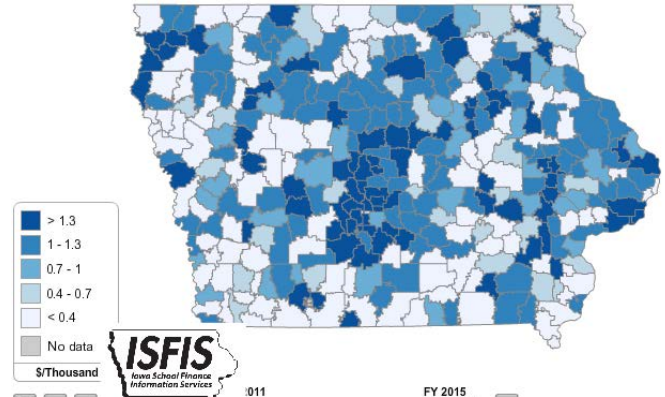




RSAI Position Paper

PPEL Consistency: A 2015 Legislative Priority

Background: The Physical Plant and Equipment Levy (PPEL) consists of both the board approved PPEL up to 33 cents per \$1,000 tax rate or the voter approved PPEL up to \$1.34 per \$1,000 tax rate. The map indicates the variance in PPEL tax rates among Iowa school districts for FY 2015. The voter approved PPEL may also use income surtax rather than property tax as a source of funds based on board and ballot determination.



Iowa law allows the use of PPEL for repair of schoolhouses or buildings (298.3(f)(1) Iowa Code) but excludes repair of transportation or technology equipment allowed to be purchased by PPEL.

Current Reality:

- School general fund dollars, which pay for staff and all the costs of education program, are the most stressed in today's funding environment (see RSAI position papers on state supplemental assistance, transportation equity, and funding for at-risk students for additional information.)
- For rural school districts, lack of economies of scale and excessive transportation costs add further stress to the general fund.
- Since buses and computers may be purchased from PPEL, the inability to use PPEL for repairs creates an incentive to either delay repair or buy a new bus or computer with PPEL rather than use scarce general fund dollars for repair, even if the repair costs less.
- Treatment of repair for purchased equipment is not consistent with school facility use of PPEL for repair.

RSAI calls on the Iowa Legislature to address the issue of **PPEL Consistency**: The repair of items allowed to be purchased with PPEL funds should also be an allowable PPEL fund expense.

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