Frequently Asked Questions

Q: Each year the Davenport Community School District brings up possible budget reductions for the coming year. Why is this happening?

A: There are a number of reasons that our district needs to make long-term, substantial budget reductions. Some of the reasons include:

- **Spending authority**: The district must make sustainable budget reductions during the next three years or risk exceeding our spending authority as defined by the State of Iowa. Spending authority is akin to a salary cap in professional sport. It is a spending limit set by the State which districts may not exceed. If we do not increase our spending authority by reducing expenses, the State can come in and tell the district what changes need to be made to fix the situation.

- **Declining enrollments**: Fewer households with school-age children in Davenport result in less per pupil funding from the state in our district.

- **Wages and benefits** account for 80% of our general fund budget in the district.

- **Unfunded Mandates**: The District may be bound by laws or mandates enacted by government that do not include any additional funds to offset the expenses. Some examples of unfunded mandates are the Affordable Healthcare Act and No Child Left Behind.

- **State funding**: School districts often do not receive notice of their percentage of increase in Supplemental State Aid from the State and the Legislature in time to set and certify an accurate budget based on known increases in state funding for a two year period. It is difficult to decide on reasonable expenditures when our funding for the coming year is unknown. Sometimes school districts do not receive that information until the deadline to certify their budget has passed.

Q: Does all of this mean that we have simply spent too much money and we were in danger of running out of funds?

A: You’re right...this is confusing. The district has money in the bank. We can pay our bills. It’s the question of spending authority that is the biggest issue. The State does not allow public schools to spend all of the money they have.

Q: Why can’t a school district simply spend the amount of money it needs to spend provided they have enough funds to do so?

A: The State of Iowa believes this restriction, spending authority, is necessary to maintain spending equity between property rich districts and property poor districts in the state. Property rich districts are able to generate more money from property taxes and a portion of those taxes are allocated to the public schools in that district. Davenport is a property poor district.
Q: How can we discuss the need for significant budget reductions and at the same time conduct extensive renovations on buildings. The district has also launched many new initiatives...don’t these things cost money?

School districts operate on different types of funding. Let’s take a look at a few of the basic funds:

- **General fund**: Dollars received from the state based on a per pupil formula. These dollars can only be spent on salaries, benefits, and direct instructional expenses.

- **Statewide Penny Sales Tax (SAVE: Secure An Advanced Vision for Education)**: Since 1998, The State of Iowa has designated one penny of its sales tax to fund improvements in school infrastructure. These funds are given to districts by the state based on a formula. Districts cannot use these funds to pay salaries, benefits, instructional materials, etc. The funds can only be used to pay for building renovation, new construction, purchase of property, etc.

  In the Davenport Community School District these funds are used for our larger renovations and are governed by a long-term strategic facilities plan that is reviewed approximately every three years to ensure that funds are being allocated wisely.

- **PPEL (Physical Plan and Equipment Levy)**: Another source of funding which can only be used for maintaining school infrastructure. The funds come from property taxes and in our district are designated for the “smaller” projects which might include a new roof, asphalt, or heating and air conditioning systems.

- **Categorical Funds**: These funds come from different sources and have clear definition as to the categories for which they can be used. Some examples include: Special Education, Title I funds.

  - **Grants**: Like many other entities, our district writes grants to receive funding to pay for specific initiatives and programs that we believe will help increase student achievement and provide our community with high-quality programs in our public schools.

    Grant funds are also categorical funds which come with fairly strict accountability attached to the use of those funds. Some examples are the Teacher Leadership Grant, grant funding used to launch the Creative Arts Academy, 21st Century Community Schools grant focused on two schools in our district with specific outcomes based on the grant.

Q: Where do we go from here?

A: The Board will be looking a three-year budget reduction plan drafted by the district administration. The goal is to make the needed reductions and at the same time assure that our students continue to receive a high-quality education.