

**EIGHTY-FIFTH GENERAL ASSEMBLY  
2014 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET**

FEBRUARY 26, 2014

SENATE FILE 2018

S-5022

1 Amend Senate File 2018 as follows:  
2 1. Page 1, by striking lines 30 through 33 and  
3 inserting:  
4 <Sec. 2. Section 279.10, subsection 4, Code 2014,  
5 is amended to read as follows:  
6 4. The director of the department of education  
7 may grant a request made by a board of directors of  
8 a school district or the authorities in charge of an  
9 accredited nonpublic school stating its desire to  
10 commence classes for regularly established elementary  
11 and secondary schools prior to the earliest starting  
12 date specified in subsection 1. A request shall be  
13 based upon the determination that a starting date  
14 on or after the earliest starting date specified  
15 in subsection 1 would have a significant negative  
16 educational impact.>  
17 2. Title page, by striking lines 1 and 2 and  
18 inserting <An Act relating to school instructional  
19 time.>

**By** ROBERT E. DVORSKY

S-5022 FILED FEBRUARY 25, 2014  
ADOPTED

SENATE FILE 2201

S-5016

1 Amend Senate File 2201 as follows:  
2 1. Page 1, by striking lines 4 through 13 and  
3 inserting:  
4 <1. Kidnapping where the in the second degree is  
5 any of the following:  
6 a. Where the purpose of the kidnapping is to hold  
7 the victim for ransom or where the.  
8 b. Where the kidnapper is armed with a dangerous  
9 weapon is kidnapping in the second degree. Kidnapping  
10 in the second degree is a class "B" felony.  
11 c. Where the victim of the kidnapping is under  
12 eighteen years of age other than a kidnapping by a  
13 relative whose sole purpose of the kidnapping is to  
14 assume custody of the victim.  
15 2. For purposes of determining whether the person  
16 should register as a sex offender pursuant to the  
17 provisions of chapter 692A, the fact finder shall make  
18 a determination as provided in section 692A.126.  
19 3. Kidnapping in the second degree is a class "B"  
20 felony.>

**By** ROBERT M. HOGG

S-5016 FILED FEBRUARY 25, 2014  
ADOPTED

SENATE FILE 2232

S-5017

1 Amend Senate File 2232 as follows:  
2 1. Page 2, line 33, by striking <federal, state,>  
3 and inserting <state>  
4 2. Page 3, line 4, after <director.> by inserting  
5 <The release of confidential information by the  
6 department, a county or local government, or a state  
7 or local governmental agency other than as authorized  
8 pursuant to this section, and the sale of such  
9 confidential information, is strictly prohibited.>

By JANET PETERSEN

S-5017 FILED FEBRUARY 25, 2014

ADOPTED

SENATE FILE 2240

S-5014

1 Amend Senate File 2240 as follows:  
2 1. Page 25, by striking lines 16 through 23.  
3 2. By striking page 25, line 30, through page 26,  
4 line 4.  
5 3. By striking page 68, line 1, through page 71,  
6 line 10.  
7 4. Page 72, by striking line 32 and inserting  
8 <~~electronic document of title "electronic document of~~  
9 title" means a document>  
10 5. Page 72, by striking lines 34 and 35 and  
11 inserting <in an electronic medium. A ~~tangible~~  
12 document of title "tangible document of title" means a  
13 document of title evidenced by a record>  
14 6. By renumbering as necessary.

COMMITTEE ON JUDICIARY  
ROBERT M. HOGG, CHAIRPERSON

S-5014 FILED FEBRUARY 25, 2014

SENATE FILE 2243

S-5019

1 Amend Senate File 2243 as follows:  
2 1. Page 1, line 12, after <safety.> by inserting  
3 <However, a bicycle may be ridden on either side of the  
4 line marking the right-hand edge of the lane farthest  
5 to the right on the roadway.>

By WILLIAM A. DOTZLER, JR.

