

Certified Budget 2009-10

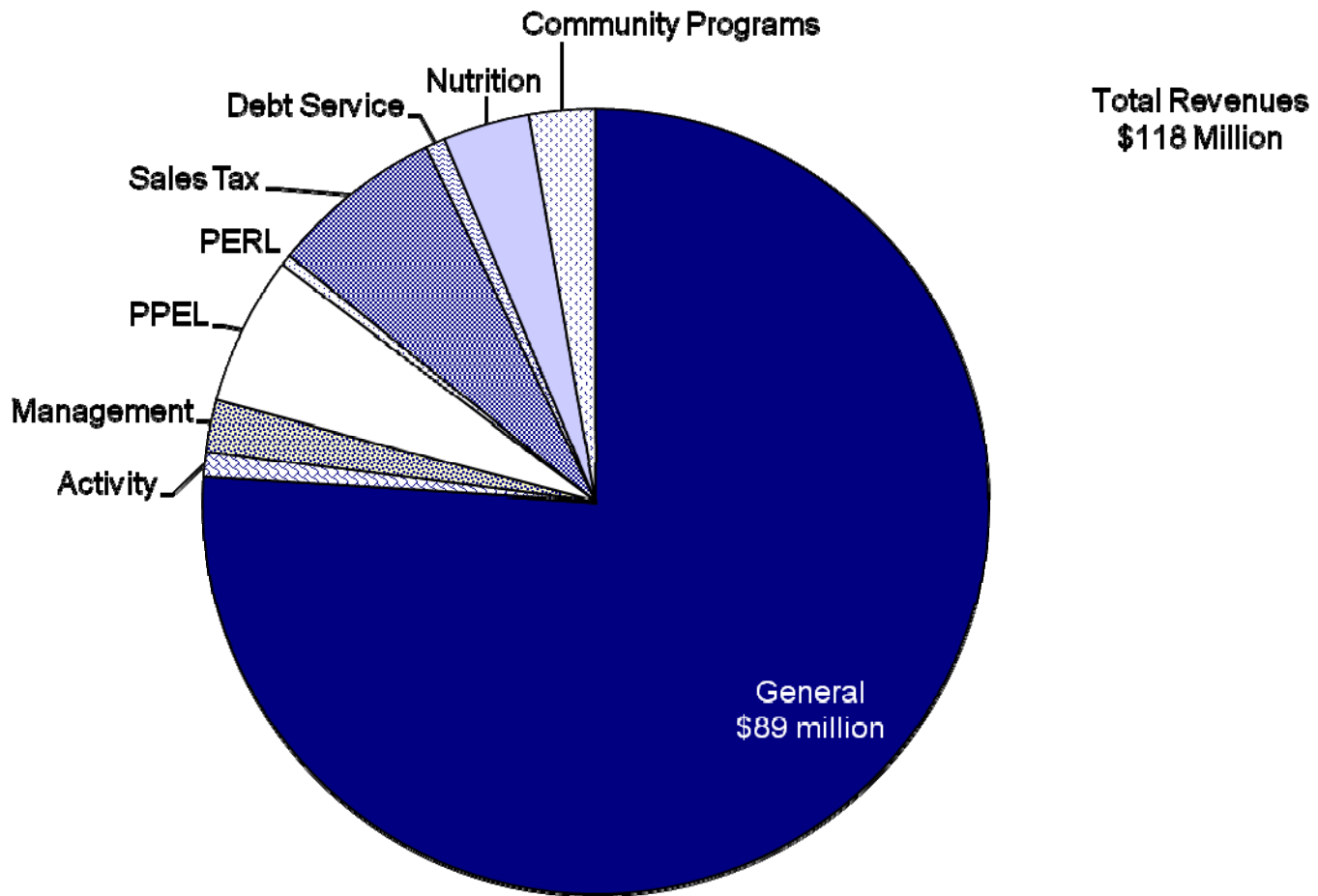
West Des Moines Community School District

March 2009

Certified Budget

- Meets statutory process and timelines
- Establishes the “mix” between state aid and property taxes within the general fund
- Establishes property tax levies payable September 2009 and March 2010
- Provides a “consolidated” budget, e.g., general fund is only one component
 - Typically amended late in the fiscal year to better reflect anticipated expenditures

