten-year history of the District's total levy rate and the proposed total levy rate for FY2024-25.



Respectfully submitted,

Brian Schaeffer, SBO®
Business Manager

NEVADA COMMUNITY SCHOOL DISTRICT
Certified Budget Proposal 2024-25

Typically, this page would be where the NOTICE OF PUBLIC HEARING for the budget would be presented but, as the SSA rate has not been set, this cannot be yet provided.

NEVADA COMMUNITY SCHOOL DISTRICT
 Certified Budget Proposal 2024-25

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

	BUDGET YEAR	BUDGET YEAR		
	2024-25	2023-24	\$ CHANGE	% CHANGE
Property Value	\$100,000	\$100,000		
Rollback	0.463428	0.564919	(0.101491)	-17.97%
Taxable Value	\$46,343	\$56,492	\$(10,149.10)	-17.97%
School Tax Rate	\$13.34043	\$14.69969	\$ (1.36)	-9.25%
School Tax	\$618.23	\$830.41	\$ (212.18)	-25.55%

NEVADA COMMUNITY SCHOOL DISTRICT
 Certified Budget Proposal 2024-25

Not "Adopted" until approved by the School Board

Department of Management - Form S-TX

**ADOPTION OF BUDGET AND TAXES JULY 1, 2024 - JUNE 30, 2025 NEVADA
 DISTRICT NUMBER - 4617**

Total Special Program Funding					
Instructional Support (A&L line 10.27)		836,148			
Educational Improvement (A&L line 11.3)		0			
Voted Physical Plant & Equipment (A&L line 19.3)		420,142			
Special Program Income Surtax Rates					
Instructional Support (A&L line 10.15)		% 5			
Educational Improvement (A&L line 11.4)		% 0			
Voted Physical Plant & Equipment (A&L line 19.4)		% 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	4,849,901			
+Educational Improvement Levy (A&L line 15.5)	2	0			
+Cash Reserve Levy - SBRC (A&L line 15.9)	3	697,975			
+Cash Reserve Levy - Other (A&L line 15.10)	4	0			
-Use of Fund Balance to Reduce Levy (A&L line 15.11)	5	0			
=Subtotal General Fund Levy (A&L line 15.14)	6	5,547,876	9.65882	5,452,815	95,061
+Instructional Support Levy (A&L line 15.13)	7	150,934	0.24069	148,562	2,372
=Total General Fund Levy (A&L line 15.12)	8	5,698,810	9.89951	5,601,377	97,433
	9				
Management	10	604,900	1.05313	594,537	10,363
Amana Library	11	0	0	0	0
Voted Physical Plant & Equipment (Loan Agreement)	12	143,580			
+Voted Physical Plant & Equipment (Capital Project)	13	276,562			
=Subtotal Voted Physical Plant & Equipment	14	420,142	0.67000	413,547	6,595
+Regular Physical Plant & Equipment	15	206,935	0.33000	203,688	3,247
=Total Physical Plant & Equipment	16	627,077			
	17				
Reorganization Equalization Levy	18	0	0.00000	0	0
Emergency Levy (for Disaster Recovery)	19	0	0.00000	0	0
Public Education/Recreation (Playground)	20	0	0.00000	0	0
Debt Service	21	870,250	1.38779	856,592	13,658
GRAND TOTAL	22	7,801,037	13.34043	7,669,741	131,296
1-1-2023 Taxable Valuation WITH Gas & Electric Utilities		574,384,646	WITHOUT Gas & Elec	564,542,513	
1-1-2023 Tax Increment Valuation WITH Gas & Electric Utilities		52,692,424	WITHOUT Gas & Elec	52,692,424	
1-1-2023 Debt Service, PPEL, ISL Valuation WITH Gas & Electric Utilities		627,077,070	WITHOUT Gas & Elec	617,234,937	

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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, 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.

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 1.0 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.

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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 non-spendable, 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.



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