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MAR 13 1986

Place On Calendar

HOUSE FILE 2462

BY COMMITTEE ON EDUCATION

(Formerly House Study Bill 737)

Passed House, Date 3-25-86 (p. 1000) Passed Senate, Date 4-17-86 p. 1277

Vote: Ayes 68 Nays 23 Vote: Ayes 45 Nays 3

Approved May 27, 1986

A BILL FOR

1 An Act relating to educational cost efficiencies including
 2 combining administrative divisions of area education agencies,
 3 reducing administrative costs of area education agencies,
 4 providing for multimember director districts of school
 5 districts, providing for attendance of pupils in classes in
 6 other school districts, reducing the uniform levy in
 7 reorganized school districts, providing for supplementary
 8 weighting for shared administrators, providing a time
 9 limitation on supplementary weighting, and continuing
 10 supplementary weighting for reorganized school districts.

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

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HF 2462

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1 Section 1. Section 257.10, Code Supplement 1985, is
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 18. Adopt rules for qualifications for
4 division directors of area education agencies: special
5 education, educational services, and media services. The
6 rules shall specify qualifications for a division director of
7 educational and media services for area education agencies
8 with only two divisions.

9 Sec. 2. Section 273.2, unnumbered paragraph 3, Code Sup-
10 plement 1985, is amended to read as follows:

11 Each area education agency board may establish two
12 divisions within the area education agency: a division of
13 special education and a division of educational and media
14 services. Each division shall be headed by a division
15 director who is directly responsible to the board of directors
16 if an area education agency administrator is not employed by
17 the board. The funding for the costs of special education
18 services shall be provided pursuant to section 273.9,
19 subsection 3. The funding for the costs of educational and
20 media services shall be provided pursuant to section 273.9,
21 subsections 4 and 5. Notwithstanding section 442.27, the
22 board of directors may utilize the funding available for the
23 salary of the division of educational and media services
24 director from funding targeted for the salary of the area
25 education agency administrator when the board of directors
26 does not employ an administrator. The area education agency
27 board shall furnish educational services and programs as
28 provided in sections 273.1 to 273.9 and chapter 281 to the
29 pupils enrolled in public or nonpublic schools located within
30 its boundaries which are on the list of approved schools
31 pursuant to section 257.25. The programs and services
32 provided shall be at least commensurate with programs and
33 services existing on July 1, 1974. The programs and services
34 provided to pupils enrolled in nonpublic schools shall be
35 comparable to programs and services provided to pupils

1 enrolled in public schools within constitutional guidelines.

2 Sec. 3. Section 273.3, subsections 5 and 12, Code

3 Supplement 1985, are amended to read as follows:

4 5. Be authorized, subject to rules ~~and-regulations~~ of the
5 state board of public instruction, to provide directly or by
6 contractual arrangement with public or private agencies for
7 special education programs and services, media services, and
8 educational programs and services requested by the local
9 boards of education as provided in this chapter, including but
10 not limited to contracts for the area education agency to
11 provide programs or services to the local school districts and
12 contracts for local school districts, other educational
13 agencies, and public and private agencies to provide programs
14 and services to the local school districts in the area
15 education agency in lieu of the area education agency
16 providing the services. However, pursuant to section 273.2,
17 the area education agency board may establish two divisions, a
18 division of special education and a division of educational
19 and media services. Contracts may be made with public or
20 private agencies located outside the state if the programs and
21 services comply with the rules of the state board.

22 12. Employ personnel to carry out the functions of the
23 area education agency which ~~shall~~ may include the employment
24 of an administrator who shall possess a certificate issued
25 under section 260.9. The administrator shall be employed
26 pursuant to section 279.20 and sections 279.23, 279.24 and
27 279.25. The salary for an area education agency administrator
28 shall be established by the board based upon the previous
29 experience and education of the administrator. ~~The-provisions~~
30 ~~of-section~~ Section 279.13 shall-apply applies to the area
31 education agency board and to all teachers employed by the
32 area education agency. ~~The-provisions-of-sections~~ Sections
33 279.23, 279.24 and 279.25 shall apply to the area education
34 board and to all administrators employed by the area education
35 agency.

1 Sec. 4. Section 273.4, Code 1985, is amended to read as
2 follows:

3 273.4 AREA EDUCATION AGENCY ADMINISTRATOR.

4 ~~Under-direction-of-the~~ The board of directors of the area
5 education agency, or the administrator of the area education
6 agency if an administrator is employed by the board shall, in
7 addition to other duties:

8 1. ~~Co-operate~~ Cooperate with boards of directors of local
9 school districts of the area education agency in considering
10 and developing plans for the improvement of the educational
11 programs and services in the area education agency.

12 2. When requested, provide such other assistance as
13 possible to school districts of the area education agency for
14 the general improvement of their educational programs and
15 operations.

16 3. Submit program plans each year to the department of
17 public instruction, for approval by the state board of public
18 instruction, to reflect the needs of the area education agency
19 for media services as provided in section 273.6.

20 Sec. 5. Section 273.11, Code Supplement 1985, is amended
21 to read as follows:

22 273.11 APPROPRIATION FOR REIMBURSEMENT OF INSTRUCTIONAL
23 COSTS OF CHILDREN IN JUVENILE HOMES.

24 The ~~administrator~~ board of directors or the administrator
25 of the area education agency if an administrator is employed
26 by the board of each area educational agency shall determine
27 annually the cost of instruction provided under section 273.3,
28 subsection 10, to a child of school age maintained in a
29 juvenile home located in the area. The board or administrator
30 if an administrator is employed by the board shall certify the
31 total yearly audited cost of instruction and the amount due
32 for instruction, to the commissioner of public instruction not
33 later than September 1 of each year for the preceding fiscal
34 year. The state board of public instruction shall review the
35 amount due and submit a requisition to the state comptroller.

1 The amount due shall be paid by the treasurer of state to the
2 area education agency from any funds in the general fund of
3 the state not otherwise appropriated upon warrants drawn and
4 signed by the state comptroller.

5 Sec. 6. Section 275.12, subsection 2, paragraphs b and d,
6 Code 1985, are amended to read as follows:

7 b. Division of the entire school district into designated
8 geographical single director or multi-director subdistricts on
9 the basis of population for each director, to be known as
10 director districts, each of which director districts shall be
11 represented on the school board by one director or more
12 directors who shall be ~~a-resident~~ residents of such the
13 director district but who shall be elected by the vote of the
14 electors of the entire school district. ~~The-school-district~~
15 ~~shall-be-divided-into-the-same-number-of-director-districts-as~~
16 ~~the-number-of-school-directors-the-district-is-authorized-by~~
17 ~~law.~~ The boundaries of such the director districts and the
18 area and population included within each district shall be
19 such as justice, equity, and the interests of the people may
20 require. Changes in the boundaries of director districts
21 shall not be made during a period commencing sixty days prior
22 to the date of the annual school election. Insofar as may be
23 practicable, the boundaries of such the districts shall follow
24 established political or natural geographical divisions.

25 d. Division of the entire school district into designated
26 geographical single director or multi-director subdistricts on
27 the basis of population for each director, to be known as
28 director districts, each of which director districts shall be
29 represented on the school board by one director or more
30 directors who shall be ~~a-resident~~ residents of such the
31 director district and who shall be elected by the voters of
32 ~~said the~~ the director district. Place of voting in such the
33 director districts shall be designated by the commissioner of
34 elections. Changes in the boundaries of director districts
35 shall not be made during a period commencing sixty days prior

1 to the date of the annual school election.

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2 Sec. 7. NEW SECTION. 282.25 ATTENDING IN DISTRICT OTHER
3 THAN THAT DESIGNATED.

4 Annually, upon the filing of written notification by a
5 parent or guardian of a pupil enrolled in a grade for which
6 the board of directors of the school district of residence has
7 negotiated an agreement for sending all pupils enrolled in
8 that grade to another school district, the board of directors
9 of the district of residence shall allow the pupil, and the
10 pupil's siblings who are enrolled in other grades, to attend
11 school in a district different from the school district
12 designated in the agreement for attendance of that pupil,
13 subject to the approval of the board of directors of the
14 receiving school district. The district of residence shall
15 pay to the receiving school district an amount not to exceed
16 the amount that would have been paid for the pupil if the
17 pupil had attended classes in the school designated in the
18 agreement. In addition, the district of residence shall pay
19 an equal amount for siblings of the pupil who are also
20 attending the receiving school district. Any additional
21 costs, including transportation costs, shall be paid by the
22 parent or guardian of the pupil.

23 The notification required in this section shall be filed by
24 the parent or guardian not later than March 1 of the previous
25 school year.

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26 Sec. 8. Section 442.2, subsection 1, Code 1985, is amended
27 to read as follows:

28 1. Each Except as otherwise provided in this subsection,
29 each school district shall cause to be levied each year, for
30 the school general fund, a foundation property tax of five
31 dollars and forty cents per thousand dollars of assessed
32 valuation on all taxable property in the district. For the
33 purpose of this chapter, a school district is defined as a
34 school corporation organized under chapter 274.

35 For budget years subsequent to the year beginning July 1,

1 1986, a reorganized school district shall cause to be levied
2 for each of the first two years following the effective date
3 of the reorganization, a foundation property tax of five
4 dollars per thousand dollars of assessed valuation on all
5 taxable property in the reorganized school district which, in
6 the year preceding the reorganization, was within the school
7 districts affected by the reorganization as defined in section
8 275.1.

9 For purposes of this subsection, a reorganized school
10 district is one in which reorganization was approved in an
11 election pursuant to sections 275.18 and 275.20 and will take
12 effect on or after July 1, 1986.

13 Sec. 9. Section 442.39, unnumbered paragraph 1, and
14 subsection 1, Code Supplement 1985, are amended to read as
15 follows:

16 In order to provide additional funds for school districts
17 which send their resident pupils to another school district or
18 to an area school for classes, which jointly employ and share
19 the services of teachers under section 280.15, or which use
20 the services of a teacher employed by another school district,
21 or which jointly employ and share the services of school
22 administrators under section 280.15, a supplementary weighting
23 plan for determining enrollment is adopted as follows:

24 1. Pupils in a regular curriculum attending all their
25 classes in the district in which they reside and taught by
26 teachers employed by that district, and having administrators
27 employed by that district, are assigned a weighting of one.

28 Sec. 10. Section 442.39, subsection 2, Code Supplement
29 1985, is amended to read as follows:

30 2. Pupils attending classes in another school district or
31 an area school, attending classes taught by a teacher who is
32 employed jointly under section 280.15, or attending classes
33 taught by a teacher who is employed by another school
34 district, are assigned a weighting of one plus five-tenths
35 five-tenths times the percent of the pupil's school day during

1 which the pupil attends classes in another district or area
2 school, attends classes taught by a teacher who is jointly
3 employed under section 280.15, or attends classes taught by a
4 teacher who is employed by another school district if the
5 school budget review committee certifies to the state
6 comptroller that the shared classes or teachers would
7 otherwise not be implemented without the assignment of
8 additional weighting. However, in lieu of the additional
9 weighting of five-tenths five-tenths, the school budget review
10 committee shall assign an additional weighting of one-tenth
11 one-tenth times the percent of the pupil's school day in which
12 a pupil attends classes in another district or an area school,
13 attends classes taught by a teacher who is employed jointly
14 under section 280.15, or attends classes taught by a teacher
15 who is employed by another district, in districts that have a
16 substantial number of students in any of grades seven through
17 twelve sharing more than one class or teacher. The additional
18 weighting of one-tenth may be assigned by the school budget
19 review committee for a maximum of four years, and thereafter,
20 the additional weighting shall not be assigned under this
21 section, but may be assigned under section 442.39A.

22 Sec. 11. Section 442.39, Code Supplement 1985, is amended
23 by adding the following new subsection:

24 NEW SUBSECTION. 3A. Pupils enrolled in a school district
25 in which one or more administrators are employed jointly under
26 section 280.15 are assigned a weighting of one plus five-
27 hundredths for each administrator who is jointly employed
28 times the percent of the administrator's time in which the
29 administrator is employed in the school district. However,
30 the total additional weighting assigned under this subsection
31 for a budget year for a school district is fifteen.

32 For the purposes of this section, "administrators" includes
33 the following:

34 a. Executive administrators, which includes the
35 superintendent and such assistants as deputy, associate, and

1 assistant superintendents who perform activities in the gen-
2 eral direction and management of the affairs of the local
3 school districts.

4 b. School administrators, which includes principals,
5 assistant principals, and other assistants in general
6 supervision of the operations of the school.

7 c. Business administrators, which includes personnel
8 associated with activities concerned with purchasing, paying
9 for, transporting, exchanging, and maintaining goods and
10 services for the school district.

11 Sec. 12. NEW SECTION. 442.39A SUPPLEMENTARY WEIGHTING
12 AND SCHOOL REORGANIZATION.

13 For the school year beginning July 1, 1986 and succeeding
14 school years, in determining weighted enrollment under section
15 442.4, a reorganized school district shall include, for a
16 period of four years following the effective date of the
17 reorganization, additional pupils added by the application of
18 the supplementary weighting plan, as determined under section
19 442.39, equal to the pupils added by the application of the
20 supplementary weighting plan in the year preceding the
21 reorganization. However, the weighting shall be reduced by
22 the supplementary weighting added for a pupil whose residency
23 is not within the reorganized district. For purposes of this
24 section, a reorganized district is one in which the
25 reorganization was approved in an election pursuant to
26 sections 275.18 and 275.20 and takes effect on or after July
27 1, 1986.

5519 28 Sec. 13. Notwithstanding section 442.7, subsection 7,
29 paragraph "g", and section 442.27, subsections 4 and 7, for
30 the fiscal year beginning July 1, 1987 and for each of the
31 following five fiscal years, each area education agency shall
32 reduce its general administration program costs and adminis-
33 tration programs of the division programs costs, as defined by
34 accounting guidelines utilized by the department of public
35 instruction, by two percent from the previous fiscal year's

1 costs for those purposes. Notwithstanding section 273.3,
2 subsection 13, the state board of public instruction shall
3 adjust the budgets submitted pursuant to that section to
4 reflect the two percent reduction.

5 For the purposes of this section, the area education agency
6 board shall estimate the previous fiscal year's general
7 administration program costs and administration programs of
8 the division programs' costs.

9 The department of public instruction shall transmit the
10 adjusted budgets to the state comptroller.

55207

11 EXPLANATION

12 This bill provides that area education agencies may
13 eliminate the position of chief administrator and combine the
14 divisions of media services and educational services. The
15 bill also reduces administrative budgets of area education
16 agencies by two percent.

17 It provides for multimember director districts in two of
18 the options relating to the drawing of director districts in
19 school districts. It also provides parents or guardians with
20 an option if their school district negotiates an agreement to
21 send an entire class to another district. It allows the pa-
22 rent or guardian to send the child and any siblings to a dif-
23 ferent district from the district named in the agreement. The
24 district must pay the amount named in the agreement for each
25 child sent to another district.

26 The bill also reduces the uniform property tax levy for a
27 reorganized district from \$5.40 to \$5 per \$1,000 of assessed
28 valuation for the first two years after the reorganization.
29 It provides an additional supplementary weighting of .05 for
30 each pupil in a district that shares administrators, up to a
31 count of 15 pupils. It also allows a reorganized district to
32 continue to count supplementary weights added for sharing
33 teachers or classes for the first four years after a school
34 district reorganizes. In addition, it eliminates
35 supplementary weights after four years if a school district
36 does not reorganize.

House File 2462 with a written request received March 29, 1986, a fiscal note for HOUSE FILE 2462 is hereby submitted pursuant to Court Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2462 relates to the financing of area education agencies and school districts which reorganize. The proposal provides for the downsizing of administrative staff and the reduction of administrative costs for area education agencies, provisions for whole-grade sharing, and foundation levies and supplemental weightings for school districts who reorganize.

Section 1 addresses area education agency administrative staff and costs. Under current law, each AEA may have a division director for each of its three divisions, and a chief administrator who oversees the division heads. The proposal combines the divisions of educational services and media services into one division with one division director. The proposal also allows the AEA to eliminate the position of chief administrator. If the AEA chooses to eliminate the position, the division directors would answer directly to the board of directors, and the AEA would have the latitude to use the funding for the position for other purposes. Under the proposal, area education agencies are mandated to reduce their administrative budgets by two percent per year from the previous year's budget. The administrative cost reduction is imposed for five years beginning with FY 1987.

Fiscal Effect: Although combining divisions will result in administrative savings, no reduction to AEA budgets would be experienced through eliminating the position of division director or the position of chief administrator. No estimate is available at the present time on the two percent administrative cost reduction.

Section 2 relates to the provision of an option for a parent or guardian who has a child effected by a whole-grade sharing agreement. Under current law, if a school district has negotiated an agreement to send an entire grade to another school district, a child from the resident district must attend school in the designated district. The proposal provides a parent or guardian with the option of sending the affected child and any siblings in other grades to a school district of their choice with the approval of the board of directors of the chosen district. In such an arrangement, the district of residence is to pay the receiving district an amount that is no more than the amount named in the grade sharing agreement.

Fiscal Effects: Whether the parent or guardian elects to send a child to the district named in the agreement or to another school district, the amount of payment made by the district of residence would remain the same. The result could be a shift in funds across districts, but no statewide fiscal impact is expected.

Section 3 lowers the foundation levy in school districts that reorganize. Under current law, the foundation levy for all school districts is \$5.40 per \$1,000 of assessed valuation on all taxable property within the district. The proposal lowers the foundation levy for reorganized school districts for the first two years following the reorganization to \$5.00 per \$1,000 of assessed valuation on all taxable property within the district.

Assumptions:

1. All school districts which are currently evaluating the possibility of reorganizing, or have grade sharing, or have made formal proposals for reorganization would be considered likely candidates for reorganization. Currently, one reorganization is pending, one reorganization hearing is pending, five whole-grade sharing plans are in effect, and twelve districts are contemplating sharing or reorganization.
2. Only those school districts which are currently undergoing a reorganization process could be expected to have completed the reorganization process by the school year beginning July 1, 1986.
3. Those school districts which are considered likely candidates for reorganization might not reorganize within the time period under consideration, if at all.
4. The equalization order of the Department of Revenue conducted in the summer of 1985 will result in extensive shifts in taxable valuation from the south-southwestern counties to the east-northeastern counties. Although it is estimated that the statewide increase in taxable valuations will be four percent per year from 1984, assessed valuations within school districts could fluxuate widely from the statewide average increase. At the present time, 1985 taxable valuations are not known. Therefore the best estimated increase in taxable valuation for individual school districts is the statewide average of four percent per year from 1984.

Fiscal Effects: The total taxable valuations of those districts which are likely to reorganize would be \$2,031.5 million in 1985, and \$2,112.8 million in 1986. By lowering the foundation levy in school districts that reorganize, the resulting increase in state aid would range as follows:

	F.Y. 1987			F.Y. 1988		
	Current Law	Proposed Minimum	Proposed/Maximum	Current Law	Proposed Minimum	Proposed Maximum
<u>EXPENDITURES</u>						
State Aid	\$ 0	\$ 0	\$ 116,600	\$ 0	\$ 0	\$ 845,000
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 116,600</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 845,000</u>

Section 4 adds a provision for the sharing of administrators in the supplementary weighting plan. Under current law, the sharing of administrators between two school districts is not included in the supplementary weighting plan. The proposal allows school districts to add pupils to their enrollment at the rate of .05 per pupil for each shared administrator employed by the school district times the fraction of the administrator's time spent in that school district. The maximum additional weighting that a school district may add by sharing administrators is 15 pupils.

Fiscal Effect: No estimate is available at the present time.

Section 5 provides for the continuation of supplemental weighting in school districts after a reorganization becomes effective. Under current law, a newly reorganized school district may not count as supplementary weighting the sharing between the two formerly independent school districts. The proposal allows a school districts which reorganizes to continue to count the pupils added to its enrollment through the supplementary weighting plan in the year preceeding the reorganization. A school district may continue to count the supplementary weighting for four years after the effective date of the reorganization beginning with the 1986-87 school year.

Assumptions:

1. Assumptions one through three in section 3.
2. The September 1985 supplementary weighting for the 26 total school districts is 144.6 and will remain constant through the school year beginning July 1, 1987.
3. The regular program cost per pupil for the school year beginning July 1, 1986 will be \$2,503, and the regular program cost per pupil for the school year beginning July 1, 1987 will be \$2,588.

Fiscal Effects:

	F.Y. 1987			F.Y. 1988		
	Current Law	Proposed Maximum	Proposed Minimum	Current Law	Proposed Maximum	Proposed Minimum
<u>EXPENDITURES</u>						
State Aid	\$ 0	\$ 0	\$ 23,690	\$ 0	\$ 0	\$ 374,000
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,690</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 374,000</u>

Section 6 restricts the time period in which school districts may add pupils to their enrollment through the supplementary weighting plan under certain conditions. Under current law, an additional weighting of .1 may be assigned by the school budget review committee to school districts which have a substantial number of students in any of grades seven through twelve sharing more than one class or teacher. The proposal limits the time that a school district may be granted the additional weighting to four years unless it reorganizes.

Fiscal Effect: There would be no change in apportioned funds for the school year beginning July 1, 1986 or for the school year beginning July 1, 1987.

Sources: Department of Public Instruction
Office of the State Comptroller

(LSB 8299H.4, TLJ)

FILED MARCH 25, 1986

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2462

H-5520

1 Amend House File 2462 as follows:

2 1. Page 5, by inserting after line 25 the
3 following:

4 "Sec. _____. Section 442.1, Code 1985, is amended to
5 read as follows:

6 442.1 STATE SCHOOL FOUNDATION PROGRAM.

7 This chapter establishes a state school foundation
8 program. For each school year, each school district
9 in the state is entitled to receive state school
10 foundation aid, which shall be an amount per pupil
11 equal to the difference between the sum of the amount
12 per pupil of foundation property tax and foundation
13 income surtax in the district, and the state
14 foundation base or the district cost per pupil,
15 whichever is less. However, if the amount so
16 determined for any district is less than two hundred
17 dollars per pupil, the district is entitled to receive
18 not less than two hundred dollars per pupil. However,
19 if the receipt of two hundred dollars by a school
20 district plus the money raised by the foundation
21 property tax and foundation income surtax exceeds the
22 maximum allowed district cost for the budget year, the
23 district shall be entitled to receive in state
24 foundation aid an amount equal to the difference
25 between the money raised by the foundation property
26 tax and foundation income surtax for the budget year
27 and the district cost for the budget year. In making
28 computations and payments under this chapter, except
29 in the case of computations relating to funding of
30 special education support services, media services and
31 educational services provided through the area
32 education agencies, the state comptroller shall round
33 amounts to the nearest whole dollar."

