

Iowa State Board of Education

Executive Summary

March 13, 2026

Agenda Item: FY27 Keystone Area Education Agency Budget Review

State Board Goal: All

State Board Role/Authority: Iowa Code 273.3(12) requires the State Board to review the proposed budget of each area education agency (AEA) by March 15 and either grant approval or return an unapproved budget with comments. An unapproved budget shall be resubmitted to the State Board for final approval before May 1.

Presenters: Angelisa Fynaardt, Administrator
Division of Special Education – Regional Team

Tina Wahlert, Administrator
Division of PK-12 Learning

Kassandra Cline, Chief
Bureau of School Business Operations

Stan Rheingans, Chief Administrator
Keystone AEA

Sharon Houg, School Business Official
Keystone AEA

Attachment(s): One

Recommendation: It is recommended that the State Board approve the Keystone AEA budget.

Background: Iowa Code section 273.3(12) requires the State Board to review the proposed budget of each AEA by March 15 and either grant approval or return an unapproved budget with comments. An unapproved budget shall be resubmitted to the State Board for final approval before May 1.



KEYSTONE AREA EDUCATION AGENCY

www.keystoneaea.org

1400 Second Street NW Elkader, Iowa 52043

Phone: 563-241-5397 or 800-632-5918 Fax: 563-245-1484

FY27 Keystone Area Education Agency Budget Request & Report

Submitted by:

AEA Chief Administrator: Stan Rheingans

Agency Treasurer/Business Manager: Sharon Houg

Board of Directors:

Nancy Bradley, Dubuque, Director District 5

Dr. Dale Crozier, McGregor, Director District 2

Dr. Tim Cronin, Decorah Community School District, At-Large

Josh Ehn, Oelwein Community School District, At-Large

Joe Griffith, North Fayette Valley Community School District, At-Large

Michael Haluska, Decorah, Director District 1

Sue Ross, Epworth, Director District 3

Luke Steege, Allamakee Community School District, At-Large

Cindy Steffens, Peosta, Director District 4

Due: February 27, 2026

Table of Contents

Executive Summary	1
AEA Overview	1
Served.....	1
Districts.....	2
Students.....	2
Teachers.....	3
Others Served.....	3
Programs.....	4
Location.....	4
Capital Assets.....	5
Summary of Capital Assets.....	5
Changes or Planned Changes in Capital Assets.....	6
Staff	6
Organizational Chart.....	6
BEDS Position Codes: FTE Count.....	7
FY25 to FY27 Program and Staff Changes.....	8
Special Education Support Services Program.....	8
Educational Services Program.....	9
Media Services Program.....	10
Administrative Expenditures	11
Administrative Staff by FTE: FY24-FY26.....	11
Administrative Staff by FTE: FY26-FY27.....	11
Total Administrative Expenditures: FY24 Actual, FY25 Actual, and FY26 Re-Estimated.....	13
Total Administrative Expenditures: FY26 Re-Estimated and FY27 Proposed.....	15
Total Administrative Expenditures: Reduction.....	17
Services	17
Centralized Services.....	17
Centers of Excellence.....	18
Fiscal Detail	19
General Fund: Historical Overview FY21-FY25.....	19
General Fund Balance: FY25 Actual, FY26 Re-Estimated, and FY27 Proposed.....	19
Three-Year Comparison for Budgeted Funds: FY25 Actual, FY26 Re-Estimated, and FY27 Proposed..	20

Executive Summary

[Insert a high-level overview of the information contained in the report.]

This report provides an overview of Keystone AEA’s financial position, staffing, services and operational priorities, including fiscal year FY27 budget requests and projections. Iowa’s AEAs are educational partners embedded in Iowa schools. We exist to create a thriving educational landscape where all learners and educators have access to high-quality, evidence-based and strategic supports and services, collaboratively provided within districts, to help all learners achieve their full potential.

Iowa’s AEAs support accredited schools, educators and learners from birth through age 21 through special education support services, educational services, media services and centralized statewide initiatives. These services help strengthen educator effectiveness, expand access to high-quality instruction and improve academic outcomes for Iowa learners.

The FY27 budget request and financial projections align with Iowa’s Area Education Agencies Strategic Plan 2025–2030, which focuses on excellence, accountability, collaboration and sustainability. AEAs continue to prioritize evidence-based practices, coordinated statewide service delivery and data-driven decision-making. The [Iowa AEA Strategic Plan’s](#) mission, vision and the goals are aligned to the State Board of Education Goals. A copy of the plan is included in [Appendix A](#).

This report also outlines organizational structure, staffing, capital assets, administrative expenditures and program changes. The report includes administrative cost management, operational efficiency and strategic allocation of resources to directly support schools, educators and learners. Fiscal comparisons across multiple years show funding trends, expenditure management and responsible planning for FY27 and beyond.

Keystone AEA remains committed to delivering high-quality services that strengthen Iowa’s educational system. The FY27 budget request reflects a continued focus on sustainability, accountability and measurable outcomes, ensuring AEAs continue to effectively serve Iowa’s students, educators and districts/schools.

AEA Overview

Information relating to those served by the AEA, programs offered, location details, and a general description of capital assets is provided below.

Served

[Enter a summary description of the different groups (e.g., districts, charter schools, nonpublic schools, students, teachers, and others) served by the AEA.]

Keystone AEA partners with public and accredited non-public schools across eight counties in northeast Iowa to provide comprehensive educational programs and direct services for 31,353.8 students from birth to age 21. The counties include Allamakee, Chickasaw, Clayton, Delaware, Dubuque, Fayette, Howard, and Winneshiek counties. Services include evaluations, assessments, and therapies for both general and special education, as well as Early ACCESS for early intervention in infants and toddlers.

Teachers benefit from specialized professional development, consultation, and coaching, while district administrators, superintendents, curriculum directors, and other education professionals receive tailored support through structured learning, implementation, and sustainability phases. This integrated approach ensures that all stakeholders are equipped with the tools and guidance necessary to enhance educational outcomes.

Districts

[Enter information about the districts served by the AEA. Identify any districts served that are located outside the AEA. Also identify any districts that are not served by the AEA but that are located within the AEA.]

