

**House File 2136 - Introduced**

HOUSE FILE 2136

BY SHEETS, HEARTSILL, WHEELER,  
MAXWELL, SALMON, DOLECHECK,  
LONDON, HAGER, and GASSMAN

**A BILL FOR**

1 An Act relating to school district spending authority by  
2 establishing a district cash reserve budget adjustment.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.2, subsection 2, Code 2018, is  
2 amended by striking the subsection.

3 Sec. 2. NEW SECTION. **257.14A District cash reserve budget**  
4 **adjustment.**

5 1. The board of directors of a school district that wishes  
6 to receive the budget adjustment under this section shall  
7 adopt a resolution by May 15 preceding the budget year and  
8 shall within ten days of adoption of the resolution notify the  
9 department of management of the adoption of the resolution and  
10 the amount of the budget adjustment to be received, subject to  
11 the limitations of subsection 2.

12 2. *a.* For budget years beginning on or after July 1,  
13 2019, each school district for which a resolution is adopted  
14 under subsection 1 shall receive a budget adjustment for that  
15 budget year in an amount not to exceed an amount equal to  
16 the district's budget enrollment multiplied by the quotient  
17 obtained by the department of management by dividing the sum  
18 of the maximum amount of the cash reserve levy available to  
19 each school district in the state as determined under section  
20 298.10, subsection 3, for the budget year, by the statewide  
21 total budget enrollment for the base year.

22 *b.* The resolution adopted under subsection 1 may specify a  
23 budget adjustment amount that is less than the maximum amount  
24 authorized under paragraph "a".

25 *c.* The school district shall fund the budget adjustment  
26 increase either by using moneys from its unexpended fund  
27 balance or by using cash reserve moneys subject to the  
28 limitation in section 298.10.

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

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EXPLANATION

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

3

4 This bill establishes a district cash reserve budget  
5 adjustment. The board of directors of a school district that  
6 wishes to receive the budget adjustment under the bill shall  
7 adopt a resolution by May 15 preceding the budget year and  
8 shall notify the department of management of the adoption of  
9 the resolution and the amount of the budget adjustment to be  
10 received.

11 For budget years beginning on or after July 1, 2019,  
12 each school district that adopts the required resolution  
13 shall receive a budget adjustment for that budget year in an  
14 amount not to exceed an amount equal to the district's budget  
15 enrollment multiplied by the quotient obtained by dividing the  
16 sum of the maximum amount of the cash reserve levy available  
17 to each school district in the state as determined under Code  
18 section 298.10(3) for the budget year, by the statewide total  
19 budget enrollment for the base year.

20 The bill provides that the budget adjustment resolution  
21 may specify a budget adjustment amount that is less than the  
22 maximum amount authorized in the bill. The school district  
23 is required to fund the budget adjustment increase either by  
24 using moneys from its unexpended fund balance or by using cash  
25 reserve moneys subject to the cash reserve levy limitation in  
26 Code section 298.10.

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