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359

By COMMITTEE ON EDUCATION

Passed House, Date 3-22-73 (597) Passed Senate, Date _____
 Vote: Ayes 98 Nays 0 Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act amending the state school foundation program by provid-
 2 ing that special methods of computing state school founda-
 3 tion aid will be continued for only two years, providing two
 4 alternate dates for determining enrollment, including in
 5 enrollment certain pupils for which the school district pays
 6 tuition to attend an Iowa area school, excluding pupils
 7 attending a university laboratory school from any district's
 8 enrollment, defining miscellaneous income and other terms,
 9 adding new definitions, excluding miscellaneous income from
 10 certain computations, limiting proposed and actual expendi-
 11 tures, establishing state percent of growth at five percent
 12 for the school year beginning July 1, 1973, limiting state
 13 percent of growth to a maximum of five percent for the
 14 school year beginning July 1, 1974, providing greater equal-
 15 ization by increasing the allowable growth for districts
 16 whose district cost per pupil is below state cost per pupil,
 17 establishing the state cost per pupil for certain years,
 18 requiring the use of budget amounts rather than actual ex-
 19 penditures for certain computations, revising the determi-
 20 nation of district cost, district cost per pupil, and the
 21 additional school district property tax levy, revising
 22 and clarifying the duties and powers of the school budget
 23 review committee, requiring the school budget review com-
 24 mittee to permit or increase allowable growth in certain
 25 hardship situations related to the exclusion of miscella-

1 neous income from certain computations, permitting the
2 school budget review committee to establish a modified
3 allowable growth under certain conditions, clarifying
4 the sources of funds for additional state aid, revising the
5 procedures for establishing, increasing, or continuing
6 a school district income surtax, repealing the require-
7 ment for a tentative budget, and making related technical
8 and procedural changes.

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

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1 Section 1. Section four hundred forty-two point one
2 (442.1), Code 1973, is amended to read as follows:

3 442.1 STATE SCHOOL FOUNDATION PROGRAM. This chapter es-
4 tablishes a state school foundation program. For each school
5 year, each school district in the state is entitled to receive
6 state school foundation aid, which shall be an amount per
7 pupil ~~in-fall-enrollment~~ equal to the difference between the
8 amount per pupil ~~in-fall-enrollment~~ of foundation property
9 tax ~~plus-miscellaneous-income~~ in the district, and the state
10 foundation base or the district cost per pupil, whichever
11 is less. However, for the school years beginning July 1,
12 1973, and July 1, 1974, only, if the amount so determined
13 for any district is less than two hundred dollars per pupil
14 ~~in-fall-enrollment~~, the district is entitled to receive not
15 less than two hundred dollars per pupil ~~in-fall-enrollment~~
16 except when a district's total general fund millage rate ~~for~~
17 ~~any-school-year~~, is reduced to ninety percent or less of the
18 district's total general fund millage rate for the school
19 year beginning July 1, 1970. In this case the district is
20 entitled to receive only that portion of the two hundred dol-
21 lars per pupil necessary to retain that ten percent reduction.
22 In making computations and payments under this chapter, the
23 state comptroller shall round amounts to the nearest whole
24 dollar.

25 Sec. 2. Section four hundred forty-two point three (442.3),
26 Code 1973, is amended to read as follows:

27 442.3 STATE FOUNDATION BASE. The state foundation base
28 for the school year beginning July 1, 1972, is seventy percent
29 of the state cost per pupil. For each succeeding school year
30 the state foundation base shall be increased by the amount
31 of one percent of the state cost per pupil, up to a maximum
32 of eighty percent of the state cost per pupil. The district
33 foundation base is the larger of the state foundation base
34 or the amount per pupil ~~in-fall-enrollment~~ which the district
35 will receive from foundation property tax, ~~miscellaneous~~

1 ~~income~~ and state school foundation aid.

2 Sec. 3. Section four hundred forty-two point four (442.4),
3 Code 1973, is amended to read as follows:

4 442.4 FALL ENROLLMENT. Fall Except as otherwise provided
5 in this section, enrollment shall be determined by adding
6 the resident pupils ~~and the out-of-state pupils~~ who are
7 enrolled on the second Friday ~~of September of each year~~ of
8 January in the base year or the second Friday of September
9 in the budget year, whichever number is larger, in public
10 elementary and secondary schools of the district, in pub-
11 lic elementary and secondary schools in another district or
12 state for which tuition is paid by the district, and in special
13 education programs for which tuition is paid by the district
14 whether the special education program is conducted by a county
15 board of education or another school district. The September
16 enrollment may be estimated for budget purposes but actual
17 enrollment shall be used for final computations. If actual
18 September enrollment is higher than the enrollment estimated
19 for the certified budget, the certified budget may be amended
20 as provided in section twenty-four point nine (24.9) of the
21 Code.

22 Resident pupils of high school age for which the district
23 pays tuition to attend an Iowa area school shall be counted
24 in the enrollment of the district on a full-time equivalent
25 basis as of the same date.

26 Shared-time and part-time pupils of school age shall be
27 counted as of the same date in the proportion that the time
28 for which they are enrolled or receive instruction for the
29 school year bears to the time that full-time pupils carrying
30 a normal course schedule, at the same grade level, in the
31 same school district, for the same school year, are enrolled
32 and receive instruction.

33 Each school district shall certify its ~~fall~~ enrollment
34 to the state department of public instruction by January
35 twenty-fifth and September 25 twenty-fifth of each year, and

1 the information shall be promptly forwarded to the state
2 comptroller.

3 Pupils attending a university laboratory school shall be
4 reported directly to the department of public instruction
5 by the laboratory school, and shall not be counted in any
6 district's enrollment.

7 Sec. 4. Section four hundred forty-two point five (442.5),
8 Code 1973, as contained in Acts of the General Assembly, 1972
9 Session, chapter one thousand one hundred seven (1107), sec-
10 tion two (2), is amended by striking the section and insert-
11 ing in lieu thereof the following:

12 442.5 MISCELLANEOUS INCOME--EXPENDITURES.

13 1. As used in this chapter:

14 a. "Miscellaneous income" means all receipts deposited
15 to the general fund of a school district which are not obtained
16 from state aid provided under section four hundred forty-two
17 point one (442.1) or four hundred forty-two point eleven
18 (442.11) of the Code, or from property tax.

19 b. "Expenditures" means the total amounts paid out of
20 the general fund of a school district, exclusive of amounts
21 paid for the following purposes, for which special levies
22 are authorized:

23 (1) A contract for the use of a library under section
24 two hundred ninety-eight point seven (298.7) of the Code.

25 (2) Public recreation places and playgrounds, and public
26 educational and recreational activities under chapter three
27 hundred (300) of the Code.

28 (3) A judgment under sections two hundred ninety-eight
29 point fifteen (298.15) through two hundred ninety-eight point
30 seventeen (298.17) of the Code.

31 (4) Tort liability under chapter six hundred thirteen
32 A (613A) of the Code.

33 2. The proposed expenditures in a certified budget may
34 not exceed the district cost for the budget year plus the
35 anticipated miscellaneous income for the budget year and any

1 unspent balance from the preceding year's budget. Actual
2 expenditures during a school year may not exceed the district
3 cost for that year plus the actual miscellaneous income
4 received for that year and any unspent balance from the
5 preceding year's budget. If actual miscellaneous income for
6 a school year exceeds the anticipated miscellaneous income
7 in the certified budget for that year, a school district may
8 amend its certified budget.

9 Sec. 5. Section four hundred forty-two point six (442.6),
10 Code 1973, is amended to read as follows:

11 442.6 DISTRICT COST--DISTRICT COST PER PUPIL--BASE YEAR--
12 -BUDGET YEAR. As used in this chapter: "district 1.
13 "District cost" and "district cost per pupil" mean means-the
14 total-expenditures-for-the-current-year-or-anticipated-expendi-
15 tures-for-the-budget-year-of-a-district-which-are-payable
16 from-the-school-general-fund the amounts computed as provided
17 in section four hundred forty-two point nine (442.9) of the
18 Code.

19 2. "Base year" means the school year ending during the
20 calendar year in which a budget is certified.

21 3. "Budget year" means the school year beginning during
22 the calendar year in which a budget is certified.

23 Sec. 6. Section four hundred forty-two point seven (442.7),
24 Code 1973, is amended to read as follows:

25 442.7 ALLOWABLE GROWTH. Each year the state comptroller
26 shall compute the state percent of growth by adding the per-
27 cents of increase for the second and third years of the most
28 recent three-year period for which accurate figures are
29 available, for each of the following sources of revenue, and
30 dividing the total by four:

31 1. State general fund revenues, adjusted for changes in
32 rates or basis.

33 2. Statewide assessed valuation of taxable property,
34 adjusted for statewide changes in assessment practices.

35 Each year the state comptroller shall compute the dollar

1 equivalent of the state percent of growth by multiplying the
2 state cost per pupil for the preceding school year by the
3 current state percent of growth, ~~except that this dollar~~
4 ~~equivalent is limited to a maximum amount of forty-six dol-~~
5 ~~lars for the school year beginning on July 1, 1972, forty-~~
6 ~~eight dollars for the school year beginning on July 1, 1973,~~
7 ~~and fifty-one dollars for the school year beginning on July~~
8 ~~1, 1974.~~ As used in this chapter, "allowable growth" means
9 the dollar equivalent of the state percent of growth.

10 However, except as otherwise provided in this section,
11 the state percent of growth for a school district is estab-
12 lished at five percent for the school year beginning July
13 1, 1973, and the state percent of growth is limited to a
14 maximum of five percent for the school year beginning July
15 1, 1974.

16 For each school district whose district cost per pupil
17 is below the state cost per pupil for the budget year,
18 "allowable growth" means the lesser of the dollar equivalent
19 of the state percent of growth multiplied by one hundred
20 twenty-five percent, or the amount required to make the dis-
21 trict cost per pupil equal to the state cost per pupil.

22 If the school budget review committee has established a
23 modified allowable growth for a district, "allowable growth"
24 for the district means its modified allowable growth.

25 Sec. 7. Section four hundred forty-two point eight (442.8),
26 Code 1973, is amended to read as follows:

27 442.8 STATE COST PER PUPIL. The state cost per pupil
28 for the school year beginning July 1, ~~1971~~ 1972, is nine
29 hundred ~~twenty~~ three dollars. The state cost per pupil for
30 the school year beginning ~~on~~ July 1, ~~1972~~ 1973, and for each
31 succeeding school year is the previous year's state cost per
32 pupil plus the allowable growth. If the state percent of
33 growth is zero or less, the state cost per pupil shall be
34 the same as the previous year's state cost per pupil.

35 Sec. 8. Section four hundred forty-two point nine (442.9),

1 subsection one (1), Code 1973, is amended to read as follows:

2 442.9 ~~MAXIMUM-GENERAL-FUND-BUDGET-AND~~ DISTRICT COST PER
3 PUPIL--DISTRICT COST--ADDITIONAL SCHOOL DISTRICT PROPERTY
4 TAX LEVY.

