

**House File 2001 - Introduced**

HOUSE FILE 2001

BY FREVERT, WENDT, WINCKLER,  
MASCHER, TAYLOR, MURPHY, D.  
OLSON, and BUKTA

**A BILL FOR**

1 An Act relating to utilization of the district management levy  
2 to pay the cost of employee health insurance benefits.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 296.7, subsection 3, Code 2009, is  
2 amended to read as follows:

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

12 Sec. 2. Section 298.4, Code 2009, is amended by adding the  
13 following new subsection:

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

34 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 defines employee health benefits as  
4 the costs for hospital and surgical, medical expense, major  
5 medical, dental, or prescription drug benefits. These  
6 benefits were previously specifically excluded from the list of  
7 insurance benefits for which a school district is authorized  
8 to contract indebtedness and issue general obligation bonds  
9 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  
12 than 100 eligible electors or 30 percent of the number of  
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 at the regular  
16 school election or at a special election held in September of  
17 the even-numbered year. The proposition would be subject to a  
18 majority vote of the electors voting on the proposition. The  
19 bill provides that authorization to levy for employee health  
20 benefits shall be in the board's discretion and shall not be  
21 subject to or imposed by the decision of an arbitrator.