

STATEMENT TO THE WEST DES MOINES COMMUNITY SCHOOL DISTRICT

Established in 1921, the Polk Des-Moines Taxpayers Association is a private, non-profit research organization that serves as an independent, non-political source of information regarding local government and its policies. Good government is the business of every citizen. The Association promotes efficient and economical local government and works to promote taxpayer awareness.

The Association would like to thank Dr. Narak and his staff for meeting with us on April 2. There was good and wide-ranging discussion of the current financial situation and the District's steps to deal with it. Based on that discussion and the Association's analysis of the revenues and expenditures, the Association voted to SUPPORT.

The district's tax levy rate is one of the lowest in the metropolitan area. Over the last ten years the rate has averaged a .1% increase. Including this year's proposed \$.50 increase; the average increase over ten years is .5%. The district has produced a very rigorous curriculum for the students while maintaining a very stable tax rate.

Self-funding health insurance has proven to be a great strategy so far. While others are facing double digit increases in health insurance costs the district has held its costs to single digit increases.

In light of reduced state revenue, the District decided to trim back expenditures for the FY 10/11 budget. The reductions are structured to save programming, which is as it should be, since educating kids is the core mission of the schools. Becoming more efficient is the best practice, with each tax dollar stretching even further. Making sustainable cuts is an acceptable option, as would spending down reserves if state revenue turns out to be a reliable source. Raising taxes should only be done as a last resort. We agree with you when you say our responsibility is to get our operating budget in line with where it should be. "A gradual approach is usually best; however, we believe the current state funding issues will continue well into the foreseeable future."

There is concern on the part of the Association that the cuts in revenue from the State may not be a temporary matter. The economy will get better to be sure, but there are many pressing issues for the State, ranging from economic development to replenishing State reserves, in addition to funding K-12 education. If the worst-case scenario does come to pass in 2010/11 - and the Association has that same concern - then it is vitally important that this District, and the entire State, make fundamental changes in a large number of areas that affect education, for the way Iowa is doing K-12 financing now is not sustainable. These areas include the negotiation process, funding, compensation, reacting to changing demographics, the use of technology, and the ability to share programs and students across districts. Since the West Des Moines school district is one of the largest in the state, the expectation is that you will provide the leadership to get the necessary changes made. The Association, too, will do its part to educate area legislators.

The District has a plan to borrow against the PPEL fund. This money would be used to quickly start construction on a number of projects. The Association agrees that this is a sound financial decision. The bidding climate is extremely favorable at this time, and the taxpayers will be saving on these projects in the long run.

The members of the Association have determined that the West Des Moines Board does an excellent job in providing leadership for the District. We thank you for your community service and do not envy you for the tough decision you need to make. Dr. Narak and his staff, too, do an outstanding job in running the District. The members appreciate the remarkable working relationship that has developed between us.

