

FILED MAR 7 2005

SENATE FILE 293
BY TINSMAN

EDUCATION

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

A BILL FOR

1 An Act providing for increased flexibility in school district
2 utilization of funding when authorized by the school budget
3 review committee under specified circumstances.

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

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1 Section 1. Section 257.31, subsection 7, Code 2005, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:

4 7. The committee may authorize a school district to spend
5 a reasonable and specified amount from its unexpended cash
6 balance, reallocate revenues from board-approved property tax
7 levies, and exceed the limitation on the cumulative total of
8 the percents of income surtax approved by the board of
9 directors pursuant to section 298.14, upon submission by the
10 school district of evidence that such an expenditure,
11 reallocation, or limitation exception will assist the school
12 district in addressing any of the purposes or circumstances
13 specified in subsection 5, and thereby reduce or eliminate the
14 need for supplemental aid or modified allowable growth
15 pursuant to this section. A school district shall document
16 that an adequate amount of revenue is available for a purpose
17 or program for which a levy was originally authorized by the
18 board prior to approval for a reallocation of a portion of
19 that revenue pursuant to this subsection. Expenditures
20 authorized under this subsection shall not be included in
21 allowable growth or district cost, and shall be regarded as if
22 the expenditures were miscellaneous income. Any part of an
23 amount not actually spent for an authorized purpose pursuant
24 to this subsection shall revert to its former status.

25 EXPLANATION

26 This bill provides that the school budget review committee
27 may authorize a school district to spend a reasonable and
28 specified amount from its unexpended cash balance, reallocate
29 revenues from board-approved property tax levies, and exceed
30 the 20 percent limitation on the cumulative total of the
31 percents of income surtax approved by the board of directors
32 pursuant to Code section 298.14, upon submission by the school
33 district of evidence that the expenditure, reallocation, or
34 limitation exception will assist the district in addressing
35 problems, needs, or unusual circumstances for which

1 supplemental aid or modified allowable growth could otherwise
2 be granted by the committee.

3 Currently, utilization of an unexpended cash balance is
4 permitted under Code section 257.31 only for the following:
5 for furnishing, equipping, and contributing to the
6 construction of a new building or structure for which the
7 voters of the district have approved a bond issue as provided
8 by law or the tax levy provided in Code section 298.2; or for
9 the costs associated with the demolition of an unused school
10 building, or the conversion of an unused school building for
11 community use, in a school district involved in a dissolution
12 or reorganization under Code chapter 275, if the costs are
13 incurred within three years of the dissolution or
14 reorganization.

15 The bill specifies that a district must document that an
16 adequate amount of revenue is being generated for a purpose or
17 program for which a levy was originally authorized by the
18 board prior to approval for a reallocation of a portion of
19 that revenue. The bill provides that expenditures authorized
20 under the bill shall not be included in allowable growth or
21 district cost, shall be regarded as miscellaneous income, and
22 that any part of an amount not actually spent for an
23 authorized purpose shall revert to its former status.

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