

**Senate File 455 - Introduced**

SENATE FILE 455  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 1124)

**A BILL FOR**

1 An Act relating to school district finance by modifying  
2 provisions relating to the calculation of the regular  
3 program state cost per pupil and the regular program  
4 district cost per pupil, and by establishing a supplementary  
5 weighting plan for certain mandatory school district  
6 transportation costs and including effective date  
7 provisions.

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

DIVISION I

STATE AND DISTRICT COSTS PER PUPIL

1  
2  
3 Section 1. Section 257.2, subsection 12, Code 2017, is  
4 amended to read as follows:

5 12. *"Supplemental state aid"* means the amount by which state  
6 cost per pupil and district cost per pupil will increase from  
7 one budget year to the next as the result of the state percent  
8 of growth.

9 Sec. 2. Section 257.8, subsection 5, Code 2017, is amended  
10 to read as follows:

11 5. *Alternate supplemental state aid — definitions.*

12 a. For budget years beginning July 1, 2000, and subsequent  
13 budget years, references to the terms *"supplemental state aid"*,  
14 *"regular program state cost per pupil"*, and *"regular program*  
15 *district cost per pupil"* shall mean those terms as calculated  
16 for those school districts that calculated regular program  
17 supplemental state aid for the school budget year beginning  
18 July 1, 1999, with the additional thirty-eight dollars  
19 specified in [section 257.8, subsection 4, Code 2013](#).

20 b. For the budget year beginning July 1, 2017, and  
21 subsequent budget years, references to "supplemental state  
22 aid" and "regular program state cost per pupil" shall mean  
23 those terms as calculated including the additional amounts  
24 for specified budget years under section 257.9, subsection  
25 2, paragraphs "b" and "c", and references to "regular program  
26 district cost per pupil" shall mean that term as calculated  
27 including any adjustments made under section 257.10, subsection  
28 2.

29 Sec. 3. Section 257.9, subsection 2, Code 2017, is amended  
30 to read as follows:

31 2. *Regular program state cost per pupil for 1992-1993 and*  
32 *succeeding years.*

33 a. For the budget year beginning July 1, 1992, and  
34 succeeding budget years beginning before July 1, 2017, the  
35 regular program state cost per pupil for a budget year is the

1 regular program state cost per pupil for the base year plus the  
2 regular program supplemental state aid for the budget year.

3 b. For the budget year beginning July 1, 2017, the regular  
4 program state cost per pupil is the regular program state  
5 cost per pupil for the base year plus the regular program  
6 supplemental state aid for the budget year, plus five dollars.

7 c. For the budget year beginning July 1, 2018, the regular  
8 program state cost per pupil is the regular program state  
9 cost per pupil for the base year plus the regular program  
10 supplemental state aid for the budget year, plus ten dollars.

11 d. For the budget year beginning July 1, 2019, and  
12 succeeding budget years beginning before July 1, 2027, the  
13 regular program state cost per pupil for a budget year is the  
14 regular program state cost per pupil for the base year plus the  
15 regular program supplemental state aid for the budget year,  
16 plus twenty dollars.

17 e. For the budget year beginning July 1, 2027, and  
18 succeeding budget years, the regular program state cost per  
19 pupil for a budget year is the regular program state cost per  
20 pupil for the base year plus the regular program supplemental  
21 state aid for the budget year.

22 Sec. 4. Section 257.10, subsection 2, paragraph b, Code  
23 2017, is amended to read as follows:

24 b. If the regular program district cost per pupil of a  
25 school district for the budget year under paragraph "a" exceeds  
26 one hundred five percent of the regular program state cost  
27 per pupil for the budget year and the state percent of growth  
28 for the budget year is greater than two percent, the regular  
29 program district cost per pupil for the budget year for that  
30 district shall be reduced to one hundred five percent of the  
31 regular program state cost per pupil for the budget year.  
32 However, under such conditions, if the difference between the  
33 regular program district cost per pupil for the budget year and  
34 the regular program state cost per pupil for the budget year  
35 is greater than an amount equal to two percent multiplied by

1 the regular program state cost per pupil for the base year, the  
2 regular program district cost per pupil for the budget year  
3 shall be reduced by the amount equal to two percent multiplied  
4 by the regular program state cost per pupil for the base year.

5 Sec. 5. Section 257.10, subsection 2, Code 2017, is amended  
6 by adding the following new paragraph:

7 NEW PARAGRAPH. *c.* For the budget year beginning July 1,  
8 2017, and succeeding budget years, if the regular program  
9 district cost per pupil for the budget year calculated under  
10 this subsection in any school district is less than the  
11 regular program state cost per pupil for the budget year, the  
12 department of management shall increase the regular program  
13 district cost per pupil of that district to an amount equal to  
14 the regular program state cost per pupil for the budget year.

