



# School Business Alert

October 2016

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## FINANCIAL

### Title II, Part A – Nonpublic Schools Allocation

Public and nonpublic schools have been provided the 2016-2017 allocation for nonpublic schools available for professional development (PD) services. The information included the formula, per pupil allocation, and total nonpublic schools allocation per district/school. Districts are reminded that the allocation for nonpublic schools PD services only determines the minimum per pupil allocation; it is a district decision whether to allocate more than the formula-derived minimum allocation to the nonpublic schools. This decision may occur during the consultation process in which public and nonpublic schools discuss PD services and ways to collaborate. For questions, contact [Isbelia Arzola](#), 515-281-3954.

### Chart of Accounts Uploads

The Bureau of Finance, Facilities, Operation and Transportation Services (FFOTS) recommends that districts upload their full Chart of Accounts (COA) into the CAR-2016 COA Test Records each month and resolve Stages 1 and 2 edits. Even though the application has not been updated for the 2017 business rules, there are normally very few changes from year to year. Districts can take this opportunity to identify negative accounts and incorrect coding by reviewing Stage 1 on a regular basis and not letting it accumulate to the end of the fiscal year.

Contact: [Denise Ragias](#), 515-281-4741.

## Chart of Accounts Reports

The Budget Crosswalk and AEA Crosswalk are now available under Reports in the FY16 CAR on the [EdPortal](#). Work continues on the drill down detail for these reports and will be pushed out when complete. Work also continues on the Create Your Own Report; however, users may go to the [FY15](#) CAR Create Your Own Report and enter the year of 2016 in the criteria and it will work. We are aware that users would like a properly formatted pdf version for reports, and this is also on the list of changes and enhancements. Contact: [Denise Ragias](#), 515-281-4741 or [Janice Evans](#) at 515-281-4740.

## Teacher Leadership and Compensation

As more districts are entering their second year of funding for Teacher Leadership and Compensation (TLC), please keep in mind that the grant (Project 3387) funding and the State Aid (Project 3116) funding are two different categoricals even though the uses are similar. These must remain as two different funding streams. Do not try to crosswalk the grant money to the State Aid project code. Use the grant funding first by expending it until the fund balance is zero and then move on to using the newer money.

Contact: [Denise Ragias](#), 515-281-4741 or [Janice Evans](#) at 515-281-4740.

## Institute of Education Sciences Releases First Look Report on Revenues and Expenditures

The Institute of Education Sciences (IES), which is part of the United States Department of Education, has released its annual report on revenues and expenditures in public elementary and secondary schools for school year 2013-2014. Fiscal Year (FY) 14 showed an increase in expenditures per pupil over FY13. Previously, there had been a decrease from FY12 to FY13. At the state level, there is quite a variance in amounts spent per pupil. The Certified Annual Reports (CARs) that you file and the CAR equivalents that districts in other states file, are the basis for this comparative report. To view the full report, visit the National Center for Education Statistics [webpage](#).

# SCHOOL BUDGET REVIEW COMMITTEE

## School Budget Review Committee Work Session

The SBRC met for a work session in August to discuss general topics that have implications on SBRC decisions in the coming year. The members focused on issues with unspent balances. They discussed the impact of carryover categorical balances on unspent balances and the potential masking of negative balances. The Iowa Association of School Boards (IASB) and the Iowa School Finance Information Services (ISFIS) presented to the SBRC members on what their organizations were providing to help districts create financial plans and monitor those plans in order to avoid incurring negative unspent balances. The members liked the idea that all districts have at least five-year financial plans and expressed an intent to convey their expectations regarding financial plans in relationship to negative unspent balances and requests for modified supplemental amount (MSA) to districts (refer to the article below). The committee also discussed how it would monitor districts making MSA requests if the district had what would appear to be a sufficient unspent authorized balance; for example, more than \$5 million or more than 15 percent of the prior year's expenditures.

The Iowa Department of Education presented a change needed for districts that request use of the unexpended General Fund balance (called Secretary's balance) for construction; where the districts will need to submit a follow-up report after the construction is completed.

## Expectation for Five-Year Budget Projection

The School Budget Review Committee (SBRC) has requested that districts be reminded of the importance of—and expectation for—good budget projections.

Good projections allow districts to offer a more stable environment for teachers and students, avoiding the disruptions that can result when large financial problems must be solved in a short window of time.

Long-term (five year) projections should always frame the board's annual budget development process. They should be shared with the board along with discussion about the key assumptions that are being made, and the rationale behind those assumptions. At a minimum, the disclosure and discussion should cover assumptions about:

- Enrollment changes expected each year;
- Revenues, including supplemental state aid expected to be received each year;
- Expenditures; and
- The district's goal (or goal range) for its unspent authorized budget (UAB) or UAB percentage.

