

House Amendment to
Senate File 2201

S-5018

1 Amend Senate File 2201, as amended, passed, and reprinted by
2 the Senate, as follows:

3 1. By striking everything after the enacting clause and
4 inserting:

5 <DIVISION I

6 STATE AND CATEGORICAL PERCENTS OF GROWTH AND PROPERTY TAX
7 REPLACEMENT PAYMENTS

8 Section 1. Section 257.8, subsections 1 and 2, Code 2026,
9 are amended to read as follows:

10 1. *State percent of growth.* ~~The state percent of growth for~~
11 ~~the budget year beginning July 1, 2023, is three percent.~~ The
12 state percent of growth for the budget year beginning July 1,
13 2024, is two and one-half percent. The state percent of growth
14 for the budget year beginning July 1, 2025, is two percent.
15 The state percent of growth for the budget year beginning July
16 1, 2026, is two percent. The state percent of growth for each
17 subsequent budget year shall be established by statute which
18 shall be enacted within thirty days of the transmission of the
19 governor's budget required by February 1 under [section 8.21](#)
20 during the regular legislative session beginning in the base
21 year.

22 2. *Categorical state percent of growth.* ~~The categorical~~
23 ~~state percent of growth for the budget year beginning July~~
24 ~~1, 2023, is three percent.~~ The categorical state percent of
25 growth for the budget year beginning July 1, 2024, is two and
26 one-half percent. The categorical state percent of growth for
27 the budget year beginning July 1, 2025, is two percent, except
28 for calculating the appropriation to the transportation equity
29 fund under [section 257.16C](#). The categorical state percent of
30 growth for purposes of calculating the appropriation to the
31 transportation equity fund under [section 257.16C](#) for the budget
32 year beginning July 1, 2025, is five percent. The categorical
33 state percent of growth for the budget year beginning July 1,
34 2026, is two percent. The categorical state percent of growth
35 for each budget year shall be established by statute which

1 shall be enacted within thirty days of the transmission of the
2 governor's budget required by February 1 under [section 8.21](#)
3 during the regular legislative session beginning in the base
4 year. The categorical state percent of growth may include
5 state percents of growth for the teacher salary supplement, the
6 professional development supplement, the early intervention
7 supplement, the teacher leadership supplement, and for budget
8 years beginning on or after July 1, 2020, transportation equity
9 aid payments under [section 257.16C](#).

10 Sec. 2. Section 257.16B, subsections 1 and 2, Code 2026, are
11 amended to read as follows:

12 1. For each fiscal year beginning on or after July 1, 2023
13 2024, there is appropriated from the general fund of the state
14 to the department of education an amount necessary to make all
15 school district property tax replacement payments under this
16 section, as calculated in [subsection 2](#).

17 2. ~~a. (1) For the budget year beginning July 1, 2023,~~
18 ~~the amount of each school district's property tax replacement~~
19 ~~payment shall be the product of the school district's weighted~~
20 ~~enrollment for the budget year multiplied by the per pupil~~
21 ~~property tax replacement amount for the budget year calculated~~
22 ~~under subparagraph (2).~~

23 ~~(2) The per pupil property tax replacement amount for the~~
24 ~~budget year beginning July 1, 2023, is equal to the sum of one~~
25 ~~hundred fifty-three dollars plus the difference between the~~
26 ~~following:~~

27 ~~(a) The regular program state cost per pupil for the budget~~
28 ~~year beginning July 1, 2023, multiplied by one hundred percent~~
29 ~~less the regular program foundation base per pupil percentage~~
30 ~~pursuant to [section 257.1](#) for the budget year beginning July~~
31 ~~1, 2023.~~

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

1 ~~1, 2023.~~

2 ~~b.~~ a. (1) For the budget year beginning July 1, 2024,
3 the amount of each school district's property tax replacement
4 payment shall be the product of the school district's weighted
5 enrollment for the budget year multiplied by the per pupil
6 property tax replacement amount for the budget year calculated
7 under subparagraph (2).

8 (2) The per pupil property tax replacement amount for the
9 budget year beginning July 1, 2024, is equal to the sum of one
10 hundred fifty-three dollars plus the difference between the
11 following:

12 (a) The regular program state cost per pupil for the budget
13 year beginning July 1, 2024, multiplied by one hundred percent
14 less the regular program foundation base per pupil percentage
15 pursuant to [section 257.1](#) for the budget year beginning July
16 1, 2024.

