

*Enrolled in House (y 512)
Enrolled in Senate (y 162)*

FEB 11 1988
EDUCATION

HOUSE FILE 2226
BY GRUHN

Passed House, Date 3/1/88 (y 512) Passed Senate, Date 3/30/88 (y 162)
Vote: Ayes 66 Nays 30 Vote: Ayes 45 Nays 0
Approved April 26, 1988

A BILL FOR

1 An Act relating to the calculation of budget enrollment of a
2 reorganized school district.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2226

1 Section 1. Section 442.4, Code Supplement 1987, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 7. Notwithstanding the procedure
4 prescribed for the calculation of budget enrollment under
5 subsections 3 and 5, if during the first budget year following
6 the effective date of a school district reorganization, a
7 reorganized school district's budget enrollment is less than
8 the combined total of the budget enrollments of the districts
9 involved in the reorganization calculated as if the school
10 districts had not reorganized for that budget year, the budget
11 enrollment of the reorganized district shall be calculated
12 under this subsection for that budget year. The budget
13 enrollment is the total of the budget enrollments of the
14 districts involved in the reorganization calculated as if
15 those districts had not reorganized minus the number of pupils
16 residing in territory not included in the reorganized school
17 district. For the purpose of this section, a reorganized
18 school district is one in which the reorganization was
19 approved in an election pursuant to sections 275.18 and 275.20
20 and will take effect on or after July 1, 1988.

21 Sec. 2. If the effective date of a school district
22 reorganization is July 1, 1988, and the reorganized school
23 district's budget enrollment is not calculated pursuant to
24 section 1 of this Act for the budget year beginning July 1,
25 1988, then the budget enrollment shall be calculated pursuant
26 to section 1 of this Act for the budget year beginning July 1,
27 1989.

28 EXPLANATION

29 This bill allows a school district reorganizing on or after
30 July 1, 1988, to use as its budget enrollment the combined
31 budget enrollments of the districts that were involved in the
32 reorganization as if those districts had not reorganized,
33 minus pupils residing in territory not included in the
34 reorganized district during its first budget year.

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H-5190

1 Amend House File 2226 as follows:

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

4 "Section 1. Section 442.3, Code 1987, is amended;
5 to read as follows:

6 442.3 STATE FOUNDATION BASE.

7 The state foundation base for the school year
8 beginning July 1, 1986, is eighty percent of the state
9 cost per pupil. The state foundation base for the
10 school year beginning July 1, 1987, is eighty-one and
11 one-half percent of the state cost per pupil. The
12 state foundation base for the school years beginning
13 July 1, 1988, and July 1, 1989, is eighty-two percent.
14 For each succeeding school year, the state foundation
15 base shall be increased by the amount of one-half
16 percent of the state cost per pupil, up to a maximum
17 of eighty-five percent of the state cost per pupil.
18 The district foundation base is the larger of the
19 state foundation base or the amount per pupil which
20 the district will receive from foundation property tax
21 and state school foundation aid."

22 2. Title page, line 1, by inserting after the
23 word "to" the following: "the state school foundation
24 formula, including the state foundation base and".

25 3. By renumbering sections as necessary.

H-5190 FILED FEBRUARY 25, 1988 BY CORBETT of Linn

Linn 2/1/88 (p. 518)

HOUSE FILE 2226

H-5189

1 Amend House File 2226 as follows:

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

4 "Section 1. Section 442.2, subsection 1,
5 unnumbered paragraphs 2 and 3, Code 1987, are amended
6 to read as follows:

7 However, commencing with the budget year beginning
8 July 1, 1987 1988, a reorganized school district shall
9 cause a foundation property tax of four dollars and
10 forty cents, or four dollars and ninety cents, per
11 thousand dollars of assessed valuation to be levied on
12 all taxable property which, in the year preceding the
13 a reorganization, was within a school district
14 affected by the reorganization as defined in section
15 275.1, and which or in the year preceding a
16 dissolution was a part of a school district that
17 dissolved. In the year preceding the reorganization
18 or dissolution, the school district affected by the
19 reorganization or the school district that dissolved
20 must have had a certified enrollment of less fewer
21 than six hundred in order for the four dollar and
22 forty cent levy to apply. If the school district
23 affected or school district that dissolved has a
24 certified enrollment of more than six hundred, the
25 four dollar and ninety cent levy applies. In
26 succeeding school years, the foundation property tax
27 levy on that portion shall be increased twenty cents
28 per year for the four dollar and forty cent levy, or
29 ten cents per year for the four dollar and ninety cent
30 levy, until it reaches the rate of five dollars and
31 forty cents per thousand dollars of assessed
32 valuation.

