

CHAPTER 2
FUNDING FOR SCHOOL DISTRICTS WITH
DECREASING OR INCREASING ENROLLMENTS

H.F. 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.

Approved February 4, 1999

CHAPTER 3

PRIORITY OF FUNDING AGREEMENT CLAIMS AGAINST INSURER ASSETS

S.F. 47

AN ACT relating to the classification of funding agreements issued by a life insurance company for purposes of the prioritization of claims against the assets of an insurer subject to supervision, rehabilitation, and liquidation, and including an effective date and a retroactive applicability provision.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 508.31A, subsection 3, Code 1999, is amended to read as follows:

3. A funding agreement is a class ~~3~~ 2 claim under section 507C.42, subsection ~~3~~ 2.

Sec. 2. **RETROACTIVE APPLICABILITY AND EFFECTIVE DATE.**

1. This Act applies retroactively to July 1, 1998.

2. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved February 11, 1999