17 (b) The regular program state cost per pupil for the budget
18 year beginning July 1, 2021, multiplied by one hundred percent
19 less the regular program foundation base per pupil percentage
20 pursuant to [section 257.1](#) for the budget year beginning July
21 1, 2024.

22 ~~e.~~ b. (1) For ~~each~~ the budget year beginning ~~on or after~~
23 July 1, 2025, the amount of each school district's property
24 tax replacement payment shall be the product of the school
25 district's weighted enrollment for the budget year multiplied
26 by the per pupil property tax replacement amount for the budget
27 year calculated under subparagraph (2).

28 (2) The per pupil property tax replacement amount for
29 the budget ~~years~~ year beginning ~~on or after~~ July 1, 2025, is
30 equal to the sum of one hundred fifty-three dollars plus the
31 difference between the following:

32 (a) The regular program state cost per pupil for the budget
33 year beginning July 1, 2025, multiplied by one hundred percent
34 less the regular program foundation base per pupil percentage
35 pursuant to [section 257.1](#) for the ~~applicable~~ budget year under

1 ~~this paragraph~~ beginning July 1, 2025.

2 (b) The regular program state cost per pupil for the budget
3 year beginning July 1, 2021, multiplied by one hundred percent
4 less the regular program foundation base per pupil percentage
5 pursuant to section 257.1 for the applicable budget year under
6 this paragraph beginning July 1, 2025.

7 c. (1) For each budget year beginning on or after July
8 1, 2026, the amount of each school district's property
9 tax replacement payment shall be the product of the school
10 district's weighted enrollment for the budget year multiplied
11 by the per pupil property tax replacement amount for the budget
12 year calculated under subparagraph (2).

13 (2) The per pupil property tax replacement amount for budget
14 years beginning on or after July 1, 2026, is equal to the sum
15 of one hundred fifty-three dollars plus the difference between
16 the following:

17 (a) The regular program state cost per pupil for the budget
18 year beginning July 1, 2026, multiplied by one hundred percent
19 less the regular program foundation base per pupil percentage
20 pursuant to section 257.1 for the applicable budget year under
21 this paragraph.

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

27 Sec. 3. CODE SECTION 257.8 — IMPLEMENTATION. The
28 requirement of section 257.8, subsection 1, regarding the
29 enactment of bills establishing the regular program state
30 percent of growth within thirty days of the submission in the
31 year preceding the base year of the governor's budget does not
32 apply to this division of this Act.

33 Sec. 4. EFFECTIVE DATE. This division of this Act, being
34 deemed of immediate importance, takes effect upon enactment.

35

DIVISION II

1 Sec. 10. Section 256.12, subsection 2, paragraph c, Code
2 2026, is amended to read as follows:

3 c. A local school district providing services pursuant to
4 this subsection shall submit an accounting to the department
5 of education by August 1 following the school year for the
6 actual costs of the special education programs and services
7 provided. The department shall review and approve or modify
8 the accounting by September 1 and shall notify the department
9 of administrative services of the approved accounting amount.
10 The department of administrative services shall adjust the
11 September payment to the local school district for the next
12 fiscal year by the difference between the amount generated
13 by the weighting for the provision of services to nonpublic
14 school students, as provided in [this subsection](#), and the
15 amount of the actual costs as reflected in the local school
16 district's accounting. Any amount paid by the department of
17 administrative services shall be deducted ~~monthly~~ quarterly
18 from the state foundation aid paid under [section 257.16](#) during
19 that fiscal year to all school districts in the state. The
20 portion of the total amount of the approved accounting amount
21 that shall be deducted from the state aid of a school district
22 shall be the same as the ratio that the budget enrollment for
23 the budget year of the school district bears to the total
24 budget enrollment in the state for that budget year.

25 Sec. 11. Section 257.6, subsection 1, paragraphs b and c,
26 Code 2026, are amended to read as follows:

27 b. A school district shall certify its actual enrollment
28 to the department of education by October 15 of each year, and
29 the department shall promptly forward the information to the
30 department of management, but not later than thirty days after
31 certification.

32 c. The department of management shall adjust the enrollment
33 of the school district for the audit year based upon reports
34 filed under [section 11.6](#), and shall further adjust the budget
35 of the second year succeeding the audit year for the property

1 tax and state aid portions of the reported differences in
2 enrollments for the ~~year succeeding the audit year~~ fiscal year
3 two years prior to the budget year.

