

Lord, Ch
Eddie
Wise

HSB 735

EDUCATION

Succeeded By

HOUSE FILE 2543
BY (PROPOSED COMMITTEE
ON EDUCATION BILL
BY CHAIRPERSON GRUNDBERG)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to certain school finance formula provisions and
2 providing an effective date.

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

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1 Section 1. Section 257.13, Code Supplement 1999, is
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 7. For the school budget year beginning
4 July 1, 2000, if a school district's actual enrollment for the
5 budget year, as determined under section 257.6, is greater
6 than its budget enrollment for the budget year, and if the
7 school district received on-time funding for new students
8 pursuant to this section for the school budget year beginning
9 July 1, 1999, the school district shall be eligible to receive
10 an on-time funding budget adjustment equal to fifty percent of
11 the amount of on-time funding received by the school district
12 for the budget year beginning July 1, 1999. A school district
13 seeking an on-time funding budget adjustment pursuant to this
14 section shall notify the department of education by November
15 1, 2000, and the department of education shall instruct the
16 department of management to establish a modified allowable
17 growth equivalent to fifty percent of the amount of on-time
18 funding received by the school district for the previous
19 budget year.

20 Sec. 2. Section 257.14, subsection 1, Code Supplement
21 1999, is amended to read as follows:

22 1. For the budget years year commencing ~~July 1, 1997~~ ~~July~~
23 ~~1, 1998~~ and July 1, 1999 2000, if the department of
24 management determines that the regular program district cost
25 of a school district for a budget year is less than ninety-
26 nine percent of the total of the regular program district cost
27 plus any adjustment added under this section for the base year
28 for that school district, the department of management shall
29 provide a budget adjustment for that district for that budget
30 year that is equal to the difference. A school district may
31 use moneys from its unexpended cash balance or cash reserve
32 moneys to reduce any increase in the district's property tax
33 levy that would otherwise be necessary to fund the budget
34 adjustment provided pursuant to this subsection.

35 Sec. 3. EFFECTIVE DATE. This Act, being deemed of

1 immediate importance, takes effect upon enactment.

2 EXPLANATION

3 This bill provides additional funding authority for school
4 districts.

5 The bill provides that for the school budget year beginning
6 July 1, 2000, if the department of management determines that
7 the regular program district cost of a school district for a
8 budget year is less than 99 percent of the total of the
9 regular program district cost plus any adjustment added under
10 Code section 257.14 for the base year for that school
11 district, the department of management shall provide a budget
12 adjustment for that district for that budget year that is
13 equal to the difference. Currently, for the budget year
14 beginning July 1, 1999, a similar provision for a 100 percent
15 cost guarantee is in place. The bill provides that a school
16 district shall be authorized to utilize moneys from its
17 unexpended cash balance or cash reserve moneys to reduce the
18 amount of property tax which shall otherwise be levied to fund
19 this provision.

20 The bill also provides that a school district which
21 received on-time funding for new students pursuant to Code
22 section 257.13 for the school budget year beginning July 1,
23 1999, shall be eligible to receive an on-time funding budget
24 adjustment equal to 50 percent of that amount for the budget
25 year beginning July 1, 2000. The bill provides that a school
26 district which seeks an on-time funding budget adjustment
27 pursuant to this section shall notify the department of
28 education by November 1, 2000, and the department of education
29 shall instruct the department of management to establish a
30 modified allowable growth for the budget year by the amount
31 corresponding to 50 percent of the previously received on-time
32 funding amount.

33 The bill takes effect upon enactment.

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MAR 13 2000

WAYS & MEANS CALENDAR

HOUSE FILE 2543
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2484)

(SUCCESSOR TO HSB 735)

WITHDRAWN

4-12-00
(p. 1430)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to certain school finance formula provisions and
2 providing an effective date.

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

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HF 2543

1 Section 1. Section 257.13, Code Supplement 1999, is
2 amended by striking the section and inserting in lieu thereof
3 the following:

4 257.13 ON-TIME FUNDING BUDGET ADJUSTMENT.

5 1. For the school budget year beginning July 1, 2000, if a
6 district's actual enrollment for the budget year, determined
7 under section 257.6, is greater than its budget enrollment for
8 the budget year, the district shall be eligible to receive an
9 on-time funding budget adjustment. The adjustment shall be in
10 an amount equal to fifty percent of the difference between the
11 actual enrollment for the budget year and the budget
12 enrollment for the budget year, multiplied by district cost
13 per pupil.

14 2. The board of directors of a school district that wishes
15 to receive an on-time funding budget adjustment shall adopt a
16 resolution to receive the adjustment and notify the school
17 budget review committee by November 1, 2000. The school
18 budget review committee shall establish a modified allowable
19 growth in an amount determined pursuant to subsection 1.

20 3. If the board of directors of a school district
21 determines that a need exists for additional funds exceeding
22 the authorized budget adjustment for on-time funding pursuant
23 to this section, a request for modified allowable growth based
24 upon increased enrollment may be submitted to the school
25 budget review committee as provided in section 257.31.

