

**SCHOOL BUDGET REVIEW COMMITTEE
Summary of Action
December 17, 2019**

The School Budget Review Committee held hearings beginning at 9:30 a.m. on Tuesday, December 17, 2019, 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: Director Ryan Wise, Department of Education, Director Dave Roederer, Department of Management, and public members: Gretchen Tegeler, Keith England, Leland Tack, and Martha Bruckner. 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) Unspent Authorized Budget Information.

1. The Committee reviewed the list of districts that incurred a negative unspent balance at the end of the previous fiscal year. The balances were reported pending further Department review.
 - i. 1611 Davenport*
 - ii. 3141 Iowa City^
 - iii. 4787 North Winneshiek^
 - iv. 5256 Pleasantville^
 - v. 6095 South Hamilton

*Repeater
^Positive after accounting for district's special education deficit

2. The Committee reviewed ranges of statewide deciles generated based on the unspent balance per pupil ranked high to low.

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	\$23,822	\$6,042	1	33	32
2	\$6,011	\$4,624	34	66	32
3	\$4,612	\$3,986	67	99	32
4	\$3,981	\$3,585	100	132	32
5	\$3,532	\$2,945	133	165	32
6	\$2,944	\$2,591	166	198	32
7	\$2,589	\$2,143	199	231	32
8	\$2,138	\$1,693	232	264	32
9	\$1,681	\$1,186	265	297	32
10	\$1,182	(\$890)	298	327	29

- (B) Unspent Balances and Unexpended Balances. The Committee reviewed the preliminary list by district of unspent balances (budget authority) and unexpended balance in the General Fund. The balances were reported pending further Department review.

(C) Corrective Action Plans for Late Filers of CAR, SES, or ATR. All late filers appeared to submit their plan. In the past, some districts were not required to personally appear for today's hearings if their plans were so well written that the Department felt it could represent the district in its stead. The SBRC had directed the Department not to use as the criteria being only a few days late. The criteria used to determine the districts that could be represented by the department were that the district:

- Took personal responsibility for its situation.
- Clearly articulated what caused its lateness and specifically addressed that issue in its plan. Although several districts had unexpected and even tragic events that happened just before the due date, the actual issue was that the districts had not managed their time earlier in the process
- Provided multiple, sequential steps with timelines of future practices the district will follow and those steps reflect best practice.
- Provided an assurance of its intent.
- Has not been required to provide a previous plan to the SBRC and assurance which it did not follow or if the district has previously provided a plan, the cause of its lateness was so unusual or unique that there is no reason to think it would be repeated.
- Late filers for the CAR, SES, and ATR began providing corrective action plans to the SBRC for FY09 late filing during FY10 hearings. The related history of late filers is provided below.

Fiscal Year of Late Filing	Fiscal Year of Appearance	Late Districts	Late AEA	Total Late Filers
2008-2009	2009-2010	16	0	16
2009-2010	2010-2011	15	0	15
2010-2011	2011-2012	21	0	21
2011-2012	2012-2013	11	0	11
2012-2013	2013-2014	21	0	21
2013-2014	2014-2015	15	0	15
2014-2015	2015-2016	6	0	6
2015-2016	2016-2017	3	1	4
2016-2017	2017-2018	2	0	2
2017-2018	2018-2019	2	1	3
2018-2019	2019-2020	0	1	1

(D-1) Certified Enrollment Late Filers. The Committee reviewed the list of certified enrollment late filers. Certified Enrollment is due by law (Iowa Code section 257.6) on October 15th, which is after the SBRC meets in October to address late filing of the financial reports. The Department reported one (1) district filed late this year. The report was informational only.

(D-2) Late Filers for Facilities, Elections, and Sales Tax (SAVE) Report. The Committee reviewed the list of districts that were late filers for the Facility, Election, and SAVE Report. Zero (0) districts and one (1) AEA filed after the October 1 due date. The report was informational only.

(D-3) Late Filers for the School Association Report. The Committee reviewed the list of districts that were late filers for the School Association Report. Twenty-two (22) districts filed after the November 3 due date. The report was informational only.

(E) Informational Item from South Central Calhoun. At the March 12, 2019 hearing, South Central Calhoun was granted modified supplemental amount of \$380,000 to begin the Trauma Informed Program. The district has provided an update of the program progress thus far. It is provided as an informational item to the committee and no action is

requested. The district also plans to provide a more comprehensive update at the March 10, 2020 hearing.

