

House File 394 - Introduced

HOUSE FILE 394

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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, establishing a supplementary
4 weighting plan for certain mandatory school district
5 transportation costs, and including effective date
6 provisions.

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

DIVISION I

STATE COST PER PUPIL

1
2
3 Section 1. Section 257.8, subsection 5, paragraph b, Code
4 2019, is amended to read as follows:

5 *b.* For the budget year beginning July 1, 2018, and
6 subsequent budget years, references to "*supplemental state aid*"
7 and "*regular program state cost per pupil*" shall mean those
8 terms as calculated including the additional ~~amount~~ amounts for
9 the specified budget year ~~beginning July 1, 2018,~~ years under
10 section 257.9, subsection 2, ~~paragraph "b",~~ and references to
11 "*regular program district cost per pupil*" shall mean that term as
12 calculated including any adjustments made under section 257.10,
13 subsection 2.

14 Sec. 2. Section 257.9, subsection 2, Code 2019, is amended
15 to read as follows:

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

18 *a.* For the budget year beginning July 1, 1992, and
19 succeeding budget years beginning before July 1, 2018, the
20 regular program state cost per pupil for a budget year is the
21 regular program state cost per pupil for the base year plus the
22 regular program supplemental state aid for the budget year.

23 *b.* For the budget year beginning July 1, 2018, the regular
24 program state cost per pupil is the regular program state
25 cost per pupil for the base year plus the regular program
26 supplemental state aid for the budget year, plus five dollars.

27 *c.* For the budget year beginning July 1, 2019, the regular
28 program state cost per pupil is the regular program state
29 cost per pupil for the base year plus the regular program
30 supplemental state aid for the budget year, plus ten dollars.

31 *d.* For the budget year beginning July 1, 2020, and
32 succeeding budget years beginning before July 1, 2028, the
33 regular program state cost per pupil for a budget year is the
34 regular program state cost per pupil for the base year plus the
35 regular program supplemental state aid for the budget year,

1 plus twenty dollars.

2 ~~e.~~ e. For the budget year beginning July 1, ~~2019~~ 2028, and
3 succeeding budget years, the regular program state cost per
4 pupil for a budget year is the regular program state cost per
5 pupil for the base year plus the regular program supplemental
6 state aid for the budget year.

7 Sec. 3. EFFECTIVE DATE. This division of this Act, being
8 deemed of immediate importance, takes effect upon enactment.

9

DIVISION II

10

TRANSPORTATION SUPPLEMENTARY WEIGHTING

11 Sec. 4. Section 257.11, Code 2019, is amended by adding the
12 following new subsection:

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

14 a. In order to provide additional funds for school district
15 transportation costs resulting from the transportation of
16 resident pupils required by chapter 285 and paid from sources
17 other than the district's physical plant and equipment levy
18 fund under section 298A.4 or revenue received from the secure
19 an advanced vision for education fund under section 423F.2, a
20 supplementary weighting plan for such pupils is adopted.

21 b. Each school district shall be assigned a supplementary
22 weighting amount as follows:

23 (1) For the budget year beginning July 1, 2019, ten percent
24 of the combined weighting amount calculated under paragraph
25 "c", subparagraph (2), for that budget year.

26 (2) For the budget year beginning July 1, 2020, twenty
27 percent of the combined weighting amount calculated under
28 paragraph "c", subparagraph (2), for that budget year.

29 (3) For the budget year beginning July 1, 2021, thirty
30 percent of the combined weighting amount calculated under
31 paragraph "c", subparagraph (2), for that budget year.

32 (4) For the budget year beginning July 1, 2022, forty
33 percent of the combined weighting amount calculated under
34 paragraph "c", subparagraph (2), for that budget year.

35 (5) For the budget year beginning July 1, 2023, fifty

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

3 (6) For the budget year beginning July 1, 2024, sixty
4 percent of the combined weighting amount calculated under
5 paragraph "c", subparagraph (2), for that budget year.

6 (7) For the budget year beginning July 1, 2025, seventy
7 percent of the combined weighting amount calculated under
8 paragraph "c", subparagraph (2), for that budget year.

9 (8) For the budget year beginning July 1, 2026, eighty
10 percent of the combined weighting amount calculated under
11 paragraph "c", subparagraph (2), for that budget year.

12 (9) For the budget year beginning July 1, 2027, ninety
13 percent of the combined weighting amount calculated under
14 paragraph "c", subparagraph (2), for that budget year.

15 (10) For the budget year beginning July 1, 2028, and each
16 succeeding budget year, one hundred percent of the combined
17 weighting amount calculated under paragraph "c", subparagraph
18 (2), for that budget year.

