

HSB 17

EDUCATION

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
EDUCATION BILL BY  
CHAIRPERSON GRUNDBERG)

147

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

A BILL FOR

1 An Act providing additional funding for certain school districts  
2 that have either decreasing or increasing enrollments by  
3 extending the regular program district cost guarantee and by  
4 providing on-time funding, making an appropriation, and  
5 providing effective and applicability dates.

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

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1 Section 1. Section 257.1, subsection 2, unnumbered  
2 paragraph 3, Code 1999, is amended to read as follows:

3 For the budget year commencing July 1, ~~1995~~ 1999, the  
4 department of management shall add the amount of the  
5 additional budget adjustment computed in section 257.14,  
6 subsection 2 1, to the combined foundation base.

7 Sec. 2. NEW SECTION. 257.13 ON-TIME FUNDING FOR NEW  
8 STUDENTS.

9 1. For the school budget year beginning July 1, 1999, if a  
10 district's actual enrollment for the budget year, determined  
11 under section 257.6, is greater than its budget enrollment for  
12 the budget year, the district may submit a request to the  
13 school budget review committee for on-time funding for new  
14 students. The school budget review committee shall consider  
15 the relative increase in enrollment on a district-by-district  
16 basis, in determining whether to approve the request, and  
17 shall determine the amount of additional funding to be  
18 provided if the request is granted. An application for on-  
19 time funding pursuant to this subsection must be received by  
20 the department of education by November 1. Written notice of  
21 the committee's decision shall be given through the department  
22 of education to the school board for a district.

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

31 3. There is appropriated for the fiscal year beginning  
32 July 1, 1999, and ending June 30, 2000, from the general fund  
33 of the state to the department of education up to four million  
34 dollars to pay additional funding authorized under this  
35 section, which shall be paid to school districts in the same

1 manner as other state aids payable under section 257.16. If  
 2 the requests approved by the school budget review committee  
 3 exceed the appropriation in this subsection, the payments to  
 4 school districts receiving approval for on-time funding shall  
 5 be prorated such that each school district approved for on-  
 6 time funding shall receive an amount of on-time funding equal  
 7 to the percentage that the on-time funding to be provided to  
 8 the district bears to the total amount of on-time funding to  
 9 be provided to all districts receiving approval.

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

16 5. A school district which is receiving a budget  
 17 adjustment for a budget year pursuant to section 257.14 shall  
 18 receive on-time funding for increased enrollment, reduced by  
 19 the amount of the budget adjustment for that budget year. The  
 20 resulting amount shall not be less than zero. The school  
 21 district shall comply with the procedures established in  
 22 subsection 1.

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

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

6 Sec. 3. Section 257.14, subsection 1, Code 1999, is  
7 amended to read as follows:

8 1. For the budget years commencing July 1, 1997, and July  
9 1, 1998, and July 1, 1999, if the department of management  
10 determines that the regular program district cost of a school  
11 district for a budget year is less than the total of the  
12 regular program district cost plus any adjustment added under  
13 this section for the base year for that school district, the  
14 department of management shall provide a budget adjustment for  
15 that district for that budget year that is equal to the  
16 difference.

17 Sec. 4. APPLICABILITY AND EFFECTIVE DATE. This Act, being  
18 deemed of immediate importance, takes effect upon enactment  
19 and applies to the computation of school aid under the state  
20 school foundation program for the school budget year beginning  
21 July 1, 1999.

22 EXPLANATION

23 This bill provides additional funding for certain school  
24 districts that have either decreasing or increasing  
25 enrollments.

26 The bill extends the budget guarantee provision currently  
27 applicable to school districts for the budget year commencing  
28 July 1, 1998, to the next succeeding budget year, commencing  
29 July 1, 1999. The bill additionally provides, for the budget  
30 year beginning July 1, 1999, that if a school district's  
31 regular program district cost is less than its regular program  
32 district cost with the budget guarantee provision for the year  
33 preceding the budget year, the department of management shall  
34 provide an additional budget adjustment to reach the 100  
35 percent level. The bill provides that this additional budget

1 adjustment to reach the 100 percent level shall be added to  
2 the combined foundation base, resulting in amounts guaranteed  
3 being fully comprised of additional state aid.

4 The bill also provides that for the school budget year  
5 beginning July 1, 1999, school districts experiencing  
6 increases in enrollment may submit a request to the school  
7 budget review committee for on-time funding for new students.  
8 The request would be due by November 1, 1999. The school  
9 budget review committee shall determine whether, and to what  
10 extent, a request shall be granted on a district-by-district  
11 basis. If a request is approved, the funding shall be in an  
12 amount of up to the product of the state cost per pupil for  
13 the budget year multiplied by the difference between the  
14 actual enrollment for the budget year and the budget  
15 enrollment for the budget year.