34 2. Page 5, line 31, by striking the word "forty"
35 and inserting the following: "forty ten".

36 3. Page 6, lines 3 and 4, by striking the words
37 "five dollars" and inserting the following: "four
38 dollars and seventy cents".

39 4. Page 6, by inserting after line 12 the
40 following:

41 Sec. _____. NEW SECTION. 442.2A FOUNDATION INCOME
42 SURTAX.

43 In addition to the foundation property tax, each
44 school district shall impose each year, for the school
45 general fund, a foundation income surtax of five
46 percent of the state individual income tax.

47 The foundation income surtax is imposed:

48 1. On the individual income tax of resident
49 taxpayers of each school district residing in the
50 school district on the last day of the applicable tax

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Page Two

1 year.

2 2. On the state individual income tax for the
3 calendar year beginning January 1, 1986, and each
4 succeeding calendar year or for a taxpayer's fiscal
5 year ending during the second half of that calendar
6 year or the first half of the succeeding calendar
7 year.

8 The foundation income surtax is payable to the
9 school districts during the budget year beginning
10 during the next succeeding calendar year.

11 As used in this section, "state individual income
12 tax" means the tax computed under section 422.5, less
13 the credits allowed and deducted under sections
14 422.11, 422.11A and 422.12.

15 Sections 442.16, 442.17, and 442.19 apply to the
16 foundation income surtax established in this
17 subsection. The director of revenue shall deposit
18 moneys received as foundation income surtax to the
19 credit of each district from which the moneys are
20 received, in a "foundation income surtax fund" which
21 is established in the office of the treasurer of
22 state. Foundation income surtax moneys received or
23 refunded after November 1 of the budget year shall be
24 deposited in or withdrawn from the general fund of the
25 state.

26 The state comptroller shall draw warrants in
27 payment of the amount of foundation income surtax
28 payable to each school district on a quarterly basis
29 beginning on July 1 of the budget year and shall
30 transmit the warrants to the respective school
31 districts.

32 Sec. _____. Section 442.3, Code 1985, is amended by
33 striking the section and inserting in lieu thereof the
34 following:

35 442.3 STATE FOUNDATION BASE.

36 For the school year commencing July 1, 1987 and
37 succeeding school years, the state foundation base is
38 eighty-one percent of the state cost per pupil. The
39 district foundation base is the larger of the state
40 foundation base or the amount per pupil which the
41 district will receive from foundation property tax and
42 state school foundation aid.

43 Sec. _____. Section 442.5, subsection 1, paragraph
44 a, Code 1985, is amended to read as follows:

45 a. "Miscellaneous income" means all receipts
46 deposited to the general fund of a school district
47 which are not obtained from state aid provided under
48 section 442.1, ~~or~~ from property tax authorized under
49 section 442.2 or 442.9, or from the foundation income
50 surtax provided under section 442.2A. Miscellaneous

H-5520

Page Three

1 income includes property tax levied under the
2 provisions of section 613A.7, to fund the costs of
3 tort liability insurance for the school district."

4 5. Page 9, by inserting after line 10 the
5 following:

6 "Sec. _____. This Act is retroactive to January 1,
7 1986 for the purpose of imposing an income surtax on
8 the individual income tax for the tax year beginning
9 on or after January 1, 1986."

10 6. Title page, line 10, by inserting after the
11 word "districts" the following: "and providing that
12 the imposition of an income surtax is retroactive to
13 January 1, 1986".

14 7. By numbering and renumbering sections as
15 necessary.

BY DAGGETT of Taylor
McKEAN of Jones

H-5520 FILED MARCH 21, 1986

W/O 3/25 (p. 978)

HOUSE FILE 2462

H-5519

1 Amend House File 2462 as follows:

2 1. By striking page 8, line 28, through page 9,
3 line 10.

BY PONCY of Wapello
PARKER of Jasper
SIEGRIST of Pottawattamie

H-5519 FILED MARCH 21, 1986

Loer 3/25 (p. 1000)

HOUSE FILE 2462

H-5483

1 Amend House File 2462 as follows:

55372 1. Page 5, by inserting after line 1 the fol-
3 lowing:

4 "Sec. ____ . Section 279.29, Code 1985, is amended
5 by adding the following new unnumbered paragraph:

6 NEW UNNUMBERED PARAGRAPH. Pending audit and
7 allowance of claims under this section, the board
8 shall invest moneys of the corporation to the extent
9 practicable, and the board may provide for the joint
10 investment of moneys with one or more school
11 corporations pursuant to a joint investment
12 agreement."

13 2. By numbering and renumbering sections as
14 necessary.

H-5483 FILED MARCH 20, 1986 BY HAVERLAND of Polk
(Adopted as amended by 5537 3/25 (p. 996))

HOUSE FILE 2462

H-5493

1 Amend House File 2462 as follows:

2 1. Page 5, by inserting after line 1 the fol-
3 lowing:

4 "Sec. ____ . Section 275.15, unnumbered paragraph 2,
5 Code Supplement 1985, is amended to read as follows:

6 The area education agency board, when entering the
7 order fixing the boundaries, shall consider all
8 requests timely filed for boundary line changes. Each
9 objection filed by the parent or guardian of an
10 affected school age child shall be considered
11 separately and an individual ruling made.

12 Sec. ____ . Section 275.15, unnumbered paragraph 4,
13 Code Supplement 1985, is amended to read as follows:

14 The administrator shall at once publish the
15 decision in the same newspaper in which the original
16 notice was published. Within twenty days after the
17 publication, the decision rendered by the area
18 education agency board may be appealed to the district
19 court in the county involved by any school district
20 affected. ~~For purposes of appeal, only those school~~
21 ~~districts who filed reorganization petitions are~~
22 ~~school districts affected. An appeal from a decision~~
23 ~~of an area education agency board or joint area~~
24 ~~education agency boards under section 275.4, 275.16,~~
25 ~~or this section is subject to appeal procedures under~~
26 ~~this chapter and is not subject to appeal by an~~
27 aggrieved party to the state board of public
28 instruction under chapter 290."

29 2. By numbering and renumbering sections as
30 necessary.

BY BLANSHAN of Greene
DAGGETT of Taylor
HUGHES of Union
SWEARINGEN of Keokuk
BRANSTAD of Winnebago
JOHNSON of Winneshiek

n/o 3/25 (p. 997)

H-5493 FILED MARCH 20, 1986

HOUSE FILE 2462

H-5550

1 Amend House File 2462 as follows:

2 1. Title page, by striking lines 1 through 3 and
3 inserting the following: "An Act relating to educational
4 cost efficiencies including the reduction of administrative
5 costs of area education agencies and school districts,".

H-5550 FILED MARCH 25, 1986 BY HAVERLAND of Polk

ADOPTED BY UNANIMOUS CONSENT

(p. 100.)

HOUSE FILE 2462

H-5531

1 Amend House File 2462 as follows:

2 1. Page 5, by inserting after line 1 the
3 following:
4 "Sec. ____ . NEW SECTION. 279.50 ADMINISTRATIVE
5 EXPENDITURES. For the budget year beginning July 1,
6 1989 and each of the following three budget years, the
7 board of directors of a school district in which the
8 administrative expenditures as a percent of the school
9 district's operating fund for a base year exceed eight
10 percent, shall reduce its administrative expenditures
11 so that they are one-half percent less as a percent of
12 the school district's operating fund than they were
13 for the base year. Annually, the board of directors
14 shall certify to the department of public instruction
15 the amounts of the school district's administrative
16 expenditures and its operating fund. Base year and
17 budget year mean base year and budget year as defined
18 in section 442.6."

BY STROMER of Hancock
CARPENTER of Polk
PAULIN of Plymouth
VAN CAMP of Scott
SCHNEKLOTH of Scott

H-5531 FILED MARCH 24, 1986

Adopted as amended by 5536 3/25 (p. 998)

HOUSE FILE 2462

H-5524

- 1 Amend House File 2462 as follows:
- 2 1. By striking page 1, line 1, through page 4,
- 3 line 4.

H-5524 FILED MARCH 24, 1986

BY GROTH of Buena Vista

Adopted 3/25 (p. 997)

HOUSE FILE 2462

H-5536

- 1 Amend the amendment H-5531 to House File 2462 as
- 2 follows:
- 3 1. Page 1, line 13, by inserting after the word
- 4 "year." the following: "However, a school district is
- 5 not required to reduce its administrative expenditures
- 6 below eight percent of its operating fund."

H-5536 FILED MARCH 25, 1986

BY STROMER of Hancock

ADOPTED (p. 997)

HOUSE FILE 2462

H-5537

- 1 Amend amendment H-5483 to House File 2462 as follows:
- 2 1. Page 1, line 2, by striking the numeral "4" and
- 3 inserting the numeral "5".

H-5537 FILED MARCH 25, 1986

BY HAVERLAND of Polk

ADOPTED BY UNANIMOUS CONSENT

(p. 996)

HOUSE FILE 2462

H-5546

- 1 Amend the amendment H-5519 to House File 2462 as
- 2 follows:
- 3 1. Page 1, by striking lines 2 and 3 and
- 4 inserting the following:
- 5 " . Page 8, line 28, by striking the word
- 6 "Notwithstanding" and inserting the following:
- 7 "Except as otherwise provided in this section,
- 8 notwithstanding".
- 9 . Page 9, by inserting after line 10, the
- 10 following:
- 11 "However, the department of public instruction may
- 12 exempt an area education agency from the requirements
- 13 of this section if the area education agency submits
- 14 evidence to the department that it has significantly
- 15 reduced its administrative costs by at least two
- 16 percent each year since July 1, 1981."

H-5546 FILED MARCH 25, 1986

BY HARBOR of Mills

ADOPTED (p. 999)

In compliance with a written request received March 27, 1986, a fiscal note for AMENDMENT S-5506 TO HOUSE FILE 2462 AS PASSED BY THE HOUSE is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Amendment S-5506 to House File 2462, as passed by the House, relates to the financing of school districts involved in a reorganization. It provides for debt service aid, a reduced foundation levy, and supplemental aid to those districts which meet the maximal enrollment requirement. The amendment also provides for the establishment of school economy task forces.

Section 1 provides for the payment of debt service aid to reorganized school districts. To be eligible, one of the parties of the reorganization must have had a certified enrollment of less than 600 in the year preceeding the reorganization or dissolution. A school district's debt service levy rate may not exceed the maximum rate established by voter approval. For a school district involved in a reorganization, equalization sets a new levy rate based on the combined principal and interest on the lawful bonded indebtedness of the districts involved in the reorganization.

Under current law, if the equalization rate exceeds the maximum authorized by voter approval, the reorganized school district has the authority to levy for the difference. With the proposal, a reorganized school district is entitled to receive debt service aid from the general fund of the state if one of the districts involved in the reorganization has a certified enrollment of less than 600 in the year preceeding the reorganization or dissolution and if its portion of the equalization levy exceeds its debt service levy for the year preceeding the reorganization or dissolution. The amount of the debt service aid is equal to an amount which would reduce that party's equalization levy rate beginning with the 1987-88 school year to its debt service levy rate for the year prior to the reorganization.

Assumptions:

1. All school districts which are currently evaluating the possibility of reorganizing, or have grade sharing, or have made formal proposals for reorganization would be considered likely candidates for reorganization. Currently, one reorganization is pending, one reorganization hearing is pending, five whole-grade sharing plans are in effect, and twelve districts are contemplating sharing or reorganization.
2. None of the aforementioned school districts can be expected to have completed the reorganization process by the school year beginning July 1, 1986.
3. Those school districts which are considered likely candidates for reorganization might not reorganize within the time period under consideration, if at all.
4. The equalization order of the Department of Revenue conducted in the summer of 1985 will result in extensive shifts in taxable valuation from the south-southwestern counties to the east-northeastern counties. Although it is estimated that the statewide increase in taxable valuations will be four percent per year from 1984, assessed valuations within school districts could fluxuate widely from the statewide average increase. 1985 taxable valuations are not known at the present time, therefore the best estimated increase in taxable valuation for individual school districts is the statewide average of four percent per year from 1984.
5. The debt service levy total dollars for those school districts involved in a reorganization would remain constant through the school year beginning July 1, 1987.

Page 2

Fiscal Effect:

	F.Y. 1987			F.Y. 1988		
	Current Law	Proposed Minimum	Proposed Maximum	Current Law	Proposed Minimum	Proposed Maximum
EXPENDITURES						
Debt Service Aid	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,000</u>

Section 2 lowers the foundation levy in school districts which reorganize on or after July 1, 1986. Under current law, the foundation levy for all school districts is \$5.40 per \$1,000 of assessed valuation. The proposal lowers the foundation levy in qualified school districts in the following manner. If a school district involved in a reorganization has a certified enrollment of less than 600 in the year preceeding the reorganization, the newly formed school district may lower its foundation levy to \$4.40 per \$1,000 of assessed valuation on all taxable property within that portion. In each year subsequent to the reorganization, the newly formed school district will increase its foundation levy on all taxable property within that portion by \$1.00 per \$1,000 of assessed valuation until the foundation levy equals \$5.40 per \$1,000 of assessed valuation.

Fiscal Effect:

	(dollars thousands)					
	F.Y. 1987			F.Y. 1988		
	Current Law	Proposed Minimum	Proposed Maximum	Current Law	Proposed Minimum	Proposed Maximum
<u>EXPENDITURES</u>						
State Aid	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,400
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,400</u>

Section 3 provides for the payment of supplemental aid to reorganized school districts. Under current law, the amount to be raised by the additional levy is equal to the difference between the state foundation base in weighted enrollment and the district cost for the school district. The proposal lowers the additional levy for a school district involved in a reorganization to the rate that was levied in the year preceeding the reorganization in those districts which qualify. To qualify, a school district must have a certified enrollment of less than 600 in the year preceeding the reorganization, and it must have an additional levy rate in the year preceeding the reorganization that is lower than the additional levy rate for the newly formed school district. Supplemental aid is paid to the reorganized school district in an amount equal to the revenue that would be lost by the reorganized school district in that portion where the additional levy rate is lowered. Supplemental aid is to be paid to the reorganized school district for five years following the reorganization.

Page 3

Assumptions: Same as #1 through #4 in Section 1.

Fiscal Effect:

	(dollars thousands)					
	F.Y. 1987			F.Y. 1988		
	Current Law	Proposed Minimum	Proposed Maximum	Current Law	Proposed Minimum	Proposed Maximum
<u>EXPENDITURES</u>						
Supplemental Aid	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,000
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 200,000</u>

Section 4 would mandate the establishment of school economy task forces at the local school district and area education agency levels. The purpose of the task forces is to study and make recommendations for actions which would promote efficiency and cost savings in school districts. The task forces are to be appointed by the respective board of directors of each school district and AEA. The task forces must submit their completed reports by November 1, 1986. The Department of Public Instruction must then review and compile the recommendations from the reports. The department's report must be completed by January 15, 1987 for distribution to the school districts, AEA's, and to the general assembly. Funds are appropriated from the general fund for mileage expenses of members of the AEA school economy task forces, and for postage and reproduction costs; this appropriation is not to exceed \$10,000.

Assumptions:

1. Each AEA task force will consist of fifteen members.
2. Each AEA task force will meet a minimum of four times.
3. The average distance traveled to the AEA task force meetings will be 35 miles, one-way.
4. Reimbursement for mileage will be at a rate of \$0.24 per mile.
5. Reproduction and postage costs will be a minimum of \$1.25 per report.
6. A minimum of 800 copies of the report will be needed for distribution.

Fiscal Effect: Travel expenses for the fifteen AEA school economy task forces would be a minimum of \$15,120. Printing and postage costs would be a minimum of \$1,000. The total minimum costs authorized for reimbursement under the proposal would be \$16,120. The \$10,000 appropriation would cover 62.0 percent of the costs.

Sources: Department of Public Instruction
 Department of Revenue
 Office of the State Comptroller

(LSB 8299H.7, TLJ)

Filed by Murphy April 3, 1986

Cennis C. Priddy
 Fiscal Director
 Legislative Fiscal Bureau
 Date: 4/3/86

2. Ed 2/24 Amul (5506) & Do Pass 4/1 (p. 967)
S. Appropriation 4/14 Do Pass 4/16 (p. 1264)

HOUSE FILE 2462

BY COMMITTEE ON EDUCATION

(As Amended and Passed by the House March 25, 1986)

By Passed House, Date 4-25-86 (p. 1795) Passed Senate, Date 4-17-86 (p. 1277)

Vote: Ayes 95 Nays 0 Vote: Ayes 45 Nays 3

Approved May 27, 1986

Repassed Senate 4-29-86 (p. 1432)
45-2

A BILL FOR

5506 1 An Act relating to educational cost efficiencies including the
2 reduction of administrative costs of area education agencies
3 and school districts, providing for multimember director
4 districts of school districts, providing for attendance of
5 pupils in classes in other school districts, reducing the
6 uniform levy in reorganized school districts, providing for
7 supplementary weighting for shared administrators, providing a
8 time limitation on supplementary weighting, and continuing
9 supplementary weighting for reorganized school districts.

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

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House Amendments _____

Language Deleted *

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* 1 Section 1. Section 275.12, subsection 2, paragraphs b and
2 d, Code 1985, are amended to read as follows:

3 b. Division of the entire school district into designated
4 geographical single director or multi-director subdistricts on
5 the basis of population for each director, to be known as
6 director districts, each of which director districts shall be
7 represented on the school board by one director or more
8 directors who shall be a-resident residents of such the
9 director district but who shall be elected by the vote of the
10 electors of the entire school district. ~~The school district~~
11 ~~shall be divided into the same number of director districts as~~
12 ~~the number of school directors the district is authorized by~~
13 ~~law.~~ The boundaries of such the director districts and the
14 area and population included within each district shall be
15 such as justice, equity, and the interests of the people may
16 require. Changes in the boundaries of director districts
17 shall not be made during a period commencing sixty days prior
18 to the date of the annual school election. Insofar as may be
19 practicable, the boundaries of such the districts shall follow
20 established political or natural geographical divisions.

21 d. Division of the entire school district into designated
22 geographical single director or multi-director subdistricts on
23 the basis of population for each director, to be known as
24 director districts, each of which director districts shall be
25 represented on the school board by one director or more
26 directors who shall be a-resident residents of such the
27 director district and who shall be elected by the voters of
28 said the director district. Place of voting in such the
29 director districts shall be designated by the commissioner of
30 elections. Changes in the boundaries of director districts
31 shall not be made during a period commencing sixty days prior
32 to the date of the annual school election.

5586

33 Sec. 2. Section 279.29, Code 1985, is amended by adding
34 the following new unnumbered paragraph:

35 NEW UNNUMBERED PARAGRAPH. Pending audit and allowance of

1 claims under this section, the board shall invest moneys of
2 the corporation to the extent practicable, and the board may
3 provide for the joint investment of moneys with one or more
4 school corporations pursuant to a joint investment agreement.

5506 5 Sec. 3. NEW SECTION. 279.50 ADMINISTRATIVE EXPENDITURES.

6 For the budget year beginning July 1, 1989 and each of the
7 following three budget years, the board of directors of a
8 school district in which the administrative expenditures as a
9 percent of the school district's operating fund for a base
10 year exceed eight percent, shall reduce its administrative
11 expenditures so that they are one-half percent less as a
12 percent of the school district's operating fund than they were
13 for the base year. However, a school district is not required
14 to reduce its administrative expenditures below eight percent
15 of its operating fund. Annually, the board of directors shall
16 certify to the department of public instruction the amounts of
17 the school district's administrative expenditures and its
18 operating fund. Base year and budget year mean base year and
3704 19 budget year as defined in section 442.6.

5506 20 Sec. 4. NEW SECTION. 282.25 ATTENDING IN DISTRICT OTHER
21 THAN THAT DESIGNATED.

22 Annually, upon the filing of written notification by a
23 parent or guardian of a pupil enrolled in a grade for which
24 the board of directors of the school district of residence has
25 negotiated an agreement for sending all pupils enrolled in
26 that grade to another school district, the board of directors
27 of the district of residence shall allow the pupil, and the
28 pupil's siblings who are enrolled in other grades, to attend
29 school in a district different from the school district
30 designated in the agreement for attendance of that pupil,
31 subject to the approval of the board of directors of the
32 receiving school district. The district of residence shall
33 pay to the receiving school district an amount not to exceed
34 the amount that would have been paid for the pupil if the
35 pupil had attended classes in the school designated in the

1 agreement. In addition, the district of residence shall pay
2 an equal amount for siblings of the pupil who are also
3 attending the receiving school district. Any additional
4 costs, including transportation costs, shall be paid by the
5 parent or guardian of the pupil.

6 The notification required in this section shall be filed by
56597 the parent or guardian not later than March 1 of the previous
8 school year.

5647 >
5506 9 Sec. 5. Section 442.2, subsection 1, Code 1985, is amended
10 to read as follows:

11 1. Each Except as otherwise provided in this subsection,
12 each school district shall cause to be levied each year, for
13 the school general fund, a foundation property tax of five
14 dollars and forty cents per thousand dollars of assessed
15 valuation on all taxable property in the district. For the
16 purpose of this chapter, a school district is defined as a
17 school corporation organized under chapter 274.

18 For budget years subsequent to the year beginning July 1,
19 1986, a reorganized school district shall cause to be levied
20 for each of the first two years following the effective date
21 of the reorganization, a foundation property tax of five
22 dollars per thousand dollars of assessed valuation on all
23 taxable property in the reorganized school district which, in
24 the year preceding the reorganization, was within the school
25 districts affected by the reorganization as defined in section
26 275.1.

27 For purposes of this subsection, a reorganized school
28 district is one in which reorganization was approved in an
29 election pursuant to sections 275.18 and 275.20 and will take
30 effect on or after July 1, 1986.

