

*Substituted for  
HF 540  
(p. 9B) 3/23/95*

FILED

*3/23/95 Education  
3/23/95 Do Pass  
MAR 23 1995*

SENATE FILE 460  
BY HORN and RIFE

Passed Senate, Date 3-23-95 (p. 864) Passed House, Date 3/23/95 (p. 973)  
Vote: Ayes 50 Nays 0 Vote: Ayes 96 Nays 0  
Approved March 28, 1995

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 and applicability date provision.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 460

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

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

13 Sec. 2. Notwithstanding the subject matter restriction in  
14 section 257.8, subsection 1, it is the intent of the general  
15 assembly that with enactment of this Act that the  
16 technology/school improvement program will be in existence and  
17 funds will be appropriated for the program for school  
18 districts and area education agencies for the school budget  
19 year beginning July 1, 1996.

20 Sec. 3. This Act takes effect January 1, 1996, for school  
21 budget years beginning after that date.

22 EXPLANATION

23 The bill sets the state percent of growth under the state  
24 school foundation aid program at 3.3 percent for the budget  
25 year beginning July 1, 1996. The bill provides that the state  
26 percent of growth for subsequent budget years be set in the  
27 year preceding the base year. This is a year sooner than  
28 under present law.

29 The bill expresses the intent of the general assembly that  
30 the technology/school improvement program be in existence and  
31 funds for the program be appropriated for school districts and  
32 area education agencies for the 1996-1997 fiscal year.

33 The bill takes effect January 1, 1996, for school budget  
34 years beginning after that date.

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**SENATE FILE 460  
REVISED  
FISCAL NOTE**

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A fiscal note for Senate File 460 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 460 establishes the State percent of growth for FY 1997 at 3.3%. Effective January 1, 1996, the General Assembly is required to set the allowable growth two years in advance within 30 days of Governor's budget. The Bill also states that the intent of the General Assembly is that the technology / school improvement program will be in existence and funds will be appropriated to the program in FY 1997.

**ASSUMPTIONS:**

1. The allowable growth factor for FY 1996 is 3.5% and 3.3% allowable growth for FY 1997.
2. The FY 1996 taxable valuation is increased by 2.25% over FY 1995 levels and 0.0% increase for FY 1997.
3. The FY 1996 basic enrollment increases by 3,583 (0.72%) compared to FY 1995 and 0.28% for FY 1997.
4. The FY 1996 special education weighted enrollment increases by 5.5% compared to FY 1995 and 0.0% for FY 1997.
5. The budget guarantee of 100.0% of the previous year's regular program district cost and the area education agency special education support services for FY 1996 are paid by property taxes.
6. Estimates are based on 390 school districts, the six districts reorganizing in FY 1996 are estimated separately.
7. The School Budget Review Committee decisions for talented and gifted programs, drop out prevention programs, and other one-time grants are held constant at FY 1995 levels.

**FISCAL EFFECT:**

Senate File 460 is estimated to increase FY 1997 State support of local districts by \$61.4 million. (LSB 2620xs, JAS)

FILED MARCH 27, 1995

BY DENNIS PROUTY, FISCAL DIRECTOR

STATE OF IOWA  
FISCAL NOTE

LSB No. 2620SV  
Staff ID. JAS

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Senate File 460 establishes the State percent of growth for FY 1997 at 3.3%. Effective January 1, 1996, the General Assembly is required to set the allowable growth two years in advance within 30 days of Governor's budget. The Bill also states that the intent of the General Assembly is that the technology / school improvement program will be in existence and funds will be appropriated to the program in FY 1997.

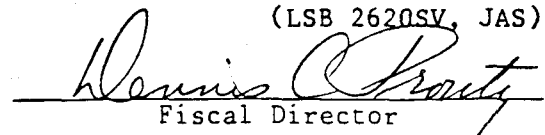
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(LSB 2620SV, JAS)

  
Fiscal Director  
Legislative Fiscal Bureau

Date: 3/23/95

Sec. 3. This Act takes effect January 1, 1996, for school budget years beginning after that date.

SENATE FILE 460

AN ACT

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

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

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

1. STATE PERCENT OF GROWTH. The state percent of growth for the budget year beginning July 1, 1996, is three and three-tenths percent. The state percent of growth for a 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.

Sec. 2. Notwithstanding the subject matter restriction in section 257.8, subsection 1, it is the intent of the general assembly that with enactment of this Act that the technology/school improvement program will be in existence and funds will be appropriated for the program for school districts and area education agencies for the school budget year beginning July 1, 1996.

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LEONARD L. BOSWELL  
President of the Senate

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RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 460, Seventy-sixth General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved  March 28, 1995

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TERRY E. BRANSTAD  
Governor