

FILED JAN 19 2005

SENATE FILE 40  
BY BRUNKHORST

EDUCATION

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to establishing the state percent of growth for  
2 purposes of the state school foundation program and providing  
3 applicability and contingent applicability dates.

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

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SF 40  
EDUCATION

1 Section 1. Section 257.8, subsection 1, Code 2005, is  
2 amended to read as follows:

3 1. STATE PERCENT OF GROWTH. ~~The state percent of growth~~  
4 ~~for the budget year beginning July 1, 2004, is two percent.~~  
5 The state percent of growth for the budget year beginning July  
6 1, 2005, is four percent. The state percent of growth for the  
7 budget year beginning July 1, 2006, is four percent. The  
8 state percent of growth for each subsequent budget year shall  
9 be established by statute which shall be enacted within thirty  
10 days of the submission in the year preceding the base year of  
11 the governor's budget under section 8.21. The establishment  
12 of the state percent of growth for a budget year shall be the  
13 only subject matter of the bill which enacts the state percent  
14 of growth for a budget year.

15 Sec. 2. ALTERNATIVE STATE PERCENT OF GROWTH OF FIVE  
16 PERCENT. Notwithstanding section 257.8, subsection 1, the  
17 state percent of growth for the budget years beginning July 1,  
18 2005, and July 1, 2006, is five percent if all state public  
19 employee collective bargaining agreements entered into for  
20 those years are modified pursuant to section 3 of this Act and  
21 not declared invalid.

22 Sec. 3. STATE PUBLIC EMPLOYEE COLLECTIVE BARGAINING  
23 AGREEMENT MODIFICATION.

24 1. Notwithstanding section 257.8, subsection 1, or any  
25 other provision of law to the contrary, all collective  
26 bargaining agreements between the state of Iowa and an  
27 employee organization representing state employees shall  
28 provide, for the fiscal period beginning July 1, 2005, and  
29 ending June 30, 2007, as follows:

30 a. That any provision in the applicable collective  
31 bargaining agreement providing for a cost-of-living  
32 adjustment, or similar increase in pay, for the fiscal year  
33 beginning July 1, 2005, shall be limited to a zero percent  
34 adjustment or increase and moneys shall not be appropriated to  
35 fund any upward adjustment or increase.

1 b. That any provision in the applicable collective  
2 bargaining agreement providing for a cost-of-living  
3 adjustment, or similar increase in pay, for the fiscal year  
4 beginning July 1, 2006, shall be limited to a one percent  
5 adjustment or increase and moneys shall not be appropriated to  
6 fund any upward adjustment or increase above one percent.

7 Sec. 4. TEACHER PROFESSIONAL DEVELOPMENT -- CONTINGENT  
8 APPLICATION. Notwithstanding section 257.8, subsection 1, or  
9 any other provision to the contrary, any Act establishing two  
10 additional professional development days per school year for  
11 teachers pursuant to a teacher compensation proposal shall not  
12 take effect until a state percent of growth of at least five  
13 percent has been established.

14 Sec. 5. APPLICABILITY. The section of this Act amending  
15 section 257.8, subsection 1, and establishing a four percent  
16 state percent of growth is applicable for computing state aid  
17 under the state school foundation program for the school  
18 budget year beginning July 1, 2006. The section of this Act  
19 establishing an alternate state percent of growth of five  
20 percent is contingently applicable under this Act for  
21 computing state aid under the state school foundation program  
22 for the school budget years beginning July 1, 2005, and July  
23 1, 2006.

24 EXPLANATION

25 This bill establishes a state percent of growth of 4  
26 percent for purposes of the state school foundation program  
27 for the school budget year beginning July 1, 2006. The bill  
28 also provides that notwithstanding these provisions, an  
29 alternative state percent of growth for the budget years  
30 beginning July 1, 2005, and July 1, 2006, of 5 percent shall  
31 apply if all state public employee collective bargaining  
32 agreements are modified as provided in the bill.

33 The bill provides that all collective bargaining agreements  
34 between the state of Iowa and an employee organization  
35 representing state employees shall provide that a cost-of-

1 living adjustment, or similar increase in pay, during the  
2 fiscal year beginning July 1, 2005, shall be limited to zero  
3 percent and moneys shall not be appropriated to fund any  
4 upward adjustments or increases, and that a cost-of-living  
5 adjustment, or similar increase in pay, during the fiscal year  
6 beginning July 1, 2006, shall be limited to a 1 percent  
7 adjustment or increase with no appropriations provided for  
8 payments above 1 percent.

9 The bill also provides that any enacted Act establishing  
10 two additional professional development days per school year  
11 for teachers pursuant to a teacher compensation proposal shall  
12 not take effect until a state percent of growth of at least 5  
13 percent has been established.

14 The bill is applicable for state aid computation under the  
15 school foundation program for the school budget year beginning  
16 July 1, 2006, with regard to establishing a 4 percent  
17 allowable growth, and is applicable for state aid computation  
18 under the school foundation program for the school budget  
19 years beginning July 1, 2005, and July 1, 2006, if the  
20 alternative state percent of growth provisions establishing a  
21 5 percent allowable growth become applicable pursuant to the  
22 state public employee collective bargaining agreement  
23 modification.

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