S-5019 FILED FEBRUARY 25, 2014

**SENATE FILE 2243**

**S-5020**

- 1 Amend Senate File 2243 as follows:  
2 1. Page 1, line 8, after <A> by inserting <motor>  
3 2. Page 1, line 9, before <practicable> by  
4 inserting <reasonably>  
5 3. Page 1, line 10, after <A> by inserting <motor>  
**By** TOD R. BOWMAN

**S-5020** FILED FEBRUARY 25, 2014

**SENATE FILE 2253**

**S-5015**

- 1 Amend Senate File 2253 as follows:  
2 1. Page 26, line 27, by striking <2013> and  
3 inserting <2014>  
4 2. Page 26, line 29, by striking <July> and  
5 inserting <January>  
**By** JACK HATCH

**S-5015** FILED FEBRUARY 25, 2014

**SENATE FILE 2259**

**S-5018**

- 1 Amend Senate File 2259 as follows:  
2 1. Page 1, after line 27 by inserting:  
3 <Sec. \_\_\_\_ Section 715C.1, subsection 11, paragraph  
4 c, Code 2014, is amended to read as follows:  
5 c. Financial account number, credit card number,  
6 or debit card number in combination with any required  
7 expiration date, security code, access code, or  
8 password that would permit access to an individual's  
9 financial account.>  
10 2. Page 4, line 20, by striking <persons> and  
11 inserting <residents of this state>  
12 3. By renumbering as necessary.  
**By** JANET PETERSEN

**S-5018** FILED FEBRUARY 25, 2014

SENATE FILE 2319

S-5021

1 Amend Senate File 2319 as follows:

2 1. Page 1, before line 1 by inserting:

3 <Section 1. Section 256.7, subsection 31, paragraph  
4 b, Code 2014, is amended to read as follows:

5 b. Adopt rules for the Iowa reading ~~research~~  
6 resource center and for implementation of the intensive  
7 summer literacy program developed and administered  
8 pursuant to section 256.9, subsection 53.

9 Sec. \_\_\_\_\_. Section 256.9, subsection 53, paragraph  
10 c, unnumbered paragraph 1, Code 2014, is amended to  
11 read as follows:

12 Establish, subject to an appropriation of funds by  
13 the general assembly, an Iowa reading ~~research~~ resource  
14 center.>

15 2. Page 1, by striking lines 19 through 27 and  
16 inserting <a specific and significant impairment in  
17 the development of reading, including but not limited  
18 to phonemic awareness, phonics, fluency, vocabulary,  
19 and comprehension, that is not solely accounted for  
20 by intellectual disability, sensory disability or  
21 impairment, or lack of appropriate instruction.>

22 3. By renumbering as necessary.

**By** BRIAN SCHOENJAHN

TOD R. BOWMAN

NANCY J. BOETTGER

HERMAN C. QUIRMBACH

AMY SINCLAIR

BRAD ZAUN

S-5021 FILED FEBRUARY 25, 2014



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**SF 2199** – Interpreters in Court Proceedings (LSB 5348SV)  
Analyst: Jennifer Acton (Phone: (515) 281-7846) ([jennifer.acton@legis.iowa.gov](mailto:jennifer.acton@legis.iowa.gov))  
Fiscal Note Version – New  
Requested by Senator Robert M. Hogg

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### **Description**

**Senate File 2199** relates to interpreters and translators for Limited English Proficient (LEP) participants in legal proceedings and in court-ordered programs. This Bill requires the Judicial Branch to pay for court interpreters and translators from the Jury and Witness Fee Revolving Fund for all types of court proceedings (civil, criminal, and juvenile) and predisposition court-ordered programs (mediation and Children in the Middle) regardless of case type or economic status of the LEP participant and without charging interpreter fees back to the party or parties.

### **Background**

- Since 2002, the **U.S. Department of Justice** (USDOJ) has interpreted Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d *et seq.*), to mean that all organizations that receive federal funds must provide competent interpreter services to Limited English Proficient (LEP) participants in their programs, free of cost. Any recipient of federal funds that fails to comply with the USDOJ requirements may lose federal funding.
- From October 1, 2011 through September 30, 2014, the Judicial Branch received two federal DOJ grants totaling \$1.3 million that are being used for a pilot domestic violence court in Black Hawk County and to improve the handling of domestic violence cases and batterers' education for judges and court staff. Both grants have received a one-year extension.
- The District of Columbia and 10 states, including Minnesota and Wisconsin, are in compliance with the USDOJ requirement to cover the costs for all interpreters in all cases free of charge to the LEP participants. Colorado, North Carolina, Maine, and Rhode Island have negotiated settlement agreements with the USDOJ for not being in compliance.
- Currently, Iowa pays for all court interpreters, but those costs are charged back to the indigent LEP criminal defendants as legal expenses under Iowa Code section **815.9**, and charged back to LEP civil litigants as court costs under Iowa Code section **622A.3**. The costs are billed back to the party as part of court costs and approximately 10.0% is collected. Any reimbursements are deposited in the State General Fund.
- Iowa Code section **622B** requires counties to pay the fees of interpreters for the deaf or hard of hearing persons involved in court proceedings, without charging those costs back to the person needing services.
- The State currently does not pay for interpreters in court-ordered programs such as mediation and Children in the Middle.