Public Districts (21)

Allamakee	Howard-Winneshiek	Riceville
Central	Maquoketa Valley	South Winneshiek
Clayton Ridge	MFL MarMac	Starmont
Decorah	New Hampton	Turkey Valley
Dubuque	North Fayette Valley	West Central
Eastern Allamakee	Oelwein	West Delaware
Edgewood-Colesburg	Postville	Western Dubuque

Accredited Non-Public Schools (27)

Aquin Elementary School	Resurrection Elementary	St Teresa of Calcutta School - Calmar
Bais Chaya Mushka/Oholei Menachem	Seton Catholic Elem Sch Farley Ct	St Teresa of Calcutta School - Ossian
Beckman Catholic High School	Seton Catholic Elem Sch Peosta Ctr	St Teresa of Calcutta School - Spillville
Dubuque Dream Center Academy	St Benedict School	Tri-State Christian School (Elementary Campus)
Holy Ghost	St Columbkille School	Tri-State Christian School (Secondary Campus)
La Salle Catholic School	St Francis Xavier School	Trinity Catholic School
Mazzuchelli Catholic Middle School	St Joseph Community School	Wahlert Catholic High School
Northeast Iowa Montessori School	St Joseph The Worker School	
Notre Dame Elementary School	St Mary's School	
Our Lady of Guadalupe	St Patrick School	

Charter Schools (1)

West Central Charter High School

Keystone holds a sharing agreement with Wapsie Valley CSD for a .2 School-Based Curriculum Director. An agreement is also in place for a .2 Technology Support Specialist for Osage CSD. Wapsie Valley and Osage are both located within the Central Rivers AEA area.

Students

[Enter information about the students who are served by the AEA.]

Keystone AEA works in partnership with public and accredited non-public schools to provide educational services, programs and resources for improving the learning outcomes and well-being of all children and youth in central Iowa. Keystone AEA staff members serve children from birth to age 21, families, educators and communities.

Keystone AEA serves children and students from birth to 21, in general education and special education. Some services are evaluation and assessment and some are direct services (e.g., occupational therapy, physical therapy, speech-language services).

Early ACCESS is Iowa's early intervention system (IDEA Part C) for infants and toddlers under 3 years old who are not developing as expected or who have a medical condition that can delay typical development. Families and Early ACCESS staff work together to identify, coordinate and provide needed services and resources that help families assist their infants and toddlers in their growth and development. Early ACCESS serves children from birth to age 3 and their families who are referred to the AEA for services.

Teachers

[Enter information about the teachers who are served by the AEA.]

Keystone AEA provides services to approximately 2,800 general education and special education teachers in public and accredited nonpublic schools. Special education teachers receive varying levels of support from building-based AEA core team staff (e.g., school social workers, school psychologists and special education consultants). AEA special education staff design, deliver and support professional learning on a variety of special education topics.

In Educational Services and Media Services, teachers may access AEA content experts to support teaching and learning in classrooms. AEA content experts design, deliver and support professional learning for teachers who engage in professional learning offerings from the AEA.

Districts have the option to purchase AEA time and services. From specialized professional learning to personalized consultation and coaching, AEA ensures that districts receive the tailored support they need to meet their diverse needs.

Learning Support

In the learning phase, services focus on equipping educators with the knowledge, skills and strategies necessary to enhance their teaching practices and improve student outcomes.

Implementation Support

In the implementation phase, services focus on putting educational plans and strategies into action.

Sustainability Support

In the sustainability phase, services aim to maintain and build upon the progress achieved during implementation.

Others Served

[Enter information about others who are served by the AEA.]

Administrators
Curriculum Directors
Head Start Programs
Paraeducators

Principals
Special Education Directors
Substitute Teachers
Superintendents

Programs

[Highlight the general programs offered by the AEA as well as the programs offered that differentiate this AEA from others.]

Keystone AEA delivers [professional development](#) offerings that support the implementation and continuous improvement of Iowa's strategic priorities and services that align with the [strategic plan of Iowa's AEA's](#).

Some programs that are enhanced or differentiated at Keystone AEA include:

- School-Based Special Education Directors and Facilitators
- School-Based Curriculum Directors
- School-Based School Social Workers
- Application Hosting Services
- Information Technology Managed Services
- Fiscal Services to the Iowa Association of AEA's

Location

[Insert a map of the AEA, map of the AEA building locations, and provide a narrative surrounding each.]



Keystone AEA Office Summary

- 2 owned buildings – Dubuque and Elkader
- 6 leased office suites – Decorah, Delhi, New Hampton, Oelwein, Waukon, West Union. Four of these offices are located within school districts

Keystone AEA Owned Offices

- **Dubuque** - 2310 Chaney Road, Dubuque, IA 52001
 - Conference rooms - used for hosting professional development events for agency staff and the educators we serve
 - Hearing Booth

- Staff offices and workspaces
- **Elkader** - 1400 Second Street NW, Elkader, IA 52043 (Main Office)
 - Conference rooms - used for hosting professional development events for agency staff and the educators we serve
 - Staff offices and workspaces
 - Administrative offices including Human Resources, Business and Technology
 - Media library - Our library houses our physical collection that includes professional books as well as book sets that can be checked out by districts
 - Creative Services - Includes areas for printing and copying (small and large format), laminating
 - Iowa Association of Area Education Agencies - Fiscal Agent offices, staff offices and workspaces
 - Hearing Booth
 - Van delivery - Media resources, occupational and physical therapy equipment and other materials are delivered to each school building and AEA office from this location on a scheduled basis during the school year

Keystone AEA Leased Offices (four are located within Public School Districts)

- **Decorah** - 700 Ridgewood Drive, Decorah IA 52101
Staff offices and workspaces, hearing booth located within a building owned by Winneshiek Medical Center
- **Delhi** - 210 South Street, Delhi, IA
Staff offices and workspaces located within the Maquoketa Valley Community School District
- **New Hampton** - 206 West Main, New Hampton, IA
Staff offices and workspaces located within the New Hampton Community School District
- **Oelwein** - 300 12th Avenue SE, Oelwein, IA
Staff offices and workspaces located within the Oelwein Community School District
- **Waukon** - 107 Sixth Street NW, Waukon, IA
Staff offices and workspaces located within the Allamakee Community School District
- **West Union** - 210 N Vine Street, Suite B, West Union, IA
Staff offices and workspaces located within the West Union Public Library

Capital Assets

[Provide a summary description of the AEA’s capital assets. For this purpose, capital assets should include buildings, land, vehicles, and other large assets; it does not include inventory.]

