School District Flexibility Accounts and Categorical Balances

School Finance Formula Review Committee

December 13, 2019

Iowa Department of Education

Overview

- Categorical funding means financial support from state and federal governments that is targeted for particular categories of students, special programs, or special purposes
  - Support in addition to school district or area education agency general purpose revenue, beyond the basic educational program, and most often has restrictions on use
- Numerous categorical funds are tracked by the Department of Education, including federal, state, and local sources
  - State and local source categorical balances are posted on Department's web site annually
- Three specific categorical funds (as well as any discontinued fund) allow for transfer to a district flexibility account, which is also considered categorical

Categorical Flexibility (Use) Expansions

- HF 564 (2017)
  - Statewide Voluntary Preschool Program (SWVPP)
  - Professional Development (PD) Supplement
- HF2441 (2018)
  - Early Intervention/Class Size Supplement
  - Home School Assistance Program (HSAP)
  - At-Risk and Dropout Prevention
  - Child Care Fund

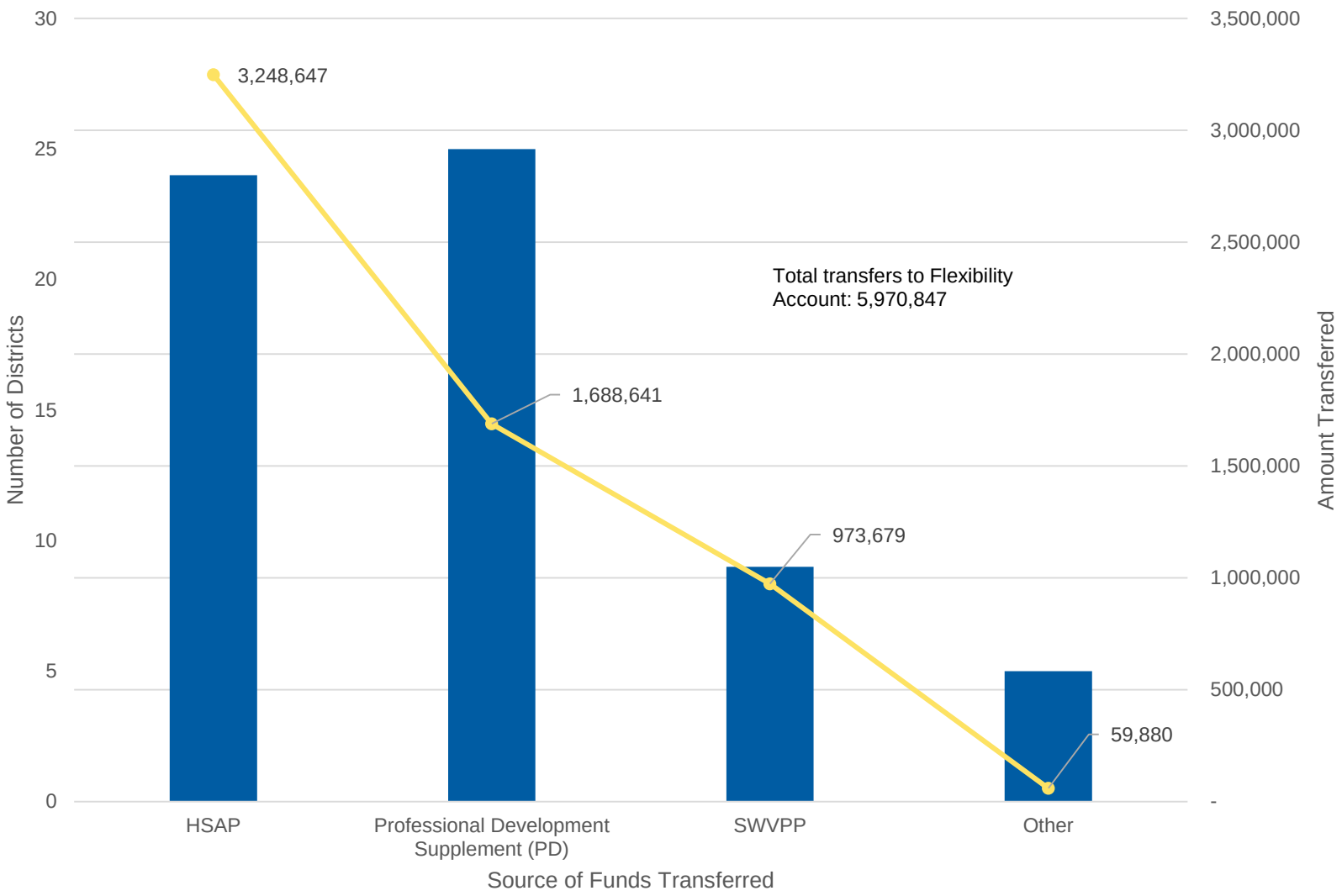
Flexibility Account

Iowa Code § 298A.2(2)

