

SCHOOL BUDGET REVIEW COMMITTEE
Summary of Action
March 10, 2008

The School Budget Review Committee met in regular session on Monday, March 10, 2008, with the following members present: Director Judy A. Jeffrey, Department of Education, Chair; Director Charles Krogmeier, Department of Management, Secretary; and committee members Jane Babcock, Don Hansen, and Lee Tack.

Update on Phase II. Received an update on Phase II criteria and procedures.

- 1. Approval of Previous Decisions.** Approved the decisions of the December 19, 2007, meeting of the School Budget Review Committee.
- 2. Eddyville-Blakesburg Community School District.** Approved modified allowable growth for the 2007-2008 school year in the amount of \$149,595 for costs associated with hiring staff under SF277.
- 3. Clarksville Community School District.** Approved modified allowable growth for the 2007-2008 school year in the amount of \$3,766 for costs associated with for removal of hazardous chemicals.
- 4. Preston Community School District.** Accepted the district's proposed plan to deduct the auditor's adjustment to budget enrollment over the next three budget years.
- 5. Central Community School District.** Approved modified allowable growth for the 2007-2008 school year in the amount of \$73,917 and received and accepted the district's corrective action plan pending receipt of the FY09 certified budget showing sufficient reductions in general fund expenditures. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.
- 6. Clay Central-Everly Community School District.** Received and accepted the district's corrective action plan pending receipt of the FY09 certified budget showing sufficient reductions in general fund expenditures. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.
- 7. Iowa Valley Community School District.** Denied modified allowable growth for the 2007-2008 school year in the amount of \$138,035. Received and accepted the district's corrective action plan pending receipt of the FY09 certified budget showing sufficient reductions in general fund expenditures. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.

8. Midland Community School District. Tabled the request for modified allowable growth for the 2007-2008 school year in the amount of \$640,183 until the next regular meeting of the Committee in May 2008 and directed the district to work with its school improvement consultant, area education agency, Iowa School Board Association or private school finance consultants to develop a corrective action plan that will result in a positive unspent balance no later than the end of fiscal year 2009. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.

9. St. Ansgar Community School District. Tabled the request for modified allowable growth for the 2007-2008 school year in the amount of \$814,986 until the next regular meeting of the Committee in May 2008 and directed the district to work with its school improvement consultant, area education agency, Iowa School Board Association or private school finance consultants to develop a corrective action plan that will result in a positive unspent balance no later than the end of fiscal year 2009. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.

10. Sergeant Bluff-Luton Community School District. Approved modified allowable growth for the 2007-2008 school year in the amount of \$178,875 as part of its corrective action plan and in the amount of \$71,436 for general fund costs related to a bus barn fire. Received and accepted the district's corrective action plan pending receipt of the FY09 certified budget showing sufficient reductions in general fund expenditures. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.

11. Sibley-Ocheyedan Community School District. Denied modified allowable growth in an unknown amount for an anticipated negative unspent balance in the current year. Approved modified allowable growth for the 2007-2008 school year in the amount of \$59,966 and received and accepted the district's corrective action plan pending receipt of the FY09 certified budget showing sufficient reductions in general fund expenditures. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.

12. South Clay Community School District. Tabled the request for modified allowable growth for the 2007-2008 school year in the amount of \$106,921 until the next regular meeting of the Committee in May 2008 and directed the district to work with its school improvement consultant, area education agency, Iowa School Board Association or private school finance consultants to develop a corrective action plan that will result in a continued positive unspent balance. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.

13. Rockwell City-Lytton Community School District. Approved modified allowable growth for the 2007-2008 school year in the amount of \$212,815 and received and accepted the district's corrective action plan pending receipt of the FY09 certified budget showing sufficient reductions in general fund expenditures. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.

14. Pekin Community School District. Denied modified allowable growth for the 2007-2008 school year in the amount of \$575,239. Tabled the request for modified allowable growth for the 2007-2008 school year in the amount of \$219,903 until the next regular meeting of the Committee in May 2008 and directed the district to work with its school improvement consultant, area education agency, Iowa School Board Association or private school finance consultants to develop a corrective action plan that will result in a positive unspent balance no later than the end of fiscal year 2009. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.