### **Fiscal Impact**

The annual fiscal impact of SF 2199 is an additional cost to the General Fund of \$288,000 and 1.0 FTE position. This includes:

- The additional annual General Fund cost for programs not currently covered (mediation and Children in the Middle) is \$228,000.

- The Judicial Branch is requesting \$60,000 and one FTE position to process all court interpreter and translator fee claims.

If the Judicial Branch starts paying all interpreter and translator claims, money from the Indigent Defense Fund and the State Public Defender's operating budget totaling \$320,000 will need to be transferred to the Jury and Witness Fee Revolving Fund in the Judicial Branch. This is not new funding, but transfer of existing funding. Based on a three-year average of payments, the amount of money transferred from the State Public Defender's operating budget Fund is \$125,000 and from the Indigent Defense Fund is \$195,000.

Also, if interpreters are provided free of charge and paid for by the Judicial Branch from the Jury and Witness Fee Revolving Fund, there will be a reduction in General Fund revenues of approximately \$45,000 to reflect the elimination of the current reimbursements received.

**Sources**

State Public Defender  
Judicial Branch

/s/ Holly M. Lyons

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February 25, 2014

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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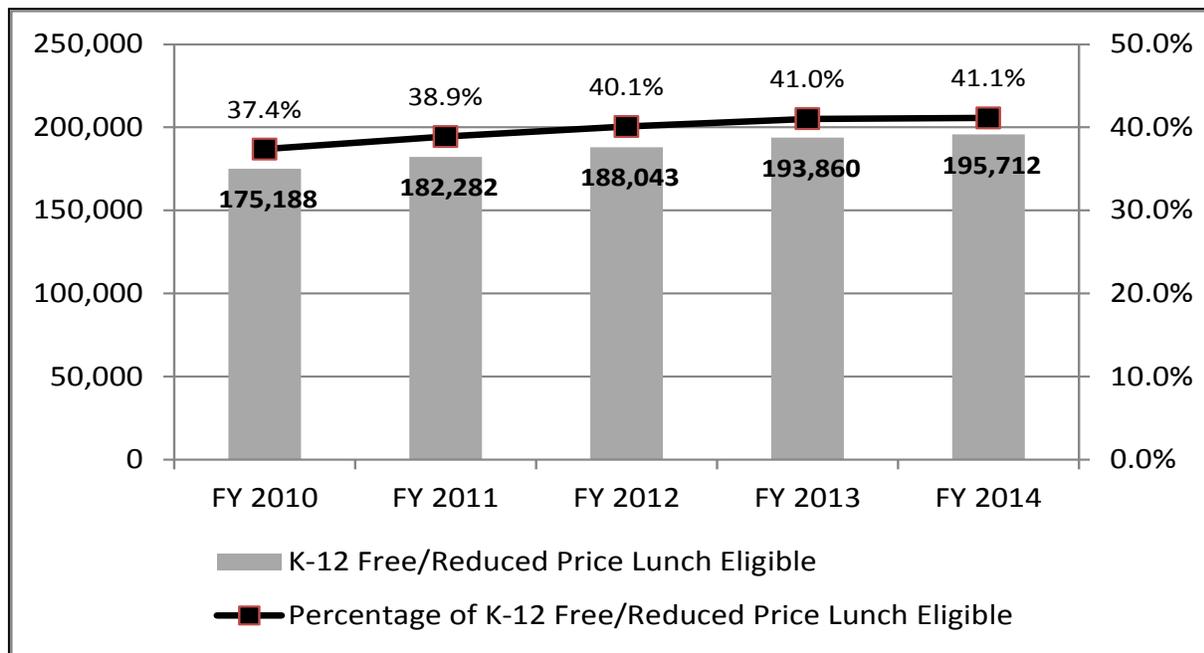
**SF 2226** – Low Income Program School Aid Supplement (LSB 6034SV)  
 Analyst: Shawn Snyder (Phone: (515) 281-7799) ([shawn.snyder@legis.iowa.gov](mailto:shawn.snyder@legis.iowa.gov))  
 Fiscal Note Version – New

**Description**

**Senate File 2226** creates a Low Income Program school aid supplement that provides additional State school aid for school districts based on the number of students eligible for free and reduced price lunches. Additionally, the Bill requires that the funding generated is entirely State aid and does not include a local property tax provision.

