

FEB 3 2005
EDUCATION

HOUSE FILE 194
BY SWAIM, FREVERT, and KUHN

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

A BILL FOR

1 An Act providing for the modification of specified school
2 district budget guarantee provisions, and providing an
3 effective date.

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

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HF 194

1 Section 1. Section 257.14, subsection 2, Code 2005, is
2 amended to read as follows:

3 2. For the budget ~~years-commencing-July-17-2002,-and-July~~
4 ~~17-2003~~ year commencing July 1, 2005, and each budget year
5 thereafter, if the department of management determines that
6 the regular program district cost of a school district for a
7 budget year is less than the total of the regular program
8 district cost plus any adjustment added under this section for
9 the base year for that school district, the school district
10 shall be eligible to receive a budget adjustment for that
11 district for that budget year up to an amount equal to the
12 difference. The board of directors of a school district that
13 wishes to receive a budget adjustment pursuant to this
14 subsection shall adopt a resolution to receive the budget
15 adjustment by April 15, annually, and shall notify the
16 department of management of the adoption of the resolution and
17 the amount of the budget adjustment to be received.

18 Sec. 2. Section 257.14, subsection 3, Code 2005, is
19 amended by striking the subsection.

20 Sec. 3. EFFECTIVE DATE. This Act, being deemed of
21 immediate importance, takes effect upon enactment.

22 EXPLANATION

23 This bill provides for the application of the 100 percent
24 budget guarantee, as applicable to school districts for the
25 school budget year beginning July 1, 2003, for the school
26 budget year beginning July 1, 2005, and each budget year
27 thereafter. This enables a school district to maintain 100
28 percent of the previous year's budget, adjusted to include the
29 amount of the budget adjustment the district received in the
30 previous year.

31 The bill eliminates provisions that were passed during the
32 2001 legislative session which, starting with the school
33 budget year beginning July 1, 2004, provided that school
34 districts would no longer be eligible for the 100 percent
35 "adjuster" guarantee, but would instead be eligible for a 101

1 percent guarantee without the adjustment for inclusion of the
2 previous year's guarantee. The bill also eliminates
3 provisions passed during the 2001 legislative session that
4 provided for a 10-year phaseout of the 100 percent adjusted
5 guarantee for school districts that would lose money based on
6 the change to a 101 percent nonadjusted guarantee.

7 The bill takes effect upon enactment.

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