15 Sec. 6. EFFECTIVE UPON ENACTMENT. This division of this  
16 Act, being deemed of immediate importance, takes effect upon  
17 enactment.

18 DIVISION II

19 SCHOOL DISTRICT SUPPLEMENTARY WEIGHTING

20 Sec. 7. Section 257.11, Code 2017, is amended by adding the  
21 following new subsection:

22 NEW SUBSECTION. *7A. School district transportation costs.*

23 *a.* In order to provide additional funds for school district  
24 transportation costs resulting from the transportation of  
25 resident pupils required by chapter 285 and paid from sources  
26 other than the district's physical plant and equipment levy  
27 fund under section 298A.4 or revenue received from the secure  
28 an advanced vision for education fund under section 423F.2, a  
29 supplementary weighting plan for such pupils is adopted.

30 *b.* Each school district shall be assigned a supplementary  
31 weighting amount as follows:

32 (1) For the budget year beginning July 1, 2017, ten percent  
33 of the combined weighting amount calculated under paragraph  
34 "c", subparagraph (2), for that budget year.

35 (2) For the budget year beginning July 1, 2018, twenty

1 percent of the combined weighting amount calculated under  
2 paragraph "c", subparagraph (2), for that budget year.

3 (3) For the budget year beginning July 1, 2019, thirty  
4 percent of the combined weighting amount calculated under  
5 paragraph "c", subparagraph (2), for that budget year.

6 (4) For the budget year beginning July 1, 2020, forty  
7 percent of the combined weighting amount calculated under  
8 paragraph "c", subparagraph (2), for that budget year.

9 (5) For the budget year beginning July 1, 2021, fifty  
10 percent of the combined weighting amount calculated under  
11 paragraph "c", subparagraph (2), for that budget year.

12 (6) For the budget year beginning July 1, 2022, sixty  
13 percent of the combined weighting amount calculated under  
14 paragraph "c", subparagraph (2), for that budget year.

15 (7) For the budget year beginning July 1, 2023, seventy  
16 percent of the combined weighting amount calculated under  
17 paragraph "c", subparagraph (2), for that budget year.

18 (8) For the budget year beginning July 1, 2024, eighty  
19 percent of the combined weighting amount calculated under  
20 paragraph "c", subparagraph (2), for that budget year.

21 (9) For the budget year beginning July 1, 2025, ninety  
22 percent of the combined weighting amount calculated under  
23 paragraph "c", subparagraph (2), for that budget year.

24 (10) For the budget year beginning July 1, 2026, and each  
25 succeeding budget year, one hundred percent of the combined  
26 weighting amount calculated under paragraph "c", subparagraph  
27 (2), for that budget year.

28 c. (1) (a) *Transportation cost factor.* For each budget  
29 year beginning on or after July 1, 2017, the department of  
30 management shall calculate for each school district all of the  
31 following:

32 (i) The sum of the school district's total transportation  
33 costs incurred for the transportation of pupils required under  
34 chapter 285, and paid from sources other than the district's  
35 physical plant and equipment levy fund under section 298A.4

1 or revenue received from the secure an advanced vision for  
2 education fund under section 423F.2, for the three years  
3 immediately preceding the base year.

4 (ii) The sum of the school district's regular program  
5 district cost for the three years immediately preceding the  
6 base year, excluding amounts attributable to budget adjustments  
7 received under section 257.14.

8 (iii) The school district's budget enrollment multiplied by  
9 the quotient of the school district's amount under subparagraph  
10 subdivision (i) divided by the school district's amount under  
11 subparagraph subdivision (ii).

12 (iv) The school district's amount under subparagraph  
13 subdivision (iii) divided by the sum of the amounts calculated  
14 under subparagraph subdivision (iii) for all school districts.

15 (v) The amount calculated under subparagraph subdivision  
16 (iv) multiplied by ninety percent of the sum of all school  
17 districts' transportation costs incurred for the transportation  
18 of pupils required under chapter 285 for the year preceding  
19 the base year and paid from sources other than the district's  
20 physical plant and equipment levy fund under section 298A.4  
21 or revenue received from the secure an advanced vision for  
22 education fund under section 423F.2.

23 (vi) The quotient of the amount calculated under  
24 subparagraph subdivision (v) divided by the regular program  
25 state cost per pupil for the budget year.

