

FILED FEB 27 1996

H. 3/14/96 Education
H. 3/21/96 Do Pass

H. 3/25/96 Referred to approp

SENATE FILE **2322**

BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 2215)

Passed Senate, ^(P. 770) Date 3/13/96

Passed House, Date _____

Vote: Ayes 49 Nays 0

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to a cash reserve levy for merged areas and
2 providing for properly related matters.

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

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S.F. 2322

1 Section 1. Section 260C.22, Code 1995, is amended by
2 adding the following new subsection:

3 NEW SUBSECTION. 4. The board of directors of any merged
4 area that failed to certify for levy under subsection 3 by
5 March 15, 1982, and March 15, 1983, may certify for levy by
6 April 15, 1997, and April 15, 1998, a tax on taxable property
7 in the merged area at rates that will provide total revenues
8 for the two years equal to five percent of the area school's
9 general fund expenditures for the fiscal year ending June 30,
10 1995, in order to provide a cash reserve for that area school.
11 As nearly as possible, one-half the revenue for the cash
12 reserve fund shall be collected during each year.

13 The revenues derived from the levies shall be placed in a
14 separate cash reserve fund. Notwithstanding subsection 3,
15 moneys from the cash reserve fund established by a merged area
16 under subsection 3 or this subsection shall be used only to
17 alleviate temporary cash shortages and for the acquisition,
18 lease, lease-purchase, installation, and maintenance of
19 instructional technology equipment, including hardware and
20 software, materials and supplies, and staff development and
21 training related to instructional technology. If moneys from
22 the cash reserve fund are used to alleviate a temporary cash
23 shortage, the cash reserve fund shall be reimbursed
24 immediately from the general fund of the community college as
25 funds in the general fund become available, but in no case
26 later than June 30 of the current fiscal year, to repay the
27 funds taken from the cash reserve fund.

28 EXPLANATION

29 This bill permits the board of directors of any merged area
30 that failed to certify a cash reserve levy in 1982 or 1983
31 another opportunity certify a cash reserve levy. In addition
32 to allowing merged areas to use the funds derived to alleviate
33 temporary cash shortages, the bill permits the funds to be
34 expended on instructional technology.

35 Under the Code, merged area boards had an opportunity in

1 1982 and 1983 to certify for levy a tax on taxable property in
2 the merged area at rates that provided total revenues for the
3 two years equal to 5 percent of an area school's general fund
4 expenditures for the fiscal year ending June 30, 1980, in
5 order to provide a cash reserve for that area school. The
6 revenues derived from the levies had to be placed in a
7 separate cash reserve fund and used only to alleviate
8 temporary cash shortages.

9 The bill provides any merged area that did not utilize the
10 authority to certify a cash reserve levy in 1982 or 1983 with
11 another opportunity to certify a cash reserve levy. However,
12 the bill permits all merged areas that have certified a cash
13 reserve levy under current law or under the bill to utilize
14 the revenues derived from the levies only to alleviate
15 temporary cash shortages and for the acquisition, lease,
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**SENATE FILE 2322
FISCAL NOTE**

A fiscal note for Senate File 2322 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.

Senate File 2322 authorizes the board of directors of a merged area school (community college) that did not certify a cash reserve levy in 1982 or 1983 to certify such a levy by April 15, 1997, and April 15, 1998. Western Iowa Tech is the only one of the 15 community colleges that failed to certify such a levy. During the earlier certification period community colleges were authorized to certify a levy equal to 5.0% of general fund expenditures for FY 1979. The cash reserve fund was to be used for temporary cash shortages only, such as delays in State aid payments. Community colleges were required to replenish the cash reserve fund when revenues became available. The amounts certified and available for 14 of the community colleges are as follows:

1. Merged Area I (Northeast Iowa) - \$476,000
2. Merged Area II (North Iowa) - \$571,586
3. Merged Area III (Iowa Lakes) - \$572,060
4. Merged Area IV (Northwest Iowa) - \$238,030
5. Merged Area V (Iowa Central) - \$639,206
6. Merged Area VI (Iowa Valley) - \$528,684
7. Merged Area VII (Hawkeye) - \$732,760
8. Merged Area IX (Eastern Iowa) - \$808,936
9. Merged Area X (Kirkwood) - \$1,243,978
10. Merged Area XIII (Iowa Western) - \$722,184
11. Merged Area XIV (Southwestern) - \$207,894
12. Merged Area XV (Indian Hills) - \$577,490
13. Merged Area XVI (Southeastern) - \$462,816

Senate File 2322 also allows community colleges to use funds in the cash reserve to purchase instructional technology (computer hardware, software, etc.).

FISCAL IMPACT

This Bill has no impact on the General Fund of the State. If Western Iowa Tech chooses to certify a cash reserve levy, approximately \$686,000 would be generated from property taxes in Merged Area XII over a two-year period in FY 1998 and FY 1999.

SOURCES Department of Education
Legislative Fiscal Bureau

(LSB 4264SV, MAS)

FILED MARCH 6, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR

**SENATE FILE 2322
FISCAL NOTE**

A fiscal note for **Senate File 2322** 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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1. Merged Area I (Northeast Iowa) - \$238,000
2. Merged Area II (North Iowa) - \$285,793
3. Merged Area III (Iowa Lakes) - \$286,030
4. Merged Area IV (Northwest Iowa) - \$119,015
5. Merged Area V (Iowa Central) - \$319,603
6. Merged Area VI (Iowa Valley) - \$264,342
7. Merged Area VII (Hawkeye) - \$366,380
8. Merged Area IX (Eastern Iowa) - \$404,468
9. Merged Area X (Kirkwood) - \$621,989
10. Merged Area XI (Des Moines Area) - \$755,088
11. Merged Area XIII (Iowa Western) - \$361,902
12. Merged Area XIV (Southwestern) - \$103,947
13. Merged Area XV (Indian Hills) - \$288,745
14. Merged Area XVI (Southeastern) - \$231,408

The total for all 14 community colleges is \$4,645,900.

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FISCAL IMPACT

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SOURCES Department of Education
Legislative Fiscal Bureau

(LSB 4264sv.2, MAS)

FILED MARCH 19, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR

Dvorsky
Murphy
Redfern

SSB-2215
Education

SENATE FILE Succeeded By
BY (PROPOSED HF 2322 COMMITTEE ON
EDUCATION BILL BY
CHAIRPERSON CONNOLLY)

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

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