26 Sec. 2. Section 257.14, subsection 1, Code Supplement
27 1999, is amended to read as follows:

28 1. For the budget ~~years~~ year commencing ~~July 1, 1997~~ ~~July~~
29 ~~1, 1998~~ ~~and~~ July 1, 1999 2000, if the department of
30 management determines that the regular program district cost
31 of a school district for a budget year is less than ninety-
32 nine percent of the total of the regular program district cost
33 plus any adjustment added under this section for the base year
34 for that school district, the department of management shall
35 provide a budget adjustment for that district for that budget

1 year that is equal to the difference.

2 Sec. 3. EFFECTIVE DATE. This Act, being deemed of
3 immediate importance, takes effect upon enactment.

4 EXPLANATION

5 This bill provides additional funding authority for school
6 districts.

7 The bill provides that for the school budget year beginning
8 July 1, 2000, if a school district's actual enrollment for the
9 budget year, determined under Code section 257.6, is greater
10 than its budget enrollment for the budget year, the district
11 shall be eligible to receive an on-time funding budget
12 adjustment. The bill provides that the adjustment shall be in
13 an amount equal to 50 percent of the difference between the
14 actual enrollment for the budget year and the budget
15 enrollment for the budget year, multiplied by district cost
16 per pupil. The bill provides that the board of directors of a
17 school district that wishes to receive an on-time funding
18 budget adjustment shall adopt a resolution to receive the
19 adjustment and notify the school budget review committee by
20 November 1, 2000. The bill provides that the school budget
21 review committee shall establish a modified allowable growth
22 corresponding to the amount of the on-time funding budget
23 adjustment, and that if the board of directors determines that
24 a need exists for additional funds exceeding the authorized
25 budget adjustment, a request for additional modified allowable
26 growth based upon increased enrollment may be submitted to the
27 school budget review committee as provided in Code section
28 257.31.

29 The bill also provides that for the school budget year
30 beginning July 1, 2000, if the department of management
31 determines that the regular program district cost of a school
32 district for a budget year is less than 99 percent of the
33 total of the regular program district cost plus any adjustment
34 added under Code section 257.14 for the base year for that
35 school district, the department of management shall provide a

1 budget adjustment for that district for that budget year that
2 is equal to the difference.

3 The bill takes effect upon enactment.

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HOUSE FILE 2543

H-8370

1 Amend House File 2543 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. Section 257.1, subsection 2,
5 unnumbered paragraph 3, Code Supplement 1999, is
6 amended to read as follows:

7 For the budget year commencing July 1, ~~1999~~ 2000,
8 the department of management shall add the amount of
9 the additional budget adjustment computed in section
10 257.14, subsection 1, to the combined foundation
11 base."

12 2. By striking page 1, line 26, through page 2,
13 line 1, and inserting the following:

14 "Sec. ____ . Section 257.14, subsection 1, Code
15 Supplement 1999, is amended to read as follows:

16 1. For the budget years commencing July 1, 1997,
17 July 1, 1998, ~~and July 1, 1999,~~ and July 1, 2000, if
18 the department of management determines that the
19 regular program district cost of a school district for
20 a budget year is less than the total of the regular
21 program district cost plus any adjustment added under
22 this section for the base year for that school
23 district, the department of management shall provide a
24 budget adjustment for that district for that budget
25 year that is equal to the difference."

By FREVERT of Palo Alto

H-8370 FILED MARCH 15, 2000

HOUSE FILE 2543

H-8371

1 Amend House File 2543 as follows:

2 1. Page 1, by striking lines 1 through 25 and
3 inserting the following:

4 "Section 1. Section 257.13, subsections 1 and 3,
5 Code Supplement 1999, are amended to read as follows:

6 1. For the school budget year beginning July 1,
7 ~~1999~~ 2000, if a district's actual enrollment for the
8 budget year, determined under section 257.6, is
9 greater than its budget enrollment for the budget
10 year, the district may submit a request to the school
11 budget review committee for on-time funding for new
12 students. The school budget review committee shall
13 consider the relative increase in enrollment on a
14 district-by-district basis, in determining whether to
15 approve the request, and shall determine the amount of
16 additional funding to be provided if the request is
17 granted. An application for on-time funding pursuant
18 to this subsection must be received by the department
19 of education by November 1. Written notice of the
20 committee's decision shall be given through the
21 department of education to the school board for a
22 district.

23 3. There is appropriated for the fiscal year
24 beginning July 1, ~~1999~~ 2000, and ending June 30, ~~2000~~
25 2001, from the general fund of the state to the
26 department of education up to four million dollars to
27 pay additional funding authorized under this section,
28 which shall be paid to school districts in the same
29 manner as other state aids payable under section
30 257.16. If the requests approved by the school budget
31 review committee exceed the appropriation in this
32 subsection, the payments to school districts receiving
33 approval for on-time funding shall be prorated such
34 that each school district approved for on-time funding
35 shall receive an amount of on-time funding equal to
36 the percentage that the on-time funding to be provided
37 to the district bears to the total amount of on-time
38 funding to be provided to all districts receiving
39 approval."

By RICHARDSON of Warren

H-8371 FILED MARCH 15, 2000