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Passed on File.

Senate File 392

By DOUD, COLBURN, LYNES, ANDERSON,
MOLISON and ELTHON.

Passed Senate, Date.....
Vote: Ayes..... Nays.....
Passed House, Date
Vote: Ayes..... Nays.....
Approved

A BILL FOR

An Act to provide for the establishment of a minimum foundation program for the State of Iowa for the purpose of equalizing educational opportunity and the equalization of the tax burden in the several school districts of the state; to establish a joint financial responsibility between the the support of said foundation program; to establish the State and the several school districts of the state for ability of the several assessment units of the state to support education; to provide for the method of raising local funds for the support of the foundation program; to provide for the distribution of said funds to the local school districts of the assessment units; to establish the procedure for distributing state aid moneys; and to repeal chapter two hundred eighty-six (286), Code 1950, and chapter two hundred eighty-six A (286A), Code 1950.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. For the purpose of equalizing educational
2 opportunity in the school districts throughout the state of
3 Iowa there is hereby created what shall be known as the "minimum
4 foundation program." The cost of the minimum foundation program
5 for the entire state shall be supported jointly by the state
6 and the several school districts of the state in the manner and
7 to the extent as set forth in this act.

1 Sec. 2. For the purposes of this act the following

2 definitions shall apply throughout:

3 1. An elementary pupil is a pupil of school age attending
4 public school who has not entered the ninth grade.

5 2. A high school pupil is a pupil of school age attending
6 public school in any of the grades ninth to twelfth, inclusive.

7 3. A school district shall be considered as maintaining
8 a high school if offering courses in grade ninth or beyond,
9 up to and including the twelfth grade.

10 4. The unit of measure for measuring the educational
11 load for the minimum foundation program shall be the weighted
12 elementary classroom unit, hereinafter referred to as the
13 "classroom unit".

14 5. The state department of public instruction shall be
15 referred to as "state department".

16 6. The state superintendent of public instruction shall
17 be referred to as "state superintendent".

1 Sec. 3. The cost of the minimum foundation program shall
2 be computed for the several school districts of the state by
3 the state department in the following manner:

4 1. Classroom units for each school district maintaining
5 a high school shall be determined on the following formula for
6 the high school pupils: for one (1) to one hundred eleven (111)
7 non-tuition pupils in average daily attendance the number of
8 classroom units shall be found by multiplying .083 times the
9 average daily attendance plus 1.8656 except that any school
10 district having fewer than thirty-six (36) non-tuition pupils

11 in average daily attendance shall be allotted that portion of
12 the number of classroom units to which it would be entitled
13 that the number of its non-tuition pupils in average daily
14 attendance bears to thirty-six (36) ; for one hundred twelve
15 (112) to three hundred fifty (350) non-tuition pupils in average
16 daily attendance, the number of classroom units shall be found
17 by multiplying .0782 times the average daily attendance plus
18 2.4037; for three hundred fifty-one (351) or more non-tuition
19 pupils in average daily attendance, the classroom units shall
20 be found by multiplying .08498 times the average daily
21 attendance.

22 2. Classroom units for each school district maintaining
23 a high school shall be determined on the following formula for
24 the elementary pupils: for one (1) to two hundred fifty-six
25 (256) non-tuition pupils in average daily attendance the number
26 of classroom units shall be found by multiplying .02992 times
27 the average daily attendance plus 1.424, except that any school
28 district having fewer than thirty-six (36) non-tuition pupils in
29 average daily attendance shall be allotted that portion of the
30 number of classroom units to which it would be entitled that
31 the number of its non-tuition pupils in average daily attendance
32 bears to thirty-six (36) ; for two hundred fifty-seven (257) or
33 more non-tuition pupils in average daily attendance the number
34 of classroom units shall be found by multiplying .03549 times
35 the average daily attendance.

36 3. Classroom units computed according to the above formulae

37 shall be allotted three thousand eight hundred dollars (\$3800)
38 per unit.

39 4. All one-room schools in elementary districts, either
40 rural independent districts or township districts, shall be
41 allotted classroom units on the following basis: schools
42 having one (1) to nine (9) non-tuition pupils in average daily
43 attendance, one-third ($\frac{1}{3}$) of a classroom unit; schools
44 having ten (10) to twelve (12) non-tuition pupils in average
45 daily attendance, two-thirds ($\frac{2}{3}$) of a classroom unit; and
46 schools having thirteen (13) or more non-tuition pupils in
47 average daily attendance, one (1) classroom unit. Provided,
48 however, any school so "isolated" by road conditions, sparsity
49 of population, topography or other conditions beyond the
50 control of the local board of education, shall be allotted a
51 full classroom unit per school upon recommendation of the county
52 board of education and approval by the state department so long
53 as such isolated condition continues to exist, but such
54 approval shall be given on a yearly basis.

