

# Legislative Report FY 2019 Secure an Advanced Vision for Education (SAVE) Annual Report



February 1, 2020

State of Iowa  
Department of Education  
Grimes State Office Building  
400 E. 14<sup>th</sup> Street  
Des Moines, IA 50319-0146

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## IOWA CODE REQUIREMENTS REGARDING SAVE REPORTING

This report regarding the Secure an Advanced Vision for Education (SAVE) fund and any remaining funds is provided per the following requirements from Iowa Code.

### **256.9 (19) Duties of director.**

The department shall compile the financial information related to chapters 423E and 423F from the certified annual reports of each school district received pursuant to section 291.10, subsection 2, and shall submit the information to the general assembly in an annual report each February 1.

### **291.10 (1) Reports by secretary.**

The school district shall file an annual report with the director of the department of education on forms prepared for that purpose.

### **291.10 (2) Reports by secretary.**

The annual report shall include the financial information required in section 423F.5, subsection 1, as related to moneys received under chapter 423E or 423F, as applicable, for each budget year.

### **423F.5 (1) Contents of financial audit.**

A school district shall include as part of its financial audit for the budget year beginning July 1, 2007, and for each subsequent budget year the amount received during the year pursuant to chapter 423E or this chapter, as applicable. In addition, the financial audit shall include the amount of bond levies, physical plant and equipment levy, and public educational and recreational levy reduced as a result of the moneys received under chapter 423E or this chapter, as applicable. The amount of the reductions shall be stated in terms of dollars and cents per one thousand dollars of valuation and in total amount of property tax dollars. Also included shall be an accounting of the amount of moneys received which were spent for infrastructure purposes pursuant to chapter 423E or this chapter, as applicable.

These funds are intended to be used solely for school infrastructure purposes or property tax relief.

## DISTRICT-LEVEL DATA

The link below provides the district-by-district data used to compile the annual report to the legislature, which is from the districts' Certified Annual Report (CAR) and Facilities, Elections, and Sales Tax submissions.

[FY19 SAVE Report District Data](#)

## SAVE ANNUAL REPORT - JANUARY 2020

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

### FY19 SALES TAX FINANCIAL INFORMATION - FUND 33

#### BALANCES

|   | FY18          | FY19          | Difference   | Growth/<br>Decline |
|---|---------------|---------------|--------------|--------------------|
| School Districts Submitting Information | 333           | 330           | -3           | -1%                |
| Beginning Balance                       | \$639,242,108 | \$697,234,836 | \$57,992,728 | 9%                 |
| Ending Balance                          | \$697,234,836 | \$775,796,566 | \$78,561,730 | 11%                |

#### REVENUES

|                                     | FY18                 | FY19                 | Difference          | Growth/<br>Decline |
|-------------------------------------|----------------------|----------------------|---------------------|--------------------|
| <b>Total Revenues and Transfers</b> | <b>\$693,028,289</b> | <b>\$744,961,019</b> | <b>\$51,932,730</b> | <b>7%</b>          |
| Sales Tax Revenues                  | 453,862,495          | 498,035,636          | 44,173,141          | 10%                |
| Other Local Revenues                | 16,102,766           | 25,219,443           | 9,116,677           | 57%                |
| Other State Revenues                | 357,626              | 88,087               | -269,539            | -75%               |
| Federal Revenues                    | 1,970,708            | 958,197              | -1,012,511          | -51%               |
| Sale of Long-Term Debt              | 203,546,165          | 195,628,251          | -7,917,914          | -4%                |
| Transfer from Other Funds           | 6,387,884            | 20,967,462           | 14,579,578          | 70%                |
| Other Revenue                       | 10,800,645           | 4,063,942            | -6,736,703          | -62%               |

## EXPENDITURES

|   | FY18                 | FY19                 | Difference          | Growth/<br>Decline |
|---|----------------------|----------------------|---------------------|--------------------|
| <b>Total Expenditures and Transfers</b> | <b>\$635,035,560</b> | <b>\$666,399,289</b> | <b>\$31,363,729</b> | <b>5%</b>          |
| School Infrastructure Construction      | 235,964,217          | 229,377,909          | -6,586,308          | -3%                |
| Land Purchased                          | 5,801,065            | 4,473,312            | -1,327,753          | -23%               |
| Buildings Purchased                     | 3,205,385            | 1,145,081            | -2,060,304          | -64%               |
| Equipment                               | 63,336,573           | 70,320,373           | 6,983,800           | 11%                |
| Other                                   | 57,530,729           | 60,110,361           | 2,579,632           | 4%                 |
| Transfers to the Debt Service Fund      | 254,409,628          | 262,203,305          | 7,793,677           | 3%                 |
| Transfers to Other Funds                | 14,787,963           | 38,768,948           | 23,980,985          | 162%               |

“Other” expenditures refer to issuance costs and debt-related costs, purchased professional and technical services such as architectural and legal, salaries and benefits related to project costs, construction services, building construction supplies, equipment, and purchased property services.

