

SENATE FILE 492

BY COMMITTEE ON EDUCATION

Formerly S.B. 357
Approved (p. 882)

FILED MAR 19 1985

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to moneys available to school districts and
2 area education agencies.

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

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S 7 492

1 Section 1. NEW SECTION. 442.1 STATE POLICY.

2 It is the policy of this state that all students enrolled
3 in public schools be afforded equal educational opportunities.
4 It is the obligation of the state to appropriate the moneys
5 necessary to provide for the direct instructional costs of all
6 public school students in an equitable manner. Further, the
7 present state school foundation program has been affected by
8 declining student enrollment and declining property values,
9 resulting in the creation of inequities that have eroded the
10 control of school districts by local communities, caused the
11 state to support nonexistent students, and provided insuffi-
12 cient resources for schools to pursue programs of excellence
13 in education.

14 The removal of present inequities and the achievement of
15 educational excellence require that local school districts be
16 given the options necessary to fund the infrastructure and
17 instructional-management needs of each district as deemed
18 necessary by that district through appropriate local funding
19 mechanisms. However, it is the responsibility of the state to
20 fund the costs of directly providing educational instruction
21 to all public school students.

22 Sec. 2. Chapter 442, Code 1985, is repealed.

23 Sec. 3. This Act takes effect for computations required
24 for payment of state moneys and levying of property taxes for
25 educational purposes for the school year beginning July 1,
26 1986.

27 EXPLANATION

28 This bill repeals the chapter that establishes the state
29 school foundation program effective for the school year begin-
30 ning July 1, 1986. It enacts a policy statement relating to
31 obligations of the state and the local school districts to pay
32 the costs of educating the children of this state.

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SSB 351
Education

SSB 351

EDUCATION; Brown, Chair; Murphy and Gratiot

New
SF 492

SENATE FILE _____

BY (PROPOSED COMMITTEE ON
EDUCATION BILL)

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Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

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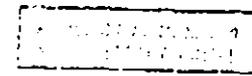
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S-4089

S 499 SENATE FILE 492



1 Amend Senate File 492 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "DIVISION I
5 EDUCATIONAL COSTS

6 Section 1. NEW SECTION. 442A.1 POLICY.

7 It is the policy of this state to provide and
8 require school districts to meet the educational needs
9 and maximize the opportunities of the children of this
10 state. It is the responsibility of this state to
11 provide money for the costs of a basic education for
12 each child and to supplement funds to meet the needs
13 of exceptional children. However, the general
14 assembly believes that costs of educating a child that
15 are not instructional costs should be the
16 responsibility of the school district.

17 Sec. 2. NEW SECTION. 442A.2 DEFINITIONS.

18 As used in this chapter unless the context
19 otherwise requires:

20 1. "School district" means a school district as
21 constituted under chapter 274.

22 2. "Board" means the board of directors of a
23 school district.

24 3. "Committee" means the school budget review
25 committee established in section 442A.35.

26 4. "Base year" means the school year ending during
27 the calendar year in which a budget is certified.

28 5. "Budget year" means the school year beginning
29 during the calendar year in which a budget is
30 certified.

31 6. "Department" means the department of public
32 instruction.

33 7. "Base property tax levy" means the total amount
34 levied in dollars and cents per thousand dollars of
35 assessed valuation by a school district for the budget
36 year beginning July 1, 1985 for the foundation
37 property tax under section 442.2, Code 1985, and the
38 additional property tax under section 442.9, Code
39 1985.

40 8. "Implicit price deflator" means the gross
41 national product implicit price deflator published by
42 the bureau of economic analysis, United States
43 department of commerce. Computations of the implicit
44 price deflator under this division shall be based, to
45 the extent possible, on the latest available values
46 for these deflators published by the bureau of
47 economic analysis.

48 DIVISION II
49 INFRASTRUCTURE POWERS AND DUTIES

50 Sec. 3. NEW SECTION. 442A.5 POLICY.

1 It is the policy of this state that expenditures of
2 school districts for needs relating to the basic
3 framework of the district should be determined by the
4 board based upon the needs of the district and should
5 be financed by revenues raised at the local level.

6 Sec. 4. NEW SECTION. 442A.6 DUTIES OF BOARD.

7 The board shall establish a budget for
8 infrastructure expenditures for the budget year and
9 certify the infrastructure budget for property tax
10 levy, or for property tax levy and income surtax
11 imposition if sections 76.20 through 76.27 are used
12 for payments of school district bonds, to the school
13 budget review committee and the state comptroller.
14 The state comptroller shall determine the amount of
15 the infrastructure property tax levy to be made on all
16 taxable property in the district, or the property tax
17 levy and income surtax if sections 76.20 through 76.27
18 are used for payments of school district bonds, based
19 upon the budget submitted and shall transmit the
20 amount of the levy to the appropriate county auditor
21 and county board of supervisors and, if applicable,
22 the rate of the income surtax to the director of
23 revenue.

24 Sec. 5. NEW SECTION. 442A.7 INFRASTRUCTURE
25 EXPENDITURES.

26 Expenditures for the following are infrastructure
27 expenditures and may be included in the infrastructure
28 budget:

29 1. Public educational and recreational places and
30 playgrounds and accommodations authorized in chapter
31 300.

32 2. Community education purposes pursuant to
33 chapter 276.

34 3. Transportation of public school pupils to and
35 from school and other school activities, including
36 purchase and maintenance of transportation equipment,
37 vehicle operation and maintenance, and salaries and
38 benefits of operational and maintenance personnel.

39 4. Purchase and improvement of sites, or for major
40 building repairs.

41 For the purposes of this subsection:

42 a. "Improvement of sites" includes grading,
43 landscaping, seeding and planting of shrubs and trees;
44 constructing new sidewalks, roadways, retaining walls,
45 sewers and storm drains, and installing hydrants;
46 original surfacing and soil treatment of athletic
47 fields and tennis courts; furnishing and installing
48 for the first time, flagpoles, gateways, fences and
49 underground storage tanks which are not parts of
50 building service systems; demolition work; and special

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1 assessments against the school district for capital
2 improvements such as streets, curbs, and drains.

3 b. "Purchase of sites" includes legal costs
4 relating to the site acquisition, costs of surveys of
5 the sites, costs of relocation assistance under state
6 and federal law, and other costs incidental to the
7 site acquisition.

8 c. "Major building repairs" includes
9 reconstruction, repair, improvement or remodeling of
10 an existing schoolhouse and additions to an existing
11 schoolhouse, and expenditures for energy conservation.

12 5. Operation and maintenance of the physical
13 facilities of the district, including grounds,
14 buildings, and equipment. Operation and maintenance
15 also includes minor repairs, expenditures for safety,
16 and utility costs.

17 6. Insurance coverage for property, liability,
18 fidelity, and bond premiums as well as the costs of
19 judgments. Insurance costs for employees are an
20 employee benefit accountable in the appropriate
21 program fund.

22 7. New construction of schoolhouses or buildings
23 if the costs for a project are under one hundred
24 thousand dollars; payment of debts contracted for the
25 erection or construction of schoolhouses or buildings
26 not including interest on bonds; procuring or
27 acquisition of libraries; opening roads to
28 schoolhouses or buildings; purchase of buildings or
29 equipment for buildings or schoolhouses; repairing,
30 remodeling, reconstructing, improving or expanding the
31 schoolhouses or other buildings; landscaping, paving,
32 or improving the schoolhouse or building grounds; or
33 the rental of facilities pursuant to chapter 28E.

34 8. The actual costs of removal or encapsulation of
35 asbestos existing in buildings.

36 9. Equipment, vehicles, vehicle operation and
37 maintenance, and instructional materials for driver
38 education.

39 10. Furnishing buildings.

40 11. Rental or lease of property for school
41 purposes for a period not exceeding ten years.

42 12. Interest due upon lawful bonded indebtedness
43 and payments on principal as the board deems
44 necessary.

45 13. Costs associated with the operation of a
46 nonprofit food service to children in attendance as
47 provided in chapter 283A.

48 14. Community services which include services
49 which are not directly related to the educational
50 programs of the district which include, but are not

1 limited to, civic activities, public libraries, and
2 nonpublic school services except for the costs of
3 transportation for nonpublic school pupils.

4 15. A necessary cash reserve.

5 16. The costs of unemployment benefits under
6 chapter 96.

7 17. An amount sufficient for payment of judgments
8 or settlements together with interest accruing on them
9 to the expected date of payment under section 613A.2
10 or 613A.8.

11 18. Extracurricular athletic and sports activities
12 that provide opportunities for developing physical and
13 mental fitness in competitive situations.

14 19. Operation of the office of the board of
15 education of the district, including compensation,
16 travel and materials for board members.

17 20. Costs of school district general
18 administration, executive administration, business
19 administration, fiscal services, and staff services,
20 but not including the costs of school administration.

21 Sec. 6. NEW SECTION. 442A.8 PUBLIC HEARING.

22 The board shall present the budget for
23 infrastructure expenditures during the public hearing
24 required in section 24.9 and shall list each
25 expenditure under section 442A.7 separately.

26 Sec. 7. NEW SECTION. 442A.9 INFRASTRUCTURE
27 ACCOUNT.

28 The money collected by the infrastructure property
29 tax levy, and the money collected by the income
30 surtax, if applicable, shall be placed in the general
31 fund of the school district and credited to the
32 infrastructure account and may be used only for the
33 purposes authorized. The treasurer of the school
34 district shall keep a separate record of the
35 infrastructure account. Other moneys received for any
36 purpose listed in section 442A.7 shall be deposited in
37 the general fund, and credited to the infrastructure
38 account, and may be used for the purposes for which
39 expenditures from the account may be made. The
40 proceeds from the sale of bonds shall be deposited in
41 the general fund of the school district and credited
42 to the infrastructure account.

43 DIVISION III

44 DIRECT INSTRUCTION POWERS AND DUTIES

45 Sec. 8. NEW SECTION. 442A.20 FINANCIAL COMMIT-
46 MENT -- FUNDING EQUITY.

47 It is the policy of the state of Iowa that the
48 state make a substantial financial commitment toward
49 the funding of instructional costs of education in the
50 state. It is the goal of the general assembly that

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1 the state ultimately assume responsibility for funding
2 school districts to the extent that the state
3 instructional support per student would equal the
4 state instructional cost per student. However, budget
5 considerations require that the commitment be phased
6 in as state revenues increase.

7 It is also the policy of the state that there be
8 funding equity among the school districts with regards
9 to the instructional costs of education. Thus a
10 uniform instructional levy shall be required of all
11 school districts and the state shall fund the
12 difference of the state instructional support per
13 student and the amount of money raised by a school
14 district's uniform instructional levy on a per student
15 basis.

16 Sec. 9. NEW SECTION. 442A.21 BASIC ENROLLMENT.
17 Basic enrollment for the budget year beginning July
18 1, 1986 and each subsequent budget year is determined
19 by adding the resident pupils who were enrolled on the
20 fourth Friday of September in the base year in public
21 elementary and secondary schools of the district and
22 in public elementary and secondary schools in another
23 district or state for which tuition is paid by the
24 district. However, resident pupils enrolled in
25 preschool or kindergarten programs are included in
26 basic enrollment in the proportion that the time for
27 which they are enrolled or receive instruction for the
28 school year is to the time that full-time pupils
29 carrying a normal course schedule in the same school
30 district, for the same school year, are enrolled and
31 receive instruction.

32 Resident pupils of high school age for which the
33 district pays tuition to attend an Iowa area school
34 are included in basic enrollment on a full-time
35 equivalent basis.

36 Shared-time and part-time pupils of school age,
37 irrespective of the districts in which the pupils
38 reside, are included in basic enrollment as of the
39 fourth Friday of September in the base year for the
40 budget year in the proportion that the time for which
41 they are enrolled or receive instruction for the
42 school year is to the time that full-time pupils
43 carrying a normal course schedule, at the same grade
44 level, in the same school district, for the same
45 school year, are enrolled and receive instruction.

46 Pupils attending a university laboratory school are
47 not counted in any district's basic enrollment, but
48 the laboratory school shall report them directly to
49 the department of public instruction.

50 A school district shall certify its basic

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1 enrollment to the department of public instruction by
2 October 10 of each year, and the department shall
3 promptly forward the information to the state
4 comptroller.

5 A school district's certification of basic
6 enrollment is subject to audit in accordance with
7 procedures adopted by rule by the department pursuant
8 to chapter 17A.

9 Sec. 10. NEW SECTION. 442A.22 STATE
10 INSTRUCTIONAL COST PER STUDENT.

11 The state instructional cost per student for the
12 budget year beginning July 1, 1986, is two thousand
13 dollars per student.

