

Statement to the Des Moines Public Schools

For 88 years, the Polk-Des Moines Taxpayers Association's philosophy has been based on the principle that good government is the business of every citizen. The Association promotes sound fiscal policies that are tied to effective and efficient government. The Association strives to promote taxpayer awareness and foster intergovernmental cooperation.

The Association appreciated talking with Dr. Sebring and CFO Patti Schroeder on the proposed budget, as we have appreciated talking with them and COO Bill Good throughout the past twelve months. Based on our discussion, the proposals laid out in the budget notebook, and the Association's analysis of the available data on Revenues and Expenditures, the Des Moines Committee of the Polk-Des Moines Taxpayers Association voted to SUPPORT the proposed FY2010 Budget, realizing that the Board's vote tonight only sets the maximum tax rate - a .17/\$1000 decrease in the levy - and maximum budgeted amounts.

The purpose of a \$49 billion stabilization fund, which is part of the education stimulus, is to protect schools from damaging cuts and layoffs while preserving the momentum toward reform. CFOs and Business Managers in every District were crunching numbers to determine just how much relief to expect. Yet not one district the Association talked to is sure, at this time, exactly how much they will receive, or under what conditions and regulations. The Association understands that the detail we would like to see in the budget on Stimulus Package funds is not possible, and that there will be budget amendments later in the year as the Federal funds arrive and the situation with the rules becomes clearer. These funds must not be used piecemeal but, instead, be integrated into the overall plan.

Since its creation in 1921, the Association has seen county, municipal, and school district budgets through many economic ups and downs, including the Great Depression. The current economic downturn provides one of the most challenging situations to any government's ability to operate. The Association's forecast is that the 2010/2011 budget year will be even more challenging. This then, is the perfect time to make the changes necessary to move education forward in the Des Moines Independent School District. Complacency, by any interest group, is not an option. Doing things because "that's the way we've always done it" is not acceptable. Superintendent Sebring, CFO Schroeder, and COO Good have our confidence. It is up to them to eliminate weak programs or practices and mobilize the District's resources with potential long-term benefits. The Board must do their part to provide leadership. The Board needs to focus on goals, policy, and establishing executive limitations as they agreed to do under Policy Governance, and not waste their time or the public's time on items that have an immaterial impact on the budget.

One of the ways to enhance education is to partner with other governmental, non-profit, or business organizations. The District is involved in a number of partnerships and deserves recognition for those successes. The Association urges the

Administration to redouble their efforts in this area and the Board to support those endeavors.

Your students are also a resource. We were encouraged to hear that they are involved in many programs that utilize their talents and time to benefit the entire district. There are many possible opportunities where they can both learn and provide value to other organizations, their classmates, and the District through various enterprises or community service.

The legislature has the ability to make decisions that can significantly affect the District. Some of these should help, such as allowing an increase in the number of charter schools. Others could be detrimental, such as changing the law under which negotiations are currently done. The Association urges the Board and the Administration to plan for different scenarios, and be prepared to quickly change as trials appear. The better and earlier you are prepared for the future, the better you can deal with the tests you will face.

The Association was aware that Bill Good uses benchmarking and performance measures to help him run the Operations side as efficiently as currently possible. We were pleased to learn that the District benchmarks its self against the UEN. That's a good start. Since the best run organizations in the US benchmark themselves against the best, high performing districts with similar demographics across the nation also need to be included in your comparisons. Well-run organizations know that they can only get better if they look for and implement good ideas, whatever the source may be.

The 2009-2010 Proposed Budget and Financial Statements report, which was issued by the Business and Finance Department, explains how the budget relates to goals and how receipts from various sources require expenditures restricted to the specific purpose of the funds. It provides to the public an excellent foundation for better understanding the budget.

Thank you for your attention to these remarks. We look forward to continuing the talks between our members and the District.