Summary of Capital Assets

[Provide a summary description of the AEA’s capital assets.]

Owned Buildings

- 1400 Second Street NW, Elkader - Built 1975
- 2310 Chaney Road, Dubuque - Built 1996

Vehicles

Maintenance pickup with plow, (4) Media Delivery Vans, skid loader, trailer, snow blower, sweeper, and lawn tractors

Print Shop Equipment

Copy machine, laminators, binder, etc.

Media Kits and Equipment

iPads, robots, OT/PT equipment, Reality welding systems, RFID equipment, 3d printers, drones, cameras, computers, planetarium, etc.

Technology and Equipment

Laptops, firewalls, switches, projectors, screens, TVs, hearing booths, audiology equipment, copy machines, printers, etc.

Changes or Planned Changes in Capital Assets

[Identify any changes in capital assets from FY25 to FY26 and planned changes for FY27.]

Keystone AEA sold the Decorah building to Winneshiek Medical Center in July 2025. As part of the purchase agreement, the AEA will lease space within that building from Winneshiek Medical Center during FY26 and FY27. Lawn care equipment and technology equipment were also sold and/or disposed of appropriately. New laptops, technology, and equipment purchases are made on a rotating basis to control annual costs.

Staff

Information about the AEA's organizational structure, including specific positions, staff changes from FY25 to FY27, and administrative expenditures is provided below.

Iowa's AEA's are committed to employing highly qualified staff who offer and provide services and supports to students, educators, districts and families. AEA's are working as a statewide system to ensure all those we serve have access to services, regardless of the location of their district or the AEA in which they reside.

Organizational Chart

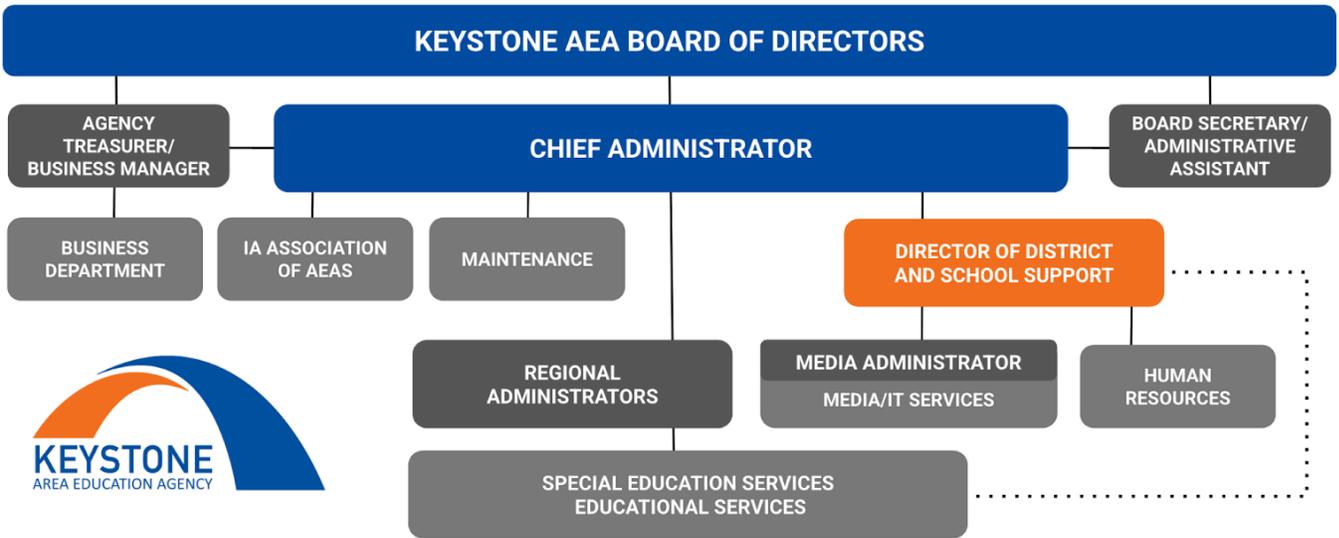
[Insert an organizational chart and enter a related narrative.]

Keystone Area Education Agency is committed to meeting the mandated 30% reduction in administrative expenditures by July 1, 2026, as required by House File 2612. Our agency has implemented strategic cost-cutting measures and streamlined operations to ensure compliance while working hard to attempt to maintain high-quality service delivery to our stakeholders. [Organizational Chart](#)

Keystone AEA adopted several innovative strategies including:

- **Shared Administrative Roles:** A sharing agreement for key administrative positions with Central Rivers AEA including: (Chief) Administrator, Administrator of Educational Services, Administrator of Special Education Services with a 50/50 split.
- **Collaborative Financial Management:** Continued role as the fiscal agent for the Iowa Association of AEA's.
- **Position Management:** Strategic non-refilling of vacancies to reduce personnel costs, including the positions of Assistant Regional Administrators.

Keystone Area Education Agency Organizational Chart



BEDS Position Codes: FTE Count

[Complete the table below and enter a narrative related to variances for staff.]

Table Name: AEA BEDS Position Codes - All Staff

Position Name	Position Code	FY25 FTE Count	FY26 FTE Count	FY27 FTE Count	Variance FY25 to FY27
Chief Administrator	510	1	1	1	0
School Business Official	612	2	1	1	-1 (was reported as 2 in FY25, but 1 could have been in code 133 below)
School Business Officials-Other	133	0	1	1	+1 (was reported as 0 in FY25, but it could have been 1. Code 612 above should have only been 1 in FY25 also)
Operations and Maintenance	181	3	2.8	2.8	-.2 (FY26 count should be 2.8 because of a reduction for one of the employees)
Special Education Director	515	.8	.4	.4	-.4 (one of the schools no longer needed a shared SE Director)
AEA Regional/Zone Coordinator	533	3	3	3	0
Other Administrator	550	2.25	2.5	1.25	-1
Special Education Consultant	616	23	24.83	25	+2