5 1. The state comptroller shall determine the additional
6 school district property tax levy for each school district,
7 which is in addition to the foundation property tax levy,
8 as follows:

9 a. ~~The district cost per pupil in-fall-enrollment-for~~
10 ~~the-current-school-year-ending-June-30-each for the budget~~
11 ~~year, plus the allowable growth, determines is equal to the~~
12 ~~district cost per pupil for the school base year beginning~~
13 ~~July 1 each year plus the allowable growth. However, if the~~
14 ~~district cost per pupil in-fall-enrollment-for-the-current~~
15 ~~school-year-ending-June-30-each-year-exceeds-one-hundred-ten~~
16 ~~percent-of-the-state-cost-per-pupil, the school-budget-review~~
17 ~~committee-shall-review-the-proposed-budget-and-establish-the~~
18 ~~amount-of-allowable-growth-for-that-district, not to exceed~~
19 ~~the-limitations-in-section-442.7 in determining the district~~
20 ~~cost per pupil for the budget year beginning July 1, 1973,~~
21 ~~district cost per pupil in the base year means the general~~
22 ~~fund budget for the school year beginning July 1, 1971, as~~
23 ~~authorized and funded under Acts of the General Assembly,~~
24 ~~1971 Session, chapter seventy-two (72), including additional~~
25 ~~approved funding authorized by the school budget review~~
26 ~~committee, less the amount of adjusted miscellaneous income~~
27 ~~including adjustments pursuant to section four hundred forty-~~
28 ~~two point twenty-five (442.25) of the Code, divided by the~~
29 ~~fall enrollment certified in September of 1971, plus the~~
30 ~~allowable growth for the school year beginning July 1, 1972,~~
31 ~~as computed on the basis of state cost per pupil excluding~~
32 ~~miscellaneous income.~~

33 b. The district cost per pupil for the budget year is
34 equal to the district cost per pupil for the budget year
35 multiplied by the number-of-pupils-in-fall enrollment for

1 ~~the school year beginning July 1 each year~~ determines the
 2 ~~maximum district cost for each district~~. A school district
 3 may not ~~exceed~~ increase its maximum district cost unless
 4 ~~additional~~ for the budget year except to the extent that
 5 excess millage is authorized or supplemental state aid is
 6 ~~distributed to the district~~ by the school budget review
 7 committee as provided in section 442.13, subsection 5, ~~or~~
 8 ~~unless an additional amount is raised by a school district~~
 9 ~~income surtax approved by the voters~~ eight (8).

10 c. The ~~district foundation base multiplied by the number~~
 11 ~~of pupils in fall enrollment, and the product, plus any moneys~~
 12 ~~excluded from miscellaneous income, subtracted from the lesser~~
 13 ~~of the actual or maximum~~ amount to be raised by the additional
 14 school district property tax levy is equal to the district
 15 cost for the school budget year beginning July 1 each year
 16 ~~determines the amount to be raised by the additional school~~
 17 ~~district property tax levy, subject to~~ , less the product
 18 of the state or district foundation base and the enrollment.
 19 However, said amount shall be adjusted in accordance with
 20 the maximum millage provided in section 442.10, any additional
 21 millage authorized by the school budget review committee under
 22 section 442.13, subsection 5, paragraph "a", or and the maximum
 23 millage reduction provided in section 442.21.

24 Sec. 9. Section four hundred forty-two point ten (442.10),
 25 Code 1973, is amended to read as follows:

26 442.10 MAXIMUM MILLAGE LEVY. For the purpose of deter-
 27 mining the maximum millage levy for the general fund in a
 28 school district, the state comptroller shall determine the
 29 sum of the foundation property tax levy and the additional
 30 property tax levy, in mills. When this total millage rate
 31 levy exceeds the district general fund levy in mills for the
 32 school year which began July 1, 1970, he shall adjust the
 33 district general fund millage levy to a rate equal to the
 34 millage levy for the school year beginning July 1, 1970,
 35 ~~unless additional~~ except that excess millage is approved

1 authorized by the school budget review committee, as provided
2 in section 442.13, subsection 5, paragraph "a" eight (8),
3 may be added to that rate.

4 Sec. 10. Section four hundred forty-two point eleven
5 (442.11), Code 1973, is amended to read as follows:

6 442.11 GUARANTEED STATE AID. For the school year be-
7 ginning July 1, 1972, and for the next four succeeding school
8 years, the state shall provide specific funds, called
9 guaranteed state aid, to any school district in which the
10 amount to be raised by the maximum millage, excluding any
11 additional millage approved by the school budget review
12 committee, levy plus the district's miscellaneous income and
13 state school foundation aid, does not meet the actual or
14 maximum district cost, whichever is less.

15 There is hereby appropriated from the general fund of the
16 state to the department of public instruction moneys suffi-
17 cient to pay the guaranteed state aid provided in this sec-
18 tion. The state comptroller shall pay this aid no later than
19 May 15 of each year, beginning in 1973 for the school year
20 beginning July 1, 1972 in installments, at the same time as
21 the installments of state school foundation aid are paid.

22 Sec. 11. Section four hundred forty-two point thirteen
23 (442.13), Code 1973, is amended to read as follows:

24 442.13 DUTIES OF THE COMMITTEE.

25 1. The school budget review committee may recommend the
26 revision of any rules, regulations, directives, or forms re-
27 lating to school district budgeting and accounting, confer
28 with local school boards or their representatives and make
29 recommendations relating to any budgeting or accounting
30 matters, and may direct the superintendent of public
31 instruction or the state comptroller to make studies and
32 investigations of school costs in any school district.

33 2. The committee shall report to each session of the gen-
34 eral assembly, which report shall include any recommended
35 changes in laws relating to school districts, and shall spe-

1 cify the number of hearings held annually, the reasons for
2 the committee's recommendations, and other information as
3 the committee deems advisable.

4 ~~3.--The committee shall review the proposed or certified~~
5 ~~budget of any school district if the district cost per pupil~~
6 ~~in estimated fall enrollment has increased over the district~~
7 ~~cost per pupil in fall enrollment for the previous year by~~
8 ~~more than the allowable growth of the district.~~

9 ~~4.--The committee may review the proposed or certified~~
10 ~~budget of any school district as follows:~~

11 ~~a.--If the budget shows district costs per pupil in esti-~~
12 ~~mated fall enrollment of more than the state cost per pupil.~~

13 ~~b.--If in the judgment of the committee, the budget shows~~
14 ~~the district cost to be unreasonably high in relation to the~~
15 ~~comparative cost factors of similar districts, even if the~~
16 ~~district cost per pupil in estimated fall enrollment does~~
17 ~~not exceed the state cost per pupil.~~

18 ~~5.--The committee may authorize a school budget in excess~~
19 ~~of limitations provided in sections 442.9 and 442.10 of this~~
20 ~~division as follows:~~

21 ~~a.--If a nonpublic school closes wholly or in part, the~~
22 ~~committee may authorize an increase in the school general~~
23 ~~fund millage beyond the maximum permitted under section 442.10,~~
24 ~~but only to the extent necessary to cover the cost of absorb-~~
25 ~~ing the former nonpublic school pupils into the public school~~
26 ~~system.--The school board shall establish the amount of neces-~~
27 ~~sary increased cost to the satisfaction of the school budget~~
28 ~~review committee before an increase in millage is authorized.~~

29 ~~b.--Additional supplemental state aid may be paid to any~~
30 ~~district from any discretionary funds appropriated specifically~~
31 ~~to the committee for this purpose.~~

32 ~~6.--If the committee does not authorize a school district's~~
33 ~~budget, it shall state its recommendations in terms of a spe-~~
34 ~~cific reduction in the district cost, and in terms of a pro-~~
35 ~~jected reduction in the millage rate of the school district.~~

1 and shall notify the school board of its recommendations
2 through the state comptroller.

3 ~~7. The committee, when making decisions relating to school~~
4 ~~budgets, shall consider each district's circumstances and~~
5 ~~facts which are unique and unusual, including but not limited~~
6 ~~to any unusual increases or decreases in enrollments, natural~~
7 ~~disasters, unusual transportation problems, and initial staff-~~
8 ~~ing problems.~~

9 3. The committee shall meet beginning not later than March
10 first of each year, shall review the proposed budget and
11 certified budget of each school district, and may make recom-
12 mendations. The committee may make decisions affecting bud-
13 gets to the extent provided in this chapter. The costs and
14 computations referred to in this section relate to the bud-
15 get year unless otherwise expressly stated.

16 4. If the district cost per pupil exceeds one hundred
17 ten percent of the state cost per pupil, the committee shall
18 establish a modified allowable growth by reducing the allow-
19 able growth. In making decisions under this subsection, the
20 committee shall permit allowable growth to the extent neces-
21 sary to prevent severe hardship to a district whose district
22 cost per pupil would not have exceeded one hundred ten per-
23 cent of the state cost per pupil if miscellaneous income were
24 included in computations under this chapter to the same ex-
25 tent that it was included for the school year beginning July
26 1, 1972.

27 5. The committee may establish a modified allowable growth
28 by reducing the allowable growth:

29 a. If the district cost per pupil exceeds the state cost
30 per pupil.

31 b. If in the committee's judgment the district cost is
32 unreasonably high in relation to the comparative cost fac-
33 tors of similar districts, even if the district cost per pu-
34 pil does not exceed the state cost per pupil.

35 6. The committee may establish a modified allowable growth

- 1 by increasing the allowable growth for a district which has
2 unusual circumstances, including but not limited to:
- 3 a. Any unusual increase or decrease in enrollment.
 - 4 b. Natural disasters.
 - 5 c. Unusual transportation problems.
 - 6 d. Initial staffing problems.
 - 7 e. The closing of a nonpublic school, wholly or in part.
 - 8 f. Substantial reduction in miscellaneous income due to
9 circumstances beyond the control of the district.
 - 10 g. Necessity for additional funds to permit continuance
11 of a course or program which provides substantial benefit
12 to pupils.
 - 13 h. Unusual need for a new course or program which will
14 provide substantial benefit to pupils, if the district estab-
15 lishes such need and the amount of necessary increased cost.
 - 16 i. Special education or compensatory education programs.
 - 17 j. Year-round or substantially year-round attendance
18 programs which apply toward graduation requirements, includ-
19 ing but not limited to tri-semester or four-quarter programs.
20 Enrollment in such programs shall be adjusted to reflect
21 equivalency to normal school year attendance.
 - 22 k. An upward revaluation of taxable property in the dis-
23 trict, which would cause a reduction in state school founda-
24 tion aid to the district. This paragraph applies only to
25 districts subject to section four hundred forty-two point
26 twenty-one (442.21) of the Code and only for the school years
27 beginning July 1, 1973 and July 1, 1974.
 - 28 l. Severe hardship due to the exclusion of miscellaneous
29 income from computations under this chapter. For the school
30 year beginning July 1, 1973, the committee shall increase
31 the district's allowable growth to the extent necessary to
32 prevent such hardship.
- 33 7. To the extent that a modified allowable growth requires
34 additional state aid under this chapter, it shall be paid
35 from the appropriation provided in section four hundred forty-

1 two point twenty-six (442.26) of the Code, or section four
2 hundred forty-two point eleven (442.11) of the Code if
3 applicable. However, if any funds have been appropriated
4 specifically to the committee for this purpose, the additional
5 state aid shall be paid first from the specific appropriation.

6 8. If a nonpublic school closes wholly or in part, the
7 committee may authorize an increase in the district general
8 fund millage levy beyond the maximum permitted by section
9 four hundred forty-two point ten (442.10) of the Code, but
10 only to the extent necessary to cover the cost of absorbing
11 the former nonpublic school pupils into the public school
12 system. The school board shall establish the amount of neces-
13 sary increased cost to the satisfaction of the school budget
14 review committee before an increase in millage is authorized.

