

3/4/96 Referred to
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FEB 29 1996
Place On Calendar

HOUSE FILE 2414
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 558)

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

A BILL FOR

1 An Act relating to school finance, by providing for on-time
2 funding for new students based upon increased student
3 enrollment, and providing an effective date.

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

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HF 2414

1 Section 1. NEW SECTION. 257.13 ON-TIME FUNDING FOR NEW
2 STUDENTS.

3 1. If a district's actual enrollment for the budget year,
4 determined under section 257.6, is greater than its budget
5 enrollment for the budget year, the district may submit a
6 request to the school budget review committee for on-time
7 funding for new students. The school budget review committee
8 shall consider the relative increase in enrollment on a
9 district-by-district basis, in determining whether to approve
10 the request. An application for on-time funding must be
11 received by the department of education by October 1. Written
12 notice of the committee's decision shall be given to the
13 school board for a district through the department of
14 education.

15 2. If the school budget review committee approves a
16 request for on-time funding for new students, the amount of
17 funding shall equal the product of one-half of the district's
18 regular program state cost per pupil for the budget year
19 multiplied by the difference between the actual enrollment for
20 the budget year and the budget enrollment for the budget year.
21 The additional funding received under this section is
22 miscellaneous income to the district.

23 If a district receives on-time funding for new students
24 under this section for a budget year, the department of
25 management shall determine the amount of this funding which
26 would have been generated by local property tax revenues if
27 the actual enrollment for the budget year had been used in
28 determining state cost for that budget year. The department
29 of management shall reduce, but not by more than the amount of
30 the on-time funding, the district's total state school aids
31 otherwise available under this chapter for the next following
32 budget year by the amount so determined, and shall increase
33 the district's additional property tax levy for the next
34 following budget year by the amount necessary to compensate
35 for the reduction in state aid, so that the local property tax

1 for the next following year will be increased only by the
2 amount which it would have been increased in the budget year
3 if the enrollment calculated in this section could have been
4 used to establish the levy.

5 3. Up to ten million dollars of gross gambling receipts
6 that exceed ninety million dollars, deposited in the general
7 fund of the state pursuant to sections 99D.17 and 99F.11, are
8 appropriated and shall be transferred to the school budget
9 review committee for the budget year beginning July 1, 1996,
10 and subsequent budget years. The school budget review
11 committee may expend up to ten million dollars of the excess
12 amount for on-time funding for new students. Amounts paid to
13 school districts shall be paid in monthly installments
14 beginning on December 15 and ending on June 15 of the budget
15 year.

16 4. If the board of directors of a school district
17 determines that a need exists for additional funds exceeding
18 the amount provided in this section, a request for
19 supplemental aid based upon increased enrollment may be
20 submitted to the school budget review committee as provided in
21 section 257.31 and section 260D.14.

22 Sec. 2. EFFECTIVE DATE. This Act, being deemed of
23 immediate importance, takes effect upon enactment for the
24 purpose of computations required for payment of state aid to
25 and levying of property taxes by school districts for budget
26 years beginning on or after July 1, 1996. This Act remains in
27 effect until the repeal of chapter 257 on July 1, 2001.

28 EXPLANATION

29 This bill provides that if the actual enrollment of a
30 school district exceeds the budget enrollment for the budget
31 year, the district may submit a request for on-time funding
32 attributable to the increased enrollment. An application
33 shall be considered by the school budget review committee on a
34 district-by-district basis. If approved, the amount of the
35 funding shall equal the product of one-half of the regular

1 program state cost per pupil for the budget year multiplied by
2 the difference between the actual enrollment and the budget
3 enrollment.

4 The amount received in a given budget year will impact the
5 following year's state aid and property tax levels. The
6 amount of the on-time funding which would have been generated
7 by property taxes if the actual (increased) enrollment figure
8 was used in determining the district cost will be calculated
9 by the department of management. This amount will reduce the
10 level of state aid available to the district for the following
11 year, but not by more than the amount received as on-time
12 funding. The district's additional property tax levy for the
13 following budget year will then be increased by the amount
14 necessary to compensate for the reduction in state aid.

15 The school budget review committee shall receive an
16 appropriation of up to \$10 million of gross gambling receipts,
17 to the extent they exceed \$90 million, for on-time funding for
18 new students. In the event that additional funding for the
19 budget year is determined necessary, the board of directors of
20 the school district can apply to the school budget review
21 committee for supplemental aid.

22 The bill takes effect upon enactment and applies to budget
23 years beginning on or after July 1, 1996. It remains in
24 effect until the repeal of chapter 257 on July 1, 2001.

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Lord

Grundberg

Baker

HSB 558

EDUCATION

Succeeded By

HOUSE FILE

SF/HF 2414

BY (PROPOSED COMMITTEE ON
EDUCATION BILL BY CHAIR-
PERSON GRUBBS)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to school finance, by providing for funding
2 advances based upon increased student enrollment, and
3 providing an effective date.

