

TAX LEVY FAQs

Who sets the tax rate for the school district?

- Although local school boards approve the tax rate for their school district, they actually only have control of a small percentage of the rate that is established. Approximately two-thirds of the property tax rate is set by the State of Iowa's school finance formula, which is applied to every school district in the state. For example, the school board had direct control of approximately 10% of the school district's property tax rate in FY24. The school district's voters also can have some control over the tax rate by either approving or not approving things such as bond referendums or a Physical Plant and Equipment (PPEL) levy. Different taxation laws are in place for school districts when comparing them to cities or counties in Iowa.

Why did my school district tax rate increase?

- In very simple terms, inflation or the increasing cost of most things, has made budgeting very challenging for most people and entities. This is also true for the Camanche School District. The costs associated with things such as insurance, utilities, fuel, equipment, and personnel have all increased. It is the opinion of many people that through the years, state funding (State Supplemental Aid or SSA) has not kept up with increasing costs. When this happens, the main option school districts have to raise the funds necessary to meet their financial obligations is to raise their tax rates.
- Specific to Camanche, it is important to remember that our voters have given their approval for additional school taxes totaling a little over \$4.00/per \$1000 of taxable valuation. These funds pay the debt incurred for the just completed Facilities Enhancement Project (\$2.70/ per \$1000 in taxable valuation) and the Voter-Approved Physical Plant and Equipment Levy (PPEL) (\$1.34/ per taxable valuation). Both of these initiatives were approved by over 70% of the voters who participated in these elections.

Has the school district's tax rate ever gone down?

- Over the past twenty-two years, the tax rate for the Camanche School District has gone down 10 different years. There was a significant tax decrease as recently as FY20, when the school district's tax rate decreased by \$2.15/per \$1000/ per \$1000 of taxable valuation. People tend to remember the years where they see tax increases, but don't necessarily as easily remember the tax decrease years.

What has the Camanche School District done to control its spending in order to lower my taxes?

- The school board and administration of the school district place much importance and effort in working to limit tax levy increases. For example, if the school district levied the maximum amount of taxes it is allowed, that rate could be as high as \$23.93/ per \$1000 of taxable valuation for FY25. The school district's proposal doesn't do this. *The amount being proposed is \$17.79/ per \$1000 of taxable valuation for FY25.* Please remember that levying over \$4.00/ per \$1000 of taxable valuation of this rate has been approved by over 70% of the voters who participated in recent elections.
- There are basically three things that have a significant impact on a school district's ability to develop a balanced budget. They are: 1) Receiving an adequate amount of State Supplemental Aid (SSA); 2) Having an increase in student enrollment; 3) Cutting expenditures. The only one of these three items that the school board has direct control over is cutting expenditures. During the current fiscal year (FY24), the school district has reduced expenditures by over \$500,000 and will continue to look at reducing expenditures for the next fiscal year. The unfortunate impact of reducing expenditures is that it can lead to a reduction of all those things that go into providing our students with the best quality instructional programming.

Why do the taxes in the Camanche School District seem higher than those in some of our neighboring districts?

- A significant part of the answer to this question can be found in the tax increases caused by the bond referendum that was approved by the voters (\$2.70/ per \$1000 of taxable valuation) and by the voter-approved PPEL (\$1.34/ per \$1000 of taxable valuation). These are investments made by our taxpayers in their community's school buildings that allow us to provide safe, modern, and comfortable, school facilities for our children. The school district is very grateful for Camanche's tradition of supporting quality facilities for our children.
- A second item to consider is the fact that the Camanche School District is one of the few school districts in our region and statewide that does not use the Income Surtax. The Income Surtax allows school districts to tax the income of the residents in their district. This allows the school district to maintain the same amount of funding, but property taxes are lower because of an income tax being used. Historically, the Camanche School District has not done this due to the large industrial presence it has had within the boundaries of the district. Perhaps, with the changing economic times, incorporating an Income Surtax to lower property tax rates could be worth considering.