(F) Fiscal Year 2019 Hearing Session Schedule. Set the FY21 hearing dates on:

- Tuesday, October 13, 2020, hearing and work session.
- Tuesday, December 15, 2020.
- Tuesday, March 16, 2021.

2. Transportation Assistance. Directed the Department to distribute the \$14,240 transportation assistance aid to the eligible districts on an equitable basis.
3. Supplementary Weighting. Certified to the Department of Management the supplementary weightings pending further Department review.
4. Excess Costs of Providing the LEP Program. Approved modified supplemental amount for the 2018-2019 school year for the costs of providing additional instructional services to limited English proficient students in excess of weightings generated, modified supplemental amount granted or other resources in school year 2018-2019, to all eligible districts making a request except Waterloo CSD which is tabled until the January SBRC hearing.
5. AEA Special Education Support Services Balances. Recommended to the Departments of Education and Management that no deductions be made from school district budgets for excess special education support services assigned and unassigned June 30, 2019 fund balances in the AEAs because none exceeds 10% of special education expenditures.
6. Special Education Balances. Approved the requests for modified supplemental amount for the 2018-2019 school year for the special education deficit for eligible districts that have made requests, to certify the FY19 positive and negative balances of funds for each school district to the Department of Management, and to direct the Director of the Department of Management to make the payments to school districts, as outlined in Iowa Code subsection 257.31(14)"b".

Directed the Department to analyze costs on a comparable basis to conduct desk reviews and on-site reviews on districts identified as outliers in the analysis.

7. Special Education Weightings. Accepted the recommendation of the Director of the Department of Education relating to the special education weighting plan, which is to not change the weighting levels.
8. Gladbrook-Reinbeck Community School District. Approved modified supplemental amount for fiscal year 2019-2020 in the amount of \$11,157.25 for environmental hazard abatement.
9. Grinnell-Newburg Community School District. Approved modified supplemental amount for fiscal year 2019-2020 in the amount of \$33,346.37 for environmental hazard abatement.
10. Osage Community School District. Approved modified supplemental amount for fiscal year 2019-2020 in the amount of \$10,832 for environmental hazard abatement.
11. South Central Calhoun Community School District. Approved modified supplemental amount for fiscal year 2019-2020 in the amount of \$15,500 for environmental hazard abatement.
12. Woodbury Central Community School District. Approved modified supplemental amount for fiscal year 2019-2020 in the amount of \$29,414 for environmental hazard abatement.
13. Mormon Trail Community School District. Accepted the recommendation of the task force regarding the certificate of need request from Mormon Trail CSD, and to make a recommendation to the Department to approve the request for the district to use its SAVE receipts and balance in

the amount of \$2,050,000 for new construction.

14. Green Hills Area Education Agency. Accepted the plan provided by the AEA and to direct the AEA to file all future financial 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.
15. Bettendorf Community School District. Tabled request to authorize a transfer from the General Fund to the Capital Projects Fund and tabled a request for modified supplemental amount for fiscal year 2019-2020 in the amount of \$312,000 for costs contributing to new construction of a school building.
16. North Scott Community School District. Authorized a transfer from the General Fund to the Student Construction Enterprise Fund and to approve modified supplemental amount for the 2019-2020 school year up to the amount of \$229,403 as necessary for new student construction program start-up costs.
17. South Hamilton Community School District. Received the district's corrective action plan due to a negative unspent balance (FY19) and approved the request of \$207,323 for modified supplemental amount.

Directed the district to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY20 more than \$6,233,784 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.

Directed the district to submit monthly reports to its board demonstrating the financial position of the district in relation to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.

18. Davenport Community School District. Received the district's corrective action plan due to a negative unspent balance (FY19), required the district to provide a progress report to the SBRC at the January hearing, and tabled the request of \$13,403,777 for modified supplemental amount.

Directed the district to operate its expenditures in compliance with Iowa Code. The district shall not expend in the General Fund for FY20 more than \$154,405,899, 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.

Directed the district 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 and to the auditor on request.

Directed the district to return at the January hearing to provide a progress report on the corrective action plan. Directed the board president and vice president to attend future SBRC hearings relating to the district's negative unspent balance, including progress reports.