5506 >
31 Sec. 6. Section 442.39, unnumbered paragraph 1, and
32 subsection 1, Code Supplement 1985, are amended to read as
33 follows:

34 In order to provide additional funds for school districts
35 which send their resident pupils to another school district or

1 to an area school for classes, which jointly employ and share
2 the services of teachers under section 280.15, or which use
3 the services of a teacher employed by another school district,
4 or which jointly employ and share the services of school
5 administrators under section 280.15, a supplementary weighting
6 plan for determining enrollment is adopted as follows:

7 1. Pupils in a regular curriculum attending all their
8 classes in the district in which they reside and taught by
9 teachers employed by that district, and having administrators
10 employed by that district, are assigned a weighting of one.

11 Sec. 7. Section 442.39, subsection 2, Code Supplement
12 1985, is amended to read as follows:

13 2. Pupils attending classes in another school district or
14 an area school, attending classes taught by a teacher who is
15 employed jointly under section 280.15, or attending classes
16 taught by a teacher who is employed by another school
17 district, are assigned a weighting of one plus five-tenths
18 five-tenths times the percent of the pupil's school day during
19 which the pupil attends classes in another district or area
20 school, attends classes taught by a teacher who is jointly
21 employed under section 280.15, or attends classes taught by a
22 teacher who is employed by another school district if the
23 school budget review committee certifies to the state
24 comptroller that the shared classes or teachers would
25 otherwise not be implemented without the assignment of
26 additional weighting. However, in lieu of the additional
27 weighting of five-tenths five-tenths, the school budget review
28 committee shall assign an additional weighting of one-tenth
29 one-tenth times the percent of the pupil's school day in which
30 a pupil attends classes in another district or an area school,
31 attends classes taught by a teacher who is employed jointly
32 under section 280.15, or attends classes taught by a teacher
33 who is employed by another district, in districts that have a
34 substantial number of students in any of grades seven through
5506 35 twelve sharing more than one class or teacher. The additional

1 weighting of one-tenth may be assigned by the school budget
5506 2 review committee for a maximum of four years, and thereafter,
3 the additional weighting shall not be assigned under this
4 section, but may be assigned under section 442.39A.

5 Sec. 8. Section 442.39, Code Supplement 1985, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. 3A. Pupils enrolled in a school district
8 in which one or more administrators are employed jointly under
9 section 280.15 are assigned a weighting of one plus five-
10 hundredths for each administrator who is jointly employed
11 times the percent of the administrator's time in which the
12 administrator is employed in the school district. However,
13 the total additional weighting assigned under this subsection
14 for a budget year for a school district is fifteen.

15 For the purposes of this section, "administrators" includes
16 the following:

17 a. Executive administrators, which includes the
18 superintendent and such assistants as deputy, associate, and
19 assistant superintendents who perform activities in the gen-
20 eral direction and management of the affairs of the local
21 school districts.

5506 22 b. School administrators, which includes principals,
23 assistant principals, and other assistants in general
24 supervision of the operations of the school.

25 c. Business administrators, which includes personnel
26 associated with activities concerned with purchasing, paying
27 for, transporting, exchanging, and maintaining goods and
28 services for the school district.

29 Sec. 9. NEW SECTION. 442.39A SUPPLEMENTARY WEIGHTING AND
30 SCHOOL REORGANIZATION.

31 For the school year beginning July 1, 1986 and succeeding
32 school years, in determining weighted enrollment under section
33 442.4, a reorganized school district shall include, for a
5506 34 period of four years following the effective date of the
35 reorganization, additional pupils added by the application of

1 the supplementary weighting plan, as determined under section
2 442.39, equal to the pupils added by the application of the
3 supplementary weighting plan in the year preceding the
4 reorganization. However, the weighting shall be reduced by
5 the supplementary weighting added for a pupil whose residency
6 is not within the reorganized district. For purposes of this
7 section, a reorganized district is one in which the
8 reorganization was approved in an election pursuant to
9 sections 275.18 and 275.20 and takes effect on or after July
10 1, 1986.

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5506

11 Sec. 10. Notwithstanding section 442.7, subsection 7,
12 paragraph "g", and section 442.27, subsections 4 and 7, for
13 the fiscal year beginning July 1, 1987 and for each of the
14 following five fiscal years, each area education agency shall
15 reduce its general administration program costs and adminis-
16 tration programs of the division programs costs, as defined by
17 accounting guidelines utilized by the department of public
18 instruction, by two percent from the previous fiscal year's
19 costs for those purposes. Notwithstanding section 273.3,
20 subsection 13, the state board of public instruction shall
21 adjust the budgets submitted pursuant to that section to
22 reflect the two percent reduction.

23 For the purposes of this section, the area education agency
24 board shall estimate the previous fiscal year's general
25 administration program costs and administration programs of
26 the division programs' costs.

27 The department of public instruction shall transmit the
28 adjusted budgets to the state comptroller.

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FISCAL NOTE TO

REQ. BY CORNING

HOUSE FILE 2462

In compliance with a written request received April 7, 1986, a fiscal note for AMENDMENT S-5605 TO HOUSE FILE 2462 AS PASSED BY THE HOUSE is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Amendment S-5605 to House File 2462 creates a school district educational improvement amount within the school foundation formula beginning July 1, 1987. The monies allotted to the educational improvement amount are equal to ten percent of the per pupil program costs for AEA media and educational services multiplied by the enrollment served. The per pupil program costs for AEA media and educational services are to be reduced by a like amount. The monies generated for the school district educational improvement amount are to be used only for direct instructional costs.

Assumptions:

1. Assessed valuations will increase four per cent per year from 1985.
2. Allowable growth will be 3.84 per cent for the school year beginning July 1, 1986, and 3.40 per cent for the school year beginning July 1, 1987.
3. Special education weightings and supplementary weightings will remain at current levels.
4. The allowable growth for AEA media and educational services will be \$0.75 per pupil and \$0.87 per pupil, respectively for the school year beginning July 1, 1986. The allowable growth for AEA media and educational services will be \$0.69 per pupil and \$0.80 per pupil, respectively for the school year beginning July 1, 1987.
5. The September 30, 1986 certified enrollment will be an estimated 472,137.
6. Nonpublic enrollment will remain at the current level of 47,320 pupils.

Fiscal Effects:

(dollars in millions)

	F.Y. 1987			F.Y. 1988		
	Current Law	Proposed Law	Increase / (Decrease)	Current Law	Proposed Law	Increase / (Decrease)
EXPENDITURES						
Media Services	\$ 10.87	\$ 10.87	\$ 0	\$ 10.93	\$ 9.84	\$ (1.09)
Ed. Services	12.58	12.58	0	12.65	11.38	(1.27)
Ed. Improve.	0	0	0	0	2.36	2.36
TOTAL	<u>\$ 23.45</u>	<u>\$ 23.45</u>	<u>\$ 0</u>	<u>\$ 23.58</u>	<u>\$ 23.58</u>	<u>\$ 0</u>

Source: Department of Public Instruction
Office of the State Comptroller

(LSB 8299H.9, TLJ)

Filed by the Sec. of the Senate April 10, 1986 DENNIS C. PROUTY, DIRECTOR
LEGISLATIVE FISCAL BUREAU

FISCAL NOTE TO
HOUSE FILE 2462

In compliance with a written request received April 8, 1986, a fiscal note for AMENDMENT S-5623 TO AMENDMENT S-5506 TO HOUSE FILE 2462 AS PASSED BY THE HOUSE is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Amendment S-5623 to Amendment S-5506 to House File 2462 as passed by the House changes the frequency of elections and the length of term for members of boards of directors of school districts, merged areas and area education agencies beginning January 1, 1987. Under current law, elections are conducted annually to elect directors for terms of three years each. The proposal provides for the election of directors biennially for four year terms.

Assumptions:

1. The estimated average cost to hold a regular school election is \$1.00 per pupil, or \$485,600. The estimated cost to hold merged area regular elections is \$71,174. The election costs will remain at current levels through the fiscal year beginning July 1, 1988.

Fiscal Effect: The proposal reduces the number of school elections by one half, therefore the cost of school elections would be reduced by an estimated \$278,400.

Source: Department of Public Instruction

(LSB 8299H.12, TLJ)

Filed by Murphy April 8, 1986 DENNIS C. PROUTY, DIRECTOR, LEGISLATIVE
FISCAL BUREAU

FISCAL NOTE TO
HOUSE FILE 2462

REQ. BY HANNON

In compliance with a written request received April 8, 1986, a fiscal note for AMENDMENT S-5596 TO HOUSE FILE 2462 AS PASSED BY THE HOUSE is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Amendment 5596 to House File 2462 as passed by the House introduces a provision for school district reorganization. Under the proposal, if a school district in any one school year has a dropout rate of greater than five percent of its certified enrollment, the school district is mandated to begin proceedings to reorganize into two or more reorganized school districts.

Assumptions:

1. The ratio of dropouts to certified enrollments would remain at current levels through the 1987-88 school year.
2. The number of school districts currently having a dropout rate of greater than five percent is four.

Fiscal Effect: If dropout rates remained constant, four school districts would be mandated to divide their territory into two or more reorganized school districts. However, there would be no fiscal impact to the state resulting from the proposal.

Source: Department of Public Instruction

(LSB 8299H.11, TLJ)

Filed by the Sec. of the Senate April 10, 1986 DENNIS C. PROUTY,
DIRECTOR, LEGISLATIVE FISCAL BUREAU

HOUSE FILE 2462

S-5623

1 Amend the amendment S-5506 to House File 2462 as
2 amended, passed and reprinted by the House as follows:

3 1. Page 1, by inserting after line 2 the
4 following:

5 "____". Page 1, by inserting before line 1 the
6 following:

7 "Sec. 201. Section 39.24, Code 1985, is amended to
8 read as follows:

9 39.24 SCHOOL OFFICERS.

10 Members of boards of directors of community and
11 independent school districts, and boards of directors
12 of merged areas shall be elected at the school
13 election. Their terms of office shall be three four
14 years, except as otherwise provided by section
15 275.23A, or 280A.11, 280A.12, or 280A.13.

16 Sec. 202. Section 273.8, subsection 1, Code
17 Supplement 1985, is amended to read as follows:

18 1. BOARD OF DIRECTORS. The board of directors of
19 an area education agency shall consist of not less
20 than five nor more than nine members, each a resident
21 of and elected in the manner provided in this section
22 from a director district that is approximately equal
23 in population to the other director districts in the
24 area education agency. Each director shall serve a
25 three-year four-year term which commences at the
26 organization meeting.

27 Sec. 203. Section 273.8, subsection 2, unnumbered
28 paragraph 2, Code Supplement 1985, is amended to read
29 as follows:

30 The director district conventions shall be called
31 and the locations of the conventions shall be
32 determined by the area education agency administrator.
33 ~~Annually~~ Biennially the director district conventions
34 shall be held within two weeks following the regular
35 school election. Notice of the time, date, and place
36 of a director district convention shall be published
37 by the area education agency administrator at least
38 forty-five days prior to the day of the district
39 conventions in at least one newspaper of general
40 circulation in the director district. The cost of
41 publication shall be paid by the area education
42 agency.

43 Sec. 204. Section 273.8, subsection 3, unnumbered
44 paragraph 1, Code Supplement 1985, is amended to read
45 as follows:

46 The board of directors of each area education
47 agency shall meet and organize at the first regular
48 meeting in ~~October~~ July of each odd-numbered year at a
49 suitable place designated by the president. Directors
50 whose terms commence at the organization meeting shall

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1 qualify by taking the oath of office required by
2 section 277.28 at or before the organization meeting.

3 Sec. 205. Section 274.7, Code 1985, is amended to
4 read as follows:

5 274.7 DIRECTORS.

6 The affairs of each school corporation shall be
7 conducted by a board of directors, the members of
8 which in all community or independent school districts
9 shall be chosen for a term of three four years."

10 . Page 1, line 18, by striking the word
11 "annual" and inserting the following: "annual
12 regular".

13 . Page 1, by inserting after line 20 the
14 following:

15 "c. Election of not more than one-half of the
16 total number of school directors at large from the
17 entire district and the remaining directors from and
18 as residents of designated single-member or multi-
19 member multimember director districts into which the
20 entire school district shall be divided on the basis
21 of population for each director. In such this case,
22 all directors shall be elected by the electors of the
23 entire school district. Changes in the boundaries of
24 director districts shall not be made during a period
25 commencing sixty days prior to the date of the annual
26 regular school election."

27 . Page 1, line 32, by striking the word
28 "annual" and inserting the following: "annual
29 regular".

30 . Page 1, by inserting after line 32 the
31 following:

32 "e. In districts having seven directors, election
33 of three directors at large by the electors of the
34 entire district, one no more than two at each-annual a
35 regular school election, and election of the remaining
36 directors as residents of and by the electors of
37 individual geographic subdistricts established on the
38 basis of population and identified as director
39 districts. Boundaries of the subdistricts shall
40 follow precinct boundaries, insofar as far as
41 practicable, and shall not be changed less than sixty
42 days prior to the annual regular school election."

43 Sec. 206. Section 275.25, subsection 3, Code
44 Supplement 1985, is amended to read as follows:

45 3. The directors who are elected to-serve shall
46 serve until their successors are elected and qualify.
47 At the special election, the three newly elected
48 director directors receiving the most votes shall be
49 elected to serve until the-director's-successor
50 qualifies their successors qualify after the fourth

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1 third regular school election date occurring after the
2 effective date of the reorganization; and the two
3 newly elected directors receiving the next largest
4 number of votes shall be elected to serve until the
5 directors' successors qualify after the third second
6 regular school election date occurring after the
7 effective date of the reorganization; ~~and the two~~
8 ~~newly-elected-directors-receiving-the-next-largest~~
9 ~~number-of-votes-shall-be-elected-to-serve-until-the~~
10 ~~directors'-successors-qualify-after-the-second-regular~~
11 ~~school-election-date-occurring-after-the-effective~~
12 ~~date-of-the-reorganization.~~ However, in districts
13 that include all or a part of a city of fifteen
14 thousand or more population and in districts in which
15 the proposition to establish a new corporation
16 provides for the election of seven directors, the
17 three four newly elected directors receiving the most
18 votes shall be elected to serve until the directors'
19 successors qualify after the fourth third regular
20 school election date occurring after the effective
21 date of the reorganization and the three newly elected
22 directors receiving the next largest number of votes
23 shall be elected to serve until the directors'
24 successors qualify after the second regular school
25 election date occurring after the effective date of
26 the reorganization.

27 Sec. 207. Section 275.36, Code 1985, is amended to
28 read as follows:

29 275.36 SUBMISSION OF CHANGE TO ELECTORS.

30 If a petition for a change in the number of
31 directors or in the method of election of school
32 directors, describing the boundaries of the proposed
33 director districts, if any, signed by eligible
34 electors of the school district equal in number to at
35 least thirty percent of those who voted in the last
36 previous ~~annual~~ regular school election in the school
37 district, but not less than twenty-five persons, and
38 accompanied by affidavit as required by section 275.13
39 ~~be,~~ is filed with the school board of a school
40 district, not earlier than six months and not later
41 than two months before a regular or special school
42 election, the school board shall submit such the
43 proposition to the voters at such the election. If a
44 proposition for a change in the number of directors or
45 in the method of election of school directors
46 submitted to the voters under this section is
47 rejected, it shall not be resubmitted to the voters of
48 the district in substantially the same form within the
49 next three years; if it is approved, no other proposal
may shall be submitted to the voters of the district

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1 under this section within the next six years.

2 Sec. 208. Section 275.37, Code 1985, is amended to
3 read as follows:

4 275.37 INCREASE IN NUMBER OF DIRECTORS.

5 At the next succeeding ~~annual~~ regular school
6 election in a district where the number of directors
7 has been increased from five to seven, and directors
8 are elected at large, ~~there-shall-be-elected~~ a
9 director shall be elected to succeed each incumbent
10 director whose term is expiring in that year, and two
11 additional directors. Upon organizing as required by
12 section 279.1, either one or two of the newly elected
13 director directors who received the fewest votes in
14 the election shall be assigned a term of ~~either-one~~
15 ~~year-or~~ two years if as necessary in order that as
16 nearly as possible ~~one-third~~ one-half of the members
17 of the board shall be elected each-year biennially.

18 Sec. 209. Section 275.38, Code 1985, is amended to
19 read as follows:

20 275.38 IMPLEMENTING CHANGED METHOD OF ELECTION.

21 If a change in the method of election of school
22 directors is approved at a regular or special school
23 election, the directors who were serving unexpired
24 terms or were elected concurrently with approval of
25 the change of method shall serve out the terms for
26 which they were elected. If the plan adopted is that
27 described in section 275.12, subsection 2, paragraph
28 "b," "c," "d," or "e," the board shall at the earliest
29 practicable time designate the districts from which
30 residents are to be elected as school directors at
31 each of the next ~~three~~ two succeeding ~~annual~~ regular
32 school elections, arranging so far as possible for
33 elections of directors as residents of the respective
34 districts to coincide with the expiration of terms of
35 incumbent members residing in those districts. If an
36 increase in the size of the board from five to seven
37 members is approved concurrently with the change in
38 method of election of directors, the board shall make
39 the necessary adjustment in the manner prescribed in
40 section 275.37, as well as providing for
41 implementation of the districting plan under this
42 section.

43 Sec. 210. Section 275.41, subsections 4, 5, 6, and
44 7, Code Supplement 1985, are amended to read as
45 follows:

46 4. If the total number of directors determined
47 under subsection 2 or 3 is an odd number, the board of
48 the district with the largest population shall
49 designate the term of office of one of the members who
50 is retained to commence at the organizational meeting

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1 of the board of the newly formed district and to end
2 at the organizational meeting following the fourth
3 third regular school election held thereafter after
4 the effective date of the merger, in the manner
5 specified in the reorganization petition.

6 If the total number of directors determined under
7 subsection 2 or 3 is an even number, that number of
8 directors shall function until a special election can
9 be held, at which time an additional director shall be
10 elected to-a-term from the newly formed district to a
11 term ending at the organizational meeting following
12 the fourth third regular school election held
13 thereafter after the effective date of the merger.

14 The procedure for calling the special election shall
15 be the procedure specified in section 275.25.

16 5. The boards of directors of school districts
17 which are involved in the merger which have three or
18 more directors who are retained, shall each designate
19 two of the directors who are retained to serve terms
20 that expire at the organizational meeting following
21 the second first regular school election held
22 thereafter after the effective date of the merger.

23 All other directors who are retained shall serve terms
24 that expire at the organizational meeting following
25 the third second regular school election held
26 thereafter after the effective date of the merger. If

27 there is an insufficient number of board members
28 eligible to be retained from a former school district,
29 the board of the former school district may appoint
30 members to fill the vacancies. A vacancy occurs if
31 there is an insufficient number of former board
32 members who reside in the newly formed district or if
33 there is an insufficient number who are willing to
34 serve on the board of the newly formed district.

35 6. At the second first regular school election
36 held after the effective date of the merger, the two
37 vacancies which will occur on the board shall be
38 filled in a manner specified in the reorganization
39 petition.

40 7. At the third second regular school election
41 held after the effective date of the merger, if a
42 five-member board is specified in the reorganization
43 petition, two directors shall be elected in the manner
44 specified in the reorganization petition and if a
45 seven-member board is specified in the reorganization
46 petition, four directors shall be elected, two for
47 one-year two-year terms and two for three-year four-
48 year terms, in the manner specified in the
49 reorganization petition.

Sec. 211. Section 277.1, Code 1985, is amended to

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1 read as follows:

2 277.1 REGULAR ELECTION.

3 The regular election shall be held ~~annually~~
4 biennially on the second first Tuesday in September
5 following the first Monday in June of each odd-
6 numbered year in each school district for the election
7 of officers of the district and merged area and for
8 the purpose of submitting to the voters any matter
9 authorized by law.

10 Sec. 212. Section 277.2, Code 1985, is amended to
11 read as follows:

12 277.2 SPECIAL ELECTION.

13 The board of directors in any school corporation
14 may call a special election at which ~~election~~ the
15 voters shall have the powers exercised at the regular
16 election with reference to the sale of school property
17 and the application to be made of the proceeds, the
18 authorization to change the method of election of
19 school directors to any method authorized by section
20 275.12, the authorization of seven members on the
21 board of directors, the authorization to establish or
22 change the boundaries of director districts, and the
23 authorization of a schoolhouse tax or indebtedness, as
24 provided by law.

25 Sec. 213. Section 277.20, unnumbered paragraph 1,
26 Code 1985, is amended to read as follows:

27 On the next ~~Friday~~ Monday after the regular school
28 election, the county board of supervisors shall
29 canvass the returns made to the county commissioner of
30 elections from the several precinct polling places and
31 the absentee ballot counting board, ascertain the
32 result of the voting with regard to every matter voted
33 upon and cause a record to be made ~~thereof~~ of the
34 results as required by section 50.24. Special
35 elections held in school districts shall be canvassed
36 at the time and in the manner required by that
37 section. The board shall declare the results of the
38 voting for members of boards of directors of school
39 corporations nominated pursuant to section 277.4, and
40 the commissioner shall at once issue a certificate of
41 election to each person declared elected. The board
42 shall also declare the results of the voting on any
43 public question submitted to the voters of a single
44 school district, and the commissioner shall certify
45 the result as required by section 50.27.

46 Sec. 214. Section 277.23, unnumbered paragraph 2,
47 Code 1985, is amended to read as follows:

48 A change from five to seven directors shall be
49 effected in a district at the first regular election
50 after authorization by the voters or when a district

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1 becomes wholly or in part within a city of fifteen
2 thousand population or more in the following manner:
3 If the term of ~~one-director~~ two directors of the five-
4 member board expires at the ~~time of said~~ the regular
5 election, ~~three~~ four directors shall be elected to
6 serve until the ~~third~~ second following regular
7 election thereafter; if the terms of ~~two~~ three
8 directors expire at the time of ~~said~~ the regular
9 election, three directors shall be elected to serve
10 until the ~~third~~ second following regular election
11 thereafter and ~~one-director~~ two directors shall be
12 elected to serve ~~a-term-the-expiration-of-which~~
13 ~~coincides-with-the-expiration-of-the-term-of-the~~
14 ~~director-heretofore-singly-elected~~ until the next
15 regular election.

16 Sec. 215. Section 277.25, Code 1985, is amended to
17 read as follows:

18 277.25 DIRECTORS IN NEW DISTRICTS.

19 At the first election in newly organized districts
20 the directors shall be elected as follows:

21 1. In districts having three directors, ~~one~~
22 director ~~two directors~~ shall be elected for ~~one-year~~
23 ~~one-for two years,~~ and one for ~~three~~ four years.