West Des Moines Community School District
2009-10 Certified Revenues by Fund

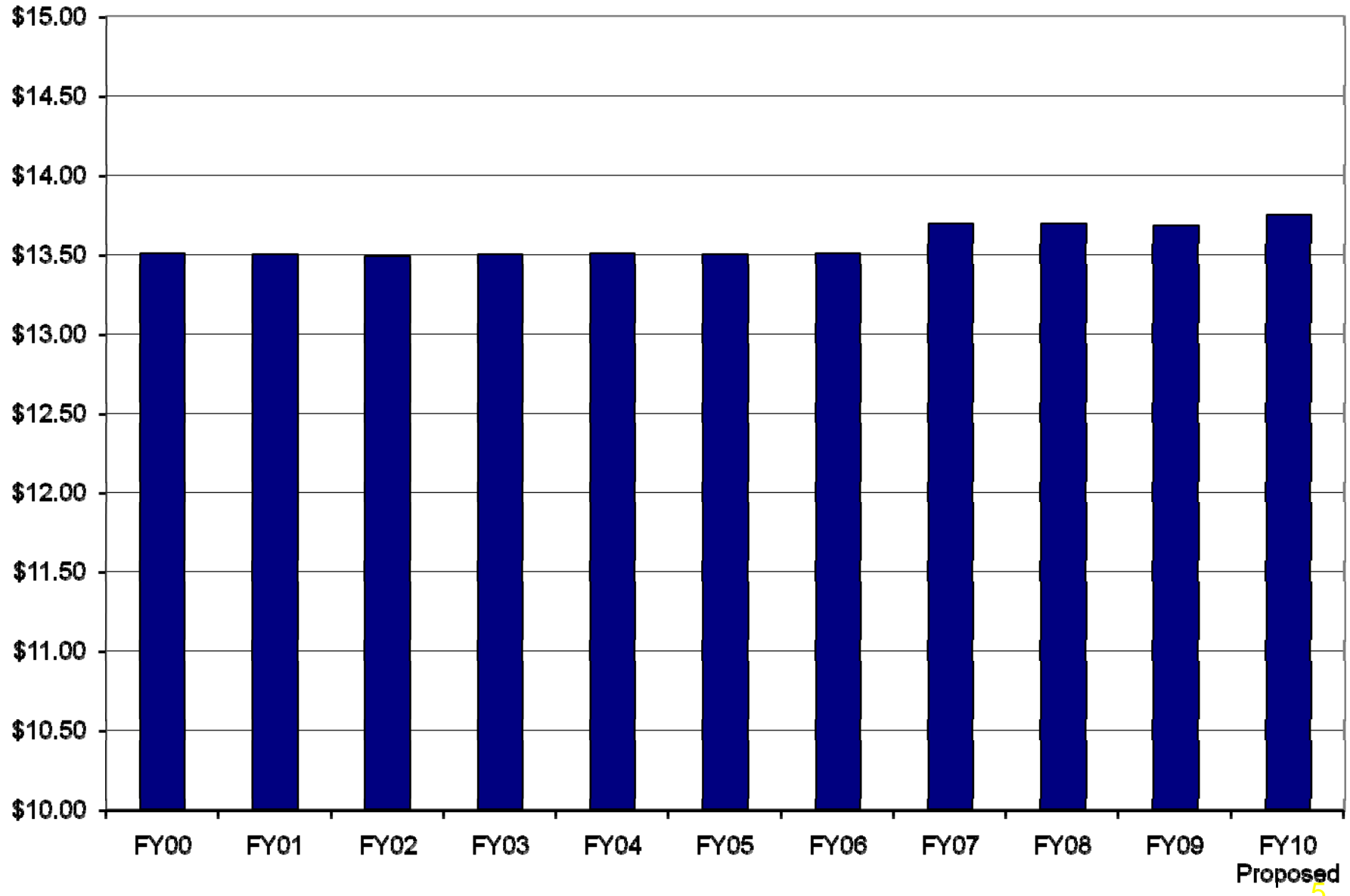


Tax Rate Summary

	Proposed	
	<u>2009 - 10</u>	<u>2008- 09</u>
General	\$11.116	\$10.426
Management	.617	1.161
Debt Service	.220	.300
PERL	.135	.135
Voted PPEL	1.340	1.340
Board PPEL	<u>.330</u>	<u>.330</u>
Totals	\$13.76 *	\$13.69

*** Final rate not to exceed \$13.70**

West Des Moines CSD
Property Tax Rates: FY00 – FY10 (Proposed)



Selected Funding Sources

- **Instructional Support Levy (General Fund)**
 - Supplementary monies for regular education programming
 - Board approved every five years; expires 2011
- **Physical Plant & Equipment Levy (PPEL Fund)**
 - For school infrastructure
 - Voter approved every ten years; expires 2011
- **Local Option Sales Tax (Capital Projects Fund)**
 - For school infrastructure
 - Voter approved; ten year term; expires 2010
 - New statewide penny expires December 2029

Cash Reserve Levies

(General Fund)

- **School Budget Review Committee (SBRC) items...\$4.13 million**
 - **Special education deficit (FY08 actual) \$2.36 million**
 - **ESL deficit (FY09 estimated) \$.89 million**
 - **Tuition for open enrollment out (FY09 actual) \$.73 million**
 - **Asbestos abatement (FY09 estimated) \$.16 million**

Cash Reserve Levies (cont'd)

(General Fund)

- **General...\$2.9 million**
 - **\$.5 million juvenile home reduction in state aid (actual for FY08 and FY09)**
 - **\$2.4 million...primarily to cash flow increases in the special education deficit**
 - **In addition - concerns about the potential for mid-year reductions in state aid**

Taxable Valuations

- Increased 4.5% from January 2007 to January 2008
 - Compares with last year's 4.1% increase and the ten-year average of ~4.0%.
- Residential properties will be assessed at 45.6% of market value, up from 44.1%
 - First increase since January 2000
- Commercial and industrial property is assessed at 100%

Debt

- **General Obligation Bonds**
 - Refinanced in 2006
 - Retire in June 2010
 - \$1.19 million outstanding as of June 30, 2009
- **Sales Tax Revenue Bonds**
 - Issued \$37.48 million in 2002
 - Retire in June 2010
 - \$5.34 million outstanding as of June 30, 2009

Long-Term Liabilities

- **Early Retirement Obligations**

- (Management Fund)**

- Liability was \$4.8 million at June 30, 2008
 - Payable in FY09 and future years
 - Assumes 10% annual increases in medical insurance premiums
 - New Government Accounting Standards Board (GASB) rules effective June 30, 2009
 - Requires bi-annual actuarial valuations to estimate the liability
 - Significant increase in the liability. Public employers must now accrue the cost during a employee's career vs. calculating the liability as of the actual retirement date.¹

