

CHAPTER 1233

SCHOOL FOUNDATION PROGRAM

H. F. 1121

AN ACT amending the state school foundation program by continuing the two hundred dollar per pupil minimum beyond the school year beginning in 1974, adjusting the method of determining enrollment in special education programs and in school districts which have a decreasing enrollment for the school years beginning July 1, 1974, and July 1, 1975, defining authorized expenditures, permitting districts to spend anticipated receipts from an income surtax before actual receipt, establishing, for the school years beginning in 1974 and 1975, that the state percent of growth will be eight percent and that no school district will receive less than the dollar equivalent of the state percent of growth, repealing the maximum millage reduction and a temporary provision, and making technical amendments.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section four hundred forty-two point one (442.1),
2 Code 1973, as amended by Acts of the Sixty-fifth General Assembly,
3 1973 Session, chapter two hundred fifty-eight (258), section one (1),
4 is further amended to read as follows:

5 442.1 State school foundation program. This chapter establishes
6 a state school foundation program. For each school year, each school
7 district in the state is entitled to receive state school foundation aid,
8 which shall be an amount per pupil equal to the difference between the
9 amount per pupil of foundation property tax in the district, and the
10 state foundation base or the district cost per pupil, whichever is less.
11 However, ~~for the school years beginning July 1, 1973, and July 1, 1974,~~
12 ~~only,~~ if the amount so determined for any district is less than two
13 hundred dollars per pupil, the district is entitled to receive not less
14 than two hundred dollars per pupil except when a district's total gen-
15 eral fund millage rate is reduced to ninety percent or less of the dis-
16 trict's total general fund millage rate for the school year beginning
17 July 1, 1970. In this case the district is entitled to receive only that
18 portion of the two hundred dollars per pupil necessary to retain that
19 ten percent reduction. In making computations and payments under
20 this chapter, the state comptroller shall round amounts to the nearest
21 whole dollar.

1 SEC. 2. Section four hundred forty-two point four (442.4), un-
2 numbered paragraphs one (1) and three (3), Code 1973, as amended
3 by Acts of the Sixty-fifth General Assembly, 1973 Session, chapter
4 two hundred fifty-eight (258), section three (3), are amended to read
5 as follows:

6 Except as otherwise provided in this section, enrollment shall be
7 determined by adding the resident pupils who are enrolled on the
8 second Friday of January in the base year or the second Friday of
9 September in the budget year, whichever number is larger, in public
10 elementary and secondary schools of the district, in public elementary
11 and secondary schools in another district or state for which tuition
12 is paid by the district, and in special education programs ~~for which~~
13 ~~tuition is paid by the district whether the special education program is~~
14 ~~conducted by a county board of education or another school district.~~
15 The September enrollment may be estimated for budget purposes but
16 actual enrollment shall be used for final computations. If actual Sep-
17 tember enrollment is higher than the enrollment estimated for the

18 certified budget, the certified budget may be amended as provided in
19 section twenty-four point nine (24.9) of the Code.

20 Shared-time and part-time pupils of school age, *irrespective of the*
21 *districts in which the pupils reside*, shall be counted as of the same
22 date in the proportion that the time for which they are enrolled or
23 receive instruction for the school year bears to the time that full-time
24 pupils carrying a normal course schedule, at the same grade level, in
25 the same school district, for the same school year, are enrolled and
26 receive instruction. *Tuition charges to the parent or guardian of any*
27 *shared-time or part-time out-of-district pupil shall be reduced by any*
28 *increased state aid, occasioned by the counting of said pupil.*

1 SEC. 3. Section four hundred forty-two point four (442.4), Code
2 1973, as amended by Acts of the Sixty-fifth General Assembly, 1973
3 Session, chapter two hundred fifty-eight (258), section three (3), is
4 amended by adding the following new unnumbered paragraph:

5 NEW UNNUMBERED PARAGRAPH. If a district has a decreasing
6 enrollment from the base year to the budget year, the state comp-
7 troller shall determine the final enrollment for purposes of computa-
8 tions under this chapter as follows:

9 1. For the budget year beginning July 1, 1974, by adding to the
10 actual enrollment as otherwise determined under this section an addi-
11 tional amount of enrollment equal to fifty percent of the decrease.