24 2. In districts having five directors, ~~two~~ three
25 shall be elected for ~~one-year~~, ~~two-for two years,~~ and
26 ~~one~~ two for ~~three~~ four years.

27 3. In districts having seven directors, ~~two~~ four
28 shall be elected for ~~one-year~~, ~~two-for two years,~~ and
29 ~~three~~ for ~~three~~ four years.

30 Sec. 216. Section 277.27, Code 1985, is amended to
31 read as follows:

32 277.27 QUALIFICATION.

33 A Notwithstanding section 71.1, a school officer or
34 member of the board shall, at the time of election or
35 appointment, be an eligible elector of the corporation
36 or subdistrict. Notwithstanding-any-contrary
37 provision-of-the-Code,-no A member of the board of
38 directors of any school district, or director's
39 spouse, shall not receive compensation directly from
40 the school board, except a director's spouse may be
41 employed by the district in a noncertificated
42 position, or in a certificated position on a half-time
43 basis or less. No-director-or-spouse-affected-by-this
44 provision-on-July-17-1972,-whose-term-of-office-for
45 which-elected-has-not-expired,-or-whose-contract-of
46 employment-has-a-fixed-date-of-expiration-and-has-not
47 expired,-shall-be-affected-by-this-provision-until-the
48 expiration-of-the-term-of-office-to-which-elected,-or
49 the-expiration-date-of-the-contract-for-which
50 employed. A member of the board of directors shall

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1 not be an employee of the school district.

2 Sec. 217. Section 277.28, unnumbered paragraph 1,
3 Code 1985, is amended to read as follows:

4 Each director elected at a regular district or
5 director district election, ~~as the case may be,~~ shall
6 qualify by taking the oath of office on or before the
7 time set for the organization meeting of the board the
8 third-Monday-in-September first day in July which is
9 not a Sunday of each odd-numbered year, and the
10 election and qualification shall be entered of record
11 by the secretary. The oath may be administered by any
12 a qualified member of the board or the secretary of
13 the board and may be taken in substantially the
14 following form:

15 Sec. 218. Section 279.1, Code 1985, is amended to
16 read as follows:

17 279.1 ORGANIZATION.

18 The board of directors of each school corporation
19 shall meet and organize at two o'clock p.m., or at
20 seven-thirty o'clock p.m., if so ordered by the
21 president of the board, on the third-Monday-in
22 September first day in July which is not a Sunday of
23 each odd-numbered year at some a suitable place to be
24 designated by the secretary. Notice of the place and
25 hour of such the meeting shall be given by the
26 secretary to each member and each member-elect of the
27 board.

28 Such The organization shall be effected by the
29 election of a president from the members of the board,
30 who shall be. The president is entitled to vote as a
31 member."

32 2. Page 2, by striking line 28 and inserting the
33 following: "line 8 and inserting the following:

34 "Sec. 219. Section 280A.11, unnumbered paragraph
35 1, Code 1985, is amended to read as follows:

36 The governing board of a merged area is a board of
37 directors composed of one member elected from each
38 director district in the area by the qualified
39 electors of the respective district. Members of the
40 board shall be residents of the district from which
41 elected. Successors shall be chosen at the annual
42 regular school elections for members whose terms
43 expire. The term of a member of the board of
44 directors is three four years and commences at the
45 organization meeting. Vacancies on the board which
46 occur more than ninety days prior to the next regular
47 school election may be filled at the next regular
48 meeting of the board by appointment by the remaining
49 members of the board. A member so chosen shall be a
50 resident of the district in which the vacancy occurred

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1 and shall serve until a member is elected pursuant to
2 section 69.12 to fill the vacancy for the balance of
3 the unexpired term. A vacancy is defined in section
4 277.29. A member shall not serve on the board of
5 directors who is a member of a board of directors of a
6 local school district or a member of an area education
7 agency board. A member of the board of directors of a
8 merged area shall not be an employee of the merged
9 area.

10 Sec. 220. Section 280A.12, Code 1985, is amended
11 to read as follows:

12 280A.12 DIRECTORS OF MERGED AREA.

13 In each merged area, the initial board of directors
14 elected at the special election shall organize within
15 fifteen days following the election and may thereafter
16 proceed with the establishment of the designated area
17 vocational school or area community college. The
18 board of directors of the merged area shall organize
19 at the first regular meeting in ~~October~~ July of each
20 odd-numbered year. Organization of the board shall be
21 effected by the election of a president and other
22 officers from the board membership as board members
23 determine. The board of directors shall appoint a
24 secretary and a treasurer who shall each give bond as
25 prescribed in section 291.2 and who shall each receive
26 the salary determined by the board. The secretary and
27 treasurer shall perform duties under chapter 291 and
28 additional duties the board of directors deems
29 necessary. However, the board may appoint one person
30 to serve as the secretary and treasurer. If one
31 person serves as the secretary and treasurer, only one
32 bond is necessary for that person. The frequency of
33 meetings other than organizational meetings shall be
34 as determined by the board of directors but the
35 president or a majority of the members may call a
36 special meeting at any time.

37 Sec. 221. Section 280A.13, subsection 1, Code
38 1985, is amended to read as follows:

39 1. The board of a merged area may change the
40 number of directors on the board and shall make
41 corresponding changes in the boundaries of director
42 districts. Changes shall be completed not later than
43 July 1 of a fiscal year for the next regular school
44 ~~election to be held the next following September.~~

45 Sec. 222. Section 280A.13, subsection 4, Code
46 1985, is amended to read as follows:

47 4. To the extent possible the board shall provide
48 that changes in the boundary lines of director
49 districts of merged areas do not lengthen or diminish
50 the term of office of a director of the board.

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1 Initial terms of office shall be set by the board so
2 that as nearly as possible the terms of ~~one-third~~ one-
3 half of the members expire ~~annually~~ biennially.

4 Sec. 223. Section 280A.15, subsection 1, Code
5 1985, is amended to read as follows:

6 1. Regular elections held ~~annually~~ by the merged
7 area for the election of members of the board of
8 directors as required by section 280A.11, for the
9 renewal of the twenty and one-fourth cents per
10 thousand dollars of assessed valuation levy authorized
11 in section 280A.22, or for any other matter authorized
12 by law and designated for election by the board of
13 directors of the merged area, shall be held on the
14 date of the school election as fixed by section 277.1.
15 The election notice shall be made a part of the local
16 school election notice published as provided in
17 section 49.53 in each local school district where
18 voting is to occur in the merged area election and the
19 election shall be conducted by the county commissioner
20 of elections pursuant to chapters 39 to 53 and section
21 277.20.

22 Sec. 224. Section 280A.15, subsection 4, Code
23 1985, is amended to read as follows:

24 4. The votes cast in the election shall be
25 canvassed and abstracts of the votes cast shall be
26 certified as required by section 277.20. In each
27 county whose commissioner of elections is responsible
28 under section 47.2 for conducting elections held for a
29 merged area, the county board of supervisors shall
30 convene at ten o'clock a.m. on the last Monday in
31 September June after the regular school election,
32 canvass the abstracts of votes cast and declare the
33 results of the voting. The commissioner shall at once
34 issue certificates of election to each person declared
35 elected, and shall certify to the merged area board in
36 substantially the manner prescribed by section 50.27
37 the result of the voting on any public question
38 submitted to the voters of the merged area. Members
39 elected to the board of directors of a merged area
40 shall qualify by taking the oath of office prescribed
41 in section 277.28.

42 Sec. 225. Section 280A.22, subsection 1, paragraph
43 a, Code 1985, is amended to read as follows:

44 a. In addition to the tax authorized under section
45 280A.17, the voters in any a merged area may at the
46 ~~annual~~ regular school election vote a tax not
47 exceeding twenty and one-fourth cents per thousand
48 dollars of assessed value in any one year for a period
49 not to exceed ten years for the purchase of grounds,
50 construction of buildings, payment of debts contracted

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1 for the construction of buildings, purchase of
2 buildings and equipment for buildings, and the
3 acquisition of libraries, and for the purpose of
4 maintaining, remodeling, improving, or expanding the
5 area vocational school or area community college of
6 the merged area. The tax shall be collected by the
7 county treasurers and remitted to the treasurer of the
8 merged area as provided in section 331.552, subsection
9 29. The proceeds of the tax shall be deposited in a
10 separate and distinct fund to be known as the voted
11 tax fund, to be paid out upon warrants drawn by the
12 president and secretary of the board of directors of
13 the merged area district for the payment of costs
14 incurred in providing the school facilities for which
15 the tax was voted.""

16 3. Page 6, by inserting after line 32 the
17 following:

18 "Sec. 500.

19 1. In order to accomplish the transition from
20 election of directors of community and independent
21 school districts, merged areas, and area education
22 agencies annually for terms of three years each, to
23 election of such directors biennially for terms of
24 four years each, the following adjustments in terms
25 and times of election shall be made, notwithstanding
other provisions of law:

26 a. The term of office of each director of a
27 community or an independent school district, merged
28 area, and area education agency board whose term
29 expires in the years 1987 and 1988 shall expire at
30 noon on July 1, 1987 and the successors shall be
31 elected at the regular election in 1987 or in the case
32 of the area education agency, at the director district
33 convention in 1987.

34 b. In community, independent, and consolidated
35 school districts and merged areas having five-member
36 boards of directors, the persons elected as directors
37 in 1987 who receive the greatest and the next greatest
38 number of votes in that election shall serve terms of
39 four years each and the other persons so elected shall
40 serve terms of two years each.

41 c. In community, independent, and consolidated
42 school districts and merged areas having seven-member
43 boards of directors, the persons elected as directors
44 in 1987 who receive the greatest, the next greatest,
45 and the third greatest number of votes shall serve
46 terms of four years each, and the other persons so
47 elected shall serve terms of two years each.

48 d. In merged areas having more than seven members,
49 the persons elected as directors in 1987 who receive
50

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1 the greatest, the next greatest, the third greatest,
2 and the fourth greatest number of votes shall serve
3 terms of four years each, and the other persons so
4 elected shall serve terms of two years each.

5 e. In area education agencies, the persons elected
6 shall draw lots to determine who will serve terms of
7 four years each and who will serve terms of two years
8 each so that the appropriate number will serve terms
9 ending in 1989 and 1991.

10 2. Notwithstanding section 275.12, at least a
11 majority of the board of directors of each school
12 district shall be elected from director districts
13 pursuant to section 275.23A, subsection 1 by the
14 regular school election in 1989. The remaining
15 members may be elected at large from the entire
16 district by the electors of the entire district.

17 At the regular school election in 1989 the
18 community, independent, and consolidated school
19 districts having five-member boards of directors shall
20 elect the three vacant positions from director
21 districts unless at least a majority of the board of
22 directors was elected from director districts in 1987.

23 At the regular school election in 1989, the
24 community, independent, and consolidated school
25 districts having seven-member boards of directors
26 shall elect the four vacant positions from director
27 districts unless at least a majority of the board of
28 directors was elected from director districts in
29 1987."

30 4. Page 6, by striking line 50 and inserting the
31 following: "in Cedar Rapids, Iowa. Sections 201
32 through 225 and section 500 take effect January 1,
33 1987.""

S-5623 Filed April 7, 1986
BY BROWN

H/O 4/10 (p. 1179)

HOUSE FILE 2462

S-5605

1 Amend the amendment S-5506 to House File 2462, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 4, by inserting after line 6 the
5 following:

6 "_____. Page 3, by inserting after line 30 the
7 following:

8 "Sec. _____. Section 442.9, subsection 1, paragraph
9 b, Code Supplement 1985, is amended to read as
10 follows:

11 b. The district cost for the budget year is equal
12 to the district cost per pupil for the budget year
13 multiplied by the weighted enrollment, plus ~~commencing~~
14 ~~with-the-budget-year-beginning-July-17-1985~~ additional
15 district cost added for moneys received by a school
16 district under section 302.3, Code 1981, as provided
17 in section 442.21; and plus the additional district
18 cost allocated to the district under section 442.27 to
19 fund media services and educational services provided
20 through the area education agency; and commencing with
21 the budget year beginning July 1, 1987 plus additional
22 district cost added for an educational improvement
23 amount under section 442.55. A school district may
24 not increase its district cost for the budget year
25 except to the extent that an excess tax levy is
26 authorized by the school budget review committee as
27 provided in section 442.13.

28 Sec. _____. Section 442.27, Code 1985, is amended by
29 adding the following new subsections:

30 NEW SUBSECTION. 13. For the school year beginning
31 July 1, 1987, the state comptroller shall reduce the
32 area media services cost per pupil for the budget year
33 in each area education agency by ten percent before
34 multiplying it by the enrollment served for the budget
35 year in each area. For the school year beginning July
36 1, 1987 and each succeeding school year, the state
37 comptroller shall determine for each school district
38 the difference between the amount added to its
39 district cost for media services as a result of the
40 reduction under this subsection and the amount that
41 would have been added to district cost if there had
42 been no reduction under this subsection. That
43 difference is a school district educational
44 improvement amount that may be expended only for
45 direct instructional costs under section 442.55.

46 NEW SUBSECTION. 14. For the school year beginning
47 July 1, 1987, the state comptroller shall reduce the
48 area educational services cost per pupil for the
49 budget year in each area education agency by ten
50 percent before multiplying it by the enrollment served

1 for the budget year in each area. For the school year
2 beginning July 1, 1987 and each succeeding school
3 year, the state comptroller shall determine for each
4 school district the difference between the amount
5 added to its district cost for educational services as
6 a result of the reduction under this subsection and
7 the amount that would have been added to district cost
8 if there had been no reduction under this subsection.
9 That difference is a school district educational
10 improvement amount that may be expended only for
11 direct instructional costs under section 442.55.

12 Sec. ____ . NEW SECTION. 442.55 SCHOOL DISTRICT
13 EDUCATIONAL IMPROVEMENT AMOUNT.

14 The school district educational improvement amount
15 is the difference between the amount that would have
16 been added to each school district's district cost for
17 its area education agency media services and its
18 educational services for a budget year and the amounts
19 that were actually added after the reduction in
20 section 442.27, subsections 13 and 14. The school
21 district educational improvement amount shall be added
22 to the district cost of each school district under
23 section 442.9, subsection 1, paragraph "b", and shall
24 be expended only for direct instructional costs of the
25 school district."

S-5605 Filed April 4, 1986

BY WALDSTEIN, BROWN

W/D 4/14/86 (p. 1213)

HOUSE FILE 2462

S-5596

1 Amend House File 2462, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by inserting after line 1 the
4 following:

5 "Section 1. NEW SECTION. 275.1A DIVISION OF
6 SCHOOL DISTRICT.

7 The board of directors of a school district that
8 has a dropout rate during a school year of more than
9 five percent of the district's certified enrollment
10 shall begin proceedings under this chapter during the
11 next following school year to divide the territory of
12 the school district into two or more reorganized
13 school districts. The board of directors shall use
14 the procedure provided in this chapter to draw the
15 school district boundary lines. If the proposition to
16 divide the school district fails to pass at the
17 election held under sections 275.18 and 275.20, the
18 state board of public instruction shall divide the
19 school district into two or more reorganized school
20 districts."

S-5596 Filed April 4, 1986

BY HANNON

W/D 4/14 (p. 1213)

HOUSE FILE 2462

S-5653

1 Amend amendment S-5650 to House File 2462 as
2 amended, passed and reprinted by the House as follows:
3 1. Page 1, lines 12 and 13, by striking the words
4 "two or more reorganized school districts" and insert-
5 ing in lieu thereof the words "districts containing
6 seven thousand pupils or less".
7 2. Page 1, lines 19 and 20, by striking the words
8 "two or more reorganized school districts" and insert-
9 ing in lieu thereof the words "districts containing
10 seven thousand pupils or less".

S-5653 Filed April 9, 1986

BY TAYLOR

Adopted 4/14 (p. 1213)

HOUSE FILE 2462

S-5650

1 Amend House File 2462, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 1, by inserting before line 1 the
4 following:
5 "Section 1. NEW SECTION. 275.1A DIVISION OF
6 SCHOOL DISTRICT.
7 The board of directors of a school district that
8 has a dropout rate during a school year of more than
9 five percent of the district's certified enrollment
10 shall begin proceedings under this chapter during the
11 next following school year to divide the territory of
12 the school district into two or more reorganized
13 school districts. The board of directors shall use
14 the procedure provided in this chapter to draw the
15 school district boundary lines. If the proposition to
16 divide the school district fails to pass at the
17 election held under sections 275.18 and 275.20, the
18 state board of public instruction shall divide the
19 school district into two or more reorganized school
20 districts."

S-5650 Filed April 9, 1986

BY HANNON

Lost 4/14 (p. 1214)

S-5645

1 Amend House File 2462, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 6, by inserting after line 28 the
4 following:

5 "Sec. _____. The legislative council is requested to
6 establish during the 1986 legislative interim an
7 interim study committee composed of members of the
8 education committees of both parties from both houses
9 of the general assembly to study the feasibility of
10 using a school district's average daily attendance for
11 calculating enrollment for purposes of determining a
12 school district's budget under the state school
13 foundation plan rather than using the present
14 enrollment formula.

15 The study committee shall report its
16 recommendations to the general assembly meeting in
17 1987."

S-5645 Filed April 9, 1986

BY TAYLOR

Loss 4/14 (p. 1215)

HOUSE FILE 2462

S-5658

1 Amend the amendment S-5506 to House File 2462 as
2 amended, passed, and reprinted by the House as
3 follows:

4 1. Page 1, by inserting after line 2 the
5 following:

6 "____. Page 1, by inserting before line 1, the
7 following:

8 "Sec. ____ . NEW SECTION. 257.46 OFFICE OF RURAL
9 EDUCATION.

10 The state board of public instruction shall
11 establish an office of rural education within the
12 department. The office shall:

13 1. Study current state policies, rules, and
14 regulations to determine the impact on rural and small
15 schools and notify appropriate state and local
16 officials of determination.

17 2. Serve as a clearinghouse for ideas for
18 successful educational practices in rural and small
19 schools and conduct an annual statewide forum to
20 permit rural administrators and teachers to share and
21 discuss the implementation of such educational
22 practices.

23 3. Cooperate with leaders of Iowa's business and
24 education associations to encourage the associations
25 to address the needs of small and rural schools in
26 their programs, policies, and resolutions when
27 developing meetings, conferences, and workshops.

28 4. Establish a rural and small school advisory
29 council composed of representatives of local school
30 districts, area education agencies, and postsecondary
31 institutions to be aware of current trends, and
32 educational problems and solutions in rural education.

33 5. Meet with appropriate federal and state rural
34 education specialists to exchange information, ideas,
35 and strategies for improving rural education."

S-5658 Filed April 9, 1986

BY TAYLOR

Lock 4/10 (7.1179)

S-5647

1 Amend House File 2462, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 3, by inserting after line 8 the
4 following:

5 "Sec. ____ . Section 321.178, subsection 1,
6 unnumbered paragraph 2, Code 1985, is amended to read
7 as follows:

8 Every public school district in Iowa shall offer or
9 make available to all students residing in the school
10 district or Iowa students attending a nonpublic school
11 in the district an approved course in driver
12 education. The courses may be offered at sites other
13 than at the public school, including nonpublic school
14 facilities within the public school districts. An
15 approved course offered during the summer months, on
16 Saturdays, after regular school hours during the
17 regular terms or partly in one term or summer vacation
18 period and partly in the succeeding term or summer
19 vacation period, ~~as-the-case-may-be, shall satisfy~~
20 satisfies the requirements of this section to the same
21 extent as an approved course offered during the
22 regular school hours of the school term. The public
23 school district may charge a fee to students enrolled
24 in the driver education course, which fee shall not
25 exceed the actual cost of instruction. However, a fee
26 shall not be charged to a student who asks to be
27 exempt if the student's household income is at or
28 below the poverty level guideline as set by the United
29 States department of health and human services. Fee
30 moneys received are miscellaneous income as defined in
31 section 442.5. A student who successfully completes
32 and obtains certification in an approved course in
33 driver education or an approved course in motorcycle
34 education may, upon proof of such that fact, be
35 excused from any field test which the student would
36 otherwise be required to take in demonstrating the
37 student's ability to operate a motor vehicle."

S-5647 Filed April 9, 1986 BY CORNING

W/D 4/14/86 (p. 1215)

S-5646

1 Amend amendment S-5596 to House File 2462 as
2 amended, passed and reprinted by the House as follows:

3 1. Page 1, lines 12 and 13, by striking the words
4 "two or more reorganized school districts" and inser-
5 ting in lieu thereof the words "districts containing
6 seven thousand pupils or less".

7 2. Page 1, lines 19 and 20, by striking the words
8 "two or more reorganized school districts" and inser-
9 ting in lieu thereof the words "districts containing
10 seven thousand pupils or less".

S-5646 Filed April 9, 1986 BY TAYLOR

e/o 4/14 (p. 1213)

HOUSE FILE 2462

S-5667

1 Amend the amendment S-5506 to House File 2462, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 3, by inserting after line 2 the
5 following:

6 "_____. Page 3, by inserting before line 31 the
7 following:

8 "Section 1. Section 442.9, subsection 1, paragraph
9 b, Code Supplement 1985, is amended to read as
10 follows:

11 b. The district cost for the budget year is equal
12 to the district cost per pupil for the budget year
13 multiplied by the weighted enrollment, plus commencing
14 ~~with the budget year beginning July 1, 1985~~ additional
15 district cost added for moneys received by a school
16 district under section 302.3, Code 1981, as provided
17 in section 442.21; ~~and plus the additional district~~
18 ~~cost allocated to the district under section 442.27 to~~
19 ~~fund media services and educational services provided~~
20 ~~through the area education agency; and commencing with~~
21 ~~the budget year beginning July 1, 1987 plus additional~~
22 ~~district cost added for an educational improvement~~
23 ~~amount under section 442.55. A school district may~~
24 ~~not increase its district cost for the budget year~~
25 ~~except to the extent that an excess tax levy is~~
26 ~~authorized by the school budget review committee as~~
27 ~~provided in section 442.13."~~

28 2. Page 6, by striking line 42 and inserting the
29 following:

30 "_____. Page 6, by striking lines 11 and 12 and
31 inserting the following:

32 "Sec. _____. Section 442.27, Code 1985, is amended
33 by adding the following new subsections:

34 NEW SUBSECTION. 13. Notwithstanding section
35 442.7, subsection 7, paragraph "g", and subsections 4
36 and 7, for".

37 _____. Page 6, line 14, by striking the word "five"
38 and inserting the following: "three".

