HOUSE FILE 404
BY WISE, DODERER, BURNETT, WHITEAD, BUKTA, BRAND, JOCHUM, MORELAND, SCHRADER, SHOULTZ, CONNORS, MYERS, COHOON, HUSER, DOTZLER, WITT, FALLON, HOLVECK, THOMAS, MASCHER, RICHARDSON, CHIODO, KOENIGS, FOEGE, FORD, CATALDO, FREVERT, CHAPMAN, MURPHY, KINZER, SCHERRMAN, TAYLOR, FALCK, OSTERHAUS, MUNDIE, MERTZ, and O'BRIEN

Passed House, Date $\qquad$
Vote: Ayes $\qquad$ Nays $\qquad$

Passed Senate, Date $\qquad$
Vote: Ayes $\qquad$ Nays $\qquad$ Approved $\qquad$

## A BILL FOR

1 An Act relating to the establishment of a class size reduction 2 program, increasing the physical plant and equipment levy 3 limits for eligible school districts, and making an 4 appropriation.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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2 PROGRAM. provide additional funds for school districts that develop a class size reduction plan. To be eligible for a class size reduction payment as provided in this section, a school district shall submit annually by April 15 to the department of education a plan which includes, at a minimum, the goals of reducing class size in grades one through three and instituting professional development to assist teachers in teaching challenging curricula more effectively, the methods by which the district shall achieve those goals, and a process for engaging parents, teachers, school administrators, and students in the shared goal of raising student achievement levels. In addition, the plan shall provide for methods for measuring student achievement and progress.
2. a. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1,1997 , and ending June 30 , 1998 , the sum of seven million five hundred thousand dollars to be used to fund school districts that meet the requirements of subsection 1 and which limit the district's self-contained grade one classroom sizes to an average student-to-teacher ratio of not more than twenty students to one teacher, or the equivalent, in a school that utilizes team teaching methods.
b. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1,1998 , and ending June 30 , 1999, the sum of fifteen million dollars to be used to fund school districts that meet the requirements of subsection $l$ and which limit the self-contained grade one and grade two classroom sizes to an average student-to-teacher ratio of not more than twenty
c. There is appropriated from the general fund of the

Section 1. NEW SECTION. 279.59 CLASS SIZE REDUCTION
l. There is established a class size reduction program to
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state to the department of education for the fiscal year beginning July 1,1999 , and ending June 30,2000 , and for succeeding years, the sum of twenty-two million five hundred thousand dollars to be used to fund school districts that meet the requirements of subsection 1 and which limit the selfcontained classroom sizes in grades one through three to an average student-to-teacher ratio of not more than twenty students to one teacher, or the equivalent, in a school that utilizes team teaching methods.
3. From the moneys appropriated in subsection 2 for each fiscal year in which moneys are appropriated, the amount of moneys allocated to school districts shall be in the proportion that the basic enrollment for the budget year of the grade level in the district for which the moneys are appropriated bears to the sum of the basic enrollments for the budget year of the grade level of all school districts in the state qualifying for moneys under subsection 1 for the budget year, as basic enrollment and budget year are defined in chapter 257.
4. For each year in which an appropriation is made to the class size reduction program, the department of education shall notify the department of revenue and finance of the amount to be paid to each school district based upon the distribution plan set forth for the appropriation made pursuant to this section. The allocation to each school district under this section shall be made in one payment on or about October 1 of the fiscal year for which the appropriation is made, taking into consideration the relative budget and cash position of the state resources. Prior to the receipt of funds, school districts shall submit to the department of education the plan developed in accordance with subsection 1 and that funds received under this section shall be used in accordance with the required class size reduction plan.
5. Moneys received under this section shall not be commingled with state aid payments made to a school district
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under section 257.16 and shall be accounted for by the local
6. Payments made to school districts under this section are miscellaneous income for purposes of chapter 257 or are considered encumbered. Each local school district shall maintain a separate listing for payments received and expenditures made pursuant to this section.

Sec. 2. Section 298.2, Code 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 6. Notwithstanding subsection 1, the regular physical plant and equipment levy may exceed the thirty-three cent limit provided for in subsection 1 by twenty-five cents per thousand dollars of assessed valuation in a school district if the levy is established by the board of a school district that has developed a class size reduction plan pursuant to section 279.59 . The revenue from the levy above the thirty-three cent limit provided for in subsection 1 shall be used for purposes of facilities-related costs associated with reducing class size in grades one through three.

## EXPLANATION

This bill establishes a class size reduction program to provide additional funds for school districts that submit an annual plan to the department of education that includes, at a minimum, the goals of reducing class size in grades one through three and instituting professional development to assist teachers in teaching challenging curricula more effectively, the methods by which the district shall achieve those goals, and a process for engaging parents, teachers, school administrators, and students in the shared goal of raising student achievement levels. In addition, the plan shall provide for methods for measuring student achievement and progress.

The bill appropriates $\$ 7.5$ million for grade one in the fiscal year beginning July l, 1997. The bill adds grade two
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1 and another $\$ 7.5$ million in the fiscal year beginning July 1 , 2 1998, and adds grade three and arrives at a total of \$22.5 3 million for the fiscal year beginning July 1,1999 , and for

4 all succeeding years. The moneys allocated shall be
5 distributed in the proportion that the basic enrollment of the
6 grade level in the district for which the moneys are
7 appropriated bears to the sum of the basic enrollments of all
8 school districts in the state for that grade level qualifying
9 for moneys for the budget year.
10 Prior to receiving the funds, school districts shall submit
11 to the department of education the required class size
2 reduction plan.
13 Payments made to school districts under this section are 14 miscellaneous income for purposes of Code chapter 257 or are 15 considered encumbered.

16 The bill permits the regular physical plant and equipment 17 levy to exceed the current limit of 0.33 cents by 0.25 cents 18 per $\$ 1,000$ of assessed valuation in the district for school
19 districts that have developed class size reduction plans
20 pursuant to Code section 279.59, and the additional funding
21 established by the board can be used for purposes of
22 facilities-related costs associated with reducing class size 23 in grades one through three.

