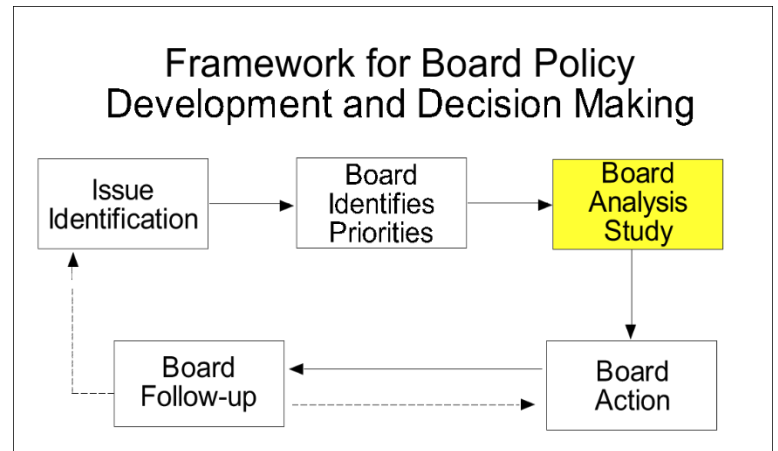


# Iowa State Board of Education

## Executive Summary

March 20, 2025



**Agenda Item:**

School Budget Review Committee Update

**State Board Priority:**

All

**State Board Role/Authority:**

The State Board acts in an advocacy role to promote effective and educational opportunities for all students in Iowa.

**Presenter(s):**

Kassandra Cline, Chief  
Bureau of School Business Operations

**Attachment(s):**

None

**Recommendation:**

It is recommended the State Board hear and discuss this information.

**Background:**

The School Budget Review Committee met for a regularly scheduled hearing on March 11, 2025. This update will provide highlights from the hearing.

**SCHOOL BUDGET REVIEW COMMITTEE**  
**Summary of Action**  
**March 11, 2025**

The School Budget Review Committee met to hold hearings beginning at 10:00 a.m. on Tuesday, March 11, 2025 at the Department of Education, State Board Room, Second Floor, Grimes State Office Building, 400 E. 14<sup>th</sup> St., Des Moines, Iowa 50319-0146. Members of the Committee consist of the following: Department of Education Director McKenzie Snow, Department of Management Director Kraig Paulsen, and public members: Leland Tack, Susan Battani, Patti Schroeder, and Craig Hansel. Department of Management Director Kraig Paulsen was absent. The director of the Department of Education is a non-voting member and the chair.

All decisions by the Committee were made in accordance with reasonable and uniform policies which shall be consistent with chapter 257. All such policies of general application shall be stated in rules adopted in accordance with chapter 17A. The Committee shall take into account the intent of chapter 257 to equalize educational opportunity, to provide a good education for all the children of Iowa, to provide property tax relief, to decrease the percentage of school costs paid from property taxes, and to provide reasonable control of school costs. The Committee shall also take into account the amount of funds available (257.31(10)). The SBRC shall review a school district’s unexpended fund balance prior to any decision regarding unusual finance circumstances. The SBRC shall review a school district’s unspent balance prior to any decision to increase modified supplemental amount under subsection 257.31(5).

1. Committee Informational Items

A. FY26 Preliminary Cash Reserve Levy limits were presented.

Districts	FY25 Final	FY26 Preliminary
Able to Levy for Cash Reserve	151	159
Not Able to Levy for Cash Reserve	174	166
Total Districts	325	325

B. TAG Districts and Budgets

As required by Iowa Code 257.45, the list of budget amounts for FY26 gifted and talented children program for each school district were provided to the SBRC. The amount provided in the DCPD is \$73 with an estimated required local match of \$24 from the regular program district cost per budget enrollment. Amounts for FY26 were calculated based on a zero percent increase of state supplemental aid since state supplemental aid for FY26 has not been set by the state legislature.

C. UAB Per Pupil Update

Per pupil amounts included in the UAB Report published February 21, 2025 by the Department of Management were reported. A decile of 1 reflects the highest UAB per pupil values and a decile rank of 10 represents the lowest UAB per pupil values. The ranges of UAB per pupil in each decile were presented as provided below.

Decile	UAB Per Pupil Range – High End	UAB Per Pupil Range – Low End	District Overall State Rank – High End	District Overall State Rank – Low End	Districts in Decile
1	\$29,924	\$9,785	1	32	32
2	\$9,745	\$8,106	33	64	33
3	\$8,042	\$6,839	66	97	32
4	\$6,786	\$5,755	98	129	33
5	\$5,718	\$5,091	131	162	33
6	\$5,070	\$4,317	164	195	32
7	\$4,299	\$3,544	196	227	33
8	\$3,515	\$2,853	229	260	32
9	\$2,835	\$2,214	261	292	33
10	\$2,055	(\$544)	294	325	32

Regular program per pupil amounts are provided below.