**Background**

The Bill will require students that are eligible for free and reduced price lunch to receive a weighting of 0.04. Since FY 2010, the number and percentage of eligible public K-12 students has increased each year. The following chart provides the free and reduced price lunch eligible information for FY 2010 through the current fiscal year.



**Assumptions**

Assumptions for Senate File 2226 include:

- The number of students eligible for free and reduced price lunches in future fiscal years will be at least at the FY 2014 amount of 195,712.
- This estimate assumes a State cost per pupil of \$6,366 beginning in FY 2016 and future fiscal years. Enactment of a State percent of growth in future fiscal years will increase the estimated cost.

**Fiscal Impacts**

Beginning in FY 2016, the State General Fund expenditure for school aid will increase by a minimum of \$49.8 million.

**Sources**

Iowa Department of Education, Free/Reduced Price Lunch file  
Iowa Department of Management, School aid file  
LSA analysis and calculations

/s/ Holly M. Lyons

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February 25, 2014

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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**SF 2232** – Emergency Mass Notification Systems (LSB 5256SV)  
Analyst: Jennifer Acton (Phone: (515) 281-7846) ([jennifer.acton@legis.iowa.gov](mailto:jennifer.acton@legis.iowa.gov))  
Fiscal Note Version – New

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### **Description**

**Senate File 2232** establishes a Mass Notification and Emergency Messaging System Fund under the control of the Department of Homeland Security and Emergency Management (HSEMD). Interest earned on the Fund balance remains in the Fund. Any ending balance, including General Fund appropriations, remain in the Fund and will carry forward to the next fiscal year. This Bill states it is legislative intent that the Mass Notification and Emergency Messaging System will receive an annual appropriation to ensure that the System functions throughout the State on an on-going basis.

### **Background**

- The Governor is recommending an increase of \$400,000 for the HSEMD in FY 2015 for the implementation of a statewide Mass Communication System that could be used by all 99 counties to disseminate information simultaneously during emergency situations and disaster recovery.
- In early 2013, the HSEMD issued a Request for Information (RFI) to collect statewide system proposals and cost estimates. A **Request for Proposal** (RFP) was issued on December 13, 2013, and the closing date was February 3, 2014. The successful vendor will be announced on June 1, 2014. The initial contract period is July 1, 2014, through June 30, 2019, with up to five annual one-year extensions. The Department is seeking proposals from vendors that can provide a statewide public mass notification and emergency messaging system that will allow both the FEMA Integrated Public Alert and Warning System (IPAWS) messaging and conventional mass notification for both emergency and nonemergency messaging. The System will be able to notify the public via phone, text, e-mail, social media, TTY/TDD, and IPAWS.
- SF 2232 creates a Mass Notification and Emergency Messaging System Fund under the control of the HSEMD, and permits the Department to employ additional staff necessary to administer and operate the System.
- There are currently 53 counties that utilize some type of mass notification and emergency messaging system at a total cost of \$637,000 and 46 counties use no system or a free system including NOAA weather radios, outdoor warning systems, and the local media to issue warnings.

### **Assumptions**

- The System will be under the control of the HSEMD. The Department has sole discretion over the System and may provide access to the System for use at the county and local level.
- The Department is requesting an annual, on-going appropriation of \$400,000 to be maintained in a separate Fund. Of this amount, \$300,000 will be used for the vendor contract and \$100,000 will be used to administer the Program.

- Counties currently utilizing some type of mass notification system will have the option to use the State system, freeing up funds at the local level but usage is not mandated.

**Fiscal Impact**

SF 2232 indicates an intent to provide an annual General Fund appropriation. It is anticipated that the cost will be limited to the amount appropriated. The funding will be provided to the HSEMD in the Justice Systems Appropriations Bill.