15. Orient-Macksburg Community School District. Approved the request for modified allowable growth for the 2007-2008 school year in the amount of \$110,549 and received and accepted the district's corrective action plan pending receipt of the FY09 certified budget showing sufficient reductions in general fund expenditures. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.

16. Pleasantville Community School District. Approved modified allowable growth for the 2007-2008 school year in the amount of \$153,250 and received and accepted the district's corrective action plan pending receipt of the FY09 certified budget showing sufficient reductions in general fund expenditures. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.

17. Twin Rivers Community School District. Directed the district to work with its auditor or the Office of the Auditor of State to implement a corrective journal entry and transfer of funds to reimbursement the General Fund for infrastructure expenditures not appropriate to the General Fund. Approved modified allowable growth for the 2007-2008 school year in the amount of \$192,906 and received and accepted the district's corrective action plan pending receipt of the FY09 certified budget showing sufficient reductions in general fund expenditures and correcting transfers to General Fund. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.

18. West Bend-Mallard Community School District. Tabled action on the district's corrective action plan and request for modified allowable growth for the 2007-2008 school year in the amount of \$326,552 for a negative unspent balance and directed the Department to continue analysis of the district to determine if a recommendation to the State Board of Education that the Department of Education send an accreditation team to the district for an on-site fiscal review in conjunction with a Phase II accreditation visit is appropriate. Directed the district to submit monthly reports to its board and to the Department of Education demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority.

19. Northeast Community School District. Approved modified allowable growth for the 2007-2008 school year in the amount of \$75,000 for costs associated with correcting public health violations.

20. Eagle Grove Community School District. Approved modified allowable growth for the 2007-2008 school year in the amount of \$37,914 for unanticipated legal fees incurred by the district related to its bond issue, and denied the additional modified allowable growth for the 2007-2008 school year in the amount of \$22,086 and for the 2008-09 school year in the amount of \$45,000 for costs associated with continuing an after-school program. Allowed use of the unexpended General Fund balance for the 2007-2008 school year in the amount of \$22,344 to complete the construction of a building approved by the voters in a bond issue. Any amount unused for that purpose shall be returned to the General Fund unexpended fund balance as required by Iowa Code.

21. Washington Community School District. Denied modified allowable growth for the 2007-2008 school year in the amount of \$930,871 for costs of converting to GAAP basis budgeting in FY06, for continuation of programs previously funded by grants, and asbestos abatement projects accounted for in the PPEL fund. Commended the district on its proactive efforts to develop an expenditure reduction plan.

22. Johnston Community School District. Approved the modified allowable growth for the 2007-2008 school year in the amount of \$922,706 for start up costs associated with opening a new school building.

23. Returning Dropout/Dropout Prevention Programs. Approved modified allowable growth for the 2008-2009 school year in the total amount of \$101,410,218 for the 322 districts that have approved applications for Returning Dropout and Dropout Prevention programs, pending further department review.

24. Special Education Administrative Costs. Approved the use of special education funds for administrative costs of special education programs for the districts approved by the Department.

25. Special Education Balances Updated. Approved amended modified allowable growth for a special education deficit for eligible districts that have made requests, certified

the amended positive and negative balances of funds for each school district to the department of management subject to further department review and directed the director of the department of management to make the payments to school districts as outlined in Iowa Code.

26. Unspent Balances and Unexpended Fund Balances. Certified the General Fund unexpended fund balances to the Department of Management, subject to further Department review.

27. Cedar Rapids Community School District. Approved modified allowable growth for the 2007-2008 school year in the amount of \$321,480 for costs associated with asbestos abatement.

28. Late Application for Open Enrollment Out Not on Previous Headcount and LEP Excess Costs. Approved modified allowable growth for the 2007-2008 school year in the total amount of \$1,152,737 for tuition costs incurred for open enrollment students not included on the previous year's certified enrollment report and in the total amount of \$4,164,367 for excess costs of providing services to LEP students for eligible districts making requests.

29. Initial Staffing Study Update. Received the report on the study of initial staffing requests. No action was required.

30. Excess Cash Reserve Study Update. Received the report on the study of the cash reserve levy limit. No action was required.

31. Letter to Districts on Financial Condition. Received the report on the projection of negative unspent balances and district contacts. No action was required.