

KRAMER
LAMBERTI
CONNOLLY

SSB 3188
APPROPRIATIONS

Succeeded By
SENATE FILE HF 2215
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON LAMBERTI)

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

A BILL FOR

1 An Act appropriating state school foundation aid and making
2 related changes to the state percent of growth for school
3 budgets and to the funding for area education agencies, and
4 providing an effective date.

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

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1 Section 1. Section 257.8, subsection 1, Code Supplement
2 2001, is amended to read as follows:

3 1. STATE PERCENT OF GROWTH. The state percent of growth
4 for the budget year beginning July 1, 2001, is four percent.
5 The state percent of growth for the budget year beginning July
6 1, 2002, is four one percent. The state percent of growth for
7 each subsequent budget year shall be established by statute
8 which shall be enacted within thirty days of the submission in
9 the year preceding the base year of the governor's budget
10 under section 8.21. The establishment of the state percent of
11 growth for a budget year shall be the only subject matter of
12 the bill which enacts the state percent of growth for a budget
13 year.

14 Sec. 2. Section 257.35, Code 2001, is amended to read as
15 follows:

16 257.35 AREA EDUCATION AGENCY PAYMENTS.

17 1. The department of management shall deduct the amounts
18 calculated for special education support services, media
19 services, and educational services for each school district
20 from the state aid due to the district pursuant to this
21 chapter and shall pay the amounts to the respective area
22 education agencies on a monthly basis from September 15
23 through June 15 during each school year. The department of
24 management shall notify each school district of the amount of
25 state aid deducted for these purposes and the balance of state
26 aid shall be paid to the district. If a district does not
27 qualify for state aid under this chapter in an amount
28 sufficient to cover its amount due to the area education
29 agency as calculated by the department of management, the
30 school district shall pay the deficiency to the area education
31 agency from other moneys received by the district, on a
32 quarterly basis during each school year.

33 2. Notwithstanding subsection 1, the state aid for area
34 education agencies and the portion of the combined district
35 cost calculated for these agencies for each fiscal year of the

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1 fiscal period beginning July 1, 2002, and ending June 30,
2 2004, shall be reduced by the department of management by
3 seven million five hundred thousand dollars. The reduction
4 for each area education agency shall be equal to the reduction
5 that the agency received in the fiscal year beginning July 1,
6 2001.

7 Sec. 3. Section 257.37, Code 2001, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 6. For the budget years beginning July 1,
10 2002, and July 1, 2003, notwithstanding the requirements of
11 this section for determining the budgets and funding of media
12 services and education services, an area education agency may,
13 within the limits of the total of the funds provided for the
14 budget years pursuant to section 257.35, expend for special
15 education support services an amount that exceeds the payment
16 for special education support services pursuant to section
17 257.35 in order to maintain the level of required special
18 education support services in the area education agency.

19 Sec. 4. 2001 Iowa Acts, chapter 174, section 1, subsection
20 1, is amended to read as follows:

21 1. Notwithstanding provisions to the contrary in sections
22 99D.17 and 99F.11, and notwithstanding provisions to the
23 contrary in section 8.57, subsection 5, paragraph "e", and
24 following deposits in the general fund of the state, the
25 vision Iowa fund created in section 12.72, and the school
26 infrastructure fund created in section 12.82, pursuant to
27 section 8.57, subsection 5, paragraph "e", for the designated
28 fiscal years, the following moneys received pursuant to
29 sections 99D.17 and 99F.11 shall be deposited in the endowment
30 for Iowa's health account of the tobacco settlement trust fund
31 created in section 12E.12 for the purposes specified in
32 section 12E.12 for the endowment for Iowa's health account:

33	FY 2001-2002	\$ 80,000,000
34	FY 2002-2003	\$ 75,000,000
35	FY 2003-2004	\$ 70,000,000

1	FY 2004-2005	\$ 70,000,000
2	FY 2005-2006	\$ 70,000,000
3	FY 2006-2007	\$ 70,000,000

4 The total moneys received pursuant to sections 99D.17 and
5 99F.11 in a fiscal year, in excess of the moneys received
6 pursuant to sections 99D.17 and 99F.11 and deposited in the
7 general fund of the state, the vision Iowa fund, the school
8 infrastructure fund, and the tobacco settlement trust fund,
9 shall be deposited in the rebuild Iowa infrastructure fund and
10 shall be used as provided in section 8.57, notwithstanding
11 section 8.60.