15 9. The committee may approve or modify the initial base
16 year district cost of any district which changes accounting
17 procedures.

18 10. When the committee makes a decision under subsections
19 three (3) through nine (9) of this section, it shall make
20 all necessary changes in the district cost, budget, and millage
21 levy. It shall give written notice of its decision, includ-
22 ing all such changes, to the school board through the state
23 comptroller.

24 11. All decisions by the committee under this chapter
25 shall be made in accordance with reasonable and uniform poli-
26 cies which shall be consistent with this chapter. The
27 committee shall take into account the intent of this chapter
28 to equalize educational opportunity, to provide a good
29 education for all the children of Iowa, to provide property
30 tax relief, to decrease the percentage of school costs paid
31 from property taxes, and to provide reasonable control of
32 school costs. The committee shall also take into account
33 the fiscal situation of the state and the amount of funds
34 available.

35 8 12. Failure by any school district to provide informa-

1 tion or appear before the committee as requested for the ac-
2 complishment of review or hearing shall constitute justifi-
3 cation for the committee to instruct the state comptroller
4 to withhold any state aid to that district until the commit-
5 tee's inquiries are satisfied completely.

6 9 13. The school budget review committee may call in any
7 county board of education for the purpose of reviewing its
8 budget as it relates to the individual districts within the
9 county.

10 Sec. 12. Section four hundred forty-two point fourteen
11 (442.14), unnumbered paragraphs one (1), two (2), and three
12 (3), Code 1973, are amended to read as follows:

13 442.14 ~~ELECTION TO EXCEED MAXIMUM DISTRICT COST~~ FOR SCHOOL
14 DISTRICT INCOME SURTAX. If a school board wishes to exceed
15 ~~its maximum district cost, as determined under section 442.9,~~
16 ~~it shall first submit its proposed budget to the school budget~~
17 ~~review committee. The committee may approve the proposed~~
18 ~~budget or may make other recommendations, but if the board~~
19 ~~decides that the district should exceed its maximum district~~
20 ~~cost and the committee has not authorized an additional~~
21 ~~millage or supplemental state aid as provided in section~~
22 ~~442.13, subsection 5, spend more than is permitted under~~
23 sections four hundred forty-two point one (442.1) through
24 four hundred forty-two point thirteen (442.13) of the Code,
25 after review by the school budget review committee, the board
26 ~~shall~~ may submit to the voters of the school district, at
27 a regular or special school election held not later than
28 September 15 fifteenth, the question of whether the proposed
29 budget shall be approved, and the excess amount financed by
30 a school district income surtax of a specified rate, ~~or whether~~
31 ~~the district shall be limited to its maximum district cost.~~

32 If a majority of those voting approves the proposed budget
33 and the specified school district income surtax rate, the
34 surtax, determined as provided in section 442.15, may be im-
35 posed by resolution of the school board.

1 If the proposed budget and surtax ~~does~~ do not receive
2 approval by a majority of those voting, the school board shall
3 reduce its ~~general-fund-budget~~ proposed expenditures to an
4 amount which does not exceed its ~~maximum~~ district cost plus
5 miscellaneous income and any unspent balance from the preceding
6 year's budget.

7 Sec. 13. Section four hundred forty-two point fifteen
8 (442.15), subsections two (2) and three (3), Code 1973, are
9 amended to read as follows:

10 2. A school district income surtax rate approved by the
11 voters, or as much of it as may be necessary, shall continue
12 to be in effect in that school district until the school board
13 finds that the surtax or a part of it is unnecessary, or un-
14 til the amount of the surtax is altered by another election.
15 If a school board wishes to increase the ~~district-costs-so~~
16 ~~that-they-cannot-be-met-by-the-combination-of-maximum-millage,~~
17 ~~state-aid,-miscellaneous-income,-and-the-approved~~ school
18 district income surtax rate, the school board may hold another
19 ~~election to submit the question of whether to increase the~~
20 surtax rate for the district, and may increase the rate only
21 if an increase is approved by a majority of those voting.

22 3. At least once every five years, if a school district
23 income surtax is found to be necessary, the school board shall
24 submit to the voters of the school district, at a regular
25 or special school election held not later than September 15
26 fifteenth, the question of whether to continue imposition
27 of the established rate of school district income surtax or
28 of a lesser rate as necessary. If a majority of those voting
29 does not approve the proposed school district income surtax
30 rate, the school board shall reduce its ~~general-fund-budget~~
31 proposed expenditures to an amount which does not exceed its
32 ~~maximum~~ district cost plus miscellaneous income and any unspent
33 balance from the preceding year's budget.

34 Sec. 14. Section four hundred forty-two point twenty-one
35 (442.21), Code 1973, is amended to read as follows:

1 442.21 MAXIMUM MILLAGE REDUCTION. If the functioning
2 of the state school foundation program established by this
3 chapter causes a reduction in any school district, for the
4 school year beginning July 1, 1972, of more than ten per-
5 cent of the district's total general fund millage for the
6 school year beginning July 1, 1970, the reduction for the
7 school year beginning July 1, 1972, is limited to that ten
8 percent, and the reduction for each of the school years
9 beginning July 1, 1973, and July 1, 1974, is limited to ten
10 percent of the preceding year's millage. However, if this
11 limitation results in a district millage levy which raises
12 more than the district needs to meet ~~the-lesser-of~~ its actual
13 ~~or-maximum~~ district cost, the ten percent limitation does
14 not apply, and the district may reduce its millage as much
15 as can be done without entitling the district to state school
16 foundation aid. The state comptroller shall compute any
17 maximum millage reduction required by this section, and shall
18 notify the school boards accordingly.

19 Sec. 15. Section four hundred forty-two point twenty-five
20 (442.25), Code 1973, is amended to read as follows:

21 442.25 ESTIMATES OF MISCELLANEOUS AIDS. No later than
22 September 4 first of each year, the department of public in-
23 struction shall certify to the state comptroller the amounts
24 of any state aids other than the amounts provided in this
25 division that will be received by each school district in
26 the state. ~~In-the-event-any-estimate-of-state-aids-in-any~~
27 ~~school-budget-certified-to-the-auditor-as-provided-by-sec-~~
28 ~~tion-24-17-is-more-or-less-than-the-amount-of-state-aids~~
29 ~~certified-to-the-state-comptroller-by-the~~ Department of pub-
30 lic instruction as provided by this section, the state comp-
31 troller shall certify to the county auditors the final mil-
32 lage for each school district.

33 Sec. 16. Section four hundred forty-two point twenty-two
34 (442.22), Code 1973, is repealed.

35

EXPLANATION

1
 2 This bill amends the state school foundation program to
 3 provide that the so-called "\$200 minimum" state aid will be
 4 paid for only two more years. It also removes "miscellaneous
 5 income" from the computations. "Miscellaneous income", "dis-
 6 trict cost", and "district cost per pupil" are redefined,
 7 and the new terms, "expenditures", "base year", and "budget
 8 year" are added. Because miscellaneous income is removed
 9 from the computations, "state cost", which was originally
 10 based upon the inclusion of miscellaneous income, is revised.

11 Alternative enrollment dates in January and September are
 12 provided under this bill, high school pupils attending an
 13 area school are included in enrollment, and pupils attending
 14 a laboratory school are excluded.

15 The computation of maximum district cost provides a spe-
 16 cial method for determining the base year district cost for
 17 1973, since miscellaneous income has been removed.

18 The state percent of growth is established at 5% for 1973,
 19 and the maximum state percent of growth at 5% for 1974.
 20 However, when district cost per pupil is less than state cost
 21 per pupil, the district will receive 125% of allowable growth,
 22 or whatever part of that is necessary to bring it up to state
 23 cost per pupil. Also, the bill restates and expands the
 24 powers and responsibilities of the school budget review
 25 committee, clearly permitting it to increase allowable growth
 26 for certain districts which experience a hardship due to the
 27 removal of miscellaneous income from the computations, or
 28 for other reasons, and to decrease allowable growth in certain
 29 situations. In a few specified situations the committee is
 30 required to take action.

31 The section requiring tentative budgets to be established
 32 before December first is repealed, and other sections, in-
 33 cluding those relating to a school district income surtax,
 34 are amended to improve the accuracy and clarity of the law.

35

LSB 345.14
jb/mg/5

1 Amend House File 359 as follows:

2 1. Page 7, line 11, by striking the words "for
3 a school district".

Adopted 3/21

4 2. Page 13, by inserting the following after the
5 period in line 27:

6 In this situation the committee may either in-
7 crease the allowable growth or maintain the same allow-
8 able growth and permit the district to reduce its
9 general fund millage more than permitted by section
10 four hundred forty-two point twenty-one (442.21) of
11 the Code, thus increasing its state school foundation
12 aid to an amount not exceeding the amount of state
13 school foundation aid to the district for the immedi-
14 ately preceding school year.

3/21

15 3. Page 14, by inserting the following new sub-
16 section after subsection 8:

17 NEW SUBSECTION. The committee may authorize a
18 district to spend a reasonable and specified amount
19 from its unexpended cash balance for the sole purpose
20 of furnishing and equipping a new building or struc-
21 ture for which the voters of the district have
22 approved a bond issue as provided by law. No other
23 expenditure, including but not limited to expenditures
24 for salaries or recurring costs, shall be authorized
25 under this subsection. Expenditures authorized under
26 this subsection shall not be included in allowable
27 growth or district cost, and the portion of the un-
28 expended cash balance which is authorized to be spent
29 shall be regarded as if it were miscellaneous income.
30 Any part of such amount which is not actually spent
31 for the authorized purpose shall revert to its former
32 status as part of the unexpended cash balance.

33 4. Page 14, by inserting the following after
34 the period in line 26:

35 All such policies of general application shall
36 be stated in rules adopted in accordance with chapter
37 seventeen A (17A) of the Code.

38 5. Page 14, line 33, by striking the words
39 "fiscal situation of the state and the".

40 5. Page 14, by inserting the following new
41 subsection after subsection 11:

42 NEW SUBSECTION. On or before March first of
43 each year the governor shall establish for the follow-
44 ing school year a maximum total amount of additional
45 state aid to be paid as a result of increases in
46 allowable growth by the committee under this section.
47 The governor may increase or decrease the maximum
48 total amount from time to time. The maximum total
49 amount shall be the amount which is necessary, in
50 the governor's judgment, to carry out the intent of
51 this chapter and to assure an adequate balance in the
52 general fund of the state. The governor shall notify
53 the general assembly and the committee of his action.
54 The committee shall not exceed the maximum total
55 amount established by the governor. However, this
56 subsection does not authorize the governor to take
57 any action inconsistent with any specific appropri-
58 ation or direction by the general assembly.

59 7. Section 11, by renumbering the subsections.

H-171

1 Amend the Stanley, et al amendment H-152 to House
2 File 359, filed March 8, 1973, by striking all of
3 lines 40 through 58 and inserting in lieu thereof the
4 following:

5 "6. By striking all of lines 33 through 35 on
6 page 13 and all of lines 1 through 5 on page 14 and
7 inserting in lieu thereof the following:

8 7. The amount of increased state aid paid under
9 allowances made in subsection six (6) of this section
10 shall be limited to the appropriations made to the
11 school budget review committee for this purpose."