Certified Budget

Next Steps

- **April 13**...public hearing and Board approval of the 2009-10 statutory (certified) budget
- **April 15**...certify 2009-10 budget with the County Auditor
- **April 27**...public hearing and Board approval of amended 2008-09 certified budget expenditures

FY09 Amended Budget (Expenditures - All Funds)

in millions

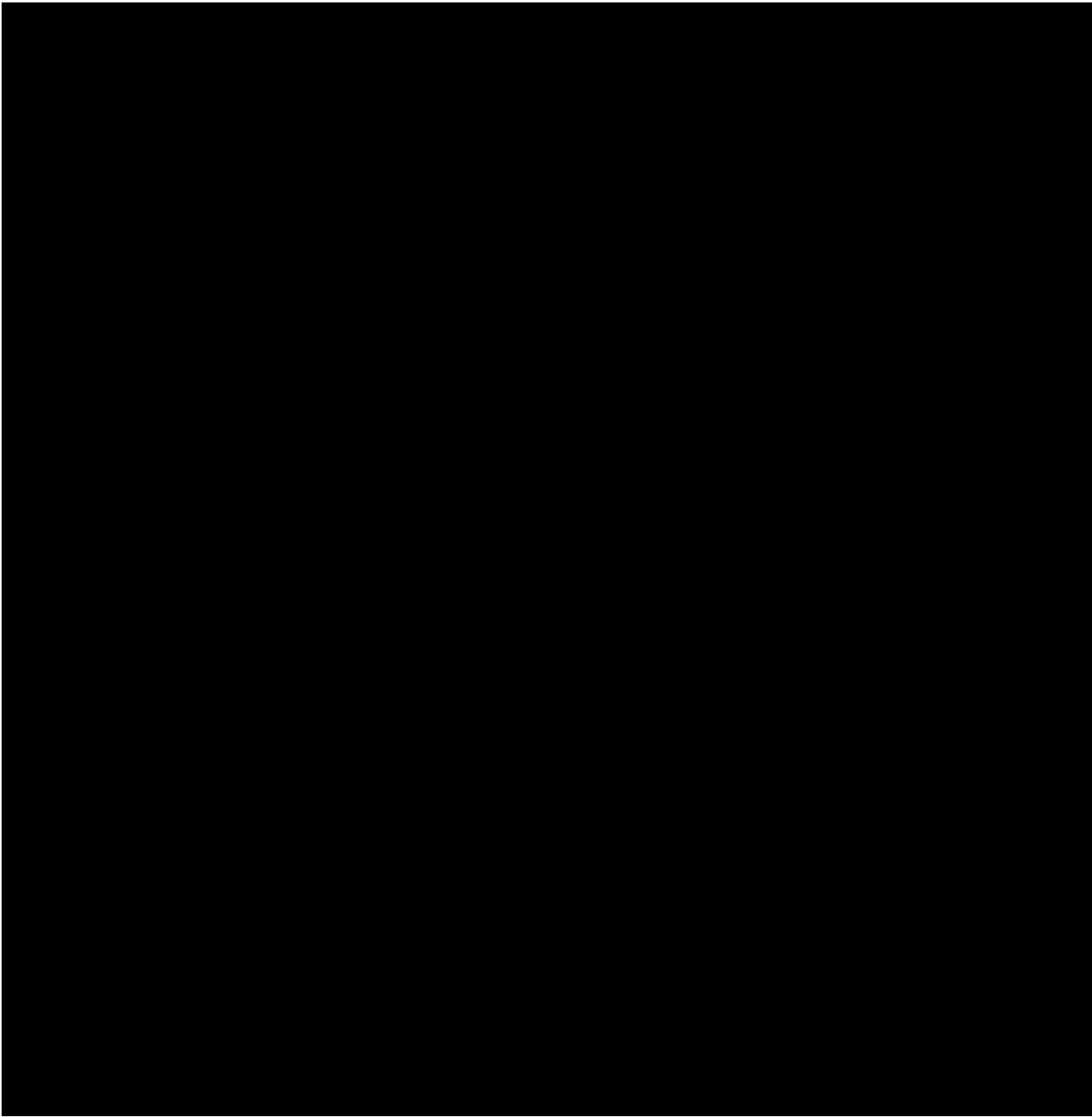
	FY08 Actual	FY09 Published Budget	FY09 Line Item Budget	FY09 Amended Budget
Instruction	\$53.8	\$57.7	\$59.0	\$61.0
Support Services	26.8	27.0	29.1	30.4
Non-instructional	6.2	6.5	6.8	7.7
Other	18.7	20.2	24.7	26.5
	\$105.5	\$111.4	\$119.7	\$125.6

Timing	Sept. 2008	March 2008	Late Fall 2008	April 2009
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Amended expenditures are “not to exceed” amounts for statutory reporting purposes

FY09 Amended Budget General Fund Example

in millions	FY09 Line Item Budget	FY09 Re-Estimated (Not to Exceed)
Instruction	\$56.8	\$58.8
Student Support Services	2.8	3.0
Instructional Staff Support Services	4.4	4.5
General Administration	0.6	0.7
School/Building Administration	4.3	4.4
Business & Central Administration	3.0	3.2
Plant Operation and Maintenance	7.3	7.3
Student Transportation	3.3	3.6
AEA Support - Direct to AEA	3.2	3.2
Total Expenditures	\$85.7	\$88.7
Transfers Out	0.1	0.1
Total	\$85.8	\$88.8