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

	ACTUAL FY06/07	ACTUAL FY07/08	% OF CHANGE	ACTUAL FY08/09	% OF CHANGE	RE-EST FY09/10	% OF CHANGE	PROPOSED FY10/11	AMOUNT CHANGE	% OF CHANGE
LEVY RATE	\$13.70399	\$13.70116	0.0%	\$13.69711	0.0%	\$13.64129	-0.4%	\$14.14103	\$0.49974	3.7%
REGULAR TAXABLE VALUATION	\$3,520,173,049	\$3,638,985,530	3.4%	\$3,789,782,253	4.1%	\$3,960,032,139	4.5%	\$4,076,219,669	116,187,530	2.9%
TIF VALUATION	\$361,628,140	\$320,251,660	-11.4%	\$353,407,440	10.4%	\$299,242,620	-15.3%	\$249,594,160	(49,648,460)	-16.6%
PROPERTY TAX REVENUE:	\$47,748,325	\$49,505,540	3.7%	\$51,501,546	4.0%	\$53,641,000	4.2%	\$57,139,819	3,498,819	6.5%
% OF TOTAL REVENUE	41.0%	41.9%	2.3%	41.4%	-1.2%	39.3%	-5.1%	43.8%	4.48%	11.4%
UTILITY REPLACEMENT EXCISE TAX	942,943	914,001	-3.1%	931,344	1.9%	941,703	1.1%	918,969	(22,734)	-2.4%
PROP TAX WITH UTILITY EXCISE TAX	\$48,691,268	\$50,419,541	3.5%	\$52,432,890	4.0%	\$54,582,703	4.1%	\$58,058,788	3,476,085	6.4%
ALL STATE AID:	\$26,715,536	\$28,127,628	5.3%	\$28,728,849	2.1%	\$27,826,676	-3.1%	\$36,705,398	8,878,722	31.9%
% OF REVENUE	22.9%	23.8%	3.9%	23.1%	-3.0%	20.4%	-11.8%	28.1%	7.7%	37.9%
TOTAL REVENUE	\$116,542,440	\$118,092,430	1.3%	\$124,316,619	5.3%	\$136,472,824	9.8%	\$130,513,485	(5,959,339)	-4.4%
TOTAL EXPENDITURE	\$110,681,167	\$115,178,989	4.1%	\$127,003,727	10.3%	\$133,642,521	5.2%	\$144,529,875	10,887,354	8.1%
NET GAIN (LOSS)	\$5,861,273	\$2,913,441	-50.3%	(\$2,687,108)	-192.2%	\$2,830,303	-205.3%	(\$14,016,390)	(16,846,693)	-595.2%
TOTAL ENDING BALANCE	\$30,734,757	\$33,648,198	9.5%	\$30,961,090	-8.0%	\$33,791,393	9.1%	\$19,775,003	(14,016,390)	-41.5%
FUND BALANCE	27.8%	29.2%	5.2%	24.4%	-16.6%	25.3%	3.7%	13.7%	-11.6%	-45.9%
GENERAL FUND REVENUE	\$75,807,242	\$79,160,225	4.4%	\$83,228,541	5.1%	\$84,606,271	1.7%	\$90,854,786	6,248,515	7.4%
GENERAL FUND EXPENDITURES	\$72,739,399	\$78,815,506	8.4%	\$84,729,448	7.5%	\$87,719,207	3.5%	\$91,192,875	3,473,668	4.0%
NET GAIN (LOSS)	\$3,067,843	\$344,719	-88.8%	(\$1,500,907)	-535.4%	(\$3,112,936)	107.4%	(\$338,089)	2,774,847	-89.1%
ENDING GENERAL FUND BALANCE	\$12,770,152	\$13,114,871	2.7%	\$11,613,964	-11.4%	\$8,501,028	-26.8%	\$8,162,939	(338,089)	-4.0%
GENERAL FUND BALANCE	17.6%	16.6%	-5.2%	13.7%	-17.6%	9.7%	-29.3%	9.0%	-0.7%	-7.6%
SOLVENCY RATIO	16.2%	15.9%	-1.9%	13.1%	-17.6%	9.3%	-29.0%	10.0%	0.7%	7.5%
INSTRUCTION COST:	\$50,579,755	\$53,788,699	6.3%	\$58,617,294	9.0%	\$60,833,320	3.8%	\$63,415,000	\$2,581,680	4.2%
% OF TOTAL EXPENDITURES	45.7%	46.7%	2.2%	46.2%	-1.2%	45.5%	-1.4%	43.9%	-1.6%	-3.6%
% OF GENERAL FUND EXPENDITURES	69.5%	68.2%	-1.9%	69.2%	1.4%	69.4%	0.2%	69.5%	0.2%	0.3%
STUDENT (WEIGHTED) ENROLLMENT	9,868	9,922	0.5%	10,031	1.1%	9,952	-0.8%	9,954	2	0.0%
STATE AID: Allowable Growth in Cost Per Student	\$5,128	\$5,333	4.0%	\$5,546	4.0%	\$5,768	4.0%	\$5,883	\$115	2.0%
SALARIES & BENEFITS:	\$55,863,717	\$60,735,355	8.7%	\$66,917,000	10.2%	\$68,219,000	1.9%	\$68,147,200	(\$71,800)	-0.1%
% OF EXPENDITURE	76.8%	77.1%	0.3%	79.0%	2.5%	77.8%	-1.5%	74.7%	-3.0%	-3.9%
EMPLOYEES (FTE):										
ADMINISTRATION	39.0	38.5	-1.3%	39.0	1.3%	39.0	0.0%		(39.0)	-100.0%
INSTRUCTORS	596.0	615.9	3.3%	635.3	3.2%	628.8	-1.0%		(628.8)	-100.0%
SUPPORT	479.7	524.5	9.3%	557.5	6.3%	524.5	-5.9%		(524.5)	-100.0%
TOTAL STAFF	1,114.7	1,178.8	5.8%	1,231.8	4.5%	1,192.3	-3.2%	-	(1,192.3)	-100.0%
LONG-TERM BONDED DEBT:	\$6,025,000	\$6,012,008	-0.2%	\$1,190,000	-80.2%	\$0	-100.0%	\$0	\$0	0.0%