39 _____. Page 6, line 18, by striking the word "two"
40 and inserting the following: "three".

41 _____. Page 6, line 19, by inserting after the word
42 "purposes." the following: "Thereafter, an area
43 education agency shall not increase the proportion of
44 its budget expended for general administration program
45 costs and administration programs of the division
46 programs costs."

47 _____. Page 6, line 22, by striking the word "two"
48 and inserting the following: "three".

49 _____. Page 6, by inserting after line 28 the
50 following:

1 "For the school year beginning July 1, 1987 and
2 each succeeding school year, the state comptroller
3 shall determine for each school district the
4 difference between the amount added to its district
5 cost for educational services and media services as a
6 result of the reduction under this subsection and the
7 amount that would have been added to district cost if
8 there had been no reduction under this subsection.
9 That difference is a school district educational
10 improvement amount that may be expended only for
11 direct instructional costs under section 442.55.

12 Sec. ____ . NEW SECTION. 442.55 SCHOOL DISTRICT
13 EDUCATIONAL IMPROVEMENT AMOUNT.

14 The school district educational improvement amount
15 is the difference between the total of the amount that
16 would have been added to each school district's
17 district cost for its area education agency media
18 services and its educational services and the amount
19 included in district cost per pupil for special
20 education support services for a budget year and the
21 amounts that were actually added, and included, after
22 the reduction in section 442.27, subsection 13. The
23 school district educational improvement amount shall
24 be added to the district cost of each school district
25 under section 442.9, subsection 1, paragraph "b", and
26 shall be expended only for direct instructional costs
27 of the school district."

S-5667 Filed April 9, 1986

BY WALDSTEIN, BROWN

See 4/10/86 (p. 1180)

HOUSE FILE 2462

S-5659

1 Amend House File 2462 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 3, line 7, by striking the word "March"
4 and inserting the following: "January".

S-5659 Filed April 9, 1986

BY MURPHY

*Adopted 4/14, motion to reconsider passed 4/17
Placed o/o 4/17 (p. 1277)*

S-5680

1 Amend House File 2462, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 6, by inserting after line 28, the
4 following:

5 "Sec. ____ . For the fiscal year beginning July 1,
6 1986 and ending June 30, 1987, if the governor finds
7 that the estimated budget resources are insufficient
8 to pay all appropriations in full, and the executive
9 council concurs in that finding, the reductions in
10 allotments made pursuant to section 8.31 shall not
11 apply to the appropriation made under section 442.26."

S-5680 Filed April 10, 1986

BY MURPHY, BROWN, COLTON, HORN, WELLS, RIORDAN,
CORNING, HANNON

Adopted 4/14 (p. 1215)

HOUSE FILE 2462

S-5670

1 Amend the amendment S-5506 to House File 2462 as
2 amended, passed and reprinted by the House as follows:

3 1. Page 1, by inserting after line 2 the
4 following:

5 "_____. Page 1, by inserting before line 1 the
6 following:

7 "Sec. 201. Section 39.24, Code 1985, is amended to
8 read as follows:

9 39.24 SCHOOL OFFICERS.

10 Members of boards of directors of community and
11 independent school districts, and boards of directors
12 of merged areas shall be elected at the school
13 election. Their terms of office shall be three four
14 years, except as otherwise provided by section
15 275.23A, or 280A.11, 280A.12, or 280A.13.

16 Sec. 202. Section 273.8, subsection 1, Code
17 Supplement 1985, is amended to read as follows:

18 1. BOARD OF DIRECTORS. The board of directors of
19 an area education agency shall consist of not less
20 than five nor more than nine members, each a resident
21 of and elected in the manner provided in this section
22 from a director district that is approximately equal
23 in population to the other director districts in the
24 area education agency. Each director shall serve a
25 three-year four-year term which commences at the
26 organization meeting.

27 Sec. 203. Section 273.8, subsection 2, unnumbered
28 paragraph 2, Code Supplement 1985, is amended to read
29 as follows:

30 The director district conventions shall be called
31 and the locations of the conventions shall be
32 determined by the area education agency administrator.
33 ~~Annually~~ Biennially the director district conventions
34 shall be held within two weeks following the regular
35 school election. Notice of the time, date, and place
36 of a director district convention shall be published
37 by the area education agency administrator at least
38 forty-five days prior to the day of the district
39 conventions in at least one newspaper of general
40 circulation in the director district. The cost of
41 publication shall be paid by the area education
42 agency.

43 Sec. 204. Section 273.8, subsection 3, unnumbered
44 paragraph 1, Code Supplement 1985, is amended to read
45 as follows:

46 The board of directors of each area education
47 agency shall meet and organize at the first regular
48 meeting in ~~October~~ July of each odd-numbered year at a
49 suitable place designated by the president. Directors
50 whose terms commence at the organization meeting shall

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1 qualify by taking the oath of office required by
2 section 277.28 at or before the organization meeting.
3 Sec. 205. Section 274.7, Code 1985, is amended to
4 read as follows:

5 274.7 DIRECTORS.

6 The affairs of each school corporation shall be
7 conducted by a board of directors, the members of
8 which in all community or independent school districts
9 shall be chosen for a term of ~~three~~ four years."

10 . Page 1, line 18, by striking the word
11 "annual" and inserting the following: "~~annual~~
12 regular".

13 . Page 1, by inserting after line 20 the
14 following:

15 "c. Election of not more than one-half of the
16 total number of school directors at large from the
17 entire district and the remaining directors from and
18 as residents of designated single-member or ~~multi-~~
19 member multimember director districts into which the
20 entire school district shall be divided on the basis
21 of population for each director. In ~~such~~ this case,
22 all directors shall be elected by the electors of the
23 entire school district. Changes in the boundaries of
24 director districts shall not be made during a period
25 commencing sixty days prior to the date of the ~~annual~~
26 regular school election."

27 . Page 1, line 32, by striking the word
28 "annual" and inserting the following: "~~annual~~
29 regular".

30 . Page 1, by inserting after line 32 the
31 following:

32 "e. In districts having seven directors, election
33 of three directors at large by the electors of the
34 entire district, one no more than two at each-annual a
35 regular school election, and election of the remaining
36 directors as residents of and by the electors of
37 individual geographic subdistricts established on the
38 basis of population and identified as director
39 districts. Boundaries of the subdistricts shall
40 follow precinct boundaries, insofar as far as
41 practicable, and shall not be changed less than sixty
42 days prior to the ~~annual~~ regular school election."

43 Sec. 206. Section 275.25, subsection 3, Code
44 Supplement 1985, is amended to read as follows:

45 3. The directors who are elected ~~to-serve~~ shall
46 serve until their successors are elected and qualify.
47 At the special election, the three newly elected
48 director directors receiving the most votes shall be
49 elected to serve until ~~the-director's-successor~~
50 qualifies their successors qualify after the fourth

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1 third regular school election date occurring after the
2 effective date of the reorganization; and the two
3 newly elected directors receiving the next largest
4 number of votes shall be elected to serve until the
5 directors' successors qualify after the third second
6 regular school election date occurring after the
7 effective date of the reorganization; ~~and the two~~
8 ~~newly-elected-directors-receiving-the-next-largest~~
9 ~~number-of-votes-shall-be-elected-to-serve-until-the~~
10 ~~directors'-successors-qualify-after-the-second-regular~~
11 ~~school-election-date-occurring-after-the-effective~~
12 ~~date-of-the-reorganization.~~ However, in districts
13 that include all or a part of a city of fifteen
14 thousand or more population and in districts in which
15 the proposition to establish a new corporation
16 provides for the election of seven directors, the
17 three four newly elected directors receiving the most
18 votes shall be elected to serve until the directors'
19 successors qualify after the fourth third regular
20 school election date occurring after the effective
21 date of the reorganization and the three newly elected
22 directors receiving the next largest number of votes
23 shall be elected to serve until the directors'
24 successors qualify after the second regular school
25 election date occurring after the effective date of
26 the reorganization.

27 Sec. 207. Section 275.36, Code 1985, is amended to
28 read as follows:

29 275.36 SUBMISSION OF CHANGE TO ELECTORS.

30 If a petition for a change in the number of
31 directors or in the method of election of school
32 directors, describing the boundaries of the proposed
33 director districts, if any, signed by eligible
34 electors of the school district equal in number to at
35 least thirty percent of those who voted in the last
36 previous annual regular school election in the school
37 district, but not less than twenty-five persons, and
38 accompanied by affidavit as required by section 275.13
39 be, is filed with the school board of a school
40 district, not earlier than six months and not later
41 than two months before a regular or special school
42 election, the school board shall submit such the
43 proposition to the voters at such the election. If a
44 proposition for a change in the number of directors or
45 in the method of election of school directors
46 submitted to the voters under this section is
47 rejected, it shall not be resubmitted to the voters of
48 the district in substantially the same form within the
49 next three years; if it is approved, no other proposal
50 may shall be submitted to the voters of the district

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1 under this section within the next six years.

2 Sec. 208. Section 275.37, Code 1985, is amended to
3 read as follows:

4 275.37 INCREASE IN NUMBER OF DIRECTORS.

5 At the next succeeding ~~annual~~ regular school
6 election in a district where the number of directors
7 has been increased from five to seven, and directors
8 are elected at large, ~~there-shall-be-elected~~ a
9 director shall be elected to succeed each incumbent
10 director whose term is expiring in that year, and two
11 additional directors. Upon organizing as required by
12 section 279.1, either one or two of the newly elected
13 director directors who received the fewest votes in
14 the election shall be assigned a term of ~~either-one~~
15 year-or two years if as necessary in order that as
16 nearly as possible one-third one-half of the members
17 of the board shall be elected each-year biennially.

18 Sec. 209. Section 275.38, Code 1985, is amended to
19 read as follows:

20 275.38 IMPLEMENTING CHANGED METHOD OF ELECTION.

21 If a change in the method of election of school
22 directors is approved at a regular or special school
23 election, the directors who were serving unexpired
24 terms or were elected concurrently with approval of
25 the change of method shall serve out the terms for
26 which they were elected. If the plan adopted is that
27 described in section 275.12, subsection 2, paragraph
28 "b," "c," "d," or "e," the board shall at the earliest
29 practicable time designate the districts from which
30 residents are to be elected as school directors at
31 each of the next ~~three~~ two succeeding ~~annual~~ regular
32 school elections, arranging so far as possible for
33 elections of directors as residents of the respective
34 districts to coincide with the expiration of terms of
35 incumbent members residing in those districts. If an
36 increase in the size of the board from five to seven
37 members is approved concurrently with the change in
38 method of election of directors, the board shall make
39 the necessary adjustment in the manner prescribed in
40 section 275.37, as well as providing for
41 implementation of the districting plan under this
42 section.

43 Sec. 210. Section 275.41, subsections 4, 5, 6, and
44 7, Code Supplement 1985, are amended to read as
45 follows:

46 4. If the total number of directors determined
47 under subsection 2 or 3 is an odd number, the board of
48 the district with the largest population shall
49 designate the term of office of one of the members who
50 is retained to commence at the organizational meeting

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1 of the board of the newly formed district and to end
2 at the organizational meeting following the fourth
3 third regular school election held thereafter after
4 the effective date of the merger, in the manner
5 specified in the reorganization petition.

6 If the total number of directors determined under
7 subsection 2 or 3 is an even number, that number of
8 directors shall function until a special election can
9 be held, at which time an additional director shall be
10 elected to-a-term from the newly formed district to a
11 term ending at the organizational meeting following
12 the fourth third regular school election held
13 thereafter after the effective date of the merger.
14 The procedure for calling the special election shall
15 be the procedure specified in section 275.25.

16 5. The boards of directors of school districts
17 which are involved in the merger which have three or
18 more directors who are retained, shall each designate
19 two of the directors who are retained to serve terms
20 that expire at the organizational meeting following
21 the second first regular school election held
22 thereafter after the effective date of the merger.
23 All other directors who are retained shall serve terms
24 that expire at the organizational meeting following
25 the third second regular school election held
26 thereafter after the effective date of the merger. If
27 there is an insufficient number of board members
28 eligible to be retained from a former school district,
29 the board of the former school district may appoint
30 members to fill the vacancies. A vacancy occurs if
31 there is an insufficient number of former board
32 members who reside in the newly formed district or if
33 there is an insufficient number who are willing to
34 serve on the board of the newly formed district.

35 6. At the second first regular school election
36 held after the effective date of the merger, the two
37 vacancies which will occur on the board shall be
38 filled in a manner specified in the reorganization
39 petition.

40 7. At the third second regular school election
41 held after the effective date of the merger, if a
42 five-member board is specified in the reorganization
43 petition, two directors shall be elected in the manner
44 specified in the reorganization petition and if a
45 seven-member board is specified in the reorganization
46 petition, four directors shall be elected, two for
47 one-year two-year terms and two for three-year four-
48 year terms, in the manner specified in the
49 reorganization petition.

50 Sec. 211. Section 277.1, Code 1985, is amended to

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1 read as follows:

2 277.1 REGULAR ELECTION.

3 The regular election shall be held ~~annually~~
4 biennially on the second first Tuesday in September
5 following the first Monday in June of each odd-
6 numbered year in each school district for the election
7 of officers of the district and merged area and for
8 the purpose of submitting to the voters any matter
9 authorized by law.

10 Sec. 212. Section 277.2, Code 1985, is amended to
11 read as follows:

12 277.2 SPECIAL ELECTION.

13 The board of directors in any school corporation
14 may call a special election at which ~~election~~ the
15 voters shall have the powers exercised at the regular
16 election with reference to the sale of school property
17 and the application to be made of the proceeds, the
18 authorization to change the method of election of
19 school directors to any method authorized by section
20 275.12, the authorization of seven members on the
21 board of directors, the authorization to establish or
22 change the boundaries of director districts, and the
23 authorization of a schoolhouse tax or indebtedness, as
24 provided by law.

25 Sec. 213. Section 277.20, unnumbered paragraph 1,
26 Code 1985, is amended to read as follows:

27 On the next ~~Friday~~ Monday after the regular school
28 election, the county board of supervisors shall
29 canvass the returns made to the county commissioner of
30 elections from the several precinct polling places and
31 the absentee ballot counting board, ascertain the
32 result of the voting with regard to every matter voted
33 upon and cause a record to be made thereof of the
34 results as required by section 50.24. Special
35 elections held in school districts shall be canvassed
36 at the time and in the manner required by that
37 section. The board shall declare the results of the
38 voting for members of boards of directors of school
39 corporations nominated pursuant to section 277.4, and
40 the commissioner shall at once issue a certificate of
41 election to each person declared elected. The board
42 shall also declare the results of the voting on any
43 public question submitted to the voters of a single
44 school district, and the commissioner shall certify
45 the result as required by section 50.27.

46 Sec. 214. Section 277.23, unnumbered paragraph 2,
47 Code 1985, is amended to read as follows:

48 A change from five to seven directors shall be
49 effected in a district at the first regular election
50 after authorization by the voters or when a district

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1 becomes wholly or in part within a city of fifteen
2 thousand population or more in the following manner:
3 If the term of one-director two directors of the five-
4 member board expires at the time of said the regular
5 election, three four directors shall be elected to
6 serve until the third second following regular
7 election thereafter; if the terms of two three
8 directors expire at the time of said the regular
9 election, three directors shall be elected to serve
10 until the third second following regular election
11 thereafter and one-director two directors shall be
12 elected to serve ~~a-term-the-expiration-of-which~~
13 ~~coincides-with-the-expiration-of-the-term-of-the~~
14 ~~director-heretofore-singly-elected~~ until the next
15 regular election.

16 Sec. 215. Section 277.25, Code 1985, is amended to
17 read as follows:

18 277.25 DIRECTORS IN NEW DISTRICTS.

19 At the first election in newly organized districts
20 the directors shall be elected as follows:

21 1. In districts having three directors, one
22 director two directors shall be elected for one-year
23 one-for two years, and one for three four years.

24 2. In districts having five directors, two three
25 shall be elected for one-year, two-for two years, and
26 one two for three four years.

27 3. In districts having seven directors, two four
28 shall be elected for one-year, two-for two years, and
29 three for three four years.

30 Sec. 216. Section 277.27, Code 1985, is amended to
31 read as follows:

32 277.27 QUALIFICATION.

33 A Notwithstanding section 71.1, a school officer or
34 member of the board shall, at the time of election or
35 appointment, be an eligible elector of the corporation
36 or subdistrict. ~~Notwithstanding-any-contrary~~
37 ~~provision-of-the-Code~~, no A member of the board of
38 directors of any school district, or director's
39 spouse, shall not receive compensation directly from
40 the school board, except a director's spouse may be
41 employed by the district in a noncertificated
42 position, or in a certificated position on a half-time
43 basis or less. No-director-or-spouse-affected-by-this
44 provision-on-July-17-1972, whose-term-of-office-for
45 which-elected-has-not-expired, or whose-contract-of
46 employment-has-a-fixed-date-of-expiration-and-has-not
47 expired, shall-be-affected-by-this-provision-until-the
48 expiration-of-the-term-of-office-to-which-elected, or
49 the-expiration-date-of-the-contract-for-which
50 employed. A member of the board of directors shall

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1 not be an employee of the school district.

2 Sec. 217. Section 277.28, unnumbered paragraph 1,
3 Code 1985, is amended to read as follows:

4 Each director elected at a regular district or
5 director district election, ~~as the case may be,~~ shall
6 qualify by taking the oath of office on or before the
7 time set for the organization meeting of the board the
8 third-Monday-in-September first day in July which is
9 not a Sunday of each odd-numbered year, and the
10 election and qualification shall be entered of record
11 by the secretary. The oath may be administered by any
12 a qualified member of the board or the secretary of
13 the board and may be taken in substantially the
14 following form:

15 Sec. 218. Section 279.1, Code 1985, is amended to
16 read as follows:

17 279.1 ORGANIZATION.

18 The board of directors of each school corporation
19 shall meet and organize at two o'clock p.m., or at
20 seven-thirty o'clock p.m., if so ordered by the
21 president of the board, on the third-Monday-in
22 September first day in July which is not a Sunday of
23 each odd-numbered year at some a suitable place to be
24 designated by the secretary. Notice of the place and
25 hour of such the meeting shall be given by the
26 secretary to each member and each member-elect of the
27 board.

28 Such The organization shall be effected by the
29 election of a president from the members of the board,
30 who shall be. The president is entitled to vote as a
31 member.""

32 2. Page 2, by inserting after line 28 the
33 following:

34 "____. Page 3, by inserting after line 8 the
35 following:

36 "Sec. 219. Section 280A.11, unnumbered paragraph
37 1, Code 1985, is amended to read as follows:

38 The governing board of a merged area is a board of
39 directors composed of one member elected from each
40 director district in the area by the qualified
41 electors of the respective district. Members of the
42 board shall be residents of the district from which
43 elected. Successors shall be chosen at the annual
44 regular school elections for members whose terms
45 expire. The term of a member of the board of
46 directors is three four years and commences at the
47 organization meeting. Vacancies on the board which
48 occur more than ninety days prior to the next regular
49 school election may be filled at the next regular
50 meeting of the board by appointment by the remaining

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1 members of the board. A member so chosen shall be a
2 resident of the district in which the vacancy occurred
3 and shall serve until a member is elected pursuant to
4 section 69.12 to fill the vacancy for the balance of
5 the unexpired term. A vacancy is defined in section
6 277.29. A member shall not serve on the board of
7 directors who is a member of a board of directors of a
8 local school district or a member of an area education
9 agency board. A member of the board of directors of a
10 merged area shall not be an employee of the merged
11 area.

12 Sec. 220. Section 280A.12, Code 1985, is amended
13 to read as follows:

14 280A.12 DIRECTORS OF MERGED AREA.

15 In each merged area, the initial board of directors
16 elected at the special election shall organize within
17 fifteen days following the election and may thereafter
18 proceed with the establishment of the designated area
19 vocational school or area community college. The
20 board of directors of the merged area shall organize
21 at the first regular meeting in ~~October~~ July of each
22 odd-numbered year. Organization of the board shall be
23 effected by the election of a president and other
24 officers from the board membership as board members
25 determine. The board of directors shall appoint a
26 secretary and a treasurer who shall each give bond as
27 prescribed in section 291.2 and who shall each receive
28 the salary determined by the board. The secretary and
29 treasurer shall perform duties under chapter 291 and
30 additional duties the board of directors deems
31 necessary. However, the board may appoint one person
32 to serve as the secretary and treasurer. If one
33 person serves as the secretary and treasurer, only one
34 bond is necessary for that person. The frequency of
35 meetings other than organizational meetings shall be
36 as determined by the board of directors but the
37 president or a majority of the members may call a
38 special meeting at any time.

39 Sec. 221. Section 280A.13, subsection 1, Code
40 1985, is amended to read as follows:

41 1. The board of a merged area may change the
42 number of directors on the board and shall make
43 corresponding changes in the boundaries of director
44 districts. Changes shall be completed not later than
45 July 1 of a fiscal year for the next regular school
46 ~~election to-be-held-the-next-following-September.~~

47 Sec. 222. Section 280A.13, subsection 4, Code
48 1985, is amended to read as follows:

49 4. To the extent possible the board shall provide
50 that changes in the boundary lines of director

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1 districts of merged areas do not lengthen or diminish
2 the term of office of a director of the board.
3 Initial terms of office shall be set by the board so
4 that as nearly as possible the terms of ~~one-third~~ one-
5 half of the members expire ~~annually~~ biennially.

6 Sec. 223. Section 280A.15, subsection 1, Code
7 1985, is amended to read as follows:

8 1. Regular elections held ~~annually~~ by the merged
9 area for the election of members of the board of
10 directors as required by section 280A.11, for the
11 renewal of the twenty and one-fourth cents per
12 thousand dollars of assessed valuation levy authorized
13 in section 280A.22, or for any other matter authorized
14 by law and designated for election by the board of
15 directors of the merged area, shall be held on the
16 date of the school election as fixed by section 277.1.
17 The election notice shall be made a part of the local
18 school election notice published as provided in
19 section 49.53 in each local school district where
20 voting is to occur in the merged area election and the
21 election shall be conducted by the county commissioner
22 of elections pursuant to chapters 39 to 53 and section
23 277.20.

