

## CHAPTER 2

### SCHOOL FINANCE — STATE PERCENTS OF GROWTH — PROPERTY TAX REPLACEMENT PAYMENTS

S.F. 192

**AN ACT** relating to school funding by establishing the state percent of growth and the categorical state percent of growth for the budget year beginning July 1, 2023, modifying provisions relating to the property tax replacement payments, making appropriations, and including effective date provisions.

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

Section 1. [Section 257.8, subsections 1 and 2](#), Code 2023, are amended to read as follows:

1. ~~State percent of growth. The state percent of growth for the budget year beginning July 1, 2020, is two and three-tenths percent. The state percent of growth for the budget year beginning July 1, 2021, is two and four-tenths percent. The state percent of growth for the budget year beginning July 1, 2022, is two and one-half percent. The state percent of growth for the budget year beginning July 1, 2023, is three 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 transmission of the governor's budget required by February 1 under [section 8.21](#) during the regular legislative session beginning in the base year.

2. ~~Categorical state percent of growth. The categorical state percent of growth for the budget year beginning July 1, 2020, is two and three-tenths percent. The categorical state percent of growth for the budget year beginning July 1, 2021, is two and four-tenths percent. The categorical state percent of growth for the budget year beginning July 1, 2022, is two and one-half percent. The categorical state percent of growth for the budget year beginning July 1, 2023, is three 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 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 categorical state percent of growth may include state percents of growth for the teacher salary supplement, the professional development supplement, the early intervention supplement, the teacher leadership supplement, and for budget years beginning on or after July 1, 2020, transportation equity aid payments under [section 257.16C](#).

Sec. 2. [Section 257.16B, subsections 1 and 2](#), Code 2023, are amended to read as follows:

1. For each fiscal year beginning on or after July 1, ~~2020~~ 2021, there is appropriated from the general fund of the state to the department of education an amount necessary to make all school district property tax replacement payments under [this section](#), as calculated in [subsection 2](#).

2. ~~a. For the budget year beginning July 1, 2020, 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](#) for the budget year beginning July 1, 2020.~~

~~(2) The regular program state cost per pupil for the budget year beginning July 1, 2020, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the budget year beginning July 1, 2020.~~

~~(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, 2020, 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).~~

~~b. a. For the budget year beginning July 1, 2021, 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](#) for the budget year beginning July 1, 2021.

(2) The regular program state cost per pupil for the budget year beginning July 1, 2021, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the budget year beginning July 1, 2021.

(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, 2021, 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).

~~e. b.~~ (1) For each the budget year beginning on or after July 1, 2022, the amount of each school district's property tax replacement payment shall be the product of the school district's weighted enrollment for the budget year multiplied by the per pupil property tax replacement amount for the budget year calculated under subparagraph (2).

(2) The per pupil property tax replacement amount for the budget years year beginning on or after July 1, 2022, is equal to the sum of one hundred fifty-three dollars plus the difference between the following:

(a) The regular program state cost per pupil for the budget year beginning July 1, 2022, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the applicable budget year under this paragraph beginning July 1, 2022.

(b) The regular program state cost per pupil for the budget year beginning July 1, 2021, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the applicable budget year under this paragraph beginning July 1, 2022.

c. (1) For each budget year beginning on or after July 1, 2023, the amount of each school district's property tax replacement payment shall be the product of the school district's weighted enrollment for the budget year multiplied by the per pupil property tax replacement amount for the budget year calculated under subparagraph (2).

(2) The per pupil property tax replacement amount for budget years beginning on or after July 1, 2023, is equal to the sum of one hundred fifty-three dollars plus the difference between the following:

(a) The regular program state cost per pupil for the budget year beginning July 1, 2023, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the applicable budget year under this paragraph.

(b) The regular program state cost per pupil for the budget year beginning July 1, 2021, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the applicable budget year under this paragraph.

Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved February 7, 2023