

EDUCATION
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SENATE FILE 481
BY KIBBIE and CONNOLLY

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

A BILL FOR

1 An Act providing for the imposition of an instructional support
2 program by all school districts in the state, and providing an
3 effective date.

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

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1 Section 1. Section 257.10, subsection 8, unnumbered
2 paragraph 1, Code 2001, is amended to read as follows:

3 Combined district cost is the sum of the regular program
4 district cost per pupil multiplied by the weighted enrollment
5 and the special education support services district cost, plus
6 the additional district cost allocated to the district to fund
7 media services and educational services provided through the
8 area education agency. For the school budget year beginning
9 July 1, 2001, and succeeding budget years, combined district
10 cost shall include the instructional support program budget
11 adjustment pursuant to section 257.18A.

12 Sec. 2. NEW SECTION. 257.18A INSTRUCTIONAL SUPPORT
13 PROGRAM -- BUDGET ADJUSTMENT.

14 1. For the school budget year beginning July 1, 2001, and
15 succeeding budget years, an instructional support program
16 budget adjustment that provides additional funding for school
17 districts is established. The additional funding for the
18 instructional support program budget adjustment for a budget
19 year is limited to an amount not exceeding ten percent of the
20 total of regular program district cost for the budget year and
21 moneys received under section 257.14 as a budget adjustment
22 for the budget year. Moneys received by a district for the
23 instructional support program may be used for any general fund
24 purpose, but shall not be used as, or in a manner which has
25 the effect of, supplanting funds authorized to be received
26 under sections 257.41, 257.46, 298.2, and 298.4, or to cover
27 any deficiencies in funding for special education
28 instructional services resulting from the application of the
29 special education weighting plan under section 256B.9.

30 2. The amount of the instructional support program budget
31 adjustment to be received by a school district shall be
32 determined annually by the department of management, and shall
33 be added to the combined district cost pursuant to section
34 257.10, subsection 8.

35 Sec. 3. Section 257.29, Code 2001, is amended to read as

1 follows:

2 257.29 EDUCATIONAL IMPROVEMENT PROGRAM.

3 An educational improvement program is established to
4 provide additional funding for school districts in which the
5 regular program district cost per pupil for a budget year is
6 one hundred ten percent of the regular program state cost per
7 pupil for the budget year ~~and which have approved the use of~~
8 ~~the instructional support program established in section~~
9 257.18. A board of directors that wishes to consider
10 participating in the educational improvement program shall
11 hold a hearing on the question of participation and the
12 maximum percent of the regular program district cost of the
13 district that will be used. The hearing shall be held in the
14 manner provided in section 257.18, Code 2001, for the
15 instructional support program as applicable for school budget
16 years prior to July 1, 2001. Following the hearing, the board
17 may direct the county commissioner of elections to submit the
18 question to the registered voters of the school district at
19 the next following regular school election or a special
20 election held not later than the following February 1. If a
21 majority of those voting on the question favors participation
22 in the program, the board shall adopt a resolution to
23 participate and shall certify the results of the election to
24 the department of management and the district shall
25 participate in the program. If a majority of those voting on
26 the question does not favor participation, the district shall
27 not participate in the program.

28 The educational improvement program shall provide
29 additional revenues each fiscal year equal to a specified
30 percent of the regular program district cost of the district,
31 as determined by the board but not more than the maximum
32 percent authorized by the electors if an election has been
33 held. Certification of a district's participation for a
34 budget year, the method of funding, and the amount to be
35 raised shall be made to the department of management not later

1 than April 15 of the base year.

2 The educational improvement program shall be funded by
3 either an educational improvement property tax or by a
4 combination of an educational improvement property tax and an
5 educational improvement income surtax. The method of raising
6 the educational improvement moneys shall be determined by the
7 board. Subject to the limitation in section 298.14, if the
8 board uses a combination of an educational improvement
9 property tax and an educational improvement income surtax, the
10 board shall determine the percent of income surtax to be
11 imposed, expressed as full percentage points, not to exceed
12 twenty percent.

13 The department of management shall establish the amount of
14 the educational improvement property tax to be levied or the
15 amount of the combination of the educational improvement
16 property tax to be levied and the amount of the school
17 district income surtax to be imposed for each school year that
18 the educational improvement amount is authorized. The
19 educational improvement property tax and income surtax, if an
20 income surtax is imposed, shall be levied and imposed,
21 collected, and paid to the school district in the manner
22 provided for the instructional support program in sections
23 257.21 through 257.26, Code 2001, as applicable for school
24 budget years prior to July 1, 2001. Moneys received by a
25 school district under the educational improvement program are
26 miscellaneous income.

27 Once approved at an election, the authority of the board to
28 use the educational improvement program shall continue until
29 the board votes to rescind the educational improvement program
30 or the voters of the school district by majority vote order
31 the discontinuance of the program. The board shall call an
32 election to vote on the proposition whether to discontinue the
33 program upon the receipt of a petition signed by not less than
34 one hundred eligible electors or thirty percent of the number
35 of electors voting at the last preceding school election,

1 whichever is greater.