55 5. All elementary school districts maintaining schools
56 with two or more teachers shall be allotted classroom units as
57 determined by the formula in subsection two (2) of this section.

58 6. Classroom units as determined under subsections four
59 (4) and five (5) of this section shall be allotted two thousand
60 six hundred fifty dollars (\$2650) per unit.

61 7. The number of high school pupils for whom a district
62 pays tuition to another public school district shall be

63 expressed in terms of classroom units by the use of the formula
64 set forth in subsection one (1) of this section, provided the
65 average number of pupils shall be substituted for the average
66 daily attendance.

67 8. The number of elementary school pupils for whom a
68 district pays tuition to another public school district shall
69 be expressed in classroom units by the use of the formula set
70 forth in subsection two (2) of this section, provided the
71 average number of pupils shall be substituted for the average
72 daily attendance.

73 9. Classroom units as determined under subsections seven
74 (7) and eight (8) of this section shall be allotted three
75 thousand eight hundred dollars (\$3800) per unit.

76 10. The district of residence shall be allotted the
77 classroom units for the pupils for whom tuition is paid.

78 11. The state department is hereby authorized to use the
79 average daily attendance and the number of pupils for whom a
80 district pays tuition as reported to the state superintendent
81 in the county superintendent's annual report; provided, however,
82 the state department may request additional reports from the
83 several school districts as are deemed necessary.

1 Sec. 4. After the state department has determined the
2 classroom units and the cost of the foundation program for
3 the several school districts of the state, the state department
4 shall determine the amount of the cost of the minimum
5 foundation program which shall be raised by local taxes in the

6 following manner: from the total cost of the minimum
7 foundation program for the state of Iowa shall be subtracted
8 the appropriation of the state legislature for the support of
9 the foundation program and the balance remaining shall be the
10 amount necessary to be furnished by local taxes, hereinafter
11 referred to as "total local effort for the state".

1 Sec. 5. For the purposes of this act there shall be
2 created what shall be known as an "assessment unit" which shall
3 be the territory in which property is assessed by the office
4 of a single assessor.

1 Sec. 6. The state department shall use the following
2 assessment units in determining the necessary computations
3 for the foundation program: one (1) each for the ninety-nine
4 (99) counties under the county assessor and one (1) each for
5 the cities of ten thousand (10,000) or more population that
6 have their own assessor.

1 Sec. 7. For the purpose of implementing the provisions
2 of this act, there is hereby created in each of the several
3 counties of the state a special school fund for each assessment
4 unit within the county, which fund shall be known as the
5 "assessment unit equalization fund", and in those counties
6 having more than one assessment unit, the name of the unit
7 shall be clearly indicated thereon. Funds in the assessment
8 unit equalization fund shall be kept in a separate account
9 by the county treasurer of the respective counties.

1 Sec. 8. The state department shall calculate or cause

2 to be calculated an income index of the financial ability to
3 support the minimum foundation program measured in terms of
4 income of each assessment unit. The income index of an
5 assessment unit shall be calculated to approximate the per cent
6 of the total taxpaying ability measured in terms of income of
7 the state which is in a given assessment unit and shall
8 constitute for the purposes of this act a measure of one
9 assessment unit's ability to support schools in relation to
10 the ability of other assessment units in the state. The income
11 index for each assessment unit shall be based upon and
12 determined by the following factors: Income received in the
13 forms of (1) wages and salaries received from all employers,
14 public and private, (2) profits from unincorporated businesses,
15 including farms, (3) earnings from the ownership of property,
16 i.e., dividends, interests, set rents, and royalties, and
17 (4) transfer payments such as veterans' bonus, unemployment
18 insurance, public assistance, retirement payments, and veterans'
19 pensions and benefits.

20 The income index determined for each assessment unit for
21 the purposes of this act shall be recomputed annually and all
22 changes shall be reflected in the annual apportionment.

23 The income index which the state department shall use for
24 the purpose of this act shall be calculated annually by the
25 Bureau of Business and Economic Research of the State University
26 of Iowa.

1 Sec. 9. The state department shall compute and allocate

2 the amount of money to be raised by local effort in each
3 assessment unit by multiplying the income index of the
4 assessment unit times the total local effort for the state as
5 determined in section four (4) of this act. The product shall
6 be regarded as the local funds available in each respective
7 assessment unit toward the support of the minimum foundation
8 program, and shall be used in calculating the portion of said
9 amount which shall be assigned to each school district in the
10 assessment unit.

1 Sec. 10. The local effort to support the minimum
2 foundation program as determined in section nine (9) of this
3 act for each assessment unit shall be raised in the following
4 manner:

5 1. One-half ($\frac{1}{2}$) of the assessment unit's local effort
6 shall be raised by a tax on the total assessed valuation of the
7 assessment unit.

