

SAVE PENNY SALES TAX

Summary

School buildings in Des Moines average over 65 years old, so we continue to have a great need for security updates, repairs and renovations; in some cases, even new buildings. Because we have reached the bonding ceiling for the current SAVE money, it is critical that action be taken this year to lift the sunset.

Background

- Iowa counties began adopting the penny sales tax for school infrastructure in the late 1990s. By 2007, all 99 counties had passed it.
- In 2008, the state legislature created the Secure an Advanced Vision for Education (SAVE) fund to distribute revenues statewide on a per pupil basis for school infrastructure (construction and repair) and technology. They established a 2029 sunset at that time.
- DMPS has used this money on many updates and repairs, including:
 - Our classrooms are now 100% air-conditioned.
 - Energy efficient improvements save millions of dollars on utility costs.
 - We have installed secure entrances and security camera systems.
- DMPS bonds against the expected revenue from SAVE. This enables us to make repairs sooner, resulting in:
 - Avoiding inflationary increases on the cost of projects
 - Safe and comfortable learning environments for students now

Why This is a Good Investment

- Keeping kids safe and secure: Our school buildings were built up to 100 years ago, when most kids walked to school, and members of the community were welcome to walk in at any time. Many updates have been needed to our exteriors to provide secure entrances and to accommodate bus/car drop-off and pick-up traffic.
- Facility condition and student performance: Studies have shown that clean, well-maintained buildings are linked to up to 15% higher test scores after controlling for student demographics.
- Technology needs are constantly changing. We must prepare our students to compete in the workforce of tomorrow.
- PPEL inequity between property-rich & property-poor districts: The regular and voter-approved Physical Plant and Equipment Levy is inequitable among districts. DMPS's voter approved \$0.63 levy generates much less than the same \$0.63 does in a property-rich district. Loss of SAVE will force us to increase this inequity by increasing our PPEL levy which will increase the local property tax burden.

Why This is Urgent

- This past summer DMPS **reached the limit** of bonds we can issue under the 2029 sunset provision.
- DMPS has many **ongoing repairs and maintenance** needs. Without SAVE money, DMPS would have to either pull from the general fund (taking money away from classrooms), ask the voters to increase property taxes, or let buildings lapse into disrepair.
- Districts across the state need more **local control** over how this money can be spent. They may have newer buildings with fewer repair needs but need more money for technology infrastructure, for example.