General Fund Budget “Drivers”

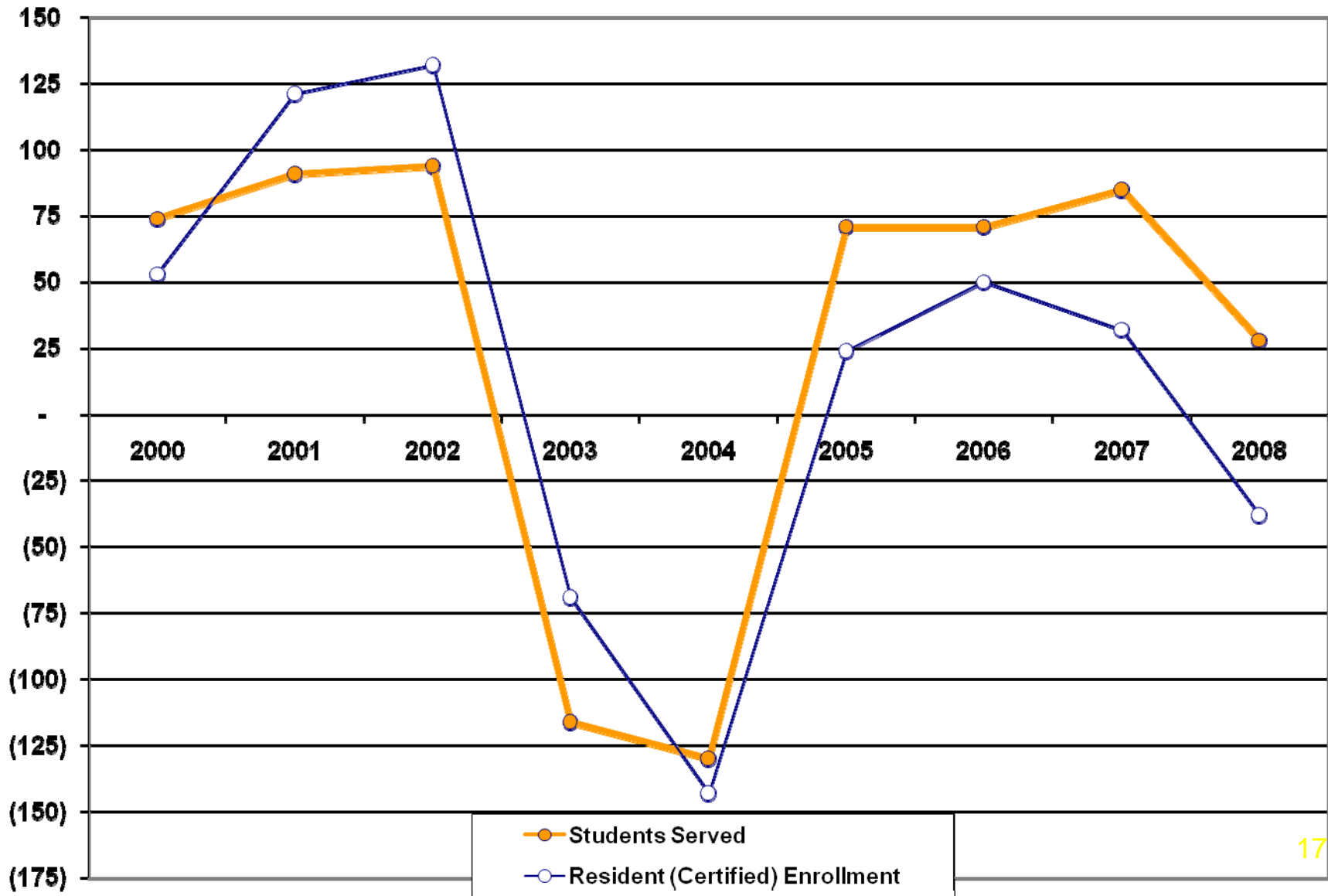
Revenues

- Enrollment
- Per Pupil Funding
 - Allowable Growth

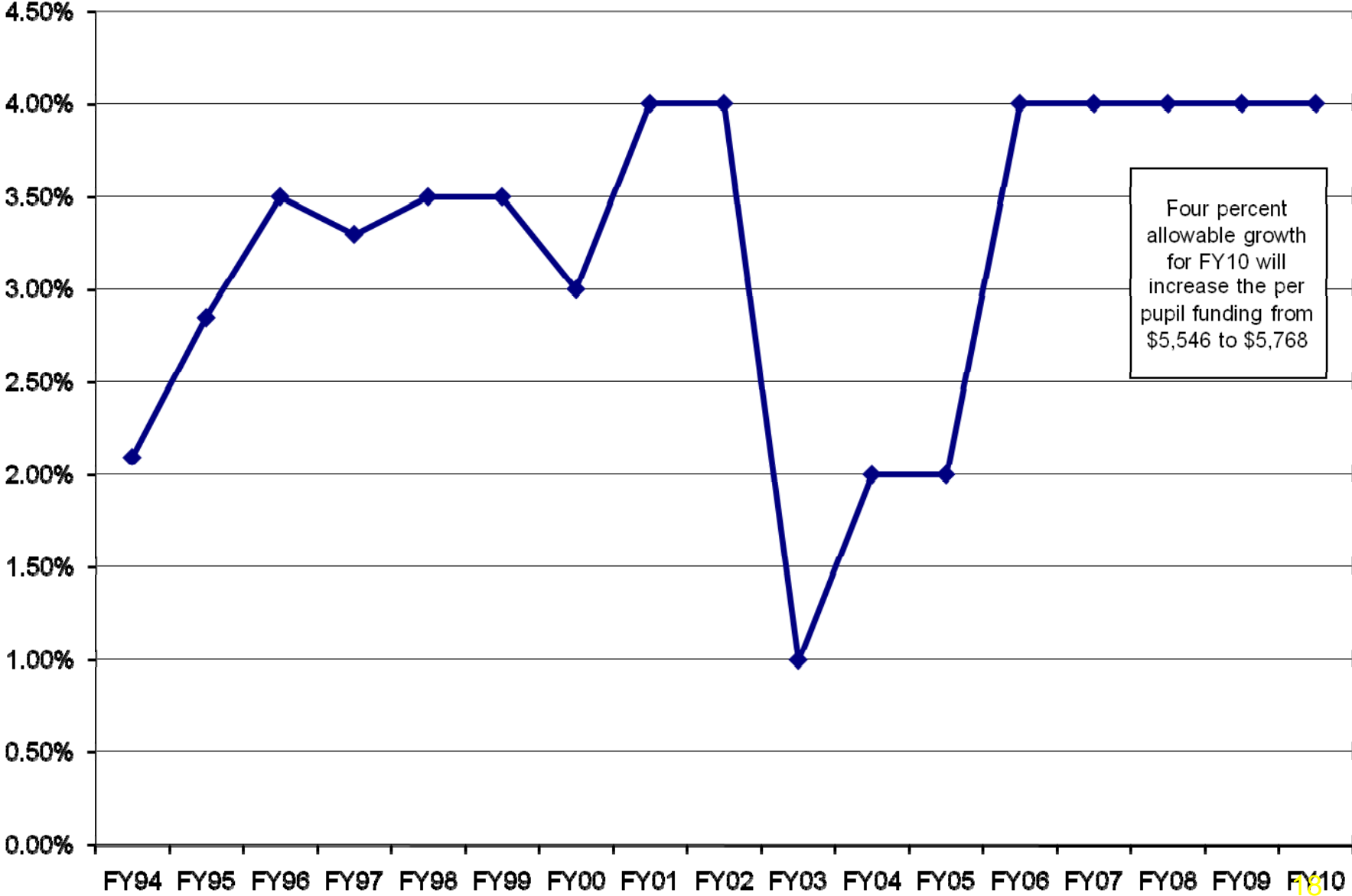
