

Sec. 4. Section 297.22, unnumbered paragraph 7, Code 1981, is amended to read as follows:

The property value ~~limitations~~ limitation listed in this section ~~shall~~ does not apply to the sale, lease, or disposition of real estate upon which a structure has been erected by students as part of a regular course of study.

Approved April 28, 1981

CHAPTER 94*
SCHOOL FUNDING

H. F. 414

AN ACT relating to funds available to school districts, including authorizing the levy of a tax for cash reserve, and the imposition of an income surtax retroactive to January 1, 1981, and including the computation of state school foundation aid, and providing that the Act takes effect upon its publication.

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

Section 1. Chapter 298, Code 1981, is amended by adding the following new section:

NEW SECTION. LEVY FOR CASH RESERVE. If a school district has a cash reserve of less than seven and five-tenths percent of its total district expenditures for a school year remaining on June 30 of that school year, including salaries encumbered under contract for the next following July and August, the board of directors may certify for levy by the following March 15, a tax on taxable property in the school district at a rate that will provide a cash reserve, pursuant to section 8.6, subsection 4, paragraph c, of not to exceed the seven and five-tenths percent amount. The tax levy authorized in this subsection is in addition to any other tax levy authorized for a school district.

Sec. 2. Section 442.3, Code 1981, is amended to read as follows:

442.3 STATE FOUNDATION BASE. The state foundation base for the school year beginning July 1, 1972, is seventy percent of the state cost per pupil. For each succeeding school year the state foundation base shall be increased by the amount of one percent of the state cost per pupil, up to a maximum of eighty percent of the state cost per pupil. However, for the school ~~year~~ years beginning July 1, 1980, July 1, 1981, and July 1, 1982, the state foundation base shall be the same as the state foundation base for the school year beginning July 1, 1979. The district foundation base is the larger of the state foundation base or the amount per pupil which the district will receive from foundation property tax and state school foundation aid.

Sec. 3.* Section 442.4, subsection 1, unnumbered paragraph 5, Code 1981, is amended to read as follows:

*Amended by chapter 146

A school district shall certify its basic enrollment to the department of public instruction by September 25 of each year, and the department shall promptly forward the information to the state comptroller. For purposes of determining whether a district is entitled to an advance for increasing enrollment a determination of actual enrollment shall be made on the second Friday of September in the budget year by counting the pupils in the same manner and to the same extent that they are counted in determining basic enrollment, but substituting the count in the budget year for the count in the base year. In addition, a school district shall determine its additional enrollment because of special education defined in section 442.38, on December 1 of each year and if the district is entitled to an advance or reduction for special education, it shall certify its additional enrollment because of special education to the department of public instruction by December 15 of each year, and the department shall promptly forward the information to the state comptroller.

Sec. 4. Section 442.4, subsection 4, Code 1981, is amended to read as follows:

4. For the school years beginning July 1, 1980, and July 1, 1981, and July 1, 1982 only, if an amount equal to the district cost per pupil for the budget year minus the amount included in the district cost per pupil for the budget year to compensate for the cost of special education support services for a school district times the budget enrollment of the school district for the budget year is less than one hundred four percent for the budget school year beginning July 1, 1980, and one hundred three percent for the budget school year beginning July 1, 1981, and one hundred percent for the budget school year beginning July 1, 1982, times an amount equal to the district cost per pupil for the base year minus the amount included in the district cost per pupil for the base year to compensate for the cost of special education support services for a school district times the adjusted enrollment of the school district for the base year beginning July 1, 1979 or times the budget enrollment of the school district for the base year beginning July 1, 1980 or July 1, 1981, the state comptroller shall increase the budget enrollment for the school district for the budget year to a number which will provide that one hundred four percent amount for the budget school year beginning July 1, 1980, and that one hundred three percent amount for the budget school year beginning July 1, 1981, and that one hundred percent amount for the budget school year beginning July 1, 1982.