Process for Flexibility Account Use

- Determine unexpended, unobligated amount at the end of the fiscal year for the eligible source
  - Verify purpose and requirements for the source of funds have been met
- Transfer desired amount from original source to the flexibility account (board action)
- Notify public and hold public hearing regarding proposed allowed use
- Present and pass resolution (including required content)
  - Original source and purpose of the funds; the proposed use of such funds; the amount of the proposed expenditure; the fiscal year from which the transfer of such funds to the flexibility account occurred; and certification that the statutory requirements for each original source of the money proposed to be used have been met, have been repealed, or are no longer in effect
- Expend funds from the flexibility account

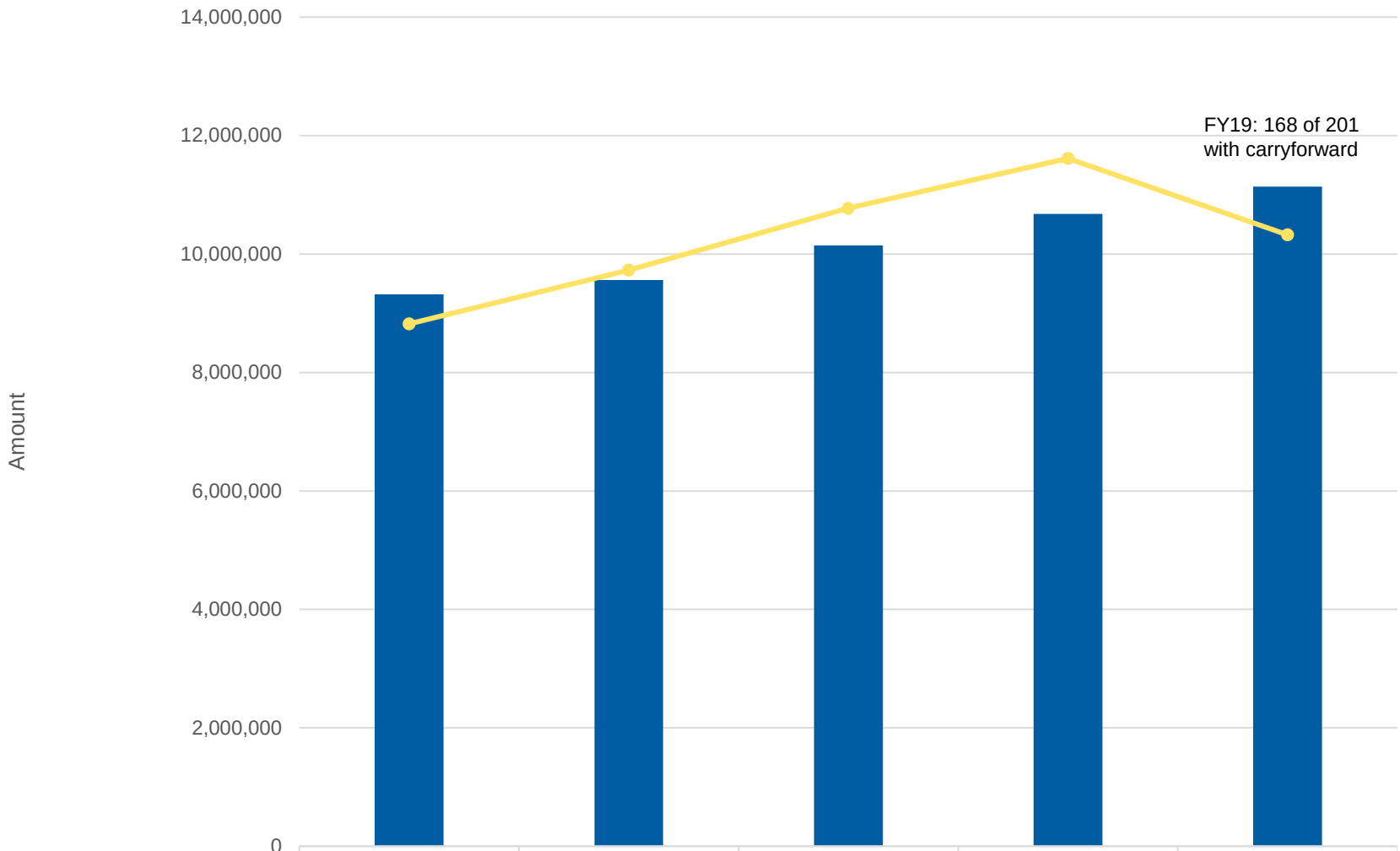
FY19 Transfers to Flexibility Acct by Source