2 Participation in an educational improvement program is not
3 affected by a change in the boundaries of the school district,
4 except as otherwise provided in this section. If each school
5 district involved in school reorganization under chapter 275
6 has approved an educational improvement program, and if the
7 voters have not voted upon the question of participation in
8 the program in the reorganized district, the educational
9 improvement program shall be in effect for the reorganized
10 district that has been approved for the least amount and the
11 shortest time in any of the districts.

12 Notwithstanding the requirement in the first unnumbered
13 paragraph of this section that the regular program district
14 cost per pupil for a budget year is one hundred ten percent of
15 the regular state cost per pupil, the board of directors may
16 participate in the educational improvement program as provided
17 in this section if the school district had adopted an
18 enrichment levy of fifteen percent of the state cost per pupil
19 multiplied by the budget enrollment in the district prior to
20 July 1, 1992, and upon expiration of the period for which the
21 enrichment levy was adopted, adopts a resolution for the use
22 of the instructional support program established in section
23 257.18, Code 2001, as applicable for budget years prior to
24 July 1, 2001. The maximum percent of the regular district
25 cost of the district that may be used under this paragraph
26 shall not exceed five percent.

27 Sec. 4. Section 298.2, subsection 4, unnumbered paragraph
28 2, Code 2001, is amended to read as follows:

29 If a combination of a property tax and income surtax is
30 used, by April 15 of the previous school year, the board shall
31 certify the percent of the income surtax to be imposed and the
32 amount to be raised to the department of management and the
33 department of management shall establish the rate of the
34 property tax and income surtax for the school year. The
35 physical plant and equipment property tax and income surtax

1 shall be levied or imposed, collected, and paid to the school
2 district in the manner provided for the instructional support
3 program in sections 257.21 through 257.26, Code 2001, as
4 applicable for budget years prior to July 1, 2001.

5 Sec. 5. Section 298.14, Code 2001, is amended to read as
6 follows:

7 298.14 SCHOOL DISTRICT INCOME SURTAXES.

8 For each fiscal year, the cumulative total of the percents
9 of surtax approved by the board of directors of a school
10 district and collected by the department of revenue and
11 finance under sections ~~257.21~~, 257.29, and 298.2, and the
12 enrichment surtax under section 442.15, Code 1989, and an
13 income surtax collected by a political subdivision under
14 chapter 422D, shall not exceed twenty percent.

15 A school district income surtax fund is created in the
16 office of treasurer of state. Income surtaxes collected by
17 the department of revenue and finance under sections ~~257.21~~,
18 257.29, and 298.2 and section 442.15, Code 1989, shall be
19 deposited in the school district income surtax fund to the
20 credit of each school district. A separate accounting of each
21 surtax, by school district, shall be maintained.

22 The director of revenue and finance shall draw warrants in
23 payment of the surtaxes collected in each school district.
24 Warrants shall be payable in two installments to be paid on
25 approximately the first day of December and the first day of
26 February following collection of the taxes and shall be
27 delivered to the respective school districts.

28 Sec. 6. IMPLEMENTATION OF ACT. Section 25B.2, subsection
29 3, shall not apply to this Act.

30 Sec. 7. Sections 257.18 through 257.27, Code 2001, are
31 repealed effective June 30, 2001.

32 Sec. 8. EFFECTIVE DATES. This Act, being deemed of
33 immediate importance, takes effect upon enactment.

34

EXPLANATION

35 This bill provides for the mandatory imposition of the

1 instructional support program by all school districts in the
2 state. Currently, Code sections 257.18 through 257.27 provide
3 that a school district may establish an instructional support
4 program to be funded through a combination of state aid and
5 local funding consisting of either a property tax levy or a
6 combination of property tax and income surtax. Additionally,
7 these current provisions authorize a decision to participate
8 in the program for up to five years by board action, or for up
9 to 10 years with voter approval. The bill provides for the
10 repeal of Code sections 257.18 through 257.27 effective June
11 30, 2001, and implements an instructional support program
12 budget adjustment to be made annually by the department of
13 management. The bill provides that for the school budget year
14 beginning July 1, 2001, and succeeding budget years, the
15 budget adjustment would be an addition to the combined
16 district cost for a school district, which would result in an
17 increase in the additional property tax levy imposed pursuant
18 to Code section 257.4, subsection 1.

19 The bill may include a state mandate as defined in Code
20 section 25B.3. The bill makes inapplicable Code section
21 25B.2, subsection 3, which would relieve a political
22 subdivision from complying with a state mandate if funding for
23 the cost of the state mandate is not provided or specified.
24 Therefore, political subdivisions are required to comply with
25 any state mandate included in the bill.

26 The bill provides conforming changes regarding the repeal
27 of Code sections 257.18 through 257.27.

28 The bill takes effect upon enactment.

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