Content/Curriculum Consultant	618	15.55	9	8.6	-6.95
Social Worker	624	2.8	2.8	2.8	0
Director/Coordinator/Dept Head	633	1	.8	.2	-.8
Special Education Support	660	92.51	91.34	91.31	-1.2
Teacher/Librarian/Media Specialist	722	.8	.5	.75	-.05
Itinerant Teacher	731	19.5	17.04	17	-2.5
Paraprofessional/Aides	101	8.13	6.75	6.75	-1.38
Library Media Associate	104	6	2	2	-4
Board Secretary	112	1	1	1	0
Technology	121	2	5.4	5.4	+3.4
Supervisor-Non-Licensed	139	1	1	1	0
Technology Support	141	8.04	9.36	9.36	+1.32
District Wide Admin Support	152	13.37	9.6	9.6	-3.77
Transportation-Other than Pupil Transportation	175	3	2	2	-1
Total FTE		209.75	195.12	193.22	-16.53

Variances in positions are based on resignations/retirements, ability to recruit, changes to district service needs, and change in requests for shared positions. As a result, the content/curriculum consultant vacancies were not filled in FY26. Sharing agreements are currently in place with Central Rivers AEA for the chief administrator, administrator of special education, and administrator of education services positions, as well as a .25 media administrator. These agreements won't continue in FY27. Instead, there will be one chief administrator and one director of district and school support serving the Keystone AEA area with no sharing of these positions. The media director will decrease back to .25 FTE again also. Technology increased because some support staff are now providing technology services. Part of that work is for another AEA (service for a fee).

FY25 to FY27 Program and Staff Changes

Staff changes from FY25 to FY27 are detailed below for each position in the following programs: special education support services, educational services, and media services.

Special Education Support Services Program

[Complete the table below and enter a narrative related to variances for staff in the special education support services program, including identification of fee-based programs and services.]

Table Name: AEA BEDS Position Codes - Special Education Support Services Program

Position Name	Position Code	FY25 FTE Count	FY26 FTE Count	FY27 FTE Count	Variance FY25 to FY27
Special Education Director	515	.8	.4	.4	-.4 (one of the schools no longer needed a shared SE Director)
AEA Regional/Zone Coordinator	533	2.85	2.85	2.85	0
Other Administrator	550	1	1	.5	-.5 (New position will be shared)

					between SE and ES)
Special Education Consultant	616	23	24.83	25	+2
Special Education Support	660	92.51	91.34	91.31	-1.2
Itinerant Teacher	731	19.5	17.04	17	-2.5
Paraprofessionals/Aids	101	8.13	6.75	6.75	-1.38
District Wide Admin Support	152	8.37	4.3	4.3	-4.07
Social Worker	624	0	2.8	2.8	+2.8 (Social Workers were in Ed Services during FY25)
Technology	121	0	3.4	3.4	+3.4
Total FTE		156.16	154.71	154.31	-1.85

Variances in special education positions are based on resignations/retirements, ability to recruit, and changes to district needs for shared positions. Some support staff are currently providing technology services for a fee to another AEA and are coded accordingly. Social worker positions for sharing agreements were transitioned to special education during FY26. Several schools currently contract with the AEA for the shared social worker services. A sharing agreement was in place with CRAEA for a special education administrator during FY25 and FY26 but won't be in FY27. The administrative position will be half-time special education and half-time educational services in FY27 instead. The AEA currently has a sharing agreement for .4 FTE with one district for School-Based SE Director services and a contract for .2 FTE with one district for SE Facilitator services. We are still working on determining the need for additional FTE for fee based support for FY27. FTE variances from our fall BEDS submission are 'point-in-time' differences.

Educational Services Program

[Complete the table below and enter a narrative related to variances for staff in the educational services program, including identification of fee-based programs and services.]

Table Name: AEA BEDS Position Codes - Educational Services Program

Position Name	Position Code	FY25 FTE Count	FY26 FTE Count	FY27 FTE Count	Variance FY25 to FY27
Other Administrator	550	.5	.5	.5	0
Content/Curriculum Consultant	618	15.55	9	8.6	-6.95
Social Worker	624	2.8	0	0	-2.8 (Social Workers are in Special Ed in FY26/FY27)
Director/Coordinator/Department Head	633	1	.8	.2	-.8
Technology Support	141	7.41	0	0	-7.41 (this is in Media during FY26/FY27)
District Wide Admin Support	152	0	.3	.3	+.3
AEA Regional/Zone Coordinator	533	.15	.15	.15	0
Total FTE		27.41	10.75	9.75	-17.66

Variations in educational services are primarily based on resignations/retirements and changes to district requests. As a result, the content/curriculum consultant vacancies were not filled in FY26. Two of the content/curriculum consultants are partially shared with districts as shared curriculum directors, and the other consultants provide services for a fee to districts according to the district service plan needs. A sharing agreement was in place for an educational services administrator during FY25 and FY26 but won't be in FY27. The administrative position will be half-time special education and half-time educational services in FY27 instead. Technology support staff FTE was transitioned into media services in FY26. It has increased due to the additional requests from districts for technology support specialist work. Shared social workers were transitioned into special education in FY26 and the FTE remained constant. All educational services are fee based including the .8 FTE in shared positions. FTE variances from our fall BEDS submission are 'point-in-time' differences.

Media Services Program

[Complete the table below and enter a narrative related to variances for staff in the media services program, including identification of fee-based programs and services.]

Table Name: AEA BEDS Position Codes - Media Services Program

Position Name	Position Code	FY25 FTE Count	FY26 FTE Count	FY27 FTE Count	Variance FY25 to FY27
Other Administrator	550	.75	1	.25	-.5
Teacher Librarian/Media Specialist	722	.8	.5	.75	-.05
Library Media Associate	104	6	2	2	-4
Supervisor-Non-Licensed	139	1	1	1	0
Transportation-Other than Pupil Transportation	175	3	2	2	-1
Technology	121	.2	1.2	1.2	+1
Technology Support	141	0	8.76	8.76	+8.76 (these were in Ed Services in FY25)
Total FTE		11.75	16.46	15.96	+4.21

Variations in media are primarily based on resignations/retirements and changes to district requests. Four media clerk positions and one van driver position were not replaced in FY26. Sharing agreements were in place for media services administrators during FY25 and FY26 but won't be in FY27. Technology support staff FTE were transitioned into media services in FY26 and they provide contracted technology support specialist services to districts for a fee. All media services are fee based with the exception of AT/OT/PT trial equipment library. FTE variances from our fall BEDS submission are 'point-in-time' differences.

Administrative Expenditures

Administrative expenditures include costs related to administration and administrators, as defined by HF2612 Sec. 17 (Iowa Acts 2024), which includes chief administrators, directors and department heads, regional administrators, regional and zone coordinators, district coordinators, and human resources and personnel managers. This section includes FY24 actual, FY25 actual, FY26 re-estimated, and FY27 proposed administrative staff levels and administrative expenditures.

