

**Senate File 2001 - Introduced**

SENATE FILE 2001

BY ROWLEY

**A BILL FOR**

1 An Act relating to the state school foundation program and  
2 the calculation of minimum state foundation aid for school  
3 districts and including applicability provisions.

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

1 Section 1. Section 257.1, subsection 2, paragraph a, Code  
2 2024, is amended to read as follows:

3 a. For a budget year, each school district in the state  
4 is entitled to receive foundation aid, in an amount per  
5 pupil equal to the difference between the amount per pupil of  
6 foundation property tax in the district, otherwise determined  
7 under section 257.3 and the combined foundation base per pupil  
8 ~~or the combined district cost per pupil, whichever is less for~~  
9 the district. However, if the amount of foundation aid to  
10 be received by a school district under this chapter is less  
11 than ~~three hundred dollars per pupil~~ the state foundation aid  
12 minimum for the district, the district is entitled to receive  
13 ~~three hundred dollars per pupil unless the receipt of three~~  
14 ~~hundred dollars per pupil plus the per pupil amount raised by~~  
15 ~~the foundation property tax exceeds the combined district cost~~  
16 ~~per pupil of the district for the budget year~~ state foundation  
17 aid in an amount equal to the state foundation aid minimum.  
18 ~~In that case, the district is entitled to receive an amount~~  
19 ~~per pupil equal to the difference between the per pupil amount~~  
20 ~~raised by the foundation property tax for the budget year and~~  
21 ~~the combined district cost per pupil for the budget year. If~~  
22 the sum of the amount of foundation aid received by a school  
23 district plus the amount of foundation property tax in the  
24 district otherwise determined under section 257.3 exceeds the  
25 combined foundation base, the department of management shall  
26 reduce the district's foundation property tax to be collected  
27 under section 257.3, subsection 1, paragraph "a", or under  
28 section 257.3, subsection 2, as applicable, by the amount by  
29 which such sum exceeds the combined foundation base and adjust  
30 the district's foundation property tax rate accordingly. For  
31 purposes of this paragraph, "state foundation aid minimum" means  
32 the sum of the total teacher salary supplement district cost,  
33 the total professional development supplement district cost,  
34 the total early intervention supplement district cost, and the  
35 total teacher leadership supplement district cost.

S.F. 2001

1 Sec. 2. Section 257.2, subsection 4, Code 2024, is amended  
2 by striking the subsection.

3 Sec. 3. Section 257.10, subsection 5, Code 2024, is amended  
4 by striking the subsection.

5 Sec. 4. APPLICABILITY. This Act applies to school budget  
6 years beginning on or after July 1, 2025.

7 EXPLANATION

8 The inclusion of this explanation does not constitute agreement with  
9 the explanation's substance by the members of the general assembly.

10 Code section 257.1 provides that for a budget year, each  
11 school district in the state is entitled to receive foundation  
12 aid in an amount per pupil equal to the difference between the  
13 amount per pupil of foundation property tax in the district  
14 and the combined foundation base per pupil or the combined  
15 district cost per pupil, whichever is less, and subject to a  
16 \$300 per pupil minimum unless the receipt of \$300 per pupil  
17 plus the per pupil amount raised by the foundation property tax  
18 exceeds the combined district cost per pupil of the district  
19 for the budget year, in which case the district gets an amount  
20 per pupil equal to the difference. The "combined foundation  
21 base" is defined as the sum of the regular program foundation  
22 base, the special education support services foundation base,  
23 the total teacher salary supplement district cost, the total  
24 professional development supplement district cost, the total  
25 early intervention supplement district cost, the total teacher  
26 leadership supplement district cost, the total area education  
27 agency teacher salary supplement district cost, and the total  
28 area education agency professional development supplement  
29 district cost.

30 This bill modifies the calculation of foundation aid to  
31 be an amount equal to the difference between the amount of  
32 foundation property tax in the district and the combined  
33 foundation base for the district. However, if the amount of  
34 foundation aid to be received by a school district is less than  
35 the state foundation aid minimum for the district, the district

S.F. 2001

1 is entitled to receive state foundation aid in an amount equal  
2 to the state foundation aid minimum. "State foundation aid  
3 minimum" means the sum of the total teacher salary supplement  
4 district cost, the total professional development supplement  
5 district cost, the total early intervention supplement district  
6 cost, and the total teacher leadership supplement district  
7 cost. Additionally, if the sum of the amount of foundation aid  
8 received by a school district plus the amount of foundation  
9 property tax in the district otherwise determined under  
10 Code section 257.3 exceeds the combined foundation base, the  
11 department of management is required to reduce the district's  
12 foundation property tax to be collected by the amount by which  
13 such sum exceeds the combined foundation base and adjust the  
14 district's foundation property tax rate accordingly.

15 The bill also strikes definitions made obsolete by the bill.

16 The bill applies to school budget years beginning on or after  
17 July 1, 2025.