4 Sec. 12. Section 257.6, subsection 2, Code 2026, is amended
5 to read as follows:

6 2. *Basic enrollment.*

7 a. Basic enrollment for a budget year is the average of
8 a district's actual enrollment for the base year, determined
9 on the date specified under subsection 1, and the district's
10 adjusted enrollment for the base year, determined on the date
11 specified under subsection 7. Basic enrollment for the base
12 year is the average of a district's actual enrollment for the
13 year preceding the base year, determined on the date specified
14 under subsection 1, and the district's adjusted enrollment
15 for the year preceding the base year, determined on the date
16 specified under subsection 7.

17 b. If the department of education discovers any discrepancy
18 or disputes the basic enrollment count certified under
19 subsection 2, or the adjusted enrollment count certified under
20 subsection 7, the department shall notify the school district
21 and the school district shall have five business days from the
22 date of notification by the department to voluntarily resolve
23 such dispute or discrepancy. Failure by a school district to
24 timely resolve such dispute or discrepancy shall result in the
25 department of education making a final determination of such
26 enrollment counts for the school district.

27 Sec. 13. Section 257.6, Code 2026, is amended by adding the
28 following new subsection:

29 NEW SUBSECTION. 7. *Adjusted enrollment.*

30 a. Adjusted enrollment is determined annually on January
31 15, or the third Monday in January if January 15 falls on
32 a Saturday or Sunday, and includes the same categories of
33 pupils used to determine actual enrollment under subsection 1,
34 paragraph "a".

35 b. A school district shall certify its adjusted enrollment

1 to the department of education by January 30 of each year, and
2 the department shall promptly forward the information to the
3 department of management, but not later than twenty-one days
4 after certification.

5 c. The department of management shall adjust the basic
6 enrollment of the school district for the audit year based upon
7 reports filed under section 11.6, and shall further adjust the
8 budget of the second year succeeding the audit year for the
9 property tax and state aid portions of the reported differences
10 in such enrollments for the fiscal year two years prior to the
11 budget year.

12 Sec. 14. Section 257.16, subsection 2, Code 2026, is amended
13 to read as follows:

14 2. All state aids paid under [this chapter](#), unless otherwise
15 stated, shall be paid in ~~monthly~~ quarterly installments
16 beginning on ~~September 15~~ or about July 15 of a budget year
17 and ending on or about ~~June~~ April 15 of the budget year as
18 determined by the department of management, taking into
19 consideration the relative budget ~~and of the state,~~ cash
20 position of the state resources, and the timing of enactment of
21 legislation affecting school district budgets.

22 Sec. 15. Section 257.16B, subsection 3, Code 2026, is
23 amended to read as follows:

24 3. School district property tax replacement payments shall
25 be paid by the department of education at the same time and in
26 the same manner as foundation aid is paid under [section 257.16](#)
27 and may be included in the ~~monthly~~ quarterly payment of state
28 aid under [section 257.16, subsection 2.](#)

29 Sec. 16. Section 257.16C, subsection 5, paragraph b, Code
30 2026, is amended to read as follows:

31 b. Transportation equity aid payments and transportation
32 base funding payments shall be paid at the same time and in the
33 same manner as foundation aid is paid under [section 257.16](#), and
34 may be included in the ~~monthly~~ quarterly payment of state aid
35 under [section 257.16, subsection 2.](#)

1 Sec. 17. Section 257.35, subsection 1, paragraph a,
2 subparagraph (3), unnumbered paragraph 1, Code 2026, is amended
3 to read as follows:

4 For the fiscal year beginning July 1, 2025, and ~~each fiscal~~
5 ~~year thereafter~~ the fiscal year beginning July 1, 2026, the
6 department of management shall deduct the following from the
7 state aid due to each school district pursuant to [this chapter](#)
8 and shall pay the amounts to the respective area education
9 agencies on a monthly basis from September 15 through June 15
10 during each school year:

11 Sec. 18. Section 257.35, subsection 1, paragraph a, Code
12 2026, is amended by adding the following new subparagraph:

13 NEW SUBPARAGRAPH. (4) For the fiscal year beginning July
14 1, 2027, and each fiscal year thereafter, the department of
15 management shall deduct the following from the state aid due
16 to each school district pursuant to this chapter and shall
17 pay the amounts to the respective area education agencies on
18 a quarterly basis from July 15 to April 15 during each school
19 year:

20 (a) The area education agency teacher salary supplement
21 district cost.