FY19 Flexibility Account Expenditures

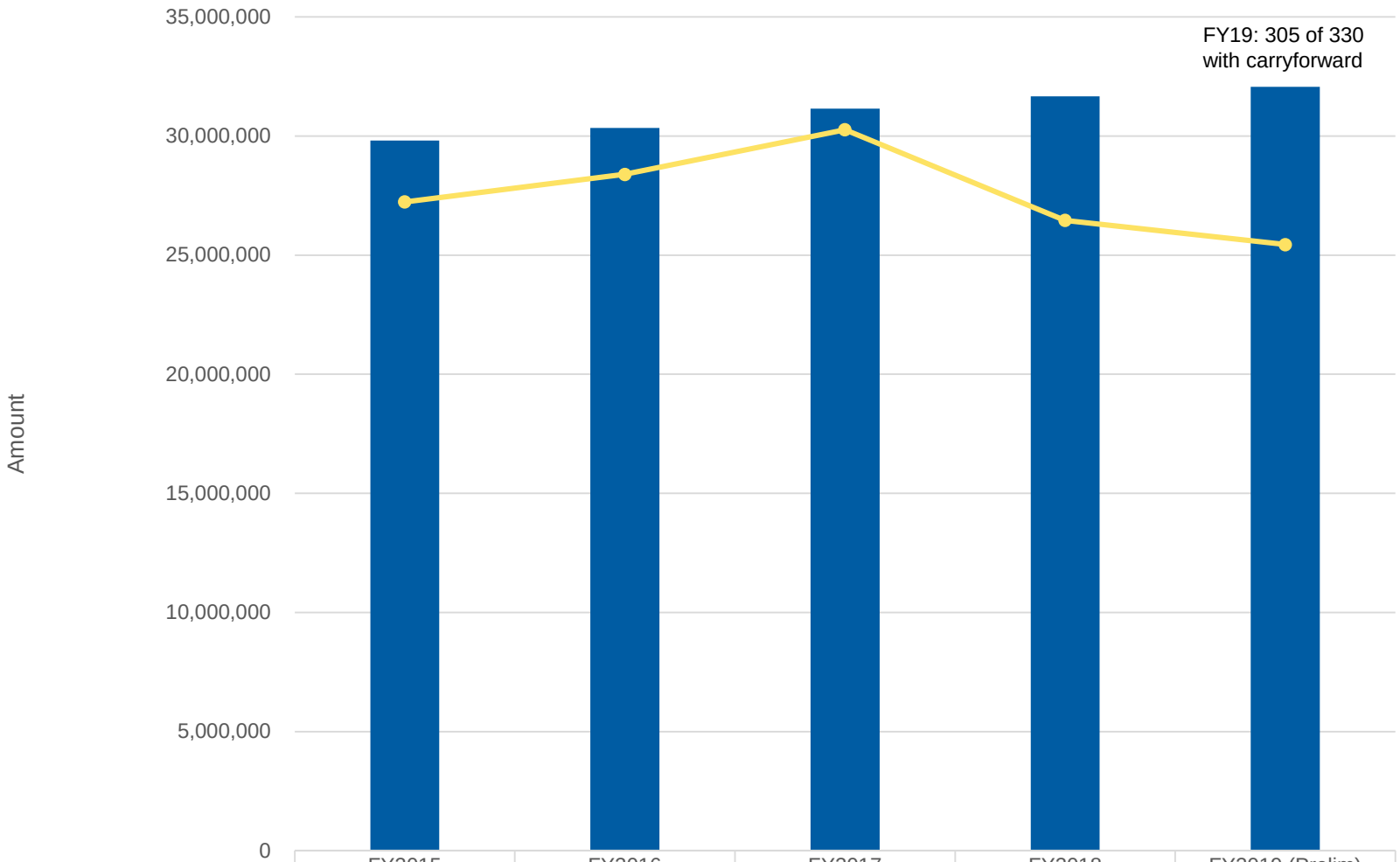
Use	Amount	Percentage of Expenditures
Salaries	970,209	35.5%
Benefits	238,593	8.7%
Purchased Professional and Technical Services not from another AEA or LEA	317,170	11.6%
Purchased Property Services (equipment repair)	4,995	0.2%
Other Professional Services (printing, tuition)	20,239	0.7%
Supplies (general supplies, energy, books)	769,047	28.1%
Property (equipment)	409,647	15.0%
Debt Services and Miscellaneous Objects (dues and fees)	4,339	0.2%
Total	**2,734,237**	