12 2. For the budget year beginning July 1, 1975, by adding to the
13 actual enrollment as otherwise determined under this section an addi-
14 tional amount of enrollment equal to fifty percent of the decrease to
15 the extent that the decrease is not more than five percent of the base
16 year's enrollment, and twenty-five percent of the decrease to the extent
17 that the decrease exceeds five percent of the base year's enrollment.

1 SEC. 4. Section four hundred forty-two point five (442.5), subsec-
2 tion two (2), Code 1973, as amended by Acts of the Sixty-fifth General
3 Assembly, 1973 Session, chapter two hundred fifty-eight (258), section
4 four (4), is further amended to read as follows:

5 2. ~~The proposed expenditures in a certified budget may not exceed~~
6 ~~the district cost for the budget year plus the anticipated miscellaneous~~
7 ~~income for the budget year and any unspent balance from the preced-~~
8 ~~ing year's budget. Actual~~ *The authorized expenditures during a school*
9 *year may not exceed the lesser of the budget for that year certified*
10 *under section twenty-four point seventeen (24.17) plus any allowable*
11 *amendments permitted in this section of the Code, or the sum of the*
12 *district cost for that year plus the actual miscellaneous income re-*
13 *ceived for that year and any plus the actual unspent balance from the*
14 *preceding year's budget year. If actual miscellaneous income for a*
15 *school year exceeds the anticipated miscellaneous income in the certi-*
16 *fied budget for that year, a school district may amend its certified*
17 *budget. A school district receiving voter approval to levy an income*
18 *surtax may include, in the expenditures of the year prior to actual*
19 *receipt of such funds, an estimation of the yield of the surtax rate.*
20 *Actual expenditures following the last effective year of the approved*
21 *surtax must be reduced by the amount of such estimate.*

1 SEC. 5. Section four hundred forty-two point seven (442.7), Code
2 1973, as amended by Acts of the Sixty-fifth General Assembly, 1973

3 Session, chapter two hundred fifty-eight (258), section six (6), is
4 further amended to read as follows:

5 **442.7 Allowable growth.** Each year the state comptroller shall
6 compute the state percent of growth by adding the percents of increase
7 for the second and third years of the most recent three-year period for
8 which accurate figures are available, for each of the following *indi-*
9 *vidual* sources of revenue, and dividing the total by four:

10 1. State general fund revenues, adjusted for changes in rates or
11 basis.

12 2. Statewide assessed valuation of taxable *real* property, adjusted
13 for statewide changes in assessment practices.

14 Each year the state comptroller shall compute the dollar equivalent
15 of the state percent of growth by multiplying the state cost per pupil
16 for the ~~preceding~~ *school base* year by the ~~current~~ state percent of
17 growth *for the budget year*. As used in this chapter, *except as other-*
18 *wise provided in this section*, "allowable growth" means the dollar
19 equivalent of the state percent of growth.

20 However, ~~except as otherwise provided in this section~~, the state
21 percent of growth is established at ~~five percent~~ for the school year
22 beginning July 1, 1973, and the state percent of growth is limited to a
23 maximum of five percent for the school year beginning July 1, 1974
24 *eight percent for the school years beginning July 1, 1974, and July 1,*
25 *1975.*

26 *For the school years beginning July 1, 1974, and July 1, 1975, each*
27 *school district is entitled to a minimum "allowable growth" of the*
28 *dollar equivalent of the state percent of growth.*

29 For each school district whose district cost per pupil is below the
30 state cost per pupil for the budget year, "allowable growth" means
31 the lesser of the dollar equivalent of the state percent of growth mul-
32 tiplied by one hundred twenty-five percent, or the amount required to
33 make the district cost per pupil equal to the state cost per pupil.

