

House File 2108 - Introduced

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A BILL FOR

1 An Act providing for the adjustment of state foundation aid
2 amounts payable to school districts with certain enrollment
3 levels.

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

1 Section 1. Section 257.7, subsection 1, Code 2011, is
2 amended to read as follows:

3 1. *Budgets.* School districts are subject to chapter 24.
4 The authorized expenditures of a school district during a base
5 year shall not exceed the lesser of the budget for that year
6 certified under section 24.17 plus any allowable amendments
7 permitted in this section, or the authorized budget, which is
8 the sum of the combined district cost for that year including
9 any adjustments required by section 257.16B, the actual
10 miscellaneous income received for that year, and the actual
11 unspent balance from the preceding year.

12 Sec. 2. Section 257.10, subsection 8, paragraph a, Code
13 2011, is amended to read as follows:

14 a. (1) Combined district cost is the sum of the regular
15 program district cost per pupil multiplied by the weighted
16 enrollment, the special education support services district
17 cost, the total teacher salary supplement district cost, the
18 total professional development supplement district cost, and
19 the total early intervention supplement district cost, plus the
20 sum of the additional district cost allocated to the district
21 to fund media services and educational services provided
22 through the area education agency, the area education agency
23 total teacher salary supplement district cost and the area
24 education agency total professional development supplement
25 district cost.

26 (2) For budget years beginning on or after July 1, 2013,
27 each school district's combined district cost for the purposes
28 of determining a school district's authorized expenditures
29 under section 257.7 shall be adjusted to reflect the adjustment
30 to the school district's state foundation aid under section
31 257.16B.

32 Sec. 3. NEW SECTION. 257.16B State foundation aid
33 adjustment — teacher salary and benefits support.

34 1. For budget years beginning on or after July 1, 2013, the
35 department of management shall, following the determination of

1 the total amount of state foundation aid payable to each school
2 district pursuant to section 257.16, subsection 1, adjust the
3 total amount of state foundation aid payable to each school
4 district as follows:

5 *a.* Each school district's total amount of state foundation
6 aid shall be reduced by an amount equal to the school
7 district's weighted enrollment divided by the total statewide
8 weighted enrollment, and then multiplied by fifteen million
9 dollars. The fifteen million dollars resulting from the
10 reduction in state foundation aid shall be apportioned as
11 provided in paragraph "b".

12 *b.* Following the reduction in paragraph "a", the department
13 of management shall, for each school district with a budget
14 enrollment of less than two thousand five hundred pupils,
15 increase each school district's resulting total amount of state
16 foundation aid by an amount equal to the school district's
17 budget enrollment divided by the total budget enrollment for
18 all school districts in the state with a budget enrollment of
19 less than two thousand five hundred pupils, and then multiplied
20 by fifteen million dollars.

21 2. The amount of the increase to a school district's state
22 foundation aid determined under subsection 1, paragraph "b",
23 in excess of the amount of the school district's total state
24 foundation aid prior to any adjustment under this section shall
25 be used by the school district exclusively for teacher salaries
26 and benefits within the district.

27 3. The department of management shall notify each school
28 district of the amount of the adjustment to state foundation
29 aid under this section. Except for the adjustment to a
30 school district's combined district cost for the purposes
31 of determining a school district's authorized expenditures
32 under section 257.7, this section shall not result in the
33 recalculation of other state aid amounts or the recalculation
34 of any property tax levy for the budget year.

35

EXPLANATION

1 This bill provides for an adjustment of state foundation aid
2 amounts to certain school districts with certain enrollment
3 levels.

4 Under the bill, for budget years beginning on or after July
5 1, 2013, the department of management is required to adjust the
6 total amount of state foundation aid otherwise payable to each
7 school district under the school foundation funding formula.
8 Each school district's total amount of state foundation aid
9 is first reduced by an amount equal to the school district's
10 weighted enrollment divided by the total statewide weighted
11 enrollment, and then multiplied by \$15 million. Those school
12 districts with a budget enrollment of less than 2,500 pupils
13 will then have the school district's resulting total amount
14 of state foundation aid increased by an amount equal to the
15 school district's budget enrollment divided by the total budget
16 enrollment for all school districts in the state with a budget
17 enrollment of less than 2,500 pupils, and then multiplied by
18 \$15 million.

19 Under the bill, the amount of the increase to a school
20 district's state foundation aid in excess of the amount of
21 the school district's total state foundation aid prior to any
22 adjustment under the bill shall be used by the school district
23 exclusively for teacher salaries and benefits within the
24 district.

25 The bill includes a requirement that each school district
26 be notified of the adjustments made under the bill and
27 states that except for the adjustment to a school district's
28 combined district cost for the purposes of determining a school
29 district's authorized expenditures under Code section 257.7,
30 the adjustments to state foundation aid do not result in the
31 recalculation of other state aid amounts or the recalculation
32 of any property tax levy for the budget year.