Iowa State Board of Education

Executive Summary

November 18, 2026

Agenda Item:	October 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 the information.
Background:	The School Budget Review Committee met for its annual work session and regularly scheduled hearing on October 7, 2026. This update will provide a summary of informational items reviewed, actions taken, and work session topics discussed.

SCHOOL BUDGET REVIEW COMMITTEE
Summary of Action
October 7, 2026

The School Budget Review Committee convened on Wednesday, October 7, 2026, at 10:00 a.m. to conduct hearings. The meeting was held in the State Board Room on the second floor of the Grimes State Office Building, Department of Education, located at 400 E. 14th Street, Des Moines, Iowa 50319-0146. The committee consisted of the following members: McKenzie Snow, Director of the Department of Education; Kraig Paulsen, Director of the Department of Management and public members Susan Battani, Patti Schroeder, Craig Hansel, and Brian Gubbels. The Director of the Department of Education serves as the Committee's chair and as a non-voting member. Public members Susan Battani and Patti Schroeder were absent.

All decisions made 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).

The Chair announced public comment. Michael Parrot, Laura Westemeyer, David Noerper, and Alisa Meggitt made public comments.

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. Committee Member Terms. Terms for each public member of the SBRC were reviewed.
C. Cash Reserve Levy. Reviewed the FY27 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 2026 hearing. Of 324 districts, 137 were unable to levy for cash reserve. Of the 184 districts levying for cash reserve, 68 did so at the maximum allowed level. Three districts had the ability to levy but did not levy. Total FY27 cash reserve levy amount is $275,278,117, up 30% from 2026 cash reserve levy amount.
D. Special Education Balance Management Overview. Reviewed the list of districts that were required to appear due to failing to claim their FY26 allocation of Individuals with Disabilities Education Act (IDEA) funds to support the special education program. Also reviewed the components of the corrective action plan required to be presented by each district for managing the district's special education balance. The list of districts that failed to fully claim the IDEA allocation is below.

District Number	District Name	FY26 Allocation	FY26 Claimed	FY26 Unclaimed	FY27 Cash Reserve Levy Amount
2493	Gilmore City-Bradgate	$6,764.00	$0.00	$6,764.00	No Ability
4505	Mormon Trail	$9,844.00	$0.00	$9,844.00	$275,000.00
5697	Rudd-Rockford-Marble Rock	$18,958.00	$0.00	$18,958.00	$908,123.00
6921	West Bend-Mallard	$15,707.00	$0.00	$15,707.00	$325,000.00
6937	West Burlington	$21,454.00	$20,873.86	$580.14	$241,249.00
7110	Woodward-Granger	$45,715.00	$0.00	$45,715.00	$1,345,000.00

E. School Business Alert Article: Reminder: YTD Balance Review. Reviewed the School Business Alert (SBA) article published in March 2026 regarding the review of year-to-date balances.

2. Unused Modified Supplemental Amount (MSA). The Committee reverted its permission to transfer up to $3,000,000 from the General Fund to a capital projects fund and to approve an equal amount of negative modified supplement amount for fiscal year 2025-2026, both equal to the unused amount of MSA awarded in the prior year based on an anticipated amount for one district.

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.
   - Chariton
   - Charles City
   - Clear Creek Amana
   - Davis County
   - Horizon Science Academy – Davenport
   - Johnston
   - Louisa-Muscatine

4. West Burlington Community School District. The Committee accepted the district's corrective action plan identifying the procedures the district will implement to prevent future unclaimed IDEA Part B funds and prospective mismanagement of the special education balance. If the district does not reduce any request for modified supplemental amount relating to a special education deficit by the amount of the unclaimed federal IDEA Part B funds totaling $580.14, the district is directed to appear before the SBRC to establish a need for such a request.

5. Gilmore City-Bradgate Community School District. The Committee accepted the district's corrective action plan identifying the procedures the district will implement to prevent future unclaimed IDEA Part B funds and prospective mismanagement of the special education balance. If the district does not reduce any request for modified supplemental amount relating to a special education deficit by the amount of the unclaimed federal IDEA Part B funds totaling $6,764.00, the district is directed to appear before the SBRC to establish a need for such a request.

6. West Bend-Mallard Community School District. The Committee accepted the district's corrective action plan identifying the procedures the district will implement to prevent future unclaimed IDEA Part B funds and prospective mismanagement of the special education balance. If the district does not reduce any request for modified supplemental amount relating to a special education deficit by the amount of the unclaimed federal IDEA Part B funds totaling $15,707.00, the district is directed to appear before the SBRC to establish a need for such a request.

7. Mormon Trail Community School District. The Committee accepted the district's corrective action plan identifying the procedures the district will implement to prevent future unclaimed IDEA Part B funds and prospective mismanagement of the special education balance. If the district does not reduce any request for modified supplemental amount relating to a special education deficit by the amount of the unclaimed federal IDEA Part B funds totaling $9,844.00, the district is directed to appear before the SBRC to establish a need for such a request.

8. Rudd-Rockford-Marble Rock Community School District. The Committee accepted the district's corrective action plan identifying the procedures the district will implement to prevent future unclaimed IDEA Part B funds and prospective mismanagement of the special education balance. If the district does not reduce any request for modified supplemental amount relating to a special education deficit by the amount of the unclaimed federal IDEA Part B funds totaling $18,958.00, the district is directed to appear before the SBRC to establish a need for such a request.

9. Woodward-Granger Community School District. The Committee accepted the district's corrective action plan identifying the procedures the district will implement to prevent future unclaimed IDEA Part B funds and prospective mismanagement of the special education balance. If the district does not reduce any request for modified supplemental amount relating to a special education deficit by the amount of the unclaimed federal IDEA Part B funds totaling $45,715.00, the district is directed to appear before the SBRC to establish a need for such a request.

10. Iowa City Community School District. The district appeared to present a fiscal update, which is an informational item and no action was taken.

Work Session. The Committee held a work session. Topics discussed included: special education fiscal monitoring process update; special education balance management plan process and materials; ESEA programs update; late audit filing corrective action plan; Senate File 2472 (Iowa Acts 2026) implementation; and unspent balance policy - in practice.