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

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1 Section 1. NEW SECTION. 257.13 ADVANCE FOR INCREASING
2 ENROLLMENT.

3 1. If a district's actual enrollment for the budget year,
4 determined under section 257.6 is greater than its budget
5 enrollment for the budget year, the district is granted an
6 advance from the state of an amount equal to its regular
7 program district cost per pupil for the budget year multiplied
8 by the difference between the actual enrollment for the budget
9 year and the budget enrollment for the budget year. The
10 advance is miscellaneous income.

11 2. a. Notwithstanding the amount computed under
12 subsection 1, for the budget year beginning July 1, 1996, each
13 school district shall receive an advance in amount equal to
14 the applicable percentage of the amount computed under
15 subsection 1 based upon the percentage increase in actual
16 enrollment over budget enrollment in the following schedule:

17 <u>Percentage increase</u>	<u>Percentage</u>
18 <u>in enrollment</u>	<u>of advance</u>
19 Less than 2 percent	25 percent
20 2 to less than 4 percent	40 percent
21 4 to less than 6 percent	55 percent
22 6 percent and above	70 percent

23 Advances received based on this schedule will be reduced by
24 any amounts received by a district pursuant to section 257.14
25 in determining the funding advance available to the district.

26 b. If a district's actual enrollment for the budget year
27 exceeds its budget enrollment for the budget year by greater
28 than one hundred students, the receivable percentage of the
29 advance in the schedule provided in paragraph "a" is increased
30 by twenty percentage points.

31 3. If the board of directors of a school district
32 determines a need for additional funds exceeding the amount
33 provided by the schedule, a request for supplemental aid based
34 upon increased enrollment may be submitted to the school
35 budget review committee as provided in section 257.31 and

1 section 260D.14.

2 4. If a district receives an advance under this section
3 for a budget year, the department of management shall
4 determine the amount of the advance which would have been
5 generated by local property tax revenues if the actual
6 enrollment for the budget year had been used in determining
7 district cost for that budget year, shall reduce the
8 district's total state school aids otherwise available under
9 this chapter for the next following budget year by the amount
10 so determined, and shall increase the district's additional
11 property tax levy for the next following budget year by the
12 amount necessary to compensate for the reduction in state aid,
13 so that the local property tax for the next following year
14 will be increased only by the amount which it would have been
15 increased in the budget year if the enrollment calculated in
16 this section could have been used to establish the levy.

17 5. There is appropriated each fiscal year from the general
18 fund of the state to the department of education the amount
19 required to pay advances authorized under this section, which
20 shall be paid to school districts in the same manner as other
21 state aids are paid under section 257.16.

22 Sec. 2. Section 257.16, unnumbered paragraph 2, Code
23 Supplement 1995, is amended to read as follows:

24 All state aids paid under this chapter, unless otherwise
25 stated, shall be paid in monthly installments beginning on
26 September 15 of a budget year and ending on or about June 15
27 of the budget year as determined by the department of
28 management, taking into consideration the relative budget and
29 cash position of the state resources. However, the state aid
30 paid to school districts under section 257.13 shall be paid in
31 monthly installments beginning on December 15 and ending on
32 June 15 of that year.

33 Sec. 3. This Act, being deemed of immediate importance,
34 takes effect upon enactment for the purpose of computations
35 required for payment of state aid to and levying of property

1 taxes by school districts for budget years beginning on or
2 after July 1, 1996.

3 EXPLANATION

4 This bill provides that if the actual enrollment of a
5 school district exceeds the budget enrollment for the budget
6 year, the district can receive a funding advance attributable
7 to the increased enrollment.

8 The amount of the advance is determined through application
9 of a graduated schedule containing proportionate increases in
10 funding corresponding to the percentage of increased
11 enrollment. If the district's actual enrollment for the
12 budget year exceeds 100 students, the district is entitled to
13 add an additional 20 percentage points in utilizing the
14 schedule to calculate the amount of a funding advance.
15 Amounts received by the district will be reduced by any budget
16 adjustment receivable by the district pursuant to section
17 257.14.

18 In the event that additional funding for the budget year is
19 determined necessary, the board of directors of the school
20 district can apply to the school budget review committee for
21 supplemental aid.

22 The advance received in a given budget year will impact the
23 following year's state aid and property tax levels. The
24 amount of the advance which would have been generated by
25 property taxes if the actual (increased) enrollment figure was
26 used in determining the district cost will be calculated by
27 the department of management. This amount will reduce the
28 level of state aid available to the district for the following
29 year, but not by more than the amount of the advance. The
30 district's additional property tax levy for the following
31 budget year will then be increased by the amount necessary to
32 compensate for the reduction in state aid.

33 The bill provides for the appropriation of an amount
34 necessary to pay the advances each fiscal year to the
35 department of education, provides for payments beginning on

1 December 15, and provides for an effective date upon
2 enactment.

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