14 The state instructional cost per student for all
15 subsequent budget years is the product of the state
16 instructional cost per student for the base year times
17 the quotient of the value of the implicit price de-
18 flator for the quarter ending six months prior to the
19 beginning of the budget year divided by the value of
20 the implicit price deflator for the quarter ending six
21 months prior to the beginning of the base year.

22 Sec. 11. NEW SECTION. 442A.23 STATE INSTRUC-
23 TIONAL SUPPORT PER STUDENT.

24 The state instructional support per student for the
25 budget year equals the state instructional support
26 level for the budget year times the state
27 instructional cost per student for the budget year.
28 However, the state instructional support per student
29 shall not exceed the state instructional cost per
30 student.

31 Sec. 12. NEW SECTION. 442A.24 STATE INSTRUC-
32 TIONAL SUPPORT LEVEL.

33 The state instructional support level for the bud-
34 get year beginning July 1, 1986 is ninety percent.

35 For subsequent budget years the state instructional
36 support level shall be computed by the state comp-
37 troller prior to October 20 in the base year and
38 forwarded to the superintendent of public instruction.
39 The state instructional support level shall be
40 computed such that the ratio of the total moneys
41 appropriated under section 442A.30, subsection 1 for
42 the budget year to the total moneys appropriated under
43 section 442A.30, subsection 1 for the base year is
44 equal to the ratio of the state general fund revenues
45 received during the base year to the state general
46 fund revenues received during the year preceding the
47 base year.

48 Sec. 13. NEW SECTION. 442A.25 UNIFORM
49 INSTRUCTIONAL LEVY.

50 Each school district shall cause to be levied each

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1 year, for the school general fund and credited to the
2 instructional account, a uniform instructional levy of
3 property tax equal to the lesser of the following:

4 1. A levy of three dollars and thirty-five cents
5 per thousand dollars of assessed valuation on all
6 taxable property in the district.

7 2. A levy equal to the base property tax levy.

8 Sec. 14. NEW SECTION. 442A.26 BASIC STATE IN-
9 STRUCTIONAL SUPPORT.

10 The basic state instructional support for a budget
11 year provided for each school district under this
12 division is equal to the amount of the state
13 instructional support per student for the budget year
14 provided under section 442A.23, multiplied times the
15 basic enrollment for the budget year for the school
16 district less the amount of the moneys raised by the
17 school district in the budget year by the uniform
18 instructional levy under section 442A.25.

19 Sec. 15. NEW SECTION. 442A.27 ADDITIONAL STATE
20 INSTRUCTIONAL SUPPORT.

21 In addition to the basic state instructional sup-
22 port supplied by the state under section 442A.26,
23 additional state instructional support shall be
24 provided to school districts.

25 1. SPECIAL EDUCATION. In order to provide funds
26 for the excess costs of instruction of children
27 requiring special education, above the costs of
28 instruction of pupils in a regular curriculum, each
29 school district shall receive additional state
30 instructional support for each budget year as follows:

31 a. For each child requiring special education who
32 requires special adaptations while assigned to a
33 regular classroom for basic instructional purposes and
34 for each handicapped pupil placed in a special
35 education class who receives part of the pupil's
36 instruction in regular classrooms, the school district
37 is entitled to receive additional state instructional
38 support per student in the amount of eighteen hundred
39 dollars.

40 b. For each child requiring special education who
41 requires full-time, self-contained special education
42 placement with little integration into a regular
43 classroom, the school district is entitled to receive
44 additional state instructional support per student in
45 the amount of twenty-seven hundred dollars.

46 c. For each child requiring special education who
47 is severely handicapped or who has multiple handicaps,
48 the school district is entitled to receive additional
49 state instructional support per student in the amount
50 of fifty-four hundred dollars.

1 d. Shared-time and part-time pupils of school age
2 who require special education shall be placed in the
3 proper category and counted in the proportion that the
4 time for which they are enrolled or receive
5 instruction for the school year is to the time that
6 full-time pupils carrying a normal course schedule, in
7 the same school district, for the same school year,
8 are enrolled and receive instruction.

9 e. The classification a child is assigned under
10 this section is dependent upon the required
11 educational modifications necessary to meet the
12 special education needs of the child. Enrollment for
13 the purpose of this division, and all payments to be
14 made pursuant to this division, includes all children
15 for whom a special education program or course is to
16 be provided pursuant to sections 273.1 to 273.9 and
17 chapter 281, whether or not the children are actually
18 enrolled upon the records of a school district, and
19 the enrollment is based on children receiving special
20 education programs or courses on December 1 of the
21 base year.

22 f. The state board of public instruction shall
23 adopt rules under chapter 17A, to implement the
24 classification of children requiring special education
25 and to assist in identification and proper
26 classification of each child in the state who requires
27 special education.

28 g. The division of special education of the
29 department of public instruction shall audit the
30 reports required in section 273.5 to determine that
31 all children in the area who have been identified as
32 requiring special education have received the
33 appropriate special education instructional and
34 support services, and to verify the proper
35 identification of pupils in the area who will require
36 special education instructional services during the
37 school year in which the report is filed. The
38 division shall certify to the state comptroller the
39 correct total enrollment of children requiring special
40 education in each classification for each school
41 district in the state as certified by the directors of
42 special education in each area.

43 2. TALENTED AND GIFTED CHILDREN. In order to pro-
44 vide funds for the excess costs of instruction for
45 talented and gifted children programs approved by the
46 department, each school district is entitled to
47 receive additional state instructional support per
48 student for the budget year in the amount of nine
49 hundred dollars for each talented and gifted child
50 enrolled in the approved talented and gifted children

1 program.

2 a. "Talented and gifted children" are those
3 identified as possessing outstanding abilities who are
4 capable of high performance. Talented and gifted
5 children are children who require appropriate
6 instruction and educational services commensurate with
7 their abilities and needs beyond those provided by the
8 regular school program.

9 Talented and gifted children include those children
10 with demonstrated achievement or potential ability, or
11 both, in any of the following areas or in combination:

- 12 (1) General intellectual ability.
- 13 (2) Creative thinking.
- 14 (3) Leadership ability.
- 15 (4) Visual and performing arts ability.
- 16 (5) Specific ability aptitude.

17 b. Boards of school districts, individually or
18 jointly with the boards of other school districts,
19 requesting to receive additional state instructional
20 support per student for talented and gifted children
21 programs, shall annually submit program plans for
22 talented and gifted children programs, including
23 requests to receive additional state instructional
24 support per student for funding the programs, to the
25 department of public instruction.

26 The parent or guardian of a pupil may request that
27 a talented and gifted children program be established
28 for pupils who qualify as talented and gifted children
29 under paragraph "a", including demonstrated
30 achievement or potential ability in a single subject
31 area.

32 The department shall employ a consultant for
33 talented and gifted children programs.

34 The department of public instruction shall adopt
35 rules under chapter 17A relating to the administration
36 of paragraphs "a" through "e". The rules shall
37 prescribe the format of program plans submitted under
38 paragraph "c" and shall require that programs fulfill
39 specified objectives. The department shall encourage
40 and assist school districts to provide programs for
41 talented and gifted children.

42 c. The program plans submitted by school districts
43 shall include all of the following:

- 44 (1) Program goals, objectives, and activities to
45 meet the needs of talented and gifted children.
- 46 (2) Student identification criteria and
47 procedures.
- 48 (3) Staff in-service education design.
- 49 (4) Staff utilization plans.
- 50 (5) Evaluation criteria and procedures and

1 performance measures.
2 (6) Program budget.
3 (7) Qualifications required of personnel
4 administering the program.
5 (8) Other factors the department requires.
6 d. The board of directors of a school district
7 requesting to receive additional state instructional
8 support per student for talented and gifted children
9 programs shall submit applications for approval for
10 the programs to the department not later than November
11 1 preceding the fiscal year during which the program
12 will be offered. The department shall review the
13 program plans and shall prior to January 15 either
14 grant approval for the program or return the request
15 for approval with comments of the department included.
16 Any unapproved request for a program may be
17 resubmitted with modifications to the department not
18 later than February 1. Not later than February 15 the
19 department shall notify the state comptroller of the
20 names of the school districts for which talented and
21 gifted children programs have been approved and the
22 number of each school district's students identified
23 as talented and gifted for the approved program for
24 the budget year.
25 e. The area education agencies in which the school
26 districts having approved talented and gifted children
27 programs are located shall cooperate with the school
28 district in the identification and placement of
29 talented and gifted children and may assist school
30 districts in the establishment of such programs.
31 3. NON-ENGLISH-SPEAKING STUDENTS. In order to
32 provide funds for the excess costs of instruction for
33 non-English-speaking students, each school district is
34 entitled to receive additional state instructional
35 support per student for the budget year in the amount
36 of nine hundred dollars for each non-English-speaking
37 student receiving instruction in the English language,
38 a transitional bilingual or other special instruction
39 program approved by the department under section
40 280.4. As used in this subsection, "non-English-
41 speaking student" means a student whose native
42 language is not English and whose inability or limited
43 ability to speak, write or read English significantly
44 impedes educational progress.
45 a. The department shall adopt rules relating to
46 the identification of non-English-speaking students
47 who require special instruction under section 280.4
48 and to application procedures for funds available
49 under this subsection.
50 b. A public school may receive funds for nonpublic

1 school students attending the program offered by the
2 public school.

3 c. The additional state instructional support per
4 student for the budget year received by a school
5 district under this subsection shall be based on
6 students receiving instruction in the English
7 language, a transitional bilingual or other special
8 instruction program on December 1 of the base year.
9 The department shall certify to the state comptroller
10 for each school district the correct total number of
11 such students receiving instruction.

12 d. The area education agencies in which the school
13 districts are located shall cooperate with and may
14 assist school districts in the establishment of
15 programs for non-English-speaking students.

16 Sec. 16. NEW SECTION. 442A.28 USE OF MONEYS
17 PROVIDED.

18 Moneys provided to school districts under section
19 442A.26 shall be used for each school's instructional
20 expenditures. As used in this division, a "school's
21 instructional expenditures" means those expenditures
22 which are not included in section 442A.7.

23 Moneys provided to school districts under section
24 442A.27 shall be deposited in the school general fund
25 and credited to the instructional account and shall be
26 spent on the instruction and programs for which the
27 moneys were provided.

28 Sec. 17. NEW SECTION. 442A.29 ADDITIONAL IN-
29 STRUCTIONAL FUNDING.

30 A school district may spend additional moneys for
31 the school's instructional expenditures and for the
32 instruction and programs enumerated in section 442A.27
33 above that which is provided through moneys received
34 pursuant to section 442A.38 and through the state
35 instructional support and the uniform instructional
36 property tax levy under this division. The additional
37 moneys shall be raised through a supplemental
38 instructional levy on taxable property within the
39 district and shall be deposited in the school general
40 fund and credited to the instructional account.
41 Moneys raised through the supplemental instructional
42 levy shall not be spent on infrastructure
43 expenditures.

44 Sec. 18. NEW SECTION. 442A.30 APPROPRIATION.

45 There is appropriated each year from the general
46 fund of the state an amount necessary to pay the
47 following state instructional support:

48 1. The basic state instructional support as
49 provided under section 442A.26.

50 2. The additional state instructional support

1 provided under section 442A.27.

2 In making computations and payments under this
3 division, the state comptroller shall round amounts to
4 the nearest whole dollar.

5 All state instructional support paid under this
6 division, unless otherwise stated, shall be paid in
7 monthly installments beginning on September 15 of a
8 budget year and ending on June 15 of the budget year
9 and the installments shall be as nearly equal as
10 possible as determined by the state comptroller,
11 taking into consideration the relative budget and cash
12 position of the state resources. Moneys received by a
13 school district under this section shall be deposited
14 in the general fund of the school district and
15 credited to the instructional account.

16 DIVISION IV

17 GENERAL PROVISIONS

18 Sec. 19. NEW SECTION. 442A.35 SCHOOL BUDGET
19 REVIEW COMMITTEE.

20 A nine-member school budget review committee is
21 established, consisting of the superintendent of
22 public instruction, the state comptroller and three
23 members appointed to represent the public by the
24 governor subject to confirmation by the senate in
25 accordance with section 2.32. In addition, the
26 chairpersons and ranking members of the house and
27 senate committees on education of the general assembly
28 shall serve as ex officio nonvoting members of the
29 committee.

30 No more than two of the appointed members shall
31 belong to the same political party. The appointed
32 members shall serve three-year staggered terms which
33 begin and end as provided in section 69.19. The
34 governor shall fill a vacancy in the same manner as an
35 original appointment under the procedures of section
36 2.32.

37 The committee shall meet and hold hearings each
38 year and shall continue in session until it has
39 reviewed budgets of school districts. It may call in
40 school board members and employees as necessary for
41 the hearings. Members of the general assembly shall
42 be notified of hearings concerning school districts in
43 their constituencies.