**Source**

Department of Homeland Security and Emergency Management

/s/ Holly M. Lyons

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February 25, 2014

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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**SF 2242** – Home Ownership Assistance Program for Military Members (LSB 6151SV)  
Analyst: Jennifer Acton (Phone: (515) 281-7846) ([jennifer.acton@legis.iowa.gov](mailto:jennifer.acton@legis.iowa.gov))  
Fiscal Note Version – New  
Requested by Senator Daryl Beall

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### **Description**

**Senate File 2242** relates to the Home Ownership Assistance Program for military members by expanding the Program to include members of the National Guard, or reserve, or regular component of the armed forces of the United States that served during the period of the Persian Gulf Conflict, beginning August 2, 1990, and ending April 6, 1991. This Bill applies to home purchases on or after July 1, 2014.

### **Background**

- Desert Storm and Desert Shield were two different operations within the Persian Gulf Conflict. Operation Desert Shield began August 2, 1990. Operation Desert Storm began January 17, 1991. The Republic of Iraq officially accepted cease-fire terms on April 6, 1991. The cease-fire took effect April 11, 1991. Iowa Code section [35.1\(2\)\(a\)\(13\)](#) currently specifies that the Persian Gulf Conflict was from August 2, 1990, through the date the President or the Congress declares a cessation of hostilities. Currently, the Code of Federal Regulations does not list an official end date for the conflict ([38 C.F.R. 3.2\(i\)](#)).
- The Veterans Home Ownership Assistance Program began in FY 2005 and is administered by the Iowa Finance Authority (IFA). The Program provides up to \$5,000 in down payment or closing cost assistance for eligible home purchases. The home must be the primary residence and the money is a once-in-a-lifetime grant. Surviving spouses are eligible for this Program. The Department of Veterans Affairs reviews each application to determine eligibility as a veteran and the IFA determines eligibility for the qualifying loan.
- In FY 2013 and FY 2014, the General Fund appropriation for the Program was \$1.6 million annually and provides funding for 320 grants at the maximum amount of \$5,000. For FY 2015, the Governor is recommending an increase of \$900,000 for a total of \$2.5 million. This funding level will serve 500 grants at the maximum amount.
- For FY 2014, funding of \$1.6 million available. As of January 1, 2014, the amount requested was \$1.2 million and \$357,000 was available. The current funding will be exhausted approximately March 31, 2014. The current rate of usage is \$41,420 per week.

### **Assumptions**

- Approximately 10,200 Iowans were deployed in support of Desert Shield/Desert Storm. Of this amount, approximately 80.0% served in theater.
- Because the Program is not restricted to just Iowans, eligible service members that choose to move to Iowa and purchase a home will be eligible to participate in the Program and this could significantly increase the potential pool of applicants.

### **Fiscal Impact**

The fiscal impact of SF 2242 will depend on program demand and future demand cannot be estimated. The Program operates on a first-come, first-serve basis and when the funds are exhausted, the Program closes for the year. The FY 2014 funding level for the Program will provide 320 grants at the maximum of \$5,000 each. By expanding the Program, it is assumed usage will increase and additional funds will be needed. If the Governor's recommended funding level of \$2.5 million is adopted, the maximum grant of \$5,000 will be available for 500 applicants. This is an increase of 180 grants for FY 2015 compared to FY 2014.

### **Sources**

Iowa Finance Authority  
Department of Veterans Affairs

/s/ Holly M. Lyons

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February 25, 2014

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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**SF 2256** – Brownfield/Grayfield Tax Credit Restructure (LSB 5288SV)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – New

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### **Description**

**Senate File 2256** modifies the existing Brownfield/Grayfield Tax Credit Program. This Bill includes two provisions with an identified potential fiscal impact:

- Section 4, allowing refundable tax credits for nonprofit organizations.
- Section 9, removing the automatic repeal date (June 30, 2021) for the Program.

### **Background**

The Brownfield/Grayfield Tax Credit was created in **HF 2687** (Underutilized Property Redevelopment Tax Credit Act of 2008). The tax credit requirements are found in **Iowa Code section 15.293A**. The automatic repeal date was added in SF 514 (Brownfield/Grayfield Act of 2011).

The Program is included in the Economic Development Authority's annual aggregate tax credit limitation contained in **Iowa Code section 15.119**. The maximum credit a single project may receive is limited to 10.0% of the Brownfield/Grayfield credits available that year. Neither of those provisions is modified in this Bill.

