

Education 3/15

SENATE FILE 2186

Education  
Willits, Chairperson  
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Taylor

SENATE FILE 2186

By HUTCHINS

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Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to elementary and secondary school finance.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. The purpose of this Act is to allow school  
2 districts to meet the increasing financial pressures by  
3 establishing a basic budget level for each school district  
4 and modifying the growth of each school district's budget  
5 depending on decreasing or increasing enrollment within the  
6 school district.

7 Sec. 2. Section four hundred forty-two point four (442.4),  
8 subsections one (1) and two (2), Code 1977, are amended to  
9 read as follows:

10 1. Basic enrollment for the budget year is determined  
11 by adding the resident pupils who were enrolled on the second  
12 Friday of January in the base year in public elementary and  
13 secondary schools of the district and in public elementary  
14 and secondary schools in another district or state for which  
15 tuition is paid by the district. ~~For the school year beginning~~  
16 ~~July 1, 1975, pupils who were enrolled on the second Friday~~  
17 ~~of January in the base year in special education programs~~  
18 ~~conducted by a county or joint county school system are~~  
19 ~~included in basic enrollment.~~ For the school year beginning  
20 July 1, 1975, and each succeeding school year, pupils enrolled  
21 in prekindergarten programs other than special education  
22 programs are not included in basic enrollment.

23 Resident pupils of high school age for which the district  
24 pays tuition to attend an Iowa area school are included in  
25 basic enrollment on a full-time equivalent basis as of the  
26 second Friday of January in the base year.

27 Shared-time and part-time pupils of school age, irrespective  
28 of the districts in which the pupils reside, are included  
29 in basic enrollment as of the second Friday of January in  
30 the base year, in the proportion that the time for which they  
31 are enrolled or receive instruction for the school year is  
32 to the time that full-time pupils carrying a normal course  
33 schedule, at the same grade level, in the same school district,  
34 for the same school year, are enrolled and receive instruction.  
35 Tuition charges to the parent or guardian of a shared-time

1 or part-time out-of-district pupil shall be reduced by the  
 2 ~~amount of any increased state aid occasioned by the counting~~  
 3 ~~of the pupil~~ an amount equal to the percentage of state aid  
 4 per pupil in adjusted enrollment that the time for which the  
 5 pupil is enrolled in the district is of the total time for  
 6 full-time pupils carrying a normal course schedule at the  
 7 same grade level in the school district for the school year.

8 Pupils attending a university laboratory school are not  
 9 counted in any district's basic enrollment, but the laboratory  
 10 school shall report them directly to the department of public  
 11 instruction.

12 A school district shall certify its basic enrollment to  
 13 the state department of public instruction by January 25  
 14 twenty-fifth of each year, and the department shall promptly  
 15 forward the information to the state comptroller. For purposes  
 16 of determining whether a district is entitled to an advance  
 17 for increasing enrollment, and for record-keeping purposes,  
 18 a determination of enrollment shall be made on the second  
 19 Friday of September in the budget year, in the same manner  
 20 as the January basic enrollment is determined.

21 ~~However, for the school year beginning July 1, 1974, basic~~  
 22 ~~enrollment is equal to the actual enrollment used for that~~  
 23 ~~year prior to adjustment for decreasing enrollment.~~

24 2. An adjusted enrollment for each district shall be  
 25 computed as follows:

26 ~~a. For the school year beginning July 1, 1975, if a~~  
 27 ~~district has a decrease from the sum of the basic enrollment~~  
 28 ~~in the base year plus adjustments for decreasing enrollment~~  
 29 ~~made in the base year, to the basic enrollment in the budget~~  
 30 ~~year, the state comptroller shall compute an amount to be~~  
 31 ~~added to the basic enrollment for the budget year. The amount~~  
 32 ~~to be added is equal to fifty percent of this decrease, to~~  
 33 ~~the extent that the decrease does not exceed five percent~~  
 34 ~~of the sum of the basic enrollment in the base year plus~~  
 35 ~~adjustments made for decreasing enrollment in the base year,~~

1 and-twenty-five-percent-of-the-remaining-decrease---If-the  
2 district-does-not-experience-this-decrease,-the-adjusted  
3 enrollment-for-the-budget-year-is-equal-to-the-basic-enrollment  
4 for-the-budget-year-

5     b a. For the school years subsequent to the school year  
6 beginning July 1, 1975, and prior to the school year beginning  
7 July 1, 1979 if a district has a decrease from the basic  
8 enrollment in the base year to the basic enrollment in the  
9 budget year the state comptroller shall compute an amount  
10 to be added to the basic enrollment for the budget year.  
11 The amount to be added is equal to fifty percent of the basic  
12 enrollment decrease to the extent that it does not exceed  
13 five percent of the base year's basic enrollment, and twenty-  
14 five percent of the remaining basic enrollment decrease.  
15 If the school district does not experience a decrease from  
16 the basic enrollment in the base year to the basic enrollment  
17 in the budget year the adjusted enrollment for the budget  
18 year is equal to the basic enrollment for the budget year.