12 For the fiscal year beginning July 1, 2002, and ending June
13 30, 2003, of the \$75,000,000 to be deposited in the endowment
14 for Iowa's health account of the tobacco settlement trust fund
15 under this subsection, the first \$20,000,000 is appropriated
16 to the department of management to pay that part of foundation
17 aid which represents the allowable growth amounts for all
18 school districts. An appropriation from the general fund of
19 the state for foundation aid which is supplanted by the
20 appropriation made in this subsection, shall be reduced by the
21 amount of the appropriation which supplants it.

22 Sec. 5. STATE FOUNDATION AID APPROPRIATION.

23 1. Notwithstanding section 257.16, for the fiscal year
24 beginning July 1, 2002, and ending June 30, 2003, there is
25 appropriated from the general fund of the state to the
26 department of education the following amount, or so much
27 thereof as is necessary, to be used for the purpose
28 designated:

29 For state foundation aid: \$1,784,090,500

30 If the amount appropriated in this section is less than the
31 amount required pursuant to section 257.16, unnumbered
32 paragraph 1, the difference shall be deducted from the
33 payments to each school district in the same ratio that the
34 budget enrollment of the school district for the budget year
35 beginning July 1, 2002, bears to the total budget enrollment

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1 in the state for that budget year.

2 2. a. There is appropriated from the Iowa economic
3 emergency fund created in section 8.55 to the department of
4 management for the fiscal year beginning July 1, 2002, and
5 ending June 30, 2003, the following amount, or so much thereof
6 as is necessary, to be used for the purpose designated:

7 For supplanting an equal amount from the appropriation made
8 from the general fund of the state for the fiscal year
9 beginning July 1, 2002, pursuant to section 257.16, to pay
10 that part of foundation aid which represents the allowable
11 growth amounts for all school districts:

12 \$ 25,000,000

13 b. The moneys appropriated in this subsection are declared
14 to be appropriated for emergency expenditures as required in
15 section 8.55, subsection 3, paragraph "a".

16 c. An appropriation from the general fund of the state,
17 which is supplanted by an appropriation from the Iowa economic
18 emergency fund made in this subsection, shall be reduced by
19 the amount of the appropriation which supplants it.

20 Sec. 6. EFFECTIVE DATE. This Act, being deemed of
21 immediate importance, takes effect upon enactment.

22 EXPLANATION

23 This bill provides for the establishment of a revised state
24 percent of growth for the school budget year beginning July 1,
25 2002. The bill reduces the state percent of growth for the
26 budget year beginning July 1, 2002, from 4 to 1 percent.

27 The bill also provides that the state school foundation aid
28 for area education agencies and the portion of the combined
29 district cost calculated for these agencies for the fiscal
30 years beginning July 1, 2002, and July 1, 2003, shall be
31 reduced for each fiscal year by the department of management
32 by \$7,500,000. The bill also provides that the amount of the
33 reduction for each area education agency shall equal the
34 reduction that each agency received in the fiscal year
35 beginning July 1, 2001. The bill additionally provides that

1 for the fiscal years beginning July 1, 2002, and July 1, 2003,
2 an area education agency may, within the limits of the total
3 of the funds provided to an area education agency pursuant to
4 Code section 257.35, expend for special education support
5 services an amount that exceeds the payment for special
6 education support services pursuant to Code section 257.35 in
7 order to maintain the level of required special education
8 support services in the area education agency.

9 Additionally, the bill provides that notwithstanding Code
10 section 257.16, which provides a standing appropriation in an
11 amount necessary to pay state foundation aid and supplementary
12 aid, for the fiscal year beginning July 1, 2002, and ending
13 June 30, 2003, \$1,784,090,500 shall be appropriated from the
14 general fund of the state to the department of education for
15 this purpose. The bill provides that if this appropriation is
16 insufficient to fully fund state foundation aid and
17 supplementary aid, the difference shall be deducted from the
18 payments to each school district in the same ratio that the
19 budget enrollment of the school district for the budget year
20 beginning July 1, 2002, bears to the total budget enrollment
21 in the state for the budget year.