Expenses

- Staffing Decisions

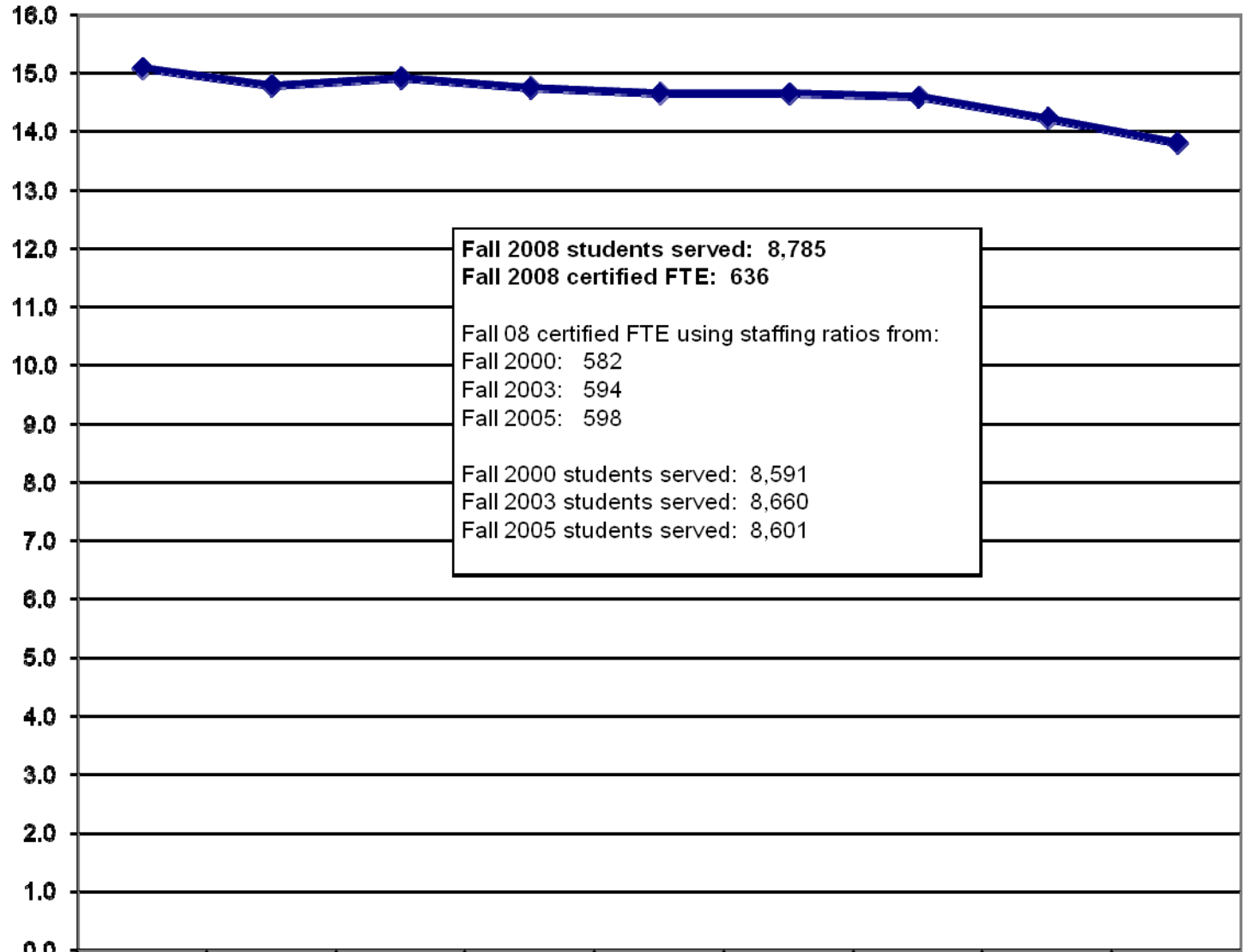
West Des Moines CSD
Students Served vs. Resident (Certified) Enrollment
Annual Increases/Decreases



