

H. 1-29-96 Education  
H. 2/1/96 Do Pass

FILED JAN 24 1996

SENATE FILE 2082  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 2065)

Passed Senate, Date <sup>(p. 154)</sup> 1-25-96 Passed House, Date <sup>(p. 258)</sup> 2/6/96  
Vote: Ayes 48 Nays 0 Vote: Ayes 97 Nays 3  
Approved Feb 8, 1996

A BILL FOR

1 An Act relating to the establishment of the state percent of  
2 growth for purposes of the state school foundation program and  
3 providing an effective date.

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

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S.F. 2082

1 Section 1. Section 257.8, subsection 1, Code Supplement  
2 1995, is amended to read as follows:

3 1. STATE PERCENT OF GROWTH. The state percent of growth  
4 for the budget ~~year~~ years beginning July 1, ~~1996~~ 1997, and  
5 July 1, 1998, is three and ~~three-tenths~~ one-half percent. The  
6 state percent of growth for each subsequent budget year shall  
7 be established by statute which shall be enacted within thirty  
8 days of the submission in the year preceding the base year of  
9 the governor's budget under section 8.21. The establishment  
10 of the state percent of growth for a budget year shall be the  
11 only subject matter of the bill which enacts the state percent  
12 of growth for a budget year.

13 Sec. 2. This Act takes effect January 1, 1997, for school  
14 budget years beginning after that date.

15 EXPLANATION

16 This bill establishes a state percent of growth level of  
17 3.5 percent for budget years beginning July 1, 1997, and July  
18 1, 1998. The bill provides for an effective date of January  
19 1, 1997, for purposes of budget computations for school budget  
20 years beginning after that date.

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SENATE FILE 2082  
FISCAL NOTE

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A fiscal note for Senate File 2082 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 2082 establishes the State percent of growth (Allowable Growth) for the purposes of the State School Foundation Formula at 3.5% during FY 1998 and FY 1999.

ASSUMPTIONS:

FY 1997

1. Property tax valuations increase by 1.0%.
2. Special education weightings increase by 5.8%.
3. Estimates based on 384 school districts, the five districts reorganizing in FY 1997 are shown separate.
4. All other variables are held constant.
5. Using the above assumptions, the School Foundation Formula is estimated to generate \$1,397,958,000 in State aid and \$888,499,000 in property taxes for FY 1997.

FY 1998

1. Enrollments increase by 1.0%.
2. Property tax valuations increase by 1.0%.
3. Special education weightings increase by 6.0%.
4. All other variables are held constant.

FY 1999

1. Enrollments increase by 0.52%.
2. Property tax valuations increase by 1.0%.
3. Special education weightings increase by 3.0%.
4. All other variables are held constant.

FISCAL IMPACT

-2-

Senate File 2082 is estimated to increase FY 1998 State support of local school districts by \$85,070,000 and property tax support of local school districts by \$24,933,000. The Bill is preliminarily estimated to increase FY 1999 State support of local school districts by \$76,400,680 and property tax support of local school districts by \$23,000,000.

(LSB 4196SV.2, JAS)

FILED FEBRUARY 9, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 2082  
FISCAL NOTE

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A fiscal note for Senate File 2082 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 2082 establishes the State percent of growth (Allowable Growth) for the purposes of the State School Foundation Formula at 3.5% during FY 1998 and FY 1999.

ASSUMPTIONS:

FY 1997

1. Property tax valuations increase by 2.7% plus a 0.235% adjustment for machinery and equipment.
2. Special education weightings increase by 5.8%.
3. Estimates based on 384 school districts, the five districts reorganizing in FY 1997 are shown separate.
4. All other variables are held constant.
5. Using the above assumptions, the school foundation formula is estimated to generate \$1,397,958,000 in state aid and \$888,499,000 in property taxes for FY 1997.

FY 1998

1. Enrollments increase by 1.0%.
2. Property tax valuations increase by 2.7%.
3. Special education weightings increase by 6.0%.
4. All other variables are held constant.

FY 1999

1. Enrollments increase by 0.52%.
2. Property tax valuations increase by 2.7%.
3. Special education weightings increase by 3.0%.
4. All other variables are held constant.

FISCAL IMPACT

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-2-

Senate File 2082 is estimated to increase FY 1998 State support of local school districts by \$77,197,000 and property tax support of local school districts by \$32,806,000. The Bill is preliminarily estimated to increase FY 1999 State support of local school districts by \$70,683,000 and property tax support of local school districts by \$30,000,000.