22 (b) The amount due to the area education agency as the
23 result of supplementary weighting for shared operational
24 functions under section 257.11, subsection 5, paragraph "e".

25 Sec. 19. Section 257.35, subsection 21, unnumbered
26 paragraph 1, Code 2026, is amended to read as follows:

27 ~~The~~ For the fiscal year beginning July 1, 2025, and the
28 fiscal year beginning July 1, 2026, the director of the
29 department of management may deduct the following from the
30 state aid due to each school district pursuant to [this chapter](#)
31 and shall pay the amounts to the respective area education
32 agencies on a monthly basis from September 15 through June 15
33 during each school year for purposes of providing services to
34 students enrolled in nonpublic schools within the boundaries
35 of the area education agency:

1 15 of the next succeeding school year. The installments shall
2 be as nearly equal as possible as determined by the department
3 of management, taking into consideration the relative budget
4 and of the state, cash position of the state's resources,
5 and the timing of enactment of legislation affecting area
6 education agency budgets. The department of administrative
7 services shall transfer the approved budget amount for an area
8 education agency from the moneys appropriated under section
9 257.16 and make the payment to the area education agency. The
10 area education agency shall submit an accounting for the actual
11 cost of the program to the department of education by August
12 1 of the following school year. The department shall review
13 and approve or modify all expenditures incurred in compliance
14 with the guidelines pursuant to [section 256.7, subsection 10](#),
15 and shall notify the department of administrative services of
16 the approved accounting amount. The approved accounting amount
17 shall be compared with any amounts paid by the department of
18 administrative services to the area education agency and any
19 differences added to or subtracted from the October payment
20 made under this paragraph for the next school year. Any amount
21 paid by the department of administrative services shall be
22 deducted ~~monthly~~ quarterly from the state foundation aid paid
23 under [section 257.16](#) to all school districts in the state
24 during the subsequent fiscal year. The portion of the total
25 amount of the approved budget that shall be deducted from the
26 state aid of a school district shall be the same as the ratio
27 that the budget enrollment for the budget year of the school
28 district bears to the total budget enrollment in the state for
29 that budget year in which the deduction is made.

30 Sec. 22. Section 282.31, subsection 1, paragraph b,
31 subparagraph (2), Code 2026, is amended to read as follows:

32 (2) However, on June 30 of a school year, if the board
33 of directors of a school district determines that the number
34 of days for which a school district generated funding for
35 children under this paragraph "b" who were counted in the

1 basic enrollment of the school district in that school year in
2 accordance with [section 257.6, subsection 1](#), is less than the
3 sum of the number of days enrolled for all children enrolled
4 in the school district under this paragraph "b" during the
5 school year, the secretary of the school district may submit
6 a claim to the department of education by August 1 following
7 the school year for an amount equal to the district cost per
8 pupil of the district for the previous school year multiplied
9 by the quotient of the excess number of enrolled days for
10 children under this paragraph "b" divided by the number of days
11 in the district's board-approved calendar for the previous
12 year. The amount of the claim shall be paid by the department
13 of administrative services to the school district by October
14 1. The department of administrative services shall transfer
15 the total amount of the approved claim of a school district
16 from the moneys appropriated under [section 257.16](#) and the
17 amount paid shall be deducted ~~monthly~~ quarterly from the state
18 foundation aid paid to all school districts in the state during
19 the remainder of the subsequent fiscal year in the manner
20 provided in paragraph "a".

21 Sec. 23. Section 282.31, subsection 3, Code 2026, is amended
22 to read as follows:

23 3. The actual special education instructional costs,
24 including transportation, for a child who requires special
25 education shall be paid by the department of administrative
26 services to the school district in which the facility or
27 home is located, only when a district of residence cannot be
28 determined, and the child was not included in the weighted
29 enrollment of any district pursuant to [section 256B.9](#), and the
30 payment pursuant to [subsection 2](#), paragraph "a", was not made
31 by any district. The district shall submit a proposed program
32 and budget to the department of education by January 1 for the
33 next succeeding school year. The department of education shall
34 review and approve or modify the program and proposed budget
35 and shall notify the district by February 1. The district

1 shall submit a claim by August 1 following the school year for
2 the actual cost of the program. The department shall review
3 and approve or modify the claim and shall notify the department
4 of administrative services of the approved claim amount by
5 September 1. The total amount of the approved claim shall be
6 paid by the department of administrative services to the school
7 district by October 1. The total amount paid by the department
8 of administrative services shall be deducted ~~monthly~~ quarterly
9 from the state foundation aid paid under [section 257.16](#) to all
10 school districts in the state during the subsequent fiscal
11 year. The portion of the total amount of the approved claims
12 that shall be deducted from the state aid of a school district
13 shall be the same as the ratio that the budget enrollment for
14 the budget year of the school district bears to the total
15 budget enrollment in the state for the budget year in which the
16 deduction is made. The department of administrative services
17 shall transfer the total amount of the approved claims from
18 moneys appropriated under [section 257.16](#) for payment to the
19 school district.