H-171 Filed - *Adopted 3/21*
March 20, 1973

By WELDEN of Hardin
STROMER of Hancock
GRASSLEY of Butler
MILLEN of Van Buren
SCHROEDER of Pottawattamie
LIPPOLD of Black Hawk
O'HALLORAN of Black Hawk
BYERLY of Polk
CARR of Dubuque
PATCHETT of Johnson

H-173

1 Amend House File 359 as follows:

2 1. Page 7, lines 11 and 12, by striking the words
3 "state percent of growth for a school district is
4 established at five percent" and inserting in lieu
5 thereof the words "allowable growth for a school dis-
6 trict is established at forty-eight dollars".

7 2. Page 7, lines 18 and 19, by striking the words
8 "dollar equivalent of the state percent of growth"
9 and inserting in lieu thereof the words "allowable
10 growth as otherwise computed".

11 3. Page 1, line 11, amend the title by striking
12 the words "state percent of growth at five percent"
13 and inserting in lieu thereof the words "allowable
14 growth at forty-eight dollars".

H-173 Filed - *Adopted 3/21*
March 20, 1973

By MENNENGA of Clinton
BUTLER of Pottawattamie
O'HALLORAN of Black Hawk
CRAWFORD of Story

H-199

1 Amend the title to House File 359 as follows:

2 1. Page 2, line 3, by inserting after the word
3 "growth" the following: ", to authorize certain
4 expenditures by a school district, or to authorize
5 a limited tax levy for one year".

6 2. Page 2, line 7, by inserting after the word
7 "budget," the following: "repealing chapter two
8 hundred eighty-four (284), Code 1973,".

H-199 Filed and adopted
March 23, 1973

By STANLEY of Muscatine

SENATE AMENDMENT TO HOUSE FILE 359

- 1 Amend House File 359 as amended, passed and reprinted by
the
2 House as follows:
3 1. Page 5, by striking lines 25 through 27 and
renumbering
4 the remaining subparagraphs.
5 2. Page 6, line 5, by inserting after the period the
6 following: "However, a district may budget and spend a
7 reasonable and specified amount from its unexpended cash
8 balance for the sole purpose of contributing to the
9 construction of a new building or structure for which
10 the voters of the district have approved a bond issue
11 as provided by law, or for constructing a new building
12 or structure if the construction can be done without a
13 bond issue, and the amount spent shall be regarded as if
14 it were miscellaneous income."
15 3. Page 7, line 20, by striking the word "twenty-five"
16 and inserting in lieu thereof the word "ten".
17 4. Page 7, line 21, by inserting after the period the
18 following: "The school budget review committee may also
19 establish a higher modified allowable growth for such a
20 school district, if the district can demonstrate to the
21 committee that any increase authorized will be used
22 prudently in accomplishing the district's long-range
23 goals for educational opportunities for the pupils of
24 the district."
25 5. Page 12, line 35, by inserting after the word "may"
26 the words "grant supplemental aid from any funds appropri-
27 ated to the department of public instruction for the use
28 of the school budget review committee for this purpose, or
29 may".
30 6. Page 13, by striking lines 30 through 32, and page
31 14A, by striking line 1.
32 7. Page 14A, line 16, by striking the words "a bond
33 issue".
34 8. Page 17A, by striking lines 33 through 35 and insert-
35 ing in lieu thereof the following:
36 "Sec. 16. Section four hundred forty-two point twenty-
37 two (442.22), Code 1973, is repealed."
38 9. Page 2, line 5 and 6, by striking the words "clarifying
39 the sources of funds for additional state aid", and insert-
40 ing in lieu thereof the words "or to grant supplemental
41 aid from funds appropriated for this purpose".
42 10. Page 2, lines 9 and 10, by striking the words "repealing
43 chapter two hundred eighty-four (284), Code 1973,".

Received from the Senate
April 5, 1973

H-157

1 Amend House File 359, Page 17, lines 8 through 10,
2 by striking the words and figures ", and the reduction
3 for each of the school years beginning July 1, 1973,
4 and July 1, 1974, is limited to ten percent of the
5 preceding year's millage".

H-157 Filed - *Withdrawn 3/21*
March 19, 1973

By KNOKE of Pottawattamie
SCHROEDER of Pottawattamie
HARVEY of Scott

H-162

1 Amend House File 359 as follows:
2 1. Page 3, lines 11 and 12, by striking the
3 words and figures "for the school years beginning
4 July 1, 1973, and July 1, 1974, only,".
5 2. Page 1, lines 1 through 3 amend the title
6 by striking the words "providing that special methods
7 of computing state school foundation aid will be
8 continued for only two years,".

H-162 Filed *Adopted 3/21*
March 19, 1973

By KRAUSE of Palo Alto
BRANSTAD of Winnebago

H-165

1 Amend House File 359, page 17, by inserting
2 after line 34 the following new section:
3 "Sec. 17. The committee may, for the school
4 year beginning July 1, 1972, in cases where hardship
5 can be shown because of decrease in allowable budget
6 caused by decrease in enrollment, authorize school
7 boards to levy, in excess of other allowable levies,
8 an amount sufficient to reimburse their general
9 fund and permit expenditure for the current year
10 of an amount up to ninety-seven percent of the
11 1971-1972 fall enrollment multiplied by the 1972-
12 1973 per-pupil cost."

H-165 Filed - *Adopted 3/22*
March 20, 1973

By WELDEN of Hardin

H-175

1 Amend House File 359, page 17, by striking lines
2 33 and 34 and inserting in lieu thereof the following:
3 Sec. 16. Chapter two hundred eighty-four (284),
4 and section four hundred forty-two point twenty-two
5 (442.22), Code 1973, are repealed.

H-175 Filed, offered
and pending *Adopted 3/22*
March 21, 1973

By SCHROEDER of Pottawattamie

H-185

1 Amend the Schroeder amendment H-175 to House File
 2 359 by striking lines 3, 4 and 5 and inserting in lieu
 3 thereof the following:
 4 Sec. 16. Section two hundred eighty-four point
 5 one (284.1), Code 1973, is amended to read as follows:
 6 284.1 REIMBURSEMENT--BY WHOM COMPUTED. When
 7 ~~unplatted~~ lands within the boundaries of a school
 8 district are owned by the government of the United
 9 States, by the state, by a county, or by a municipal
 10 corporation located wholly outside said school district,
 11 and such lands have been removed from taxation for
 12 school purposes, said school district shall be reim-
 13 bursed, as hereinafter provided, in an amount which
 14 shall be computed by the county board of supervisors
 15 in the county in which such lands are located, which
 16 computation shall be made on or before the first day
 17 of September in the year in which said deductions are
 18 to be made.

H-185 Offered and withdrawn By NIELSEN of Polk

H-350

1 Amend the Senate amendment to House File 359 as
2 follows:

H-350A

3 1. By striking lines 5 through 14.
 4 2. By striking lines 15 and 16.
 5 3. By striking lines 17 through 24.
 6 4. By striking lines 25 through 29 and inserting
 7 in lieu thereof the following:
 8 "5. Pages 12 and 13, by striking line 35 on
 9 page 12 and lines 1 through 3 on page 13 and inserting
 10 in lieu thereof the following:
 11 '6. If a district has unusual circumstances,
 12 creating an unusual need for additional funds, includ-
 13 ing but not limited to the following circumstances,
 14 the committee may grant supplemental aid to the dis-
 15 trict from any funds appropriated to the department of
 16 public instruction for the use of the school budget
 17 review committee for this purpose, and such aid shall
 18 be miscellaneous income and shall not be included in
 19 district cost; or may establish a modified allowable
 20 growth for the district by increasing its allowable
 21 growth; or both.'
 22 5. By striking lines 32 and 33 and inserting in
 23 lieu thereof the following:
 24 "7. Page 14A, by striking lines 14 through 16
 25 and inserting in lieu thereof the following:
 26 'or purposes of furnishing, equipping, and con-
 27 tributing to the construction of a new building or
 28 structure for which the voters of the district have
 29 approved a bond issue as provided by law or a tax as
 30 provided in chapter 278 of the Code. No other'."

350A -
Adopted
4/23

H-350B

31 6. By striking lines 34 through 37.
 32 7. By striking lines 42 and 43.

350B
Adopted
4/23

H-350 Filed and adopted
April 23, 1973

By STANLEY of Muscatine
 STROMER of Hancock
 FERGUSON of Carroll
 PONCY of Wapello
 HIGGINS of Scott
 CARR of Dubuque

H-174

1 Amend House File 359 as follows:

2 1. Page 13, line 2, by inserting the words
3 ", creating an unusual need for additional funds"
4 after the word "circumstances".

5 2. Page 13, line 4, by striking the word
6 "Natural" and inserting in lieu thereof the words
7 "Unusual natural".

8 3. Page 13, line 6, by striking the word
9 "Initial" and inserting in lieu thereof the words
10 "Unusual initial".

11 4. Page 13, line 10, by striking the word
12 "Necessity" and inserting in lieu thereof the
13 words "Unusual necessity".

14 5. Page 13, line 16, by striking the word
15 "Special" and inserting in lieu thereof the
16 words "Unusual need for additional funds for
17 special".

18 6. Page 13, by striking lines 22 through 27.

H-174 Filed - *Adopted 3/21*
March 20, 1973

By HOLDEN of Scott

H-184

1 Amend the Schroeder amendment H-175 to House File
2 359 by striking lines 3, 4 and 5 and inserting in lieu
3 thereof the following:

4 Sec. 16. Section two hundred eighty-four point
5 one (284.1), Code 1973, is amended to read as follows:

6 284.1 REIMBURSEMENT--BY WHOM COMPUTED. When
7 ~~unplatted~~ platted lands within the boundaries of a
8 school district are owned by the government of the
9 United States, by the state, by a county, or by a
10 municipal corporation located wholly outside said
11 school district, and such lands have been removed from
12 taxation for school purposes, said school district
13 shall be reimbursed, as hereinafter provided, in an
14 amount which shall be computed by the county board of
15 supervisors in the county in which such lands are
16 located, which computation shall be made on or before
17 the first day of September in the year in which said
18 deductions are to be made.