22 The bill appropriates \$25 million of the funds appropriated
23 from the Iowa economic emergency fund created in Code section
24 8.55 to the department of management for the fiscal year
25 beginning July 1, 2002, and ending June 30, 2003, to pay that
26 part of foundation aid which represents the allowable growth
27 amounts for all school districts. The bill also appropriates
28 \$20 million of the funds deposited in the endowment for Iowa's
29 health account of the tobacco settlement trust fund for the
30 fiscal year beginning July 1, 2002, and ending June 30, 2003,
31 to the department of management to pay that part of foundation
32 aid which represents the allowable growth amounts for all
33 school districts. The bill provides that an appropriation
34 from the general fund of the state, which is supplanted by an
35 appropriation pursuant to the Iowa economic emergency fund or

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1 the endowment for Iowa's health account of the tobacco
2 settlement trust fund pursuant to the bill, shall be reduced
3 by the amount of the appropriation which supplants it.

4 The bill takes effect upon enactment.

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3/18/02 Referred to Education
H- 3/19/02 Approp.
H- 3/19/02 Do Pass
FILED MAR 18 2002

SENATE FILE 2315
BY COMMITTEE ON APPROPRIATIONS
Successor to SSB 3188

Passed Senate, Date ^(P.690) 3-18-02 Passed House, Date ^(P.857) 3/19/02
Vote: Ayes 41 Nays 4 Vote: Ayes 91 Nays 3
Approved March 28, 2002

A BILL FOR

1 An Act appropriating state school foundation aid and making
2 related changes to the state percent of growth for school
3 budgets and to the funding for area education agencies, and
4 providing an effective date.

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

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SF 2315

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2 2001, is amended to read as follows:

3 1. STATE PERCENT OF GROWTH. The state percent of growth
4 for the budget year beginning July 1, 2001, is four percent.
5 The state percent of growth for the budget year beginning July
6 1, 2002, is ~~four~~ one percent. The state percent of growth for
7 each subsequent budget year shall be established by statute
8 which shall be enacted within thirty days of the submission in
9 the year preceding the base year of the governor's budget
10 under section 8.21. The establishment of the state percent of
11 growth for a budget year shall be the only subject matter of
12 the bill which enacts the state percent of growth for a budget
13 year.

14 Sec. 2. Section 257.35, Code 2001, is amended to read as
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17 1. The department of management shall deduct the amounts
18 calculated for special education support services, media
19 services, and educational services for each school district
20 from the state aid due to the district pursuant to this
21 chapter and shall pay the amounts to the respective area
22 education agencies on a monthly basis from September 15
23 through June 15 during each school year. The department of
24 management shall notify each school district of the amount of
25 state aid deducted for these purposes and the balance of state
26 aid shall be paid to the district. If a district does not
27 qualify for state aid under this chapter in an amount
28 sufficient to cover its amount due to the area education
29 agency as calculated by the department of management, the
30 school district shall pay the deficiency to the area education
31 agency from other moneys received by the district, on a
32 quarterly basis during each school year.

33 2. Notwithstanding subsection 1, the state aid for area
34 education agencies and the portion of the combined district
35 cost calculated for these agencies for each fiscal year of the

1 fiscal period beginning July 1, 2002, and ending June 30,
2 2004, shall be reduced by the department of management by
3 seven million five hundred thousand dollars. The reduction
4 for each area education agency shall be equal to the reduction
5 that the agency received in the fiscal year beginning July 1,
6 2001.

7 Sec. 3. Section 257.37, Code 2001, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 6. For the budget years beginning July 1,
10 2002, and July 1, 2003, notwithstanding the requirements of
11 this section for determining the budgets and funding of media
12 services and education services, an area education agency may,
13 within the limits of the total of the funds provided for the
14 budget years pursuant to section 257.35, expend for special
15 education support services an amount that exceeds the payment
16 for special education support services pursuant to section
17 257.35 in order to maintain the level of required special
18 education support services in the area education agency.

19 Sec. 4. 2001 Iowa Acts, chapter 174, section 1, subsection
20 1, is amended to read as follows:

21 1. Notwithstanding provisions to the contrary in sections
22 99D.17 and 99F.11, and notwithstanding provisions to the
23 contrary in section 8.57, subsection 5, paragraph "e", and
24 following deposits in the general fund of the state, the
25 vision Iowa fund created in section 12.72, and the school
26 infrastructure fund created in section 12.82, pursuant to
27 section 8.57, subsection 5, paragraph "e", for the designated
28 fiscal years, the following moneys received pursuant to
29 sections 99D.17 and 99F.11 shall be deposited in the endowment
30 for Iowa's health account of the tobacco settlement trust fund
31 created in section 12E.12 for the purposes specified in
32 section 12E.12 for the endowment for Iowa's health account:

33	FY 2001-2002	\$ 80,000,000
34	FY 2002-2003	\$ 75,000,000
35	FY 2003-2004	\$ 70,000,000

1	FY 2004-2005	\$ 70,000,000
2	FY 2005-2006	\$ 70,000,000
3	FY 2006-2007	\$ 70,000,000

4 The total moneys received pursuant to sections 99D.17 and
5 99F.11 in a fiscal year, in excess of the moneys received
6 pursuant to sections 99D.17 and 99F.11 and deposited in the
7 general fund of the state, the vision Iowa fund, the school
8 infrastructure fund, and the tobacco settlement trust fund,
9 shall be deposited in the rebuild Iowa infrastructure fund and
10 shall be used as provided in section 8.57, notwithstanding
11 section 8.60.

12 For the fiscal year beginning July 1, 2002, and ending June
13 30, 2003, of the \$75,000,000 to be deposited in the endowment
14 for Iowa's health account of the tobacco settlement trust fund
15 under this subsection, the first \$20,000,000 is appropriated
16 to the department of management to pay that part of foundation
17 aid which represents the allowable growth amounts for all
18 school districts. An appropriation from the general fund of
19 the state for foundation aid which is supplanted by the
20 appropriation made in this subsection, shall be reduced by the
21 amount of the appropriation which supplants it.

22 Sec. 5. STATE FOUNDATION AID APPROPRIATION.

23 1. Notwithstanding section 257.16, for the fiscal year
24 beginning July 1, 2002, and ending June 30, 2003, there is
25 appropriated from the general fund of the state to the
26 department of education the following amount, or so much
27 thereof as is necessary, to be used for the purpose
28 designated:

29 For state foundation aid: \$1,784,090,500

30 If the amount appropriated in this section is less than the
31 amount required pursuant to section 257.16, unnumbered
32 paragraph 1, the difference shall be deducted from the
33 payments to each school district in the same ratio that the
34 budget enrollment of the school district for the budget year
35 beginning July 1, 2002, bears to the total budget enrollment

1 in the state for that budget year.

2 2. a. There is appropriated from the Iowa economic
3 emergency fund created in section 8.55 to the department of
4 management for the fiscal year beginning July 1, 2002, and
5 ending June 30, 2003, the following amount, or so much thereof
6 as is necessary, to be used for the purpose designated:

7 For supplanting an equal amount from the appropriation made
8 from the general fund of the state for the fiscal year
9 beginning July 1, 2002, pursuant to section 257.16, to pay
10 that part of foundation aid which represents the allowable
11 growth amounts for all school districts:

12 \$ 25,000,000

13 b. The moneys appropriated in this subsection are declared
14 to be appropriated for emergency expenditures as required in
15 section 8.55, subsection 3, paragraph "a".

16 c. An appropriation from the general fund of the state,
17 which is supplanted by an appropriation from the Iowa economic
18 emergency fund made in this subsection, shall be reduced by
19 the amount of the appropriation which supplants it.

20 Sec. 6. EFFECTIVE DATE. This Act, being deemed of
21 immediate importance, takes effect upon enactment.

22 EXPLANATION

23 This bill provides for the establishment of a revised state
24 percent of growth for the school budget year beginning July 1,
25 2002. The bill reduces the state percent of growth for the
26 budget year beginning July 1, 2002, from 4 to 1 percent.

27 The bill also provides that the state school foundation aid
28 for area education agencies and the portion of the combined
29 district cost calculated for these agencies for the fiscal
30 years beginning July 1, 2002, and July 1, 2003, shall be
31 reduced for each fiscal year by the department of management
32 by \$7,500,000. The bill also provides that the amount of the
33 reduction for each area education agency shall equal the
34 reduction that each agency received in the fiscal year
35 beginning July 1, 2001. The bill additionally provides that

1 for the fiscal years beginning July 1, 2002, and July 1, 2003,
2 an area education agency may, within the limits of the total
3 of the funds provided to an area education agency pursuant to
4 Code section 257.35, expend for special education support
5 services an amount that exceeds the payment for special
6 education support services pursuant to Code section 257.35 in
7 order to maintain the level of required special education
8 support services in the area education agency.

