

A Framework for Sharing Information to Board Candidates

Example: Explaining Key School Finance Concepts

Concept	Definition/Description	Significance for Decision-Making	Examples
Align budget to priorities	Budget should reflect district's educational and operational priorities.	Budget decisions should move district toward achieving its educational priorities.	<ul style="list-style-type: none"> Innovative programming may require reductions in other programming (tradeoffs)
Spending authority – Unique to Iowa	Iowa law requires the annual district budget be within a district's maximum spending authority calculation	District must live within the constraints of its spending authority regardless of available cash (or lack of cash) on hand.	<ul style="list-style-type: none"> Overspending available spending authority violates law and district is required to implement a workout plan.
Student enrollment drives budget	Enrollment is the basis for the majority of district funding. Districts receive a certain dollar amount per student.	District must live within the constraints of its budgeted resources	<ul style="list-style-type: none"> Enrollment changes may impact programming/staffing that can be offered Programming/staffing offered may impact enrollment
Property taxes matter	District funding is a mix of state aid and property taxes primarily determined through prescribed funding formula.	Board cannot impact formula driven tax rate. However board approval of discretionary tax rates can impact district programming and fiscal health.	<ul style="list-style-type: none"> District overall property tax rates will differ between neighboring districts. Even if District maintains consistent tax rates year to year, property assessments and other taxing entities will impact overall taxes paid.
Funding silos direct spending	Can't mix corn and beans! Contributor decides how funds can be used, requiring separate accounting silos.	District cannot use funds in any manner they want. Certain funds can only be used for certain purposes.	<ul style="list-style-type: none"> District may be reducing staffing while at the same time be renovating buildings. District may appear not to be using all available funds due to restrictions on use.