H-184 Offered and withdrawn
March 22, 1973

By NIELSEN of Polk

March 23, 1973

HOUSE FILE 359

By COMMITTEE ON EDUCATION

(AS AMENDED AND PASSED BY THE HOUSE)

*Amended & concurred - House 4-23-73
92-1*

Passed House, Date *4-23-73* Passed Senate, Date *4-5-73 (757)*

Vote: Ayes *92* Nays *1* Vote: Ayes *48* Nays *0*

Approved *5-16-73*
*Passed Senate as amended by House 4-30-73 (1034)
45-1*

A BILL FOR

- 1 An Act amending the state school foundation program by provid-
- 2 ing that special methods of computing state school founda-
- 3 tion aid will be continued for only two years, providing two
- 4 alternate dates for determining enrollment, including in
- 5 enrollment certain pupils for which the school district pays
- 6 tuition to attend an Iowa area school, excluding pupils
- 7 attending a university laboratory school from any district's
- 8 enrollment, defining miscellaneous income and other terms,
- 9 adding new definitions, excluding miscellaneous income from
- 10 certain computations, limiting proposed and actual expendi-
- 11 tures, establishing state percent of growth at five percent
- 12 for the school year beginning July 1, 1973, limiting state
- 13 percent of growth to a maximum of five percent for the
- 14 school year beginning July 1, 1974, providing greater equal-
- 15 ization by increasing the allowable growth for districts
- 16 whose district cost per pupil is below state cost per pupil,
- 17 establishing the state cost per pupil for certain years,
- 18 requiring the use of budget amounts rather than actual ex-
- 19 penditures for certain computations, revising the determi-
- 20 nation of district cost, district cost per pupil, and the
- 21 additional school district property tax levy, revising
- 22 and clarifying the duties and powers of the school budget
- 23 review committee, requiring the school budget review com-
- 24 mittee to permit or increase allowable growth in certain
- 25 hardship situations related to the exclusion of miscella-

1 neous income from certain computations, permitting the
2 school budget review committee to establish a modified
3 allowable growth, to authorize certain expenditures by
4 a school district, or to authorize a limited tax levy
5 for one year under certain conditions, clarifying
6 the sources of funds for additional state aid, revising the
7 procedures for establishing, increasing, or continuing
8 a school district income surtax, repealing the require-
9 ment for a tentative budget, **repealing chapter two**
10 **hundred eighty-four (284), Code 1973,**
11 and making related technical
12 and procedural changes.
13 *Be It Enacted by the General Assembly of the State of Iowa:*

1 Section 1. Section four hundred forty-two point one
2 (442.1), Code 1973, is amended to read as follows:

3 442.1 STATE SCHOOL FOUNDATION PROGRAM. This chapter
4 establishes a state school foundation program. For each school
5 year, each school district in the state is entitled to receive
6 state school foundation aid, which shall be an amount per
7 pupil [in fall enrollment] equal to the difference between the
8 amount per pupil [in fall enrollment] of foundation property
9 tax [plus miscellaneous income] in the district, and the state
10 foundation base or the district cost per pupil, whichever
11 is less. However, *for the school years beginning July 1,*
12 *1973, and July 1, 1974, only,* if the amount so determined
13 for any district is less than two hundred dollars per pupil
14 [in fall enrollment], the district is entitled to receive not
15 less than two hundred dollars per pupil [in fall enrollment]
16 except when a district's total general fund millage rate [for
17 any school year,] is reduced to ninety percent *or less* of the
18 district's total general fund millage rate for the school
19 year beginning July 1, 1970. In this case the district is
20 entitled to receive only that portion of the two hundred dol-
21 lars per pupil necessary to retain that ten percent reduction.
22 *In making computations and payments under this chapter, the*
23 *state comptroller shall round amounts to the nearest whole*
24 *dollar.*

25 Sec. 2. Section four hundred forty-two point three (442.3),
26 Code 1973, is amended to read as follows:

27 442.3 STATE FOUNDATION BASE. The state foundation base
28 for the school year beginning July 1, 1972, is seventy percent
29 of the state cost per pupil. For each succeeding school year
30 the state foundation base shall be increased by the amount
31 of one percent of the state cost per pupil, up to a maximum
32 of eighty percent of the state cost per pupil. The district
33 foundation base is the larger of the state foundation base
34 or the amount per pupil [in fall enrollment] which the district
35 will receive from foundation property tax[, miscellaneous

1 income,] and state school foundation aid.

2 Sec. 3. Section four hundred forty-two point four (442.4),
3 Code 1973, is amended to read as follows:

4 442.4 [FALL] ENROLLMENT. [Fall] *Except as otherwise pro-*
5 *vided*

6 *in this section*, enrollment shall be determined by adding
7 the resident pupils [and the out-of-state pupils] who are
8 enrolled on the second Friday [of September of each year] of
9 *January in the base year or the second Friday of September*
10 *in the budget year, whichever number is larger*, in public
11 elementary and secondary schools of the district, in pub-
12 lic elementary and secondary schools in another district or
13 state for which tuition is paid by the district, and in special
14 education programs for which tuition is paid by the district
15 whether the special education program is conducted by a county
16 board of education or another school district. *The September*
17 *enrollment may be estimated for budget purposes but actual*
18 *enrollment shall be used for final computations. If actual*
19 *September enrollment is higher than the enrollment estimated*
20 *for the certified budget, the certified budget may be amended*
21 *as provided in section twenty-four point nine (24.9) of the*
22 *Code.*

23 *Resident pupils of high school age for which the district*
24 *pays tuition to attend an Iowa area school shall be counted*
25 *in the enrollment of the district on a full-time equivalent*
26 *basis as of the same date.*

27 Shared-time and part-time pupils of school age shall be
28 counted *as of the same date* in the proportion that the time
29 for which they are enrolled or receive instruction for the
30 school year bears to the time that full-time pupils carrying
31 a normal course schedule, at the same grade level, in the
32 same school district, for the same school year, are enrolled
33 and receive instruction.

34 Each school district shall certify its [fall] enrollment
35 to the state department of public instruction by *January*
twenty-fifth and September [25] twenty-fifth of each year, and

1 the information shall be promptly forwarded to the state
2 comptroller.

3 *Pupils attending a university laboratory school shall be*
4 *reported directly to the department of public instruction*
5 *by the laboratory school, and shall not be counted in any*
6 *district's enrollment.*

7 Sec. 4. Section four hundred forty-two point five (442.5),
8 Code 1973, as contained in Acts of the General Assembly, 1972
9 Session, chapter one thousand one hundred seven (1107), sec-
10 tion two (2), is amended by striking the section and insert-
11 ing in lieu thereof the following:

12 442.5 MISCELLANEOUS INCOME—EXPENDITURES.

13 1. As used in this chapter:

14 a. "Miscellaneous income" means all receipts deposited
15 to the general fund of a school district which are not obtained
16 from state aid provided under section four hundred forty-two
17 point one (442.1) or four hundred forty-two point eleven
18 (442.11) of the Code, or from property tax.

19 b. "Expenditures" means the total amounts paid out of
20 the general fund of a school district, exclusive of amounts
21 paid for the following purposes, for which special levies
22 are authorized:

23 (1) A contract for the use of a library under section
24 two hundred ninety-eight point seven (298.7) of the Code.

25 (2) Public recreation places and playgrounds, and public
26 educational and recreational activities under chapter three
27 hundred (300) of the Code.

28 (3) A judgment under sections two hundred ninety-eight
29 point fifteen (298.15) through two hundred ninety-eight point
30 seventeen (298.17) of the Code.

31 (4) Tort liability under chapter six hundred thirteen
32 A (613A) of the Code.

33 2. The proposed expenditures in a certified budget may
34 not exceed the district cost for the budget year plus the
35 anticipated miscellaneous income for the budget year and any

1 unspent balance from the preceding year's budget. Actual
2 expenditures during a school year may not exceed the district
3 cost for that year plus the actual miscellaneous income
4 received for that year and any unspent balance from the
5 preceding year's budget. If actual miscellaneous income for
6 a school year exceeds the anticipated miscellaneous income
7 in the certified budget for that year, a school district may
8 amend its certified budget.

9 Sec. 5. Section four hundred forty-two point six (442.6),
10 Code 1973, is amended to read as follows:

11 442.6 DISTRICT COST—*DISTRICT COST PER PUPIL*—BASE
YEAR—

12 *BUDGET YEAR*. As used in this chapter[,], ["district] 1.
13 "*District cost*" and "*district cost per pupil*" mean [means the
14 total expenditures for the current year or anticipated expendi-
15 tures for the budget year of a district which are payable
16 from the school general fund] *the amounts computed as provided*
17 *in section four hundred forty-two point nine (442.9) of the*
18 *Code.*

19 2. "*Base year*" means the school year ending during the
20 calendar year in which a budget is certified.

21 3. "*Budget year*" means the school year beginning during
22 the calendar year in which a budget is certified.

23 Sec. 6. Section four hundred forty-two point seven (442.7),
24 Code 1973, is amended to read as follows:

25 442.7 ALLOWABLE GROWTH. Each year the state comptroller
26 shall compute the state percent of growth by adding the per-
27 cents of increase for the second and third years of the most
28 recent three-year period for which accurate figures are
29 available, for each of the following sources of revenue, and
30 dividing the total by four:

31 1. State general fund revenues, adjusted for changes in
32 rates or basis.

33 2. Statewide assessed valuation of taxable property,
34 adjusted for statewide changes in assessment practices.

35 Each year the state comptroller shall compute the dollar

1 equivalent of the state percent of growth by multiplying the
 2 state cost per pupil for the preceding school year by the
 3 current state percent of growth[, except that this dollar
 4 equivalent is limited to a maximum amount of forty-six dol-
 5 lars for the school year beginning on July 1, 1973, forty-
 6 eight dollars for the school year beginning on July 1, 1973,
 7 and fifty-one dollars for the school year beginning on July
 8 1, 1974]. As used in this chapter, "allowable growth" means
 9 the dollar equivalent of the state percent of growth.

10 *However, except as otherwise provided in this section,*
 11 *the state percent of growth is estab-*
 12 *lished at five percent for the school year beginning July*
 13 *1, 1973, and the state percent of growth is limited to a*
 14 *maximum of five percent for the school year beginning July*
 15 *1, 1974.*

16 *For each school district whose district cost per pupil*
 17 *is below the state cost per pupil for the budget year,*
 18 *"allowable growth" means the lesser of the dollar equivalent*
 19 *of the state percent of growth multiplied by one hundred*
 20 *twenty-five percent, or the amount required to make the dis-*
 21 *trict cost per pupil equal to the state cost per pupil.*

22 *If the school budget review committee has established a*
 23 *modified allowable growth for a district, "allowable growth"*
 24 *for the district means its modified allowable growth.*

25 Sec. 7. Section four hundred forty-two point eight (442.8),
 26 Code 1973, is amended to read as follows:

27 442.8 STATE COST PER PUPIL. The state cost per pupil
 28 for the school year beginning July 1, [1971] 1972, is nine
 29 hundred [twenty] three dollars. The state cost per pupil for
 30 the school year beginning [on] July 1, [1972] 1973, and for each
 31 succeeding school year is the previous year's state cost per
 32 pupil plus the allowable growth. If the state percent of
 33 growth is zero or less, the state cost per pupil shall be
 34 the same as the previous year's state cost per pupil.

