



TERRY E. BRANSTAD  
GOVERNOR

**OFFICE OF THE GOVERNOR**

KIM REYNOLDS  
LT. GOVERNOR

February 8, 2017

The Honorable Paul Pate  
Secretary of State of Iowa  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

Senate File 166, an Act relating to the state school foundation program, by modifying requirements for the enactment of the state percents of growth, establishing state percents of growth, modifying provisions relating to school district property tax replacement payments, and including effective date and applicability provisions.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink that reads "Terry E. Branstad".

Terry E. Branstad  
Governor

cc: Secretary of the Senate  
Clerk of the House



Senate File 166

AN ACT

RELATING TO THE STATE SCHOOL FOUNDATION PROGRAM, BY MODIFYING REQUIREMENTS FOR THE ENACTMENT OF THE STATE PERCENTS OF GROWTH, ESTABLISHING STATE PERCENTS OF GROWTH, MODIFYING PROVISIONS RELATING TO SCHOOL DISTRICT PROPERTY TAX REPLACEMENT PAYMENTS, AND INCLUDING EFFECTIVE DATE AND APPLICABILITY PROVISIONS.

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

Section 1. Section 257.8, subsections 1 and 2, Code 2017, are amended to read as follows:

1. *State percent of growth.* ~~The state percent of growth for the budget year beginning July 1, 2014, is four percent. The state percent of growth for the budget year beginning July 1, 2015, is one and twenty-five hundredths percent. The state percent of growth for the budget year beginning July 1, 2016, is two and twenty-five hundredths percent. The state percent of growth for the budget year beginning July 1, 2017, is one and eleven hundredths percent. The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the ~~submission in the year preceding the base year~~ transmission of the governor's budget required by February 1 under section 8.21 during the regular legislative session beginning in the base year. ~~The establishment of the state percent of growth for a budget year shall be the only subject matter of the bill which enacts the state percent of growth for a budget year.~~~~

2. *Categorical state percent of growth.* ~~The categorical state percent of growth for the budget year beginning July 1, 2014, is four percent.~~ The categorical state percent of growth for the budget year beginning July 1, 2015, is one and twenty-five hundredths percent. The categorical state percent of growth for the budget year beginning July 1, 2016, is two and twenty-five hundredths percent. The categorical state percent of growth for the budget year beginning July 1, 2017, is one and eleven hundredths percent. The categorical state percent of growth for each budget year shall be established by statute which shall be enacted within thirty days of the ~~submission in the year preceding the base year~~ transmission of the governor's budget required by February 1 under section 8.21 during the regular legislative session beginning in the base year. ~~The establishment of the categorical state percent of growth for a budget year shall be the only subject matter of the bill which enacts the categorical state percent of growth for a budget year.~~ The categorical state percent of growth may include state percents of growth for the teacher salary supplement, the professional development supplement, the early intervention supplement, and the teacher leadership supplement.

Sec. 2. Section 257.16B, subsection 2, paragraph d, unnumbered paragraph 1, Code 2017, is amended to read as follows:

For each the budget year beginning ~~on or after~~ July 1, 2016, the department of management shall calculate for each school district all of the following:

Sec. 3. Section 257.16B, subsection 2, paragraph d, subparagraph (3), Code 2017, is amended to read as follows:

(3) The amount of each school district's property tax replacement payment. Each school district's property tax replacement payment equals the school district's weighted enrollment for the budget year beginning July 1, 2016, multiplied by the remainder of the amount calculated for the school district under subparagraph (2) minus the amount calculated for the school district under subparagraph (1).

Sec. 4. Section 257.16B, subsection 2, Code 2017, is amended by adding the following new paragraph:



NEW PARAGRAPH. e. For each budget year beginning on or after July 1, 2017, the department of management shall calculate for each school district all of the following:

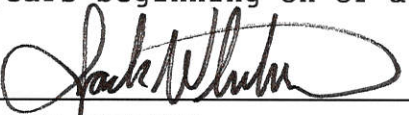
(1) The regular program state cost per pupil for the budget year beginning July 1, 2012, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.


(2) The regular program state cost per pupil for the budget year beginning July 1, 2017, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

(3) The amount of each school district's property tax replacement payment. Each school district's property tax replacement payment equals the school district's weighted enrollment for the budget year multiplied by the remainder of the amount calculated for the school district under subparagraph (2) minus the amount calculated for the school district under subparagraph (1).


Sec. 5. EFFECTIVE UPON ENACTMENT. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 6. APPLICABILITY. This Act applies to school budget years beginning on or after July 1, 2017.


  
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JACK WHITVER  
President of the Senate

  
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LINDA UEMEYER  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 166, Eighty-seventh General Assembly.

  
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W. CHARLES SMITHSON  
Secretary of the Senate

Approved February 8, 2017

  
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TERRY E. BRANSTAD  
Governor