

Legislative Report FY 2020 Secure an Advanced Vision for Education (SAVE) Annual Report



February 2021

State of Iowa
Department of Education
Grimes State Office Building
400 E. 14th 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 monies 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 money 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 money 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

District-by-district data related to the annual report to the legislature will be posted to the [Secure an Advance Vision for Education \(SAVE\)](#) page of the Iowa Department of Education's website once available. These data are from two sources: the districts' Certified Annual Report (CAR) and the districts' Facilities, Elections, and Sales Tax (FEST) submissions. The FY20 FEST submission process was impacted by technical issues with the reporting application.

SAVE ANNUAL REPORT – JANUARY 2021

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.

FY20 SALES TAX FINANCIAL INFORMATION – FUND 33

BALANCES

	FY19	FY20	Difference	Growth/ Decline
School Districts Submitting Information	330	327	-3	-1%
Beginning Balance	\$697,234,836	\$775,803,219	\$78,568,383	11%
Ending Balance	\$775,796,566	\$821,894,087	\$46,097,521	6%

REVENUES

	FY19	FY20	Difference	Growth/ Decline
Total Revenues and Transfers	\$744,961,019	\$800,562,215	\$55,601,196	7%
Sales Tax Revenues	\$498,035,636	\$506,796,812	\$8,761,176	2%
Other Local Revenues	\$25,219,443	\$16,940,713	-\$8,278,730	-33%
Other State Revenues	\$88,087	\$157,075	\$68,988	78%
Federal Revenues	\$958,197	\$1,030,961	\$72,764	8%
Sale of Long-Term Debt	\$195,628,251	\$251,365,494	\$55,737,243	28%
Transfer from Other Funds	\$20,967,462	\$8,877,642	-\$12,089,820	-58%
Other Revenue	\$4,063,942	\$15,393,519	\$11,329,577	279%

EXPENDITURES

	FY19	FY20	Difference	Growth/ Decline
Total Expenditures and Transfers	\$666,399,289	\$754,471,347	\$88,072,058	13%
School Infrastructure Construction	\$229,377,909	\$221,464,199	-\$7,913,710	-3%
Land Purchased	\$4,473,312	\$10,386,399	\$5,913,087	132%
Buildings Purchased	\$1,145,081	\$3,009,311	\$1,864,230	163%
Equipment	\$70,320,373	\$72,261,080	\$1,940,707	3%
Other	\$60,110,361	\$74,744,922	\$14,634,561	24%
Transfers to the Debt Service Fund	\$262,203,305	\$313,910,590	\$51,707,285	20%
Transfers to Other Funds	\$38,768,948	\$58,694,847	\$19,925,899	51%

“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
2019	89.5%
2020	94.2%

FY20 REVENUE BOND INFORMATION

SAVE Balances and Revenue Bonds

	FY19	FY20	Difference	Growth/ Decline
Nonspendable Fund Balance	\$435,005	\$872,280	\$437,275	101%
Restricted Fund Balance (for Revenue Bond Reserve)	\$48,099,818	\$54,188,179	\$6,088,361	13%
Other Restricted Balance	\$769,956,632	\$829,603,302	\$59,646,670	8%
Unassigned Fund Balance	-\$42,694,889	-\$62,769,674	-\$20,074,785	47%
Revenue Bonds Outstanding	\$1,750,057,068	\$1,780,875,173	\$30,818,105	2%

Definitions for Revenue Bonds Information

Nonspendable Fund Balance – The nonspendable 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

	FY19		FY20	
	School Districts	Percentage	School Districts	Percentage
School districts that indicated RPS expires 2029	288	87%	197	60%
School districts that indicated RPS expires before 2029	36	11%	23	7%
School districts that indicated RPS expires after 2029	4	1%	103	31%
School districts that did not indicate the RPS expiration date	2	1%	6	2%
School Infrastructure Purposes	325	98%	322	98%
Property Tax Relief	286	87%	280	86%
Physical Plant and Equipment Levy (PEEL) Purposes	307	93%	305	93%
Public Education and Recreation Levy (PERL) Purposes	74	22%	119	36%
Share with other entities under a 28E agreement	66	20%	68	21%

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 money received under Chapter 423E or 423F in the following funds?	FY19	FY20	Difference	Growth/Decline
Debt Service Levy				
Number of school districts that indicated "yes"	33	36	3	9%
Amount of property tax reduction	\$11,830,176	\$8,795,745	-\$3,034,431	-26%
PPEL				
Number of school districts that indicated "yes"	22	31	9	41%
Amount of property tax reduction	\$3,456,575	\$5,853,356	\$2,396,781	69%
PERL				
Number of school districts that indicated "yes"	0	15	15	*Increased from zero
Amount of property tax reduction	\$0	\$40,102	\$40,102	*Increased from zero

MISCELLANEOUS INFORMATION

	FY19	FY20	Difference	Growth/Decline
Number of school districts that issued revenue bonds through Chapter 423F	149	124	-25	-17%
Amount of sales tax used to pay revenue bonds during FY21	\$147,532,346	\$128,866,671	-\$18,665,675	-13%
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	245	221	-24	-10%