

# House Study Bill 558

## Conference Committee Text

PAG LIN

1 1 Section 1. NEW SECTION. 257.13 ADVANCE FOR INCREASING  
1 2 ENROLLMENT.  
1 3 1. If a district's actual enrollment for the budget year,  
1 4 determined under section 257.6 is greater than its budget  
1 5 enrollment for the budget year, the district is granted an  
1 6 advance from the state of an amount equal to its regular  
1 7 program district cost per pupil for the budget year multiplied  
1 8 by the difference between the actual enrollment for the budget  
1 9 year and the budget enrollment for the budget year. The  
1 10 advance is miscellaneous income.  
1 11 2. a. Notwithstanding the amount computed under  
1 12 subsection 1, for the budget year beginning July 1, 1996, each  
1 13 school district shall receive an advance in amount equal to  
1 14 the applicable percentage of the amount computed under  
1 15 subsection 1 based upon the percentage increase in actual  
1 16 enrollment over budget enrollment in the following schedule:  
1 17 Percentage increase Percentage  
1 18 in enrollment of advance  
1 19 Less than 2 percent 25 percent  
1 20 2 to less than 4 percent 40 percent  
1 21 4 to less than 6 percent 55 percent  
1 22 6 percent and above 70 percent  
1 23 Advances received based on this schedule will be reduced by  
1 24 any amounts received by a district pursuant to section 257.14  
1 25 in determining the funding advance available to the district.  
1 26 b. If a district's actual enrollment for the budget year  
1 27 exceeds its budget enrollment for the budget year by greater  
1 28 than one hundred students, the receivable percentage of the  
1 29 advance in the schedule provided in paragraph "a" is increased  
1 30 by twenty percentage points.  
1 31 3. If the board of directors of a school district  
1 32 determines a need for additional funds exceeding the amount  
1 33 provided by the schedule, a request for supplemental aid based  
1 34 upon increased enrollment may be submitted to the school  
1 35 budget review committee as provided in section 257.31 and  
2 1 section 260D.14.  
2 2 4. If a district receives an advance under this section  
2 3 for a budget year, the department of management shall  
2 4 determine the amount of the advance which would have been  
2 5 generated by local property tax revenues if the actual  
2 6 enrollment for the budget year had been used in determining  
2 7 district cost for that budget year, shall reduce the  
2 8 district's total state school aids otherwise available under  
2 9 this chapter for the next following budget year by the amount  
2 10 so determined, and shall increase the district's additional  
2 11 property tax levy for the next following budget year by the  
2 12 amount necessary to compensate for the reduction in state aid,  
2 13 so that the local property tax for the next following year  
2 14 will be increased only by the amount which it would have been  
2 15 increased in the budget year if the enrollment calculated in  
2 16 this section could have been used to establish the levy.  
2 17 5. There is appropriated each fiscal year from the general  
2 18 fund of the state to the department of education the amount  
2 19 required to pay advances authorized under this section, which  
2 20 shall be paid to school districts in the same manner as other  
2 21 state aids are paid under section 257.16.

2 22 Sec. 2. Section 257.16, unnumbered paragraph 2, Code  
2 23 Supplement 1995, is amended to read as follows:  
2 24 All state aids paid under this chapter, unless otherwise  
2 25 stated, shall be paid in monthly installments beginning on  
2 26 September 15 of a budget year and ending on or about June 15  
2 27 of the budget year as determined by the department of  
2 28 management, taking into consideration the relative budget and  
2 29 cash position of the state resources. However, the state aid  
2 30 paid to school districts under section 257.13 shall be paid in  
2 31 monthly installments beginning on December 15 and ending on  
2 32 June 15 of that year.

2 33 Sec. 3. This Act, being deemed of immediate importance,  
2 34 takes effect upon enactment for the purpose of computations  
2 35 required for payment of state aid to and levying of property  
3 1 taxes by school districts for budget years beginning on or  
3 2 after July 1, 1996.

3 3 EXPLANATION

3 4 This bill provides that if the actual enrollment of a  
3 5 school district exceeds the budget enrollment for the budget  
3 6 year, the district can receive a funding advance attributable  
3 7 to the increased enrollment.

3 8 The amount of the advance is determined through application  
3 9 of a graduated schedule containing proportionate increases in  
3 10 funding corresponding to the percentage of increased  
3 11 enrollment. If the district's actual enrollment for the  
3 12 budget year exceeds 100 students, the district is entitled to  
3 13 add an additional 20 percentage points in utilizing the  
3 14 schedule to calculate the amount of a funding advance.  
3 15 Amounts received by the district will be reduced by any budget  
3 16 adjustment receivable by the district pursuant to section  
3 17 257.14.

3 18 In the event that additional funding for the budget year is  
3 19 determined necessary, the board of directors of the school  
3 20 district can apply to the school budget review committee for  
3 21 supplemental aid.

3 22 The advance received in a given budget year will impact the  
3 23 following year's state aid and property tax levels. The  
3 24 amount of the advance which would have been generated by  
3 25 property taxes if the actual (increased) enrollment figure was  
3 26 used in determining the district cost will be calculated by  
3 27 the department of management. This amount will reduce the  
3 28 level of state aid available to the district for the following  
3 29 year, but not by more than the amount of the advance. The  
3 30 district's additional property tax levy for the following  
3 31 budget year will then be increased by the amount necessary to  
3 32 compensate for the reduction in state aid.

3 33 The bill provides for the appropriation of an amount  
3 34 necessary to pay the advances each fiscal year to the  
3 35 department of education, provides for payments beginning on  
4 1 December 15, and provides for an effective date upon  
4 2 enactment.

4 3 LSB 3977YC 76

4 4 rn/sc/14