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EDUCATION

HOUSE FILE 578
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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 578

1 Section 1. Section 257.13, Code 2005, 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, 2005, 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 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.

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 determined amount of additional funding which
30 would have been generated by local property tax revenues, the
31 district's total state school aid otherwise available under
32 this chapter for the next following budget year.

33 4. There is appropriated each fiscal year from the general
34 fund of the state to the department of education an amount
35 required to pay the additional funding authorized under this

1 section corresponding to the following schedule:

2 a. For the fiscal year beginning July 1, 2005, and ending
3 June 30, 2006, twenty percent of the amount required to pay
4 the additional funding.

5 b. For the fiscal year beginning July 1, 2006, and ending
6 June 30, 2007, forty percent of the amount required to pay the
7 additional funding.

8 c. For the fiscal year beginning July 1, 2007, and ending
9 June 30, 2008, sixty percent of the amount required to pay the
10 additional funding.

11 d. For the fiscal year beginning July 1, 2008, and ending
12 June 30, 2009, eighty percent of the amount required to pay
13 the additional funding.

14 e. For the fiscal year beginning July 1, 2009, and each
15 succeeding fiscal year, one hundred percent of the amount
16 required to pay the additional funding.

17 The amount required to pay the additional funding pursuant
18 to this section shall be determined annually by the department
19 of management, and shall be paid to school districts in the
20 same manner as other state aid payable under section 257.16.

21 5. APPLICABILITY AND EFFECTIVE DATE. This Act, being
22 deemed of immediate importance, takes effect upon enactment
23 and applies to the computation of school aid under the state
24 school foundation program for the school budget year beginning
25 July 1, 2005.

26 EXPLANATION

27 This bill provides additional funding for school districts
28 that have increasing enrollments.

29 The bill provides that for the school budget year beginning
30 July 1, 2005, and succeeding budget years, if a district's
31 actual enrollment for the budget year is greater than its
32 budget enrollment for the budget year, the district shall
33 receive an on-time funding budget adjustment. The bill
34 provides that the adjustment shall be in an amount equal to
35 the difference between the actual enrollment for the budget

1 year and the budget enrollment for the budget year, multiplied
2 by the district cost per pupil. The bill makes an adjustment
3 to the budget guarantee provisions of Code section 257.14 to
4 reflect the amount of the adjustment received. The bill
5 provides that the additional funding received under this
6 section is miscellaneous income to the school district.

7 The bill provides that the additional funding received in a
8 given budget year will impact the following year's state aid
9 levels. The bill provides that the amount which would have
10 been generated by property taxes if the actual (increased)
11 enrollment figure was used in determining the district cost
12 will be calculated by the department of management. This
13 amount will reduce the level of state aid available to the
14 district for the following year, but not by more than the
15 amount determined that would have been generated by property
16 taxes.

17 The bill provides for an appropriation from the general
18 fund of the state to the department of education for the
19 fiscal year beginning July 1, 2005, and ending June 30, 2006,
20 of 20 percent of the amount required to pay the additional
21 funding. The bill provides that in succeeding fiscal years
22 this percentage increases by 20 percent each year, until it
23 reaches 100 percent for the fiscal year beginning July 1,
24 2009, and succeeding fiscal years. The bill provides that the
25 amount required to pay the additional funding shall be
26 determined annually by the department of management, and shall
27 be paid to school districts in the same manner as other state
28 aid payable under Code section 257.16.

29 The bill takes effect upon enactment and applies to the
30 school budget year beginning July 1, 2005, and succeeding
31 budget years.

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