HOUSE FILE *578*

BY   WISE

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

A BILL FOR

1 An Act relating to school finance, providing additional state
2   funding for changes in enrollment, and providing an effective
3   date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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HF 578

1   Section 1. Section 257.6, subsection 4, Code 1999, is
2 amended to read as follows:
3   4. BUDGET ENROLLMENT.
4   a. Budget enrollment for the budget year is the basic
5 enrollment for the budget year.
6   b. For the budget year commencing July 1, 2000, and
7 succeeding budget years, if a district's actual enrollment for
8 a budget year is less than its budget enrollment, the district
9 shall be eligible for a budget enrollment adjustment. The
10 budget enrollment for the budget year shall be the greater of
11 either the budget enrollment for the base year or the average
12 of the budget enrollment for the base year, the budget
13 enrollment for the year preceding the base year, and the
14 budget enrollment for the second preceding base year. If a
15 district's actual enrollment for a budget year is greater than
16 its budget enrollment, the district shall be eligible for an
17 advance for increasing enrollment as provided in section
18 257.13.
19   Sec. 2. NEW SECTION. 257.13 ADVANCE FOR INCREASING
20 ENROLLMENT.
21   For the budget year beginning July 1, 2000, and succeeding
22 budget years, if a district's actual enrollment for the budget
23 year, determined under section 257.6, exceeds its budget
24 enrollment for the budget year, the district is granted an
25 advance from the state equal to its regular program district
26 cost per pupil for the budget year multiplied by the
27 difference between the actual enrollment for the budget year
28 and the budget enrollment for the budget year. The advance is
29 miscellaneous income.
30   If a district receives an advance under this section for a
31 budget year, the department of management shall determine the
32 amount of the advance which would have been generated by local
33 property tax revenues if the actual enrollment for the budget
34 year had been used in determining district cost for that
35 budget year, shall reduce the district's total state school

1 aids otherwise available under this chapter for the next
2 following budget year by the amount so determined, and shall
3 increase the district's additional property tax levy for the
4 next following budget year by the amount necessary to
5 compensate for the reduction in state aid, so that the local
6 property tax for the next following year will be increased
7 only by the amount by which it would have been increased in
8 the budget year if the enrollment calculated in this section
9 could have been used to establish the levy.
10   There is appropriated each fiscal year from the general
11 fund of the state to the department of education the amount
12 required to pay advances authorized under this section, which
13 shall be paid to school districts in the same manner as other
14 state aids are paid under section 257.16.
15   Sec. 3. Section 257.14, subsection 1, Code 1999, is
16 amended to read as follows:
17   1. For the budget years commencing July 1, 1997, and July
18 1, 1998, July 1, 1999, and succeeding budget years, if the
19 department of management determines that the regular program
20 district cost of a school district for a budget year is less
21 than the total of the regular program district cost plus any
22 adjustment added under this section for the base year for that
23 school district, the department of management shall provide a
24 budget adjustment for that district for that budget year that
25 is equal to the difference.
26   Sec. 4. EFFECTIVE DATE. This Act, being deemed of
27 immediate importance, takes effect upon enactment.
28   EXPLANATION
29   This bill provides additional state funding for school
30 districts experiencing changes in enrollment.
31   The bill provides that for the budget year commencing July
32 1, 1999, and succeeding budget years, the budget guarantee
33 provision contained in Code section 257.14 will apply.
34 Accordingly, if the department of management determines that
35 the regular program district cost of a school district for the

1 budget year is less than the level of the regular program
2 district cost for the base year, the department shall provide
3 a budget adjustment for that district for that budget year
4 that is equal to the difference.
5   The bill also provides that for the budget year commencing
6 July 1, 2000, and succeeding budget years, a school district
7 experiencing declining enrollment will be eligible for a
8 budget adjustment. The budget enrollment for the budget year
9 will be the greater of either the budget enrollment for the
10 base year or the average of the budget enrollment for the base
11 year, the budget enrollment for the year preceding the base
12 year, and the budget enrollment for the second preceding base
13 year.
14   The bill further provides that, for the budget year
15 beginning July 1, 2000, and succeeding budget years, if a
16 district's actual enrollment for the budget year exceeds its
17 budget enrollment for the budget year, the district is granted
18 an advance from the state equal to its regular program
19 district cost per pupil for the budget year multiplied by the
20 difference between the actual enrollment for the budget year
21 and the budget enrollment for the budget year. The advance
22 would be subject to repayment in the following budget year in
23 the form of a decrease in state aid otherwise payable, and a
24 corresponding increase in the school district's additional
25 property tax levy, equivalent to the amount of additional
26 property tax which would have been payable had the actual
27 enrollment count been utilized in determining district cost
28 for the budget year.
29   The bill would take effect upon enactment.
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