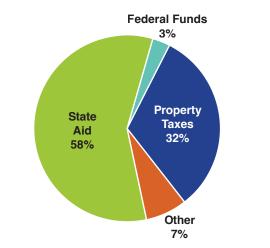
Financing the General Fund



This FY26 illustration shows the variance of state and local funds in the formula based on the variance of property value per pupil.

Funding Sources



The above represents FY 2025 and a typical statewide distribution of revenue sources. Local districts may vary considerably.

Key Finance Basics

- Enrollment is Key the General Fund (GF) enrollment-based formula generates funding per student. Districts are prohibited from levying additional local funds beyond a few specific levies.
- Local Property Taxes the district's tax rate is primarily set by the state formula. The school board has limited ability to increase or decrease the local property tax rate.
- **Funds Have Restrictions** levies have limited purposes. The General Fund is for funding the educational program. State/federal law/rules dictate allowable expenditures, even within the GF. A school may have money to buy a scoreboard or pave a parking lot but not enough for more teachers (or vice versa).
- · Schools are Labor-Intensive about 80% of Iowa districts' General Funds pay for staff salaries/benefits.
- General Fund Focus pays for education programs for students and is the largest expenditure fund.
- Focus on Spending Authority more than Fund Balance negative Spending Authority can result in closure. Negative Fund Balance can be more easily resolved through local action.

Key Finance Terms

Spending Authority – legal limit on General Fund spending for districts (not amount of cash on hand). All other funds allow spending if cash is available. Includes current year authority plus any unused authority from prior years.

Fund Balance – district's accounting position. Fund Balance is what is left over after taking in all amounts owed to the district and subtracting all amounts owed by the district at the end of the fiscal year. Certified Budget, Monthly Financials, Checkbook/Cash Balance, Certified Annual Report, and Independent Auditor's Report all relate to Fund Balance.

Unspent Authorized Budget (UAB) – district's spending authority position. UAB is what is left over after taking in all spending authority available to the district less all spending used by the district at the end of the fiscal year. School Budget Review Committee and Regular Program New Authority relate to Spending Authority.

State Supplementary Assistance (SSA) – schools receive an amount per student for the next fiscal year, set by the lowa Legislature, based on the Oct. 1 enrollment headcount. The increase per student multiplied by the enrollment headcount is known as New Money or New Authority.

Regular Program District Cost (RPDC) – calculated by taking the district's enrollment multiplied by the state-authorized spending amount per student.

Budget Guarantee – Postpones the budget impact of enrollment decline to the district by one year. If this year's RPDC is less than 101% of last year's RPDC, the district receives spending authority to get the district to 1% growth (funded entirely with property taxes). The calculation is for one year only and resets the following year.

On-Time Funding – since enrollment calculations are a year behind, this allows Spending Authority for new pupils that were not in last year's count.

Cash Reserve Levy – "Regular Cash Reserve Levy" provides cash to operate the district. "School Budget Review Committee Cash Reserve Levy" funds spending authority granted by the SBRC (primarily special education deficits/on-time funding). Does not create Spending Authority, only the funds to spend. The Cash Reserve Levy is 100% property taxes.

Revenue Sources and Allowable Expenditures

ISFIS, Inc. Iowa School Finance Information Services

Source	Fund	Expenses	\checkmark
State Aid	General Fund	 Staff Salaries & Benefits Curriculum & Programs - textbooks, supplies & materials Transportation - Diesel Fuel/Propane Electricity/Water Flexibility Account Special E Teacher S Profession Teacher I Early Inter Federal F Talented 	Salary Supplement (TSS) onal Development (PD) Leadership & Compensation (TLC) ervention/Class Size (EICS) Prevention Funds & Gifted (TAG)
Property Taxes	ISL	• Various C	Others
	PRESCHOOL	A Preschool	
Sales Tax	PPEL Voted PPEL/Board PPEL (Physical Plant & Equipment Levy)	Equipment/Buses/Vehicles	echnology/Computers on-Instructional Software eases
Federal Funds	Management Fund	Workers Compensation	ocal Government Risk Pools quipment Break/Fix nemployment ediation/Litigation
Gate/ admissions	Debt Service	Principal & Interest on Long Term Debt for things like Buildings, Athletic Facilities/- Scoreboards	
Fundraising	PERL (Public Education & Recreation Levy)	Playgrounds Community Education	Community Recreational Places - wimming Pools/Ballfields/Gyms No new PERL votes are allowable fter 7/1/2023
Student Fees	SAVE SAVE/Capital Projects (State Penny for Infrastructure)	Equipment/Buses/Vehicles	echnology/Computers ny PPEL or Debt Service llowable Expenditure
Student rees	Student Activities Fund	Supporting athletic clubs and co-curricular activities	
Parent Fees	Food & Nutrition Fund	Supporting food/nutrition program, nutrition staff salaries & benefits, food and equipment	
			Chart scale does not reflect size of funds.