Administrative Staff by FTE: FY24-FY26

[Complete the table below and enter a narrative related to FTE variances from FY24 to FY26.]

Table Name: AEA Administrative Staff by FTE FY24-FY26

Administrative Staff	FY24 Actual	FY25 Actual	FY26 Re-Estimated	FY24-FY26 Variance Amount	FY24-FY26 Variance Percent
Chief Administrator	1	1	1	0	0
Directors and Department Heads	2.25	2.25	2.5	+0.25	11%
Regional Administrators	6	3	3	-3	-50%
Regional and Zone Coordinators					
District Coordinators					
Human Resources					
Other Administrative Positions	3	3	3	0	0
Total FTE	12.25	9.25	9.5	-2.75	-22%

Administrative expenditures were reduced through the resignations of two regional administrators and one assistant regional administrator at the end of FY24. In FY25, the vacant regional administrator positions were filled by the regional assistants who were already employed. For FY25 and FY26, there are a total of three regional administrators and no assistant regional administrators. Other position FTEs have remained constant with the exception of the media director .25 position that was added to share with Central Rivers AEA during FY26. As noted previously, the chief administrator position, as well as the administrator of special education and the administrator of educational services positions were all shared with Central Rivers AEA 50-50. The sharing agreements for all of these administrative positions will sunset at the end of FY26.

Administrative Staff by FTE: FY26-FY27

[Complete the table below and enter a narrative related to FTE variances from FY26 to FY27.]

Table Name: AEA Administrative Staff by FTE FY26-FY27

Administrative Staff	FY26 Re-Estimated	FY27 Proposed	FY26-FY27 Variance Amount	FY26-FY27 Variance Percent
Chief Administrator	1	1	0	0
Directors and Department Heads	2.5	1.25	-1.25	-50%
Regional Administrators	3	3	0	0

Regional and Zone Coordinators				
District Coordinators				
Human Resources				
Other Administrative Positions	3	3	0	0
Total FTE	9.5	8.25	-1.25	-13%

Sharing agreements were in place during FY26 for the chief administrator position, as well as the administrator of special education, the administrator of educational services, and part of the media director. In FY27, the positions will no longer be shared. Instead, there will be one chief administrator, one director of district and school support, and a .25 media director serving the Keystone AEA area with no sharing of these positions. The other administrative positions are budgeted at the same level as FY26.

Total Administrative Expenditures: FY24 Actual, FY25 Actual, and FY26 Re-Estimated

Total administrative expenditures, detailed below by administration and administrative staff, are required to be reduced by at least thirty percent by July 1, 2026.

[Complete the table below and enter the narrative comparing FY24, FY25, and FY26 expenditures, including whether or not the thirty percent statutory reduction to administrative expenditures was met.]

Table Name: Administrative Expenditures – Administration and Administrative Staff: FY24 Actual, FY25 Actual, and FY26 Re-Estimated

Part A: Expenditures: Administration (Obj. 300 & Over)	FY24 Actual	FY25 Actual	FY26 Re-Estimated	FY24 to FY26 Reduction Amount	FY24 to FY26 Reduction Percent
General Administration (Func. 2300-2399)	188,851	129,958	189,375	524	0%
School Administration (Func. 2400-2499)	57,139	21,594	60,281	3,142	5%
Business and Central Administration (Func. 2500-2519, 2540-2599)	220,888	119,408	217,214	(3,674)	-2%
Purchasing, Distributing, Printing (Func. 2520-2539)	19,881	4,606	9,850	(10,031)	-50%
Part A: Total Expenditures: Administration	486,759	275,566	476,720	(10,039)	-2%
Part B: Expenditures: Administrative Staff (Obj. 100-299)	FY24 Actual	FY25 Actual	FY26 Re-Estimated	FY24 to FY26 Reduction Amount	FY24 to FY26 Reduction Percent
Chief Administrator	267,541	303,399	*353,160	85,619	32%
Directors and Department Heads	453,280	517,201	567,794	114,514	25%
Regional Administrators	917,182	510,388	522,035	(395,147)	-43%
Regional and Zone Coordinators					
District Coordinators					
Human Resources					
Other Administrative Positions	348,573	354,382	364,925	16,352	5%
Other Positions	2,339,722	1,479,800	998,838	(1,340,884)	-57%
Sub-Total Expenditures: Administrative Staff	4,326,298	3,165,170	2,806,752	(1,519,546)	-35%
Less Sharing Revenue (Sources: 1952, 1953, 1954, 1957)	195,848	436,310	505,665	309,817	158%
Less Other Revenue	326,885	271,827	141,808	(185,077)	-57%
Part B: Total Expenditures: Administrative Staff	3,803,565	2,457,033	2,159,279	(1,644,286)	-43%

	FY24 Actual	FY25 Actual	FY26 Re-Estimated	FY24 to FY26 Reduction Amount	FY24 to FY26 Reduction Percent
Total Administrative Expenditures					
Part A: Total Expenditures: Administration	486,759	275,566	476,720	(10,039)	-2%
Part B: Total Expenditures: Administrative Staff	3,803,565	2,457,033	2,159,279	(1,644,286)	-43%
Total Administrative Expenditures	4,290,324	2,732,599	2,635,999	(1,654,325)	-39%

*This includes estimated payout for unused vacation days (due to retirement) in accordance with Board policy. The actual cost will be shared evenly with Central Rivers AEA.

Total administrative expenditures are expected to be reduced by 39% during the period FY24 through FY26. This exceeds the 30% statutory reduction requirement in administrative expenditures by July 1, 2026. Sharing agreements for administrative positions and not filling assistant regional administrator positions were key in meeting the reduction. Some vacant support positions were also not filled. The agency print shop no longer has a dedicated FTE of staff and has very few expenditures (Central Rivers AEA currently provides creative services for Keystone schools). The media department/van delivery have not replaced staff who resigned during the last 2 years. Agency IT and support staff are now providing technology services for a fee as part of their work and are coded accordingly. Additional revenue generated by continuing to provide fiscal services and administrative oversight to IAAEA has also been key for the agency.

Total Administrative Expenditures: FY26 Re-Estimated and FY27 Proposed

[Complete the table below and enter the narrative for FY26 re-estimated and FY27 proposed expenditures, including an explanation regarding the variance.]