44 The committee shall adopt its own rules of
45 procedure. The superintendent of public instruction
46 shall serve as chairperson, and the state comptroller
47 shall serve as secretary. The committee members
48 representing the public and the members of the general
49 assembly are entitled to receive a per diem of forty
50 dollars, and their necessary travel and other expenses

1 while engaged in their official duties. However,
2 members of the general assembly are not entitled to
3 receive per diem or expenses under this section to the
4 extent that the per diem or expenses are otherwise
5 chargeable to their official duties as legislators
6 under section 2.10. The per diem and the necessary
7 travel and other expenses of the members of the
8 general assembly shall be paid from funds appropriated
9 by section 2.12. Expense payments for members repre-
10 senting the public shall be made from appropriations
11 to the department of public instruction.

12 Sec. 20. NEW SECTION. 442A.36 DUTIES OF THE
13 COMMITTEE.

14 1. The school budget review committee may
15 recommend the revision of any rules, directives, or
16 forms relating to school district budgeting and
17 accounting, confer with local school boards or their
18 representatives and make recommendations relating to
19 any budgeting or accounting matters, and may direct
20 the superintendent of public instruction or the state
21 comptroller to make studies and investigations of
22 school costs in any school district.

23 2. The committee shall report to each session of
24 the general assembly, which report shall include any
25 recommended changes in laws relating to school
26 districts, and shall specify the number of hearings
27 held annually, the reasons for the committee's
28 recommendations, information about the amounts of
29 infrastructure property tax levy, uniform
30 instructional levy, supplemental instructional
31 property tax levied by school districts, and other
32 information the committee deems advisable.

33 3. The committee shall review the certified budget
34 of each school district, and may make recommendations
35 to the school district and to the state comptroller.
36 The committee may make decisions affecting budgets to
37 the extent provided in this chapter. The costs and
38 computations referred to in this section relate to the
39 budget year unless otherwise expressly stated.

40 4. The committee shall review for each school
41 district the amount of infrastructure property tax
42 levy and supplemental instructional property tax levy.
43 However, the school budget review committee shall not
44 review the amount of a property tax levy, or if
45 applicable, the amount of property tax levy and income
46 surtax, for the payment of principal and interest on
47 bonds. If in the committee's judgment, either levy is
48 unreasonably high, the committee shall instruct the
49 state comptroller to reduce the district's tax levy
50 for the following budget year by the amount deemed

1 excessive.

2 5. Decisions by the committee under this chapter
3 shall be made in accordance with reasonable and
4 uniform policies which shall be consistent with this
5 chapter. Policies of general application shall be
6 stated in rules adopted under chapter 17A.

7 6. Failure by a school district to provide
8 information or appear before the committee as
9 requested for the accomplishment of review or hearing
10 is justification for the committee to instruct the
11 state comptroller to withhold state instructional
12 support to that district until the committee's
13 inquiries are satisfied completely.

14 Sec. 21. NEW SECTION. 442A.37 GENERAL FUND.

15 A general fund is created in each school district
16 and area education agency. Moneys received by a
17 school district or area education agency under this
18 chapter shall be deposited in the general fund and
19 credited to an infrastructure account or an
20 instructional account for school districts or to an
21 area education agency infrastructure account or an
22 instructional services account for area education
23 agencies. Interest earned on the fund shall be
24 credited to the accounts in the general fund on the
25 basis of the balances in the accounts at the date of
26 investment. The treasurer of the school district or
27 area education agency shall keep an accounting of the
28 moneys in the general fund and in each account of the
29 general fund.

30 Sec. 22. NEW SECTION. 442A.38 OTHER MONEYS.

31 Federal funds, other state funds, and gifts to a
32 school district or area education agency shall be
33 deposited in the general fund of the school district
34 or area education agency and credited to the account
35 from which an expenditure for the purpose for which
36 the funds are received may be made. Funds received
37 without a designated purpose shall be credited to the
38 instructional account of the general fund.

39 DIVISION V

40 AREA EDUCATION AGENCIES

41 Sec. 23. NEW SECTION. 442A.45 POLICY.

42 It is the policy of this state that area education
43 agencies be financed in a manner similar to the manner
44 in which the elementary and secondary school districts
45 are financed.

46 Sec. 24. NEW SECTION. 442A.46 DUTIES OF BOARD.

47 The area education agency board shall establish a
48 budget for infrastructure expenditures for the budget
49 year and certify the area education agency
50 infrastructure budget to the school budget review

1 committee and the state comptroller. The state
2 comptroller shall determine the amount of the area
3 education agency infrastructure property tax levy to
4 be made on all taxable property in the area education
5 agency based upon the budget submitted and shall
6 transmit the amount of the area levy to the respective
7 county auditors and county boards of supervisors.

8 Sec. 25. NEW SECTION. 442A.47 AREA EDUCATION
9 AGENCY INFRASTRUCTURE EXPENDITURES.

10 Expenditures of area education agencies for the
11 following are area education agency infrastructure
12 expenditures and may be included in the area education
13 agency budget:

14 1. Community education purposes pursuant to
15 chapter 276.

16 2. Transportation of special education pupils and
17 transportation for the delivery of materials and
18 services, including purchase and maintenance of
19 transportation equipment, vehicle operation and
20 maintenance, and salaries and benefits of operational
21 and maintenance personnel.

22 3. Operation and maintenance of the physical
23 facilities of the area education agency, including
24 grounds, buildings, and equipment. Operation and
25 maintenance also includes repairs, expenditures for
26 safety, and utility costs.

27 4. Insurance coverage for property, liability,
28 fidelity, and bond premiums as well as the costs of
29 judgments. Insurance costs for employees are an
30 employee benefit accountable in the appropriate
31 program fund.

32 5. Furnishing and equipping buildings.

33 6. Rental or lease/purchase of property and
34 buildings for area education agency purposes subject
35 to the approval of the state board of public
36 instruction as provided in sections 273.2, subsection
37 2 and 273.3, subsection 7.

38 7. Equipment purchase and maintenance.

39 8. Administrative data processing.

40 9. Cooperative purchasing.

41 10. The costs of unemployment benefits under
42 chapter 96.

43 11. An amount sufficient for payment of judgments
44 or settlements together with interest accruing on them
45 to the expected date of payment under section 613A.2
46 or 613A.8.

47 12. Costs of area education agency central and
48 divisional administration.

49 13. A necessary cash reserve.

50 14. Operation of the board of education of the

1 area education agency, including compensation, travel,
2 and materials for area education agency board members.

3 15. Community services which include services not
4 directly related to the instructional services
5 programs of the area education agency which include
6 but are not limited to, civic activities, public
7 libraries, and nonpublic school services except for
8 the costs of transportation for nonpublic school
9 pupils.

10 Sec. 26. NEW SECTION. 442A.48 PUBLIC HEARING.

11 The area education agency board shall present the
12 budget for area education agency infrastructure ex-
13 penditures as a separate item, with separate amounts
14 listed for each infrastructure expenditure during the
15 public hearing required in section 273.3, subsection
16 13.

17 Sec. 27. NEW SECTION. 442A.49 AREA EDUCATION
18 AGENCY INFRASTRUCTURE ACCOUNT.

19 The money collected by the area education agency
20 infrastructure property tax levy shall be placed in
21 the general fund of the area education agency and
22 credited to the area education agency infrastructure
23 account and may be used only for the purposes au-
24 thorized. The treasurer of the area education agency
25 shall keep a separate record of the area education
26 agency infrastructure account. Other moneys received
27 for any purpose listed in section 442A.47 shall be
28 deposited in the general fund and credited to the
29 infrastructure account, and may be used for the
30 purposes for which expenditures from the account may
31 be made.

32 Sec. 28. NEW SECTION. 422A.50 ENROLLMENT SERVED.

33 For the purposes of this division, "enrollment
34 served" means the basic enrollment of all school
35 districts in the area, as defined in section 442A.21,
36 plus the number of nonpublic school pupils served by
37 the area education agency. Each school district shall
38 include in its October enrollment report to the
39 department of public instruction the number of
40 nonpublic school pupils within the school district
41 served by the area education agency.

42 Sec. 29. NEW SECTION. 442A.51 STATE AREA EDUCA-
43 TION AGENCY INSTRUCTIONAL SERVICES COST PER STUDENT.

44 The state area education agency instructional
45 services cost per student for the budget year
46 beginning July 1, 1986, is one hundred thirty-five
47 dollars per student.

48 The state area education agency instructional
49 services cost per student for all subsequent budget
50 years is the product of the state area education

1 agency instructional services cost per student for the
2 base year times the quotient of the value of the
3 implicit price deflator for the quarter ending six
4 months prior to the beginning of the budget year
5 divided by the value of the implicit price deflator
6 for the quarter ending six months prior to the
7 beginning of the base year.

8 Sec. 30. NEW SECTION. 442A.52 STATE AREA
9 EDUCATION AGENCY INSTRUCTIONAL SERVICES SUPPORT PER
10 STUDENT.

11 The state area education agency instructional
12 services support per student for the budget year
13 equals the state area education agency instructional
14 services support level for the budget year times the
15 state area education agency instructional services
16 cost per student for the budget year. However, the
17 state area education agency instructional services
18 support per student shall not exceed the state area
19 education agency instructional services cost per
20 student.

21 Sec. 31. NEW SECTION. 442A.53 STATE AREA .
22 EDUCATION AGENCY INSTRUCTIONAL SERVICES SUPPORT LEVEL.

23 The state area education agency instructional
24 services support level for the budget year beginning
25 July 1, 1986 is one hundred percent.

26 For subsequent budget years the state area
27 education agency instructional services support level
28 shall be computed by the state comptroller prior to
29 October 20 in the base year and forwarded to the
30 superintendent of public instruction. The state area
31 education agency instructional services support level
32 shall be computed such that the ratio of the total
33 moneys appropriated under section 442A.58 for the
34 budget year to the total moneys appropriated under
35 section 442A.58 for the base year is equal to the
36 ratio of the state general fund revenues received
37 during the base year to the state general fund
38 revenues received during the year preceding the base
39 year.

40 Sec. 32. NEW SECTION. 442A.54 AREA EDUCATION
41 AGENCY UNIFORM INSTRUCTIONAL SERVICES LEVY.

42 Each school district shall cause to be levied each
43 year, for the area education agency, an area education
44 agency uniform levy of property tax of thirty cents
45 per thousand dollars of assessed valuation on all
46 taxable property in the district.

47 Moneys collected in a school district pursuant to
48 this section shall be deposited in the general fund of
49 the area education agency in which the district is
50 located and credited to the agency's instructional

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1 services account

2 Sec. 33. NEW SECTION. 442A.55 BASIC STATE AREA
3 EDUCATION AGENCY INSTRUCTIONAL SERVICES SUPPORT.

4 The basic state area education agency instructional
5 services support for a budget year provided for each
6 area education agency under this division is equal to
7 the amount of the state area education agency
8 instructional services support per student for the
9 budget year provided under section 442A.52, multiplied
10 times the enrollment served for the budget year for
11 the area education agency less the amount of the
12 moneys raised for the area education agency in the
13 budget year by the area education agency uniform
14 instructional services levy under section 442A.54.

15 Sec. 34. NEW SECTION. 442A.56 USE OF MONEYS
16 PROVIDED.

17 Moneys provided to an area education agency under
18 sections 442A.54 and 442A.55 shall be used for the
19 area education agency's instructional services
20 expenditures. As used in this division, an "area
21 education agency's instructional services
22 expenditures" means expenditures for special education
23 support services, media services and educational
24 services pursuant to program plans approved under
25 section 273.9 and which are not included as area
26 education agency infrastructure expenditures under
27 section 442A.47.

28 Sec. 35. NEW SECTION. 442A.57 ADDITIONAL AREA
29 EDUCATION AGENCY INSTRUCTIONAL FUNDING.

30 If moneys received by an area education agency
31 under sections 442A.54 and 442A.55 are not sufficient
32 to pay for the area education agency's instructional
33 services expenditures for a budget year approved by
34 the state board of public instruction, the state
35 comptroller shall determine the supplemental area
36 education agency instructional services support levy
37 on taxable property within the school districts lo-
38 cated in the area education agency which is necessary
39 to raise the moneys to pay for the area education
40 agency's instructional services expenditures for the
41 budget year approved by the state board of public
42 instruction. The state comptroller shall transmit the
43 amount of the supplemental area education agency
44 instructional services support levy to the respective
45 county auditors and county boards of supervisors.
46 Moneys raised through the supplemental area education
47 agency instructional services support levy shall be
48 deposited in the general fund and credited to the area
49 education agency's instructional services account and
50 such moneys shall not be spent on infrastructure

1 expenditures.

