

House File 21 - Introduced

HOUSE FILE 21

BY WINCKLER

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 2017, 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 within ten days of adoption of the resolution notify the
12 department of management of the amount of the budget adjustment
13 to be received.

14 2. *a.* For budget years beginning on or after July 1, 2017,
15 but before July 1, 2020, each school district that satisfies
16 the requirements of subsection 1 shall be eligible for a
17 budget adjustment for that budget year in an amount not to
18 exceed the difference between the school district's regular
19 program district cost per pupil and the highest regular program
20 district cost per pupil among all school districts in the state
21 multiplied by the district's budget enrollment. The resolution
22 adopted under subsection 1 may specify a budget adjustment
23 amount that is less than the maximum amount authorized under
24 this paragraph "a".

25 *b.* The school district shall fund the budget adjustment
26 either by using moneys from its unexpended fund balance or by
27 using cash reserve moneys.

28 3. A budget adjustment received under this section shall
29 not affect the eligibility for or amount of any other budget
30 adjustment authorized by law for the same budget year. In
31 addition, a budget adjustment under this section shall be
32 limited to the budget year for which the adjustment was
33 authorized and shall not be included in any computation of a
34 school district's cost for any future budget year.

35 Sec. 3. Section 257.34, Code 2017, is amended to read as

1 follows:

2 **257.34 Cash reserve information.**

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

11 2. If a school district uses funds from its cash reserve
12 during the base year to fund a budget adjustment under section
13 257.14A, the board of directors of the school district shall
14 include in its general fund budget document information about
15 the amount of the cash reserve used for such purpose.

16 **Sec. 4. IMPLEMENTATION.** Notwithstanding the deadline
17 for adopting a resolution to approve the budget adjustment
18 in section 257.14A, subsection 1, for the school budget
19 year beginning July 1, 2017, the resolution of the board of
20 directors of a school district shall be approved not later than
21 June 10, 2017.

22 **Sec. 5. EFFECTIVE UPON ENACTMENT.** This Act, being deemed of
23 immediate importance, takes effect upon enactment.

24 **EXPLANATION**

25 **The inclusion of this explanation does not constitute agreement with**
26 **the explanation's substance by the members of the general assembly.**

27 This bill establishes a district cost per pupil equity
28 budget adjustment. The board of directors of a school district
29 with a regular program district cost per pupil that is less
30 than the highest regular program district cost per pupil among
31 all school districts in the state for the same budget year may
32 annually adopt a resolution to receive the budget adjustment
33 authorized in the bill. Following adoption of the resolution
34 the board of directors must, within 10 days of its adoption,
35 notify the department of management of the amount of the budget

1 adjustment to be received.

2 For budget years beginning on or after July 1, 2017, but
3 before July 1, 2020, each eligible school district is eligible
4 for a budget adjustment for that budget year in an amount
5 equal to the difference between the school district's regular
6 program district cost per pupil and the highest regular program
7 district cost per pupil among all school districts in the
8 state multiplied by the district's budget enrollment. The
9 resolution authorizing the budget adjustment may specify a
10 budget adjustment amount that is less than the maximum amount
11 authorized under the bill. The bill requires the school
12 district to fund the budget adjustment either by using moneys
13 from its unexpended fund balance or by using cash reserve
14 moneys.

15 The bill specifies that the budget adjustment received does
16 not affect the eligibility for or amount of any other budget
17 adjustment authorized by law for the same budget year and that
18 the budget adjustment under the bill is limited to the budget
19 year for which the adjustment was authorized and shall not be
20 included in any computation of a school district's cost for any
21 future budget year.

22 Under the bill, if a school district uses funds from its
23 cash reserve during the base year to fund a budget adjustment
24 authorized in the bill, the board of directors of the school
25 district shall include in its general fund budget document
26 information about the amount of the cash reserve used for such
27 purpose.

28 Notwithstanding the May 15 deadline for adopting a
29 resolution to approve the budget adjustment provided for in the
30 bill, for the school budget year beginning July 1, 2017, the
31 resolution of the board of directors of a school district must
32 be approved not later than June 10, 2017.

33 The bill takes effect upon enactment.