24 Sec. 224. Section 280A.15, subsection 4, Code
25 1985, is amended to read as follows:

26 4. The votes cast in the election shall be
27 canvassed and abstracts of the votes cast shall be
28 certified as required by section 277.20. In each
29 county whose commissioner of elections is responsible
30 under section 47.2 for conducting elections held for a
31 merged area, the county board of supervisors shall
32 convene at ten o'clock a.m. on the last Monday in
33 September June after the regular school election,
34 canvass the abstracts of votes cast and declare the
35 results of the voting. The commissioner shall at once
36 issue certificates of election to each person declared
37 elected, and shall certify to the merged area board in
38 substantially the manner prescribed by section 50.27
39 the result of the voting on any public question
40 submitted to the voters of the merged area. Members
41 elected to the board of directors of a merged area
42 shall qualify by taking the oath of office prescribed
43 in section 277.28.

44 Sec. 225. Section 280A.22, subsection 1, paragraph
45 a, Code 1985, is amended to read as follows:

46 a. In addition to the tax authorized under section
47 280A.17, the voters in any a merged area may at the
48 annual ~~regular~~ school election vote a tax not
49 exceeding twenty and one-fourth cents per thousand
50 dollars of assessed value in any one year for a period

April 11, 1986

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1 not to exceed ten years for the purchase of grounds,
2 construction of buildings, payment of debts contracted
3 for the construction of buildings, purchase of
4 buildings and equipment for buildings, and the
5 acquisition of libraries, and for the purpose of
6 maintaining, remodeling, improving, or expanding the
7 area vocational school or area community college of
8 the merged area. The tax shall be collected by the
9 county treasurers and remitted to the treasurer of the
10 merged area as provided in section 331.552, subsection
11 29. The proceeds of the tax shall be deposited in a
12 separate and distinct fund to be known as the voted
13 tax fund, to be paid out upon warrants drawn by the
14 president and secretary of the board of directors of
15 the merged area district for the payment of costs
16 incurred in providing the school facilities for which
17 the tax was voted."

18 3. Page 6, by inserting after line 32 the
19 following:

20 "Sec. 500.

21 1. In order to accomplish the transition from
22 election of directors of community and independent
23 school districts, merged areas, and area education
24 agencies annually for terms of three years each, to
25 election of such directors biennially for terms of
26 four years each, the following adjustments in terms
27 and times of election shall be made, notwithstanding
28 other provisions of law:

29 a. The term of office of each director of a
30 community or an independent school district, merged
31 area, and area education agency board whose term
32 expires in the years 1987 and 1988 shall expire at
33 noon on July 1, 1987 and the successors shall be
34 elected at the regular election in 1987 or in the case
35 of the area education agency, at the director district
36 convention in 1987.

37 b. In community, independent, and consolidated
38 school districts and merged areas having five-member
39 boards of directors, the persons elected as directors
40 in 1987 who receive the greatest and the next greatest
41 number of votes in that election shall serve terms of
42 four years each and the other persons so elected shall
43 serve terms of two years each.

44 c. In community, independent, and consolidated
45 school districts and merged areas having seven-member
46 boards of directors, the persons elected as directors
47 in 1987 who receive the greatest, the next greatest,
48 and the third greatest number of votes shall serve
49 terms of four years each, and the other persons so
50 elected shall serve terms of two years each.

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1 d. In merged areas having more than seven members,
2 the persons elected as directors in 1987 who receive
3 the greatest, the next greatest, the third greatest,
4 and the fourth greatest number of votes shall serve
5 terms of four years each, and the other persons so
6 elected shall serve terms of two years each.

7 e. In area education agencies, the persons elected
8 shall draw lots to determine who will serve terms of
9 four years each and who will serve terms of two years
10 each so that the appropriate number will serve terms
11 ending in 1989 and 1991.

12 2. Notwithstanding section 275.12, at least a
13 majority of the board of directors of each school
14 district shall be elected from director districts
15 pursuant to section 275.23A, subsection 1 by the
16 regular school election in 1989. The remaining
17 members may be elected at large from the entire
18 district by the electors of the entire district.

19 At the regular school election in 1989 the
20 community, independent, and consolidated school
21 districts having five-member boards of directors shall
22 elect the three vacant positions from director
23 districts unless at least a majority of the board of
24 directors was elected from director districts in 1987.

25 At the regular school election in 1989, the
26 community, independent, and consolidated school
27 districts having seven-member boards of directors
28 shall elect the four vacant positions from director
29 districts unless at least a majority of the board of
30 directors was elected from director districts in
31 1987."

32 4. Page 6, by striking line 50 and inserting the
33 following: "in Cedar Rapids, Iowa. Sections 201
34 through 225 and section 500 take effect January 1,
35 1987."

S-5670 Filed April 10, 1986
BY BROWN

OUT OF ORDER
(p. 1179)

HOUSE FILE 2462

-5692

Amend the amendment S-5506 to House File 2462, as amended, passed, and reprinted by the House, as follows:

1. Page 2, by striking line 26 and inserting the following:

Page 2, line 8, by striking the words "administrative expenditures" and inserting the following: "expenditures for executive administration".

Page 2, lines 10 and 11, by striking the words "administrative expenditures" and inserting the following: "expenditures for executive administration".

Page 2, line 14, by striking the words "administrative expenditures" and inserting the following: "expenditures for executive administration".

Page 2, line 15, by inserting after the word "fund." the following: "Thereafter, a school district shall not increase the percent of its expenditures for executive administration compared to its operating fund."

Page 2, line 17, by striking the words "administrative expenditures" and inserting the following: "expenditures for executive administration".

2. Page 6, line 42, by inserting after the figure "28" the following: "and inserting the following:

"Sec. NEW SECTION. 273.13 ADMINISTRATIVE EXPENDITURES.

During the budget year beginning July 1, 1989 and the three succeeding budget years, the board of directors of an area education agency in which the expenditures for executive administration as a percent of the area education agency's operating fund for a base year exceed eight percent shall reduce its expenditures for executive administration to eight percent of the area education agency's operating fund. During each of the four years, the board of directors shall reduce expenditures for executive administration by twenty-five percent of the reduction in expenditures required by this section. Thereafter, the expenditures for executive administration shall not exceed eight percent of the operating fund. Annually, the board of directors shall certify to the department of public instruction the amounts of the area education agency's expenditures for executive administration and its operating fund. Base year and budget year mean base year and budget year as defined in section 442.6."

S-5692 Filed April 14, 1986 BY HORN, CORNING

Placed o/s 4/17 (p. 1271)

HOUSE FILE 2462

S-5697

1 Amend the amendment S-5506 to House File 2462, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 6, line 42, by inserting after the figure
5 "28" the following: "and inserting the following:
6 "Sec. ____ . NEW SECTION. 273.13 ADMINISTRATIVE
7 EXPENDITURES.

8 During the budget year beginning July 1, 1989 and
9 the three succeeding budget years, the board of
10 directors of an area education agency in which the
11 administrative expenditures as a percent of the area
12 education agency's operating fund for a base year
13 exceed eight percent shall reduce its administrative
14 expenditures to eight percent of the area education
15 agency's operating fund. During each of the four
16 years, the board of directors shall reduce
17 administrative expenditures by twenty-five percent of
18 the reduction in administrative expenditure required
19 by this section. Thereafter, the administrative
20 expenditures shall not exceed eight percent of the
21 operating fund. Annually, the board of directors
22 shall certify to the department of public instruction
23 the amounts of the area education agency's
24 expenditures and its operating fund. Base year and
25 budget year mean base year and budget year as defined
26 in section 442.6. For the purposes of this section,
27 "administrative expenditures" means expenditures for
28 executive administration.""

S-5697 Filed April 15, 1986

HORN, CORNING

Placed o/o 4/17 (p. 1271)

HOUSE FILE 2462

S-5691

1 Amend the amendment S-5506 to House File 2462 as
2 amended, passed and reprinted by the House as follows:

3 1. Page 2, line 29, by striking the figure and
4 word "30 and" and inserting the following: "30."

5 2. By striking page 2, line 30 through page 3,
6 line 2.

7 3. Page 4, by inserting after line 6 the
8 following:

9 " ____ . Page 6, by inserting after line 10 the
10 following:

11 "Sec. ____ . NEW SECTION. BONUS PAYMENTS.

12 Commencing with the budget year commencing July 1,
13 1987, a reorganized school district shall receive a
14 bonus payment during each of the first five years
15 after its reorganization takes effect to assist the
16 school district in a transition from two or more
17 school districts to a single reorganized school
18 district. During the first budget year after the
19 reorganization takes effect, the bonus payment is
20 equal to the difference in property tax revenues that
21 are estimated to be received under the foundation
22 property tax levy in section 442.2 and a property tax
23 levy of four dollars and forty cents per thousand
24 dollars of assessed valuation on all taxable property
25 in the school district. During the next four budget
26 years, the bonus payment shall equal the difference
27 between the estimated property tax revenues from the
28 foundation property tax levy and the estimated
29 revenues from a property tax levy on all taxable
30 property in the school district that is twenty cents
31 per thousand dollars of assessed valuation greater
32 than that used for the base year.

33 Bonus payments are miscellaneous income.

34 There is appropriated from the general fund of the
35 state to the state comptroller an amount sufficient to
36 pay the bonus payments to school districts under this
37 section.

38 For purposes of this section, a reorganized school
39 district is one in which reorganization was approved
40 in an election pursuant to sections 275.18 and 275.20
41 and will take effect on or after July 1, 1987."

S-5691 Filed April 14, 1986 BY PALMER **ADOPTED**

Adopted 4/14 (p. 1215)

HOUSE FILE 2462

S-5704

1 Amend House File 2462, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 2, line 19, by inserting after the figure
4 "442.6." the following: "For the purposes of this
5 section, "administrative expenditures" means
6 expenditures for executive administration."

S-5704 Filed and adopted April 17, 1986 BY HORN, CORNING

(p. 1270)

S-5690

1 Amend the amendment 3-5506 to House File 2462, as
 2 amended, passed, and reprinted by the House, as
 3 follows:

4 1. Page 2, by striking line 26 and inserting the
 5 following:

6 " . Page 2, line 15, by inserting after the **A**
 7 word "fund." the following: "Thereafter, a school
 8 district shall not increase the percent of its
 9 administrative expenditures compared to its operating
 10 fund.""

11 2. Page 6, line 42, by inserting after the figure
 12 "28" the following: "and inserting the following:

13 "Sec. . NEW SECTION. 273.13 ADMINISTRATIVE
 14 EXPENDITURES.

15 During the budget year beginning July 1, 1989 and
 16 the three succeeding budget years, the board of
 17 directors of an area education agency in which the
 18 administrative expenditures as a percent of the area
 19 education agency's operating fund for a base year
 20 exceed eight percent shall reduce its administrative **B**
 21 expenditures to eight percent of the area education
 22 agency's operating fund. During each of the four
 23 years, the board of directors shall reduce
 24 administrative expenditures of twenty-five percent of
 25 the reduction in administrative expenditure required
 26 by this section. Thereafter, the administrative
 27 expenditures shall not exceed eight percent of the
 28 operating fund. Annually, the board of directors
 29 shall certify to the department of public instruction
 30 the amounts of the area education agency's
 31 expenditures and its operating fund. Base year and
 32 budget year mean base year and budget year as defined
 33 in section 442.6.""

S-5690 Filed April 14, 1986 A ADOPTED, B ADOPTED, Motion to reconsider w/d (p. 1215)
 BY HOLDEN, TIEDEN, CARR, WALDSTEIN, PRIEBE

Adopted 4/14 (p. 1215)

S-5701

1 Amend House File 2462 as amended, passed, and
 2 reprinted by the House, as follows:

3 1. Page 3, by inserting after line 8 the
 4 following:

5 "This section does not apply to a parent or
 6 guardian residing in a school district in which an
 7 agreement for any sharing eligible for supplementary
 8 weighting pursuant to section 442.39 with another
 9 school district was in effect for the school year
 10 beginning July 1, 1986 or an agreement which was in
 11 effect for the school year beginning July 1, 1986 and
 12 is subsequently renewed or renegotiated."

S-5701 Filed April 16, 1986

BY TAYLOR

4/17 (p. 1277)

HOUSE FILE 2462

S-5506

1 Amend House File 2462, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by inserting after line 32 the
4 following:

5 "Sec. ____ . Section 275.15, unnumbered paragraph 2,
6 Code Supplement 1985, is amended to read as follows:

7 The area education agency board, when entering the
8 order fixing the boundaries, shall consider all
9 requests timely filed for boundary line changes. Each
10 objection filed by a property owner shall be
11 considered separately and an individual ruling made."

12 2. Page 1, by inserting after line 32 the
13 following:

14 "Sec. ____ . Section 275.31, Code Supplement 1985,
15 is amended to read as follows:

16 275.31 TAXES AND APPROPRIATION TO EFFECT
17 EQUALIZATION.

18 If necessary to equalize the division and
19 distribution, the board or boards may provide for the
20 levy of additional taxes, which shall be sufficient to
21 satisfy the mandatory levy required in section 76.2 or
22 other liabilities of the districts, upon the property
23 of a corporation or part of a corporation and for the
24 distribution of the tax revenues so as to effect
25 equalization. When the board or boards are

26 considering the equalization levy, the division and
27 distribution shall not impair the security for
28 outstanding obligations of each affected corporation.
29 If the property tax levy for the amount estimated and
30 certified to apply on principal and interest on lawful
31 bonded indebtedness for a newly formed community
32 school district is greater than the property tax levy
33 for the amount estimated and certified to apply on
34 principal and interest in the year preceding the
35 reorganization or dissolution for a school district
36 that is a party to the reorganization or dissolution
37 and that had a certified enrollment of less than six
38 hundred for the year prior to the reorganization or
39 dissolution, the board of the newly formed district
40 shall inform the state comptroller. The state
41 comptroller shall pay debt service aid to the newly
42 formed district in an amount that will reduce the rate
43 of the property tax levy for lawful bonded
44 indebtedness in the portion of the newly formed
45 district where the new rate is higher, to the rate
46 that was levied in that portion of the district during
47 the year preceding the reorganization or dissolution.

48 For the school year beginning July 1, 1987 and
49 succeeding school years, there is appropriated from
50 the general fund of the state to the state comptroller

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A 1 an amount sufficient to pay the debt service aid under
2 this section. Debt service aid shall be paid in the
3 manner provided in section 442.26.

4 Not later than May 1 of each year, the state
5 comptroller shall inform the board of the newly formed
6 school district the amount of debt service aid that
7 the district will receive and the rate of the property
8 tax levy for the amount estimated and certified to
9 apply on principal and interest on lawful bonded
10 indebtedness in the portion of the newly formed
11 district where the new rate would have been higher,
12 and for the remainder of the newly formed district.
13 The state comptroller shall notify the county auditor
14 of each applicable county of the amount, in dollars
15 and cents per thousand dollars of assessed valuation,
16 of the property tax levy in each portion of each
17 applicable newly formed school district in the county
18 for the amount estimated and certified to apply on
19 principal and interest on lawful bonded indebtedness,
20 and the boundaries of the portions within the newly
21 formed district for which the levies shall be made.
22 The county auditor shall spread the applicable
23 property tax levy for each portion of a school
24 district over all taxable property in that portion of
25 the district."

5-520 26 3. Page 2, by striking lines 5 through 19.

B 27 4. By striking page 2, line 20, through page 3,
5-70, 5-22 28 line 8.

29 5. Page 3, by striking lines 9 through 30 and
30 inserting the following:

K 31 "Sec. ____ . Section 442.2, subsection 1, Code 1985,
32 is amended by adding the following new unnumbered
33 paragraphs:

34 NEW UNNUMBERED PARAGRAPH. However, commencing with
35 the budget year beginning July 1, 1987, a reorganized
36 school district shall cause a foundation property tax
37 of four dollars and forty cents per thousand dollars
38 of assessed valuation to be levied on all taxable
39 property which, in the year preceding the
40 reorganization, was within a school district affected
41 by the reorganization as defined in section 275.1 and
42 which had a certified enrollment of less than six
43 hundred. In succeeding school years, the foundation
44 property tax levy on that portion shall be increased
45 twenty cents per year until it reaches the rate of
46 five dollars and forty cents per thousand dollars of
47 assessed valuation.

48 NEW UNNUMBERED PARAGRAPH. For purposes of this
49 section, a reorganized school district is one in which
50 reorganization was approved in an election pursuant to

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1 sections 275.18 and 275.20 and will take effect on or
2 after July 1, 1986."

3 6. Page 3, by inserting before line 31 the
4 following:

5 "Sec. ____ . NEW SECTION. 442.9A SUPPLEMENTAL AID.

6 Notwithstanding section 442.9, commencing with the
7 budget year beginning July 1, 1987, if the rate of the
8 additional property tax levy determined under section
9 442.9 for a budget year for a reorganized school
10 district is higher than the rate of additional
11 property tax levy determined under section 442.9 for
12 the year previous to the reorganization for a school
13 district that had a certified enrollment of less than
14 six hundred and that was within the school districts
15 affected by the reorganization as defined in section
16 275.1, the state comptroller shall reduce the rate of
17 the additional property tax levy in the portion of the
18 reorganized district where the new rate is higher, to
19 the rate that was levied in that portion of the
20 district during the year preceding the reorganization,
21 for the five-year period provided in this section.
22 The state comptroller shall pay to each reorganized
23 school district during each of the first five years of
24 existence of the reorganized district as supplemental
25 aid, moneys equal to the difference in revenues that
26 would have been collected under the additional
27 property tax levy calculated under section 442.9 and
28 the rate determined under this section.

29 For the school year beginning July 1, 1987 and
30 succeeding school years, there is appropriated from
31 the general fund of the state to the state comptroller
32 an amount sufficient to pay the supplemental aid to
33 school districts under this section. Supplemental aid
34 shall be paid in the manner provided in section
35 442.26.

36 For the purpose of the state comptroller's
37 determination of the portion of a school district's
38 budget that was property tax and the portion that was
39 state aid, supplemental aid shall be considered
40 property tax.

41 For purposes of this section, a reorganized school
42 district is one in which reorganization was approved
43 in an election pursuant to sections 275.18 and 275.20
44 and will take effect on or after July 1, 1986."

45 7. Page 4, line 35, by striking the word "The"
46 and inserting the following: "Effective July 1, 1986,
47 the".

48 8. Page 5, line 2, by striking the word "four"
49 and inserting the word "five".

50 9. Page 5, line 22, by striking the word

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1 "principals,".

2 10. Page 5, line 24, by inserting after the word
3 "school." the following: "School administrators does
4 not include principals."

5 11. Page 5, line 34, by striking the word "four"
6 and inserting the word "five".

7 12. Page 6, by inserting after line 10 the
8 following:

9 "Sec. 101. ECONOMY TASK FORCES. The advisory
10 committee appointed by the board of directors of a
11 school district under section 280.12, subsection 2,
12 shall serve as members of a school economy task force.
13 In addition to the members of the advisory committee,
14 the school economy task force shall include the
15 following as members if the advisory committee does
16 not include members meeting the listed criteria:

17 1. One member of the county board of supervisors
18 of the county in which the school district is located
19 or an individual designated by the county board of
20 supervisors.

21 2. One member who is a member of a city council of
22 a city located within the school district or an
23 individual designated by such a city council.

24 3. One member who is a board member of a regional
25 transit agency selected by the board of directors of
26 the school district or a designee named by that
27 regional transit board.

28 4. One member selected by the board of directors
29 of the school district who is a certified public
30 accountant or has an accounting background.

31 The superintendent and other administrative
32 personnel appointed by the board of directors shall
33 serve as advisers to the task force and shall prepare
34 and distribute information requested by the task
35 force.

36 The secretary of the board of directors shall serve
37 as secretary to the task force and shall take minutes
38 of the meetings and prepare a report of the
39 proceedings and recommendations of the task force.

40 The chairperson of the advisory committee shall
41 serve as chairperson of the task force.

42 Members shall serve without compensation or
43 reimbursement for expenses.

44 Sec. 102. AREA EDUCATION AGENCY TASK FORCE. The
45 board of directors of each area education agency shall
46 appoint an area education agency school economy task
47 force. The members shall include members of boards of
48 directors of school districts, a member of a regional
49 library board, a member of a county board of
50 supervisors from a county in the area or an individual

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1 designated by a county board of supervisors, a member
2 of a city council of a city located in the area or an
3 individual designated by a city council, a member of a
4 regional transit board or a designee of a regional
5 transit board, school administrators, teachers,
6 parents, students, and other representatives residing
7 in the area education agency.

8 The area education agency economy task force shall
9 select a chairperson from its membership.

10 Members of area education agency task forces shall
11 be paid mileage for attending meetings of the task
12 force from funds appropriated to the department of
13 public instruction for that purpose.

14 The secretary of the area education agency board
15 shall serve as secretary to the task force and shall
16 take minutes and prepare a report of the proceedings
17 and recommendations of the task force.

18 Sec. 103. SCHEDULE. Each school district and area
19 education agency task force shall hold its organi-
20 zational meeting not later than June 1, 1986. A task
21 force shall meet as often as deemed necessary to
22 complete its report by November 1, 1986. A task force
23 may meet jointly with one or more task forces
24 appointed by boards of directors of contiguous school
25 districts or contiguous area education agencies.

26 Sec. 104. DUTIES. The department of public
27 instruction shall prepare district-by-district and
28 area-by-area comparisons of the various kinds of
29 expenditures and activities of school districts and
30 area education agencies and transmit the applicable
31 information to each task force prior to the organi-
32 zational meetings.

33 A school district task force may consider but is
34 not limited to discussion and recommendations for
35 implementing efficiencies in the school district
36 relating to the following:

- 37 1. School administration.
- 38 2. Teacher utilization.
- 39 3. Building utilization.
- 40 4. Extracurricular activities.
- 41 5. Use of regional transportation systems.
- 42 6. Energy management and costs.
- 43 7. School maintenance.
- 44 8. Centralized purchasing.
- 45 9. Availability of textbooks, instructional
46 materials, and library materials.
- 47 10. Staff development.
- 48 11. Shared programs and services.
- 49 12. Possible merger of programs and services.

50 An area education agency task force shall discuss

April 2, 1986

A

S-5506 Page 6

1 recommendations for implementing efficiencies in
2 programs and services of the area education agency.