2 Sec. 36. NEW SECTION. 442A.58 APPROPRIATION.

3 There is appropriated each year from the general
4 fund of the state an amount necessary to pay the basic
5 state area education agency instructional services
6 support provided under section 442A.55.

7 The basic state area education agency instructional
8 services support paid under this division, unless
9 otherwise stated, shall be paid in monthly
10 installments beginning on September 15 of a budget
11 year and ending on June 15 of the budget year and the
12 installments shall be as nearly equal as possible as
13 determined by the state comptroller, taking into
14 consideration the relative budget and cash position of
15 the state resources. Moneys received by an area
16 education agency under this section shall be deposited
17 in the general fund of the area education agency and
18 credited to the instructional services account.

19 Sec. 37. For the budget year beginning July 1,
20 1986, each certificated individual employed by a
21 school district or area education agency whose salary
22 and benefits are paid from moneys in the general fund
23 and charged to the instructional account or area
24 education agency instructional services account shall
25 receive on a full-time equivalent basis a salary
26 adjustment of one thousand five hundred dollars in
27 addition to any salary increases the certificated
28 employee will receive for the budget year under a
29 salary schedule adopted by the board of directors or
30 negotiated under chapter 20. However, if a
31 certificated employee's annual salary for the budget
32 year on a full-time equivalent basis, after adding the
33 salary adjustment, is less than eighteen thousand dol-
34 lars, the salary adjustment shall be increased to an
35 amount that will provide an annual salary of eighteen
36 thousand dollars for the budget year on a full-time
37 equivalent basis. Costs of providing the salary
38 adjustment under this section shall be paid from the
39 general fund of a school district or area education
40 agency and charged against the instructional account
41 of the school district or the instructional services
42 account of an area education agency. The costs have
43 been provided for in the calculation of the state
44 instructional support per student and the area
45 education agency state instructional services support
46 per student for the budget year beginning July 1,
47 1986.

48 Sec. 38. Section 11.21, unnumbered paragraph 1,
49 Code 1985, is amended to read as follows:

50 Upon payment by the state of the salary and

1 expenses, the auditor of state shall file with the
2 warrant-issuing officer of the county, municipality or
3 school, whose offices were examined, a sworn statement
4 consisting of the itemized expenses paid and prorated
5 salary costs paid under section 11.20. Upon audit and
6 approval by the board of supervisors, council or
7 school board, the warrant-issuing officer shall draw a
8 warrant for the amount on the county, or on the
9 general fund of the municipality or general fund of
10 the school and charged against the infrastructure
11 account in favor of the auditor of state, which
12 warrant shall be placed to the credit of the general
13 fund of the state. In the event of the disapproval of
14 any items of ~~said~~ the statement by the county,
15 municipality, or school authorities, written
16 objections shall be filed with the auditor of state
17 within thirty days from the filing thereof.
18 Disapproved items of the statement shall be paid the
19 auditor of state upon receiving final decisions
20 emanating from public hearing established by the
21 auditor of state.

22 Sec. 39. Section 76.1, Code 1985, is amended to
23 read as follows:

24 76.1 MANDATORY RETIREMENT.

25 Hereafter issues of bonds of every kind and
26 character by counties, cities, and school corporations
27 shall be consecutively numbered. The annual levy, or
28 annual levy and income surtax, if applicable, shall be
29 sufficient to pay the interest and approximately such
30 that portion of the principal of the bonds as will
31 retire them in a period not exceeding twenty years
32 from date of issue. Each issue of bonds shall be
33 scheduled to mature serially in the same order as
34 numbered.

35 Sec. 40. Section 76.2, unnumbered paragraphs 1 and
36 2, Code 1985, are amended to read as follows:

37 The governing authority of these political
38 subdivisions before issuing bonds shall, by
39 resolution, provide for the assessment of an annual
40 levy upon all the taxable property in the political
41 subdivision, or the assessment of an annual levy and
42 imposition of an income surtax, sufficient to pay the
43 interest and principal of the bonds within a period
44 named not exceeding twenty years. A certified copy of
45 this resolution shall be filed with the county auditor
46 or the auditors of the counties in which the political
47 subdivision is located; and the filing ~~shall~~
48 makes it a duty of the auditors to enter annually this
49 levy for collection from the taxable property within
50 the boundaries of the political subdivision until

1 funds are realized to pay the bonds in full. For
2 school districts using section 76.20, a copy of the
3 resolution also shall be filed with the state
4 comptroller and the filing makes it a duty of the
5 state comptroller to direct the director of revenue to
6 impose a surtax on the state income tax of individuals
7 residing within the boundaries of the school district
8 until funds are realized to pay the bonds in full.
9 The levy shall continue to be made against property
10 that is severed from the political subdivision after
11 the filing of the resolution until funds are realized
12 to pay the bonds in full.

13 If the resolution is filed prior to April 1 the
14 annual levy shall begin with the tax levy for
15 collection commencing July 1 of that year. If the
16 resolution is filed after April 1, the annual levy
17 shall begin with the tax levy for collection in the
18 next succeeding fiscal year. However, the governing
19 authority of a political subdivision may adjust a levy
20 of taxes made under this section for the purpose of
21 adjusting the annual levies and collections for
22 property severed from the political subdivision,
23 subject to the approval of the state comptroller.

24 If the resolution includes the imposition of an
25 income surtax and it is filed prior to April 1, the
26 imposition of the surtax shall begin retroactive to
27 January 1 of that calendar year.

28 Sec. 41. Section 76.3, Code 1985, is amended to
29 read as follows:

30 76.3 TAX LIMITATIONS.

31 Tax limitations in any a law or proposition for the
32 issuance of bonds or obligations, including any a law
33 or proposition for the issuance of bonds or
34 obligations in anticipation of levies or collections
35 of taxes or both, shall be based on the latest
36 equalized actual valuation then existing and shall
37 only restrict the amount of bonds or obligations which
38 may be issued. For the sole purpose of computing the
39 amount of bonds which may be issued as a result of the
40 application of a tax limitation, all interest on the
41 bonds or obligations in excess of that accruing in the
42 first twelve months may be excluded from the first
43 annual levy of taxes, so that the need for including
44 more than one year's interest in the first annual levy
45 of taxes to pay the bonds or obligations and interest
46 does not operate to further restrict the amount of
47 bonds or obligations which may be issued, and in
48 certifying the annual levies to the county auditor or
49 auditors the first annual levy of taxes shall be
50 sufficient to pay all the principal of and interest on

1 the bonds or obligations becoming due prior to the
2 next succeeding annual levy and the full amount of the
3 first annual levy shall be entered for collection by
4 the auditor or auditors, as provided in this chapter.
5 However, if a school district has approved the
6 imposition of an income surtax to pay a portion of the
7 principal and interest on the bonds or obligations,
8 this section applies only for the portion of the
9 principal and interest to be paid from the annual levy
10 of property taxes.

11 Sec. 42. Section 76.4, Code 1985, is amended to
12 read as follows:

13 76.4 PERMISSIVE APPLICATION OF FUNDS.

14 Whenever ~~if~~ the governing authority of such a
15 political subdivision ~~shall have~~ has on hand funds
16 derived from ~~any other~~ a source other than taxation
17 which may be appropriated to the payment either of
18 interest or principal, or both principal and interest
19 of such bonds, ~~such~~ the funds may be so appropriated
20 and used and the levy for the payment of the bonds and
21 surtax rate for the income tax, if voted,
22 correspondingly reduced.

23 Sec. 43. Section 76.7, Code 1985, is amended to
24 read as follows:

25 76.7 PARTICULAR BONDS AFFECTED -- PAYMENT.

26 Counties, cities and school corporations may at any
27 time ~~er-times~~ extend or renew any legal indebtedness
28 or any part ~~thereof~~ of the indebtedness they may have
29 represented by bonds or certificates where ~~such~~ the
30 indebtedness is payable from a limited annual tax or
31 from a voted annual tax or income surtax, and may by
32 resolution fund or refund the same legal indebtedness
33 and issue bonds therefor running not more than twenty
34 years to be known as funding or refunding bonds, and
35 make provision for the payment of the principal and
36 interest ~~thereof~~ from the proceeds of an annual tax or
37 annual tax and income surtax for the period covered by
38 such the bonds similar to the tax authorized by law or
39 by the electors for the payment of the indebtedness ~~so~~
40 extended or renewed.

41 Sec. 44. NEW SECTION. 76.20 PAYMENTS OF SCHOOL
42 DISTRICT BONDS.

43 If the board of directors of a school district
44 calls an election on the issuance of general
45 obligation bonds under section 296.3, the board may
46 vote by resolution to include as a separate
47 proposition at the same election, a proposition to pay
48 the principal and interest of the bonds, one half by
49 pledging the proceeds of a property tax levy and one
50 half by pledging the proceeds of an income surtax. If

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1 the board does not adopt a resolution to include the
2 proposition on the ballot, a petition signed by
3 eligible electors equal in number to twenty percent of
4 the voters at the last preceding school election may
5 be filed with the board directing that the proposition
6 be placed on the ballot as a separate proposition from
7 the vote on the issuance of the bonds. Notice of the
8 separate proposition shall be given by the county
9 commissioner of elections by publication in accordance
10 with section 49.53. The notice shall identify the
11 bonds for which the property tax and income surtax
12 proceeds would be pledged to pay the principal and
13 interest and the number of years that the income
14 surtax and the property tax levy shall be imposed.

15 The separate proposition shall state the question
16 of whether the board of directors is authorized to pay
17 the principal and interest of the bonds one half by
18 pledging the proceeds of a property tax levy and one
19 half by pledging the proceeds of an income surtax.
20 The proposition carries if approved by a majority of
21 those voting on it.

22 The state comptroller shall adjust the levies and
23 income surtax rate to ensure that the total amount of
24 principal and interest will be paid.

25 Sec. 45. NEW SECTION. 76.21 AMOUNT REQUIRED.

26 Except as otherwise provided in section 76.24, the
27 board of directors shall estimate and certify to the
28 board of supervisors of the proper county for the
29 general fund of the school district to be credited to
30 the infrastructure account the amount required from
31 property tax revenues to pay one half the amount of
32 the principal and interest due on the bonds. The
33 board of directors shall estimate and certify to the
34 state comptroller for the infrastructure account of
35 the general fund of the school district the amount
36 required from the income surtax to pay one half the
37 amount of the principal and interest due on the bonds.

38 Annually the state comptroller shall establish the
39 rate of the income surtax based upon an average of the
40 income tax collections in the school district for the
41 three preceding years.

42 Sec. 46. NEW SECTION. 76.22 INCOME SUPTAX.

43 The income surtax shall be imposed on the state
44 individual income tax for each calendar year, or for a
45 taxpayer's fiscal year ending during the second half
46 of that calendar year or the first half of the
47 succeeding calendar year, and shall be imposed on all
48 individuals residing in the school district on the
49 last day of the applicable tax year. As used in this
50 section, "state individual income tax" means the tax

1 computed under section 422.5, less the deductions
2 allowed in sections 422.10, 422.11, and 422.12.

3 The director of revenue shall administer any income
4 surtax imposed under this chapter, and all the
5 provisions of sections 422.20, 422.22 to 422.31,
6 422.68, and 422.72 to 422.75, shall apply in respect
7 to administration of the income surtax.

8 The income surtax shall be made a part of the Iowa
9 individual income tax return subject to the conditions
10 and restrictions set forth in section 422.21.

11 Sec. 47. NEW SECTION. 76.23 DEPOSIT OF INCOME
12 SURTAX.

13 The director of revenue shall deposit all moneys
14 received as income surtax to the credit of each
15 district from which the moneys are received, in an
16 "income surtax fund" which is established in the
17 office of the treasurer of state.

18 Annually, after crediting to the department of
19 revenue a reasonable amount for costs of
20 administration, the treasurer of state shall remit to
21 the school districts which have imposed an income
22 surtax their share of the balance in the income surtax
23 fund. The proceeds of the tax shall be pledged for
24 the payment of one half the principal and interest on
25 the bonds specified on the ballot proposition. The
26 costs of administration shall be determined by the
27 department of revenue, and shall be based on a share
28 of the total cost of administering the department, in
29 the same proportion as the amount of income surtax
30 collected is to the amount of state income taxes
31 collected.

32 Sec. 48. NEW SECTION. 76.24 INCOME SURTAX
33 CERTIFICATION.

34 On or before October 20 each year, the director of
35 revenue shall make an accounting of the income surtax
36 collected under this chapter applicable to tax returns
37 for the last preceding calendar year, or for fiscal
38 year taxpayers, on the last day of their tax year
39 ending during that calendar year, from taxpayers in
40 each school district, and shall certify to the state
41 comptroller the amount of income surtax credited from
42 the taxpayers of each school district. Additional
43 returns in process, if any, at the time of
44 certification shall be completed and the additional
45 amount of income surtax reported to the state
46 comptroller for distribution back to the school
47 district with the first installment of the following
48 school year.

49 Sec. 49. NEW SECTION. 76.25 INCOME SURTAX
50 DISTRIBUTION.

1 The state comptroller shall draw warrants in
2 payment of the amount of surtax payable to each of the
3 school districts in two installments to be paid on
4 approximately the first day of December and the first
5 day of February, and shall cause the warrants to be
6 delivered to the respective school districts.

7 Sec. 50. NEW SECTION. 76.26 TAX FORMS.

8 The department of revenue shall supply appropriate
9 forms, or provide space on the regular state income
10 tax forms, for reporting school district income tax
11 liability, and shall administer the income surtax as
12 nearly as possible in conjunction with the
13 administration of the state income tax law, for
14 purposes of economy and efficiency. The department of
15 revenue shall adopt rules to carry out the income
16 surtax under sections 76.20 through 76.24.

17 Sec. 51. NEW SECTION. 76.27 INCOME SURTAX
18 ACCOUNT.

19 Notwithstanding section 76.21, the first year in
20 which the income surtax is collected after the
21 issuance of bonds, the percent of income surtax
22 imposed shall be double the percent calculated under
23 section 76.21. The excess collected above the amount
24 necessary to pay principal and interest on the bonds
25 shall be placed in the general fund of the school
26 district and credited to a separate income surtax
27 subaccount in the infrastructure account to be used to
28 supplement the principal and interest payments during
29 years in which the amount of income surtax collected
30 is insufficient to make the required payments.

31 In any year that the amount of income surtax
32 collected plus the amount credited to the separate
33 subaccount are insufficient, the board of directors
34 shall pay the remaining amount due from moneys
35 credited to the infrastructure account of the general
36 fund of the school district and the board of directors
37 shall repay the amount borrowed when funds are
38 available in the separate subaccount.

39 For the last year in which principal and interest
40 are due, an income surtax shall not be imposed and the
41 amount of the property tax levy shall be adjusted so
42 that the proceeds from the property tax levy plus the
43 amount credited to the income surtax subaccount of the
44 school district are sufficient to pay off the bonds.

45 Sec. 52. Section 258.5, unnumbered paragraph 1,
46 Code 1985, is amended to read as follows:

47 Whenever a school corporation maintains an approved
48 vocational school, department, or classes in
49 accordance with the rules and regulations established
50 by the state board and the state plan for vocational

1 education, adopted by that board and approved by the
 2 United States office department of education or other
 3 federal agency to which its functions are assigned,
 4 the state board shall reimburse such the school
 5 corporation at the end of the fiscal year for its
 6 expenditures for salaries and authorized travel of
 7 vocational teachers from federal and state funds.
 8 ~~Provided that no.~~ However, a school corporation
 9 shall not receive from federal and state funds a
 10 larger amount than one-half the sum which has been
 11 expended by the school corporation for that particular
 12 type of program; further, provided that in the event
 13 federal and state funds are not sufficient to make
 14 such the reimbursement to the extent herein provided
 15 in this section, the state board shall prorate the
 16 respective amounts available to the corporations
 17 entitled to such reimbursement. Moneys received by a
 18 school district pursuant to this section shall be
 19 deposited in the general fund and credited to the
 20 instructional account.

21 Sec. 53. Section 265.6, Code 1985, is amended to
 22 read as follows:

23 265.6 STATE AID APPLICABLE.

24 If the state board of regents has established a
 25 laboratory school, it shall receive state aid
 26 instructional support pursuant to chapters 281 and 442
 27 442A for each pupil enrolled in the laboratory school
 28 in the same amount as the public school district in
 29 which the pupil resides would receive aid
 30 instructional support for that pupil and shall
 31 transmit the amount received to the institution of
 32 higher education at which the laboratory school has
 33 been established. If the board of a school district
 34 terminates a contract with the state board of regents
 35 for attendance of pupils in a laboratory school, the
 36 school district shall inform the state comptroller of
 37 the number of these pupils who are enrolled in the
 38 district on the second fourth Friday of the following
 39 September. The state comptroller shall pay to the
 40 school district, from funds appropriated in section
 41 ~~442-26~~ 442A.30, an amount equal to the amount of state
 42 aid support paid for each pupil in that school
 43 district for that school year in payments made as
 44 provided in section ~~442-26~~ 442A.30. ~~However, payments~~
 45 ~~shall not be made for pupils for which an advance is~~
 46 ~~received by the district under section 442-28.~~

47 Sec. 54. Section 273.3, subsections 2, 7, and 13,
 48 Code 1985, are amended to read as follows:

49 2. Be authorized to receive and expend money for
 50 providing programs and services as provided in

1 sections 273.1 to 273.9, chapters 281 and ~~442~~ 442A.
2 All costs incurred in providing the programs and
3 services, including administrative costs, shall be
4 paid from funds received pursuant to sections 273.1 to
5 273.9 and chapters 281 and ~~442~~ 442A.

6 7. Be authorized to lease, subject to the approval
7 of the state board of public instruction and to
8 receive by gift and operate and maintain facilities
9 and buildings necessary to provide authorized programs
10 and services. However, a lease ~~for less than ten~~
11 ~~years and~~ with an annual cost of less than twenty-five
12 thousand dollars does not require the approval of the
13 state board. If a lease requires approval, the state
14 board shall not approve the lease until the state
15 board is satisfied by investigation that public school
16 corporations within the area do not have suitable
17 facilities available.

18 13. Prepare an annual budget estimating income and
19 expenditures for programs and services as provided in
20 sections 273.1 to 273.9 and chapter 281 within the
21 limits of funds provided under ~~section 281-9 and~~
22 ~~chapter 442~~ 442A. The board shall give notice of a
23 public hearing on the proposed budget by publication
24 in an official county newspaper in each county located
25 wholly or partially in the territory of the area
26 education agency. The notice shall specify the date
27 which shall be not later than November 10 of each
28 year, time, and location of the public hearing. The
29 proposed budget as approved by the board shall then be
30 submitted to the state board of public instruction, on
31 forms provided by the department, no later than
32 December 1 preceding the next fiscal year for
33 approval. The state board shall review the proposed
34 budget of each area education agency and shall prior
35 to January 1 either grant approval or return the
36 budget without approval with comments of the state
37 board included. Any unapproved budget shall be
38 resubmitted to the state board for final approval.

39 Sec. 55. Section 273.5, subsections 3 and 5, Code
40 1985, are amended to read as follows:

41 3. Assign Determine appropriate weights additional
42 state instructional support per student for each child
43 requiring special education programs or services as
44 provided in pursuant to section 281-9 442A.27.

45 5. Provide each school district within the area
46 served and the department of public instruction with a
47 special education weighted enrollment county ~~including~~
48 ~~the additional enrollment because of special education~~
49 for by December 1 of each year by special education
50 category pursuant to section 442A.27.

1 Sec. 56. Section 273.9, subsections 2, 3, 4, and
2 5, Code 1985, are amended to read as follows:
3 2. School districts shall pay the costs of special
4 education instructional programs with the moneys
5 available to the districts as additional state
6 instructional support for each child requiring special
7 ~~education, by application of the special education~~
8 ~~weighting plan in section 281-9.~~ Special education
9 instructional programs shall be provided at the local
10 level if practicable, or otherwise by contractual
11 arrangements with the area education agency board as
12 provided in section 273.3, subsection 5, but in each
13 case the ~~total money~~ additional state instructional
14 support available through section 281-9 and chapter
15 ~~442 because of weighted enrollment~~ for each child
16 requiring special education instruction shall be made
17 available to the district or agency which provides the
18 special education instructional program to the child,
19 subject to adjustments for transportation or other
20 costs which may be paid by the school district in
21 which the child is enrolled. Each district shall co-
22 operate with its area education agency to provide an
23 appropriate special education instructional program
24 for each child who requires special education
25 instruction, as identified ~~and counted~~ within the
26 certification by the area director of special
27 education or as identified by the area director of
28 special education subsequent to the certification, and
29 shall not provide a special education instructional
30 program to a child who has not been so identified ~~and~~
31 ~~counted~~ within the certification or identified
32 subsequent to the certification.
33 3. The costs of special education support services
34 shall be provided through by the area education agency
35 ~~shall be funded by an increase in the allowable growth~~
36 ~~of each school district, determined as provided in~~
37 ~~section 442-7 from funds received under section~~
38 442A.55 and other funds that may be available to an
39 area education agency for special education services.
40 Special education support services shall not be funded
41 until the program plans submitted by the special
42 education directors of each area education agency as
43 required by section 273.5 are modified as necessary
44 and approved by the state board of public instruction
45 ~~according to the criteria and limitations of chapter~~
46 ~~281 and section 442-7.~~
47 4. The costs of media services shall be provided
48 through by the area education agency shall be funded
49 as provided in section 442-27 from funds received
50 under section 442A.55 and other funds that may be

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1 available to an area education agency for media
2 services. Media services shall not be funded until
3 the program plans submitted by the administrators of
4 each area education agency as required by section
5 273.4 are modified as necessary and approved by the
6 state board of public instruction according to the
7 ~~criteria and limitations of section 273.6 and of~~
8 ~~section 442.27.~~

9 5. The costs of educational services shall be
10 provided through by the area education agency shall be
11 ~~funded within the limitations in section 442.27 from~~
12 ~~funds received under section 442A.55 and other funds~~
13 that may be available to an area education agency for
14 educational services. The state board of public
15 instruction shall promulgate rules under chapter 17A,
16 as necessary to implement performance of its approval
17 duties under this section.

18 Sec. 57. Section 273.12, Code 1985, is amended to
19 read as follows:

20 273.12 FUNDS -- USE RESTRICTED.

21 Funds generated for educational services under the
22 ~~provisions of section 442.27 and subject to approval~~
23 ~~under the provisions of section 273.97, subsection 57~~
24 shall not be expended by an area education agency for
25 the purpose of assisting either a public employer or
26 employee organization in collective bargaining
27 negotiations under chapter 20 if the public employer
28 is a school district, or the employee organization
29 consists of employees of a school district, located
30 within the boundaries of the area education agency.

31 Sec. 58. Section 274.37, unnumbered paragraph 2,
32 Code 1985, is amended to read as follows:

33 The boards in the respective districts, the
34 boundaries of which have been changed under this
35 section, complete in all respects, except for the
36 passage of time prior to the effective date of the
37 change and when all right of appeal of the change has
38 expired, may enter into joint contracts for the
39 construction of buildings for the benefit of the
40 corporations whose boundaries have been changed, using
41 funds accumulated under section 278.17, subsection 7 in
42 the respective infrastructure accounts. The district
43 in which the building is to be located may use any
44 funds authorized in accordance with chapter 75.
45 Nothing in this section shall be construed to permit
46 the changed districts to expend any funds jointly
47 which they are not entitled to expend acting
48 individually.

49 Sec. 59. Section 274.41, Code 1985, is amended to
50 read as follows:

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1 274.41 APPLICATION OF PROCEEDS OF SALE.

2 The proceeds of the sale of the property of a
3 school district under the authority granted in
4 sections 274.39 and 274.40 shall be deposited with the
5 ~~treasurer of the county and applied so far as~~
6 ~~necessary to the payment of the outstanding~~
7 indebtedness of such school district in the general
8 fund of the school district and credited to the
9 infrastructure account.

10 Sec. 60. Section 275.12, subsection 5, Code 1985,
11 is amended by striking the subsection.

12 Sec. 61. Section 275.14, Code 1985, is amended to
13 read as follows:

14 275.14 OBJECTION -- TIME OF FILING -- NOTICE.

15 Within ten days after the petition is filed, the
16 area education agency administrator shall fix a final
17 date for filing objections to the petition which shall
18 be not more than sixty days after the petition is
19 filed and shall fix the date for a hearing on the
20 objections to the petition. Objections shall be filed
21 in the office of the administrator who shall give
22 notice at least ten days prior to the final day for
23 filing objections, by one publication in a newspaper
24 published within the territory described in the
25 petition, or if none is published therein, in a
26 newspaper published in the county where the petition
27 is filed, and of general circulation in the territory
28 described. The notice shall also list the date, time,
29 and location for the hearing on the petition as
30 provided in section 275.15. The cost of publication
31 shall be assessed to each district whose territory is
32 involved in the ratio that the number of pupils in
33 basic enrollment, as defined in section ~~442-4~~ 442A.21
34 in each district bears to the total number of pupils
35 in basic enrollment in the total area involved.
36 Objections shall be in writing in the form of an
37 affidavit and may be made by any person residing or
38 owning land within the territory described in the
39 petition, or who would be injuriously affected by the
40 change petitioned for and shall be on file not later
41 than twelve o'clock noon of the final day fixed for
42 filing objections.