35 Sec. 8. Section four hundred forty-two point nine (442.9),

1 subsection one (1), Code 1973, is amended to read as follows:

2 442.9 [MAXIMUM GENERAL FUND BUDGET AND DIS-
3 PUPIL—DISTRICT COST—ADDITIONAL SCHOOL DISTRICT
4 TAX LEVY. PROPERTY

5 1. The state comptroller shall determine the additional
6 school district property tax levy for each school district,
7 which is in addition to the foundation property tax levy,
8 as follows:

9 a. The district cost per pupil [in fall enrollment for
10 the current school year ending June 30 each] *for the budget*
11 *year[, plus the allowable growth, determines] is equal to the*
12 *district cost per pupil for the [school] base year [beginning*
13 *July 1 each year] plus the allowable growth. However, [if the*
14 *district cost per pupil in fall enrollment for the current*
15 *school year ending June 30 each year exceeds one hundred ten*
16 *percent of the state cost per pupil, the school budget review*
17 *committee shall review the proposed budget and establish the*
18 *amount of allowable growth for that district, not to exceed*
19 *the limitations in section 442.7] in determining the district*
20 *cost per pupil for the budget year beginning July 1, 1973,*
21 *district cost per pupil in the base year means the general*
22 *fund budget for the school year beginning July 1, 1971, as*
23 *authorized and funded under Acts of the General Assembly,*
24 *1971 Session, chapter seventy-two (72), including additional*
25 *approved funding authorized by the school budget review*
26 *committee, less the amount of adjusted miscellaneous income*
27 *including adjustments pursuant to section four hundred forty-*
28 *two point twenty-five (442.25) of the Code, divided by the*
29 *fall enrollment certified in September of 1971, plus the*
30 *allowable growth for the school year beginning July 1, 1972,*
31 *as computed on the basis of state cost per pupil excluding*
32 *miscellaneous income.*

33 b. The district cost [per pupil] *for the budget year is*
34 *equal to the district cost per pupil for the budget year*
35 *multiplied by the [number of pupils in fall] enrollment [for*

1 the school year beginning July 1 each year, determines the
2 maximum district cost for each district]. A school district
3 may not [exceed] *increase* its [maximum] district cost [unless
4 additional] *for the budget year except to the extent that*
5 *excess* millage is authorized [or supplemental state aid is
6 distributed to the district] by the school budget review
7 committee as provided in section 442.13, subsection [5, or
8 unless an additional amount is raised by a school district
9 income surtax approved by the voters] *eight (8)*.

10 c. The [district foundation base multiplied by the number
11 of pupils in fall enrollment, and the product, plus any moneys
12 excluded from miscellaneous income, subtracted from the lesser
13 of the actual or maximum] *amount to be raised by the additional*
14 *school district property tax levy is equal to the* district
15 cost for the [school] *budget year [beginning July 1 each year,*
16 *determines the amount to be raised by the additional school*
17 *district property tax levy, subject to], less the product*
18 *of the state or district foundation base and the enrollment.*
19 *However, said amount shall be adjusted in accordance with*
20 the maximum millage provided in section 442.10[, any additional
21 millage authorized by the school budget review committee under
22 section 442.13, subsection 5, paragraph "a", or] *and the maximum*
23 millage reduction provided in section 442.21.

24 Sec. 9. Section four hundred forty-two point ten (442.10),
25 Code 1973, is amended to read as follows:

26 442.10 MAXIMUM MILLAGE LEVY. For the purpose of deter-
27 mining the maximum millage levy *for the general fund* in a
28 school district, the state comptroller shall determine the
29 sum of the foundation property tax levy and the additional
30 property tax levy, in mills. When this total millage [rate]
31 *levy* exceeds the district general fund levy in mills for the
32 school year which began July 1, 1970, he shall adjust the
33 district general fund millage levy to a rate equal to the
34 millage levy for the school year beginning July 1, 1970,
35 [unless additional] *except that excess millage [is approved]*

1 *authorized* by the school budget review committee, as provided
2 in section 442.13, subsection [5, paragraph "a"] *eight (8)*,
3 *may be added to that rate.*

4 Sec. 10. Section four hundred forty-two point eleven
5 (442.11), Code 1973, is amended to read as follows:

6 442.11 GUARANTEED STATE AID. For the school year be-
7 ginning July 1, 1972, and for the next four succeeding school
8 years, the state shall provide specific funds, called
9 guaranteed state aid, to any school district in which the
10 *amount to be raised by the maximum millage*[, excluding any
11 additional millage approved by the school budget review
12 committee,] *levy* plus the [district's miscellaneous income and]
13 state school foundation aid, does not meet the [actual or
14 maximum] district cost[, whichever is less].

15 There is hereby appropriated from the general fund of the
16 state to the department of public instruction moneys suffi-
17 cient to pay the guaranteed state aid provided in this sec-
18 tion. The state comptroller shall pay this aid [no later than
19 May 15 of each year, beginning in 1973 for the school year
20 beginning July 1, 1972] *in installments, at the same time as*
21 *the installments of state school foundation aid are paid.*

22 Sec. 11. Section four hundred forty-two point thirteen
23 (442.13), Code 1973, is amended to read as follows:

24 442.13 DUTIES OF THE COMMITTEE.

25 1. The school budget review committee may recommend the
26 *revision of any rules, regulations, directives, or forms re-*
27 *lating to school district budgeting and accounting, confer*
28 *with local school boards or their representatives and make*
29 *recommendations relating to any budgeting or accounting*
30 *matters, and may direct the superintendent of public*
31 *instruction or the state comptroller to make studies and*
32 *investigations of school costs in any school district.*

33 2. The committee shall report to each session of the gen-
34 eral assembly, which report shall include any recommended
35 changes in laws relating to school districts, and shall spe-

1 cify the number of hearings held annually, the reasons for
2 the committee's recommendations, and other information as
3 the committee deems advisable.

4 [3. The committee shall review the proposed or certified
5 budget of any school district if the district cost per pupil
6 in estimated fall enrollment has increased over the district
7 cost per pupil in fall enrollment for the previous year by
8 more than the allowable growth of the district.]

9 [4. The committee may review the proposed or certified
10 budget of any school district as follows:]

11 [a. If the budget shows district costs per pupil in esti-
12 mated fall enrollment of more than the state cost per pupil.]

13 [b. If in the judgment of the committee, the budget shows
14 the district cost to be unreasonably high in relation to the
15 comparative cost factors of similar districts, even of the
16 district cost per pupil in estimated fall enrollment does
17 not exceed the state cost per pupil.]

18 [5. The committee may authorize a school budget in excess
19 of limitations provided in sections 442.9 and 442.10 of this
20 division as follows:]

21 [a. If a nonpublic school closes wholly or in part, the
22 committee may authorize an increase in the school general
23 fund millage beyond the maximum permitted under section 442.10,
24 but only to the extent necessary to cover the cost of absorb-
25 ing the former nonpublic school pupils into the public school
26 system. The school board shall establish the amount of neces-
27 sary increased cost to the satisfaction of the school budget
28 review committee before an increase in millage is authorized.]

29 [b. Additional supplemental state aid may be paid to any
30 district from any discretionary funds appropriated specifically
31 to the committee for this purpose.]

32 [6. If the committee does not authorize a school district's
33 budget, it shall state its recommendations in terms of a spe-
34 cific reduction in the district cost, and in terms of a pro-
35 jected reduction in the millage rate of the school district,

1 and shall notify the school board of its recommendations
2 through the state comptroller.]

3 [7. The committee, when making decisions relating to school
4 budgets, shall consider each district's circumstances and
5 facts which are unique and unusual, including but not limited
6 to any unusual increases or decreases in enrollments, natural
7 disasters, unusual transportation problems, and initial staff-
8 ing problems.]

9 *s. The committee shall meet beginning not later than March*
10 *first of each year, shall review the proposed budget and*
11 *certified budget of each school district, and may make recom-*
12 *mendations. The committee may make decisions affecting bud-*
13 *gets to the extent provided in this chapter. The costs and*
14 *computations referred to in this section relate to the bud-*
15 *get year unless otherwise expressly stated.*

16 *4. If the district cost per pupil exceeds one hundred*
17 *ten percent of the state cost per pupil, the committee shall*
18 *establish a modified allowable growth by reducing the allow-*
19 *able growth. In making decisions under this subsection, the*
20 *committee shall permit allowable growth to the extent neces-*
21 *sary to prevent severe hardship to a district whose district*
22 *cost per pupil would not have exceeded one hundred ten per-*
23 *cent of the state cost per pupil if miscellaneous income were*
24 *included in computations under this chapter to the same ex-*
25 *tent that it was included for the school year beginning July*
26 *1, 1972.*

27 *5. The committee may establish a modified allowable growth*
28 *by reducing the allowable growth:*

29 *a. If the district cost per pupil exceeds the state cost*
30 *per pupil.*

31 *b. If in the committee's judgment the district cost is*
32 *unreasonably high in relation to the comparative cost fac-*
33 *tors of similar districts, even if the district cost per pu-*
34 *pil does not exceed the state cost per pupil.*

35 *6. The committee may establish a modified allowable growth*

1 by increasing the allowable growth for a district which has
2 unusual circumstances, creating an unusual need for additional
3 funds, including but not limited to:

4 a. Any unusual increase or decrease in enrollment.

5 b. Unusual natural disasters.

6 c. Unusual transportation problems.

7 d. Unusual initial staffing problems.

8 e. The closing of a nonpublic school, wholly or in part.

9 f. Substantial reduction in miscellaneous income due to
10 circumstances beyond the control of the district.

11 g. Unusual necessity

12 for additional funds to permit continuance
13 of a course or program which provides substantial benefit
14 to pupils.

15 h. Unusual need for a new course or program which will
16 provide substantial benefit to pupils, if the district estab-
17 lishes such need and the amount of necessary increased cost.

18 i. Unusual need for additional funds for special
19 education or compensatory education programs.

20 j. Year-round or substantially year-round attendance
21 programs which apply toward graduation requirements, includ-
22 ing but not limited to tri-semester or four-quarter programs.
23 Enrollment in such programs shall be adjusted to reflect
24 equivalency to normal school year attendance.

25 k. Severe hardship due to the exclusion of miscellaneous
26 income from computations under this chapter. For the school
27 year beginning July 1, 1973, the committee shall increase
28 the district's allowable growth to the extent necessary to
29 prevent such hardship.

30 7. The amount of increased state aid paid under
31 allowances made in subsection six (6) of this section
32 shall be limited to the appropriations made to the

1 *school budget review committee for this purpose.*

2 8. *If a nonpublic school closes wholly or in part, the*
3 *committee may authorize an increase in the district general*
4 *fund millage levy beyond the maximum permitted by section*
5 *four hundred forty-two point ten (442.10) of the Code, but*
6 *only to the extent necessary to cover the cost of absorbing*
7 *the former nonpublic school pupils into the public school*
8 *system. The school board shall establish the amount of neces-*
9 *sary increased cost to the satisfaction of the school budget*
10 *review committee before an increase in millage is authorized.*

11 9. **NEW SUBSECTION.** *The committee may authorize a*
12 *district to spend a reasonable and specified amount*
13 *from its unexpended cash balance for the sole purpose*
14 *of furnishing and equipping a new building or struc-*
15 *ture for which the voters of the district have*
16 *approved a bond issue as provided by law. No other*
17 *expenditure, including but not limited to expenditures*
18 *for salaries or recurring costs, shall be authorized*
19 *under this subsection. Expenditures authorized under*
20 *this subsection shall not be included in allowable*
21 *growth or district cost, and the portion of the un-*
22 *expended cash balance which is authorized to be spent*
23 *shall be regarded as if it were miscellaneous income.*
24 *Any part of such amount which is not actually spent*
25 *for the authorized purpose shall revert to its former*
26 *status as part of the unexpected cash balance.*

27 10. *The committee may approve or modify the initial base*
28 *year district cost of any district which changes accounting*
29 *procedures.*

30 11. *When the committee makes a decision under subsections*
31 *three (3) through nine (9) of this section, it shall make*
32 *all necessary changes in the district cost, budget, and millage*
33 *levy. It shall give written notice of its decision, includ-*
34 *ing all such changes, to the school board through the state*
35 *comptroller.*

36 12. All decisions by the committee under this chapter
37 shall be made in accordance with reasonable and uniform poli-
38 cies which shall be consistent with this chapter. All
39 such policies of general application shall be stated in
40 rules adopted in accordance with chapter seventeen A (17A)
41 of the Code.

