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EDUCATION

SENATE FILE 2158

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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 advance funding  
2 for new students based upon increased student enrollment,  
3 making an appropriation, and providing an effective and  
4 applicability date.

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

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S.F. 2158

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

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

34 Sec. 2. EFFECTIVE AND APPLICABILITY DATE. This Act, being  
35 deemed of immediate importance, takes effect upon enactment

1 for the purpose of computations required for payment of state  
2 aid to and levying of property taxes by school districts for  
3 budget years beginning on or after July 1, 1998.

4 EXPLANATION

5 This bill provides that if a school district's actual  
6 enrollment for the budget year, determined under Code section  
7 257.6, exceeds its budget enrollment for the budget year, the  
8 school district shall be granted an advance for increasing  
9 enrollment. The amount of the advance shall equal the school  
10 district's regular program district cost per pupil for the  
11 budget year multiplied by the difference between the actual  
12 enrollment for the budget year and the budget enrollment for  
13 the budget year.

14 The amount received in a given budget year will impact the  
15 following year's state aid and property tax levels. The  
16 amount of the on-time funding which would have been generated  
17 by property taxes if the actual (increased) enrollment figure  
18 was used in determining the district cost will be calculated  
19 by the department of management. This amount will reduce the  
20 level of state aid available to the district for the following  
21 year, but not by more than the amount received as an advance.  
22 The district's additional property tax levy for the following  
23 budget year will then be increased by the amount necessary to  
24 compensate for the reduction in state aid.

25 The bill provides for an annual appropriation from the  
26 general fund of the state to the department of education to  
27 pay for the advances, and that the advances shall be paid to  
28 school districts in monthly installments beginning on December  
29 15 and ending on June 15 of a budget year.

30 The bill includes an effective date upon enactment, and is  
31 applicable to school budget calculations for budget years  
32 beginning on or after July 1, 1998.

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