

3-10-97 Amend/Do Pass w/H 1138
3-10-97 Referred to Approp.

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EDUCATION

HOUSE FILE 230
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BUKTA, RICHARDSON, LARKIN,
FOEGE, JOCHUM, WHITEAD, MASCHER,
BURNETT, and KINZER

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, making an appropriation, and providing an
4 effective date.

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

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HF 230

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, and shall determine the amount of additional
11 funding provided if the request is granted. An application
12 for on-time funding must be received by the department of
13 education by October 1. Written notice of the committee's
14 decision shall be given through the department of education to
15 the school board for a district.

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

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

1 for the reduction in state aid, so that the local property tax
2 for the next following year will be increased only by the
3 amount which it would have been increased in the budget year
4 if the enrollment calculated in this section could have been
5 used to establish the levy.

6 3. There is appropriated each fiscal year from the general
7 fund of the state to the department of education six million
8 dollars to pay additional funding authorized under this
9 section, which shall be paid to school districts in monthly
10 installments beginning on December 15 and ending on June 15 of
11 a budget year.

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

18 Sec. 2. EFFECTIVE DATE. This Act, being deemed of
19 immediate importance, takes effect upon enactment for the
20 purpose of computations required for payment of state aid to
21 and levying of property taxes by school districts for budget
22 years beginning on or after July 1, 1997. This Act remains in
23 effect until the repeal of chapter 257 on July 1, 2001.

24 EXPLANATION

25 This bill provides that if the actual enrollment of a
26 school district exceeds the budget enrollment for the budget
27 year, the district can receive additional funding attributable
28 to the increased enrollment. The amount of the additional
29 funding shall be determined by the school budget review
30 committee, up to an amount equal to one-third of the regular
31 program state cost per pupil for the budget year multiplied by
32 the difference between the actual and budget enrollment
33 figures for the budget year. The additional funding is
34 classified as miscellaneous income. Requests for on-time
35 funding may be submitted to the school budget review

1 committee. The committee shall consider requests on an
2 individual district-by-district basis. Requests must be
3 received by the department of education by October 1.

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

15 The bill appropriates \$6 million each fiscal year from the
16 general fund of the state to the department of education to
17 pay the additional funding authorization. Additional amounts
18 may be requested by a school district in the form of a request
19 for supplemental aid to the school budget review committee
20 pursuant to Code section 257.31, subsection 5.

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HOUSE FILE 230

H-1148

1 Amend House File 230 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. NEW SECTION. 257.13 ON-TIME FUNDING
5 FOR NEW STUDENTS.

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

21 2. If the school budget review committee approves
22 a request for on-time funding for new students, the
23 funding shall be in an amount up to the product of
24 one-third of the state cost per pupil for the budget
25 year multiplied by the difference between the actual
26 enrollment for the budget year and the budget
27 enrollment for the budget year. The additional
28 funding received under this section is miscellaneous
29 income to the district.

30 3. There is appropriated each fiscal year from the
31 general fund of the state to the department of
32 education up to six million dollars to pay additional
33 funding authorized under this section, which shall be
34 paid to school districts in monthly installments
35 beginning on December 15 and ending on June 15 of a
36 budget year. If the requests approved by the school
37 budget review committee exceed the appropriation in
38 this subsection, the payments to school districts
39 receiving approval for on-time funding shall be
40 prorated such that each school district approved for
41 on-time funding shall receive an amount of on-time
42 funding equal to the percentage that the on-time
43 funding received by the district bears to the total
44 amount of on-time funding received by all districts
45 receiving approval.

46 4. If the board of directors of a school district
47 determines that a need exists for additional funds
48 exceeding the amount provided in this section, a
49 request for supplemental aid based upon increased
50 enrollment may be submitted to the school budget

H-1148

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H-1148

Page 2

1 review committee as provided in section 257.31.
2 5. A school district which is receiving a budget
3 adjustment for a budget year pursuant to section
4 257.14 shall not be eligible to receive on-time
5 funding for new students for that budget year.
6 Sec. 2. EFFECTIVE DATE. This Act, being deemed of
7 immediate importance, takes effect upon enactment for
8 the purpose of computations required for payment of
9 state aid to school districts for budget years
10 beginning on or after July 1, 1997. This Act remains
11 in effect until the repeal of chapter 257 on July 1,
12 2001."

By COMMITTEE ON EDUCATION
GRIES of Crawford, Chairperson

H-1148 FILED MARCH 10, 1997