### **Fiscal Impact**

Making tax credits refundable for nonprofit applicants will impact the timing of tax credit redemptions, bringing forward credits that, if awarded as nonrefundable credits to for-profit entities, will be redeemed later or perhaps never. This Bill will result in a negative impact to the General Fund in future years as follows:

- FY 2017 = \$0.5 million
- FY 2018 = \$0.3 million
- FY 2019 = \$0.2 million
- FY 2020 = \$0.2 million
- FY 2021 = \$0.1 million
- FY 2022 = \$0.1 million

In future fiscal years, the \$1.4 million in negative fiscal impact cited above will be offset in whole or in large part by reduced tax credit redemptions, as the identified fiscal impact is simply a timing impact.

Since the Brownfield/Grayfield Tax Credit Program is part of the Economic Development Authority's annual aggregate tax credit limitation, removing the June 20, 2021, sunset does not change the annual amount of tax credits awarded by the Authority, it instead alters the amount of tax credits available for other programs under the aggregate cap.

**Sources**

Department of Revenue  
Economic Development Authority

\_\_\_\_\_  
/s/ Holly M. Lyons

February 25, 2014

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.  
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**SF 2262** – School Radon Testing (LSB 5918SV)  
Analyst: Shawn Snyder (Phone: (515) 281-7799) ([shawn.snyder@legis.iowa.gov](mailto:shawn.snyder@legis.iowa.gov))  
Fiscal Note Version – New

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**Description**

**Senate File 2262** requires radon gas testing in each school district attendance center by June 30, 2016, and each 10-year period thereafter. If the results of the testing process exceed the specified levels, this Bill requires school districts to perform an additional test within 90 days of the initial test. Failure to pass the second test will require the school district to implement a mitigation plan within one year and provide for additional testing and monitoring following the mitigation process.

This Bill specifies that the use of Physical Plant and Equipment Levy (PPEL) funds and Secure an Advanced Vision for Education (SAVE) funds may be used for radon testing and radon mitigation.

**Assumptions**

Assumptions for the estimated fiscal impact include:

- Any additional radon measurement certification fees (averaged at \$700 per licensee) collected by the Department of Public Health (DPH) will be deposited in the General Fund. The DPH estimates that an additional 228 radon measurement licenses will be issued beginning in FY 2015. Additionally, the DPH will require an additional FTE position due to the increased radon licensees.
- Public school districts will be required to test schoolrooms within each school building. The Legislative Services Agency (LSA) estimates that approximately 10.0% to 15.0% of school districts currently do some radon testing in their school buildings (all currently test for radon in preschool rooms). Based on the 2012-2013 Department of Education address file, there are 1,372 public school buildings in the state (not including the early childhood centers).
- Radon tests will be administered by a licensed professional. Based on information from the Environmental Protection Agency (EPA), the cost of testing schools by radon professionals may range up to \$1,500 for an entire building. The Department of Education reports that in some cases, a radon test kit may be implemented by a licensed professional at a cost of \$30 per room.
- Cost of radon mitigation will vary, and may range between \$5,000 and \$15,000. Additionally, in some cases, ventilation adjustments can lead to radon reduction.
- The mitigation costs resulting from positive radon testing are unknown. Public school districts may use PPEL funding to pay costs associated with the radon mitigation process. Additionally, in some cases (based on each school district's revenue purpose statement), school districts may use funds from the SAVE Fund to pay costs associated with the radon mitigation process.

**Fiscal Impact**

This Bill has the following fiscal impacts:

- Beginning in FY 2015, an increase in General Fund revenue totaling \$160,000 annually resulting from additional radon license fees.

- The DPH indicates the provisions of this Bill will increase General Fund expenditures by an estimated \$74,000 in FY 2015 and \$70,000 in FY 2016 and future fiscal years to cover costs associated with staff and administration. This is an increase of \$65,000 compared to current law.
- The LSA estimates the statewide additional cost of initial radon testing in public school districts may range between \$700,000 and \$1.9 million. The cost per district will vary but average cost per district is estimated between \$2,025 and \$5,500. Testing and costs will be incurred in FY 2015 and FY 2016. Additionally, there will be additional costs of testing for second tests. Those total testing costs are anticipated to be less than the total cost incurred for initial testing. As noted above, these costs will be paid with district PPEL and/or SAVE funds.
- The cost estimate for radon mitigation to public school districts is currently unknown and will depend on the number of radon tests that provide positive radon results. Any costs associated with the radon mitigation process may lead to property tax increases through the additional use of PPEL funds or any additional modified allowable growth amounts granted by the School Budget Review Committee for radon mitigation purposes. However, the use of SAVE funds (if allowed based on the district's revenue purpose statement) may offset any property tax increases resulting from the radon mitigation process.

