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## FISCAL UPDATE Article

Fiscal Services Division

June 6, 2019



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Des Moines, Iowa 50319

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### STATE APPEAL BOARD — VAN BUREN COUNTY COMMUNITY SCHOOL DISTRICT BUDGET PROTEST

**Meeting.** The State Appeal Board (Board) met in a special session on June 3, 2019, to consider the Van Buren County Community School District Budget Protest. The Board has jurisdiction over this matter per Iowa Code section [24.28](#).

**History.** The Van Buren County Community School District adopted its FY 2020 fiscal year budget on April 10, 2019. A petition was filed on April 22, 2019, protesting the increase of the Management Levy to \$1.17310 per \$1,000 of taxable valuation for the budget year, which would levy a total of \$500,000 for the Management Fund.

- The petitioners requested that the levy amount be lowered to \$196,000, citing a quote from the *Van Buren County Register* that the District was using the levy as a tool to keep the total District levy consistent over several years.
- The District response cited needs from the loss of reorganization incentives, future early retirement plans, unknown future insurance requirements, and maintaining a stable and sustainable tax rate.

**Decision.** Iowa Code section [298.4](#) lists the six specific allowable purposes for the Management Levy. The stabilization of tax rates is not considered one of the allowable uses. The District projects a need of \$314,316 in the Management Fund for FY 2020 for allowable expenses under Iowa Code section [298.4](#). Based upon the findings, the Board ordered a decrease of \$185,684 from the Management Levy for a total levy of \$314,316. The new estimated effective Management Levy rate for the District will be \$0.73745 per \$1,000 of taxable valuation.

**Additional Information.** Additional information is available from the Legislative Services Agency upon request.

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