## COMPARISON OF TOTAL EXPENDITURES TO TOTAL REVENUES

| Fiscal Year | Expenditures as a Percentage of Revenues |
|-------------|--|
| 2018        | 91.6%                                    |
| 2019        | 89.5%                                    |

## FY19 REVENUE BONDS INFORMATION

### SAVE Balances and Revenue Bonds

|  | FY18            | FY19            | Difference | Growth/<br>Decline |
|--|-----------------|-----------------|------------|--------------------|
| Non-spendable Fund Balance                         | \$449,318       | \$435,005       | -\$14,313  | -3%                |
| Restricted Fund Balance (for Revenue Bond Reserve) | \$47,976,331    | \$48,099,818    | 123,487    | <1%                |
| Other Restricted Balance                           | \$701,447,509   | \$769,956,632   | 68,509,123 | 10%                |
| Unassigned Fund Balance                            | -\$52,638,321   | -\$42,694,889   | 9,943,432  | 19%                |
| Revenue Bonds Outstanding                          | \$1,726,162,964 | \$1,750,057,068 | 23,894,104 | 1%                 |

### Definitions for Revenue Bonds Information

**Non-spendable Fund Balance** – The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This may include the long-term amount of loans and receivables, as well as property acquired for resale and the corpus (principal) of a permanent fund.

**Restricted Fund Balance** – The restricted fund balance classification should be reported when legally enforceable constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**Unassigned Fund Balance** – The unassigned fund balance classification is used to report the residual amount for all *other* governmental funds after non-spendable, restricted, and committed balances have been identified, if the residual amount is negative.

## SAVE REPORTING

### REVENUE PURPOSE STATEMENT (RPS) SUMMARY

|  | FY18<br>School<br>Districts | FY18<br>Percentage | FY 19<br>School<br>Districts | FY19<br>Percentage |
|--|-----------------------------|--------------------|------------------------------|--------------------|
| School districts that indicated RPS expires 2029               | 282                         | 85%                | 288                          | 87%                |
| School districts that indicated RPS expires before 2029        | 51                          | 15%                | 36                           | 11%                |
| School districts that indicated RPS expires after 2029         | NA                          | NA                 | 4                            | 1%                 |
| School districts that did not indicate the RPS expiration date | NA                          | NA                 | 2                            | 1%                 |
| School Infrastructure Purposes                                 | 329                         | 99%                | 325                          | 98%                |
| Property Tax Relief  | 286                         | 86%                | 286                          | 87%                |
| Physical Plant and Equipment Levy (PEEL) Purposes              | 309                         | 93%                | 307                          | 93%                |
| Public Education and Recreation Levy (PERL) Purposes           | 126                         | 38%                | 74                           | 22%                |
| Share with other entities under a 28E agreement                | 63                          | 19%                | 66                           | 20%                |

### REVENUE PURPOSE STATEMENT CHANGES

During the 2019 legislative session, with the extension of SAVE there were changes to Iowa Code section 423F.3(3)“b” regarding the revenue purpose statement. Iowa Code 423F.3(3)“b”(2)(a), in part, now states the following:

“Notwithstanding any provision of law to the contrary, for each school district with an existing revenue purpose statement for the use of revenues from the secure an advanced vision for education fund adopted under this paragraph or adopted under another provision of law before July 1, 2019, such revenue purpose statement shall terminate and be of no further force and effect on January 1, 2031, or the expiration date of the revenue purpose statement, whichever is earlier. If such a school district intends to use funds for purposes other than those listed in paragraph “a” and does not intend to operate without a revenue purpose statement on or after January 1, 2031, or the expiration date of the revenue purpose statement, whichever is earlier, the board of directors shall submit a revenue purpose statement for approval by the electors under subparagraph (1) on or after July 1, 2019, and such revenue purpose statement submitted to the electors shall include all proposed uses including those previously approved by the electors, if applicable.”

### LEVY INFORMATION

| Did the district reduce levies as a result of the moneys received under Chapter 423E or 423F in the following funds? | FY18         | FY19         | Difference   | Growth/Decline |
|--|--------------|--------------|--------------|----------------|
| <b>Debt Service Levy</b>   |              |              |              |                |
| Number of school districts that indicated "yes"  | 37           | 33           | -4           | -11%           |
| Amount of property tax reduction   | \$13,260,783 | \$11,830,176 | -\$1,430,607 | -11%           |
| <b>PPEL</b>  |              |              |              |                |
| Number of school districts that indicated "yes"  | 16           | 22           | 6            | 38%            |
| Amount of property tax reduction   | \$2,972,512  | \$3,456,575  | \$493,063    | 17%            |
| <b>PERL</b>  |              |              |              |                |
| Number of school districts that indicated "yes"  | 0            | 0            | 0            | 0%             |
| Amount of property tax reduction   | \$0          | \$0          | \$0          | \$0            |

### MISCELLANEOUS INFORMATION

|  | FY18          | FY19          | Difference   | Growth/Decline |
|--|---------------|---------------|--------------|----------------|
| Number of school districts that issued revenue bonds through Chapter 423F  | 147           | 149           | 2            | 1%             |
| Amount of sales tax used to pay revenue bonds during FY20  | \$124,077,790 | \$147,532,346 | \$23,454,556 | 19%            |
| Number of school districts that indicated if local option sales and services tax SAVE were not available, the district would have increased property taxes through a bond referendum, voter-approved PPEL, regular PPEL, and/or PERL | 243           | 245           | 2            | <1%            |