

H. 3/14/96 Education

FILED FEB 8 1996

H. 3/21/96 Do Pass

H. 3/27/96 Referred to  
Approp. Comm.

SENATE FILE 2160

BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 2095)

(P. 176)  
Passed Senate, Date 3/13/96

Passed House, Date \_\_\_\_\_

Vote: Ayes 41 Nays 7

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to school finance by extending budget adjustment  
2 guarantee provisions for an additional budget year 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. 2160

1 Section 1. Section 257.1, subsection 2, unnumbered  
2 paragraph 3, Code Supplement 1995, is amended to read as  
3 follows:

4 For the budget year commencing July 1, ~~1995~~ 1996, the  
5 department of management shall add the amount of the  
6 additional budget adjustment computed in section 257.14,  
7 subsection 2, to the combined foundation base.

8 Sec. 2. Section 257.14, subsection 2, Code Supplement  
9 1995, is amended to read as follows:

10 2. For the budget year beginning July 1, ~~1995~~ 1996, if the  
11 department of management determines that the regular program  
12 district cost plus the budget adjustment computed under  
13 subsection 1 of a school district is less than one hundred one  
14 percent of the total of the regular program district cost plus  
15 any adjustment added under this section for the base year for  
16 that school district, the department of management shall  
17 provide an additional budget adjustment for that budget year  
18 that is equal to the difference.

19 Sec. 3. This Act, being deemed of immediate importance,  
20 takes effect upon enactment for the purpose of computations  
21 required for the budget year beginning July 1, 1996.

22 EXPLANATION

23 This bill extends for an additional budget year the 101  
24 percent budget adjustment guarantee provisions of section  
25 257.14. For the budget year beginning July 1, 1996, the  
26 department of management shall provide a budget adjustment to  
27 ensure that a school district's regular program district cost  
28 is not less than 101 percent of the level of the previous  
29 budget year. Current law guarantees the budget will be at  
30 least 100 percent of the current (base) year. The budget  
31 adjustment will be made if the department of management  
32 determines that the regular program district cost, as adjusted  
33 pursuant to section 257.14, subsection 1, for the budget year  
34 will be less than the level for the current (base) year.

35 The bill provides that the additional budget adjustment

1 computation which is in excess of current law will be added to  
2 the combined foundation base for the budget year beginning  
3 July 1, 1996, pursuant to section 257.1, subsection 2.

4 The bill provides for an immediate effective date.

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SENATE FILE 2160  
FISCAL NOTE

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A fiscal note for Senate File 2160 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 2160 provides a 101.0% regular program budget guarantee in the School Foundation Aid Formula for FY 1997. State aid will pay the difference between the 101.0% budget guarantee and the 100.0% budget guarantee that is current law.

ASSUMPTIONS:

1. The allowable growth factor for FY 1997 is 3.3%.
2. Estimates are based on 384 school districts, the five districts reorganizing in FY 1997 are estimated separately.

FISCAL IMPACT:

Senate File 2160 is estimated to increase FY 1997 State aid to local districts \$1,419,508 for the 101.0% budget guarantee. At 3.3% allowable growth, 56 districts are on the 100.0% budget guarantee and 86 districts are on the 101.0% budget guarantee.

(LSB 3689SV, JAS)

FILED FEBRUARY 8, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR

## SENATE FILE 2160

S-5070

1 Amend Senate File 2160 as follows:

2 1. Page 1, by inserting after line 7 the  
3 following:

4 "Sec. \_\_\_\_ . NEW SECTION. 257.13 CURRENT YEAR  
5 ADDITIONAL FUNDING.

6 If a district's actual enrollment for the budget  
7 year, determined under section 257.6, is greater than  
8 its budget enrollment for the budget year, the  
9 district is granted an additional funding from the  
10 state equal in amount to the product of one-half of  
11 its regular program district cost per pupil for the  
12 budget year multiplied by the difference between the  
13 actual enrollment for the budget year and the budget  
14 enrollment for the budget year. The additional  
15 funding received under this section is miscellaneous  
16 income to the district.

17 If a district receives additional funding under  
18 this section for a budget year, the department of  
19 management shall determine the amount of the  
20 additional funding which would have been generated by  
21 local property tax revenues if the actual enrollment  
22 for the budget year had been used in determining  
23 district cost for that budget year. The department of  
24 management shall reduce, but not by more than the  
25 amount of the additional funding, the district's total  
26 state school aids otherwise available under this  
chapter for the next following budget year by the  
amount so determined, and shall increase the  
29 district's additional property tax levy for the next  
30 following budget year by the amount necessary to  
31 compensate for the reduction in state aid, so that the  
32 local property tax for the next following year will be  
33 increased only by the amount which it would have been  
34 increased in the budget year if the enrollment  
35 calculated in this section could have been used to  
36 establish the levy.

37 There is appropriated each fiscal year from the  
38 general fund of the state to the department of  
39 education the amount required to pay additional  
40 funding authorized under this section, which shall be  
41 paid to school districts in monthly installments  
42 beginning on December 15 and ending on June 15 of a  
43 budget year."

44 2. Title page, line 2, by striking the word  
45 "year" and inserting the following: "year, providing  
46 a formula to fund costs resulting from increased  
47 student enrollment, making an appropriation,".

48 3. By renumbering as necessary.

By MARY NEUHAUSER  
TONY BISIGNANO  
JOHNIE HAMMOND

70 FILED FEBRUARY 15, 1996

*Out of Order*  
*3/13/96*  
*(p. 776)*

Fink  
Duorsky  
Rensink

SSB-2095  
Education

Succeeded By  
SF/HF 2160

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED GOVERNOR'S BILL)

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

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