43 Sec. 52. Section 275.20, Code 1985, is amended to
44 read as follows:

45 275.20 SEPARATE VOTE IN EXISTING DISTRICTS.

46 The voters shall vote separately in each existing
47 school district affected ~~and voters residing in the~~
48 ~~entire existing district are eligible to vote both~~
49 upon the proposition to create a new school
50 corporation ~~and the proposition to levy the~~

1 schoolhouse-tax-under-section-278.17-subsection-7, if
2 the-petition-included-a-provision-for-a-vote-to-levy
3 the-schoolhouse-tax. If a the proposition receives a
4 majority of the votes cast in each of at least
5 seventy-five percent of the districts, and also a
6 majority of the total number of votes cast in all of
7 the districts, the proposition is carried.

8 Sec. 63. Section 275.26, unnumbered paragraph 3,
9 Code 1985, is amended to read as follows:

10 The respective boards to which such expenses are
11 certified shall audit and order the same paid from the
12 general fund and charged against the infrastructure
13 account. In the event of failure of any a board to so
14 audit and pay the expenses certified to it, the area
15 education agency administrator shall certify the
16 expenses to the county auditor in the same manner as
17 is provided for tuition claims in section 282.21 and
18 the funds shall be transferred by the county treasurer
19 from the debtor district to the agency board for
20 payment of said the expenses.

21 Sec. 64. Section 275.31, Code 1985, is amended to
22 read as follows:

23 275.31 TAXES TO EFFECT EQUALIZATION.

24 If necessary to equalize such a division and
25 distribution, the board or boards may provide for the
26 levy of additional taxes upon the property of any the
27 corporation or part of corporation and for the
28 distribution of the same so as to effect such
29 equalization. The proceeds of the levy shall be
30 deposited in the general fund and credited to the
31 infrastructure account.

32 Sec. 65. Section 275.32, Code 1985, is amended to
33 read as follows:

34 275.32 SCHOOL BUILDINGS -- TAX LEVY.

35 The board of any school corporation shall establish
36 attendance centers and provide suitable buildings for
37 each school in the district, and may at the regular or
38 a special meeting call a special election to submit to
39 the qualified electors of the district the question of
40 voting-a-tax-or authorizing the board to issue bonds
41 or-bonds in excess of one hundred thousand dollars for
42 any or all of the following purposes:

- 43 1. To secure sites, build, purchase, or equip
44 school buildings.
- 45 2. To build or purchase a superintendent's or
46 teacher's house or houses.
- 47 3. To repair or improve any school building or
48 grounds, or superintendent's or teacher's house or
49 houses, when the cost will exceed five thousand
50 dollars.

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1 All moneys received for such purposes shall be
2 placed in the schoolhouse general fund and
3 credited to the infrastructure account of said the
4 corporation and shall be used only for the purpose for
5 which voted.

6 Sec. 66. Section 275.33, subsection 2, Code 1985,
7 is amended to read as follows:

8 2. The collective bargaining agreement of the
9 district with the largest basic enrollment, as defined
10 in section ~~442-4~~ 442A.21, in the new district shall
11 continue in full force and effect until a successor
12 agreement is negotiated and the employees of the other
13 districts involved in the formation of the new
14 district shall automatically be accreted to the
15 bargaining unit of that collective bargaining
16 agreement without further action by the public
17 employment relations board. If only one collective
18 bargaining agreement is in effect among the districts
19 which are party to the reorganization, then that
20 agreement shall continue in full force and effect
21 until a successor agreement is negotiated, and the
22 employees of the other districts involved in the
23 formation of the new district shall automatically be
24 accreted to the bargaining unit of that collective
25 bargaining agreement without further action by the
26 public employment relations board.

27 Sec. 67. Section 277.27, Code 1985, is amended to
28 read as follows:

29 277.27 QUALIFICATION.

30 A Notwithstanding section 71.1, a school officer or
31 member of the board shall, at the time of election or
32 appointment, be an eligible elector of the corporation
33 or subdistrict. ~~Notwithstanding any contrary~~
34 ~~provision of the Code, no member of the board of~~
35 ~~directors of any school district, or director's~~
36 ~~spouse, shall receive compensation directly from the~~
37 ~~school board. No director or spouse affected by this~~
38 ~~provision on July 17, 1972, whose term of office for~~
39 ~~which elected has not expired, or whose contract of~~
40 ~~employment has a fixed date of expiration and has not~~
41 ~~expired, shall be affected by this provision until the~~
42 ~~expiration of the term of office to which elected, or~~
43 ~~the expiration date of the contract for which~~
44 ~~employed. A member of the board of directors shall~~
45 ~~not be an employee of the school district. A board~~
46 ~~member may receive compensation in an amount~~
47 ~~determined by the board and necessary expenses~~
48 ~~incurred while engaged in official duties.~~

49 Sec. 68. Section 278.1, subsections 2, 5, and 7,
50 Code 1985, are amended by striking the subsections.

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1 Sec. 69. Section 278.1, unnumbered paragraph 2,
2 Code 1985, is amended to read as follows:

3 The board may, with approval of sixty percent of
4 the voters, voting in a regular or special election in
5 the school district, make extended time contracts not
6 to exceed twenty years in duration for rental of
7 buildings to supplement existing schoolhouse
8 facilities; and where it is deemed advisable for
9 buildings to be constructed or placed on real estate
10 owned by the school district, such the contracts may
11 include lease-purchase option agreements, such with
12 the amounts to be paid out-of from the schoolhouse
13 general fund and charged against the infrastructure
14 account.

15 Sec. 70. Section 278.1, unnumbered paragraph 4,
16 Code 1985, is amended by striking the unnumbered
17 paragraph.

18 Sec. 71. Section 279.8, unnumbered paragraph 2,
19 Code 1985, is amended to read as follows:

20 Employees of a school corporation maintaining a
21 high school who have the custody of funds belonging to
22 the corporation or funds derived from ~~extracurricular~~
23 ~~activities~~ and other sources in the conduct of their
24 duties, shall be required to furnish suitable bond
25 indemnifying the corporation or any activity group
26 connected with the school against loss, and employees
27 who have the custody of property belonging to the
28 corporation or any activity group connected with the
29 school may be required to furnish such bond. Said
30 bond or bonds may be in such form and penalty as the
31 board may approve and the premiums on same shall be
32 paid from the general fund and charged against the
33 infrastructure account of the corporation.

34 Sec. 72. Section 279.12, unnumbered paragraph 1,
35 Code 1985, is amended to read as follows:

36 The board shall carry into effect any instruction
37 from the regular election upon matters within the
38 control of the voters, and shall elect ~~all~~ teachers
39 and make ~~all~~ contracts necessary or proper for
40 exercising the powers granted and performing the
41 duties required by law, and may establish and pay all
42 or any part thereof ~~from school district funds~~ of the
43 cost of group health insurance plans, nonprofit group
44 hospital service plans, nonprofit group medical
45 service plans and group life insurance plans adopted
46 by the board for the benefit of employees of the
47 school district from the general fund of the school
48 district and charged against the appropriate account,
49 but the board may authorize any subdirector to employ
50 teachers for the school in the subdirector's

1 subdistrict, ~~but no such employment.~~ Employment by a
2 subdirector ~~shall~~ does not authorize a contract, the
3 entire period of which is wholly beyond the
4 subdirector's term of office.

5 Sec. 73. Section 279.26, Code 1985, is amended to
6 read as follows:

7 279.26 LEASE ARRANGEMENTS.

8 The board of directors of a local school district
9 ~~for which a schoolhouse tax has been voted pursuant to~~
10 ~~section 278.17, subsection 7,~~ may enter into a rental
11 or lease arrangement, ~~consistent with the purposes for~~
12 ~~which the schoolhouse tax has been voted,~~ for a period
13 not exceeding ten years and ~~not exceeding the period~~
14 ~~for which the schoolhouse tax has been authorized by~~
15 ~~the voters.~~

16 Sec. 74. Section 279.28, Code 1985, is amended to
17 read as follows:

18 279.28 INSURANCE -- SUPPLIES -- TEXTBOOKS.

19 It may provide and pay ~~out of~~ from the general fund
20 of the school district and charge against the
21 infrastructure account to insure school property such
22 sum as may be necessary, ~~and may purchase~~
23 ~~dictionaries, library books, including books for the~~
24 ~~purpose of teaching vocal music, maps, charts, and~~
25 ~~apparatus for the use of the schools thereof as deemed~~
26 ~~necessary by the board of directors for each school~~
27 ~~building under its charge, and.~~ The board may furnish
28 schoolbooks to indigent children ~~when they are likely~~
29 ~~to be deprived of the proper benefits of the school~~
30 ~~unless so aided.~~

31 Sec. 75. Section 279.32, unnumbered paragraph 1,
32 Code 1985, is amended to read as follows:

33 The board shall fix the compensation to be paid the
34 secretary. No A member of the board shall not receive
35 compensation for official services except as provided
36 in section 277.27. The board may pay a school
37 treasurer a reasonable compensation.

38 Sec. 76. Section 279.41, Code 1985, is amended to
39 read as follows:

40 279.41 SCHOOLHOUSES AND SITES SOLD -- FUNDS.

41 Any fund Moneys received from the condemnation,
42 sale, or other disposition for public purposes of
43 schoolhouses, school sites or both schoolhouses and
44 school sites may shall be deposited in the schoolhouse
45 general fund of the school district and credited to
46 the infrastructure account and may ~~without a vote of~~
47 ~~the electorate~~ be used for the purchase of school
48 sites or the erection or repair of schoolhouses or
49 both as ordered by the board of directors of such the
50 school district, ~~provided, however, that.~~ However,

1 the board shall comply with section 297.7.

2 Sec. 77. Section 279.42, Code 1985, is amended to
3 read as follows:

4 279.42 GIFTS TO SCHOOLS.

5 The board of directors of any school district which
6 receives funds through gifts, devises and bequests may
7 utilize ~~the same~~ them, unless limited by the terms of
8 the grant~~7~~. The gift, devise, or bequest shall be
9 deposited in the general or schoolhouse fund
10 expenditures and credited to the appropriate account
11 pursuant to section 442A.38.

12 Sec. 78. Section 280.4, subsections 1 through 3,
13 Code 1985, are amended by striking the subsections.

14 Sec. 79. Section 280.7, Code 1985, is amended to
15 read as follows:

16 280.7 DENTAL CLINICS.

17 Boards of directors in all public school districts
18 may establish and maintain dental clinics for children
19 and offer courses of instruction on mouth hygiene.
20 The boards may employ such legally qualified dentists
21 and dental hygienists ~~as may be necessary~~ to
22 accomplish the purpose of this section. The cost of
23 the dental clinic shall be paid from the general fund
24 of the school district and charged against the
25 instructional account.

26 Sec. 80. Section 280.10, unnumbered paragraph 3,
27 Code 1985, is amended to read as follows:

28 The board of directors of each local public school
29 district and the authorities in charge of each
30 nonpublic school shall provide the safety devices
31 required herein. Such devices ~~may~~ shall be paid for
32 from the general fund of the school district and
33 charged against the instructional account, but the
34 board may require students and teachers to pay for the
35 safety devices and shall make them available to
36 students and teachers at no more than the actual cost
37 to the district or school.

38 Sec. 81. Section 280.11, unnumbered paragraph 3,
39 Code 1985, is amended to read as follows:

40 The board of directors of each local public school
41 district and the authorities in charge of each
42 nonpublic school shall provide the safety devices
43 required herein. Such devices ~~may~~ shall be paid for
44 from the general fund of the school district and
45 charged against the instructional account, but the
46 board may require students and teachers to pay for the
47 safety devices and shall make them available to
48 students and teachers at no more than the actual cost
49 to the district or school.

50 Sec. 82. NEW SECTION. 280.17 ACCRUAL ACCOUNTING.

1 The board of directors of each school district
2 shall adopt accounting procedures that provide that
3 receipts and expenditures be recorded on an accrual
4 basis.

5 Sec. 83. Section 281.2, subsection 2, unnumbered
6 paragraphs 4 and 5, Code 1985, are amended to read as
7 follows:

8 Every child requiring special education shall, if
9 reasonably possible, receive a level of education
10 commensurate with the level provided each child who
11 does not require special education. The cost of
12 providing such an education shall be paid as provided
13 in section 273.9, this chapter and chapter ~~442~~ 442A.
14 It ~~shall be~~ is the primary responsibility of each
15 school district to provide special education to
16 children who reside in that district if the children
17 requiring special education are properly identified,
18 the educational program or service has been approved,
19 the teacher or instructor has been certified, the
20 number of children requiring special education needing
21 that educational program or service is sufficient to
22 make offering the program or service feasible, and the
23 program or service cannot more economically and
24 equably be obtained from the area education agency,
25 another school district, another group of school
26 districts, a qualified private agency, or in co-
27 operation with one or more other districts.