**DES MOINES INDEPENDENT COMMUNITY SCHOOL DISTRICT
BUDGET SUMMARY**

	ACTUAL FY05/06	ACTUAL FY06/07	% OF CHANGE	ACTUAL FY07/08	% OF CHANGE	RE-EST FY08/09	% OF CHANGE	PROPOSED FY09/10	AMOUNT CHANGE	% OF CHANGE
LEVY RATE	\$18,01536	\$18,01713	0.0%	\$17,93709	-0.4%	\$17,78888	-0.8%	\$17,61691	(\$0,17197)	-1.0%
REGULAR TAXABLE VALUATION	\$5,352,207,469	\$5,581,303,376	4.3%	\$5,669,375,608	1.6%	\$5,915,802,303	4.3%	\$6,065,847,068	150,044,765	2.5%
TIF VALUATION	\$507,040,165	\$618,279,765	21.9%	\$610,031,440	-1.3%	\$684,836,190	12.3%	\$744,888,900	60,052,710	8.8%
PROPERTY TAX REVENUE:	\$92,657,864	\$96,627,227	4.3%	\$97,972,926	1.4%	\$101,741,916	3.8%	\$103,401,877	1,659,961	1.6%
% OF TOTAL REVENUE	25.3%	24.3%	-4.0%	24.7%	1.6%	23.6%	-4.3%	25.0%	1.44%	6.1%
UTILITY REPLACEMENT EXCISE TAX	4,165,798	4,144,343	-0.5%	4,013,509	-3.2%	4,156,326	3.6%	-	(4,156,326)	-100.0%
PROP TAX WITH UTILITY EXCISE TAX	\$96,823,662	\$100,771,570	4.1%	\$101,986,435	1.2%	\$105,898,242	3.8%	\$103,401,877	(2,496,365)	-2.4%
ALL STATE AID:	\$153,739,607	\$147,966,240	-3.8%	\$153,493,462	3.7%	\$156,156,926	1.7%	\$162,448,698	\$6,291,772	4.0%
% OF REVENUE	42.0%	37.2%	-11.4%	38.6%	3.9%	36.2%	-6.3%	39.3%	3.1%	8.6%
TOTAL REVENUE	\$366,461,812	\$398,030,712	8.6%	\$397,329,454	-0.2%	\$431,269,487	8.5%	\$413,118,982	(\$18,150,505)	-4.2%
TOTAL EXPENDITURE	\$354,622,444	\$394,721,758	11.3%	\$409,817,619	3.8%	\$439,117,959	7.1%	\$408,264,657	(\$30,853,302)	-7.0%
NET GAIN (LOSS)	\$11,839,368	\$3,308,954	-72.1%	(\$12,488,165)	-477.4%	(\$7,848,472)	-37.2%	\$4,854,325	\$12,702,797	-161.9%
TOTAL ENDING BALANCE	\$59,421,486	\$62,730,440	5.6%	\$50,242,275	-19.9%	\$42,393,803	-15.6%	\$47,248,128	\$4,854,325	11.5%
FUND BALANCE	16.8%	15.9%	-5.2%	12.3%	-22.9%	9.7%	-21.3%	11.6%	1.9%	19.9%
GENERAL FUND REVENUE	\$295,274,105	\$303,757,196	2.9%	\$325,059,396	7.0%	\$337,633,051	3.9%	\$341,326,399	\$3,693,348	1.1%
GENERAL FUND EXPENDITURES	\$288,672,834	\$301,559,750	4.5%	\$328,729,766	9.0%	\$339,063,165	3.1%	\$341,326,399	\$2,263,234	0.7%
NET GAIN (LOSS)	\$6,601,271	\$2,197,446	-66.7%	(\$3,670,370)	-267.0%	(\$1,430,114)	-61.0%	\$0	\$1,430,114	-100.0%
PRIOR YEAR AUDIT ADJUST.										
ENDING GENERAL FUND BALANCE	\$27,171,996	\$29,369,442	8.1%	\$25,699,072	-12.5%	\$24,268,958	-5.6%	\$24,268,958	\$0	0.0%
GENERAL FUND BALANCE	9.4%	9.7%	3.5%	7.8%	-19.7%	7.2%	-8.4%	7.1%	0.0%	-0.7%
SOLVENCY RATIO	5.6%	5.4%	-3.6%	5.2%	-3.7%	5.3%	1.9%	5.4%	0.1%	1.9%
INSTRUCTION COST:	\$199,322,151	\$204,702,636	2.7%	\$225,619,639	10.2%	\$231,091,197	2.4%	\$234,706,701	\$3,615,504	1.6%
% OF TOTAL EXPENDITURES	56.2%	51.9%	-7.7%	55.1%	6.2%	52.6%	-4.4%	57.5%	4.9%	9.2%
% OF GENERAL FUND EXPENDITURES	69.0%	67.9%	-1.7%	68.6%	1.1%	68.2%	-0.7%	68.8%	0.6%	0.9%
STUDENT (WEIGHTED) ENROLLMENT	40,580	40,274	-0.8%	39,781	-1.2%	39,319	-1.2%	39,319	0	0.0%
STATE AID: Allowable Growth in Cost Per Student	\$4,999	\$5,196	3.9%	\$5,401	3.9%	\$5,614	3.9%	\$5,768	\$154	2.7%
SALARIES & BENEFITS:	\$235,806,365	\$251,235,000	6.5%	\$270,271,920	7.6%	\$287,045,510	6.2%	\$289,606,422	\$2,560,912	0.9%
% OF EXPENDITURE	81.7%	83.3%	2.0%	82.2%	-1.3%	84.7%	3.0%	84.8%	0.2%	0.2%
EMPLOYEES (FTE):										
ADMINISTRATION	121.0	121.0	0.0%	124.0	2.5%	131.0	5.6%	125.0	(6.0)	-4.6%
INSTRUCTORS	2,772.0	2,772.0	0.0%	2,845.0	2.6%	2,818.0	-0.9%	2,778.0	(40.0)	-1.4%
SUPPORT	1,931.0	1,920.0	-0.6%	1,937.0	0.9%	1,928.0	-0.5%	1,920.0	(8.0)	-0.4%
TOTAL STAFF	4,824.0	4,813.0	-0.2%	4,906.0	1.9%	4,877.0	-0.6%	4,823.0	(54.0)	-1.1%
LEGAL BONDED DEBT LIMIT	\$267,610,373	\$279,065,169	4.3%	\$283,468,780	1.6%	\$295,790,115	4.3%	\$303,292,353	\$7,502,238	2.5%
LONG-TERM BONDED DEBT:	\$4,545,000	\$21,960,000	383.2%	\$19,870,000	-9.5%	\$945,000	-95.2%	\$480,000	(\$465,000)	-49.2%
% OF ASSESSED VALUE	0.1%	0.4%	356.6%	0.3%	-10.7%	0.0%	-95.5%	0.0%	0.0%	-50.8%