

JAN 19 2005
EDUCATION

HOUSE FILE 79
BY FREVERT, WENDT, D. OLSON,
BUKTA, and WINCKLER

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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1 Section 1. Section 296.7, subsection 3, Code 2005, 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 2005, 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 means costs for hospital and surgical, medical
18 expense, major medical, dental, or prescription drug benefits.
19 In authorizing a levy pursuant to this subsection, the board
20 may, and upon the written request of not less than one hundred
21 eligible electors or thirty percent of the number of eligible
22 electors voting at the last regular school election, whichever
23 is greater, shall, direct the county commissioner of elections
24 to provide for submitting the proposition of utilizing the
25 management levy for employee health benefits in the notice of
26 the regular school election. The proposition is adopted if a
27 majority of those voting on the proposition at the election
28 approves it. The district management levy may, in the board's
29 discretion, be utilized to fund all, or a portion, of the
30 district's employee health benefit costs. Authorization to
31 levy pursuant to this subsection shall be in the board's
32 discretion and shall not be subject to or imposed by
33 arbitrator 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 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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