28 ~~Any funds~~ Funds received by the a school district
29 of the child's residence for the child's education,
30 derived from funds received through chapter ~~442~~ 442A,
31 this chapter and section 273.9 shall be paid by the
32 school district of the child's residence to the
33 appropriate education agency, private agency, or other
34 school district providing special education for the
35 child pursuant to contractual arrangements as provided
36 in section 273.3, subsections 5 and 7.

37 Sec. 84. Section 281.8, unnumbered paragraph 1,
38 Code 1985, is amended to read as follows:

39 It shall not be incumbent upon the school districts
40 to keep a child requiring special education in regular
41 instruction when the child cannot sufficiently profit
42 from the work of the regular classroom, nor to keep
43 such the child requiring special education in the
44 special class or instruction for children requiring
45 special education when it is determined by the
46 director of special education of an area education
47 agency that the child can no longer benefit from the
48 instruction or needs more specialized instruction
49 available in special schools. However, the school
50 district shall ~~count~~ include the child requiring

1 special education in the basic enrollment as provided
2 in sections 273.9, 281.9 and ~~442.4~~ 442A.21 and shall
3 ~~insure~~ ensure that appropriate educational provisions
4 are made for the child requiring special education
5 within the limits of funds available under the
6 ~~provisions~~ of this chapter and chapters 273 and ~~442~~
7 442A.

8 Sec. 85. Section 281.9, Code 1985, is amended by
9 striking the section and inserting in lieu thereof the
10 following:

11 281.9 EVALUATION.

12 The division of special education may conduct an
13 evaluation of the special education instructional
14 program or special education support services being
15 provided by an area education agency, school district,
16 or private agency, pursuant to sections 273.1 to 273.9
17 and this chapter, to determine if the program or
18 service is adequate and proper to meet the needs of
19 the child; if the child is benefiting from the program
20 or service; if the costs are in proportion to the
21 educational benefits being received; and if there are
22 any improvements that can be made in the program or
23 service. A written report of the evaluation shall be
24 sent to the area education agency, school district, or
25 private agency evaluated and to the president of the
26 senate and speaker of the house of representatives of
27 the general assembly.

28 Sec. 86. Section 282.3, subsection 1, Code 1985,
29 is amended to read as follows:

30 1. The board may exclude from school children
31 under the age of six years when in its judgment such
32 children are not sufficiently mature to be benefited
33 by regular instruction, or any incorrigible child or
34 any child who in its judgment is so abnormal that
35 regular instruction would be of no substantial
36 benefit, or any child whose presence in school may be
37 injurious to the health or morals of other pupils or
38 to the welfare of such school. However, the board
39 shall provide special education programs and services
40 under the provisions of chapters 273, 281, and 442
41 442A for all children requiring special education.

42 Sec. 87. Section 282.8, Code 1985, is amended to
43 read as follows:

44 282.8 ATTENDING SCHOOL OUTSIDE STATE.

45 The boards of directors of school districts located
46 near the state boundaries may designate schools of
47 equivalent standing across the state line for
48 attendance of both elementary and high school pupils
49 when the public school in the adjoining state is
50 nearer than any appropriate public school in a pupil's

1 district of residence or in Iowa. Distance shall be
2 measured by the nearest traveled public road.
3 Arrangements shall be subject to reciprocal agreements
4 made between the chief state school officers of the
5 respective states. Notwithstanding section 282.1,
6 arrangements between districts pursuant to the
7 reciprocal agreements made under this section shall
8 establish tuition and transportation fees in an amount
9 acceptable to the affected boards, but the tuition and
10 transportation fees shall not be less than the lower
11 average cost per pupil for the previous school year of
12 the two affected school districts. For the purpose of
13 this section average cost per pupil for the previous
14 school year is determined by dividing the district's
15 operating instructional expenditures for the previous
16 school year by the number of children enrolled in the
17 district on the second third Friday of September of
18 the previous school year. A person attending school
19 in another state shall continue to be treated as a
20 pupil of the district of residence in the
21 apportionment of the current school fund and the
22 payment of state aid instructional support.

23 Sec. 88. Section 282.19, Code 1985, is amended to
24 read as follows:

25 282.19 CHILD LIVING IN FOSTER CARE FACILITY.
26 A child who is living in a licensed child foster
27 care facility as defined in section 237.1 in this
28 state which is located in a school district other than
29 the school district in which the child resided before
30 receiving foster care may enroll in and attend an
31 approved school in the school district in which the
32 child is living. If a child does not require special
33 education and was not counted in the basic enrollment
34 of a school district for a budget year under section
35 ~~442.4~~ 442A.21, the tuition and transportation, when
36 required by law, shall be paid by the treasurer of
37 state from funds in the state treasury not otherwise
38 appropriated, and upon warrants drawn by the state
39 comptroller upon requisition of the superintendent of
40 public instruction.

41 Sec. 89. Section 282.20, unnumbered paragraph 1,
42 Code 1985, is amended to read as follows:

43 The school corporation in which the student resides
44 shall pay from the general fund to the secretary of
45 the corporation in which the student is permitted to
46 enroll, a tuition fee as prescribed in section 282.24.
47 The amount shall be charged against the instructional
48 account.

49 Sec. 90. Section 282.24, subsection 1, unnumbered
50 paragraph 1, Code 1985, is amended to read as follows:

1 There is established a maximum tuition fee that
2 may be charged for elementary and high school students
3 residing within another school district or corporation
4 except students attending school in another district
5 under section 282.7, subsection 1. That fee is the
6 district-cost instructional cost per pupil of the
7 receiving district ~~as computed in section 442.97~~
8 ~~subsection 17-paragraph "a"~~.

9 Sec. 91. Section 282.27, Code 1985, is amended to
10 read as follows:

11 282.27 PAYMENT FOR CERTAIN CHILDREN.

12 When a child requiring special education is living
13 in a state-supported institution, charitable
14 institution, or licensed boarding home as defined in
15 this chapter which does not maintain a school and the
16 residence of the child requiring special education is
17 in a school district other than the school district in
18 which the state-supported institution, charitable
19 institution, or licensed boarding home is located, the
20 child is eligible for special education programs and
21 services provided for children requiring special
22 education who are residents of the school district in
23 which the institution or boarding home is located.
24 The special education instructional costs shall be
25 computed by means of weighted enrollment under section
26 442A.27, subsection 1, for that child under the
27 ~~provisions of chapters 273, 281, and 442~~ 442A as if
28 that child were a resident of the school district in
29 which the institution or boarding home is located but
30 the child shall be included in the enrollment count in
31 the district of residence in the manner provided in
32 ~~sections 281.9 and 442.4~~ section 442A.21. The costs
33 as computed shall be paid by the district of
34 residence. No child requiring special education
35 shall not be denied special education programs and
36 services because of a dispute over determination of
37 residence of that child. If there is a dispute over
38 the residence of the child, the state board of public
39 instruction shall determine the residence of the
40 child. However, if the special education
41 instructional costs incurred on behalf of the child
42 exceed the amount which would be allowed if the child
43 were provided the programs and services in the
44 district of residence, the treasurer of the school
45 district of residence shall make payment at the
46 maximum amount allowed in that district for a child
47 requiring special education who is similarly
48 handicapped. If the child requiring special education
49 is not counted in the weighted enrollment of any
50 district ~~under section 281.9~~, and payment is not made

1 by any district, the district in which the institution
2 or boarding home is located may certify the special
3 education instructional costs to the superintendent of
4 public instruction not later than September 1 of each
5 year for the preceding fiscal year. The state board
6 of public instruction shall review the costs and
7 submit a requisition to the state comptroller. The
8 amount due shall be paid by the treasurer of state to
9 the district in which the institution or licensed
10 boarding home is located from any funds in the general
11 fund of the state not otherwise appropriated upon
12 warrants drawn and signed by the state comptroller.
13 For the purposes of this section, the term "district
14 of residence of the child" means the residence of the
15 parent or legal guardian, or the location of the
16 district court if the district court is the legal
17 guardian, of the child.

18 Sec. 92. Section 283A.9, Code 1985, is amended to
19 read as follows:

20 283A.9 BUILDING FOR SCHOOL LUNCH FACILITY.

21 School districts are authorized to purchase, erect,
22 or otherwise acquire a building for use as a school
23 lunch facility, and to equip such-a the building for
24 such-use, and pay for same expenditures from
25 unencumbered funds on-hand in the schoolhouse general
26 fund derived-from-taxes-voted-under-authority-of
27 section-278.17-subsection-7,-or-275.32,-subject-to-the
28 terms-of-this-section, or may pay for same the
29 building from the proceeds of the sale of school
30 property sold under section 297.22, or from surplus
31 remaining in the schoolhouse general fund after
32 retirement of a bond issue, or-from-a-tax-voted-for
33 such-purposes. Payments made under this section shall
34 be charged against the infrastructure account.

35 Sec. 93. Section 285.2, unnumbered paragraph 3,
36 Code 1985, is amended to read as follows:

37 The costs of providing transportation to nonpublic
38 school pupils as provided in section 285.1 shall not
39 be-included-in-the-computation-of-district-cost-under
40 chapter-442,-but-shall be shown in the budget as an
41 expense-from-miscellaneous-income a separate expense.
42 Any transportation reimbursements received by a local
43 school district for transporting nonpublic school
44 pupils shall not-affect-district-cost-limitations-of
45 chapter-442 be recorded as a separate nonpublic
46 transportation account in the general fund and be used
47 only for expenses relating to nonpublic pupil
48 transportation. The-reimbursements-provided-in-this
49 section-are-miscellaneous-income-as-defined-in-section
50 442.5.

1 Sec. 94. Section 285.10, subsection 7, paragraph
2 a, Code 1985, is amended to read as follows:

3 a. From such funds as may be available in the
4 general fund and charged against the infrastructure
5 account.

6 Sec. 95. Section 291.15, Code 1985, is amended to
7 read as follows:

8 291.15 ANNUAL REPORT.

9 The treasurer shall make an annual report to the
10 board at its regular July meeting, which shall show
11 the amount of each account in the general fund and the
12 schoolhouse fund and the amounts held over, received,
13 paid out, and on hand, the several funds accounts to
14 be separately stated, and the treasurer shall
15 immediately file a copy of this report with the
16 superintendent of public instruction and a copy with
17 the county treasurer.

18 Sec. 96. Section 294.3, Code 1985, is amended to
19 read as follows:

20 294.3 STATE AID AND TUITION.

21 No A school shall not be deprived of its right to
22 be approved for state aid instructional support or
23 approved for tuition by-reason because of the
24 employment of any a teacher as authorized under
25 section 294.2.

26 Sec. 97. Section 294.8, Code 1985, is amended to
27 read as follows:

28 294.8 PENSION SYSTEM.

29 Any A school district located in whole or in part
30 within a city having a population of twenty-five
31 thousand one hundred or more may establish a pension
32 and annuity retirement system for the public school
33 teachers of such the district provided-said-system,-in
34 cities-having-a-population-less-than-seventy-five
35 thousand,-be-ratified-by-a-vote-of-the-people-at-a
36 general-election.

37 Sec. 98. Section 294.9, subsection 2, Code 1985,
38 is amended to read as follows:

39 2. From the proceeds-of-an-annual-tax-levy general
40 fund and charged against the appropriate account.

41 Sec. 99. Section 296.1, Code 1985, is amended to
42 read as follows:

43 296.1 INDEBTEDNESS AUTHORIZED.

44 Subject to the approval of the voters thereof,
45 school districts are-hereby-authorized-to may contract
46 indebtedness and to issue general obligation bonds in
47 an amount in excess of one hundred thousand dollars to
48 provide funds to defray the cost of purchasing,
49 building, furnishing, reconstructing, repairing,
50 improving or remodeling a schoolhouse or schoolhouses

1 and additions thereto, gymnasium, stadium, field
2 house, school bus garage, teachers' or
3 superintendent's home or homes, and procuring a site
4 or sites therefor, or purchasing land to add to a site
5 already owned, or procuring and improving a site for
6 an athletic field, or improving a site already owned
7 for an athletic field, and for any one or more of such
8 these purposes. Taxes for the payment of said the
9 bonds shall be levied in accordance with chapter 76,
10 and said the bonds shall mature within a period not
11 exceeding twenty years from date of issue, shall bear
12 interest at a rate or rates not exceeding that
13 permitted by chapter 74A and shall be of such the form
14 as the board of directors of such the school district
15 shall by resolution provide, ~~but the aggregate~~
16 ~~indebtedness of any school district shall not exceed~~
17 ~~five percent of the actual value of the taxable~~
18 ~~property within said school district, as ascertained~~
19 ~~by the last preceding state and county tax lists.~~

20 Sec. 100. Section 296.2, Code 1985, is amended to
21 read as follows:

22 296.2 PETITION FOR ELECTION.

