



Interest on Deposits and Investments from All School District Funds

School districts report interest income earned on deposits and investments as part of the data collected through the Department of Education’s Certified Annual Report (CAR). Deposits are normally interest-bearing checking or savings accounts. Investments are generally certificates of deposit (CDs) of idle funds, invested until those funds are needed to pay bills as they come due. Interest income earned in these deposits or on CDs is periodically allocated to each fund that is part of these checking or savings account deposits or CDs. All interest income on deposits and investments is reported in a variety of school district funds based on the CAR *source dimension code 1510 (interest on deposits and investments)*.

The following chart and table provide total interest income on deposits and investments and per pupil Interest income by fund type for FY 2014 through FY 2020. Although impacted by a variety of factors, the significant impact on interest revenues is the interest rates applied to the revenues being invested.

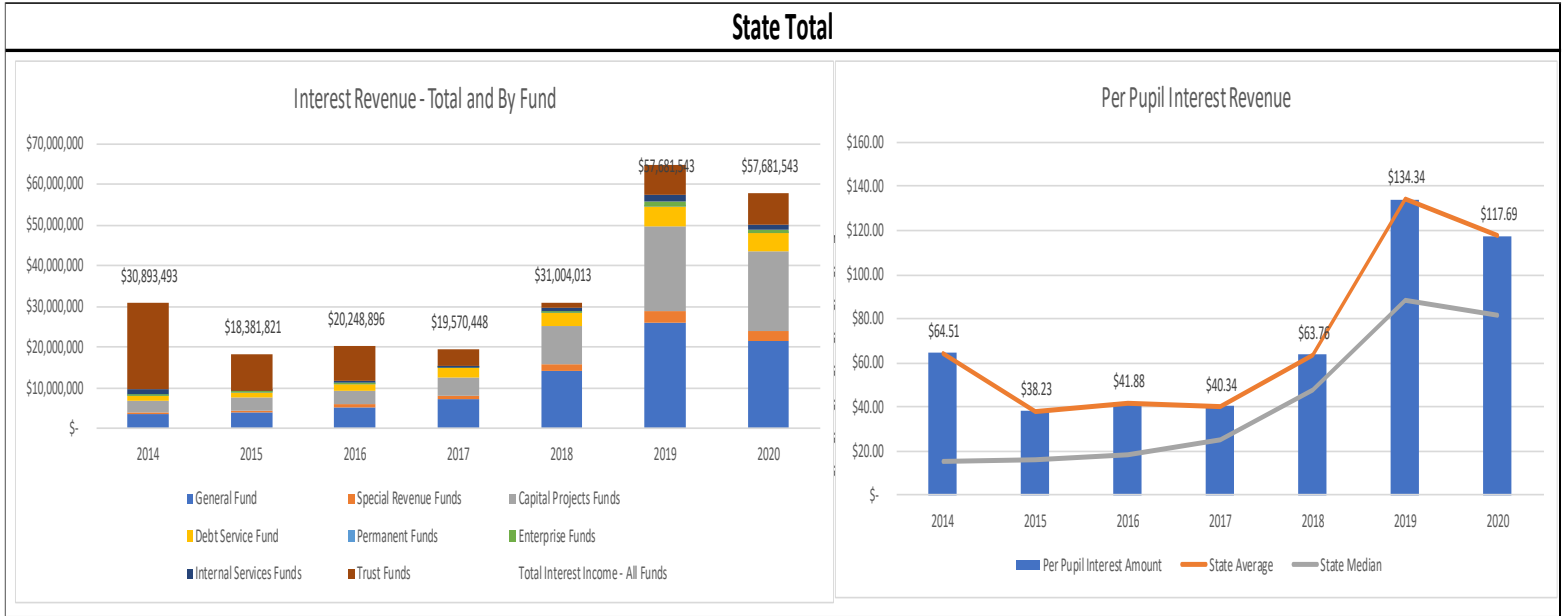
FY 2020

Interest income statewide for all school districts for FY 2020 declined by 12%, due to the onset of COVID-19 in the last quarter and its impact on the global, national, and state economy, coupled with the Federal Reserve reducing the federal funds interest rate to 0.25% in March 2020.

