

Iowa State Board of Education

Executive Summary

April 16, 2026

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): Cassandra 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 on March 10, 2026. This update will provide a summary of informational items considered and related action.

SCHOOL BUDGET REVIEW COMMITTEE
Summary of Action
March 10, 2026

The School Budget Review Committee met to hold hearings beginning at 10:00 a.m. on Tuesday, March 10, 2026 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 Items

A. Committee Responsibilities

The School Budget Review Committee is established pursuant to Iowa Code section 257.30. The Committee is required to consider the intent of chapter 257 when making decisions. Iowa Administrative Code r. 289-6.2(6) was reviewed.

B. FY27 Preliminary Cash Reserve Levy limits were presented.

Districts	FY26 Final	FY27 Preliminary
Able to Levy for Cash Reserve	166	188
Not Able to Levy for Cash Reserve	159	137
Total Districts	325	325

C. TAG Districts and Budgets

As required by Iowa Code 257.45, the list of budget amounts for FY27 gifted and talented children program for each school district were provided to the SBRC. The amount provided in the DCPD is \$75 with an estimated required local match of \$25 from the regular program district cost per budget enrollment. Amounts for FY27 were calculated based on a two percent increase of state supplemental aid.

D. State Decile Ranks for Unspent Authorized Budget (UAB) Per Pupil

Per pupil amounts included in the UAB Report published February 21, 2026 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	\$33,587	\$10,588	1	32	32
2	\$10,495	\$8,579	33	65	33
3	\$8,495	\$7,352	66	97	32
4	\$7,266	\$6,222	98	130	33
5	\$6,194	\$5,288	131	163	33
6	\$5,284	\$4,587	164	195	32
7	\$4,574	\$3,680	196	228	33
8	\$3,663	\$2,991	229	260	32
9	\$2,982	\$1,977	261	293	33
10	\$1,930	(\$1,066)	294	325	32

Regular program per pupil amounts are provided below.

Decile	Regular Program Per Pupil Range – High End	Regular Program Per Pupil Range – Low End	District Overall State Rank – High End	District Overall State Rank – Low End	Districts in Decile
1	\$33,117	\$9,965	1	32	32
2	\$9,863	\$8,084	33	65	33
3	\$8,031	\$6,664	66	97	32
4	\$6,625	\$5,663	98	130	33
5	\$5,634	\$4,933	131	163	33
6	\$4,880	\$4,028	164	195	32
7	\$4,006	\$3,234	196	228	33
8	\$3,232	\$2,529	229	260	32
9	\$2,523	\$1,552	261	293	33
10	\$1,542	(\$1,627)	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	Regular Program UAB Per Pupil 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
2024-2025	\$4,347	\$3,961	\$386

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.

E. Senate File 659 (Iowa Acts 2025)

The Committee discussed Senate File 659 (Iowa Acts 2025), amending Iowa Code subsection 257.31(5), to remove the one year effective limitation. The eligible districts and eligible MSA amounts were presented.

F. Special FY26 Hearing

The Committee discussed the need to hold another hearing this fiscal year.

2. Special Education Administrative Costs. The Committee granted permission to use special education program funds for administrative costs of special education programs for fiscal year 2026-2027 to the districts approved by the Department of Education.
3. Cedar Rapids Community School District. The Committee approved a negative modified supplemental amount of \$9,025,123 in fiscal year 2025-2026 and a negative modified supplemental amount of \$9,025,123 in 2026-2027. The amount is equal to the amount of erroneously requested modified supplemental amount for at-risk dropout programming in FY24, FY25, FY26 that the district had no authority to request because its program plan did not meet the requirements of Iowa Code section 257.38. Aye: Gubbels, Paulsen, Hansel. Abstain: Battani. Nay: Schroeder.
4. At-Risk, Alternative School, and Returning Dropouts and Dropout Prevention Programs Requests for Modified Supplemental Amount. The Committee approved modified supplemental amount of \$156,022,647 for fiscal year 2026-2027 for on-time filing districts that have approved applications for At-Risk, Returning Dropout and Dropout Prevention programs and denied the request for Gilmore City-Bradgate for \$23,917 since the district did not meet the requirement to have a board approved plan pursuant to Iowa Code §§ 257.38 and 257.40.
5. United Community School District. The Committee approved modified supplemental amount of \$9,448.53 for the 2025-2026 fiscal year for open enrollment that exceeds 45% of total district enrollment.
6. Kingsley-Pierson Community School District. The Committee approved modified supplemental amount for \$101,442.55 for the 2025-2026 fiscal year for environmental hazard abatement.
7. Central Lee Community School District. The Committee approved a permanent fund transfer in fiscal year 2026-2026 in the amount of \$94,082 from the SAVE Fund to the PPEL Fund.
8. Starmont Community School District. The Committee approved a permanent fund transfer from the General Fund to the Daycare Enterprise Fund and approved the modified supplemental amount for fiscal year 2025-2026 in the amount of \$6,388.82. The district was also required to report to its auditor that it made the transfer in FY25 without approval from the SBRC.

9. Council Bluffs Community School District. The hearing was an informational item and no action was required.
10. Colfax-Mingo Community School District. The decision of the Committee in this matter was to accept the district's corrective action plan due to a negative unspent balance (FY25) and grant the request for the related modified supplement amount of \$580,944.00. The district is directed to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY26 more than \$8,047,000, 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.

It was recommended the district continue to seek outside financial consultative services to review the financial position of the district, reasonableness of the assumptions used, actual impact of any reductions made, differentiate between reductions and an increase of revenue or a change in funding source, review of internal controls and quality financial management practices related to recent audit findings, and overall fiscal sustainability to position the district for long-term financial success.

The district was 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 upon request and shall be provided to the auditor.

Work Session. The Committee held a work session to discuss the evidence of need as it pertains to hazard abatement requests, school board policy or philosophy on spending authority, and the calculation of the Open Enrollment Out Not of Prior Year Headcount MSA requests.