16 The bill makes an appropriation from the general fund of  
17 the state to the department of education of up to \$4 million  
18 for the fiscal year beginning July 1, 1999, and ending June  
19 30, 2000, payable in the same manner as other state aids  
20 payable to school districts pursuant to Code section 257.16.  
21 If requests for on-time funding exceed the appropriation  
22 available, school districts with approved requests shall  
23 receive prorated payments. School districts may request  
24 modified allowable growth above and beyond amounts received  
25 for on-time funding pursuant to Code section 257.31.

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

1 compensate for the reduction in state aid.

2 The bill would take effect upon enactment and apply to the  
3 school budget year beginning July 1, 1999.

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*Substituted for SF 50*

JAN 26 1999

*1-27-99*

Place On Calendar

HOUSE FILE

**147**

BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 17)

*(p.186)*

*(P.155)*

Passed House, Date 1/26/99 Passed Senate, Date 1-27-99  
Vote: Ayes 98 Nays 2 Vote: Ayes 49 Nays 0  
Approved Feb. 4, 1999

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**HF 147**

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HOUSE FILE 147

AN ACT

PROVIDING ADDITIONAL FUNDING FOR CERTAIN SCHOOL DISTRICTS THAT HAVE EITHER DECREASING OR INCREASING ENROLLMENTS BY EXTENDING THE REGULAR PROGRAM DISTRICT COST GUARANTEE AND BY PROVIDING ON-TIME FUNDING, MAKING AN APPROPRIATION, AND PROVIDING EFFECTIVE AND APPLICABILITY DATES.

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

Section 1. Section 257.1, subsection 2, unnumbered paragraph 3, Code 1999, is amended to read as follows:

For the budget year commencing July 1, ~~1995~~ 1999, the department of management shall add the amount of the additional budget adjustment computed in section 257.14, subsection 2 1, to the combined foundation base.

Sec. 2. NEW SECTION. 257.13 ON-TIME FUNDING FOR NEW STUDENTS.

1. For the school budget year beginning July 1, 1999, if a district's actual enrollment for the budget year, determined under section 257.6, is greater than its budget enrollment for the budget year, the district may submit a request to the

school budget review committee for on-time funding for new students. The school budget review committee shall consider the relative increase in enrollment on a district-by-district basis, in determining whether to approve the request, and shall determine the amount of additional funding to be provided if the request is granted. An application for on-time funding pursuant to this subsection must be received by the department of education by November 1. Written notice of the committee's decision shall be given through the department of education to the school board for a district.

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

3. There is appropriated for the fiscal year beginning July 1, 1999, and ending June 30, 2000, from the general fund of the state to the department of education up to four million dollars to pay additional funding authorized under this section, which shall be paid to school districts in the same manner as other state aids payable under section 257.16. If the requests approved by the school budget review committee exceed the appropriation in this subsection, the payments to school districts receiving approval for on-time funding shall be prorated such that each school district approved for on-time funding shall receive an amount of on-time funding equal to the percentage that the on-time funding to be provided to the district bears to the total amount of on-time funding to be provided to all districts receiving approval.

4. If the board of directors of a school district determines that a need exists for additional funds exceeding the state aid amount provided in this section, a request for

modified allowable growth based upon increased enrollment may be submitted to the school budget review committee as provided in section 257.31.

5. A school district which is receiving a budget adjustment for a budget year pursuant to section 257.14 shall receive on-time funding for increased enrollment, reduced by the amount of the budget adjustment for that budget year. The resulting amount shall not be less than zero. The school district shall comply with the procedures established in subsection 1.

6. If a district receives additional funding under this section for a budget year, the department of management shall determine the amount of the additional funding which would have been generated by local property tax revenues, in proportion to the amount of funding actually received pursuant to this section, if the actual enrollment for the budget year had been used in determining district cost for that budget year. The department of management shall reduce, but not by more than the amount of the additional funding, the district's total state school aids otherwise available under this chapter for the next following budget year by the amount so determined, and shall increase the district's additional property tax levy for the next following budget year by the amount necessary to compensate for the reduction in state aid, so that the local property tax for the next following year will be increased only by the amount which it would have been increased in the budget year if the enrollment calculated in this section could have been used to establish the levy.

Sec. 3. Section 257.14, subsection 1, Code 1999, is amended to read as follows:

1. For the budget years commencing July 1, 1997, and July 1, 1998, and July 1, 1999, if the department of management determines that the regular program district cost of a school district for a budget year is less than the total of the regular program district cost plus any adjustment added under

this section for the base year for that school district, the department of management shall provide a budget adjustment for that district for that budget year that is equal to the difference.

Sec. 4. **APPLICABILITY AND EFFECTIVE DATE.** This Act, being deemed of immediate importance, takes effect upon enactment and applies to the computation of school aid under the state school foundation program for the school budget year beginning July 1, 1999.

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RON J. CORBETT  
Speaker of the House

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MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 147, Seventy-eighth General Assembly.

Approved  , 1999

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ELIZABETH ISAACSON  
Chief Clerk of the House

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THOMAS J. VILSACK  
Governor