After FY 2020

Interest income earned by school districts on deposits and investments in FY 2021 will continue to be low, as the federal funds interest rate has remained at 0.25% throughout all of FY 2021. The Federal Reserve has indicated it does not plan to raise the federal funds rate until calendar year 2024. Some markets point to the potential for a federal funds rate hike in 2023 or even the second half of 2022. However, in any of these scenarios, school districts need to know there will be a prolonged period of low short-term interest rates and lower interest income.

Interest Revenues – By Fund from FY 2014 to FY 2020



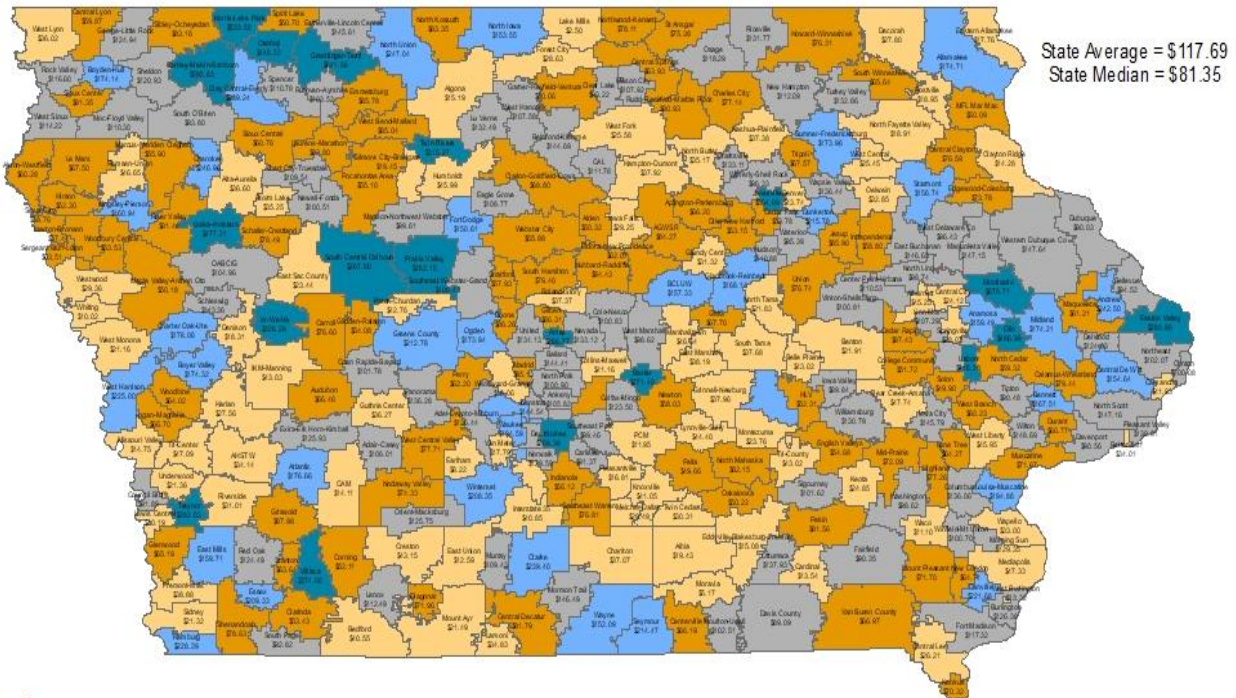
Fiscal Year	Served Enrollment	Governmental Funds										Proprietary Funds				Fiduciary Funds		Total Interest Income - All Funds	Per Pupil Interest Amount
		General Fund		Special Revenue Funds		Capital Projects Funds		Debt Service Fund		Permanent Funds		Enterprise Funds		Internal Services Funds		Trust Funds			
		Interest Income	Per Pupil Interest Amount	Interest Income	Per Pupil Interest Amount	Interest Income	Per Pupil Interest Amount	Interest Income	Per Pupil Interest Amount	Interest Income	Per Pupil Interest Amount	Interest Income	Per Pupil Interest Amount	Interest Income	Per Pupil Interest Amount	Interest Income	Per Pupil Interest Amount		
2014	478,920.9	\$ 3,552,846	\$ 7.42	\$ 603,054	\$ 1.26	\$ 2,664,278	\$ 5.56	\$ 1,429,335	\$ 2.98	\$ 11,128	\$ 0.02	\$ 142,464	\$ 0.30	\$ 1,464,081	\$ 3.06	\$ 21,026,307	\$ 43.90	\$ 30,893,493	\$ 64.51
2015	480,771.9	\$ 3,855,796	\$ 8.02	\$ 582,105	\$ 1.21	\$ 3,098,519	\$ 6.44	\$ 1,488,040	\$ 3.10	\$ 8,834	\$ 0.02	\$ 136,213	\$ 0.28	\$ 314,673	\$ 0.65	\$ 8,897,643	\$ 18.51	\$ 18,381,821	\$ 38.23
