



[HF 2653](#) – Educational Requirements, Waiver (LSB6324HV)
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Fiscal Note Version – New

Description

[House File 2653](#) authorizes specific school districts to use revenue from the district management levy to pay the costs of retention bonus payments to employees for the school year beginning July 1, 2024. Eligible school districts are required to have been the subject of a Proclamation of Disaster Emergency issued by the Governor on January 8, 2024. Under this provision, affected school districts are permitted to spend up to \$700,000 and are prohibited from raising the amount of the district management levy to make retention payments. This provision is repealed July 1, 2025. The Bill requires the State Board of Education and the State Department of Education to waive specified educational duties, responsibilities, and requirements for the specified school districts for the 2023-2024 school year.

The Bill takes effect upon enactment.

Background

On January 8, 2024, the Governor issued a [Proclamation of Disaster Emergency](#) for the Perry Community School District (CSD) in Dallas County. Under Iowa Code section [29C.6](#), a Proclamation of Disaster Emergency authorizes the use and deployment of all available State resources, supplies, equipment, and materials as are reasonably necessary to assist those citizens in the county or counties affected. Iowa Code chapter [29C](#) describes the powers and requirements associated with emergency management and security.

A school district may annually certify a tax on all taxable property of the school district for the management levy. There are no levy rate restrictions. The district's board of directors is empowered to create a district management levy through Iowa Code section [298.4](#) to be used to pay for the following purposes:

- Unemployment benefits.
- Payments of liability insurance premiums.
- Costs of judgments or settlements related to tort liability.
- Insurance agreements.
- Early retirement benefits.
- Mediation and arbitration, including but not limited to legal fees associated with such acts.

The FY 2024 management levy for the Perry CSD is 2.19767 per \$1,000 in assessed property value. Based on preliminary FY 2023 information from the Iowa Association of School Boards (IASB), Perry CSD had \$882,000 in the district's management levy fund.

Assumption

Expenses that may be made from the district management levy for retention bonuses are unknown.

Fiscal Impact

House File 2653 permits the spending of up to \$700,000 from a school district's management levy to pay for employee retention bonuses. The fiscal impact of the Bill is unknown.

Sources

Department of Revenue
Iowa Association of School Boards
Iowa League of Cities

/s/ Jennifer Acton

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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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