



The vision of the Creston C.S.D. is to provide the foundation for students to become lifelong learners and positive, confident, and compassionate citizens.

December Panther Pitch

Dear Panther Partners:

This article is the first of six that will address each of the principles affecting school funding, in an effort to explain where those tax dollars are going and why it is a general introduction and how the number of children determines district revenues. Every year, public schools in Iowa spend billions of dollars to educate the state's children, sparking taxpayers to so often ask school board members, administrators, and lawmakers, "Where does that money go?" That's why part of the board's mission is to help taxpayers understand how districts are spending that money, in an attempt to be transparent, dispel the mystery surrounding school funding, and how the board makes budget decisions and negotiates bargaining unit agreements.

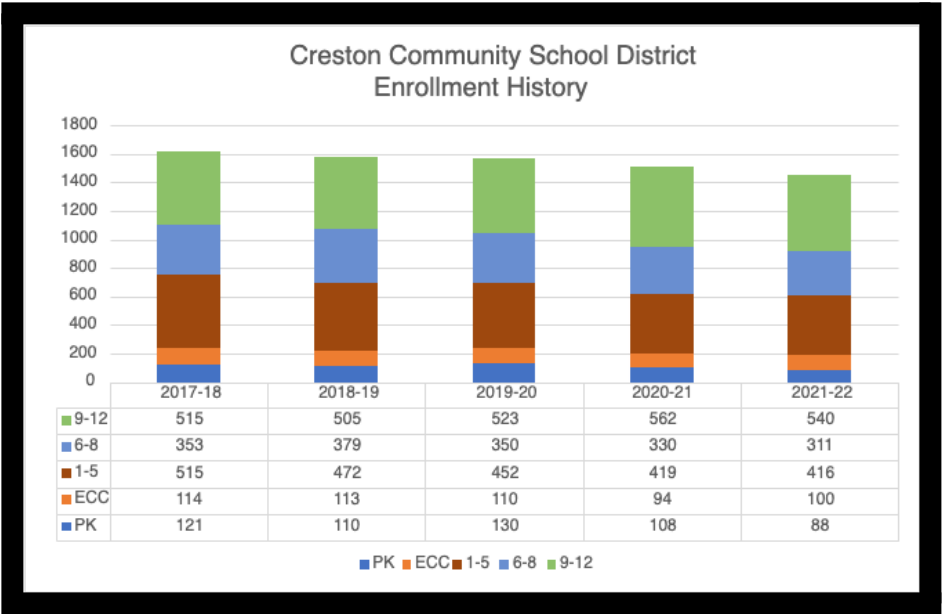
Here is an overall idea of the total funding public K-12 schools in Iowa receives to educate nearly 500,000 children in Iowa: Total state General Fund appropriations for school aid in FY 2022 amounts to \$3.6 billion. About \$1.8 billion comes from local property taxes, earmarked to fund school programs, with approximately \$780 million to fund facilities and other district expenses. Where it goes from there is a bit more complicated but just as important to understand.

Larry Sigel, partner at Iowa School Finance Information Services explained, "Knowing how this funding builds up from each individual district and child is important in understanding the roles and pressures facing local school districts, and taxpayers deserve to understand."

While the area of school finance is a complex one, there are some basic principles that make it understandable to the average taxpayer, including:

1. The number of children in each district largely determines district revenues.
2. The General Assembly "equalizes" funding state-wide so that the "cost per student" is roughly equal in every school so that every student has access to quality education.
3. The General Assembly controls the annual increase in the "cost per student," called State Supplementary Assistance, to determine how much each district receives from the state.
4. Each school district's funding is a mix of state aid and local property taxes.
5. Funds are restricted - we can only use funds on what the legislature tells us we can.
6. Schools are *budget* limited - most other local entities are property tax *rate* limited, and this difference is important.

First, Iowa’s school funding formula is a child-based formula, meaning that the allowable spending for a school district is based upon the number of children in that district on October 1 of each year. The number of students counted on that day is used to establish the district’s budget for the following year. That means our revenues are always a year behind the actual number of children we are serving in our classrooms. Our October 1 enrollment is 1396.98. The chart below shows a history of our District's enrollment.



“Because the formula is based on the number of children in the district, as we gain children, we gain revenues to serve those children. As we lose children, we also lose revenue from each of those students,” Sigel said.

Because the enrollment for our district has been declining over the past several years, this has created significant budget pressures for our district. As each child is “worth” about \$7,413 per year in General Fund revenue, losing 15 children from one year to the next reduces a district’s revenue by \$192,052. However, this won’t reduce our costs because we still need to have the same number of teachers whether there are 15 or 28 students in a class.

So, once district revenues are established, how is that money spent? It depends on state lawmakers and will be discussed in the next article in this series. This article is written by Larry Sigel who is a partner at the Iowa School Finance Information Services and edited by Superintendent Deron Stender to reflect Creston Community Schools.

I welcome you to attend one of the many events and activities that our children and staff provide; they will make you proud of our schools and community! Please visit the district website to view the schedule of events and activities and come out and support our children. Thank you for supporting our schools and making them the pride of our communities!

Creston Cares,

Deron Stender
Superintendent

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