19     b. For school years subsequent to the school year beginning  
20 July 1, 1978, the adjusted enrollment for the school district  
21 shall be an amount equal to either the adjusted enrollment  
22 for the school year beginning July 1, 1978 or the basic  
23 enrollment for the budget year less two and one-half percent  
24 of the adjusted enrollment for the school year beginning July  
25 1, 1978, whichever is greater.

26     Sec. 3. Section four hundred forty-two point seven  
27 (442.7), Code 1977, is amended to read as follows:

28     442.7 STATE PERCENT OF GROWTH--ALLOWABLE GROWTH.

29     1.--For-the-school-year-beginning-July-1,-1975,-the-state  
30 percent-of-growth-is-ten-and-seven-tenths-percent-

31     Seven-tenths-of-one-percent-of-the-state-percent-of-growth  
32 is-to-compensate-for-the-cost-of-improvements-to-the-Iowa  
33 public-employees'-retirement-system-and-also-to-fund-a-portion  
34 of-the-cost-of-driver-education-classes-offered-by-the-district  
35 and-formerly-funded-partly-by-a-state-appropriation-

1     2 1. For school years subsequent to the school year  
2 beginning July 1, 1975, a state percent of growth for the  
3 budget year shall be computed by the state comptroller prior  
4 to February ~~15~~ fifteenth of each year and forwarded to the  
5 superintendent of public instruction. The state percent of  
6 growth shall be an average of the following four percentages  
7 of growth:

8     a. The difference in the state general fund revenues  
9 received during the year, adjusted for changes in rates or  
10 basis, computed or estimated as a percentage of change for  
11 each of the following periods:

12     (1) From the year immediately preceding the base year to  
13 the base year.

14     (2) From the base year to the budget year.

15     b. The difference in the Iowa consumer price index which  
16 shall be computed by the state comptroller prior to January  
17 1, 1976, and recomputed each month subsequent to January 1,  
18 1976, based upon a comprehensive sampling of the costs of  
19 goods and services within Iowa, and until an Iowa consumer  
20 price index is available, the consumer price index published  
21 by the bureau of labor statistics, United States department  
22 of labor computed or estimated as a percentage of change for  
23 the following periods:

24     (1) From July ~~1~~ first of the base year to July ~~1~~ first  
25 of the budget year.

26     (2) From July ~~1~~ first of the budget year to July ~~1~~ first  
27 of the year immediately following the budget year.

28     3 2. If the state percent of growth so computed is  
29 negative, that percentage shall not be used and the state  
30 percent of growth shall be zero.

31     4 3. Each year prior to February ~~15~~ fifteenth the state  
32 comptroller shall recompute the state percent of growth for  
33 the previous year using adjusted estimates and the actual  
34 figures available. The difference between the recomputed  
35 state percent of growth for the base year and the original

1 computation shall be added to or subtracted from the state  
2 percent of growth for the budget year, as applicable.

3 5 4. The state comptroller shall compute an estimated  
4 state percent of growth for the budget year prior to September  
5 ~~15~~ fifteenth in the base year and shall forward this estimate  
6 to the superintendent of public instruction.

7 6 5. The basic allowable growth per pupil for the budget  
8 year shall be computed by multiplying the state cost per pupil  
9 for the base year times the state percent of growth for the  
10 budget year.

11 7 6. The allowable growth per pupil for each school  
12 district is the basic allowable growth per pupil, for the  
13 budget year modified as follows:

14 a. If the state cost per pupil in the base year exceeds  
15 the district cost per pupil in the base year, the basic  
16 allowable growth per pupil for the budget year is modified  
17 to equal the lesser of one hundred twenty-five percent of  
18 the basic allowable growth per pupil for the budget year or  
19 an amount sufficient to equalize the district cost per pupil  
20 in the budget year with the state cost per pupil in the budget  
21 year.

22 b. If a school district has a basic enrollment decrease  
23 from the base year to the budget year in excess of two and  
24 one-half percent and less than five percent of the basic  
25 enrollment in the budget year, the school district's allowable  
26 growth per pupil for the budget year shall be decreased by  
27 one percent times the state cost per pupil for the budget  
28 year. If a school district has a basic enrollment decrease  
29 from the base year to the budget year in excess of five percent  
30 of the basic enrollment in the budget year the school  
31 district's allowable growth per pupil for the budget year  
32 shall be decreased by two percent times the state cost per  
33 pupil for the budget year.

34 b c. By the school budget review committee under section  
35 442.13.