Sec. 5. Section 442.7, Code 1981, is amended by adding the following new subsection after subsection 4:

NEW SUBSECTION. Notwithstanding subsections 1 through 4, for the school year beginning July 1, 1981, the state percent of growth, including the recomputations required under subsection 4, is five percent, and for the school year beginning July 1, 1982, the state percent of growth, including the recomputations required under subsection 4, is seven percent.

Sec. 6. Section 442.7, subsection 6, Code 1981, is amended by adding the following new paragraphs:

NEW PARAGRAPH. For the school year beginning July 1, 1981 and succeeding school years, the amount included in the district cost per pupil in weighted

enrollment for special education support services costs for each district in an area education agency for a budget year is the amount included in the district cost per pupil in weighted enrollment for special education support services costs in the base year plus the allowable growth added to state cost per pupil for special education support services costs for the budget year. Funds shall be paid to area education agencies as provided in section 442.25.

NEW PARAGRAPH. For the school year beginning July 1, 1981 and succeeding school years, the state board of public instruction may direct the state comptroller to reduce the allowable growth added to district cost per pupil in weighted enrollment for a budget year for special education support services costs in an area education agency in the base year based upon special education support services needs in the area.

Sec. 7. Section 442.7, Code 1981, is amended by adding the following new subsection after subsection 6:

NEW SUBSECTION. For the school year beginning July 1, 1981 and succeeding school years, the allowable growth added to state cost per pupil for special education support services costs is the amount included in state cost per pupil for special education support services costs for the base year times the state percent of growth for the budget year. However, for the school year beginning July 1, 1981, no allowable growth shall be added, except as provided under subsection 7.

Sec. 8. Section 442.25, Code 1981, is amended to read as follows:

~~442.25 SPECIAL-EDUCATION-SUPPORT-SERVICES~~ AREA EDUCATION AGENCY PAYMENTS. The state comptroller shall deduct the amounts calculated for special education support services, media services, and educational services for each school district from the state aid due to the district pursuant to this chapter and shall pay the amounts to the respective area education agencies on a quarterly basis during each school year. The state comptroller shall notify each school district of the amount of state aid deducted for ~~this purpose~~ these purposes and the balance of state aid shall be paid to the district. If a district does not qualify for state aid under this chapter in an amount sufficient to cover its amount due to the area education agency as calculated by the state comptroller, the school district shall pay the deficiency to the area education agency from other moneys received by the district, on a quarterly basis during each school year.

Sec. 9. Section 442.27, subsection 2, Code 1981, is amended to read as follows:

2. For the school year beginning July 1, 1978 and each succeeding budget year through the budget year beginning July 1, 1981, the total amount funded for each area for media services excluding the cost for media resource material shall be the total amount funded in the area for media service in the base year times the sum of one hundred percent plus the state percent of growth plus the costs for media resource material for the budget year.

~~Each--year--subsequent--to~~ For the school year beginning July 1, ~~1980~~ 1981, the total amount to be funded for media services, including the costs for media resource material which shall only be used for the purchase or replacement of material required in section 273.6, subsection 1, paragraphs "a", "b", and "c", shall be equal to the budget in the base year in the area times the sum of one hundred percent plus the state percent of growth.

Sec. 10. Section 442.27, Code 1981, is amended by adding the following new subsection after subsection 3:

NEW SUBSECTION. For the school year beginning July 1, 1982 and succeeding school years, the total amount funded in each area for media services in the budget year shall be computed as provided in this subsection. For the school year beginning July 1, 1982, the total amount funded in each area for media services in the base year, including the cost for media resource material which shall only be used for the purchase or replacement of material required in section 273.6, subsection 1, paragraphs a, b, and c, shall be divided by the enrollment served in the base year to provide an area media services cost per pupil in the base year, and the state comptroller shall compute the state media services cost per pupil in the base year which is equal to the average of the area media services costs per pupil in the base year. For the year beginning July 1, 1982 and succeeding school years, the state comptroller shall compute the allowable growth for media services in the budget year by multiplying the state media services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for media services cost in the budget year equals the area media services cost per pupil in the base year plus the allowable growth for media services in the budget year times the enrollment served in the budget year. Funds shall be paid to area education agencies as provided to* section 442.25.