West Des Moines CSD
Percent Allowable Growth in Per Pupil Funding



West Des Moines CSD Students Served vs. Certified FTE



	2000	2001	2002	2003	2004	2005	2006	2007	2008
◆ Students Served vs. Certif. FTE	15.1	14.8	14.9	14.8	14.7	14.7	14.6	14.2	13.8

New Money (Regular Program) vs. Negotiated Teacher Settlements

Year	Allowable Growth	State Averages *		West Des Moines CSD	
		New Money	Total Package	New Money	Total Package
1998-99	3.50%	3.37%	4.00%	4.53%	4.20%
1999-00	3.00%	2.44%	4.07%	4.39%	3.70%
2000-01	4.00%	2.84%	4.46%	3.84%	6.17%
2001-02	4.00%	2.60%	4.47%	4.64%	6.00%
2002-03	1.00%	0.66%	3.71%	2.40%	5.52%
2003-04	2.00%	0.74%	4.09%	3.52%	4.33%
2004-05	2.00%	1.10%	3.82%	1.21%	3.91%
2005-06	4.00%	1.99%	4.36%	2.35%	4.35%
2006-07	4.00%	2.25%	4.49%	4.29%	4.72%
2007-08	4.00%	2.66%	4.67%	4.57%	5.05%
2008-09	4.00%	2.77%	4.50%	4.38%	5.10%
	<u>3.23%</u>	<u>2.13%</u>	<u>4.24%</u>	<u>3.65%</u>	<u>4.82%</u>
2009-10	4.00%			3.55%	4.05% **
2010-11	2.00%			TBD (Fall 09)	4.10% **

* Per IASB based on 200+ reporting districts

** Tentative Agreement

Key Financial Metrics

Unknowns:

1) How will the federal stimulus package impact our general fund (and associated metrics) in FY09 and FY10?

In particular....

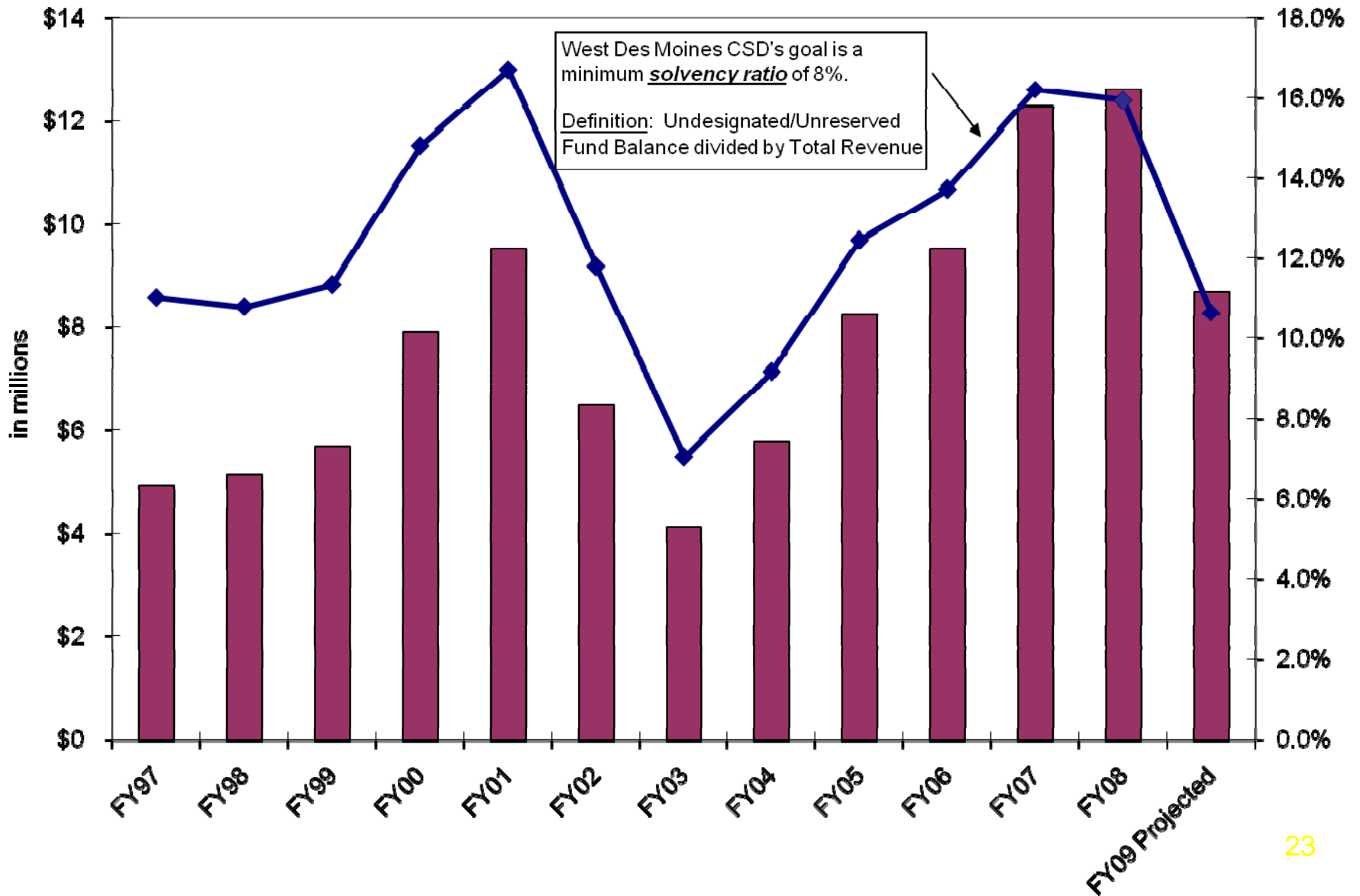
- State stabilization funds for education
- IDEA Part B funding (special education)

