

House File 2182 - Introduced

HOUSE FILE 2182

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A BILL FOR

1 An Act relating to school district funding by establishing a
2 district cost per pupil equity budget adjustment for certain
3 budget years and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.2, subsection 2, Code 2016, is
2 amended by striking the subsection.

3 Sec. 2. NEW SECTION. 257.14A District cost per pupil equity
4 — budget adjustment.

5 1. The board of directors of a school district with a
6 regular program district cost per pupil that is less than the
7 highest regular program district cost per pupil among all
8 school districts in the state for the same budget year that
9 wishes to receive the budget adjustment under this section may
10 adopt a resolution by May 15 preceding the budget year and
11 shall notify the department of management of the adoption of
12 the resolution and the amount of the budget adjustment to be
13 received. The resolution adopted by the board of directors
14 shall specify the board's intent to use such funds authorized
15 under subsection 2, paragraph "b", without any corresponding
16 increase to the school district's cash reserve levy or other
17 property tax levy of the school district for the current budget
18 year or any future budget year to replenish such amounts.

19 2. a. For budget years beginning on or after July 1, 2016,
20 but before July 1, 2019, each school district that satisfies
21 the requirements of subsection 1 shall be eligible for a
22 budget adjustment for that budget year in an amount not to
23 exceed the difference between the school district's regular
24 program district cost per pupil and the highest regular program
25 district cost per pupil among all school districts in the state
26 multiplied by the district's budget enrollment. The resolution
27 adopted under subsection 1 may specify a budget adjustment
28 amount that is less than the maximum amount authorized under
29 this paragraph "a".

30 b. The school district shall fund the budget adjustment
31 either by using moneys from its unexpended fund balance or by
32 using cash reserve moneys.

33 3. A budget adjustment received under this section shall
34 not affect the eligibility for or amount of any other budget
35 adjustment authorized by law for the same budget year. In

1 addition, a budget adjustment under this section shall be
2 limited to the budget year for which the adjustment was
3 authorized and shall not be included in any computation of a
4 school district's cost for any future budget year.

5 Sec. 3. Section 257.34, Code 2016, is amended to read as
6 follows:

7 **257.34 Cash reserve information.**

8 1. If a school district receives less state school
9 foundation aid under [section 257.1](#) than is due under that
10 section for a base year and the school district uses funds
11 from its cash reserve during the base year to make up for
12 the amount of state aid not paid, the board of directors of
13 the school district shall include in its general fund budget
14 document information about the amount of the cash reserve used
15 to replace state school foundation aid not paid.

16 2. If a school district uses funds from its cash reserve
17 during the base year to fund a budget adjustment under section
18 257.14A, the board of directors of the school district shall
19 include in its general fund budget document information about
20 the amount of the cash reserve used for such purpose.

21 Sec. 4. IMPLEMENTATION. Notwithstanding the deadline
22 for adopting a resolution to approve the budget adjustment
23 in section 257.14A, subsection 1, for the school budget
24 year beginning July 1, 2016, the resolution of the board of
25 directors of a school district shall be approved not later than
26 June 10, 2016.

27 Sec. 5. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
28 immediate importance, takes effect upon enactment.

29

EXPLANATION

30 The inclusion of this explanation does not constitute agreement with
31 the explanation's substance by the members of the general assembly.

32 This bill establishes a district cost per pupil equity
33 budget adjustment. The board of directors of a school district
34 with a regular program district cost per pupil that is less
35 than the highest regular program district cost per pupil among

1 all school districts in the state for the same budget year may
2 annually adopt a resolution to receive the budget adjustment
3 authorized in the bill. Following adoption of the resolution
4 the board of directors must notify the department of management
5 of the adoption of the resolution and the amount of the budget
6 adjustment to be received. The bill requires the resolution
7 adopted by the board of directors to specify the board's intent
8 to use the authorized funding sources without any corresponding
9 increase to the school district's cash reserve levy or other
10 property tax levy of the school district for the current budget
11 year or any future budget year to replenish the funding sources
12 used.

13 For budget years beginning on or after July 1, 2016, but
14 before July 1, 2019, each eligible school district is eligible
15 for a budget adjustment for that budget year in an amount
16 equal to the difference between the school district's regular
17 program district cost per pupil and the highest regular program
18 district cost per pupil among all school districts in the
19 state multiplied by the district's budget enrollment. The
20 resolution authorizing the budget adjustment may specify a
21 budget adjustment amount that is less than the maximum amount
22 authorized under the bill. The bill requires the school
23 district to fund the budget adjustment either by using moneys
24 from its unexpended fund balance or by using cash reserve
25 moneys.

26 The bill specifies that the budget adjustment received does
27 not affect the eligibility for or amount of any other budget
28 adjustment authorized by law for the same budget year and that
29 the budget adjustment under the bill is limited to the budget
30 year for which the adjustment was authorized and shall not be
31 included in any computation of a school district's cost for any
32 future budget year.

33 Under the bill, if a school district uses funds from its
34 cash reserve during the base year to fund a budget adjustment
35 authorized in the bill, the board of directors of the school

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1 district shall include in its general fund budget document
2 information about the amount of the cash reserve used for such
3 purpose.

4 Notwithstanding the May 15 deadline for adopting a
5 resolution to approve the budget adjustment provided for in the
6 bill, for the school budget year beginning July 1, 2016, the
7 resolution of the board of directors of a school district must
8 be approved not later than June 10, 2016.

9 The bill takes effect upon enactment.