(LSB 4196sv, JAS)

FILED JANUARY 25, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR

## SENATE FILE 2082

S-5023

1 Amend Senate File 2082 as follows:  
2 1. Page 1, by inserting before line 1 the  
3 following:  
4 "Sec. 100. Section 257.1, subsection 2, Code  
5 Supplement 1995, is amended by adding the following  
6 new unnumbered paragraph:  
7 NEW UNNUMBERED PARAGRAPH. For the budget years  
8 commencing July 1, 1997, the combined foundation base  
9 is the sum of the regular program foundation base for  
10 the budget year beginning July 1, 1996, the special  
11 education support services foundation base for the  
12 budget year beginning July 1, 1996, one hundred  
13 percent of allowable growth determined for the budget  
14 years beginning July 1, 1997, and 1998, including  
15 allowable growth for area education association media  
16 services and education services, and eighty-three  
17 percent of allowable growth for the budget year  
18 beginning July 1, 1999, and each subsequent budget  
19 year.  
20 Sec. 200. Section 257.4, subsection 1, Code 1995,  
21 is amended to read as follows:  
22 1. Computation of tax. A school district shall  
23 cause an additional property tax to be levied each  
24 year. The rate of the additional property tax levy in  
25 a school district shall be determined by the  
26 department of management and shall be calculated to  
27 raise the difference between the combined district  
28 cost for the budget year and the ~~sum-of-the-products~~  
29 ~~of-the-regular-program-foundation-base-per-pupil-times~~  
30 ~~the-weighted-enrollment-in-the-district-and-the~~  
31 ~~special-education-support-services-foundation-base-per~~  
32 ~~pupil-times-the-special-education-support-services~~  
33 ~~weighted-enrollment-in-the-district~~ combined  
34 foundation base for the budget years commencing July  
35 1, 1997, and each subsequent budget year as determined  
36 in section 257.1, subsection 2."

By WAYNE BENNETT

S-5023 FILED JANUARY 25, 1996

RULED OUT OF ORDER

(P154)

## SENATE FILE 2082

S-5022

1 Amend Senate File 2082 as follows:

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

4 "Sec. 100. NEW SECTION. 257.13 ADVANCE FOR  
5 INCREASING ENROLLMENT.

6 1. If a district's actual enrollment for the  
7 budget year, determined under section 257.6 is at  
8 least ten percent greater than its budget enrollment  
9 for the budget year, the district is granted an  
10 advance from the state of an amount equal to its  
11 regular program district cost per pupil for the budget  
12 year multiplied by the difference between the actual  
13 enrollment for the budget year and the budget  
14 enrollment for the budget year. The advance is  
15 miscellaneous income.

16 2. If the board of directors of a school district  
17 determines a need for additional funds exceeding the  
18 amount provided by the schedule, a request for  
19 supplemental aid based upon increased enrollment may  
20 be submitted to the school budget review committee as  
21 provided in section 257.31 and section 260D.14.

22 3. If a district receives an advance under this  
23 section for a budget year, the department of  
24 management shall determine the amount of the advance  
25 which would have been generated by local property tax  
26 revenues if the actual enrollment for the budget year  
27 had been used in determining district cost for that  
28 budget year, shall reduce the district's total state  
29 school aids otherwise available under this chapter for  
30 the next following budget year by the amount so  
31 determined, and shall increase the district's  
32 additional property tax levy for the next following  
33 budget year by the amount necessary to compensate for  
34 the reduction in state aid, so that the local property  
35 tax for the next following year will be increased only  
36 by the amount which it would have been increased in  
37 the budget year if the enrollment calculated in this  
38 section could have been used to establish the levy.

39 4. There is appropriated each fiscal year from the  
40 general fund of the state to the department of  
41 education the amount required to pay advances  
42 authorized under this section, which shall be paid to  
43 school districts in the same manner as other state  
44 aids are paid under section 257.16.

45 Sec. 101. Section 257.16, unnumbered paragraph 2.  
46 Code Supplement 1995, is amended to read as follows:

47 All state aids paid under this chapter, unless  
48 otherwise stated, shall be paid in monthly  
49 installments beginning on September 15 of a budget  
50 year and ending on or about June 15 of the budget year

S-5022

S-5022

Page 2

1 as determined by the department of management, taking  
2 into consideration the relative budget and cash  
3 position of the state resources. However, the state  
4 aid paid to school districts under section 257.13  
5 shall be paid in monthly installments beginning on  
6 December 15 and ending on June 15 of that year.

7 Sec. \_\_\_\_ . Sections 100 and 101 of this Act, being  
8 deemed of immediate importance, take effect upon  
9 enactment for the purpose of computations required for  
10 payment of state aid to and levying of property taxes  
11 by school districts for budget years beginning on or  
12 after July 1, 1996."

13 2. Page 1, line 13, by striking the word "This"  
14 and inserting the following: "Section 1 of this".

15 3. Title page, line 2, by inserting after the  
16 word "program" the following: ", providing an advance  
17 for increasing enrollment,".