Table Name: Administrative Expenditures – Administration and Administrative Staff: FY26 Re-Estimated and FY27 Proposed

	FY26 Re-Estimated	FY27 Proposed	FY26 to FY27 Variance Amount	FY26 to FY27 Variance Percent
Part A: Expenditures: Administration (Obj. 300 & Over)				
General Administration (Func. 2300-2399)	189,375	195,375	6,000	3%
School Administration (Func. 2400-2499)	60,281	60,281	0	0
	217,214	217,714	500	0
Business and Central Administration (Func. 2500-2519, 2540-2599)	9,850	9,850	0	0
Purchasing, Distributing, Printing (Func. 2520-2539)				
Part A: Total Expenditures: Administration	476,720	483,220	6,500	1%
	FY26 Re-Estimated	FY27 Proposed	FY26 to FY27 Variance Amount	FY26 to FY27 Variance Percent
Part B: Expenditures: Administrative Staff (Obj. 100-299)				
Chief Administrator	353,160	250,218	(102,942)	-29%
Directors and Department Heads	567,794	230,249	(337,545)	-59%
Regional Administrators	522,035	532,000	9,965	2%
Regional and Zone Coordinators				
District Coordinators				
Human Resources				
Other Administrative Positions	364,925	368,380	3,455	1%
Other Positions	998,838	1,008,711	9,873	1%
Sub-Total Expenditures: Administrative Staff	2,806,752	2,389,558	(417,194)	-15%
Less Sharing Revenue (Sources: 1952, 1953, 1954, 1957)	505,665	58,596	(447,069)	-88%
Less Other Revenue	141,808	140,021	(1,787)	-1%
Part B: Total Expenditures: Administrative Staff	2,159,279	2,190,941	31,662	1%
	FY26 Re-Estimated	FY27 Proposed	FY26 to FY27 Variance Amount	FY26 to FY27 Variance Percent
Total Administrative Expenditures				
Part A: Total Expenditures: Administration	476,720	483,220	6,500	1%
Part B: Total Expenditures: Administrative Staff	2,159,279	2,190,941	31,662	1%
Total Administrative Expenditures	2,635,999	2,674,161	38,162	1%

The proposed reduction in chief administrator salary/benefits is due in part to a new chief being hired for FY27, and the decision that the position will no longer be shared with Central Rivers AEA. The FY27 proposed salary/benefits for the directors and department heads is less than FY26 because of the plan to shift from 2.5 FTE to 1.25 FTE. The special education and educational services positions will be combined into 1 position during FY27 and will no longer be shared with Central Rivers AEA. The media director position will be reduced from .5 FTE to .25 FTE since the sharing with Central Rivers AEA for a .25 FTE will no longer be in place during FY27. Other administrative staff salaries/benefits are expected to increase slightly in FY27 (reflected above). Closer estimates will be known after SSA has been determined and package increases have been made for FY27 salary/benefits. Part A Expenditures shown above are estimated to be somewhat steady but with a slight increase budgeted for inflation.

Total Administrative Expenditures: Reduction

[Provide narrative for progress made toward administrative expenditure reduction.]

Keystone AEA should easily meet the 30% statutory reduction in administrative expenditures by July 1, 2026. Data provided within this report reflects an estimated total administrative expenditure reduction of 39%. Sharing agreements for administrative positions and not filling assistant regional administrator positions were key in meeting the reduction. Other vacant support positions were also not filled in some instances. The agency print shop no longer has a dedicated FTE of staff and has very few expenditures (Central Rivers AEA currently provides creative services for Keystone schools). The media department/van delivery have not replaced staff who resigned during the last 2 years. Agency IT and support staff are now providing technology services for a fee as part of their work and are coded accordingly. Additional revenue generated by continuing to provide fiscal services and administrative oversight to IAEEA has also been key for the agency.

Services

[Insert a table and a narrative description of services provided, the recipients of those services, and associated cost to the entity purchasing the service (e.g., rates, fee schedule), if applicable, and the cost to the AEA to provide the service.]

See [Appendix B](#) to find the report delivered to the Iowa Department of Education in December 2025 that outlines a detailed description of the services available for purchase at Keystone AEA and the associated cost for the entity purchasing the service.

Iowa's AEA system has partnered with the Iowa Public Libraries to facilitate the delivery of inter-library loans.

Centralized Services

[Include a narrative to describe the AEA's centralized and shared services, which are defined for this purpose as staff and services that are centralized and shared with other AEA's.]

Keystone AEA continues to seek opportunities to share services with other AEA's to increase efficiencies while delivering high-quality services to schools.

Centralized Service	Originated From	Shared With
Science Consultant	Grant Wood AEA	GPAEA, Keystone
VAST Science Kits	Grant Wood AEA	GPAEA, MB, Keystone
Braille	Heartland AEA	Systemwide
Canvas User Network	Heartland AEA	Systemwide
Curriculum Network	Heartland AEA	Systemwide
Cybersecurity Support	Heartland AEA	Systemwide
Ed Tech Network	Heartland AEA	Systemwide
TAG Consultant	Heartland AEA	Systemwide
Talented & Gifted/Extended	Heartland AEA	Systemwide

Learning Network		
Tech Network	Heartland, Northwest, Central Rivers, Grant Wood AEAs	Systemwide
Hearing screenings in sound booth	Systemwide	Systemwide
Regionalized technology services	Heartland & Green Hills AEAs Keystone & Central Rivers AEAs Grant Wood, Mississippi Bend & Great Prairie AEAs Northwest & Prairie Lakes AEAs	Systemwide
Van delivery	Systemwide	Systemwide
Communications team	Systemwide	Systemwide
Statewide Print Collaborative/Creative Services	Systemwide	Systemwide
Teacher Librarian Network	GHAEA & GWAEA	Systemwide
Data Analytics	MBAEA and Great Prairie	Systemwide
Audiology Services	Systemwide	Systemwide
Powerschool Supports	Grant Wood	Systemwide
English Learners Network	Grant Wood	Systemwide
PD Registrar	Heartland and Central Rivers	Systemwide
Counseling Network	Grant Wood	Systemwide
Special Education Nurse	Northwest	Systemwide
Data	Keystone	Systemwide
Dietician	Systemwide	Systemwide
Shared School Business Official	Mississippi Bend	Keystone
ACHIEVE Data Team	Keystone	Central Rivers
Assistive Tech Support	Central Rivers	Keystone

Centers of Excellence

[Include a narrative to describe the AEA’s centers of excellence, which are defined for this purpose as content expertise and capacity in a targeted special education service area with statewide impact.]

The Central Rivers and Keystone Center of Excellence for Early ACCESS serves Iowa’s Area Education Agencies (AEAs) by strengthening statewide systems, building staff capacity, and supporting consistent, high-quality early intervention services for infants, toddlers, and families. More details on the Early ACCESS Center of Excellence can be found in [Appendix C](#).

Fiscal Detail

[Enter narrative of information provided in the section.]

This section includes comparisons of budgeted revenue and expenses over three years with projections for FY27. It includes information relating to the assumptions and challenges to formulate the budget and also includes historical data of fund balances since FY21 to provide an overview of past revenue and expense fluctuations and totals.

General Fund: Historical Overview FY21-FY25

[Complete the table below. Enter narrative with a high-level explanation for the changes in revenue, expenditures, and balance.]

Table Name: General Fund - Historical Overview FY21-FY25

General Fund	FY21	FY22	FY23	FY24	FY25
Revenues	\$ 23,658,557	\$ 25,614,744	\$ 25,996,342	\$ 26,541,620	\$ 24,101,803
Expenditures	\$ 22,672,382	\$ 24,920,560	\$ 26,055,372	\$ 26,059,683	\$ 23,486,491
Balance	\$ 3,383,043	\$ 4,077,227	\$ 4,018,197	\$ 4,500,134	\$ 5,115,446

Revenues and Expenditures increased from FY21 to FY22 primarily because of COVID-19 and related ARP funding / flow-through ARP funding to the LEA's. The AEA also approved an early retirement benefit package for eligible employees, which resulted in an increase in total expenditures.

During FY23, additional staff were hired, which increased expenditures. More staff were shared with districts, resulting in additional revenue during that same period as well.

FY24 revenues were greater than FY23 primarily due to an increase in IDEA grants and flow-through funding. The ARP funding ended in FY23, so both revenue and expenditures were affected by that. The AEA no longer had a Juvenile Home program in FY24, resulting in a decrease in both revenue and expenditures relating to that program of a little over \$200,000. The funding for the FEP program (a little over \$100,000) was also discontinued in FY24.

FY25 revenues decreased by over \$2,000,000 primarily because of HF2612 - the change in media and educational services funding being split between districts and the AEA (60/40), as well as the decrease in Title I funding. Expenditures were down primarily due to resignations of staff who were not replaced (specifically, educational services staff and regional administrator/assistant regional administrator positions)

General Fund Balance: FY25 Actual, FY26 Re-Estimated, and FY27 Proposed

[Include narrative to explain fund balance type (e.g., non-spendable, restricted, committed) reflected in the table below, including reasons for purposeful balances and plans for use.]

Non-Spendable Fund Balance includes the total of prepaid items that are required to be paid before the beginning of the fiscal year (software renewals, registration fees, GASB actuarial fees, Part B Medicaid deposits, etc.). The non-spendable fund balance also includes print shop inventory.

Restricted Fund Balance includes funds identified to be reserved for the purchase of media materials, and also includes funds reserved for Educator Quality Professional Development.

Committed Fund Balance is for the obligations owed during each year for early retirement incentives that were approved in the past (health insurance and HRA payments per the agreements). Committed Fund Balance also includes funds committed for cash flow purposes to help pay for July-September payroll and purchases in the subsequent year (prior to the AEA receiving any state/federal payments).

Table Name: General Fund Balance Detail - FY25 Actual, FY26 Re-Estimated, and FY27 Proposed

General Fund Balance Detail	FY25 Actual	FY26 Re-Estimated	FY27 Proposed
Non-Spendable Fund Balance, Special Education Support Services	8,759	20,000	10,000
Non-Spendable Fund Balance, Other	14,536	20,000	18,000
Restricted Fund Balance, Special Education Support Services	34,152	10,000	0
Restricted Fund Balance, Other	139,006	130,000	129,000
Committed Fund Balance, Special Education Support Services	11,413	758,462	758,462
Committed Fund Balance, Other	12,715	53,018	51,378
Assigned Fund Balance, Special Education Support Services	0	0	0
Assigned Fund Balance, Other	0	0	0
Unassigned Fund Balance, Special Education Support Services	1,809,626	1,208,714	893,126
Unassigned Fund Balance, Other	3,085,239	2,794,286	2,774,209
Total General Fund Balance	5,115,446	4,994,480	4,634,175

Three-Year Comparison for Budgeted Funds: FY25 Actual, FY26 Re-Estimated, and FY27 Proposed

[Include narrative of the budget detail. Summarize the FY27 proposed budget assumptions mentioned earlier in the report (e.g., districts served, programs offered). Explain the assumptions used to estimate revenues and expenditures. Additionally, include any assumptions used to generate the budget that were not already covered in the report narrative above (e.g., types of contracts for services, programs, sharing agreements, capital purchases).]

The budget includes **revenue** received from: the state (controlled funding, property taxes, and grants), federal grants, interest income, professional development, services provided to public school districts and non-public schools, shared positions, as well as other services provided to other AEA's, community partners and preschools.

Student Support Services include: speech-language pathologists, school social workers, school psychologists, occupational therapists, occupational therapy assistants, physical therapists, interpreters, itinerant hearing staff, audiologists, contracted itinerant vision services, and contracted orientation & mobility services. Salaries/benefits, travel expenses, supplies, professional leave, equipment, and software are some of the expenses included in this area for them. Additionally there is an agreement in place to contract audiology services as needed from another AEA.

Instructional Staff Support Services include school improvement facilitators, professional development providers, early childhood consultants, instructional technology staff, and special education consultants. Salaries/benefits, travel expenses, supplies, professional leave, equipment, and software are some of the expenses included in this area for them. Media library materials, media clerk salary/benefits,, professional development expenses, some technology equipment and tech repairs, in-state and out of state travel and registration fees for non-management staff are also included here.

General Administration expenses include chief administrator, directors (educational services, media, and special education), shared special education directors with schools, and part of the IDEA logistics facilitator. Salaries/benefits, travel expenses, supplies, memberships, equipment, and software are some of the expenses included in this area for them. Also included in this section are legal fees, audit fees, Iowa Association of Area Education Agencies chargeback fees, insurance expense, phone expenses, superintendent meeting expenses, and board travel expenses.