3 A report of the proceedings and recommendations of
4 each task force shall be made to the board of
5 directors of the school district or area education
6 agency. In addition, the report and recommendations
7 of the task force shall be sent to the department of
8 public instruction. The report shall also include
9 recommendations for changes in the statutes or rules
10 of the department of public instruction that will
11 improve efficiency in the school district or area
12 education agency.

13 Sec. 105. DEPARTMENT OF PUBLIC INSTRUCTION DUTIES.

14 The department of public instruction shall review the
15 reports of the school district and area education
16 agency task forces and compile recommendations for
17 school districts and area education agencies and for
18 statutory and rule changes to be submitted to the
19 general assembly. A preliminary report shall be
20 completed by December 1, 1986 with a final draft
21 completed by January 15, 1987. Copies of the
22 applicable report shall also be sent to each school
23 district and area education agency in the state.

24 Sec. 106. APPROPRIATION. There is appropriated
25 from the general fund of the state for the fiscal year
26 beginning July 1, 1986 and ending June 30, 1987, to
27 the department of public instruction the sum of ten
28 thousand (10,000) dollars, or as much thereof as may
29 be necessary, to pay mileage expenses of members of
30 area education agency school economy task forces and
31 for reproduction and postage costs for the department
32 of public instruction.

33 Sec. 107. The legislative council may appoint a
34 joint committee consisting of five members from each
35 house and representing both political parties to
36 review the report of the department of public
37 instruction relating to the recommendations of the
38 school district and area education agency economy task
39 forces and make recommendations to the legislative
40 council and the general assembly meeting in 1987. The
41 joint committee shall meet during December 1986."

42 13. Page 6, by striking lines 11 through 28.

43 14. Page 6, by inserting before line 29 the
44 following:

45 "Sec. ____ . Sections 101 through 104 of this Act,
46 being deemed of immediate importance, take effect from
47 and after publication of the Act in The New Hampton
48 Tribune, a newspaper published in New Hampton, Iowa,
49 and in The Cedar Rapids Gazette, a newspaper published
50 in Cedar Rapids, Iowa."

5670, 5667

5690, 5667

5697, 5692

5670, 5667

- 1 15. Title page, by striking lines 2 and 3 and
- 2 inserting the following: "creation of school district
- 3 economy task forces and area education agency economy
- 4 task forces, changing certain reorganization
- 5 procedures, providing for multimember director".
- 6 16. Title page, line 5, by inserting after the
- 7 word "reducing" the following: "the levy for bonded
- 8 indebtedness, the additional levy, and".
- 9 17. Title page, line 6, by inserting after the
- 10 word "in" the following: "certain".
- 11 18. Title page, line 8, by striking the word
- 12 "and".
- 13 19. Title page, line 9, by inserting after the
- 14 word "districts" the following: ", and making
- 15 appropriations".

S-5506 Filed April 1, 1986

BY COMM. ON EDUC., MURPHY, CHAIR

A - Adopted as amended by 5653, 5690, & 5691; B - Lost 4/14/86 (p. 1216)
Motion to Reconsider 5506 A prevailed, motion on B lost 4/17 (p. 1271)
A - Readopted 4/17 (p. 1271) Motion to Reconsider 5506 B prevailed B - Adopted 4/17 (p. 1276)

HOUSE FILE 2462

S-5556

1 Amend the amendment S-5506 to House File 2462, as
 2 amended, passed, and reprinted by the House, as
 3 follows:

- 4 1. Page 1, line 28, by inserting after the word
- 5 "corporation." the following: "Any owner of bonds of
- 6 an affected corporation may bring suit in equity for
- 7 adjustment of the division and distribution in
- 8 compliance with this section."

S-5556 Filed April 3, 1986

BY HORN

Adopted 4/10 (p. 1179)

FISCAL NOTE TO

REQ BY WALSTEIN

HOUSE FILE 2462

In compliance with a written request received April 9, 1986, a fiscal note for AMENDMENT S-5667 TO AMENDMENT S-5506 TO HOUSE FILE 2462 AS PASSED BY THE HOUSE is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Amendment S-5667 to Amendment S-5506 to House File 2462 as passed by the House mandates area education agencies to reduce their administrative budgets by three percent per year from the previous year's budget. The monies resulting from the reduction are to be used to create an educational improvement amount. The educational improvement amount is to be used only for direct instructional costs. The administrative cost reduction is imposed for four years beginning with FY 1988. In each year thereafter, the ratio of administrative to total costs may not be increased.

Assumptions:

1. AEA administrative expenditures can be expected to increase approximately seven percent per year under current law.
2. AEA administrative expenditures for 1984-85 were \$10,807,182.

Fiscal Effect: Based on the projected yearly increase, AEA administrative expenditures would be an estimated \$12.35 million in FY 1987. The proposed three percent reduction in administrative costs would reallocate the following amounts to the educational improvement amount:

1987-88	\$ 370,500
1988-89	\$ 359,390
1989-90	\$ 348,600
1990-91	\$ 338,150

The proposal would reallocate a total of \$1.417 million to the educational improvement amount.

Source: Department of Public Instruction

(LSB 8299H.13, TLJ)

Filed by the Sec. of the Senate April 11, 1986 DENNIS C. PROUTY, DIRECTOR
LEGISLATIVE FISCAL BUREAU

HOUSE FILE 2462

H-5949

- 1 Amend the Senate amendment, H-5860, to House File
2 2462 as amended, passed, and reprinted by the House as
3 follows:
4 1. Page 2, by striking line 39 and inserting the
5 following:
6 "____. Page 3, by striking lines 9 through 30 and
7 inserting the following:
8 "Sec. ____ . Section 442.2, subsection 1, Code 1985,
9 is amended by adding the following new unnumbered
10 paragraphs:
11 NEW UNNUMBERED PARAGRAPH. However, commencing with
12 the budget year beginning July 1, 1987, a reorganized
13 school district shall cause a foundation property tax
14 of four dollars and forty cents per thousand dollars
15 of assessed valuation to be levied on all taxable
16 property which, in the year preceding the
17 reorganization, was within a school district affected
18 by the reorganization as defined in section 275.1 and
19 which had a certified enrollment of less than six
20 hundred. In succeeding school years, the foundation
21 property tax levy on that portion shall be increased
22 twenty cents per year until it reaches the rate of
23 five dollars and forty cents per thousand dollars of
24 assessed valuation.
25 NEW UNNUMBERED PARAGRAPH. For purposes of this
26 section, a reorganized school district is one in which
27 reorganization was approved in an election pursuant to
28 sections 275.18 and 275.20 and will take effect on or
29 after July 1, 1986."
30 2. By striking page 3, line 44 through page 4,
31 line 26.

H-5949 FILED APRIL 22, 1986 BY HAVERLAND of Polk

Adopted 4/25 (p. 1792)

HOUSE FILE 2462

H-6017

- 1 Amend the Senate amendment, H-5860, to House File
2 2462 as amended, passed, and reprinted by the House as
3 follows:
4 1. Page 7, line 34, by inserting after the figure
5 "442.6." the following: "For the purposes of this
6 section, "administrative expenditures" means
7 expenditures for executive administration."

BY OLLIE of Clinton

H-6017 FILED APRIL 23, 1986

DAGGETT of Taylor

Adopted 4/25 (p. 1793)

HOUSE FILE 2462

H-5947

1 Amend the Senate amendment, H-5860, to House File
2 2462 as amended, passed, and reprinted by the House as
3 follows:

4 1. Page 2, by striking lines 37 and 38 and
5 inserting the following:

6 "____". Page 3, line 7, by striking the word
7 "March" and inserting the following: "January".

H-5947 FILED APRIL 22, 1986 BY HAVERLAND of Polk
w/d 4/25 (p. 1792)

H-5948

1 Amend the Senate amendment H-5860 to House File
2 2462, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 7, line 43, by inserting after the figure
5 "442.26" the following: "nor shall the reductions
6 apply to appropriations made to the department of
7 human services for general administration; field
8 operations; volunteer services; special programs
9 including aid to families with dependent children,
10 medical assistance, medical contracts, child support
11 recoveries, state supplementary assistance, aid to
12 Indians, home-based services, foster care, community-
13 based programs, county-based juvenile justice
14 reimbursement, and the registry for the brain-injured;
15 juvenile institutions; Iowa veterans home; mental
16 health institutes; hospital-schools; and for
17 supplementation of federal social services block grant
18 funds and for allocation to the various counties for
19 the purchase of local services and child day care
20 services. The reductions shall not apply to the
21 appropriation to the state community mental health and
22 mental retardation services fund."

H-5948 FILED APRIL 22, 1986 BY HAVERLAND of Polk

w/d 4/25 (p. 1793)

SENATE AMENDMENT TO HOUSE FILE 2462

H-5860

1 Amend House File 2462, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by inserting after line 32 the
4 following:

5 "Sec. _____. Section 275.15, unnumbered paragraph 2,
6 Code Supplement 1985, is amended to read as follows:

7 The area education agency board, when entering the
8 order fixing the boundaries, shall consider all
9 requests timely filed for boundary line changes. Each
10 objection filed by a property owner shall be
11 considered separately and an individual ruling made."

12 2. Page 1, by inserting after line 32 the
13 following:

14 "Sec. _____. Section 275.31, Code Supplement 1985,
15 is amended to read as follows:

16 275.31 TAXES AND APPROPRIATION TO EFFECT
17 EQUALIZATION.

18 If necessary to equalize the division and
19 distribution, the board or boards may provide for the
20 levy of additional taxes, which shall be sufficient to
21 satisfy the mandatory levy required in section 76.2 or
22 other liabilities of the districts, upon the property
23 of a corporation or part of a corporation and for the
24 distribution of the tax revenues so as to effect
25 equalization. When the board or boards are
26 considering the equalization levy, the division and
27 distribution shall not impair the security for
28 outstanding obligations of each affected corporation.
29 Any owner of bonds of an affected corporation may
30 bring suit in equity for adjustment of the division
31 and distribution in compliance with this section. If
32 the property tax levy for the amount estimated and
33 certified to apply on principal and interest on lawful
34 bonded indebtedness for a newly formed community
35 school district is greater than the property tax levy
36 for the amount estimated and certified to apply on
37 principal and interest in the year preceding the
38 reorganization or dissolution for a school district
39 that is a party to the reorganization or dissolution
40 and that had a certified enrollment of less than six
41 hundred for the year prior to the reorganization or
42 dissolution, the board of the newly formed district
43 shall inform the state comptroller. The state
44 comptroller shall pay debt service aid to the newly
45 formed district in an amount that will reduce the rate
46 of the property tax levy for lawful bonded
47 indebtedness in the portion of the newly formed
48 district where the new rate is higher, to the rate
49 that was levied in that portion of the district during
50 the year preceding the reorganization or dissolution.

1
2

3 For the school year beginning July 1, 1987 and
4 succeeding school years, there is appropriated from
5 the general fund of the state to the state comptroller
6 an amount sufficient to pay the debt service aid under
7 this section. Debt service aid shall be paid in the
8 manner provided in section 442.26.

9 Not later than May 1 of each year, the state
10 comptroller shall inform the board of the newly formed
11 school district the amount of debt service aid that
12 the district will receive and the rate of the property
13 tax levy for the amount estimated and certified to
14 apply on principal and interest on lawful bonded
15 indebtedness in the portion of the newly formed
16 district where the new rate would have been higher,
17 and for the remainder of the newly formed district.
18 The state comptroller shall notify the county auditor
19 of each applicable county of the amount, in dollars
20 and cents per thousand dollars of assessed valuation,
21 of the property tax levy in each portion of each
22 applicable newly formed school district in the county
23 for the amount estimated and certified to apply on
24 principal and interest on lawful bonded indebtedness,
25 and the boundaries of the portions within the newly
26 formed district for which the levies shall be made.
27 The county auditor shall spread the applicable
28 property tax levy for each portion of a school
29 district over all taxable property in that portion of
30 the district."

31 3. Page 2, line 15, by inserting after the word
32 "fund." the following: "Thereafter, a school district
33 shall not increase the percent of its administrative
34 expenditures compared to its operating fund."

35 4. Page 2, line 19, by inserting after the figure
36 "442.6." the following: "For the purposes of this
37 section, "administrative expenditures" means
38 expenditures for executive administration."

39 5. By striking page 2, line 20, through page 3,
40 line 8.

41 6. Page 3, by striking lines 9 through 30.

42 7. Page 3, by inserting before line 31 the
43 following:

44 "Sec. ____ . NEW SECTION. 442.9A SUPPLEMENTAL AID.

45 Notwithstanding section 442.9, commencing with the
46 budget year beginning July 1, 1987, if the rate of the
47 additional property tax levy determined under section
48 442.9 for a budget year for a reorganized school
49 district is higher than the rate of additional
50 property tax levy determined under section 442.9 for
 the year previous to the reorganization for a school
 district that had a certified enrollment of less than

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1 six hundred and that was within the school districts
2 affected by the reorganization as defined in section
3 275.1, the state comptroller shall reduce the rate of
4 the additional property tax levy in the portion of the
5 reorganized district where the new rate is higher, to
6 the rate that was levied in that portion of the
7 district during the year preceding the reorganization,
8 for the five-year period provided in this section.

9 The state comptroller shall pay to each reorganized
10 school district during each of the first five years of
11 existence of the reorganized district as supplemental
12 aid, moneys equal to the difference in revenues that
13 would have been collected under the additional
14 property tax levy calculated under section 442.9 and
15 the rate determined under this section.

16 For the school year beginning July 1, 1987 and
17 succeeding school years, there is appropriated from
18 the general fund of the state to the state comptroller
19 an amount sufficient to pay the supplemental aid to
20 school districts under this section. Supplemental aid
21 shall be paid in the manner provided in section
22 442.26.

23 For the purpose of the state comptroller's
24 determination of the portion of a school district's
25 budget that was property tax and the portion that was
26 state aid, supplemental aid shall be considered
27 property tax.

28 For purposes of this section, a reorganized school
29 district is one in which reorganization was approved
30 in an election pursuant to sections 275.18 and 275.20
31 and will take effect on or after July 1, 1986."

32 8. Page 4, line 35, by striking the word "The"
33 and inserting the following: "Effective July 1, 1986,
34 the".

35 9. Page 5, line 2, by striking the word "four"
36 and inserting the word "five".

37 10. Page 5, line 22, by striking the word
38 "principals,".

39 11. Page 5, line 24, by inserting after the word
40 "school." the following: "School administrators does
41 not include principals."

42 12. Page 5, line 34, by striking the word "four"
43 and inserting the word "five".

44 13. Page 6, by inserting after line 10 the
45 following:

46 "Sec. ____ . NEW SECTION. BONUS PAYMENTS.

47 Commencing with the budget year commencing July 1,
48 1987, a reorganized school district shall receive a
49 bonus payment during each of the first five years
50 after its reorganization takes effect to assist the

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1 school district in a transition from two or more
2 school districts to a single reorganized school
3 district. During the first budget year after the
4 reorganization takes effect, the bonus payment is
5 equal to the difference in property tax revenues that
6 are estimated to be received under the foundation
7 property tax levy in section 442.2 and a property tax
8 levy of four dollars and forty cents per thousand
9 dollars of assessed valuation on all taxable property
10 in the school district. During the next four budget
11 years, the bonus payment shall equal the difference
12 between the estimated property tax revenues from the
13 foundation property tax levy and the estimated
14 revenues from a property tax levy on all taxable
15 property in the school district that is twenty cents
16 per thousand dollars of assessed valuation greater
17 than that used for the base year.

18 Bonus payments are miscellaneous income.

19 There is appropriated from the general fund of the
20 state to the state comptroller an amount sufficient to
21 pay the bonus payments to school districts under this
22 section.

23 For purposes of this section, a reorganized school
24 district is one in which reorganization was approved
25 in an election pursuant to sections 275.18 and 275.20
26 and will take effect on or after July 1, 1987."

27 14. Page 6, by inserting after line 10 the
28 following:

29 "Sec. 101. ECONOMY TASK FORCES. The advisory
30 committee appointed by the board of directors of a
31 school district under section 280.12, subsection 2,
32 shall serve as members of a school economy task force.
33 In addition to the members of the advisory committee,
34 the school economy task force shall include the
35 following as members if the advisory committee does
36 not include members meeting the listed criteria:

37 1. One member of the county board of supervisors
38 of the county in which the school district is located
39 or an individual designated by the county board of
40 supervisors.

41 2. One member who is a member of a city council of
42 a city located within the school district or an
43 individual designated by such a city council.

44 3. One member who is a board member of a regional
45 transit agency selected by the board of directors of
46 the school district or a designee named by that
47 regional transit board.

48 4. One member selected by the board of directors
49 of the school district who is a certified public
50 accountant or has an accounting background.

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1 The superintendent and other administrative
2 personnel appointed by the board of directors shall
3 serve as advisers to the task force and shall prepare
4 and distribute information requested by the task
5 force.

6 The secretary of the board of directors shall serve
7 as secretary to the task force and shall take minutes
8 of the meetings and prepare a report of the
9 proceedings and recommendations of the task force.

10 The chairperson of the advisory committee shall
11 serve as chairperson of the task force.

12 Members shall serve without compensation or
13 reimbursement for expenses.

14 Sec. 102. AREA EDUCATION AGENCY TASK FORCE. The
15 board of directors of each area education agency shall
16 appoint an area education agency school economy task
17 force. The members shall include members of boards of
18 directors of school districts, a member of a regional
19 library board, a member of a county board of
20 supervisors from a county in the area or an individual
21 designated by a county board of supervisors, a member
22 of a city council of a city located in the area or an
23 individual designated by a city council, a member of a
24 regional transit board or a designee of a regional
25 transit board, school administrators, teachers,
26 parents, students, and other representatives residing
27 in the area education agency.

28 The area education agency economy task force shall
29 select a chairperson from its membership.

30 Members of area education agency task forces shall
31 be paid mileage for attending meetings of the task
32 force from funds appropriated to the department of
33 public instruction for that purpose.

34 The secretary of the area education agency board
35 shall serve as secretary to the task force and shall
36 take minutes and prepare a report of the proceedings
37 and recommendations of the task force.

38 Sec. 103. SCHEDULE. Each school district and area
39 education agency task force shall hold its organi-
40 zational meeting not later than June 1, 1986. A task
41 force shall meet as often as deemed necessary to
42 complete its report by November 1, 1986. A task force
43 may meet jointly with one or more task forces
44 appointed by boards of directors of contiguous school
45 districts or contiguous area education agencies.

46 Sec. 104. DUTIES. The department of public
47 instruction shall prepare district-by-district and
48 area-by-area comparisons of the various kinds of
49 expenditures and activities of school districts and
50 area education agencies and transmit the applicable

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Page Six

1 information to each task force prior to the organi-
2 zational meetings.

3 A school district task force may consider but is
4 not limited to discussion and recommendations for
5 implementing efficiencies in the school district
6 relating to the following:

7 1. School administration.

8 2. Teacher utilization.

9 3. Building utilization.

10 4. Extracurricular activities.

11 5. Use of regional transportation systems.

12 6. Energy management and costs.

13 7. School maintenance.

14 8. Centralized purchasing.

15 9. Availability of textbooks, instructional

16 materials, and library materials.

17 10. Staff development.

18 11. Shared programs and services.

19 12. Possible merger of programs and services.

20 An area education agency task force shall discuss
21 recommendations for implementing efficiencies in
22 programs and services of the area education agency.

23 A report of the proceedings and recommendations of
24 each task force shall be made to the board of
25 directors of the school district or area education
26 agency. In addition, the report and recommendations
27 of the task force shall be sent to the department of
28 public instruction. The report shall also include
29 recommendations for changes in the statutes or rules
30 of the department of public instruction that will
31 improve efficiency in the school district or area
32 education agency.

33 Sec. 105. DEPARTMENT OF PUBLIC INSTRUCTION DUTIES.

34 The department of public instruction shall review the
35 reports of the school district and area education
36 agency task forces and compile recommendations for
37 school districts and area education agencies and for
38 statutory and rule changes to be submitted to the
39 general assembly. A preliminary report shall be
40 completed by December 1, 1986 with a final draft
41 completed by January 15, 1987. Copies of the
42 applicable report shall also be sent to each school
43 district and area education agency in the state.

44 Sec. 106. APPROPRIATION. There is appropriated
45 from the general fund of the state for the fiscal year
46 beginning July 1, 1986 and ending June 30, 1987, to
47 the department of public instruction the sum of ten
48 thousand (10,000) dollars, or as much thereof as may
49 be necessary, to pay mileage expenses of members of
50 area education agency school economy task forces and

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1 for reproduction and postage costs for the department
2 of public instruction.

3 Sec. 107. The legislative council may appoint a
4 joint committee consisting of five members from each
5 house and representing both political parties to
6 review the report of the department of public
7 instruction relating to the recommendations of the
8 school district and area education agency economy task
9 forces and make recommendations to the legislative
10 council and the general assembly meeting in 1987. The
11 joint committee shall meet during December 1986."

12 15. Page 6, by striking lines 11 through 28 and
13 inserting the following:

14 "Sec. ____ . NEW SECTION. 273.13 ADMINISTRATIVE
15 EXPENDITURES.

16 During the budget year beginning July 1, 1989 and
17 the three succeeding budget years, the board of
18 directors of an area education agency in which the
19 administrative expenditures as a percent of the area
20 education agency's operating fund for a base year
21 exceed eight percent shall reduce its administrative
22 expenditures to eight percent of the area education
23 agency's operating fund. During each of the four
24 years, the board of directors shall reduce
25 administrative expenditures of twenty-five percent of
26 the reduction in administrative expenditure required
27 by this section. Thereafter, the administrative
28 expenditures shall not exceed eight percent of the
29 operating fund. Annually, the board of directors
30 shall certify to the department of public instruction
31 the amounts of the area education agency's
32 expenditures and its operating fund. Base year and
33 budget year mean base year and budget year as defined
34 in section 442.6."

35 16. Page 6, by inserting after line 28, the
36 following:

37 "Sec. ____ . For the fiscal year beginning July 1,
38 1986 and ending June 30, 1987, if the governor finds
39 that the estimated budget resources are insufficient
40 to pay all appropriations in full, and the executive
41 council concurs in that finding, the reductions in
42 allotments made pursuant to section 8.31 shall not
43 apply to the appropriation made under section 442.26."