8 2. The remaining half of the assessment unit's local
9 effort shall be raised by a tax on the assessed valuations of
10 the (1) rural districts, consolidated districts or other
11 districts maintaining only an elementary school, (2) consolidated
12 districts, township districts and rural independent districts
13 maintaining a high school, (3) independent districts, which tax
14 shall be in the ratio of 1:2:3, respectively.

15 3. The total tax rate for each type of school district
16 shall be found by the addition of the rate found in subsection
17 one (1) of this section to each of the tax rates found in

18 subsection two (2) of this section for rural districts,
19 consolidated districts, and independent districts, respectively.

20 4. In those assessment units which contain only one
21 school district the local effort shall be raised by a uniform
22 tax on the assessed valuation of the assessment unit.

1 Sec. 11. The funds made available from the tax as set
2 forth in section ten (10) of this act shall be distributed from
3 the assessment unit equalization fund to the respective school
4 districts of the assessment unit in the ratio which the \$3800
5 classroom units of each school district bears to the total of
6 \$3800 classroom units of the assessment unit; provided, however,
7 that all \$2650 classroom units shall be converted to the
8 equivalent \$3800 classroom units before the above apportionment
9 is made.

1 Sec. 12. The state aid that a school district shall be
2 entitled to receive shall then be determined by subtracting
3 the amount apportioned to the district from the assessment
4 unit equalization fund from the cost of that school's foundation
5 program; provided, however, that if the amount so determined is
6 less than the school district received in the fall of 1950 as
7 general aid, it would receive in subsequent years as its
8 foundation aid an amount equal to the general aid received in
9 the fall of 1950; provided, however, that in the event the
10 total appropriation for all school aids in any subsequent year
11 should fall below the total amount appropriated for the school
12 year 1949-50, namely, general aid, supplemental aid,

13 transportation aid, handicapped children aid, and agricultural
14 land tax credit, then the amount of guaranteed or foundation
15 aid shall be reduced in like proportion to the ratio that general
16 aid bore to the total of all the aids in 1949-50.

1 Sec. 13. The state department shall make all the necessary
2 computations to implement the operation of the minimum
3 foundation program for the state of Iowa; provided, however,
4 that no provision of this act gives the state department any
5 authority to levy any tax. The state department shall be
6 authorized to use the county superintendent's annual report to
7 the state superintendent as the official basis for the
8 computations; provided, however, that the state department shall
9 make such verifications as deemed necessary and ask any school
10 district for such additional reports as may be necessary.

1 Sec. 14. The state department shall cause to be issued a
2 bulletin or bulletins not later than April 1 of each year
3 giving the computations of the minimum foundation program and
4 its apportionment to each of the several school districts of
5 each assessment unit in the state. This bulletin shall contain
6 the name of each school district, the average daily attendance
7 of the non-tuition elementary pupils, the average daily
8 attendance of the non-tuition high school pupils, the average
9 number of elementary pupils for whom tuition was paid, the
10 average number of high school pupils for whom tuition was paid
11 the number of elementary classroom units allocated, the number
12 of tuition classroom units allocated, the number of high school

13 classroom units allocated, the total of \$3800 classroom units,
14 the cost of the foundation program, each district's share of
15 the assessment unit equalization fund, state's contribution,
16 guaranteed 1949-50 state aid, state aid each district is
17 entitled to, assessed valuation of each district, minimum
18 millage levy, and the district's contribution to the assessment
19 unit equalization fund. It shall also contain the income index
20 used in the calculation, a copy of the conversion tables used,
21 and a summary of the pertinent points of this law which would
22 affect the apportionment.

1 Sec. 15. Each school district maintaining a high school,
2 each county superintendent, each county auditor, and the state
3 comptroller shall be furnished a copy of the above bulletin or
4 bulletins no later than the fifteenth day of April each year.

1 Sec. 16. This apportionment bulletin when issued by the
2 state department shall then become the notice to each school
3 district of its share of the assessment unit equalization fund
4 and the amount of state aid to which it is entitled for the
5 coming year.

1 Sec. 17. The computation of the foundation program for
2 the ensuing year shall be based upon the next preceding year's
3 county superintendent's annual report to the state superintendent.

1 Sec. 18. The state aid that any district is entitled to
2 shall be based upon a school year of one hundred eighty (180) school
3 days and for less days of school the state aid shall be reduced
4 in the proportion that the number of days school was not in

5 session bears to one hundred eighty (180) ; provided, however,
6 that this provision shall not be used in the first apportionment
7 made under this act.

