

Iowa State Board of Education

Executive Summary

November 19, 2025

Agenda Item: School Budget Review Committee Update

State Board Goal: All

State Board Role/Authority: The State Board promotes effective and educational opportunities for all students in Iowa.

Presenter(s): Kassandra Cline, Chief
Bureau of School Business Operations

Attachment(s): One

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

Background: The School Budget Review Committee met for a regularly scheduled hearing and its annual work session on October 28, 2025. This update will share highlights from the hearing and work session.

SCHOOL BUDGET REVIEW COMMITTEE
Summary of Action
October 28, 2025

The School Budget Review Committee met to hold hearings beginning at 10:00 a.m. on Tuesday, October 28, 2025 at the Department of Education, State Board Room, Second Floor, Grimes State Office Building, 400 E. 14th 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: Susan Battani, Patti Schroeder, Craig Hansel, and Brian Gubbels. 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 item:

A. Committee Member Terms.

FY26 committee member terms were reviewed.

B. Cash Reserve Levy. The Committee reviewed the final listing of districts levying for the cash reserve authorized in Iowa Code section 298.10. This was an update to the preliminary cash reserve levy limit list discussed during the March 2025 hearing. Of 325 districts, 159 were unable to levy for cash reserve. Of the 160 districts levying for cash reserve, 53 did so at the maximum allowed level. Six districts had the ability to levy but did not levy. Total FY26 cash reserve levy amount is \$211,904,981, up 13% from 2025 cash reserve levy amount.

C. IPIB Training for Newly Elected and Appointed Officials.

Information regarding training on Iowa's Sunshine Laws codified in Iowa Code chapters 21 and 22 established pursuant to HF 706 for newly appointed and elected officials were reviewed.

2. Unused Modified Supplemental Amount (MSA). The districts used the full amount of MSA granted for initial staffing, so no action was needed by the Committee. This was informational only.

3. Late Filers of CAR, SES, or Transportation Reports. The Committee directed the districts and AEAs to file all future Certified Annual Report (CAR), special education supplement (SES), and annual transportation report (ATR) 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.

The Committee also required each district or AEA that did not certify its CAR, SES, or ATR by September 15, or by the extended due date if applicable, to appear before the Committee at its regular session in December following the close of the fiscal year to present the procedures that the district or AEA will implement to prevent late filing of the CAR, SES, and ATR in all future years.

This action applied to the districts below.

- Adair-Casey
 - South Tama
4. Harlan Community School District. The Committee approved modified supplemental amount for fiscal year 2025-2026 in the amount of \$267,834.38 for environmental hazard abatement.
 5. Hudson Community School District. The Committee approved modified supplemental amount for fiscal year 2025-2026 in the amount of \$15,414.00 for environmental hazard abatement.
 6. Murray Community School District. The Committee accepted the recommendation of the task force regarding the certificate of need request and made a recommendation to the Department to approve the district's request to use SAVE allocations and balance to pay off revenue bonds totaling \$2,700,000 for new construction contingent upon passage of the November 4th GO bond vote to fund the remaining \$2.7 million of the total \$5.4 million project.
 7. Davis County Community School District. The Committee authorized a transfer from the General Fund to the Student Construction Enterprise Fund and approved the modified supplemental amount for the 2025-2026 school year of \$173,340.09.