26 (b) *Budget enrollment factor.* For each budget year  
27 beginning on or after July 1, 2017, the department of  
28 management shall calculate for each school district all of the  
29 following:

30 (i) The quotient of the school district's budget enrollment  
31 divided by the statewide total budget enrollment multiplied by  
32 five percent of the sum of all school districts' transportation  
33 costs incurred for the transportation of pupils required under  
34 chapter 285 for the year preceding the base year and paid from  
35 sources other than the district's physical plant and equipment

1 levy fund under section 298A.4 or revenue received from the  
2 secure an advanced vision for education fund under section  
3 423F.2.

4 (ii) The amount calculated under subparagraph subdivision  
5 (i) divided by the regular program state cost per pupil for the  
6 budget year.

7 (c) *Route miles factor.* For each budget year beginning  
8 on or after July 1, 2017, the department of management shall  
9 calculate for each school district all of the following:

10 (i) The quotient of the school district's total route  
11 miles traveled for the transportation of pupils required under  
12 chapter 285 for the year preceding the base year divided by the  
13 school district's budget enrollment.

14 (ii) The school district's amount under subparagraph  
15 subdivision (i) divided by the sum of the amounts calculated  
16 under subparagraph subdivision (i) for all school districts.

17 (iii) The amount calculated under subparagraph subdivision  
18 (ii) multiplied by five percent of the sum of all school  
19 districts' transportation costs incurred for the transportation  
20 of pupils required under chapter 285 for the year preceding  
21 the base year and paid from sources other than the district's  
22 physical plant and equipment levy fund under section 298A.4  
23 or revenue received from the secure an advanced vision for  
24 education fund under section 423F.2.

25 (iv) The amount calculated under subparagraph subdivision  
26 (iii) divided by the regular program state cost per pupil for  
27 the budget year.

28 (2) The combined weighting amount for each school district  
29 is the sum of the following:

30 (a) The amount calculated under subparagraph (1),  
31 subparagraph division (a), subparagraph subdivision (vi).

32 (b) The amount calculated under subparagraph (1),  
33 subparagraph division (b), subparagraph subdivision (ii).

34 (c) The amount calculated under subparagraph (1),  
35 subparagraph division (c), subparagraph subdivision (iv).

1     *d.* Funding received by a school district as the result of  
2 supplementary weighting under this subsection shall not affect  
3 a school district's eligibility for transportation assistance  
4 under section 257.31, subsection 17.

5     *e.* Amounts received by a school district as the result  
6 of supplementary weighting under this subsection shall be  
7 deposited in the school district's general fund and may be used  
8 for any general fund purpose.

9     *f.* If a school district established as the result of a  
10 reorganization under chapter 275 does not have sufficient  
11 transportation cost data, regular program district cost per  
12 pupil data, or enrollment data for the calculation of amounts  
13 required under this subsection, the department of management  
14 shall use estimated transportation cost data, regular program  
15 district cost per pupil data, and enrollment data derived from  
16 data for prior budget years from each district involved in  
17 the reorganization until such amounts can be calculated using  
18 actual data for the reorganized school district.

19     *g.* For the budget years beginning July 1, 2017, July 1,  
20 2018, and July 1, 2019, and if necessary, any subsequent budget  
21 years, if insufficient or incomplete transportation cost data  
22 makes the implementation of this subsection impractical, the  
23 department of management shall, in consultation with the  
24 department of education and the legislative services agency,  
25 establish procedures and modified methodologies for calculating  
26 supplementary weighting and funding amounts under this  
27 subsection.

28     Sec. 8. Section 257.11, subsection 8, Code 2017, is amended  
29 to read as follows:

30     8. *Pupils ineligible.* A Except for transportation weighting  
31 under subsection 7A, a pupil eligible for the weighting plan  
32 provided in section 256B.9 is not eligible for supplementary  
33 weighting pursuant to this section unless it is determined  
34 that the course generating the supplemental weighting has no  
35 relationship to the pupil's disability. A pupil attending an



1 alternative program or an at-risk pupils' program, including  
2 alternative high school programs, is not eligible for  
3 supplementary weighting under [subsection 2](#).

4 Sec. 9. Section 257.31, subsection 17, paragraphs a and d,  
5 Code 2017, are amended to read as follows:

6 a. If a district's average transportation costs per  
7 pupil exceed the state average transportation costs per  
8 pupil determined under paragraph "c" by one hundred fifty  
9 percent, the committee may grant transportation assistance aid  
10 to the district using exclusively the funds transferred to  
11 the committee in accordance with section 321.34, subsection  
12 22. Such aid shall be miscellaneous income and shall not be  
13 included in district cost.

