

FEB 18 2003
EDUCATION

HOUSE FILE 218
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Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing on-time funding for school districts with
2 increasing enrollments, making an appropriation, and providing
3 effective and applicability dates.

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

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HF 218

1 Section 1. Section 257.13, Code 2003, is amended by
2 striking the section and inserting in lieu thereof the
3 following:

4 257.13 ON-TIME FUNDING BUDGET ADJUSTMENT.

5 1. For the school budget year beginning July 1, 2003, and
6 succeeding budget years, if a district's actual enrollment for
7 the budget year, determined under section 257.6, is greater
8 than its budget enrollment for the budget year, the district
9 shall receive an on-time funding budget adjustment. The
10 adjustment shall be in an amount equal to the difference
11 between the actual enrollment for the budget year and the
12 budget enrollment for the budget year, multiplied by the
13 district cost per pupil. The additional funding received
14 under this section is miscellaneous income to the school
15 district.

16 2. A school district that is receiving a budget adjustment
17 for a budget year pursuant to section 257.14 shall receive on-
18 time funding for increased enrollment, reduced by the amount
19 of the budget adjustment for that budget year. The resulting
20 amount shall not be less than zero.

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

1 which it would have been increased in the budget year if the
2 enrollment calculated in this section could have been used to
3 establish the levy.

4 4. There is appropriated each fiscal year from the general
5 fund of the state to the department of education the amount
6 required to pay additional funding authorized under this
7 section, which shall be paid to school districts in the same
8 manner as other state aid payable under section 257.16.

9 Sec. 2. APPLICABILITY AND EFFECTIVE DATE. This Act, being
10 deemed of immediate importance, takes effect upon enactment
11 and applies to the computation of school aid under the state
12 school foundation program for the school budget year beginning
13 July 1, 2003.

14 EXPLANATION

15 This bill provides additional funding for school districts
16 that have increasing enrollments.

17 The bill provides that for the school budget year beginning
18 July 1, 2003, and succeeding budget years, if a district's
19 actual enrollment for the budget year is greater than its
20 budget enrollment for the budget year, the district shall
21 receive an on-time funding budget adjustment. The bill
22 provides that the adjustment shall be in an amount equal to
23 the difference between the actual enrollment for the budget
24 year and the budget enrollment for the budget year, multiplied
25 by the district cost per pupil. The bill makes an adjustment
26 to the budget guarantee provisions of Code section 257.14 to
27 reflect the amount of the adjustment received. The bill
28 provides that the additional funding received under the bill
29 is miscellaneous income to the school district, and will be
30 paid to school districts in the same manner as other state aid
31 is paid pursuant to Code section 257.16.

32 The bill provides that the additional funding received in a
33 given budget year will impact the following year's state aid
34 and property tax levels. The bill provides that the amount
35 which would have been generated by property taxes if the

1 actual (increased) enrollment figure was used in determining
2 the district cost will be calculated by the department of
3 management. This amount will reduce the level of state aid
4 available to the district for the following year, but not by
5 more than the amount of the additional funding. The bill
6 provides that the district's additional property tax levy for
7 the following budget year will then be increased by the amount
8 necessary to compensate for the reduction in state aid.

9 The bill takes effect upon enactment and applies to the
10 school budget year beginning July 1, 2003.

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