### **Sources**

Iowa Department of Public Health

Iowa Department of Education

Iowa Association of School Boards

United States Environmental Protection Agency:

<http://www.epa.gov/iag/schools/tfs/guideq.html#Testing and Mitigation Costs>

LSA analysis and calculations

/s/ Holly M. Lyons

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February 25, 2014

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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**SF 2269** – School Finance, Shared Operational Functions (LSB 5731SV)  
Analyst: Shawn Snyder (Phone: (515) 281-7799) ([shawn.snyder@legis.iowa.gov](mailto:shawn.snyder@legis.iowa.gov))  
Fiscal Note Version – New

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### **Description**

**Senate File 2269** modifies the current shared operational functions supplementary weighting provision to change the weighting structure to provide funding on a per function basis. Additionally, this Bill reduces the number of functions that are eligible to receive the incentive funding.

### **Background**

The shared operational functions provision was originally enacted in 2007 and implemented in FY 2008 through FY 2014. This provision provided supplementary weighting for superintendent management, business management, human resources, transportation, or operation and maintenance, and phased-out funding over a five-year period. During the 2013 Legislative Session, **HF 472** was enacted and created a new provision for shared operational functions, including an expansion of the eligible functions.

Based on the increased interest by school districts in the new provision and potential fiscal impact, the Department of Education established administrative rules that required district staffing levels for the specific shared function to remain at or below the staffing levels in the baseline year (designated as FY 2013 by the Department) for a district to be eligible to receive the supplementary weighing. The Administrative Rules Committee placed a session delay on the rules. However, the supplementary weighting for shared operational functions data was collected by the Department of Education based on the proposed rules. Based on this data, the current level of supplementary weighting included in the FY 2015 school aid estimate totals 4,345.19. Additionally, the current FY 2015 school aid estimate includes \$27.8 million for this provision, including \$24.4 million in State aid.

### **Assumptions**

Assumptions include:

- Changes in the provision will be implemented for FY 2015.
- Estimates are based on the Department of Education's Fall data collection and include functions that were not approved based on the Department's proposed rules.
- The amount of total weighting beginning in FY 2016 through FY 2020 is unknown, but will be at least at the FY 2015 level.
- The maximum level of weighting any district could generate totals 18.0 and the statewide funding level could total \$39.9 million if all districts are at the maximum weighting level (including \$35.0 million in State aid). The maximum funding level may increase with enactment of the State percent of growth in future fiscal years.
- In addition to impacting supplementary weighting provisions for school districts, the AEsAs will have the shared operational functions supplementary weighting provision modified. Based on the new provision, funding generated from the shared operational functions provision will decrease from \$200,000 to \$30,000 for participating AEsAs.
- The FY 2015 funding level changes resulting from this Bill will be compared to current estimated included in the FY 2015 school aid estimate.

### **Fiscal Impact**

Based on this Bill, the FY 2015 supplementary weighting will generate an estimated total of \$11.3 million including \$9.9 million in State aid and \$1.4 million in local property taxes. This will be a reduction in the total of \$14.6 million, including \$16.5 million in State aid and \$2.0 million in property taxes compared to the current FY 2015 school aid estimate.

The estimated impact in FY 2016 through FY 2020 is unknown, but will be at least at the level of FY 2015. Additionally, the maximum capacity funding level beginning in FY 2016 will be approximately \$39.9 million, including \$35.0 million in State aid and \$4.9 million in local property taxes.

Additionally, compared to current estimates for FY 2015, the estimated FY 2015 funding for AEAs will decrease by a total of \$510,000, including a reduction of \$403,000 in State aid and a reduction of \$107,000 in local property taxes.

### **Sources**

Iowa Department of Education  
Iowa Department of Management, School Aid file  
LSA analysis and calculations

/s/ Holly M. Lyons

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February 25, 2014

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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