2016	483,450.9	\$ 5,315,089	\$ 10.99	\$ 745,024	\$ 1.54	\$ 3,187,572	\$ 6.59	\$ 1,863,238	\$ 3.85	\$ 4,558	\$ 0.01	\$ 212,736	\$ 0.44	\$ 210,222	\$ 0.43	\$ 8,710,457	\$ 18.02	\$ 20,248,896	\$ 41.88
2017	485,147.3	\$ 7,081,267	\$ 14.60	\$ 1,064,059	\$ 2.19	\$ 4,404,284	\$ 9.08	\$ 2,308,053	\$ 4.76	\$ 104	\$ 0.00	\$ 319,828	\$ 0.66	\$ 356,535	\$ 0.73	\$ 4,036,318	\$ 8.32	\$ 19,570,448	\$ 40.34
2018	486,264.3	\$ 14,096,872	\$ 28.99	\$ 1,692,304	\$ 3.48	\$ 9,364,279	\$ 19.26	\$ 3,165,303	\$ 6.51	\$ 175	\$ 0.00	\$ 611,855	\$ 1.26	\$ 842,099	\$ 1.73	\$ 1,231,125	\$ 2.53	\$ 31,004,013	\$ 63.76
2019	487,651.5	\$ 25,797,529	\$ 52.90	\$ 3,219,235	\$ 6.60	\$ 20,570,290	\$ 42.18	\$ 5,074,678	\$ 10.41	\$ 301	\$ 0.00	\$ 1,268,526	\$ 2.60	\$ 1,445,882	\$ 2.96	\$ 8,133,091	\$ 16.68	\$ 65,509,531	\$ 134.34
2020	490,094.4	\$ 21,381,500	\$ 43.63	\$ 2,656,955	\$ 5.42	\$ 19,550,220	\$ 39.89	\$ 4,301,638	\$ 8.78	\$ 164	\$ 0.00	\$ 1,010,233	\$ 2.06	\$ 1,261,647	\$ 2.57	\$ 7,519,186	\$ 15.34	\$ 57,681,543	\$ 117.69

The following map provides the per pupil interest revenue by school district for FY 2020. For additional information:

- [View a larger map](#)
- [See district specific information](#)



Iowa Association of School Boards Interest Revenue Per Pupil (Includes all Funds) - FY 2020



Legend

Interest Revenue Per Pupil

- \$2.50 to \$48.00 (86 Districts)
- \$48.01 to \$88.00 (95 Districts)
- \$88.01 to \$150.00 (90 Districts)
- \$150.01 to \$250.00 (37 Districts)
- \$250.01 to \$670.71 (19 Districts)

Notes:

Per pupil amounts are based on served enrollments for the 2019-2020 school year.
All funds include: General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Fund, Permanent Funds, Enterprise Funds, Internal Services Funds, and Trust Funds.

Sources:
Iowa Department of Education, CAR file
IASB analysis and calculations