

Budget Proposed for Publication for Fiscal Year 2024

Board Policy:

Board Policy 703.1, Budget Planning, pertains to the annual adoption of the certified budget for the Belmond-Klemme Community School District. It states

A budget for the school district is prepared annually for the board's review. The budget will include the following:

- the amount of revenues to be raised by taxation;
- the amount of revenues from sources other than taxation;
- an itemization of the amount to be spent in each fund; and,
- a comparison of the amount spent and revenue received in each fund for like purposes in the prior fiscal years.

It is the responsibility of the superintendent and business manager to prepare the budget for review by the board prior to the April 15 deadline each year.

Prior to the adoption of the proposed budget by the board, the public is apprised of the proposed budget for the school district. Prior to the adoption of the proposed budget by the board, members of the school district community will have an opportunity to review and comment on the proposed budget. A public hearing for the proposed budget of the board is held each year in sufficient time to file the adopted budget no later than April 15.

The board will adopt and certify a budget for the operation of the school district to the county auditor by April 15.

Levy Rates:

The history of our property tax levy rate appears in the table below:

FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
\$16.48	\$16.38	\$16.39	\$16.12	\$16.14	\$16.00	\$16.07
FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
\$16.08	\$15.89	\$15.88	\$15.72	\$12.93	\$11.80	\$10.93

For many years, the Belmond-Klemme levy rate was slightly higher than average, due below average property values and bond indebtedness for Jacobson Elementary. But no longer.

Current state levy statistics for Fiscal Year 2023 (current) are as follows:

\$8.03	Lowest in Iowa	LuVerne	#1
\$19.61	Highest in Iowa	Ballard	#327
\$13.21	State Mean (average)	Oskaloosa	#176
\$13.02	State Median (middle)	Panorama	#163

The current rates of some area schools are as follows:

\$12.06	CAL	\$13.36	Eagle Grove	\$14.71	Hampton-Du
\$13.28	Clarion-G-D	\$11.03	Forest City	\$11.46	West Fork
\$10.39	Clear Lake	\$11.00	Garner-H-V	\$10.27	West Hancock

Background:

The obligation of the Board is to set the budget numbers which will be published in the local newspaper and presented during the April 20 Budget Hearing.

The figures below represent one possible budget for next year based largely on how we budgeted for the current year.

		Current Budget		Budget Projections
		<u>FY 2023</u>		<u>FY 2024</u>
Allowable Growth*	%	2.50%		3.00%
Cost per Pupil		\$ 7,413		\$ 7,635
Budget Enrollment	x	756.0	x	740.1
Reg. Program Cost	=	\$ 5,604,228	=	\$ 5,650,664
Dropout Prevention		\$ 218,544		\$ 219,454
Instructional Support		\$ 320,404		\$ 322,023
Cash Reserve -- SBRC		\$ 373,808		\$ 70,395
Total General Fund Levy		\$ 3,434,518		\$ 3,214,100
Management Fund		\$ 100,000		\$ 200,000
Board (Regular) PPEL		\$ 111,200		\$ 116,930
Publicly Voted PPEL		\$ 225,769		\$ 237,404
Debt Service Fund		\$ -		\$ -
General Fund Levy		\$ 10.48		\$ 9.34
Management Levy		\$ 0.310		\$ 0.58
PPEL Levy		\$ 1.00		\$ 1.00
Debt Service Levy		\$ -		\$ -
TOTAL LEVY		\$ 11.80		\$ 10.92

Options and/or Alternatives:

The significant drop in our debt service levy gives the school board several options for consideration. We recommend that four major issues be the primary focus of the Board for the purposes of this discussion:

- A. The Income Surtax has been maintained at 03% for many years now. Any change in our income surtax rate could affect the property tax rate.

Surtax Percentage	3%
Property Levy Rate	\$10.92

We are proposing retaining the income surtax rate of 03%.

- B. The Management Levy for last year was \$100,000 for a rate of \$0.31. We under-funded this levy due to an unnecessarily large balance.

For the coming year, we are proposing raising the levied amount to \$200,000 (less than what we spend annually), for a rate of 58¢ as we continue to spend down our surplus, only slightly more gradually.

- C. The total Cash Reserve Levy (special ed and miscellaneous cash) for this year was \$373,808, or a rate of \$1.14.

Five years ago, we were starved for cash. Now we have a comfortable cash cushion. We are proposing now levying for only \$70,395 for next year due to ample cash currently on hand.

- D. The Board-voted PPEL last year was \$0.33 and generated approximately \$111,200. We are proposing leaving this levy at \$0.33 which will generate \$116,930 to our PPEL fund.

We also have a publicly-voted PPEL of \$0.67 which will generate \$237,404. But of course, this is a voter decision and not a school board decision.

Our projected revenue from the Secure an Advanced Vision for Education (SAVE), the one-cent sales tax, will be \$855,109 this year.

NOTE 1: *Every \$10,000 worth of revenue from property tax changes the local levy by approximately 3.5¢. Therefore, a levy of \$100,000 will cost taxpayers 35¢ per \$1,000 of assessed valuation against their levy.*

NOTE 2: *Following the publication of the budget, the Board may lower the levy rate but may not raise it.*

Recommended Action: I recommend the Board approve the budget for publication.