2) How will the latest Revenue Estimating Committee projection impact school districts in FY09, FY10 and beyond?

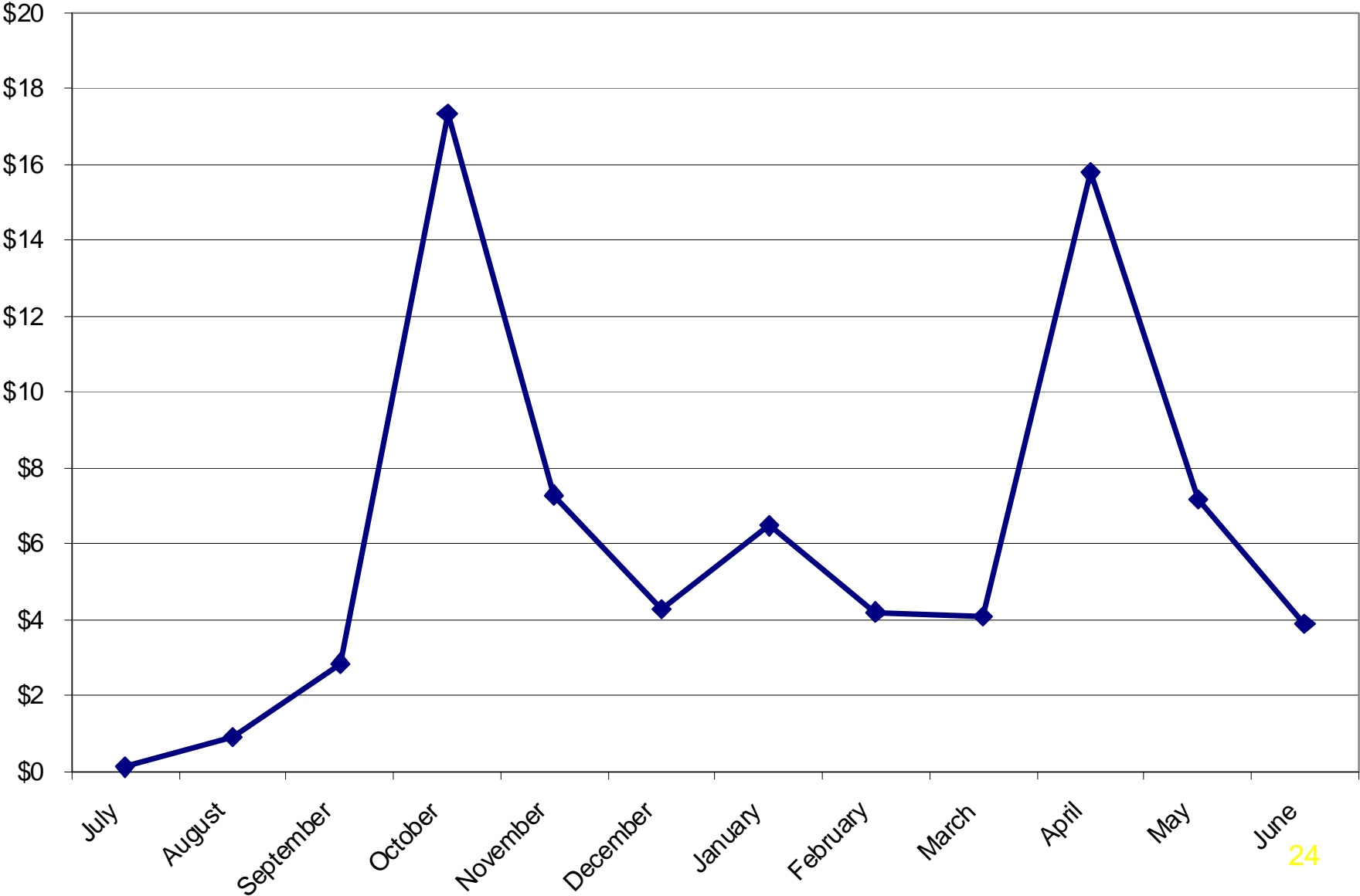
Key Financial Metrics

- **Solvency ratio**
 - General fund focus
 - Defined: undesignated and unreserved fund balance divided by annual revenue
 - Recommended by financial advisors at 5% to 10%
 - District goal: a minimum of 8%
 - 15.9% at June 30, 2008
 - Approx. 11% at June 30, 2009 [projected]

