

FEB 11 2003

EDUCATION

HOUSE FILE 164
BY FREVERT

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to utilization of the district management levy to
2 pay the cost of employee health insurance benefits.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 164

1 Section 1. Section 296.7, subsection 3, Code 2003, is
2 amended to read as follows:

3 3. A Except as provided in section 298.4, a school
4 district, providing an insurance program as described in
5 subsection 2, shall not contract indebtedness and issue
6 general obligation bonds or enter into insurance agreements
7 obligating the school district to make payments beyond its
8 current budget year for that employee benefit plan. A school
9 district may, however, apply to the school budget review
10 committee for relief if necessitated by the expenses in the
11 school district's insurance program as described in subsection
12 2.

13 Sec. 2. Section 298.4, Code 2003, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 6. To pay the cost of employee health
16 benefits. For the purposes of this subsection, employee
17 health benefits shall refer to costs for hospital and
18 surgical, medical expense, major medical, dental, or
19 prescription drug benefits. In authorizing a levy pursuant to
20 this subsection, the board may, and upon the written request
21 of not less than one hundred eligible electors or thirty
22 percent of the number of eligible electors voting at the last
23 regular school election, whichever is greater, shall, direct
24 the county commissioner of elections to provide for submitting
25 the proposition of utilizing the management levy for employee
26 health benefits in the notice of the regular school election.
27 The proposition is adopted if a majority of those voting on
28 the proposition at the election approves it. The district
29 management levy may, in the board's discretion, be utilized to
30 fund all, or a portion, of the district's employee health
31 benefit costs. Authorization to levy pursuant to this
32 subsection shall be in the board's discretion and shall not be
33 subject to or imposed by arbitrator decision.

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EXPLANATION

35 This bill provides that the district management levy

1 authorized in Code section 298.4 may be utilized by a school
2 district to pay the cost of school district employee health
3 benefits. The bill provides that employee health benefits
4 include the costs for hospital and surgical, medical expense,
5 major medical, dental, or prescription drug benefits. These
6 benefits were previously specifically excluded from the list
7 of insurance benefits for which a school district is
8 authorized to contract indebtedness and issue general
9 obligation bonds pursuant to Code section 296.7.

10 The bill provides that the school district board of
11 directors may, and upon the written request of not less than
12 100 eligible electors or 30 percent of the number of eligible
13 electors voting at the last regular school election, whichever
14 is greater, shall, submit the proposition of utilizing the
15 management levy for employee health benefits in the notice of
16 the regular school election. The proposition would be subject
17 to a majority vote. The bill provides that authorization to
18 levy for employee health benefits shall be in the board's
19 discretion, and shall not be subject to or imposed by the
20 decision of an arbitrator.

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