The

42 committee shall take into account the intent of this chapter
43 to equalize educational opportunity, to provide a good
44 education for all the children of Iowa, to provide property
45 tax relief, to decrease the percentage of school costs paid
46 from property taxes, and to provide reasonable control of
47 school costs. The committee shall also take into account
48 the amount of funds
49 available.

50 13. Failure by any school district to provide informa-

1 tion or appear before the committee as requested for the ac-
2 complishment of review or hearing shall constitute justifi-
3 cation for the committee to instruct the state comptroller
4 to withhold any state aid to that district until the commit-
5 tee's inquiries are satisfied completely.

6 [9] 14. The school budget review committee may call in any
7 county board of education for the purpose of reviewing its
8 budget as it relates to the individual districts within the
9 county.

10 Sec. 12. Section four hundred forty-two point fourteen
11 (442.14), unnumbered paragraphs one (1), two (2), and three
12 (3), Code 1973, are amended to read as follows:

13 442.14 ELECTION [TO EXCEED MAXIMUM DISTRICT COST]
14 *FOR SCHOOL*

15 *DISTRICT INCOME SURTAX.* If a school board wishes to [exceed
16 its maximum district cost, as determined under section 442.9,
17 it shall first submit its proposed budget to the school budget
18 review committee. The committee may approve the proposed
19 budget or may make other recommendations, but if the board
20 decides that the district should exceed its maximum district
21 cost, and the committee has not authorized an additional
22 millage or supplemental state aid as provided in section
23 442.13, subsection 5,] *spend more than is permitted under*
24 *sections four hundred forty-two point one (442.1) through*
25 *four hundred forty-two point thirteen (442.13) of the Code,*
26 *after review by the school budget review committee, the board*
27 *[shall] may* submit to the voters of the school district, at
28 a regular or special school election held not later than
29 September [15] *fifteenth*, the question of whether the proposed
30 budget shall be approved[,] and *the excess amount* financed by
31 a school district income surtax of a specified rate[, or whether
32 the district shall be limited to its maximum district cost].

33 If a majority of those voting approves the proposed budget
34 and the specified school district income surtax rate, the
35 surtax, determined as provided in section 442.15, may be im-
posed by resolution of the school board.

1 If the proposed budget and surtax [does] *do* not receive
2 approval by a majority of those voting, the school board shall
3 reduce its [general fund budget] *proposed expenditures* to an
4 amount which does not exceed its [maximum] district cost *plus*
5 *miscellaneous income and any unspent balance from the preceding*
6 *year's budget.*

7 Sec. 13. Section four hundred forty-two point fifteen
8 (442.15), subsections two (2) and three (3), Code 1973, are
9 amended to read as follows:

10 2. A school district income surtax rate approved by the
11 voters, or as much of it as may be necessary, shall continue
12 to be in effect in that school district until the school board
13 finds that the surtax or a part of it is unnecessary, or un-
14 til the amount of the surtax is altered by another election.
15 If a school board wishes to increase the [district costs so
16 that they cannot be met by the combination of maximum millage,
17 state aid, miscellaneous income, and the approved] school
18 district income surtax *rate*, the school board may hold another
19 election to submit the question of whether to increase the
20 surtax rate for the district, and may increase the rate only
21 if an increase is approved by a majority of those voting.

22 3. At least once every five years, if a school district
23 income surtax is found to be necessary, the school board shall
24 submit to the voters of the school district, at a regular
25 or special school election held not later than September [15]
26 *fifteenth*, the question of whether to continue imposition
27 of the established rate of school district income surtax or
28 of a lesser rate as necessary. If a majority of those voting
29 does not approve the proposed school district income surtax
30 rate, the school board shall reduce its [general fund budget]
31 *proposed expenditures* to an amount which does not exceed its
32 [maximum] district cost *plus miscellaneous income and any unspent*
33 *balance from the preceding year's budget.*

34 Sec. 14. Section four hundred forty-two point twenty-one
35 (442.21), Code 1973, is amended to read as follows:

1 442.21 MAXIMUM MILLAGE REDUCTION. If the functioning
2 of the state school foundation program established by this
3 chapter causes a reduction in any school district, for the
4 school year beginning July 1, 1972, of more than ten per-
5 cent of the district's total general fund millage for the
6 school year beginning July 1, 1970, the reduction for the
7 school year beginning July 1, 1972, is limited to that ten
8 percent, and the reduction for each of the school years
9 beginning July 1, 1973, and July 1, 1974, is limited to ten
10 percent of the preceding year's millage. However, if this
11 limitation results in a district millage levy which raises
12 more than the district needs to meet [the lesser of] its [actual
13 or maximum] district cost, the ten percent limitation does
14 not apply, and the district may reduce its millage as much
15 as can be done without entitling the district to state school
16 foundation aid. The state comptroller shall compute any
17 maximum millage reduction required by this section, and shall
18 notify the school boards accordingly.

19 Sec. 15. Section four hundred forty-two point twenty-five
20 (442.25), Code 1973, is amended to read as follows:

21 442.25 ESTIMATES OF MISCELLANEOUS AIDS. No later than
22 September [1] *first* of each year, the department of public in-
23 struction shall certify to the state comptroller the amounts
24 of any state aids other than the amounts provided in this
25 division that will be received by each school district in
26 the state. [In the event any estimate of state aids in any
27 school budget certified to the auditor as provided by sec-
28 tion 24.17 is more or less than the amount of state aids
29 certified to the state comptroller by the department of pub-
30 lic instruction as provided by this section, the state comp-
31 troller shall certify to the county auditors the final mil-
32 lage for each school district.]

33 Sec. 16. Chapter two hundred eighty-four (284), and
34 section four hundred forty-two point twenty-two (442.22),
35 Code 1973, are repealed.

36 Sec. 17. The committee may, for the school year
37 beginning July 1, 1972, in cases where hardship can be
38 shown because of decrease in allowable budget caused by
39 decrease in enrollment, authorize school boards to levy,
40 in excess of other allowable levies, an amount sufficient
41 to reimburse their general fund and permit expenditure for
42 the current year of an amount up to ninety-seven percent
43 of the 1971-1972 fall enrollment multiplied by the 1972-
44 1973 per-pupil cost.

1

EXPLANATION

2 This bill amends the state school foundation program to
3 provide that the so-called "\$200 minimum" state aid will be
4 paid for only two more years. It also removes "miscellaneous
5 income" from the computations. "Miscellaneous income", "dis-
6 trict cost", and "district cost per pupil" are redefined,
7 and the new terms, "expenditures", "base year", and "budget
8 year" are added. Because miscellaneous income is removed
9 from the computations, "state cost", which was originally
10 based upon the inclusion of miscellaneous income, is revised.

11 Alternative enrollment dates in January and September are
12 provided under this bill, high school pupils attending an
13 area school are included in enrollment, and pupils attending
14 a laboratory school are excluded.

15 The computation of maximum district cost provides a spe-
16 cial method for determining the base year district cost for
17 1973, since miscellaneous income has been removed.

18 The state percent of growth is established at 5% for 1973,
19 and the maximum state percent of growth at 5% for 1974.
20 However, when district cost per pupil is less than state cost
21 per pupil, the district will receive 125% of allowable growth,
22 or whatever part of that is necessary to bring it up to state
23 cost per pupil. Also, the bill restates and expands the
24 powers and responsibilities of the school budget review
25 committee, clearly permitting it to increase allowable growth
26 for certain districts which experience a hardship due to the
27 removal of miscellaneous income from the computations, or
28 for other reasons, and to decrease allowable growth in certain
29 situations. In a few specified situations the committee is
30 required to take action.

31 The section requiring tentative budgets to be established
32 before December first is repealed, and other sections, in-
33 cluding those relating to a school district income surtax,
34 are amended to improve the accuracy and clarity of the law.

16 of the Code. The amount necessary to pay transportation
17 aid is appropriated each year from the general fund.
18 2. The remainder of a district's transportation
19 costs, to the extent not otherwise provided for, shall
20 be provided for by a transportation property tax levy
21 certified and collected in the same manner as other
22 school district general fund property tax levies. The
23 transportation property tax levy is separate from
24 the other levies authorized in this chapter and is not
25 subject to the limitations otherwise imposed in this

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1 chapter.

2 5. Correct section numbers and internal references
3 as necessary to conform with this amendment.

4 6. Amend the title, page 2, line 8, by inserting
5 after the comma the words "providing for a transporta-
6 tion property tax levy, transportation aid, and making
7 an appropriation,".

S-321 Filed - *Withdrawn 4/3*
March 29, 1973

By TIEDEN

S-312

1 Amend House File 359, as amended and passed by
2 the House, page 2, line 10, by inserting after the second
3 comma the following:
4 "providing a method of adjusting the property
5 tax base for the purpose of computing state
6 aid,".

S-312 Filed - *Withdrawn 4-3*
March 28, 1973

By SHAFF

S-311

1 Amend House File 359, as amended and passed by the
2 House, page 3, by inserting after line 24 the following
3 new section, and by renumbering the remaining sections.
4 Sec. _____. Section four hundred forty-two point
5 two (442.2), Code 1973, is amended by adding the
6 following new unnumbered paragraph:
7 NEW UNNUMBERED PARAGRAPH. The state comptroller
8 and each county auditor shall compute the foundation
9 property tax of twenty mills on the assessed valuation
10 of all taxable property in the district, including
11 the assessed valuation of privately-owned water util-
12 ity property. The foundation property tax of twenty
13 mills shall be levied against privately-owned water
14 utility property but shall not be included in the dist-
15 rict property tax base for purposes of determining
16 the district's state aid.

S-311 Filed - *Drawn 4-3*
March 28, 1973

By SHAFF

1 Amend House File 359, as amended, passed, and
 2 by the House, as follows:
 3 1. Page 5, line 18, by inserting after the period
 4 the words "However, the transportation property tax levy
 5 authorized in this chapter is a part of miscellaneous
 6 income."
 7 2. Page 7, lines 28 and 29, by striking the words
 8 "nine hundred twenty three" and inserting in lieu

9 the words "nine-hundred-twenty eight hundred sixty-two".
 10 3. Page 8, line 32, by inserting after the period

11 words "In this computation, an amount equal to the
 12 transportation costs shall be added to the amount of
 13 miscellaneous income which is deducted in each case."
 14 4. Page 17A, by inserting after line 32 the

15 following:
 16 Sec. 16. Chapter four hundred forty-two (442), Code
 17 1973, is amended by adding the following new section:
 18 NEW SECTION. TRANSPORTATION AID.