9 Additionally, the bill provides that notwithstanding Code
10 section 257.16, which provides a standing appropriation in an
11 amount necessary to pay state foundation aid and supplementary
12 aid, for the fiscal year beginning July 1, 2002, and ending
13 June 30, 2003, \$1,784,090,500 shall be appropriated from the
14 general fund of the state to the department of education for
15 this purpose. The bill provides that if this appropriation is
16 insufficient to fully fund state foundation aid and
17 supplementary aid, the difference shall be deducted from the
18 payments to each school district in the same ratio that the
19 budget enrollment of the school district for the budget year
20 beginning July 1, 2002, bears to the total budget enrollment
21 in the state for the budget year.

22 The bill appropriates \$25 million of the funds appropriated
23 from the Iowa economic emergency fund created in Code section
24 8.55 to the department of management for the fiscal year
25 beginning July 1, 2002, and ending June 30, 2003, to pay that
26 part of foundation aid which represents the allowable growth
27 amounts for all school districts. The bill also appropriates
28 \$20 million of the funds deposited in the endowment for Iowa's
29 health account of the tobacco settlement trust fund for the
30 fiscal year beginning July 1, 2002, and ending June 30, 2003,
31 to the department of management to pay that part of foundation
32 aid which represents the allowable growth amounts for all
33 school districts. The bill provides that an appropriation
34 from the general fund of the state, which is supplanted by an
35 appropriation pursuant to the Iowa economic emergency fund or

1 the endowment for Iowa's health account of the tobacco
2 settlement trust fund pursuant to the bill, shall be reduced
3 by the amount of the appropriation which supplants it.

4 The bill takes effect upon enactment.

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SENATE FILE 2315

S-5189

1 Amend Senate File 2315 as follows:

2 1. Page 2, by inserting after line 18, the
3 following:

4 "Sec. ____ . Section 280.4, subsection 3, Code 2001,
5 is amended to read as follows:

6 3. ~~In~~ For the school budget year beginning July 1,
7 2002, and succeeding budget years, in order to provide
8 funds for the excess costs of instruction of limited
9 English proficient students above the costs of
10 instruction of pupils in a regular curriculum,
11 students identified as limited English proficient
12 shall be assigned an additional weighting of twenty-
13 two hundredths, and that weighting shall be included
14 in the weighted enrollment of the school district of
15 residence for a period not exceeding three years.
16 However, the school budget review committee may grant
17 supplemental aid or modified allowable growth to a
18 school district to continue funding a program for
19 students after the expiration of the three-year
20 period. ~~The school budget review committee shall~~
21 ~~calculate the additional amount for the weighting to~~
22 ~~the nearest one hundredth of one percent so that to~~
23 ~~the extent possible the moneys generated by the~~
24 ~~weighting will be equivalent to the moneys generated~~
25 ~~by the two tenths weighting provided prior to July 2,~~
26 ~~1991."~~

27 2. Title page, line 3, by inserting after the
28 word "agencies," the following: "providing additional
29 weighting for limited English proficient students,".

By MIKE CONNOLLY
MICHAEL E. GRONSTAL
THOMAS FIEGEN
WALLY E. HORN
JOHN P. KIBBIE
DENNIS H. BLACK
JOHNIE HAMMOND
JOE BOLKCOM
AMANDA RAGAN

ROBERT E. DVORSKY
JACK HOLVECK
STEVEN D. HANSEN
PATRICIA HARPER
BILL FINK
MARK SHEARER
MATT McCOY
EUGENE S. FRAISE

S-5189 FILED MARCH 18, 2002

LOST

Lost
3-18-02
p. 689

SENATE FILE 2315

S-5190

1 Amend Senate File 2315 as follows:

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

4 "Section 1. Section 256D.5, subsection 2, Code
5 2001, is amended by striking the subsection and
6 inserting in lieu thereof the following:

7 2. There is appropriated from the general fund of
8 the state to the department of education for the
9 fiscal year beginning July 1, 2001, and ending June
10 30, 2002, the sum of thirty million dollars for the
11 school improvement technology block grant program.
12 There is appropriated from the general fund of the
13 state to the department of education for the fiscal
14 year beginning July 1, 2002, and ending June 30, 2003,
15 the sum of ten million dollars for the school
16 improvement technology block grant program."