No one has a crystal ball; however, it is usually possible to determine whether or not key assumptions are reasonable.

The SBRC expects that a more widespread use of five-year projections will cut down on the number of districts that find themselves in financial difficulty. For those who do appear before the committee, the SBRC will expect to see a five-year projection (with key assumptions identified and explained) that demonstrates how the workout plan being presented will lead to a sustainable, positive result.

### School Budget Review Committee Meeting Oct. 4

The SBRC met in regular session to hold hearings on Oct. 4. It was a short session with discussion of a letter to the field, and to take action on districts and area education agencies (AEAs) that were late filing financial reports, whole-grade-sharing districts making progress toward reorganization, and a district that had recently opened a new school building. Review the summary of final action on the SBRC [website](#).

## GENERAL INFORMATION

### Job Opening Announcement—Administrator, Division of School Finance and Support Services

Jeff Berger is no longer with the Department. Please direct any questions you would have submitted to Jeff to [Marcia Krieger](#). She will ensure you receive a prompt response. The focus during the weeks ahead is ensuring the Department continues to provide consistent, high-quality service to those within the agency and to our many external stakeholders that provide support and leadership for the students of Iowa every day.

The Department's intent is to fill this vacancy as soon as possible. The job description for the Administrator, Division of School Finance and Support Services, as well as the necessary paperwork to apply for the position, has been posted at [TeachIowa.gov](#). The deadline to apply is October 25.

### Finance Roundtable to Meet

The Department will convene the Finance Roundtable on the morning of Oct. 26. The Finance Roundtable is a group focused on addressing issues related to school finance and funding. The primary focus of this group is to ensure good flow of information while creating a forum for addressing any issues that exist. Representation on this group is by invitation, but major stakeholder groups, as well as various school district representatives, participate in these meetings. For additional information, contact [Tom Cooley](#), 515-725-1120.

### Finance, Facilities, Operation and Transportation Services Frequently Asked Questions Project

The Bureau of Finance, Facilities, Operation and Transportation Services has continued working to restore the Frequently Asked Questions (FAQs) from the previous Department website. The previous website had a section for individual questions and answers rather than separate documents on the related webpages. Relevant FAQs are being restored as documents by topic, which will be easier to find and use and can be made accessibility compliant. The documents are being placed on the webpage of similar information regarding each topic. Last year, the bureau completed and posted the FAQs related to Disaster Recovery, SAVE, Management Fund, and updated the Across-the-Board Cuts FAQ for internal use. This year, they have completed and posted FAQs related to Student Activity Fund, Foreign Students, and Instructional Support Program implementation. The bureau also updated the Physical Plant and Equipment Levy (PPEL) FAQ for a change in Code, and moved the Talented and Gifted (TAG) and Assistive Technology individual FAQs into posted documents for other units. Additionally, the bureau assisted the Department's early childhood staff in updating its

FAQ on the Statewide Voluntary Preschool Program (SWVPP). Soon, an updated FAQ for Voter-Approved Physical Plant and Equipment Levy (VPPEL) implementation, and for Tuition and Fees will be posted.

The next projects are to update and expand the FAQs regarding special education fiscal and other non-program issues, and to update and transfer the individual school transportation FAQs into a posted document. If you have other FAQs that you have been waiting to have restored to the website and would like them prioritized, please contact [Su McCurdy](#).

## Medicaid

### Webinar Dates and Recording

Review and updates regarding Medicaid will be provided via a Zoom Webinar. A recorded version will be posted later this month. To attend a webinar, registration is needed. Please send an email to [Jim Donoghue](#) if you wish to receive the link to the recorded version. Webinar dates are provided below:

### October Training Dates

Tuesday, Oct. 18 from 9 to 10 a.m.

Wednesday, Oct. 26 from 3 to 4 p.m.

### Reminder to Re-enroll

If you haven't already completed the submission to re-enroll, the second [notification](#) was issued Sept. 19. Please open the Sept. 19 letter at the link above, then open Letter 1702 at the bottom and follow the instructions for submitting the Designated Contact Person form. You have until Dec. 31 to reenroll. School districts complete renewal electronically on [Iowa Medicaid Portal Access](#). There is no fee.

## TRANSPORTATION

### Environmental Protection Agency School Bus Rebates Available

The United States Environmental Protection Agency (EPA) is announcing the availability of approximately \$7 million in rebates to public school bus fleet owners to help them replace or retrofit older school buses. Upgrading buses with older engines reduces diesel emissions and improves air quality. EPA will accept applications from Sept. 29 to Nov. 1, 2016. This is the fourth rebate program to fund cleaner school buses offered under the Diesel Emission Reduction Act (DERA) reauthorization. Nearly 25,000 buses across the country have already been made cleaner as a result of DERA funding. In a recent round, seven of the 76 schools selected to receive rebates were from Iowa, bringing a total of \$185,000 into our state.