19 c. (1) (a) *Transportation cost factor.* For each budget
20 year beginning on or after July 1, 2019, the department of
21 management shall calculate for each school district all of the
22 following:

23 (i) The sum of the school district's total transportation
24 costs incurred for the transportation of pupils required under
25 chapter 285, and paid from sources other than the district's
26 physical plant and equipment levy fund under section 298A.4
27 or revenue received from the secure an advanced vision for
28 education fund under section 423F.2, for the three years
29 immediately preceding the base year.

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

34 (iii) The school district's budget enrollment multiplied by
35 the quotient of the school district's amount under subparagraph

1 subdivision (i) divided by the school district's amount under
2 subparagraph subdivision (ii).

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

6 (v) The amount calculated under subparagraph subdivision
7 (iv) multiplied by ninety percent of the sum of all school
8 districts' transportation costs incurred for the transportation
9 of pupils required under chapter 285 for the year preceding
10 the base year and paid from sources other than the districts'
11 physical plant and equipment levy fund under section 298A.4
12 or revenue received from the secure an advanced vision for
13 education fund under section 423F.2.

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

17 (b) *Budget enrollment factor.* For each budget year
18 beginning on or after July 1, 2019, the department of
19 management shall calculate for each school district all of the
20 following:

21 (i) The quotient of the school district's budget enrollment
22 divided by the statewide total budget enrollment multiplied by
23 five percent of the sum of all school districts' transportation
24 costs incurred for the transportation of pupils required under
25 chapter 285 for the year preceding the base year and paid from
26 sources other than the district's physical plant and equipment
27 levy fund under section 298A.4 or revenue received from the
28 secure an advanced vision for education fund under section
29 423F.2.

30 (ii) The amount calculated under subparagraph subdivision
31 (i) divided by the regular program state cost per pupil for the
32 budget year.

33 (c) *Route miles factor.* For each budget year beginning
34 on or after July 1, 2019, the department of management shall
35 calculate for each school district all of the following:

1 (i) The quotient of the school district's total route
2 miles traveled for the transportation of pupils required under
3 chapter 285 for the year preceding the base year divided by the
4 school district's budget enrollment.

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

8 (iii) The amount calculated under subparagraph subdivision
9 (ii) multiplied by five percent of the sum of all school
10 districts' transportation costs incurred for the transportation
11 of pupils required under chapter 285 for the year preceding
12 the base year and paid from sources other than the districts'
13 physical plant and equipment levy fund under section 298A.4
14 or revenue received from the secure an advanced vision for
15 education fund under section 423F.2.

16 (iv) The amount calculated under subparagraph subdivision
17 (iii) divided by the regular program state cost per pupil for
18 the budget year.

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

21 (a) The amount calculated under subparagraph (1),
22 subparagraph division (a), subparagraph subdivision (vi).

23 (b) The amount calculated under subparagraph (1),
24 subparagraph division (b), subparagraph subdivision (ii).

25 (c) The amount calculated under subparagraph (1),
26 subparagraph division (c), subparagraph subdivision (iv).

27 *d.* Funding received by a school district as the result of
28 supplementary weighting under this subsection shall not affect
29 a school district's eligibility for transportation funding
30 under section 257.16C or transportation assistance under
31 section 257.31, subsection 17.

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

1 *f.* If a school district established as the result of a
2 reorganization under chapter 275 does not have sufficient
3 transportation cost data, regular program district cost per
4 pupil data, or enrollment data for the calculation of amounts
5 required under this subsection, the department of management
6 shall use estimated transportation cost data, regular program
7 district cost per pupil data, and enrollment data derived from
8 data for prior budget years from each district involved in
9 the reorganization until such amounts can be calculated using
10 actual data for the reorganized school district.

11 *g.* For the budget years beginning July 1, 2019, July 1,
12 2020, and July 1, 2021, and if necessary, any subsequent budget
13 years, if insufficient or incomplete transportation cost data
14 makes the implementation of this subsection impractical, the
15 department of management shall, in consultation with the
16 department of education and the legislative services agency,
17 establish procedures and modified methodologies for calculating
18 supplementary weighting and funding amounts under this
19 subsection.

20 Sec. 5. Section 257.11, subsection 8, Code 2019, is amended
21 to read as follows:

22 8. *Pupils ineligible.* A Except for transportation weighting
23 under subsection 7A, a pupil eligible for the weighting plan
24 provided in [section 256B.9](#) is not eligible for supplementary
25 weighting pursuant to [this section](#) unless it is determined
26 that the course generating the supplemental weighting has no
27 relationship to the pupil's disability. A pupil attending an
28 alternative program or an at-risk pupils' program, including
29 alternative high school programs, is not eligible for
30 supplementary weighting under [subsection 2](#).

