

SCHOOL BUDGET REVIEW COMMITTEE
Summary of Action
March 15, 2022

The School Budget Review Committee met to hold hearings beginning at 10:00 a.m. on Tuesday, March 15, 2022, 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 Ann Lebo, Department of Management Director Kraig Paulsen, and public members: Leland Tack, Susan Battani, Keith England, and Mary Jo Hainstock. The director of the Department of Education is a non-voting member and the chair.

All decisions by the Committee shall be 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. FY23 Preliminary Cash Reserve Levy Limits were presented.

Districts	FY22 Actual Count	FY23 Preliminary Count
Able to Levy for Cash Reserve	202	144
Not Able to Levy for Cash Reserve	125	183
Total Districts	327	327

B. Information Request Update: AEA Special Education Balance

During the December 14, 2021 SBRC hearing, the Committee requested from two AEAs, Heartland and Central Rivers, best practices related to their consistently low special education carryforward balance. The responses from both AEAs were presented to the SBRC at the January 25, 2022 hearing. Central Rivers was asked to provide additional detail. The follow-up letter from the district was provided.

C. TAG Districts and Budgets

As required by Iowa Code 257.45, the list of budget amounts for FY23 gifted and talented children program for each school district were provided to the SBRC. The amount provided in the DCPD will be \$69 with an estimated required local match of \$23 from the regular program district cost per budget enrollment. Amounts for FY23 were calculated based on a 2.5 percent SSA increase.

D. UAB Per Pupil Update

During the October 2019 work session, the committee discussed additional metrics to build a broader context of perceived levels of unspent authority. As a result of this conversation, state deciles (1-10) were established based on the most recent UAB Report published by the Department of Management. The version used for the calculations below was published January 25, 2022. 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	\$24,446	\$8,242	1	32	31
2	\$8,146	\$6,276	33	65	32
3	\$6,262	\$5,366	66	98	32
4	\$5,332	\$4,801	99	131	32
5	\$4,743	\$4,307	132	163	31
6	\$4,233	\$3,804	164	196	32
7	\$3,798	\$3,186	197	229	32
8	\$3,170	\$2,712	230	262	32
9	\$2,703	\$2,078	263	294	31
10	\$2,064	\$51	295	327	32

As a result of a conversation during the October 2020 SBRC work session, the UAB per pupil is also calculated after subtracting categorical balances. The ranges of per pupil values for UAB less any categorical balances were presented as 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	\$24,027	\$7,816	1	32	31
2	\$7,678	\$5,673	33	65	32
3	\$5,663	\$4,893	66	98	32
4	\$4,863	\$4,168	99	131	32
5	\$4,159	\$3,662	132	163	31
6	\$3,631	\$3,241	164	196	32
7	\$3,235	\$2,622	197	229	32
8	\$2,618	\$2,240	230	262	32
9	\$2,239	\$1,579	263	294	31
10	\$1,576	\$(177)	295	327	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

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. Spring Hearing; Emergency Hearing Request

The Committee approved a request for an emergency hearing related to demolition of a school building within three years of a reorganization (Iowa Code § 257.31(7)).

2. Special Education Administrative Costs. Granted permission to use special education program funds for administrative costs of special education programs for fiscal year 2022-2023 to the districts approved by the Department of Education
3. Returning Drop Out/ Drop Out Prevention. Approved modified supplemental amount of \$139,916,523 for fiscal year 2022-2023 for on-time filing districts that have approved applications for At-Risk, Returning Dropout, and Dropout Prevention programs.

Request Status	Number of Districts
Districts not requesting MSA for FY23	11
<i>Unable to request due to carryforward balance exceeding eligible request</i>	6
<i>Did not request due to local board decision</i>	5
Districts requesting MSA for FY23	316

4. Transportation Assistance. Directed the Department to distribute the \$12,990 transportation assistance aid to the eligible districts on an equitable basis.

District	District	Distribution Amount
3465	Lamoni	\$1,386.38
0977	Cardinal	\$1,605.80
0018	Adair-Casey	\$2,794.22
6096	Southeast Webster Grand	\$3,161.68
1675	Delwood	\$4,041.92
Total:		\$12,990.00

5. Williamsburg Community School District. Approved modified supplemental amount for fiscal year 2021-2022 in the amount of 16,945.45 for environmental hazard abatement.
6. Iowa City Community School District. Approved modified supplemental amount for the 2021-2022 fiscal year in the amount of \$918,593 for hazard abatement and \$897,258 for initial staffing of a new building.
7. Sioux Center Community School District. Approved modified supplemental amount for the 2021-2022 fiscal year in the amount of \$181,011.31 for initial staffing of a new building.