33 For purposes of this section, a reorganized school
34 district is one in which reorganization or dissolution
35 was approved in an election pursuant to sections
36 275.18 and 275.20 or section 275.55, and ~~will~~ take the
37 reorganization or dissolution takes effect on or after
38 July 1, 1986 1988."

39 2. Amend the title page, line 1, by inserting
40 after the word "to" the following: "the state school
41 foundation formula, including the amount of the
42 foundation property tax levy and".

43 3. By renumbering sections as necessary.

H-5189 FILED FEBRUARY 25, 1988 BY CORBETT of Linn

HOUSE FILE 2226

H-5187

1 Amend House File 2226 as follows:

2 1. Page 1, line 20, by striking the figure "1988"
3 and inserting the following: "1989".

4 2. Page 1, by striking lines 21 through 27.

H-5187 FILED FEBRUARY 25, 1988 BY CORBETT of Linn

HOUSE FILE 2226

FISCAL NOTE

REQUESTED BY REPRESENTATIVE CRUHN

In compliance with a written request received January 26, 1988, a fiscal note for HOUSE FILE 2226 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.

House File 2226 allows reorganized school districts to calculate their budget enrollment as if the districts had not reorganized. Under current law, the budget enrollment of school districts is calculated as follows. The September 1978 certified headcount is used to calculate 25 percent of the budget enrollment, and the larger of the basic enrollment or the prior year's basic enrollment is used to calculate 75 percent of the budget enrollment, unless the basic enrollment is larger than the calculated budget enrollment. A school district is also guaranteed 101.5% of it's previous year's regular program cost by adding to the budget enrollment a sufficient number to guarantee that amount.

Under the proposal, if a reorganized school district's budget enrollment, when calculated as if the districts involved had not reorganized, is greater than the reorganized budget enrollment, the district may use the former in the first year following the reorganization only. Pupils residing in territory that was severed from the districts involved in the reorganization are not counted in the basic enrollment under this proposal. The proposal is effective for reorganizations occurring on or before July 1, 1988.

Assumptions

1. Two reorganizations will occur per year.
2. A larger than customary increase in budget enrollment will occur under the proposal for the Okoboji reorganization.
3. Other reorganizations will be more routine.

Fiscal Effect:

The proposal would provide an additional incentive to reorganize primarily in situations where a district experiencing rapidly declining enrollment merges with a district experiencing rapid growth. Based on the above assumptions, the provision would result in the following net increase in state aid to school districts:

	Fiscal Year 1989			Fiscal Year 1990		
	Current Law	Proposed Law	Increase (Decrease)	Current Law	Proposed Law	Increase (Decrease)
STATE AID	\$ 0	\$ 70,000	\$ 70,000	\$ 0	\$ 40,000	\$ 40,000

Sources: Department of Education
Department of Management

(LSB 7663H, TLJ)

FILED FEBRUARY 24, 1988

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2226

AN ACT
RELATING TO THE CALCULATION OF BUDGET ENROLLMENT OF A REORGANIZED
SCHOOL DISTRICT.

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

Section 1. Section 442.4, Code Supplement 1987, is amended
by adding the following new subsection:

NEW SUBSECTION. 7. Notwithstanding the procedure
prescribed for the calculation of budget enrollment under
subsections 3 and 5, if during the first budget year following
the effective date of a school district reorganization, a
reorganized school district's budget enrollment is less than
the combined total of the budget enrollments of the districts
involved in the reorganization calculated as if the school
districts had not reorganized for that budget year, the budget
enrollment of the reorganized district shall be calculated
under this subsection for that budget year. The budget
enrollment is the total of the budget enrollments of the
districts involved in the reorganization calculated as if
those districts had not reorganized minus the number of pupils
residing in territory not included in the reorganized school
district. For the purpose of this section, a reorganized
school district is one in which the reorganization was
approved in an election pursuant to sections 275.18 and 275.20
and will take effect on or after July 1, 1988.

Sec. 2. If the effective date of a school district
reorganization is July 1, 1988, and the reorganized school
district's budget enrollment is not calculated pursuant to
section 1 of this Act for the budget year beginning July 1,

1988, then the budget enrollment shall be calculated pursuant
to section 1 of this Act for the budget year beginning July 1,
1989.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and
is known as House File 2226, Seventy-second General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved *April 26*, 1988

TERRY E. BRANSTAD
Governor

HF 2226