

Community and Economic Development

Balancing Local Finance: Limitations, Service, and Community

September 2026

Setting the Stage: 2026+ Shifts

- ↘ Revenue Limitations & Growth “Considerations”
- ⚠ Rising Cost Pressures & External Factors
- 📌 Local Planning: Short-term and Multi-year Fiscal Strategies

High-Level Legislative Considerations (SF 2472)



The 2% Revenue Cap*



Exemptions



TIF & Abatement Reforms



Operational Debt Ban



Reserves Limitations



Notification

External Pressures that Layer with these Shifts



Rising costs, like:

- Cost of wages and benefits compounding faster than new limitations
- Insurance premiums
- Union contract negotiated increases
- Cost of filling potholes, treating pools, treating roads



Unfunded mandates, like:

- Compliance with regulatory requirements (environmental, building code, etc.)
- Municipal cemetery upkeep
- Public pension rates/obligations
- Public notifications costs
- Offering exemptions



Budget friction: balancing community service expectation with limitations; new operational debt and reserve requirements



Reduced intergovernmental funding: reduced or eliminated state or federal funding/backfill

Long-Term Strategic Realities

-  Capital Improvement Planning or Re-planning
-  Economic Development Strategies/Restructured (Growth) Tools
-  Working Together: Collaborations & Innovations (many have already been happening)!

Interactive Polling & Peer Benchmarking

Discussion Questions

- In one or two words, how would you describe your city's current budget outlook?
- How confident is your municipality in maintaining core service levels over the next 3 fiscal years?
- Has your city delayed or scaled back a capital project due to the new legislative framework?
- Which aspects of SF 2472 concern you most? (rank top 3)
- What is your primary strategy for upcoming budget adjustments?



Join Live Session Polling
(Results display in real-time)

Panel Discussion: Perspectives from City Leadership

Discussion Questions

- When you look at your community's current budget cycle, what is the single biggest fiscal pressure you are managing right now (e.g., revenue caps, rising costs, infrastructure maintenance), and how has it changed the way you communicate with your council or residents?
- How do your communities talk about difficult trade-offs or structural shortfalls so people understand the *why* behind a decision?
- Public hearings and council meetings can often be less-than-well-attended and/or easily be dominated by focused grievances. How do you navigate low engagement or the loudest voice in the room?

Panel Discussion: Perspectives from City Leadership

Discussion Questions (continued)

- Amid new fiscal realities your communities may face, how are you explaining any transitions to your local leaders and the public?
- What structural changes, shared services, or adjustments to your budgets or capital improvement plans are you considering to build long-term fiscal resilience?
- If every city clerk, finance officer, and administrator in this room takes away one golden rule for better budget communication this year, what should it be?

Upcoming at ISU Extension & Outreach

ISU Extension & Outreach Virtual Workshop: How to Communicate the Budget

- Date December 4, 2026
- Registration is open – space is limited
- Speaker: Erin Mullenix
- Moderator: Julie Robison

Questions & Discussion

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