23 ~~Before indebtedness can be contracted in excess of~~
24 ~~one and one-quarter percent of the assessed value of~~
25 ~~the taxable property, a~~ A petition signed by a number
26 equal to twenty-five percent of those voting at the
27 last election of school officials shall be filed with
28 the president of the board of directors, asking that
29 an election be called, stating the amount of bonds
30 proposed to be issued and the purpose or purposes for
31 which the indebtedness is to be created, ~~and that the~~
32 ~~purpose or purposes cannot be accomplished within the~~
33 ~~limit of one and one-quarter percent of the valuation.~~
34 The petition may request the calling of an election on
35 one or more propositions and a proposition may include
36 one or more purposes.

37 Sec. 101. Section 297.9, Code 1985, is amended to
38 read as follows:

39 297.9 USE FOR OTHER THAN SCHOOL PURPOSES.

40 The board of directors of any school district may
41 authorize the use of any schoolhouse and its grounds
42 within such the district for the purpose of meetings
43 of granges, lodges, agricultural societies, and
44 similar societies, for parent-teacher associations,
45 for community recreational activities, community
46 education programs, election purposes, other meetings
47 of public interest, public forums and similar
48 community purposes, ~~provided that such.~~ However, the
49 use shall ~~in no way not~~ interfere with school
50 activities, ~~such.~~ The use to be for such shall

1 include compensation, and-upon-such terms, and
2 conditions as may be fixed determined by said the
3 board for the proper protection of the schoolhouse and
4 the property belonging-therein, including that of
5 pupils,-except-that. However, in the case of
6 community education programs, any compensation
7 necessary for programs provided specifically by
8 community education and not those provided through
9 community education by other agencies or organizations
10 shall be compensated from the funding-provided-for
11 community-education-programs general fund and charged
12 against the infrastructure account.

13 Sec. 102. Section 297.10, Code 1985, is amended to
14 read as follows:

15 297.10 COMPENSATION.

16 Any compensation for such use shall be paid into
17 the general fund and credited to the infrastructure
18 account and be expended in the upkeep and repair of
19 such school property, and in purchasing supplies
20 therefor for the property.

21 Sec. 103. Section 297.22, unnumbered paragraphs 1,
22 2, and 7, Code 1985, are amended to read as follows:

23 The board of directors of a school district may
24 sell, lease, or dispose of, in whole or in part, a
25 schoolhouse, site, or other property belonging to the
26 district ~~for which the value does not exceed twenty-~~
27 ~~five-thousand-dollars. If the value exceeds twenty-~~
28 ~~five-thousand-dollars, the board shall submit the~~
29 ~~question at an election under section 278.17~~
30 ~~subsection 27 to authorize the sale, lease or~~
31 ~~disposal.~~

32 Proceeds from the sale, lease or disposition of
33 real property ~~shall be placed in the schoolhouse fund,~~
34 and proceeds from the sale, lease or disposition of
35 property other than real property, shall be placed in
36 the general fund and credited to the infrastructure
37 account.

38 The board of directors of a school corporation may
39 lease a portion of an existing school building in
40 which the remaining portion of the building will be
41 used for school purposes for a period of not to exceed
42 five years. The lease may be renewed at the option of
43 the board. Sections 297.15 to 297.20, sections 297.23
44 and 297.24, and ~~the property value limitations and~~
45 appraisal requirements of this section do not apply to
46 the lease of a portion of an existing school building.

47 Sec. 104. Section 298.1, Code 1985, is amended to
48 read as follows:

49 298.1 SCHOOL TAXES.

50 The board of each school district shall estimate

1 the amount of the proposed expenditures and proposed
2 receipts for the general school purposes at a time and
3 in a manner to effectuate the provisions of chapter
4 ~~442~~ 442A and sections 281.9 and 281.11. Compliance
5 with chapter 24 shall be observed.

6 Sec. 105. Section 298.7, Code 1985, is amended to
7 read as follows:

8 298.7 CONTRACT FOR USE OF LIBRARY.

9 The board of directors of a school corporation in
10 which there is no free public library may contract
11 with a free public library for the free use of the
12 library by the residents of the school district, and
13 pay the library the amount agreed upon for the use of
14 the library as provided by law. During the existence
15 of the contract, the board shall ~~certify annually a~~
16 ~~tax sufficient to pay the library the consideration~~
17 ~~agreed upon, not exceeding twenty cents per thousand~~
18 ~~dollars of assessed value of the taxable property of~~
19 ~~the district include the cost as an instructional~~
20 expenditure pursuant to chapter 442A. During the
21 existence of the contract, the school corporation is
22 relieved from the requirement that the school
23 treasurer withhold funds for library purposes. This
24 section does not apply in townships where a contract
25 for other library facilities is in existence.

26 Sec. 106. Section 298.18, Code 1985, is amended by
27 striking the section and inserting in lieu thereof the
28 following:

29 298.18 BOND TAX -- LEASING BUILDINGS.

30 The board of each school corporation shall, when
31 estimating and certifying the amount of money required
32 for school purposes, estimate and certify to the board
33 of supervisors of the proper county to be included in
34 the general fund and credited to the infrastructure
35 account, the amount required to pay interest due or
36 that may become due for the fiscal year beginning July
37 1, thereafter, upon lawful bonded indebtedness, and in
38 addition an amount as the board may deem necessary to
39 apply on the principal.

40 Interest on the bonds in excess of that accruing in
41 the first twelve months may be excluded from the first
42 annual levy or levy and imposition of taxes, so that
43 the need for including more than one year's interest
44 in the first annual levy of taxes to pay the bonds and
45 interest shall not operate to further restrict the
46 amount of bonds which may be issued, and in certifying
47 the annual levies or annual levies and surtax rates to
48 the county auditor or auditors, and to the director of
49 revenue, if applicable, the first annual levy of taxes
50 and imposition of surtax, if applicable, shall be

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1 sufficient to pay all principal of and interest on the
2 bonds becoming due prior to the next succeeding annual
3 levy and the full amount shall be entered for
4 collection by the auditor or auditors, and for
5 imposition by the director of revenue, if applicable,
6 as provided in chapter 76.

7 Sec. 107. Section 300.2, Code 1985, is amended by
8 striking the section and inserting in lieu thereof the
9 following:

10 300.2 TAX LEVY.

11 The board of directors of a school district may
12 levy a tax for public educational and recreational
13 activities authorized under this chapter. The amount
14 shall be placed in the general fund of the district,
15 used only for the purposes specified in this chapter,
16 and credited to the infrastructure account.

17 Sec. 108. Section 301.1, Code 1985, is amended to
18 read as follows:

19 301.1 ADOPTION -- PURCHASE AND SALE.

20 The board of directors of ~~each and every~~ a school
21 district ~~is hereby authorized and empowered to may~~
22 ~~adopt textbooks for the teaching of all branches that~~
23 ~~are now or may hereafter be authorized to be taught in~~
24 ~~the public schools of the state,~~ and to may contract
25 for and ~~buy said~~ purchase the books and ~~any and all~~
26 other necessary school supplies at said contract
27 prices, and to may sell the same books to the pupils
28 of their respective districts at cost, loan such the
29 textbooks to such pupils free, or rent them to such
30 pupils at such a reasonable fee as the board shall fix
31 determine, and said the money so received shall be
32 returned to the general fund and credited to the
33 instructional fund.

34 Textbooks adopted and purchased by a school
35 district may, and shall to the extent funds are
36 appropriated by the general assembly, be made
37 available to pupils attending nonpublic schools upon
38 request of the pupil or the pupil's parent or guardian
39 under comparable terms as made available to pupils
40 attending public schools.

41 Sec. 109. Section 331.512, subsection 12, Code
42 1985, is amended to read as follows:

43 12. Carry out duties relating to levy of school
44 taxes as provided in chapter ~~442~~ 442A.

45 Sec. 110. Section 360.3, Code 1985, is amended to
46 read as follows:

47 360.3 TRANSFER OF FUND.

48 ~~When there are funds in the hands of~~ a township
49 clerk has funds, raised under this chapter which are
50 not desired for the purposes for which they were

1 raised, the funds may be transferred to the general
2 fund of a school district or districts pro rata in
3 which the funds were raised and credited to the
4 infrastructure account, when a petition is presented
5 to the trustees, signed by a majority of the qualified
6 electors of the township, as shown by the election
7 register or registers of the last preceding primary or
8 general election held in the township. The transfer
9 of funds shall be made by the township clerk upon
10 order of the trustees after the filing of the petition
11 with the clerk.

12 Sec. 111. Section 422.100, Code 1985, is amended
13 to read as follows:

14 422.100 ALLOCATION TO MONEYS AND CREDITS
15 REPLACEMENT FUND IN EACH COUNTY.

16 There is created a permanent fund in the office of
17 the treasurer of state to be known as the "moneys and
18 credits replacement fund". The director shall
19 determine the percentage which the aggregate taxable
20 value for the year 1965 of the property described in
21 and subject to taxation under section 429.2, Code
22 1966, owned or held by individuals, administrators,
23 executors, guardians, conservators, trustees or an
24 agent or nominee thereof, and the aggregate taxable
25 value for the year 1965 of the property described in
26 and subject to taxation under section 431.1, Code
27 1966, for the year 1965 but not subject to taxation
28 under that section for the year 1966, in each county
29 bears to the total aggregate taxable value of such
30 property reported from all of the counties in the
31 state and shall certify the percentage for each county
32 to the state comptroller prior to January 1, 1967. In
33 July of each year, the state comptroller shall apply
34 that percentage to the money in the moneys and credits
35 tax replacement fund prior to that July and determine
36 the amount due to each county. The state comptroller
37 shall draw warrants on the moneys and credits tax
38 replacement fund in such amounts payable to the county
39 treasurer of each county and transmit them. The
40 county treasurer shall apportion these amounts as
41 follows: For the amounts received in January 1972,
42 and all previously collected amounts, twenty percent
43 to the county general fund, fifty percent to the
44 school general fund and credited to the instructional
45 account, and the remaining thirty percent to cities
46 and towns in the proportion that the taxable values
47 for each city and town for 1965 of property subject to
48 taxation in 1965 under sections 429.2, Code 1966, and
49 431.1, Code 1966, is to the total of such taxable
50 values for all cities and towns within the county; for

1 the amounts received in January 1973, and all
2 subsequently collected amounts, forty percent to the
3 county, and the remaining sixty percent to cities and
4 towns in the proportion that the taxable values for
5 each city and town for the year 1965 under sections
6 429.2 and 431.1, Code 1966, is to the total of such
7 taxable values for all the cities and towns within the
8 county.

9 Sec. 112. Section 467B.14, unnumbered paragraph 1,
10 Code 1985, is amended to read as follows:

11 Sixty-five percent of any such payments or payment
12 received from the federal government shall be
13 distributed to the general fund of the school
14 districts of the county and credited to the
15 infrastructure account after the county auditor has
16 determined the districts which are principally
17 affected by the federal flood control project involved
18 in an amount deemed to be the equitable share of each
19 such district and the amount allocated to each school
20 district shall be paid over to the treasurer of such
21 school district.

22 Sec. 113. Notwithstanding section 442A.35, the
23 members of the school budget review committee
24 appointed by the governor under section 442.12, Code
25 1985, shall continue as members of the school budget
26 review committee until April 30 of the year in which
27 the member's appointment expires.

28 Sec. 114. Chapters 260A, 276, and 442 and sections
29 276.11, 276.12, 279.43, 291.13, 294.11 through 294.14,
30 296.2, 297.5, 297.36, 298.9, 298.10, 298.16, 298.17,
31 300.3, 300.4, 301.4, 301.24, and 301.27, Code 1985,
32 are repealed.

33 Sec. 115. Unencumbered cash balances of a school
34 district in the general fund and schoolhouse fund and
35 an area education agency in the general fund, existing
36 on June 30, 1986, remain the property of the school
37 district or area education agency and shall be
38 deposited in the general fund of the school district
39 or area education agency and credited to the
40 appropriate account.

41 Sec. 116. This Act takes effect for computations
42 and procedures needed for the school year beginning
43 July 1, 1986. Sections of this Act not required for
44 computations and procedures needed for the school year
45 beginning July 1, 1986 take effect July 1, 1986."