



FY 2021 Special Education Fund Balances and Modified Supplemental Amount (MSA) Totals

Iowa law provides that the School Budget Review Committee (SBRC) approve a modified supplemental amount (MSA), additional spending authority, to districts that have a negative special education fund balance. Negative special education balances occur when the costs of providing special education services is more than the revenue provided for those services, thus requiring districts to use regular program funding to cover the costs. Additionally, if a district has a positive balance above 10% of the special education weighted funding generated for the fiscal year, the law requires the portion above 10% to be redistributed to districts with a negative special education balance.

For FY 2021, the SBRC approved MSA totaling \$142.7 million to 269 districts (82.3%). The MSA amount decreased by nearly \$20 million from FY 2020 (the first decrease in 10 years). It's important to note that although the SBRC grants MSA for districts with a negative balance, funding to back that additional spending authority will come from a district's unobligated fund balance and local property tax dollars as districts replenish their unobligated fund balance with board approved future cash reserve levies.

Additionally, it was reported that a total of 58 districts had a positive balance (totaling \$5.5 million), including 26 districts with special education funds in excess of the 10.0% maximum that will be required to have those funds in excess of the 10.0% level be redistributed to districts with a negative balance (\$2.2 million redistributed).

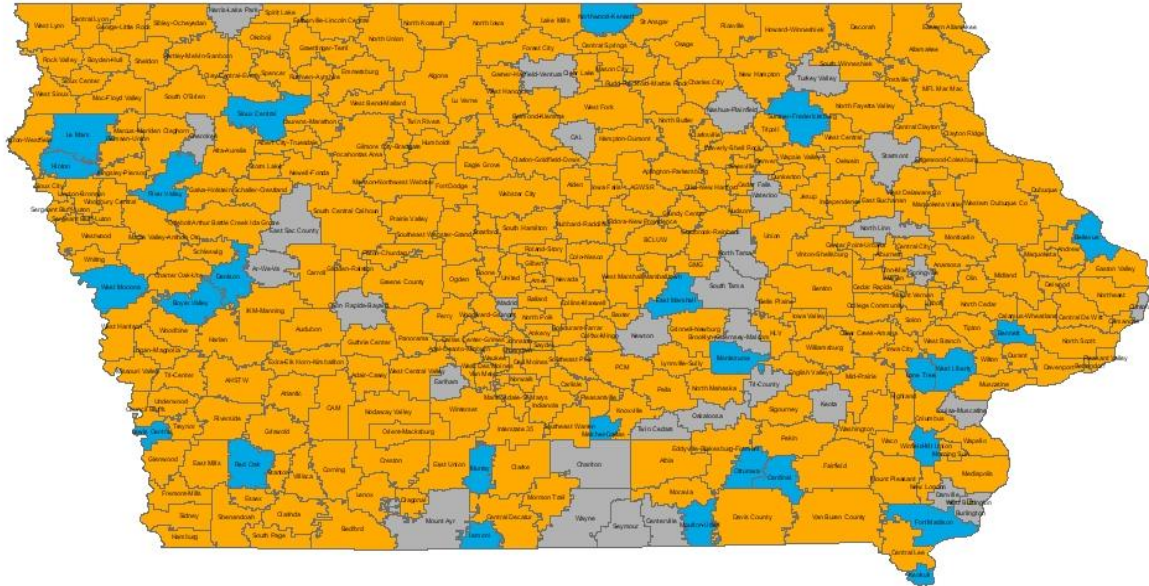
The following map provides information pertaining to the FY 2021 special education balances.

- [View a larger map](#)
- [See a list of all districts](#)



Iowa Association of School Boards Special Education Fund Balances - FY 2021

MSA Amount = \$142.7 Million
Total Positive Balance Amount = \$5.5 Million
Total Amount Redistributed = \$2.2 Million



Legend

District Special Education Fund Balance Status - FY 2021

- Districts with a Negative Balance - Requesting MSA (269 Districts)
- Districts with a Positive Balance (32 Districts)
- Districts with a Positive Balance and a Redistribution Amount (26 Districts)

