

EDUCATION

FILED JAN 10 2005

SENATE FILE

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BY KIBBIE and CONNOLLY

Passed Senate, Date \_\_\_\_\_

Passed House, 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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EDUCATION

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 shall refer to costs for hospital and  
18 surgical, medical expense, major medical, dental, or  
19 prescription drug benefits.

20 EXPLANATION

21 This bill provides that the district management levy  
22 authorized in Code section 298.4 may be utilized by a school  
23 district to pay the cost of school district employee health  
24 benefits. The bill provides that employee health benefits  
25 include the costs for hospital and surgical, medical expense,  
26 major medical, dental, or prescription drug benefits. These  
27 benefits were previously specifically excluded from the list  
28 of insurance benefits for which a school district is  
29 authorized to contract indebtedness and issue general  
30 obligation bonds pursuant to Code section 296.7.

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