44 17. Page 6, by inserting before line 29 the
45 following:

46 "Sec. ____ . Sections 101 through 104 of this Act,
47 being deemed of immediate importance, take effect from
48 and after publication of the Act in The New Hampton
49 Tribune, a newspaper published in New Hampton, Iowa,
50 and in The Cedar Rapids Gazette, a newspaper published

1 in Cedar Rapids, Iowa."

2 18. Title page, by striking lines 2 and 3 and
3 inserting the following: "creation of school district
4 economy task forces and area education agency economy
5 task forces, changing certain reorganization
6 procedures, providing for multimember director".

7 19. Title page, line 5, by inserting after the
8 word "reducing" the following: "the levy for bonded
9 indebtedness, the additional levy, and".

10 20. Title page, line 6, by inserting after the
11 word "in" the following: "certain".

12 21. Title page, line 8, by striking the word
13 "and".

14 22. Title page, line 9, by inserting after the
15 word "districts" the following: ", and making
16 appropriations".

17 23. By renumbering, relettering, or redesignating
18 and correcting internal references as necessary.

H-5860 FILED APRIL 18, 1986 RECEIVED FROM THE SENATE

House amended and concurred 4/25 (p. 1794)

HOUSE AMENDMENT TO
SENATE AMENDMENT TO
HOUSE FILE 2462

S-5760

1 Amend the Senate amendment, H-5860, to House File
2 2462 as amended, passed, and reprinted by the House as
3 follows:

4 1. Page 2, by inserting after line 28 the
5 following:

6 "____". Page 2, line 10, by striking the word
7 "eight" and inserting the following: "five".

8 2. Page 2, by striking line 39 and inserting the
9 following:

10 "____". Page 3, by striking lines 9 through 30 and
11 inserting the following:

12 "Sec. ____". Section 442.2, subsection 1, Code 1985,
13 is amended by adding the following new unnumbered
14 paragraphs:

15 NEW UNNUMBERED PARAGRAPH. However, commencing with
16 the budget year beginning July 1, 1987, a reorganized
17 school district shall cause a foundation property tax
18 of four dollars and forty cents per thousand dollars
19 of assessed valuation to be levied on all taxable
20 property which, in the year preceding the
21 reorganization, was within a school district affected
22 by the reorganization as defined in section 275.1 and
23 which had a certified enrollment of less than six
24 hundred. In succeeding school years, the foundation
25 property tax levy on that portion shall be increased
26 twenty cents per year until it reaches the rate of
27 five dollars and forty cents per thousand dollars of
28 assessed valuation.

29 NEW UNNUMBERED PARAGRAPH. For purposes of this
30 section, a reorganized school district is one in which
31 reorganization was approved in an election pursuant to
32 sections 275.18 and 275.20 and will take effect on or
33 after July 1, 1986."

34 3. By striking page 3, line 44 through page 4,
35 line 26.

36 4. Page 7, line 22, by striking the word "eight"
37 and inserting the word "five".

38 5. Page 7, line 34, by inserting after the figure
39 "442.6." the following: "For the purposes of this
40 section, "administrative expenditures" means
41 expenditures for executive administration."

42 6. Page 7, by striking lines 35 through 43.

43 7. By renumbering, relettering, or redesignating
44 and correcting internal references as necessary.

S-5760 Filed April 25, 1986 REC'D FROM THE HOUSE

Senate concurred 4/29 (p. 1432)

HOUSE FILE 2462

H-6031

1 Amend the Senate amendment, H-5860, to House File
2 2462 as amended, passed, and reprinted by the House as
3 follows:

4 1. Page 7, by striking lines 35 through 43.

BY HAVERLAND of Polk

H-6031 FILED APRIL 25, 1986

STROMER of Hancock

ADOPTED (p. 1793)

HOUSE FILE 2462

H-6035

1 Amend the Senate amendment, H-5860, to House File
2 2462 as amended, passed, and reprinted by the House as
3 follows:

4 1. Page 2, by inserting after line 28 the
5 following:

6 "____". Page 2, line 10, by striking the word
7 "eight" and inserting the following: "five".

8 2. Page 7, line 22, by striking the word "eight"
9 and inserting the word "five".

BY OLLIE of Clinton

H-6035 FILED APRIL 25, 1986

DAGGETT of Taylor

ADOPTED (p. 1794)

Education: Haverland,, Chair; Branstad, Hughes, Johnson and Swearingen.

EDUCATION

Yon
NF 2462

SENATE HOUSE FILE 2462
BY (PROPOSED GOVERNOR'S BILL)

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

A BILL FOR

1 An Act relating to the adjusting of the foundation property tax
2 levy of reorganized school districts.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 442.2, subsection 1, Code 1985, is
2 amended to read as follows:

3 1. Each Except as otherwise provided in this subsection,
4 each school district shall cause to be levied each year, for
5 the school general fund, a foundation property tax of five
6 dollars and forty cents per thousand dollars of assessed
7 valuation on all taxable property in the district. For the
8 purpose of this chapter, a school district is defined as a
9 school corporation organized under chapter 274.

10 For budget years subsequent to the year beginning July 1,
11 1986, a reorganized school district shall cause to be levied
12 each year, for the school general fund, a foundation property
13 tax of five dollars per thousand dollars of assessed valuation
14 on all taxable property in the reorganized school district
15 which, in the year preceding the reorganization, was within
16 the school districts affected by the reorganization as defined
17 in section 275.1.

18 For purposes of this subsection, a reorganized school
19 district is one in which reorganization was approved in an
20 election pursuant to sections 275.18 and 275.20 and will take
21 effect on or after July 1, 1986.

22 EXPLANATION

23 This bill provides that the foundation levy for school
24 districts that reorganize on or after July 1, 1986, is \$5 per
25 \$1,000 dollars of assessed valuation instead of \$5.40,
26 beginning July 1, 1987.

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HOUSE FILE 2462

AN ACT

RELATING TO EDUCATIONAL COST EFFICIENCIES INCLUDING THE CREATION OF SCHOOL DISTRICT ECONOMY TASK FORCES AND AREA EDUCATION AGENCY ECONOMY TASK FORCES, CHANGING CERTAIN REORGANIZATION PROCEDURES, PROVIDING FOR MULTIMEMBER DIRECTOR DISTRICTS OF SCHOOL DISTRICTS, PROVIDING FOR ATTENDANCE OF PUPILS IN CLASSES IN OTHER SCHOOL DISTRICTS, REDUCING THE LEVY FOR BONDED INDEBTEDNESS, THE ADDITIONAL LEVY, AND THE UNIFORM LEVY IN CERTAIN REORGANIZED SCHOOL DISTRICTS, PROVIDING FOR SUPPLEMENTARY WEIGHTING FOR SHARED ADMINISTRATORS, PROVIDING A TIME LIMITATION ON SUPPLEMENTARY WEIGHTING, CONTINUING SUPPLEMENTARY WEIGHTING FOR REORGANIZED SCHOOL DISTRICTS, AND MAKING APPROPRIATIONS.

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

Section 1. Section 275.12, subsection 2, paragraphs b and d, Code 1985, are amended to read as follows:

b. Division of the entire school district into designated geographical single director or multi-director subdistricts on the basis of population for each director, to be known as director districts, each of which director districts shall be represented on the school board by one director or more directors who shall be a-resident residents of such the director district but who shall be elected by the vote of the electors of the entire school district. ~~The school district shall be divided into the same number of director districts as the number of school directors the district is authorized by law.~~ The boundaries of such the director districts and the area and population included within each district shall be such as justice, equity, and the interests of the people may require. Changes in the boundaries of director districts shall not be made during a period commencing sixty days prior

to the date of the annual school election. Insofar as may be practicable, the boundaries of such the districts shall follow established political or natural geographical divisions.

d. Division of the entire school district into designated geographical single director or multi-director subdistricts on the basis of population for each director, to be known as director districts, each of which director districts shall be represented on the school board by one director or more directors who shall be a-resident residents of such the director district and who shall be elected by the voters of said the director district. Place of voting in such the director districts shall be designated by the commissioner of elections. Changes in the boundaries of director districts shall not be made during a period commencing sixty days prior to the date of the annual school election.

Sec. 2. Section 275.15, unnumbered paragraph 2, Code Supplement 1985, is amended to read as follows:

The area education agency board, when entering the order fixing the boundaries, shall consider all requests timely filed for boundary line changes. Each objection filed by a property owner shall be considered separately and an individual ruling made.

Sec. 3. Section 275.31, Code Supplement 1985, is amended to read as follows:

275.31 TAXES AND APPROPRIATION TO EFFECT EQUALIZATION.

If necessary to equalize the division and distribution, the board or boards may provide for the levy of additional taxes, which shall be sufficient to satisfy the mandatory levy required in section 76.2 or other liabilities of the districts, upon the property of a corporation or part of a corporation and for the distribution of the tax revenues so as to effect equalization. When the board or boards are considering the equalization levy, the division and distribution shall not impair the security for outstanding obligations of each affected corporation. Any owner of bonds

of an affected corporation may bring suit in equity for adjustment of the division and distribution in compliance with this section. If the property tax levy for the amount estimated and certified to apply on principal and interest on lawful bonded indebtedness for a newly formed community school district is greater than the property tax levy for the amount estimated and certified to apply on principal and interest in the year preceding the reorganization or dissolution for a school district that is a party to the reorganization or dissolution and that had a certified enrollment of less than six hundred for the year prior to the reorganization or dissolution, the board of the newly formed district shall inform the state comptroller. The state comptroller shall pay debt service aid to the newly formed district in an amount that will reduce the rate of the property tax levy for lawful bonded indebtedness in the portion of the newly formed district where the new rate is higher, to the rate that was levied in that portion of the district during the year preceding the reorganization or dissolution.

For the school year beginning July 1, 1987 and succeeding school years, there is appropriated from the general fund of the state to the state comptroller an amount sufficient to pay the debt service aid under this section. Debt service aid shall be paid in the manner provided in section 442.26.

Not later than May 1 of each year, the state comptroller shall inform the board of the newly formed school district the amount of debt service aid that the district will receive and the rate of the property tax levy for the amount estimated and certified to apply on principal and interest on lawful bonded indebtedness in the portion of the newly formed district where the new rate would have been higher, and for the remainder of the newly formed district. The state comptroller shall notify the county auditor of each applicable county of the amount, in dollars and cents per thousand dollars of assessed valuation, of the property tax levy in each portion of each applicable

newly formed school district in the county for the amount estimated and certified to apply on principal and interest on lawful bonded indebtedness, and the boundaries of the portions within the newly formed district for which the levies shall be made. The county auditor shall spread the applicable property tax levy for each portion of a school district over all taxable property in that portion of the district.

Sec. 4. Section 279.29, Code 1985, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Pending audit and allowance of claims under this section, the board shall invest moneys of the corporation to the extent practicable, and the board may provide for the joint investment of moneys with one or more school corporations pursuant to a joint investment agreement.

Sec. 5. NEW SECTION. 279.50 ADMINISTRATIVE EXPENDITURES.

For the budget year beginning July 1, 1989 and each of the following three budget years, the board of directors of a school district in which the administrative expenditures as a percent of the school district's operating fund for a base year exceed five percent, shall reduce its administrative expenditures so that they are one-half percent less as a percent of the school district's operating fund than they were for the base year. However, a school district is not required to reduce its administrative expenditures below eight percent of its operating fund. Thereafter, a school district shall not increase the percent of its administrative expenditures compared to its operating fund. Annually, the board of directors shall certify to the department of public instruction the amounts of the school district's administrative expenditures and its operating fund. Base year and budget year mean base year and budget year as defined in section 442.6. For the purposes of this section, "administrative expenditures" means expenditures for executive administration.

Sec. 6. Section 442.2, subsection 1, Code 1985, is amended

by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. However, commencing with the budget year beginning July 1, 1987, a reorganized school district shall cause a foundation property tax of four dollars and forty cents per thousand dollars of assessed valuation to be levied on all taxable property which, in the year preceding the reorganization, was within a school district affected by the reorganization as defined in section 275.1 and which had a certified enrollment of less than six hundred. In succeeding school years, the foundation property tax levy on that portion shall be increased twenty cents per year until it reaches the rate of five dollars and forty cents per thousand dollars of assessed valuation.

NEW UNNUMBERED PARAGRAPH. For purposes of this section, a reorganized school district is one in which reorganization was approved in an election pursuant to sections 275.18 and 275.20 and will take effect on or after July 1, 1986.

Sec. 7. NEW SECTION. 442.9A SUPPLEMENTAL AID.

Notwithstanding section 442.9, commencing with the budget year beginning July 1, 1987, if the rate of the additional property tax levy determined under section 442.9 for a budget year for a reorganized school district is higher than the rate of additional property tax levy determined under section 442.9 for the year previous to the reorganization for a school district that had a certified enrollment of less than six hundred and that was within the school districts affected by the reorganization as defined in section 275.1, the state comptroller shall reduce the rate of the additional property tax levy in the portion of the reorganized district where the new rate is higher, to the rate that was levied in that portion of the district during the year preceding the reorganization, for the five-year period provided in this section. The state comptroller shall pay to each reorganized school district during each of the first five years of existence of the reorganized district as supplemental aid,

moneys equal to the difference in revenues that would have been collected under the additional property tax levy calculated under section 442.9 and the rate determined under this section.

For the school year beginning July 1, 1987 and succeeding school years, there is appropriated from the general fund of the state to the state comptroller an amount sufficient to pay the supplemental aid to school districts under this section. Supplemental aid shall be paid in the manner provided in section 442.26.

For the purpose of the state comptroller's determination of the portion of a school district's budget that was property tax and the portion that was state aid, supplemental aid shall be considered property tax.

For purposes of this section, a reorganized school district is one in which reorganization was approved in an election pursuant to sections 275.18 and 275.20 and will take effect on or after July 1, 1986.

Sec. 8. Section 442.39, unnumbered paragraph 1, and subsection 1, Code Supplement 1985, are amended to read as follows:

In order to provide additional funds for school districts which send their resident pupils to another school district or to an area school for classes, which jointly employ and share the services of teachers under section 280.15, or which use the services of a teacher employed by another school district, or which jointly employ and share the services of school administrators under section 280.15, a supplementary weighting plan for determining enrollment is adopted as follows:

1. Pupils in a regular curriculum attending all their classes in the district in which they reside and taught by teachers employed by that district, and having administrators employed by that district, are assigned a weighting of one.

Sec. 9. Section 442.39, subsection 2, Code Supplement 1985, is amended to read as follows:

2. Pupils attending classes in another school district or an area school, attending classes taught by a teacher who is employed jointly under section 280.15, or attending classes taught by a teacher who is employed by another school district, are assigned a weighting of one plus five-tenths five-tenths times the percent of the pupil's school day during which the pupil attends classes in another district or area school, attends classes taught by a teacher who is jointly employed under section 280.15, or attends classes taught by a teacher who is employed by another school district if the school budget review committee certifies to the state comptroller that the shared classes or teachers would otherwise not be implemented without the assignment of additional weighting. However, in lieu of the additional weighting of five-tenths five-tenths, the school budget review committee shall assign an additional weighting of one-tenth one-tenth times the percent of the pupil's school day in which a pupil attends classes in another district or an area school, attends classes taught by a teacher who is employed jointly under section 280.15, or attends classes taught by a teacher who is employed by another district, in districts that have a substantial number of students in any of grades seven through twelve sharing more than one class or teacher. Effective July 1, 1986, the additional weighting of one-tenth may be assigned by the school budget review committee for a maximum of five years, and thereafter, the additional weighting shall not be assigned under this section, but may be assigned under section 442.39A.

Sec. 10. Section 442.39, Code Supplement 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. Pupils enrolled in a school district in which one or more administrators are employed jointly under section 280.15 are assigned a weighting of one plus five-hundredths for each administrator who is jointly employed times the percent of the administrator's time in which the

administrator is employed in the school district. However, the total additional weighting assigned under this subsection for a budget year for a school district is fifteen.

For the purposes of this section, "administrators" includes the following:

- a. Executive administrators, which includes the superintendent and such assistants as deputy, associate, and assistant superintendents who perform activities in the general direction and management of the affairs of the local school districts.
- b. School administrators, which includes assistant principals, and other assistants in general supervision of the operations of the school. School administrators does not include principals.
- c. Business administrators, which includes personnel associated with activities concerned with purchasing, paying for, transporting, exchanging, and maintaining goods and services for the school district.

Sec. 11. NEW SECTION. 442.39A SUPPLEMENTARY WEIGHTING AND SCHOOL REORGANIZATION.

For the school year beginning July 1, 1986 and succeeding school years, in determining weighted enrollment under section 442.4, a reorganized school district shall include, for a period of five years following the effective date of the reorganization, additional pupils added by the application of the supplementary weighting plan, as determined under section 442.39, equal to the pupils added by the application of the supplementary weighting plan in the year preceding the reorganization. However, the weighting shall be reduced by the supplementary weighting added for a pupil whose residency is not within the reorganized district. For purposes of this section, a reorganized district is one in which the reorganization was approved in an election pursuant to sections 275.18 and 275.20 and takes effect on or after July 1, 1986.

Sec. 12. ECONOMY TASK FORCES. The advisory committee appointed by the board of directors of a school district under section 280.12, subsection 2, shall serve as members of a school economy task force. In addition to the members of the advisory committee, the school economy task force shall include the following as members if the advisory committee does not include members meeting the listed criteria:

1. One member of the county board of supervisors of the county in which the school district is located or an individual designated by the county board of supervisors.
2. One member who is a member of a city council of a city located within the school district or an individual designated by such a city council.
3. One member who is a board member of a regional transit agency selected by the board of directors of the school district or a designee named by that regional transit board.
4. One member selected by the board of directors of the school district who is a certified public accountant or has an accounting background.

The superintendent and other administrative personnel appointed by the board of directors shall serve as advisers to the task force and shall prepare and distribute information requested by the task force.

The secretary of the board of directors shall serve as secretary to the task force and shall take minutes of the meetings and prepare a report of the proceedings and recommendations of the task force.

The chairperson of the advisory committee shall serve as chairperson of the task force.

Members shall serve without compensation or reimbursement for expenses.

Sec. 13. AREA EDUCATION AGENCY TASK FORCE. The board of directors of each area education agency shall appoint an area education agency school economy task force. The members shall include members of boards of directors of school districts, a

member of a regional library board, a member of a county board of supervisors from a county in the area or an individual designated by a county board of supervisors, a member of a city council of a city located in the area or an individual designated by a city council, a member of a regional transit board or a designee of a regional transit board, school administrators, teachers, parents, students, and other representatives residing in the area education agency.

The area education agency economy task force shall select a chairperson from its membership.

Members of area education agency task forces shall be paid mileage for attending meetings of the task force from funds appropriated to the department of public instruction for that purpose.

The secretary of the area education agency board shall serve as secretary to the task force and shall take minutes and prepare a report of the proceedings and recommendations of the task force.

Sec. 14. SCHEDULE. Each school district and area education agency task force shall hold its organizational meeting not later than June 1, 1986. A task force shall meet as often as deemed necessary to complete its report by November 1, 1986. A task force may meet jointly with one or more task forces appointed by boards of directors of contiguous school districts or contiguous area education agencies.

Sec. 15. DUTIES. The department of public instruction shall prepare district-by-district and area-by-area comparisons of the various kinds of expenditures and activities of school districts and area education agencies and transmit the applicable information to each task force prior to the organizational meetings.

A school district task force may consider but is not limited to discussion and recommendations for implementing efficiencies in the school district relating to the following:

1. School administration.
2. Teacher utilization.
3. Building utilization.
4. Extracurricular activities.
5. Use of regional transportation systems.
6. Energy management and costs.
7. School maintenance.
8. Centralized purchasing.
9. Availability of textbooks, instructional materials, and library materials.
10. Staff development.
11. Shared programs and services.
12. Possible merger of programs and services.

An area education agency task force shall discuss recommendations for implementing efficiencies in programs and services of the area education agency.

A report of the proceedings and recommendations of each task force shall be made to the board of directors of the school district or area education agency. In addition, the report and recommendations of the task force shall be sent to the department of public instruction. The report shall also include recommendations for changes in the statutes or rules of the department of public instruction that will improve efficiency in the school district or area education agency.

Sec. 16. DEPARTMENT OF PUBLIC INSTRUCTION DUTIES. The department of public instruction shall review the reports of the school district and area education agency task forces and compile recommendations for school districts and area education agencies and for statutory and rule changes to be submitted to the general assembly. A preliminary report shall be completed by December 1, 1986 with a final draft completed by January 15, 1987. Copies of the applicable report shall also be sent to each school district and area education agency in the state.

Sec. 17. APPROPRIATION. There is appropriated from the

general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987, to the department of public instruction the sum of ten thousand (10,000) dollars, or as much thereof as may be necessary, to pay mileage expenses of members of area education agency school economy task forces and for reproduction and postage costs for the department of public instruction.

Sec. 18. The legislative council may appoint a joint committee consisting of five members from each house and representing both political parties to review the report of the department of public instruction relating to the recommendations of the school district and area education agency economy task forces and make recommendations to the legislative council and the general assembly meeting in 1987. The joint committee shall meet during December 1986.

Sec. 19. NEW SECTION. 273.13 ADMINISTRATIVE EXPENDITURES.

During the budget year beginning July 1, 1989 and the three succeeding budget years, the board of directors of an area education agency in which the administrative expenditures as a percent of the area education agency's operating fund for a base year exceed eight percent shall reduce its administrative expenditures to five percent of the area education agency's operating fund. During each of the four years, the board of directors shall reduce administrative expenditures of twenty-five percent of the reduction in administrative expenditure required by this section. Thereafter, the administrative expenditures shall not exceed eight percent of the operating fund. Annually, the board of directors shall certify to the department of public instruction the amounts of the area education agency's expenditures and its operating fund. Base year and budget year mean base year and budget year as defined in section 442.6. For the purposes of this section, "administrative expenditures" means expenditures for executive administration.

Sec. 20. Sections 12 through 15 of this Act, being deemed of immediate importance, take effect from and after publication of the Act in The New Hampton Tribune, a newspaper published in New Hampton, Iowa, and in The Cedar Rapids Gazette, a newspaper published in Cedar Rapids, Iowa.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2462, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1986

TERRY E. BRANSTAD
Governor

H.F. 2462