20 Sec. 24. Section 282.33, subsection 1, Code 2026, is amended
21 to read as follows:

22 1. A child who resides in an institution for children under
23 the jurisdiction of the director of health and human services
24 referred to in [section 218.1, subsection 3, 4, or 5](#), and who
25 is not enrolled in the educational program of the district of
26 residence of the child, shall receive appropriate educational
27 services. The institution in which the child resides shall
28 submit a proposed program and budget based on the average
29 daily attendance of the children residing in the institution
30 to the department of education and the department of health
31 and human services by January 1 for the next succeeding school
32 year. The department of education shall review and approve or
33 modify the proposed program and budget and shall notify the
34 department of administrative services of its action by February
35 1. The department of administrative services shall pay the

1 approved budget amount to the department of health and human
2 services in ~~monthly~~ quarterly installments beginning ~~September~~
3 July 15 and ending ~~June~~ April 15 of the next succeeding school
4 year. The installments shall be as nearly equal as possible
5 as determined by the department of administrative services,
6 taking into consideration the relative budget ~~and~~ of the
7 state, cash position of the state's resources, and the timing
8 of enactment of legislation affecting school budgets. The
9 department of administrative services shall pay the approved
10 budget amount for the department of health and human services
11 from the moneys appropriated under [section 257.16](#) and the
12 department of health and human services shall distribute the
13 payment to the institution. The institution shall submit an
14 accounting for the actual cost of the program to the department
15 of education by August 1 of the following school year. The
16 department shall review and approve or modify all expenditures
17 incurred in compliance with the guidelines adopted pursuant to
18 section 256.7, subsection 10, and shall notify the department
19 of administrative services of the approved accounting amount.
20 The approved accounting amount shall be compared with any
21 amounts paid by the department of administrative services to
22 the department of health and human services and any differences
23 added to or subtracted from the October payment made under
24 this subsection for the next school year. Any amount paid by
25 the department of administrative services shall be deducted
26 ~~monthly~~ quarterly from the state foundation aid paid under
27 section 257.16 to all school districts in the state during the
28 subsequent fiscal year. The portion of the total amount of the
29 approved budget that shall be deducted from the state aid of a
30 school district shall be the same as the ratio that the budget
31 enrollment for the budget year of the school district bears to
32 the total budget enrollment in the state for that budget year
33 in which the deduction is made.

34 Sec. 25. Section 282.35, subsection 3, paragraph d, Code
35 2026, is amended to read as follows:

1 *d.* Any amounts paid by the department of education to school
2 districts in this state pursuant to paragraph “c” shall be
3 deducted on a ~~monthly~~ quarterly basis from the state foundation
4 aid paid under [section 257.16](#) to all school districts in the
5 state in the school year following the school year in which
6 the services were provided. The portion of the total amount
7 paid by the department of education to a district that shall
8 be deducted from the state foundation aid paid to the district
9 shall be the same as the ratio that the budget enrollment for
10 the budget year of the district bears to the total budget
11 enrollment in the state for that budget year.

12 Sec. 26. APPLICABILITY. The following apply to enrollment
13 determinations occurring on or after July 1, 2026, used for
14 school budget years beginning on or after July 1, 2027:

15 1. The section of this division of this Act amending section
16 257.6, subsection 1, paragraphs “b” and “c”.

17 2. The section of this division of this Act amending section
18 257.6, subsection 2.

19 3. The section of this division of this Act enacting section
20 257.6, subsection 7.>

21 2. Title page, by striking lines 1 through 7 and inserting
22 <An Act relating to school funding by establishing the
23 state percent of growth and the categorical state percent of
24 growth for the budget year beginning July 1, 2026, modifying
25 provisions relating to property tax replacement payments,
26 transportation equity aid funding, funding for school
27 district budget adjustments, and school district enrollment,
28 establishing an education support personnel salary supplement,
29 making appropriations, and including effective date and
30 applicability provisions.>