



[HF 2418](#) – School Budget Review Committee (LSB6026HV)
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Fiscal Note Version – New (as amended by [H-8254](#))

Description

[House File 2418](#), as amended by [H-8254](#), directs the Department of Education (DE) to notify the Board of Educational Examiners (BoEE) of an error in the Basic Education Data Survey (BEDS) as reported by a school district that resulted in an incorrect determination by the BoEE affecting licensure and allows for corrective action by the BoEE.

The Bill further directs that the School Budget Review Committee (SBRC) may grant a modified supplemental amount (MSA) for at-risk, alternative school, and returning dropout and dropout prevention programs for school districts that submit a request after January 15 but before March 1 of the budget year preceding the budget year during which the program will be offered.

Background

School districts with approved at-risk, alternative school, and returning dropout and dropout prevention programs may request permission from the SBRC to levy additional property taxes to fund the program. Up to 75.0% of the program's budget may be funded through the MSA, which comes from property taxes, with the remaining 25.0% supported by a school district's general fund. Under current law, school districts must file their request no later than January 15 of the budget year preceding the budget year for which the funds are being requested. The total estimated FY 2021 MSA for the programs is \$131.8 million.

Assumptions

- For FY 2021, four school districts are eligible for review by the SBRC.
- It is not known if the SBRC will approve the four eligible districts for FY 2021.

Fiscal Impact

[House File 2418](#) as amended has no fiscal impact to the State. There may be an estimated increase of up to \$1.0 million in FY 2021 in local property taxes if the SBRC grants MSAs for the eligible school districts. The following table shows the four school districts and eligible amounts.

HF 2418 as Amended

School District	Eligible MSA
Alta-Aurelia	\$ 275,472
Carroll	463,432
Clarinda	170,555
Collins-Maxwell	110,564
Total	<u>\$ 1,020,023</u>

Source

Department of Education

/s/ Holly M. Lyons

June 11, 2020

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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