1 e---For-the-school-year-beginning-July-1,--1975-only,--by  
2 adding-to-the-basic-allowable-growth-per-pupil-for-the-budget  
3 year-an-amount-to-compensate-for-the-costs-of-special-education  
4 support-services-provided-through-the-area-education-agency.  
5 The-total-amount-for-each-area-shall-be-based-upon-the-program  
6 plans-submitted-by-the-special-education-director-of-the  
7 area-education-agency-as-required-by-section-273.5,--which  
8 shall-be-modified-as-necessary-and-approved-by-the-department  
9 of-public-instruction-according-to-the-criteria-and-limitations  
10 of-section-273.5-and-chapter-281.--The-amount-of-additional  
11 allowable-growth-per-pupil-for-the-budget-year-for-each  
12 district-in-an-area-shall-be-determined-by-dividing-the-total  
13 amount-for-the-area-so-determined-by-the-weighted-enrollment  
14 of-the-area-for-the-budget-year.

15 d. For each year following the school year beginning July  
16 1, 1975, by adding to the basic allowable growth an amount  
17 to compensate for the additional costs of special education  
18 support services provided through the area education agency  
19 less reductions in support services provided by the area  
20 education agency. The total amount for each area shall be  
21 based upon the amount needed in the area to serve children  
22 newly identified as requiring the services less any decrease  
23 in pupils requiring special education support services formerly  
24 identified but not served in the budget year pursuant to plans  
25 submitted by the special education director of the area  
26 education agency as required by section 273.5, which shall  
27 be modified as necessary and approved by the department of  
28 public instruction according to the criteria and limitations  
29 of section 273.5 and chapter 281. The amount of additional  
30 allowable growth per pupil for the budget year for each  
31 district in an area shall be determined by dividing the total  
32 amount for the area so determined by the weighted enrollment  
33 of the area for the budget year.

34 e. For the additional allowable growth computed under  
35 paragraphs "c" or paragraph "d" of this subsection, the

1 department of public instruction, in co-operation with the  
2 appropriate personnel of the area education agency, shall  
3 determine the amounts for each area education agency, as  
4 required and the state comptroller shall calculate the amounts  
5 of additional allowable growth for each district, and shall  
6 calculate the amounts due from each district to its area  
7 education agency by multiplying the additional allowable  
8 growth per pupil by the weighted enrollment in the district  
9 for the budget year. The state comptroller shall deduct the  
10 amounts so calculated for each school district from the state  
11 aid due to the district pursuant to this chapter and shall  
12 pay the amounts to the area education agencies on a quarterly  
13 basis during each school year. The state comptroller shall  
14 notify each school district of the amount of state aid deducted  
15 for this purpose and the balance of state aid will be paid  
16 to the district. If a district does not qualify for state  
17 aid under this chapter in an amount sufficient to cover its  
18 amount due to the area education agency as calculated by the  
19 state comptroller, the school district shall pay the deficiency  
20 to the area education agency from other moneys received by  
21 the district, on a quarterly basis during each school year.

22 ~~8.--For-the-school-year-beginning-July-1, 1976, the state~~  
23 ~~percent-of-growth-otherwise-computed-by-the-state-comptroller~~  
24 ~~under-this-section-shall-be-increased-by-an-amount-equal-to~~  
25 ~~seven-tenths-of-one-percent-for-school-districts-in-which~~  
26 ~~all-employees-are-members-of-the-Iowa-public-employees'~~  
27 ~~retirement-system-to-compensate-for-the-cost-of-increased~~  
28 ~~employer-contributions-to-the-Iowa-public-employees'-retirement~~  
29 ~~system-~~

30 ~~For-the-school-year-beginning-July-1, 1976, the school~~  
31 ~~budget-review-committee-may-approve-an-increase-in-the-state~~  
32 ~~percent-of-growth-otherwise-computed-by-the-state-comptroller~~  
33 ~~under-this-section-by-an-amount-not-to-exceed-thirty-five~~  
34 ~~hundredths-of-one-percent-for-school-districts-for-which~~  
35 ~~contributions-are-made-both-to-a-retirement-system-established~~

1 by-the-school-district-under-section-294-8-and-to-the-Iowa  
2 public-employees'-retirement-system---in-order-to-receive  
3 the-additional-allowable-growth, such-school-districts-shall  
4 show-that-there-is-a-need-of-additional-funds-in-order-to  
5 compensate-for-the-cost-of-increased-employer-contributions  
6 to-retirement-systems-

7 Sec. 4. The provisions of this Act shall become effective  
8 January 1, 1979, for school district budgets for the school  
9 year beginning July 1, 1979.

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EXPLANATION

11 This bill fixes the school district budget at the amount  
12 generated from the adjusted enrollment of the district for  
13 the school year beginning July 1, 1978, and provides for  
14 increases or decreases in the allowable growth per pupil in  
15 adjusted enrollment of a school district depending on the  
16 increasing or decreasing enrollment of the school district.

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