1 Sec. 19. Each school district shall be entitled to apply
2 to the state department for an adjustment in the average daily
3 attendance during any fiscal year when it has been materially
4 reduced due to floods, impassable roads, epidemics or other
5 emergencies, which fact shall be established to the satisfaction
6 of the state department by affidavits of the officers of the
7 school district and the county superintendent of schools ;
8 provided, however, that this provision shall not be used in
9 the first apportionment under this act.

1 Sec. 20. Each school district shall be entitled to apply
2 to the state department for an adjustment for school days lost
3 when it has been necessary to close a school due to floods,
4 impassable roads, epidemics or other emergencies, which make
5 it impossible for a school district to have one hundred eighty
6 (180) days of school during any fiscal year, which fact shall
7 be established to the satisfaction of the state department by
8 affidavits of the officers of the school district and the
9 county superintendent of schools ; provided, however, that this
10 provision shall not be used in the first apportionment under
11 this act.

1 Sec. 21. No provision of this act shall be construed to
2 relieve any school district of the necessity of complying with
3 the budget law, chapter twenty-four (24), Code 1950, provided

4 that each school district shall record upon its budget certified
5 to the county auditor the amount of state aid to be received
6 under this act and also its share of the assessment unit
7 equalization fund as computed under this act.

1 Sec. 22. Any school district in the state shall have the
2 authority to exceed the foundation program if it can legally
3 provide the funds as now provided by law, but the entire cost
4 above the foundation program shall be the responsibility of
5 that school district.

1 Sec. 23. Any school district in the state shall exceed
2 the maximum amounts that can be levied for school purposes
3 established by law if it is necessary in making its contribution
4 to the assessment unit equalization fund.

1 Sec. 24. The county auditor shall be responsible for
2 seeing that the necessary funds and the proper tax is spread
3 in accordance with this act to insure that the necessary funds
4 will be available in the assessment unit equalization fund ;
5 provided, however, that the proceeds of the moneys and credits
6 tax can be used to reduce the tax as is now done for school
7 purposes and also that after the first year of operation any
8 balance remaining in the assessment unit equalization fund
9 may be used to reduce subsequent taxes for the assessment unit
10 equalization fund.

1 Sec. 25. The county auditor shall spread a tax for each
2 school district for the askings of the school district beyond
3 the cost of the foundation program in the manner now provided

4 by law for the raising of school funds.

1 Sec. 26. The county treasurer shall disburse the funds
2 from the assessment unit equalization fund in accordance with
3 the certified abstract of the amount due each school district
4 furnished by the state department.

1 Sec. 27. The state department shall certify to the state
2 comptroller the amount of state aid due each county treasurer
3 not later than August fifteenth of each year along with an
4 abstract of the amount of state aid each school district of
5 each assessment unit is entitled to receive. Warrants shall
6 be drawn to each county treasurer for one-half ($\frac{1}{2}$) of the
7 state aid due each school district in each assessment unit in
8 the county between August fifteenth and August thirty-first
9 and transmitted to the county treasurer along with an abstract
10 of the aid due each school district. The second half of the
11 state aid shall be paid out under the same provisions between
12 January first and January fifteenth, following.

1 Sec. 28. The county treasurer upon receipt of such
2 state aid shall place the funds in the proper assessment unit
3 equalization fund and proceed to notify each district that
4 the funds are available for drawing on the fifteenth day of
5 the following month.

1 Sec. 29. The funds received by the several school
2 districts from the foundation program fund shall be credited
3 to the school's general fund.

1 Sec. 30. The state department is hereby authorized to

2 adopt such rules and regulations and define such terms as are
3 necessary and proper for the administration of this act.

1 Sec. 31. If any sections or provisions of this act are
2 declared unconstitutional the remaining sections or provisions
3 of the act shall not be affected thereby. All laws or parts of
4 laws, general or special, in conflict with the provisions of
5 this act are hereby held in abeyance to the extent necessary
6 to make the provisions of this act prevail.

1 Sec. 32. The state department shall every four years
2 make such studies of the cost of the educational program,
3 quality of the programs offered and other refinements that are
4 practicable and sound which may better reflect a foundation
5 program of education for the state; provided, however, that at
6 no time shall a salary schedule for the teachers be incorporated
7 into such a foundation program.

8 The state department shall make such reports and
9 recommendations concerning the foundation program available
10 no less than thirty days prior to the convening of each
11 odd-numbered legislative session.

1 Sec. 33. Chapter two hundred eighty-six (286), Code
2 1950, is hereby repealed.

1 Sec. 34. Chapter two hundred eighty-six A (286A), Code
2 1950, is hereby repealed.

1 Sec. 35. This act being deemed of immediate importance
2 shall be in full force and effect from and after its passage

- 3 and publication in, a newspaper
- 4 published at, Iowa, and in,
- 5 a newspaper published at, Iowa.