School Administration expenses include regional administrators, office assistants, and shared special education facilitators. Salaries/benefits, travel expenses, supplies, memberships, equipment, and software are some of the expenses included in this area for them. Also included in this section are office supplies, postage, phone expenses, furniture, and general supplies for staff and offices.

Business and Central Support expenses include business manager, associate business manager, payroll and benefits specialist, financial clerks, human resources associate, AEA computer center staff, and board secretary. Salaries/benefits, travel expenses, supplies, memberships, equipment, and software are some of the expenses included in this area for them. Also included in this section are supplies, phone expenses, fees for FSA accounts, conference center supplies, postage, Medicaid processing fees, advertising, registration fees, Iowa Principal Leadership Academy (IPLA) trainer fees (none after FY25), and in-state travel and registration fees for management and business office staff.

Purchasing, Distributing, Printing, Publishing, Duplicating expenses include van drivers and print shop employees. Salaries/benefits, supplies, equipment, and software are some of the expenses included in this area for them.

Student Transportation is an expense to transport children for services, including taxi transportation of early childhood children/parents to an office (if needed.)

Debt Service and Interfund Transfers Out was for leases established and paid to public schools, to a local business, and to a public library for office space.

Other Financing Uses is the IDEA Part B Flow-through money in FY25. The AEA forwarded the approved payments to the public school districts once the money was received. The process has been updated during FY26 so the AEA will no longer take care of this or reflect it in the budget going forward.

Table Name: Resources, Expenditures & Financing Uses, and Funds Balance FY25 Actual, FY26 Re-Estimated, and FY27 Proposed

Resources: Revenues, Other Financing Sources, and Beginning Funds Balance	FY25 Actual	FY26 Re-Estimated	FY27 Proposed
Taxes (Controlled Funding)	4,513,299.00	2,836,431	3,027,139
Tuition/Transportation	47,130.00	4,000	3,500
Earnings on Investments	220,685.54	200,000	180,000
Nutrition Program Sales			
Student Activities & Sales			
Other Revenues from Local Sources	2,863,124.37	3,878,709	3,783,324

Intermediate Revenues			
State Aid (Controlled Funding)	6,820,766.00	5,959,253	7,081,562
Juvenile Home Tuition Aid			
Other State Revenues	1,426,774.08	1,431,408	1,428,368
IDEA Federal Grant	8,102,040.00	7,149,442	7,149,442
Other Federal Revenues	91,842.72	216,496	216,497
Long-Term Debt Proceeds	16,141.56		
Interfund Transfers In	42,600.00	57,600	57,600
Proceeds of Fixed Asset Dispositions		561,400	
Other Financing Sources			
Beginning Funds Balance	4,500,134.40	5,115,446	4,994,480
Total Resources	28,644,537.67	27,410,185	27,921,912

	FY25 Actual	FY26 Re-Estimated	FY27 Proposed
Expenditures & Other Financing Uses			
Instruction			
Student Support Services	10,660,490.79	10,733,018	12,012,777
Instructional Staff Support Services	7,396,375.13	7,569,788	7,553,375
General Administration	1,186,999.56	1,239,640	806,921
School Administration	1,067,737.12	940,703	954,173
Business & Central Support	1,044,433.95	979,772	995,315
Purchasing, Distributing, Printing, Duplicating	141,565.23	123,357	116,370
Plant Operations & Maintenance	577,962.83	713,627	733,006
Student Transportation	44.24	600	600
Other Support Services			
Non-Instructional Programs			
Facilities Acquisition & Construction			
Debt Service	42,600.00	57,600	57,600
Interfund Transfers Out	42,600.00	57,600	57,600
Other Financing Uses	1,368,283.00		
Total Expenditures & Other Financing Uses	23,529,091.85	22,415,705	23,287,737

	FY25 Actual	FY26 Re-Estimated	FY27 Proposed
Funds Balance			
Total Resources	28,644,537.67	27,410,185	27,921,912
Total Expenditures & Other Financing Uses	23,529,091.85	22,415,705	23,287,737
Ending Funds Balance	5,115,445.82	4,994,480	4,634,175

Additional FY27 Budget Assumptions

[Please insert narrative on additional assumptions informed by potential opportunities and challenges not otherwise detailed in the report.]

Assumptions for FY27 Budget:

- Sharing agreements will continue with districts
- Districts will purchase some additional special education services
- Federal and state grants will continue at current funding levels
- TSS funding will continue at current funding level
- Service plans are being developed with schools to estimate media and educational services revenue for FY27; however, they continue to evolve during the year
- Insurance will increase (liability, property, linebacker, automobile, workers compensation, crime, umbrella, etc.)
- 2% increase in total salary packages (health insurance increase was 2%)
- The budget was created based on 0% SSA since it was not determined yet
- Travel mileage rates will increase slightly
- Utility expenses will remain steady or increase slightly
- Professional leave funds will remain steady for each eligible employee
- Interest income will decrease based on interest rate declines
- Staffing will continue steady, if possible, based on needs and requirements of districts as well as the ability to find qualified candidates
- Professional development will continue to be provided for a fee for approved courses
- Administrative positions will no longer be shared but will be reduced in total FTE

Challenges for FY27 Budget:

- Establishing pricing and scheduling of services to ensure that it will be sufficient for the related expenses
- Districts continue to acclimate to the service planning process. It is difficult to determine the right number of service providers based on school requests while anticipating additional needs and changes throughout the year
- Actual allocations for AEAs are not known until the last day of the legislative session
- Selling services to districts is difficult when they are facing financial challenges
- Mileage expenses could increase significantly if staff need to travel further due to assignments
- Maintaining funds for the replacement of outdated technology on a rotating basis
- Maintaining funds for unexpected repairs/maintenance
- Maintaining funds for unexpected legal fees

Potential Opportunities:

- District Service Plans may lead to opportunities for additional revenue.
- Expanding professional learning opportunities for special education teachers to better support districts may increase special education revenue.
- Continued leveraging and sharing of content expertise across the state, especially in areas where we lack FTE.

Appendix A: [Iowa's AEAs Strategic Plan](#)

Appendix B: [AEA Annual Service and Cost Report](#)

Appendix C: [Early ACCESS Center of Excellence](#)