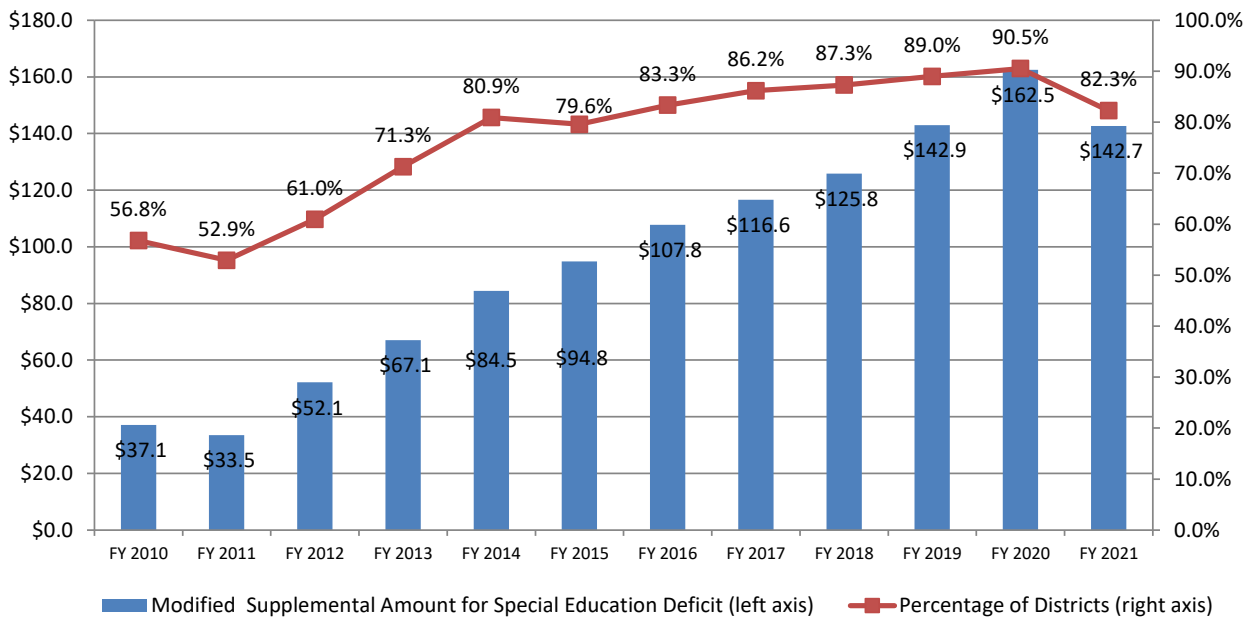
Notes:
Districts with a negative special education fund balance may request a modified supplemental amount (MSA) to recoup special education costs that exceed special education revenues.
Districts with a positive balance over 10.0% generated weighted dollars are required to have the funds in excess of 10.0% redistributed by the state to districts with a negative balance.

Sources:
Iowa Department of Education, Special Education Fund Bal. File
IASB analysis and calculations

Special Education Fund Balances – FY 2010 to FY 2021

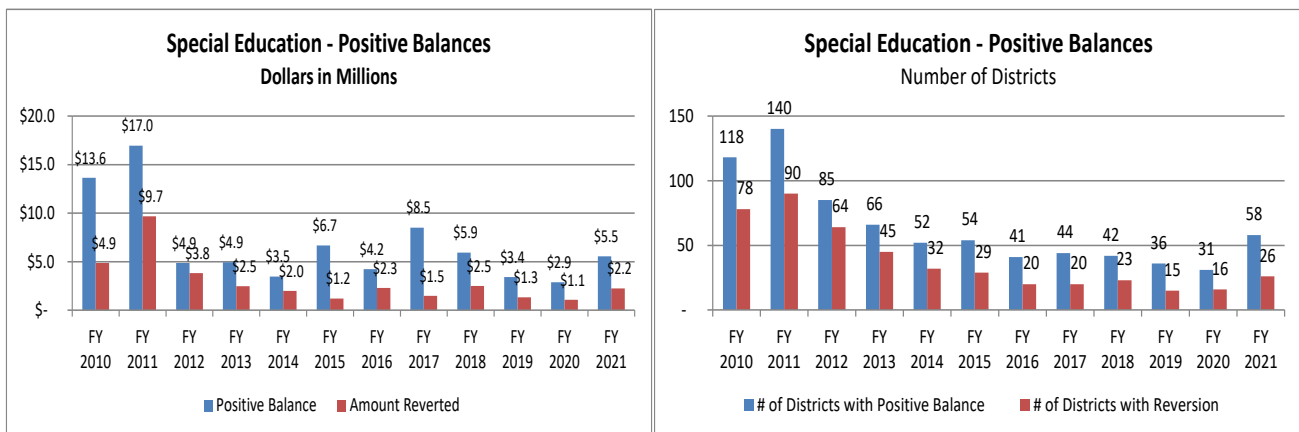
Special education negative fund balances declined for the first time since FY 2011. The FY 2021 MSA amount was approved at \$142.7 million. It's important for school boards to approve the request for MSA for negative special education balances because this allows the district to recoup spending authority used to cover the excess costs of special education instruction. The following graphic provides the total amount of MSA approved and the percentage of districts receiving MSA from FY 2010 to FY 2021.

**Modified Supplemental Amount for Special Education Deficits: Total Amount (in Millions) and Percentage of Districts
FY 2010 through FY 2021**



Source: Iowa Department of Education, SBRC Modified Supplemental Amount files

The following graphs provide information on the amount of special education positive balances, the amount reverted (or the amount redistributed to districts with negative balances), the number of districts with a positive balance, and the number that had a reversion amount.



Additional Information

IASB has the following information pertaining to Special Education Balances:

- [Special Education Fund Balance Comparison Tool](#) - This file provides special education fund balances and modified supplemental amounts for negative special education fund balances for all school districts. This tool also allows the user to compare their district with other districts.

- [Special Education Balance Calculator](#) - How can your district project what next year's special education balance might be? (Note that this is a projection tool and is geared for the superintendent, business manager, or special education director).