

**Senate File 2043 - Introduced**

SENATE FILE 2043  
BY EVANS

**A BILL FOR**

1 An Act relating to school district general fund flexibility  
2 accounts by expanding eligible funding sources and modifying  
3 expenditure approval requirements.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 257.10, subsection 9, Code 2026, is  
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. e. If all requirements for the school  
4 district for the use of funds calculated under this subsection  
5 are met and funds received under this subsection remain  
6 unexpended and unobligated at the end of a fiscal year beginning  
7 on or after July 1, 2026, the school district may transfer all  
8 or a portion of such unexpended and unobligated funds for deposit  
9 in the school district's flexibility account established under  
10 section 298A.2, subsection 2.

11 Sec. 2. Section 298A.2, subsection 2, paragraph a, Code 2026,  
12 is amended by adding the following new subparagraph:

13 NEW SUBPARAGRAPH. (5) Teacher salary supplement funds  
14 received under section 257.10, subsection 9.

15 Sec. 3. Section 298A.2, subsection 2, paragraph d, Code 2026,  
16 is amended to read as follows:

17 d. Expenditures from the flexibility account shall be  
18 approved by resolution of the board of directors of the school  
19 corporation and shall be included in the budget certified in  
20 accordance with chapter 24. ~~Before the board of directors may~~  
21 ~~adopt the resolution approving expenditures from the flexibility~~  
22 ~~account, the board shall hold a public hearing on the proposed~~  
23 ~~resolution. The proposed resolution must state the original~~  
24 source and purpose of the funds, the proposed use of such  
25 funds, the amount of the proposed expenditure, and the fiscal  
26 year from which the transfer of such funds to the flexibility  
27 account occurred. The ~~proposed~~ resolution must also include a  
28 certification that the statutory requirements for each original  
29 source of the money proposed to be used have been met, have been  
30 repealed, or are no longer in effect. ~~The board shall publish~~  
31 ~~notice of the time and the place of the public hearing in the~~  
32 ~~same manner as required in section 24.9. The department of~~  
33 ~~education shall prescribe the form for public hearing notices.~~  
34 A copy of the resolution shall be provided by the board to the  
35 department of education and shall be made available by the board

1 for any audit performed under chapter 11.

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EXPLANATION

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The inclusion of this explanation does not constitute agreement with

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the explanation's substance by the members of the general assembly.

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This bill relates to school district general fund flexibility  
6 accounts.

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The bill expands the list of eligible funding sources that may  
8 be transferred into a school district's general fund flexibility  
9 account to include teacher salary supplement funds calculated  
10 under Code section 257.10(9). The bill authorizes school  
11 districts to transfer any unexpended and unobligated teacher  
12 salary supplement funds at the end of a fiscal year beginning  
13 on or after July 1, 2026, into the school district's flexibility  
14 account, provided all requirements for the use of those funds are  
15 met.

16

The bill also removes the requirement that a school district  
17 hold a public hearing and publish a notice before approving  
18 expenditures from a general fund flexibility account. The bill  
19 retains board resolution and reporting requirements.