

### Regulatory Analysis

Notice of Intended Action to be published: 289—Chapter 1  
“Organization and Administrative Procedures”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 257.30(2)

State or federal law(s) implemented by the rulemaking: Iowa Code sections 257.30 through 257.32

#### *Public Hearing*

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 28, 2025  
8 to 9 a.m.

Room B100  
Grimes State Office Building  
Des Moines, Iowa

#### *Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the School Budget Review Committee no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Stephanie Edler  
School Budget Review Committee  
Grimes State Office Building, Second Floor  
400 East 14th Street  
Des Moines, Iowa 50319-0146  
Phone: 515.689.2258  
Email: [stephanie.edler@iowa.gov](mailto:stephanie.edler@iowa.gov)

#### *Purpose and Summary*

This proposed rulemaking removes duplicative and obsolete language and provides some additional flexibility when allowed by statute.

#### *Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
  - **Classes of persons that will bear the costs of the proposed rulemaking:**  
School districts will bear the cost of compliance with this rulemaking to demonstrate they are entitled to relief from the Committee.
  - **Classes of persons that will benefit from the proposed rulemaking:**  
Entities interacting with the Committee, as well as Iowa’s taxpayers, will benefit.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
  - **Quantitative description of impact:**  
No impact noted.
  - **Qualitative description of impact:**  
No impact noted.
3. **Costs to the State:**
  - **Implementation and enforcement costs borne by the agency or any other agency:**  
No additional costs noted.

- **Anticipated effect on state revenues:**  
No appreciable effects on state revenue are noted.
- 4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**  
Not applicable. The statute requires rules.
- 5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**  
Not applicable. The statute requires rules.
- 6. **Alternative methods considered by the agency:**
  - **Description of any alternative methods that were seriously considered by the agency:**  
Not applicable. The statute requires rules.
  - **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**  
Not applicable. The statute requires rules.

*Small Business Impact*

**If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:**

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

**If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?**

None noted.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 289—Chapter 1 and adopt the following new chapter in lieu thereof:

CHAPTER 1  
ORGANIZATION AND ADMINISTRATIVE PROCEDURES

**289—1.1(257) School budget review committee.** The school budget review committee (SBRC) is established to review and make recommendations on any rules, regulations, directives, or forms relating to budgeting and accounting in school districts and area education agencies (AEA); to confer with local school districts and make recommendations on any budgeting or accounting matters; and to grant supplemental aid or to grant a modified allowable growth in the budget year for any school district or AEA that has unusual circumstances that create a need for additional funds for operations or that must abate an environmental hazard due to a state or federal regulation. The SBRC may grant use of the unexpended general fund for facilities under certain circumstances specified in the Iowa Code. The SBRC has the authority to direct the director of the department of education or the director of the department of management to make studies and investigations of school costs in any school district.

**1.1(1) Membership.** The SBRC is composed of the following six members:

*a.* The director of the department of education who will serve as chairperson and conduct all meetings unless another member of the committee is asked by the director of the department of education to assume this role. The director of the department of education is a nonvoting member of the committee.

*b.* The director of the department of management who will serve as secretary unless another member of the committee or department of education staff or department of management staff is asked by the director of the department of management to assume this role. The designated secretary is not a voting member unless the designee is a regular member of the committee.

*c.* Four public members who are knowledgeable in the areas of school finance or public finance issues shall be appointed by the governor to represent the public. All committee members shall perform their assigned duties until a replacement has been appointed.

*d.* The department of education shall employ a staff person to assist the SBRC.

**1.1(2) *Qualifications of public members.*** The four public members shall have general knowledge in the areas of Iowa school finance or public finance. At least one of the public members shall possess a master's or doctoral degree in which areas of school finance, economics or statistics are an integral component or shall have equivalent experience in an executive administrative or senior research position in the education or public administration field.

**1.1(3) *Terms of office.*** The public members appointed by the governor shall serve staggered three-year terms beginning and ending as provided in Iowa Code section 69.19. Members appointed by the governor are subject to senate confirmation as provided by Iowa Code section 2.32.

**1.1(4) *Compensation.*** The committee members representing the public are entitled to receive the committee members' necessary expenses while engaged in official duties. In addition, committee members shall be paid a per diem at the rate specified in Iowa Code section 7E.6. Per diem and expense payments shall be made from appropriations to the department of education.

**289—1.2(257) Mailing address.** The mailing address for all operations of the SBRC is Grimes State Office Building, 400 East 14th Street, Des Moines, Iowa 50319-0146.

**289—1.3(257) Information or submissions.** Information inquiries or requests for hearings, declaratory rulings, for participation in the rulemaking procedures of the SBRC, and for scheduling presentations to the committee should be addressed to the director of the department of education as chairperson of the SBRC.

**289—1.4(257) Hearings.**

**1.4(1) *Number.*** The committee shall meet and hold hearings each year and shall continue in session until it has reviewed budgets of school districts and completed the other duties as found in Iowa Code sections 257.30 through 257.32 and 260C.18B. A minimum of three sessions to hold hearings shall be scheduled each fiscal year and shall be held during the months of October, December, and March. Revisions to these regularly scheduled sessions may be made if there are scheduling conflicts, if the SBRC determines that additional sessions are necessary, or if there are not sufficient hearing requests to hold a session.

**1.4(2) *Notification to legislators and others.***

*a.* Legislators shall be notified of hearings of the SBRC for specific school districts, AEAs, or community colleges in their constituencies. Such notification may be written, oral, or electronic.

*b.* Public notice of all hearings scheduled by the SBRC shall be posted by the department of education on the department's website and on the first floor of the Grimes State Office Building, 400 East 14th Street, Des Moines, Iowa.

**1.4(3) *Hearing procedures.*** The chairperson shall maintain the decorum of the hearing and may refuse to admit or may expel anyone whose conduct is disorderly.

**1.4(4) *Quorum.***

*a.* Three voting members present constitute a quorum of the SBRC, and a quorum must be present to conduct a hearing at which official action is taken. Members may be present by electronic media.

*b.* If only three members are present, three favorable votes are necessary to pass a motion. These rules are intended to implement Iowa Code sections 257.30 and 257.31.