34 If the school budget review committee has established a modified
35 allowable growth for a district, "allowable growth" for the district
36 means its modified allowable growth.

1 SEC. 6. Section four hundred forty-two point nine (442.9), subsec-
2 tion one (1), paragraphs b and c, Code 1973, as amended by Acts of
3 the Sixty-fifth General Assembly, 1973 Session, chapter two hundred
4 fifty-eight (258), section eight (8), are further amended to read as
5 follows:

6 b. The district cost for the budget year is equal to the district cost
7 per pupil for the budget year multiplied by the enrollment. A school
8 district may not increase its district cost for the budget year except
9 to the extent that excess millage is authorized by the school budget
10 review committee as provided in section 442.13, subsection ~~eight (8)~~
11 *seven (7)*.

12 c. The amount to be raised by the additional school district prop-
13 erty tax levy is equal to the district cost for the budget year, less the
14 product of the state or district foundation base and the enrollment.
15 However, said amount shall be adjusted in accordance with the maxi-
16 mum millage provided in section 442.10, and the ~~maximum millage~~
17 ~~reduction provided in section 442.21.~~

1 SEC. 7. Section four hundred forty-two point ten (442.10), Code
2 1973, as amended by Acts of the Sixty-fifth General Assembly, 1973
3 Session, chapter two hundred fifty-eight (258), section nine (9), is
4 further amended to read as follows:

5 442.10 **Maximum millage levy.** For the purpose of determining
6 the maximum millage levy for the general fund in a school district,
7 the state comptroller shall determine the sum of the foundation prop-
8 erty tax levy and the additional property tax levy, in mills. When this
9 total millage levy exceeds the district general fund levy in mills for the
10 school year which began July 1, 1970, he shall adjust the district gen-
11 eral fund millage levy to a rate equal to the millage levy for the school
12 year beginning July 1, 1970, except that excess millage authorized by
13 the school budget review committee, as provided in section 442.13,
14 subsection ~~eight (8)~~ *seven (7)*, may be added to that rate.

1 SEC. 8. Chapter two hundred fifty-eight (258), Acts of the Sixty-
2 fifth General Assembly, first session 1973, section eleven (11), sub-
3 sections four (4) and five (5), amending section four hundred forty-
4 two point thirteen (442.13), Code 1973, are amended as follows:

5 4. If the district cost per pupil exceeds one hundred ten percent of
6 the state cost per pupil, the committee shall establish a modified allow-
7 able growth by reducing the allowable growth, *subject to the minimum*
8 *for the school years beginning July 1, 1974, and July 1, 1975, as pro-*
9 *vided in section four hundred forty-two point seven (442.7) of the*
10 *Code.* In making decisions under this subsection, the committee shall
11 permit allowable growth to the extent necessary to prevent severe
12 hardship to a district whose district cost per pupil would not have
13 exceeded one hundred ten percent of the state cost per pupil if mis-
14 cellaneous income were included in computations under this chapter
15 to the same extent that it was included for the school year beginning
16 July 1, 1972.

17 5. ~~The~~ *Subject to the minimum for the school years beginning*
18 *July 1, 1974, and July 1, 1975, as provided in section four hundred*
19 *forty-two point seven (442.7) of the Code, the committee may estab-*
20 *lish a modified allowable growth by reducing the allowable growth:*

21 a. If the district cost per pupil exceeds the state cost per pupil.
22 b. If in the committee's judgment the district cost is unreasonably
23 high in relation to the comparative cost factors of similar districts,
24 even if the district cost per pupil does not exceed the state cost per
25 pupil.

1 SEC. 9. Acts of the Sixty-fifth General Assembly, 1973 Session,
2 chapter two hundred fifty-eight (258), section seventeen (17), and
3 section four hundred forty-two point twenty-one (442.21), Code 1973,
4 as amended by Acts of the Sixty-fifth General Assembly, 1973 Session,
5 chapter two hundred fifty-eight (258), section fourteen (14), are
6 repealed.

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