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SENATE FILE 380  
BY REDFERN

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act providing for a decreasing enrollment rolling average  
2 budget adjustment.

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

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SF 380

1 Section 1. Section 257.6, subsection 4, Code 2001, 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 a school district that elects to receive a  
7 decreasing enrollment rolling average budget adjustment  
8 pursuant to section 257.13A, budget enrollment for the budget  
9 year is the greater of the basic enrollment for the budget  
10 year or the average of the basic enrollment for the budget  
11 year and the basic enrollment for the base year.

12 Sec. 2. NEW SECTION. 257.13A DECREASING ENROLLMENT  
13 ROLLING AVERAGE BUDGET ADJUSTMENT.

14 1. For the school budget year beginning July 1, 2002, and  
15 succeeding budget years, if a school district's actual  
16 enrollment for the budget year, determined under section  
17 257.6, subsection 1, is less than its budget enrollment for  
18 the budget year, determined under section 257.6, subsection 4,  
19 paragraph "b", the school district shall be eligible to  
20 receive a decreasing enrollment rolling average budget  
21 adjustment. The adjustment shall be in an amount up to the  
22 sum of the difference between the actual enrollment and the  
23 budget enrollment for the budget year, determined under  
24 section 257.6, subsection 4, paragraph "b", multiplied by the  
25 district cost per pupil.

26 2. The board of directors of a school district that wishes  
27 to receive a decreasing enrollment rolling average budget  
28 adjustment for a budget year shall adopt a resolution to  
29 receive the adjustment and notify the school budget review  
30 committee by November 1 of the base year. The school budget  
31 review committee shall establish a modified allowable growth  
32 in an amount equal to the budget adjustment determined  
33 pursuant to subsection 1. A school district may utilize  
34 moneys from its unexpended cash balance or may use cash  
35 reserve moneys to reduce the district's property tax levy.

1 3. If the board of directors of a school district  
2 determines that a need exists for additional funds exceeding  
3 the authorized budget adjustment for decreasing enrollment  
4 pursuant to this section, a request for modified allowable  
5 growth based upon decreasing enrollment may be submitted to  
6 the school budget review committee as provided in section  
7 257.31.

8 Sec. 3. Section 257.14, Code 2001, is amended by adding  
9 the following new subsection:

10 NEW SUBSECTION. 3. For a school district receiving a  
11 budget adjustment pursuant to this section, which school  
12 district received a decreasing enrollment rolling average  
13 budget adjustment pursuant to section 257.13A for the previous  
14 budget year, the department of management shall determine the  
15 amount of the budget adjustment which the school district  
16 would have received if the district had elected to receive a  
17 budget adjustment pursuant to this section for the previous  
18 budget year, and utilize that amount in determining the  
19 difference between the regular program district cost of the  
20 school district for the budget year and the total of the  
21 regular program district cost plus any adjustment added under  
22 this section for the base year pursuant to subsection 1.

23 EXPLANATION

24 This bill provides for a decreasing enrollment rolling  
25 average budget adjustment for school districts. The bill  
26 provides that a school district that elects to receive a  
27 decreasing enrollment rolling average budget adjustment for  
28 the school budget year beginning July 1, 2002, and succeeding  
29 budget years, shall be eligible to determine budget enrollment  
30 for the budget year as the greater of the basic enrollment for  
31 the budget year or the average of the basic enrollment for the  
32 budget year and the basic enrollment for the base year. The  
33 bill provides that for the school budget year beginning July  
34 1, 2002, if a school district's actual enrollment for the  
35 budget year is less than its budget enrollment for the budget

1 year, as budget enrollment is determined pursuant to new Code  
2 section 257.6, subsection 4, paragraph "b", the school  
3 district shall be eligible to receive a decreasing enrollment  
4 rolling average budget adjustment. The bill provides that the  
5 adjustment shall be in an amount up to the sum of the  
6 difference between the actual enrollment and the new  
7 alternative budget enrollment for the budget year, multiplied  
8 by the district cost per pupil. The bill provides that the  
9 board of directors of a school district that wishes to receive  
10 a decreasing enrollment rolling average budget adjustment for  
11 a budget year shall adopt a resolution and notify the school  
12 budget review committee by November 1 of the base year. The  
13 bill provides that the school budget review committee shall  
14 establish a modified allowable growth in an amount up to the  
15 sum of the difference between the actual and budget  
16 enrollment, and that a school district may utilize moneys from  
17 its unexpended cash balance or may use cash reserve moneys to  
18 reduce the property tax levy. The bill also provides that if  
19 the board of directors of a school district determines that a  
20 need exists for additional funds exceeding the authorized  
21 budget adjustment for decreasing enrollment, a request for  
22 modified allowable growth based upon decreasing enrollment may  
23 be submitted to the school budget review committee as provided  
24 in Code section 257.31.

25 The bill provides that a school district receiving a budget  
26 guarantee adjustment pursuant to Code section 257.14, which  
27 received a decreasing enrollment rolling average budget  
28 adjustment for the previous budget year, shall be treated as  
29 if the district had elected to receive a budget guarantee  
30 adjustment for the previous budget year in determining the  
31 difference between the regular program district cost of the  
32 school district for the budget year and the total of the  
33 regular program district cost plus any adjustment added under  
34 section 257.14 for the base year.

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