HSAP Funding and Carryforward



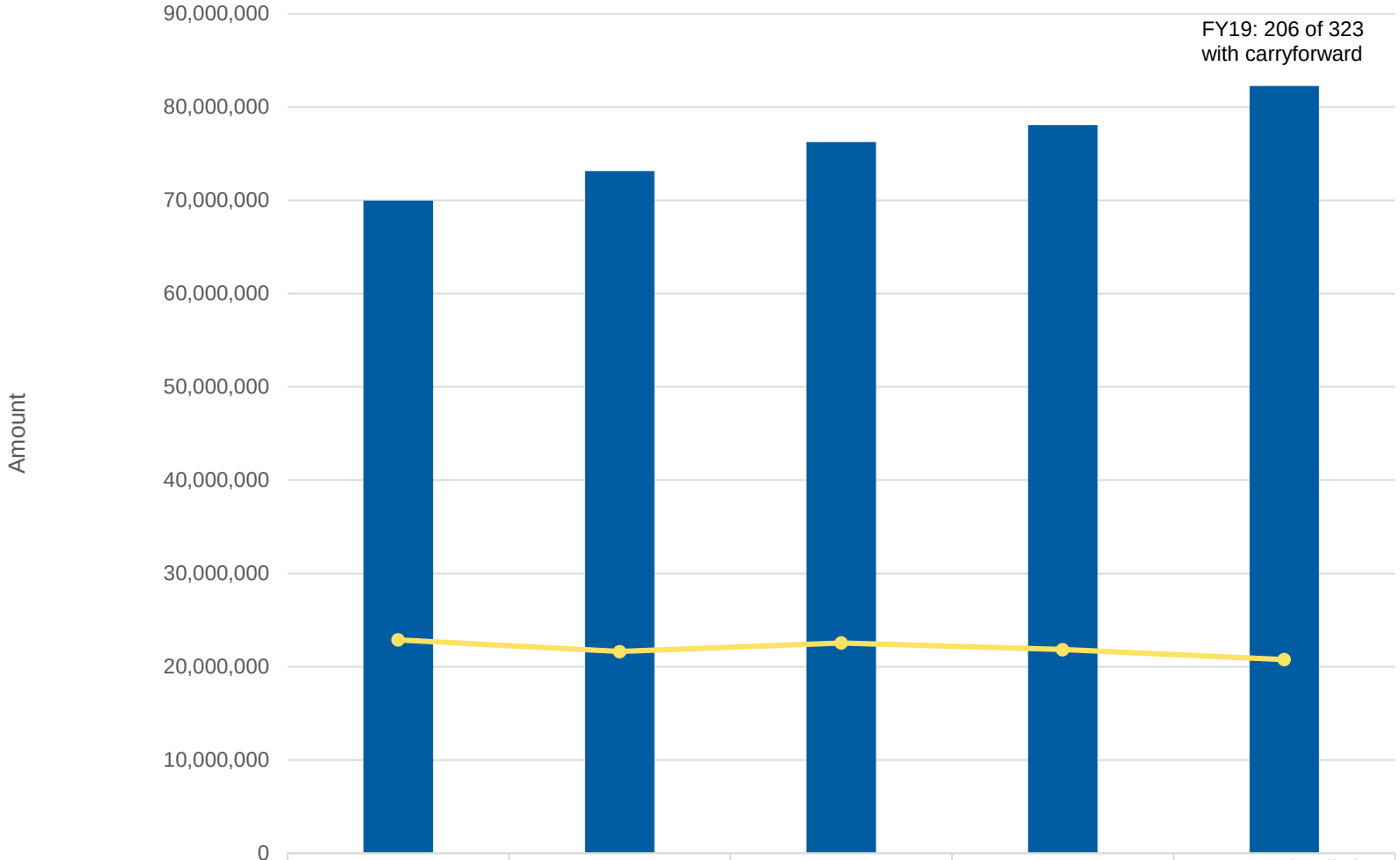
	FY2015	FY2016	FY2017	FY2018	FY2019 (Prelim)
Statewide Funding	9,320,528	9,563,102	10,143,985	10,680,185	11,139,235
Statewide Carryforward	8,823,316	9,730,068	10,775,357	11,616,657	10,326,784

PD Funding and Carryforward



	FY2015	FY2016	FY2017	FY2018	FY2019 (Prelim)
Statewide Funding	29,809,229	30,343,926	31,153,506	31,662,400	32,059,802
Statewide Carryforward	27,236,697	28,390,034	30,263,941	26,457,688	25,444,741

SWVPP Funding and Carryforward



	FY2015	FY2016	FY2017	FY2018	FY2019 (Prelim)
Statewide Funding	69,955,725	73,129,870	76,261,242	78,052,100	82,256,664
Statewide Carryforward	22,888,362	21,624,299	22,553,223	21,842,017	20,775,639

Additional Comments

Discussion from ISFIS

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