14 d. Funds transferred to the committee in accordance with  
15 section 321.34, subsection 22, are appropriated to and may be  
16 expended for the purposes of the committee, as described in  
17 this ~~section~~ subsection. However, highest priority shall be  
18 given to districts that meet the conditions described in this  
19 subsection. Notwithstanding any other provision of the Code,  
20 unencumbered or unobligated funds transferred to the committee  
21 pursuant to [section 321.34, subsection 22](#), remaining on June  
22 30 of the fiscal year for which the funds were transferred,  
23 shall not revert but shall be available for expenditure for the  
24 purposes of [this subsection](#) in subsequent fiscal years.

25 Sec. 10. EFFECTIVE UPON ENACTMENT. This division of this  
26 Act, being deemed of immediate importance, takes effect upon  
27 enactment.

28 EXPLANATION

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

31 This bill relates to school district finance by modifying  
32 provisions relating to the calculation of the regular program  
33 state cost per pupil and the regular program district cost  
34 per pupil and establishing a supplementary weighting plan for  
35 certain mandatory school district transportation costs.

1 Division I of the bill relates to the determination of the  
2 regular program state cost per pupil and the determination of  
3 regular program district cost per pupil for school districts.  
4 Those amounts are used to determine supplemental state aid  
5 amounts for each school budget year, determining the budget  
6 authority for each school district, and determining amounts  
7 of preschool foundation aid for schools participating in the  
8 statewide preschool program for four-year-old children under  
9 Code chapter 256C.

10 Current Code section 257.9 provides that for the budget  
11 year beginning July 1, 1992, and succeeding budget years, the  
12 regular program state cost per pupil for a budget year is the  
13 regular program state cost per pupil for the base year plus the  
14 regular program supplemental state aid for the budget year.

15 Under the bill, for the budget year beginning July 1, 2017,  
16 the regular program state cost per pupil is the regular program  
17 state cost per pupil for the base year plus the regular program  
18 supplemental state aid for the budget year, plus \$5. For  
19 the budget year beginning July 1, 2018, the regular program  
20 state cost per pupil is the regular program state cost per  
21 pupil for the base year plus the regular program supplemental  
22 state aid for the budget year, plus \$10. For the budget year  
23 beginning July 1, 2019, and succeeding budget years beginning  
24 before July 1, 2027, the regular program state cost per pupil  
25 is the regular program state cost per pupil for the base  
26 year plus the regular program supplemental state aid for the  
27 budget year, plus \$20. Then with the budget year beginning  
28 July 1, 2027, and succeeding budget years, the regular program  
29 state cost per pupil will again be calculated as the regular  
30 program state cost per pupil for the base year plus the regular  
31 program supplemental state aid for the budget year without any  
32 additional amount added.

33 The bill amends Code section 257.10 to provide that if  
34 the regular program district cost per pupil for the budget  
35 year calculated in any school district is less than the

1 regular program state cost per pupil for the budget year, the  
2 department of management shall increase the regular program  
3 district cost per pupil of that district to an amount equal to  
4 the regular program state cost per pupil for the budget year.

5 Division I of the bill takes effect upon enactment.

6 Division II of the bill establishes a supplementary  
7 weighting plan for school district transportation costs  
8 resulting from the transportation of pupils as required under  
9 Code chapter 285.

10 The bill establishes a methodology for calculating the  
11 amount of supplementary weighting assigned to each school  
12 district. The calculation is made using school district  
13 transportation cost data, school district enrollment data,  
14 and school district transportation route mile data. The  
15 amount of the supplementary weighting is phased in over a  
16 period of 10 school budget years beginning with the budget  
17 year beginning July 1, 2017. Under the bill, if a school  
18 district established as the result of a reorganization does not  
19 have sufficient data for the calculation of amounts required  
20 under the bill, the department of management is required to  
21 use estimated data derived from data for prior budget years  
22 from each district involved in the reorganization until such  
23 amounts can be calculated using actual data for the reorganized  
24 school district. In addition, for specified budget years,  
25 if insufficient or incomplete transportation cost data makes  
26 the implementation of division II of the bill impractical,  
27 the department of management is required to, in consultation  
28 with the department of education and the legislative services  
29 agency, establish procedures and modified methodologies for  
30 calculating supplementary weighting and funding amounts under  
31 division II of the bill.

32 The bill specifies that funding received by a school  
33 district as the result of supplementary weighting in the  
34 bill does not affect a school district's eligibility for  
35 transportation assistance granted by the school budget

1 review committee and specifies that transportation assistance  
2 granted by the school budget review committee may only be  
3 granted using funds transferred to the committee in accordance  
4 with Code section 321.34(22). The bill also provides that  
5 funding received by a school district as the result of the  
6 supplementary weighting must be deposited in the school  
7 district's general fund and may be used for any general fund  
8 purpose.

9 Division II of the bill takes effect upon enactment.