

(P.842) 3/28/94 Senate - Back to Education

FILED FEB 24 1994

SENATE FILE 2202
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 2086)

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

A BILL FOR

1 An Act allowing school districts to carry special education year-
2 end balances into the next school budget year.

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

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S.F. 2202

1 Section 1. Section 257.31, subsection 14, paragraph a,
2 Code Supplement 1993, is amended to read as follows:

3 a. If the amount certified for a school district to the
4 director of the department of management under this subsection
5 for the base year is positive, the director of the department
6 of management shall subtract the amount of the positive
7 balance exceeding ten percent of the additional funds
8 generated for special education, not to include any previous
9 carryover, from the amount of state aid remaining to be paid
10 to the district during the budget year. If the positive
11 amount exceeding the ten percent amount exceeds the amount of
12 state aid that remains to be paid to the district, not
13 including any previous carryover, the school district shall
14 pay the excess on a quarterly basis prior to June 30 of the
15 budget year to the director of the department of management
16 from other funds received by the district. The director of
17 the department of management shall determine the amount of the
18 positive balance that exceeds the ten percent amount that came
19 from local property tax revenues and shall increase the
20 district's total state school aids available under this
21 chapter for the next following budget year by the amount so
22 determined and shall reduce the district's tax levy computed
23 under section 257.4 for the next following budget year by the
24 amount necessary to compensate for the increased state aid.

25 EXPLANATION

26 The bill allows school districts to carry forward to the
27 next budget year any special education positive year-end
28 balances in excess of 10 percent of the additional funds
29 generated for special education.

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**SENATE FILE 2202
FISCAL NOTE**

A fiscal note for Senate File 2202 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2202 would allow local school districts to carry up to 10% of their special education funds from one year to the next. Currently local school districts are required to revert any positive special education balances and these balances are used to reduce property taxes in the districts with positive special education balances and to offset negative balances in districts that have negative special education balances.

ASSUMPTIONS:

1. That this legislation would take effect for special education balances at the close of FY 1996.
2. That the special education positive balances at the close of FY 1996 will be approximately \$2.8 million.
3. That of the districts with a special education positive balance none will experience a positive balance greater than 10% for the year.
4. That of the districts with positive balances none will choose to use a portion of the positive special education balance to reduce property taxes.
5. That the special education negative balances will remain constant at an amount of approximately \$12.9 million.
6. That approximately \$2.2 million of the special education positive balances that had been used for offsetting special education negative balances will be eliminated.
7. That districts with special education negative balances will supplant the lost \$2.2 million offset from special education positive balances by increasing property taxes by \$2.2 million.

FISCAL IMPACT:

Senate File 2202 is estimated to increase local school districts property taxes by \$2.8 million starting in FY 1997. (LSB 4025sv, BDH)

FILED FEBRUARY 28, 1994

BY DENNIS PROUTY, FISCAL DIRECTOR

Fink - Chair
Kibbie
Taylor

SSB. 2086
Education

SENATE FILE 2202
BY (PROPOSED COMMITTEE ON
EDUCATION BILL BY CHAIR-
PERSON CONNOLLY)

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