By JOANN DOUGLAS  
MAGGIE TINSMAN

MARY LUNDBY  
ANDY McKEAN

S-5022 FILED JANUARY 25, 1996  
RULED OUT OF ORDER 1-25-96

(p.154)

SENATE FILE 2082

H-5053

- 1 Amend the amendment, H-5045, to Senate File 2082,
- 2 as passed by the Senate, as follows:
- 3 1. Page 1, by striking line 8 and inserting the
- 4 following:
- 5 "NEW UNNUMBERED PARAGRAPH. Notwithstanding the
- 6 restriction in this section that the state percent of
- 7 growth for a budget year shall be the only subject
- 8 matter of the bill which enacts the state percent of
- 9 growth, for the budget year".
- 10 2. By renumbering and correcting internal
- 11 references as necessary.

By OLLIE of Clinton

H-5053 FILED FEBRUARY 6, 1996

*Loat 2/6/96 (P. 258)*

SENATE FILE 2082

H-5054

- 1 Amend the amendment, H-5044, to Senate File 2082,
- 2 as passed by the Senate, as follows:
- 3 1. Page 1, line 4, by striking the word "For" and
- 4 inserting the following: "Notwithstanding the
- 5 restriction in this section that the state percent of
- 6 growth for a budget year shall be the only subject
- 7 matter of the bill which enacts the state percent of
- 8 growth, for".

By OLLIE of Clinton

H-5054 FILED FEBRUARY 6, 1996

*Loat 2/6/96 (P. 256)*

WITHDRAWN

## SENATE FILE 2082

H-5044

1 Amend Senate File 2082, as passed by the Senate, as  
 2 follows:  
 3 1. Page 1, line 12, by inserting after the word  
 4 "year." the following: "For the budget year beginning  
 5 July 1, 1998, however, if the estimate for state  
 6 revenue growth agreed to at the state revenue  
 7 estimating conference held in December 1997 exceeds  
 8 3.5 percent, the state percent of growth for the  
 9 budget year beginning July 1, 1998, is rescinded and  
 10 shall be redetermined by the general assembly. The  
 11 thirty-day requirement for establishing the state  
 12 percent of growth by statute shall apply if a  
 13 redetermination is necessary for the budget year  
 14 beginning July 1, 1998. If the thirty-day requirement  
 15 for establishing the state percent of growth by  
 16 statute is not met, the state percent of growth shall  
 17 be the estimate for state revenue growth agreed to at  
 18 the state revenue estimating conference held in  
 19 December 1997."

By OLLIE of Clinton

H-5044 FILED FEBRUARY 5, 1996

WITHDRAWN

2-6-96 (P. 256)

## SENATE FILE 2082

H-5045

1 Amend Senate File 2082, as passed by the Senate, as  
 2 follows:  
 3 1. Page 1, by inserting after line 12 the  
 4 following:  
 5 "Sec. \_\_\_\_ . Section 257.8, subsection 2, Code  
 6 Supplement 1995, is amended by adding the following  
 7 new unnumbered paragraph:  
 8 NEW UNNUMBERED PARAGRAPH. For the budget year  
 9 beginning July 1, 1999, allowable growth shall be  
 10 determined pursuant to a formula to be established by  
 11 the department of education, taking into consideration  
 12 current and projected state revenue growth, the state  
 13 financial outlook, and the revenue needs of the school  
 14 districts. Upon the repeal of chapter 257, which is  
 15 effective July 1, 2001, in accordance with 1989 Iowa  
 16 Acts, chapter 135, section 135, the formula  
 17 established by the department of education for the  
 18 budget year beginning July 1, 1999, shall be  
 19 incorporated into the restructured school finance  
 20 formula effective for the budget year beginning July  
 21 1, 2001, and succeeding budget years."  
 22 2. By renumbering and correcting internal  
 23 references as necessary.

By OLLIE of Clinton

H-5045 FILED FEBRUARY 5, 1996

WITHDRAWN

2/6/96

(P. 258)

Connolly  
Kibbie  
Redfern

SSB-2065

Education

Succeeded By

SF/HF 2082

SENATE FILE

BY (PROPOSED COMMITTEE ON  
EDUCATION BILL BY  
CHAIRPERSON CONNOLLY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the establishment of the state percent of  
2 growth for purposes of the state school foundation program and  
3 providing an effective date.

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

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Sec. 2. This Act takes effect January 1, 1997, for school budget years beginning after that date.

SENATE FILE 2082

AN ACT

RELATING TO THE ESTABLISHMENT OF THE STATE PERCENT OF GROWTH FOR PURPOSES OF THE STATE SCHOOL FOUNDATION PROGRAM AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 257.8, subsection 1, Code Supplement 1995, is amended to read as follows:

1. STATE PERCENT OF GROWTH. The state percent of growth for the budget ~~year~~ years beginning July 1, ~~1996~~ 1997, and July 1, 1998, is three and three-tenths one-half percent. The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the state percent of growth for a budget year shall be the only subject matter of the bill which enacts the state percent of growth for a budget year.

\_\_\_\_\_  
LEONARD L. BOSWELL  
President of the Senate

\_\_\_\_\_  
RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2082, Seventy-sixth General Assembly.

\_\_\_\_\_  
JOHN F. DWYER  
Secretary of the Senate  
Approved *JF Dwyer*, 1996

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor