

House File 401 - Introduced

HOUSE FILE 401

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A BILL FOR

1 An Act relating to school district funding by modifying
2 provisions relating to the permissible grounds for and
3 amounts of supplemental aid and modified supplemental
4 amounts and including effective date and applicability
5 provisions.

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

1 Section 1. Section 256C.4, subsection 1, paragraph f, Code
2 2021, is amended by striking the paragraph.

3 Sec. 2. Section 257.31, subsection 5, paragraph h, Code
4 2021, is amended to read as follows:

5 *h.* Unusual need for additional funds for special education
6 or compensatory education programs or an unusual increase in
7 the enrollment of children requiring special education.

8 Sec. 3. Section 257.31, subsection 5, Code 2021, is amended
9 by adding the following new paragraph:

10 NEW PARAGRAPH. *o.* Unusual need for additional funds or
11 higher than anticipated enrollment for a preschool program
12 under chapter 256C.

13 Sec. 4. Section 257.41, subsection 3, Code 2021, is amended
14 to read as follows:

15 3. *Limitation.* For the fiscal year beginning July 1,
16 ~~2013~~ 2021, and each succeeding fiscal year, the ratio of the
17 amount of the modified supplemental amount established by the
18 department of management compared to the school district's
19 total regular program district cost shall not exceed ~~two and~~
20 ~~one-half~~ five percent. ~~However, if the school district's~~
21 ~~highest such ratio so determined for any fiscal year beginning~~
22 ~~on or after July 1, 2009, but before July 1, 2013, exceeded two~~
23 ~~and one-half percent, the ratio may exceed two and one-half~~
24 ~~percent but shall not exceed the highest such ratio established~~
25 ~~during that period.~~

26 Sec. 5. EFFECTIVE DATE. This Act, being deemed of immediate
27 importance, takes effect upon enactment.

28 Sec. 6. APPLICABILITY. This Act applies to school budget
29 years beginning on or after July 1, 2021.

30 EXPLANATION

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

33 This bill relates to school district funding by modifying
34 provisions related to granting supplemental aid or modified
35 supplemental amounts.

1 Under Code section 257.31, if a district has unusual
2 circumstances, creating an unusual need for additional funds,
3 including but not limited to the circumstances enumerated in
4 that section, the committee may either grant supplemental aid
5 to the district from any funds appropriated to the department
6 of education for the use of the school budget review committee
7 or establish a modified supplemental amount for the district.
8 The bill specifies that an unusual increase in the enrollment
9 of children requiring special education is a circumstance for
10 determining unusual need for additional funds. The bill also
11 specifies that an unusual need for additional funds or higher
12 than anticipated enrollment for a preschool program under Code
13 chapter 256C is an unusual circumstance.

14 A school district may fund the budget of an adopted program
15 for at-risk students, secondary students who attend alternative
16 programs or alternative schools, or returning dropouts
17 and dropout prevention through a combination of specified
18 supplementary weighting, flexibility account funds, district
19 cost of the school district, and establishment of a modified
20 supplemental amount approved by the school budget review
21 committee.

22 Current law provides that the ratio of the amount of the
23 modified supplemental amount compared to the school district's
24 total regular program district cost shall not exceed 2.5
25 percent, except for school districts for which such ratio for
26 any fiscal year beginning on or after July 1, 2009, but before
27 July 1, 2013, exceeded 2.5 percent, in which case the school's
28 ratio may exceed 2.5 percent but shall not exceed the highest
29 such ratio established during that period.

30 The bill modifies that limitation to provide that for
31 all school districts the ratio of the amount of the modified
32 supplemental amount compared to the school district's total
33 regular program district cost shall not exceed 5 percent.

34 The bill takes effect upon enactment and applies to school
35 budget years beginning on or after July 1, 2021.