Decile	UAB Per Pupil (Less Categ.) Range – High End	UAB Per Pupil (Less Categ.) Range – Low End	District Overall State Rank – High End	District Overall State Rank – Low End	Districts in Decile
1	\$29,545	\$9,301	1	32	32
2	\$9,093	\$7,373	33	64	33
3	\$7,334	\$6,315	66	97	32
4	\$6,193	\$5,354	98	129	33
5	\$5,351	\$4,536	131	162	33
6	\$4,485	\$3,812	164	195	32
7	\$3,759	\$3,073	196	227	33
8	\$3,053	\$2,404	229	260	32
9	\$2,400	\$1,606	261	292	33
10	\$1,600	(\$715)	294	325	32

The unweighted average variance between the UAB per pupil and the UAB per pupil less categorical balances were presented as provided below.

Year	UAB Per Pupil Average	UAB Per Pupil Less Categoricals Average	Variance Average
2018-2019	\$3,525	\$2,994	\$531
2019-2020	\$4,260	\$3,707	\$553
2020-2021	\$4,849	\$4,286	\$563
2021-2022	\$5,317	\$4,760	\$557
2022-2023	\$3,971	\$3,600	\$371
2023-2024	\$4,176	\$3,813	\$363

The decile rankings for each district were included in the department analysis for each district making a request to the SBRC outside of class action requests which includes an amount for either modified supplemental amount, use of the unexpended General Fund, or an interfund transfer.

D. Spending Authority in Context. During the January 8, 2025 School Budget Review Committee (SBRC) hearing, the Committee requested the Department discuss the

idea of spending authority thresholds with the Department's school finance advisory group, Finance Roundtable. The Department facilitated the discussion during the January 22, 2025 meeting of the Finance Roundtable. The summary of the department's discussion was reviewed by the Committee.

- E. AEA Committed/Assigned Fund Balance. During the January 8, 2025 School Budget Review Committee (SBRC) hearing, the Committee requested a list of committed and assigned fund balances for AEAs as well as the reason for the balances. The Department worked with the AEAs to solicit the purpose for the restricted balances. A list of assigned and committed balances by AEA as well as the reason for the balances was reviewed by the Committee.
  - F. Iowa Administrative Code r. 289 Next Steps. Executive Order 10, signed by Governor Reynolds on January 10, 2023, required all state agencies to review all administrative rules. The schedule for SBRC rules was reviewed.
2. Notice of Intended Action. The Committee Noticed the Iowa Administrative Code rule 289.
  3. Special Education Administrative Costs. The Committee granted permission to use special education program funds for administrative costs of special education programs for fiscal year 2025-2026 to the districts approved by the Department of Education.
  4. Returning Drop Out/ Drop Out Prevention. The Committee approved modified supplemental amount of \$153,920,719 for fiscal year 2024-2025 for on-time filing districts that have approved applications for At-Risk, Returning Dropout and Dropout Prevention programs.
  5. GMG Community School District. Approved the request to rescind the modified supplemental amount awarded to the district at the January 8, 2025 hearing in the amount of \$290,109.03, at the request of the district.
  6. Des Moines Independent Community School District. Approved modified supplemental amount for fiscal year 2024-2025 in the amount of \$88,555.87 for environmental hazard abatement.
  7. Logan-Magnolia Community School District. Approved modified supplemental amount for fiscal year 2024-2025 in the amount of \$4,455.00 for environmental hazard abatement.
  8. Clear Creek Amana Community School District. Approved modified supplemental amount for fiscal year 2024-2025 in the amount of \$639,725.18 for initial staffing of a new elementary building and \$56,056.90 for initial staffing of a new early childhood building for initial staffing, totaling \$695,782.08.
  9. Clinton Community School District. Authorized a transfer from the unexpended General Fund to the Capital Projects Funds an amount up to \$3,000,000 based on actual expenditures and to approve an equivalent amount of modified supplemental amount for fiscal year 2025-2026 for costs contributing to new construction of a school building.

10. Southeast Polk Community School District. Accepted the corrective action plan provided by the district and directed the district to file all future financial reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The date prescribed is September 15 following the close of the fiscal year.
11. Camanche Community School District. Accepted the district's corrective action plan due to a negative unspent balance (FY24) and approved a related modified supplement amount of \$323,230. The district is directed to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY25 more than \$9,489,588, not including any allowable special education expenditures in excess of special education receipts, plus actual miscellaneous income received, and plus additional SBRC approved MSA amounts for the current year. Miscellaneous income shall not be expended until received.

The district is directed to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.