17 2. Page 2, by inserting after line 18 the
18 following:

19 "Sec. ____ . Section 294A.25, subsection 1, Code
20 Supplement 2001, is amended to read as follows:

21 1. For the fiscal year beginning July 1, ~~2000~~
22 2002, and for each succeeding year, there is
23 appropriated from the general fund of the state to the
24 department of education the amount of ~~eighty~~ eighty-
25 one million eight hundred ninety-one thousand three
26 ~~hundred thirty-six~~ dollars to be used to improve
27 teacher salaries. The moneys shall be distributed as
28 provided in this section."

29 3. Page 4, by inserting after line 19 the
30 following:

31 "Sec. ____ . STUDENT ACHIEVEMENT AND TEACHER QUALITY
32 PROGRAM. There is appropriated from the general fund
33 of the state to the department of education for the
34 fiscal year beginning July 1, 2002, and ending June
35 30, 2003, the following amount, or so much thereof as
36 is necessary, to be used for the purposes designated:

37 For purposes of the student achievement and teacher
38 quality program pursuant to chapter 284:
39 \$ 40,000,000

40 Notwithstanding section 8.33, any moneys remaining
41 unencumbered or unobligated from the appropriation
42 made in this section shall not revert but shall remain
43 available in the succeeding fiscal year for
44 expenditure for the purposes designated. The
45 provisions of section 8.39 shall not apply to the
46 funds appropriated pursuant to this section."

47 4. Title page, line 3, by inserting after the
48 word "agencies," the following: "making additional
49 education funding appropriations,".

By MIKE CONNOLLY
MICHAEL E. GRONSTAL
THOMAS FIEGEN
WALLY E. HORN
JOHN P. KIBBIE
DENNIS H. BLACK
JOHNIE HAMMOND
JACK HOLVECK
DICK L. DEARDEN

PATRICIA HARPER
BILL FINK
MARK SHEARER
AMANDA RAGAN
MATT MCCOY
STEVEN D. HANSEN
JOE BOLKCOM
ROBERT E. DVORSKY
EUGENE S. FRAISE

S-5190 FILED MARCH 18, 2002
RULED OUT OF ORDER

(P. 689)

SENATE FILE 2315

H-8332

1 Amend Senate File 2315, as passed by the Senate, as
2 follows:

3 1. Page 4, line 7, by striking the words "an
4 equal amount" and inserting the following:

5 "\$25,000,000".

6 2. Page 4, line 12, by striking the figure

7 "\$25,000,000" and inserting the following:

8 "\$65,000,000".

9 3. Page 4, by inserting after line 12 the
10 following: "Of the moneys appropriated in this
11 subsection, \$40,000,000 shall be appropriated to the
12 department of education for the fiscal year beginning
13 July 1, 2002, and ending June 30, 2003, for purposes
14 of the student achievement and teacher quality program
15 pursuant to chapter 284. Notwithstanding section
16 8.33, any moneys remaining unencumbered or unobligated
17 from the appropriation made in this section shall not
18 revert but shall remain available in the succeeding
19 fiscal year for expenditure for the purposes
20 designated. The provisions of section 8.39 shall not
21 apply to the funds appropriated pursuant to this
22 section."

23 4. Page 4, by striking line 17 and inserting the
24 following: "which is supplanted by the \$25,000,000
25 appropriation from the Iowa economic".

By WISE of Lee

BUKTA of Clinton

COHOON of Des Moines

FOEGE of Linn

GREIMANN of Story

LENSING of Johnson

MASCHER of Johnson

PETERSEN of Polk

STEVENS of Dickinson

WINCKLER of Scott

H-8332 FILED MARCH 19, 2002

Lost
3/19/02
(P. 857)

SENATE FILE 2315

AN ACT

APPROPRIATING STATE SCHOOL FOUNDATION AID AND MAKING RELATED CHANGES TO THE STATE PERCENT OF GROWTH FOR SCHOOL BUDGETS AND TO THE FUNDING FOR AREA EDUCATION AGENCIES, 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 2001, is amended to read as follows:

1. STATE PERCENT OF GROWTH. The state percent of growth for the budget year beginning July 1, 2001, is four percent. The state percent of growth for the budget year beginning July 1, 2002, is four one 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.