Sec. 11. Section 442.27, subsection 5, Code 1981, is amended to read as follows:

5. For each succeeding budget year through the budget year beginning July 1, 1980, the total amount funded in each area for educational services shall be the total amount funded in the area for educational services in the base year times the sum of one hundred percent plus the state percent of growth. For the school year beginning July 1, 1981, the total amount funded in each area for educational services is the total amount funded in the area for educational services in the base year.

Sec. 12. Section 442.27, Code 1981, is amended by adding the following new subsection after subsection 5:

NEW SUBSECTION. For the school year beginning July 1, 1982 and succeeding school years, the total amount funded in each area for educational services in the budget year shall be computed as provided in this subsection. For the school year beginning July 1, 1982, the total amount funded in each area for educational services in the base year shall be divided by the enrollment served in the area in the base year to provide an area educational services cost per pupil in the base year, and the state comptroller shall compute the state educational services cost per pupil in the base year, which is equal to the average of the area educational services costs per pupil in the base year. For the year beginning July 1, 1982 and succeeding school years, the state comptroller shall compute the allowable growth for educational services by multiplying the state educational services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for educational services for the budget year equals the area educational services cost per pupil for the base year plus the allowable

*According to enrolled Act

growth for educational services in the budget year times the enrollment served in the area in the budget year. Funds shall be paid to area education agencies as provided in section 442.25.

Sec. 13. Section 442.27, subsection 6, Code 1981, is amended to read as follows:

6. ~~Of~~ For school years prior to the school year beginning July 1, 1982, of the total amounts funded in each area each year for media services and educational services, a portion shall be allocated to each district in the area. The portion to be allocated to each district in an area shall be the same percentage of the total amount that the enrollment served in the budget year in the district is of the enrollment served in the budget year in the area.

Sec. 14. Section 442.27, subsection 7, Code 1981, is amended to read as follows:

7. ~~The~~ For school years prior to the school year beginning July 1, 1982, the portion allocated to each district in an area each budget year for media services and educational services shall be added to the district cost of that district for the budget year as provided in section 442.9.

Sec. 15. Section 442.27, subsection 8, Code 1981, is amended to read as follows:

8. ~~The~~ For school years prior to the school year beginning July 1, 1982, the state board of public instruction and the state comptroller shall determine the total amounts funded in each area for media services and educational services each year, and the amounts to be allocated to each district. The state comptroller shall deduct the amounts so calculated for each school district from the state aid due to the district pursuant to this chapter and shall pay the amounts to the districts' area education agencies on a quarterly basis during each school year. The state comptroller shall notify each school district the amount of state aid deducted for this purpose and the balance which will be paid to the district. If a district does not qualify for state aid under this chapter in an amount sufficient to cover the amount due to its area education agency as calculated by the state comptroller, the school district shall pay the deficiency to its area education agency from other moneys received by the district, on a quarterly basis during each school year.

Sec. 16. Chapter 442, Code 1981, is amended by adding the following new section after section 442.38:

*NEW SECTION. REDUCTION FOR ENROLLMENT LOSS. For the school year beginning July 1, 1981 and succeeding school years, if a school district's additional enrollment because of special education determined by the district on December 1 in the budget year is less than its additional enrollment because of special education determined by the district on December 1 in the base year, the state aid payments to the school district shall be reduced by an amount equal to its district cost per pupil for the budget year less the amount included in district cost per pupil for special education support services for the budget year multiplied by the district's decrease in additional enrollment because of special education. A district's additional enrollment because of special education shall be computed as provided in section 442.38.

If a district has a reduction under this section for a budget year, the state comptroller shall determine the amount of the reduction which would have been local property tax revenues if the additional enrollment because of special education in the budget year had been used for that budget year in determining district cost and shall increase the district's total state school aids available under this chapter for the next following budget year by the amount so determined, and shall reduce the district's tax levy computed under section 442.9, for the next following budget year by the amount necessary to compensate for the increase in state aid, so that the local property tax for the next following year will be reduced only by the amount which it would have been reduced in the budget year if the additional enrollment because of special education in the budget year could have been used to establish the levy.

