

EDUCATION

FILED JAN 30 '07

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SENATE FILE

BY CONNOLLY and KIBBIE

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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1 Section 1. Section 296.7, subsection 3, Code 2001, 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 2001, 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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