Sec. 2. Section 257.35, Code 2001, is amended to read as follows:

257.35 AREA EDUCATION AGENCY PAYMENTS.

1. The department of management shall deduct the amounts calculated for special education support services, media services, and educational services for each school district from the state aid due to the district pursuant to this chapter and shall pay the amounts to the respective area education agencies on a monthly basis from September 15 through June 15 during each school year. The department of management shall notify each school district of the amount of state aid deducted for these purposes and the balance of state aid shall be paid to the district. If a district does not qualify for state aid under this chapter in an amount sufficient to cover its amount due to the area education agency as calculated by the department of management, the school district shall pay the deficiency to the area education agency from other moneys received by the district, on a quarterly basis during each school year.

2. Notwithstanding subsection 1, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for each fiscal year of the fiscal period beginning July 1, 2002, and ending June 30, 2004, shall be reduced by the department of management by seven million five hundred thousand dollars. The reduction for each area education agency shall be equal to the reduction that the agency received in the fiscal year beginning July 1, 2001.

Sec. 3. Section 257.37, Code 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 6. For the budget years beginning July 1, 2002, and July 1, 2003, notwithstanding the requirements of this section for determining the budgets and funding of media services and education services, an area education agency may, within the limits of the total of the funds provided for the budget years pursuant to section 257.35, expend for special education support services an amount that exceeds the payment for special education support services pursuant to section

257.35 in order to maintain the level of required special education support services in the area education agency.

Sec. 4. 2001 Iowa Acts, chapter 174, section 1, subsection 1, is amended to read as follows:

1. Notwithstanding provisions to the contrary in sections 99D.17 and 99F.11, and notwithstanding provisions to the contrary in section 8.57, subsection 5, paragraph "e", and following deposits in the general fund of the state, the vision Iowa fund created in section 12.72, and the school infrastructure fund created in section 12.82, pursuant to section 8.57, subsection 5, paragraph "e", for the designated fiscal years, the following moneys received pursuant to sections 99D.17 and 99F.11 shall be deposited in the endowment for Iowa's health account of the tobacco settlement trust fund created in section 12E.12 for the purposes specified in section 12E.12 for the endowment for Iowa's health account:

FY 2001-2002	\$ 80,000,000
FY 2002-2003	\$ 75,000,000
FY 2003-2004	\$ 70,000,000
FY 2004-2005	\$ 70,000,000
FY 2005-2006	\$ 70,000,000
FY 2006-2007	\$ 70,000,000

The total moneys received pursuant to sections 99D.17 and 99F.11 in a fiscal year, in excess of the moneys received pursuant to sections 99D.17 and 99F.11 and deposited in the general fund of the state, the vision Iowa fund, the school infrastructure fund, and the tobacco settlement trust fund, shall be deposited in the rebuild Iowa infrastructure fund and shall be used as provided in section 8.57, notwithstanding section 8.60.

For the fiscal year beginning July 1, 2002, and ending June 30, 2003, of the \$75,000,000 to be deposited in the endowment for Iowa's health account of the tobacco settlement trust fund under this subsection, the first \$20,000,000 is appropriated to the department of management to pay that part of foundation

aid which represents the allowable growth amounts for all school districts. An appropriation from the general fund of the state for foundation aid which is supplanted by the appropriation made in this subsection, shall be reduced by the amount of the appropriation which supplants it.

Sec. 5. STATE FOUNDATION AID APPROPRIATION.

1. Notwithstanding section 257.16, for the fiscal year beginning July 1, 2002, and ending June 30, 2003, there is appropriated from the general fund of the state to the department of education the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For state foundation aid: \$1,784,090,500

If the amount appropriated in this section is less than the amount required pursuant to section 257.16, unnumbered paragraph 1, the difference shall be deducted from the payments to each school district in the same ratio that the budget enrollment of the school district for the budget year beginning July 1, 2002, bears to the total budget enrollment in the state for that budget year.

2. a. There is appropriated from the Iowa economic emergency fund created in section 8.55 to the department of management for the fiscal year beginning July 1, 2002, and ending June 30, 2003, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For supplanting an equal amount from the appropriation made from the general fund of the state for the fiscal year beginning July 1, 2002, pursuant to section 257.16, to pay that part of foundation aid which represents the allowable growth amounts for all school districts:
..... \$ 25,000,000

b. The moneys appropriated in this subsection are declared to be appropriated for emergency expenditures as required in section 8.55, subsection 3, paragraph "a".

c. An appropriation from the general fund of the state, which is supplanted by an appropriation from the Iowa economic emergency fund made in this subsection, shall be reduced by the amount of the appropriation which supplants it.

Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2315, Seventy-ninth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved March 28, 2002

THOMAS J. VILSACK
Governor