

FILED FEB 17 1997

SENATE FILE **148**  
BY DVORSKY and NEUHAUSER

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

**A BILL FOR**

1 An Act relating to school finance by providing a formula to fund  
2 costs resulting from increased student enrollment and making  
3 an appropriation.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

S.F. 148

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

3 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 equal to its regular program district  
7 cost per pupil for the budget year multiplied by the  
8 difference between the actual enrollment for the budget year  
9 and the budget enrollment for the budget year. The advance is  
10 miscellaneous income to the district.

11 If a district receives an advance under this section for a  
12 budget year, the department of management shall determine the  
13 amount of the advance which would have been generated by local  
14 property tax revenues if the actual enrollment for the budget  
15 year had been used in determining district cost for that  
16 budget year. The department of management shall reduce, but  
17 not by more than the amount of the advance, the district's  
18 total state school aids otherwise available under this chapter  
19 for the next following budget year by the amount so  
20 determined, and shall increase the district's additional  
21 property tax levy for the next following budget year by the  
22 amount necessary to compensate for the reduction in state aid,  
23 so that the local property tax for the next following year  
24 will be increased only by the amount which it would have been  
25 increased in the budget year if the enrollment calculated in  
26 this section could have been used to establish the levy.

27 There is appropriated each fiscal year from the general  
28 fund of the state to the department of education the amount  
29 required to pay advances authorized under this section, which  
30 shall be paid to school districts in monthly installments  
31 beginning on December 15 and ending on June 15 of a budget  
32 year.

33 EXPLANATION

34 This bill provides that if the actual enrollment of a  
35 school district exceeds the budget enrollment for the budget

1 year, the district can receive an advance attributable to the  
2 increased enrollment, equal to the regular program district  
3 cost per pupil for the budget year, multiplied by the  
4 difference between the actual and budget enrollment figures  
5 for the budget year. The advance is classified as  
6 miscellaneous income.

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

18 The bill appropriates the amount necessary to pay the  
19 advance each fiscal year to the department of education.

20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35