Sec. 17. Chapter 442, Code 1981, is amended by adding the following new section:

NEW SECTION. SUPPLEMENTAL SCHOOL INCOME SURTAX.

1. For the budget school year beginning July 1, 1981, if the board of a school district wishes to spend more than the amount permitted under sections 442.1 through 442.13, the board may call a special election to determine whether to impose a supplemental school income surtax on individual state income tax for the calendar year beginning January 1, 1981. The supplemental school income surtax for the school district shall not exceed an amount equal to the difference between the portion of district cost of the district attributable to regular program costs for the school year beginning July 1, 1981 if the state percent of growth had been nine and twenty-six thousandths percent and the portion of the actual district cost of the district attributable to regular program costs for the school year beginning July 1, 1981. Any income derived from the supplemental school income surtax is miscellaneous income.

2. The board shall determine the amount needed, within the limits of this section, and shall set the date of a special election, which shall not be later than July 1, 1981. The board shall direct the county commissioner of elections to submit the question of whether to raise that amount to the qualified electors of the school district. If a majority of those voting on the proposition at the special election favors the imposition of the supplemental school income surtax, the board may amend its certified budget to include the amount imposed.

3. Following approval at the special election, the board shall certify to the state comptroller that the required procedures have been carried out and the state comptroller shall establish the amount of supplemental school income surtax to be imposed based upon the most recent figures available for the district's individual state income tax paid. The state comptroller shall certify to the director of revenue the amount of supplemental school income surtax to be imposed.

The supplemental school income surtax shall be imposed on the state individual income tax for the calendar year beginning January 1, 1981, or for a taxpayer's fiscal year ending during the second half of that calendar year or the first half of the succeeding calendar year, and shall be imposed on

all individuals residing in the school district on the last day of the applicable tax year. As used in this section, "state individual income tax" means the tax computed under section 422.5, less the deductions allowed in section 422.12.

4. Sections 442.16, 442.17, 442.19, and 442.20 apply to the supplemental school income surtax established in this section. The director of revenue shall deposit all moneys received as supplemental school income surtax to the credit of each district from which the moneys are received, in a "supplemental school income surtax fund" which is established in the office of the treasurer of state.

5. This section takes effect retroactive to January 1, 1981.

Sec. 18. Notwithstanding section 24.14, and notwithstanding the March 15 certification date in section 1 of this Act, for the school year beginning July 1, 1981, the board of directors of a school district may direct the state comptroller not later than April 15, 1981 to provide for the tax levy for the cash reserve in section 1 of this Act.

Sec. 19. This Act, being deemed of immediate importance, takes effect from and after its publication in the Lenox Time-Table, a newspaper published in Lenox, Iowa, and in The Republic Appeal, a newspaper published in Albert City, Iowa.

Approved March 23, 1981

I hereby certify that the foregoing Act, House File 414 was published in the Lenox Time-Table, Lenox, Iowa on April 1, 1981 and in The Republic Appeal, Albert City, Iowa on April 2, 1981.

MARY JANE ODELL, *Secretary of State*

CHAPTER 95

PUBLIC RECREATION AND PLAYGROUNDS TAX

H. F. 143

AN ACT relating to the authority of school districts to levy a tax for public educational and recreational purposes.

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

Section 1. Chapter 300, Code 1981, is repealed and sections 2 through 5 of this Act are inserted in lieu thereof:

Sec. 2. NEW SECTION. PUBLIC RECREATION. Boards of directors of school districts may establish and maintain for children and adults public recreation places and playgrounds, and necessary accommodations for the recreation places and playgrounds, in the public school buildings and grounds of the district. The board may cooperate under chapter 28E with a public agency having the custody and management of public parks or public buildings and grounds, and with a private agency having custody and management of