31 Sec. 6. Section 257.31, subsection 17, paragraphs a and d,
32 Code 2019, are amended to read as follows:

33 *a.* If a district's average transportation costs per
34 pupil exceed the state average transportation costs per
35 pupil determined under paragraph "c" by one hundred fifty

1 percent, the committee may grant transportation assistance aid
2 to the district using exclusively the funds transferred to
3 the committee in accordance with section 321.34, subsection
4 22. Such aid shall be miscellaneous income and shall not be
5 included in district cost.

6 *d.* Funds transferred to the committee in accordance with
7 section 321.34, subsection 22, are appropriated to and may be
8 expended for the purposes of the committee, as described in
9 this ~~section~~ subsection. However, highest priority shall be
10 given to districts that meet the conditions described in this
11 subsection. Notwithstanding any other provision of the Code,
12 unencumbered or unobligated funds transferred to the committee
13 pursuant to section 321.34, subsection 22, remaining on June
14 30 of the fiscal year for which the funds were transferred,
15 shall not revert but shall be available for expenditure for the
16 purposes of this subsection in subsequent fiscal years.

17 Sec. 7. EFFECTIVE DATE. This division of this Act, being
18 deemed of immediate importance, takes effect upon enactment.

19 EXPLANATION

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

22 This bill relates to school district finance by modifying
23 provisions relating to the calculation of the regular program
24 state cost per pupil and by establishing a supplementary
25 weighting plan for certain school district transportation
26 costs.

27 Division I of the bill relates to the determination of the
28 regular program state cost per pupil and, by operation of law,
29 the determination of regular program district cost per pupil
30 for school districts. Those amounts are used to determine
31 supplemental state aid amounts for each school budget year,
32 determining the budget authority for each school district,
33 and determining amounts of preschool foundation aid for
34 schools participating in the statewide preschool program for
35 four-year-old children under Code chapter 256C.

1 Current Code section 257.9 provides that for the budget
2 year beginning July 1, 2018, the regular program state cost
3 per pupil is the regular program state cost per pupil for the
4 base year plus the regular program supplemental state aid for
5 the budget year, plus \$5. Under the bill, for the budget
6 year beginning July 1, 2019, the regular program state cost
7 per pupil is the regular program state cost per pupil for the
8 base year plus the regular program supplemental state aid for
9 the budget year, plus \$10. Additionally, for the budget year
10 beginning July 1, 2020, and succeeding budget years beginning
11 before July 1, 2028, the regular program state cost per pupil
12 is the regular program state cost per pupil for the base
13 year plus the regular program supplemental state aid for the
14 budget year, plus \$20. Then with the budget year beginning
15 July 1, 2028, and succeeding budget years, the regular program
16 state cost per pupil will again be calculated as the regular
17 program state cost per pupil for the base year plus the regular
18 program supplemental state aid for the budget year without any
19 additional amount added.

20 Division I of the bill takes effect upon enactment.

21 Division II of the bill establishes a supplementary
22 weighting plan for school district transportation costs
23 resulting from the transportation of pupils as required under
24 Code chapter 285.

25 The bill establishes a methodology for calculating the
26 amount of supplementary weighting assigned to each school
27 district. The calculation is made using school district
28 transportation cost data, school district enrollment data,
29 and school district transportation route mile data. The
30 amount of the supplementary weighting is phased in over a
31 period of 10 school budget years beginning with the budget
32 year beginning July 1, 2019. Under the bill, if a school
33 district established as the result of a reorganization does not
34 have sufficient data for the calculation of amounts required
35 under the bill, the department of management is required to

1 use estimated data derived from data for prior budget years
2 from each district involved in the reorganization until such
3 amounts can be calculated using actual data for the reorganized
4 school district. In addition, for specified budget years,
5 if insufficient or incomplete transportation cost data makes
6 the implementation of the bill impractical, the department
7 of management is required to, in consultation with the
8 department of education and the legislative services agency,
9 establish procedures and modified methodologies for calculating
10 supplementary weighting and funding amounts under the bill.

11 The bill specifies that funding received by a school
12 district as the result of supplementary weighting in the
13 bill does not affect a school district's eligibility for
14 transportation funding under Code section 257.16C or assistance
15 granted by the school budget review committee and specifies
16 that transportation assistance granted by the school budget
17 review committee may only be granted using funds transferred to
18 the committee in accordance with Code section 321.34(22). The
19 bill also provides that funding received by a school district
20 as the result of the supplementary weighting must be deposited
21 in the school district's general fund and may be used for any
22 general fund purpose.

23 Division II of the bill takes effect upon enactment.