West Des Moines CSD Undesignated/Unreserved Fund Balance & Solvency Ratio



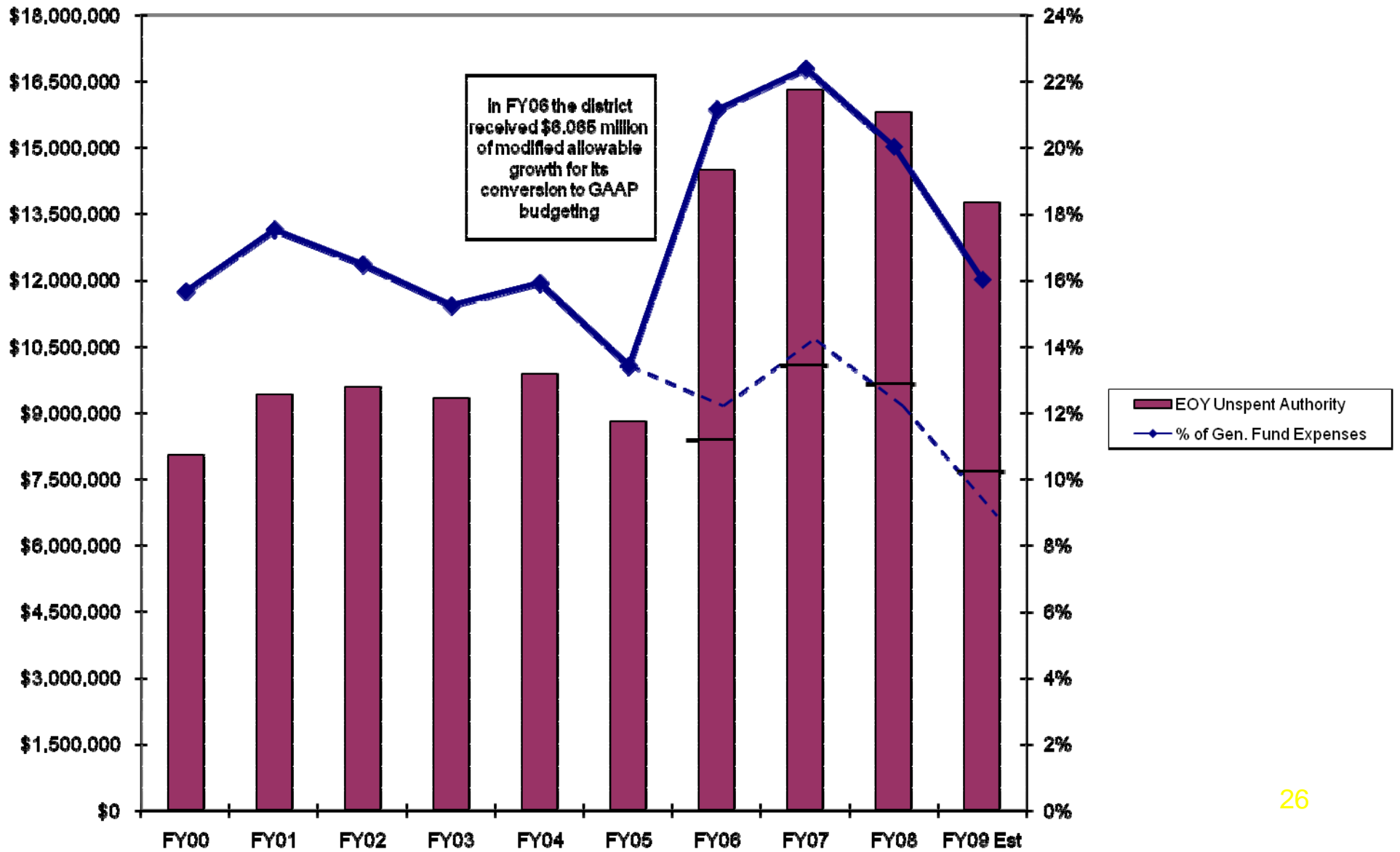
West Des Moines CSD
General Fund Cash Receipts by Month
(in millions)



Key Financial Metrics (cont'd)

- **Unspent Authority**
 - General fund only
 - Unique to Iowa school districts
 - Recommend minimum: 6% of annual expenditures
 - Consistent with previously stated goal of 5-7%
 - 20% (\$15.8 million) at June 30, 2008
 - Benefited from a one-time adjustment in FY06 of nearly \$6.1 million related to conversion to GAAP budgeting
 - 16% (\$13.7 million) at June 30, 2009 [projected]
 - Allowable growth assumptions:
 - 4% anticipated for FY10
 - 2% for FY11

West Des Moines CSD Unspent Authority



Questions & Further Discussion

Additional Financial Reports Attached