To learn more about the rebate program, applicant eligibility, selection process, and informational webinar dates, visit: [School Bus Rebates](#). Questions about applying may be directed to [Clean Diesel Rebate](#).

## APPLICATIONS

### Title II, Part A – Due Oct. 15

The Title II, Part A FY17 application was due Oct. 15. If an extension is needed to Nov. 16, please contact [Isbelia Arzola](#). School districts will need to access the Title II, Part A application on [IowaGrants.gov](#). To access the application, you must have an A&A account. If you have not used IowaGrants.gov before, you must also register under "New Users Register Here." Click on funding opportunities, scroll down, click on "Title II, Part A Application FY17 – Improving Teacher Quality Grants."

Please see the [Title II, Part A webpage](#) for steps needed to complete the application. If you have any questions regarding the allocations or the application, contact [Isbelia Arzola](#), 515-281-3954.

## School Board Officers Report – Due Nov. 1

If you have not already done so, be sure to enter your new board officers and any changes in financial leadership in your district or AEA as soon as those changes are known, and before Nov. 1. The data collection is currently available on the [EdPortal](#). Questions may be addressed to [Marcia Krieger](#), 515-281-5293.

## School Associations Report – Due Nov. 14

Iowa Code 279.38 and 279.38A requires boards of school corporations that pay membership dues to the Iowa Association of School Boards or other organizations which directly relate to the functions of the board of directors, to report annually to the local community and the Department. The board must report the amount paid in annual dues to the organization, any fees paid and revenue or dividend payments received for services the board receives from the organization, and the products or services the school district received inclusive with the membership in the organization. The data collection is currently available on the [EdPortal](#). Instructions are located on the certification page of the report and posted on the School Association Reporting web page.

Questions may be sent to [Gary Schwartz](#), 515-281-4743.

## School Budget Review Committee Requests for Modified Supplemental Amounts – Due Dec. 1

### SBRC Application

The SBRC Application is currently open and available for requesting Modified Supplemental Amounts (MSA) in the following areas:

- a. **Increasing Enrollment** – for districts showing fall 2016 actual enrollment (formerly known as row 7) greater than fall 2015 actual enrollment.
- b. **Open Enrollment Out** – students identified as open enrolled out in fall 2016 who were not included in the district's fall 2015 certified enrollment count, minus any increase in enrollment described in paragraph a. above.
- c. **Limited English Proficient (LEP) Instruction Beyond 5 Years** – for resident students included in fall 2016 certified enrollment who have already received the maximum English language learner (ELL) supplementary weighting and who are continuing to receive ELL instructional services.

This application is prepopulated from your district's certified enrollment and Student Reporting in Iowa (SRI) submission. In order to complete a request:

- Verify the accuracy of the data.
- Enter the amount of a request.
- Certify the application.
- Add the requests as action items to the next board meeting's agenda.
- Upload the board minutes following the meeting. The upload feature is located on the SBRC Application page.

Although the deadline for this application as stated in Iowa Code is Dec. 1, your cooperation in completing this request in Nov. will ensure timely presentations at the Dec. 13 SBRC hearing.

Directions in both [written](#) and [video](#) format for completing the SBRC Application can be found at the links provided.

### LEP Allowable Costs Application

This is a reminder for districts that certified the LEP Allowable Costs application asking for an SBRC request greater than \$0 to send a copy of your board minutes showing the board's approval. At this time, there is no upload feature within the LEP Allowable Costs application, so minutes must be emailed directly to [Carla Schimelfenig](#). If the board action approving the LEP Allowable Costs SBRC request occurs at the same board meeting as any of the three SBRC requests described above, it is sufficient to simply upload one copy of the board minutes through the upload feature found in the SBRC Application.

A district can request up to the maximum amount calculated on each section of the two applications; however, it is not required to make a request—it is entirely a decision of the local school board. Both applications are located in the [EdPortal](#). All districts with certified applications and board minutes will be presented as class actions; no district is required to appear.

Contact [Carla Schimelfenig](#), 515-242-5612 with any questions regarding either the SBRC Application or the LEP Allowable Cost application.

## UPCOMING DEADLINES

Due Date	What's Due
Nov. 1	School Board Officers Report Due
Nov. 10	Exhibits Due for the Dec. School Budget Review Committee Meeting
Nov. 14	School Associations Report Due
Dec. 1	SBRC Application for MSA for Increased Enrollment, Open Enrollment Out, and Limited English Proficient Beyond Five Years of Weighting for Districts that want MSA Due
Dec. 1	First Semester Parental Claim Forms for Nonpublic Transportation Reimbursement Due

[Click](#) to access current and past issues of the School Leader Update.

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If you have suggestions for future SBA articles,  
please submit to [Marcia Krieger](#).

# IOWA DEPARTMENT OF EDUCATION

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