19 1. A school district required by chapter two
 20 hundred
 21 eighty-five (285) of the Code to provide transportation
 22 is entitled to transportation aid from the state as pro-
 23 vided in this section. However, no transportation aid
 24 shall be paid to school districts to cover costs incurred
 25 in transporting pupils from home to a bus route, or in
 transporting pupils not entitled to free transportation,
 but who are transported at the expense of the home dis-

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1 trict or the parents. Transportation aid shall be paid
 2 for the preceding school year on the basis of a
 3 percentage
 4 of transportation costs incurred which is the same as
 5 the
 6 percentage that the state foundation base is of the state
 7 cost per pupil. The secretary of each district shall, on
 8 or before the first day of July of each year, report to
 9 the state department of public instruction on blanks
 10 furnished by the department, the information it requires
 11 for determining the amount the district shall be reim-
 12 bursed. The department may require further supporting
 13 data and information, and shall compute the amount to
 14 which each district is entitled and certify the amounts
 15 for payment to the state comptroller, who shall draw
 warrants and deliver them to the districts, as provided
 in section four hundred forty-two point twenty-six

S-310

1 Amend House File 359, as amended and passed by the
2 House, page 3, by inserting after line 24 the following
3 section, and by renumbering the remaining sections.
4 Sec. _____. Section four hundred forty-two point
5 two (442.2), Code 1973, is amended by adding the following
6 new unnumbered paragraph:

7 NEW UNNUMBERED PARAGRAPH. In determining the
8 assessed valuation of all taxable property in a district,
9 the state comptroller shall include in the total assessed
10 valuation of the district for the purpose of computing
11 state school aid, the assessed valuation of the property
12 of municipally-owned gas and electric utilities in the
13 district not subject to assessment under chapter four hundred
14 thirty-seven (437) of the Code. The director of revenue
15 shall certify to the state comptroller the assessed valuation
16 of the property of municipally-owned gas and electric util-
17 ities not subject to assessment under chapter four hundred
18 thirty-seven (437) of the Code in each district as determined
19 by using the assessed value per meter in service of an
20 investor owned utility located in the state of Iowa and apply
21 this assessed value to the meters in service of the munici-
22 pally-owned utilities. The state comptroller shall compute
23 the foundation property tax of twenty mills on the assessed
24 valuation of all taxable property in the district including
25 the assessed valuation of municipally-owned utility property.

Page 2

1 The foundation property tax of twenty mills shall not be
2 levied against municipally-owned utility property not subject
3 to assessment under chapter four hundred thirty-seven (437)
4 of the Code but shall be included in the district property
5 tax base for purposes of determining the district's state
6 aid.

S-310 Filed - *Lat 4-3*
March 28, 1973

By SHAFF

S-333

1 Amend House File 359, as amended, passed, and
2 by the House, page 6, line 5, by inserting after the
3 the following: "However, a district may budget and
4 a reasonable and specified amount from its unexpended
5 cash balance for the sole purpose of contributing to
6 the construction of a new building or structure for
7 which the voters of the district have approved a bond
8 issue as provided by law, or for constructing a new
9 building or structure if the construction can be done
10 without a bond issue, and the amount spent shall be
11 regarded as if it were miscellaneous income."

S-333 Filed - *Adopted 4/3*
April 2, 1973

By POTTER

S-331

1 Amend House File 359, as amended, passed, and
reprinted
2 by the House, page 3, by striking from lines 16 through
3 18 the words "a district's total general fund millage
4 rate ~~for-any-school-year~~; is reduced to ninety percent
5 less of the district's total general fund millage rate^{or}
6 and inserting in lieu thereof the words "a-district's
7 total-general-fund-millage-rate-for-any-school-year--is
8 the total dollars raised by the district's general fund
9 millage levy are reduced to ninety percent or less of
10 the
11 district's-total-general-fund-millage-rate total dollars
raised by the district's general fund millage levy".

S-331 Filed, deferred By COLEMAN and PRIEBE
April 2, 1973 *withdrawn 4/3*

S-332

1 Amend the Committee on Schools amendment to House
2 File 359, as amended, passed, and reprinted by the
3 House, by striking from page 2, lines 8 through 16,
4 and inserting in lieu thereof the following:
5 11. Amend the title, page 2, lines 5 and 6,
6 by striking the words "clarifying the sources of
7 funds for additional state aid" and inserting in
8 lieu thereof the words "or to grant supplemental
9 aid from funds appropriated for this purpose".

S-332 Filed and adopted By HANSEN
April 2, 1973

S-326

1 Amend the Committee on Schools Amendment S-316 to House
2 File 359, page 2, line 3, by striking the words "for
3 purpose, or may". this

S-326 Filed and lost By SHAFF
April 2, 1973

S-327

1 Amend House File 359 as passed and reprinted by the
2 page 12, line 35, and page 13, line 1, by striking the
3 following: "establish a modified allowable growth by
4 increasing the allowable growth for a district".
House,

S-327 Filed and withdrawn By SHAFF
April 2, 1973

S-294

1 Amend House File 359, as amended, passed, and reprinted by the
 2 House, as follows:
 3 1. Page 3, lines 11 and 12, by striking the words "for the
 4 school years beginning July 1, 1973, and July 1, 1974, only,".
 5 2. Amend the title, page 1, lines 1, 2, and 3 by striking the
 6 words "providing that special methods of computing state school
 7 foundation aid will be continued for only two years,".

S-294 Filed - *adopted 4/2*
 March 27, 1973 *Recommended and sent 4/3*

By WINKELMAN
 CURTIS
 DeKOSTER
 PRIEBE
 GALLAGHER
 TIEDEN
 SCOTT
 HULTMAN

Page 2

1 the words "grant supplemental aid from any funds
 2 ated to the department of public instruction ^{appropri-} for the
 3 the school budget review committee for this purpose, ^{use of}
 4 may". ^{or}
 5 9. Page 13, by striking lines 30 through 32, and page
 6 14A, by striking line 1.
 7 10. Page 17B, by striking lines 36 through 44. - *lost*
 8 11. Amend the title, page 1, lines 3 and 4, by strik-
 9 ing the words "providing two alternate dates for determin-
 10 ing" and inserting in lieu thereof the word "redefining".
 11 12. Amend the title, page 2, lines 4, 5, and 6, by
 12 striking the words "authorize a limited tax levy for one
 13 year under certain conditions, clarifying the sources
 14 of funds for additional state aid" and inserting in lieu
 15 thereof the words "grant supplemental aid from funds
 16 appropriated for this purpose".

adopted

*adopted
as amended
by
S-332*

S-316 Filed
 March 29, 1973

By COMMITTEE ON SCHOOLS
 HANSEN, Chairman

S-316

- 1 Amend House File 359, as amended, passed and reprinted
- 2 by the House, as follows:
- 3 1. Page 4, lines 8 and 9, by striking the words "in
4 the base year or the second Friday of September in
5 budget year, whichever number is larger," and the
6 in lieu thereof the words "preceding the budget
7 certifica-
8 tion date". *Page 4/2*
- 9 2. Page 4, line 15, by striking the words "The
10 ber", and by striking lines 16 through 21. Septem-
- 11 3. Page 4, line 34, by inserting after the word "by"
12 the word and figure "September-25".
- 13 4. Page 4, line 35, by striking the words and figure
14 "and September 25 twenty-fifth".
- 15 5. Page 5, by striking lines 25 through 27 and renum-
16 bering the remaining subparagraphs.
- 17 6. Page 7, line 20, by striking the word "twenty-
18 five"
- 19 7. Page 7, line 21, by inserting after the period *Accepted 4/2*
20 words "The school budget review committee may also
21 establish
22 a higher modified allowable growth for such a school
23 district, if the district can demonstrate to the
24 committee
25 that any increase authorized will be used prudently in
accomplishing the district's long-range goals for
educa-
tional opportunities for the pupils of the district."
- 25 8. Page 12, line 35, by inserting after the word "may"

S-330

- 1 Amend House File 359 as amended, passed and reprinted by
2 House, page 7, by striking all of line 13 after the the
3 "1973", and all of lines 14 and 15 and inserting in lieu numeral
4 thereof a period.

S-330 Filed - *Look 4/3*
April 2, 1973

By WILLITS

S-335

- 1 Amend House File 359 as amended, passed and reprinted by
2 the House as follows:
3 1. Page 5, by striking lines 7 through 35.
4 2. Page 6, by striking lines 1 through 8.
5 3. By renumbering the remaining sections.

S-335 Filed-*Withdrawn 4/3* By HILL
April 3, 1973

S-336

- 1 Amend House File 359 as passed by the House and
2 reprinted, page 14A, line 16 by striking the words "a
3 issue".

S-336 Filed and adopted By DODERER
April 3, 1973

S-339

- 1 Amend House File 359, as amended, passed and reprinted
2 by the House as follows:
3 1. Page 17A, line 1, by striking the word "MILLAGE"
4 and inserting in lieu thereof "MILLAGE DOLLAR".
5 2. Page 17A, line 4, by striking the figure "1972"
6 and inserting in lieu thereof the figures "1972 1973".
7 3. Page 17A, line 5, by striking the words "dis-
8 trict's total general fund millage" and inserting in
9 lieu thereof the words "district's total general fund
10 millage total amount in dollars raised by the dis-
11 trict's general fund millage levy".
12 4. Page 17A, line 7, by striking the figure "1972"
13 and inserting in lieu thereof the figures "1972 1973".
14 5. Page 17A, lines 8 and 9, by striking the words
15 and figures "each of the school years beginning July 1,
16 1973, and" and inserting in lieu thereof the words and
17 figures "each-of-the-school-years-beginning-July-1,-1973,
18 and the school year beginning".
19 6. Page 17A, line 10, by striking the word "millage"
20 and inserting in lieu thereof the words "millage total
21 dollar amount".
22 7. Page 17A, line 17, by striking the word "millage"
23 and inserting in lieu thereof the words "millage dollar".

S-339 Filed and lost By PRIEBE and COLEMAN
April 3, 1973

HOUSE AMENDMENT TO SENATE AMENDMENT TO HOUSE FILE 359

1 Amend the Senate amendment to House File 359 as
2 follows:
3 1. By striking lines 5 through 14.
4 2. By striking lines 15 and 16.
5 3. By striking lines 17 through 24.
6 4. By striking lines 25 through 29 and in-
7 serting in lieu thereof the following:
8 "5. Pages 12 and 13, by striking line 35 on
9 page 12 and lines 1 through 3 on page 13 and insert-
10 ing in lieu thereof the following:
11 '6. If a district has unusual circumstances,
12 creating an unusual need for additional funds, includ-
13 ing but not limited to the following circumstances, the
14 committee may grant supplemental aid to the district
15 from any funds appropriated to the department of public
16 instruction for the use of the school budget review
17 committee for this purpose, and such aid shall be
18 miscellaneous income and shall not be included in
19 district cost; or may establish a modified allowable
20 growth for the district by increasing its allowable
21 growth; or both.'"
22 5. By striking lines 32 and 33 and inserting in
23 lieu thereof the following:
24 "7. Page 14A, by striking lines 14 through 16
25 and inserting in lieu thereof the following:

Page 2

1 'or purposes of furnishing, equipping, and con-
2 tributing to the construction of a new building or
3 structure for which the voters of the district have
4 approved a bond issue as provided by law or a tax as
5 provided in chapter 278 of the Code. No other'."
6 6. By striking lines 34 through 37.
7 7. By striking lines 42 and 43.

Filed April 26, 1973

Senate concurred 4-26-73

S-337

1 Amend House File 359, as amended and passed by the
House,
2 and reprinted, as follows:
3 1. Page 17A, by striking lines 33 through 35 and
inserting
4 in lieu thereof the following:
5 Sec. 16. Section four hundred forty-two point
twenty-two
6 (412.22), Code 1973, is repealed.
7 2. Page 2, lines 9 and 10, by striking the words
"repealing
8 chapter two hundred eighty-four (284), Code 1973,".

S-337 Filed and adopted
April 3, 1973

By HANSEN
TIEDEN
DODERER
MURRAY
BRILES
PLYMAT
GALLAGHER
PRIEBE