

**SCHOOL BUDGET REVIEW COMMITTEE  
SUMMARY OF DECISIONS  
October 8, 2012**

The School Budget Review Committee met in regular session on Tuesday, October 8, 2012, at the Department of Education, ICN Room, Second Floor, Grimes State Office Building, 400 E. 14<sup>th</sup> St., Des Moines, Iowa 50319-0146. The following members were present: Director Jason Glass, Department of Education, Director Dave Roederer, Department of Management, and public members: Gretchen Tegeler, Gina Primmer, Brian Thilges, and Leland Tack. Votes were unanimous.

All decisions by the Committee are 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 allowable growth under subsection 257.31(5).

**1. Committee Informational Items:**

**Cash Reserve Levy Limit List**

The Committee reviewed a list of districts that exceeded the maximum cash reserve levy permitted according to Iowa Code and Iowa Administrative Code (Rules).

**TSS Negative Modified Allowable Growth**

The SBRC was briefed on a request coming to the December hearings and provided suggestions to the Department of what information the Department should request the district provide in its exhibits.

**Fiscal Year 2013 Hearing Session Schedule Conflict for March**

The March hearings will be scheduled on Monday, 25, 2013, rather than March 18 due to a scheduling conflict.

**Update on Exira Phase II Visit**

In January 2012, the Committee recommended to the Department of Education that the Department implement a phase II on-site visit to conduct a fiscal review of the Exira Community School District. The recommendation was forward to the State Board of Education for its March 29, 2012, meeting, and the State Board recommended to the Department that the Phase II visit be conducted. The visit was conducted in May 2012. The Committee was briefed on the current situation.

## **2. Reorganization Progress Reports.**

The decision of the Committee in this matter is to accept the reports of progress toward reorganization submitted for approval by the whole-grade sharing districts (1) Algona (with Titonka) and (2) Southern Cal and Rockwell City-Lytton and to allow those districts to request supplementary weighting for whole grade sharing on their October 1, 2012, certified supplementary weighting enrollment for eligible resident students.

The decision of the Committee in this matter is to not accept the reports of progress toward reorganization submitted for approval by the whole-grade sharing districts (1) Exira and Elkhorn-Kimballton and (2) East Central and Northeast.

*NOTE: Iowa Administrative Code states that a school district whose progress report is not accepted shall be allowed to submit a revised progress report at the next regular meeting of the school budget review committee. The committee shall accept or reject the revised progress report. If the district does not submit a revised progress report, or if the school budget review committee rejects the revised progress report, the school district shall not be eligible for supplementary weighting for whole-grade sharing.*

## **3. Late Filers of CAR, SES, or Transportation Reports.**

The decision of the Committee in this matter is to direct all districts and AEAs to file all future CAR-COA, CAR-SES and ATR reports 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 decision of the Committee in this matter is to instruct the Director of the Department of Management to withhold state aid to Boyden-Hull, which had not filed and certified its CAR-SES to date, and to continue withholding state aid until the committee's inquires are satisfied completely. If Boyden-Hull has not certified its CAR-SES by the end of the business day (4:30 p.m.) on Thursday, October 11, 2012, the Department of Management will withhold state aid to the district. (*NOTE: Boyden-Hull certified October 9, 2012.*)

*NOTE: As an example, October state aid will be withheld until the normal state aid payment date in November if the district has uploaded and certified its FY12 CAR-SES by the first day of the month of November. If not, both October and November state aid will be withheld until the normal state aid payment date in December if the district has uploaded and certified its FY12 CAR-SES by December 1, and so on.*

It is the decision of the committee in this matter to require each district or AEA that did not certify its CAR-COA, CAR-SES, or ATR by September 17, 2012, or by the extended due date if applicable, to appear before the committee in December 2012 to present the procedures that the district or AEA will implement to prevent late filing of the Certified Annual Report-Chart of Account (CAR-COA), special education supplement (CAR-SES), and annual transportation (ATR) reports in future years. These districts are:

Andrew  
Boyden-Hull  
Clarinda  
Clinton  
Colo-NESCO  
Sentral  
Sigourney  
Southeast Polk  
Tri-County  
Walnut  
Wapsie Valley

*NOTE: By past guidance, the plan submitted by the district or AEA shall include, as a minimum, the following three sections:*

- 1) A detailed description of the current local procedures and an explanation of why those procedures did not result in timely filing. If the district or AEA has submitted a corrective action plan in a previous year, explain why the district or AEA did not follow those procedures or why those procedures did not result in timely filing.
- 2) Detailed sequential procedures that the district or AEA will implement to ensure that all future reports are timely filed. These procedures shall include, but are not limited to, completing bank reconciliations on each bank account monthly, timely depositing and posting of all receipts to the district, uploading a complete file into the CAR-COA test system and resolving all edits within the test system in stages 1-3 before the date on which the DE opens the production site, uploading a complete file into the production site as soon as it is opened, preparing accrual entries by district personnel, implementing internal controls over financial reporting, and uploading the data to the SES and ATR production sites immediately following resolution of all CAR-COA edits in stages 1-3. Note: It is not the responsibility of the independent auditor to prepare the accrual entries or to review the CAR-COA prior to filing.
- 3) The assurance statement below signed by the board president, superintendent, board secretary, and the business manager/SBO if a different person than the board secretary. The assurance shall state: *We the officers of this district/AEA provide the assurance that we will implement the procedures as outlined and will file all future CAR, SES and ATR reports required by the Department of Education in the manner and on the date prescribed by the Department. We further stipulate that we understand the implications of late filing to our district or AEA.*