



HF 81 – School Categorical Supplemental State Aid FY 2016 (LSB1548HV)
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Fiscal Note Version – New

Description

House File 81 requires a 1.25% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2016.

Background

The State categorical supplements are funded entirely through State aid and generate funds for each school district and area education agency (AEA) through the school aid formula on a per pupil basis. The FY 2015 State cost per pupil funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), and early intervention supplement (district only) will be increased by a 1.25% State percent of growth for FY 2016. Additionally, FY 2016 will be the initial year that the teacher leadership supplement (TLS) for the Teacher Leadership and Compensation System, will be included in the school aid formula. The following table provides the per pupil growth amounts and State cost per pupil amounts for FY 2016 based on **HF 81**.

<u>State Categorical Supplements</u>	<u>FY 2015 State Cost Per Pupil Amount</u>	<u>FY 2016 State Percent of Growth</u>	<u>Supplemental State Aid</u>	<u>FY 2016 State Cost Per Pupil</u>
Teacher Salary - Districts	\$ 548.61	1.25%	\$ 6.86	\$ 555.47
Professional Development - Districts	62.18	1.25%	0.78	62.96
Early Intervention	67.68	1.25%	0.85	68.53
Teacher Leadership	308.82	1.25%	3.86	312.68
Teacher Salary - AEAs	28.71	1.25%	0.36	29.07
Professional Development - AEAs	3.35	1.25%	0.04	3.39

Additionally, there is a budget guarantee provision for each of the State categorical supplements that provides each district and AEA with a minimum of the previous fiscal year's level of funding (net of the previous year's budget guarantee amount). This provision for the State categorical supplements is funded entirely through State aid.

Assumptions

Estimates are based on October 2014 certified enrollment counts and supplementary weightings for FY 2016 approved by the School Budget Review Committee (SBRC) on January 21, 2015.

Fiscal Impact

The estimated total fiscal impact of [HF 81](#) will be a General Fund expenditure of \$398.2 million to fund the FY 2016 State categorical supplement amounts. This is an increase of \$56.4 million (16.5%) compared to estimated FY 2015. This estimate includes \$50.2 million for the teacher leadership supplement (TLS) for FY 2016.

The following table provides the detail of the funding levels for each of the State categorical supplements.

Estimated Funding Levels - HF 81				
	District Amount FY 2016	AEA Amount FY 2016	Total Amount FY 2016	FY 2016 vs. FY 2015
Teacher Salary Supplement				
Unadjusted Amount - District	\$ 267,015,477	\$ 14,991,650	\$ 282,007,127	
Budget Guarantee Amount - District	806,790	53,700	860,490	
Total Amount - District	\$ 267,822,267	\$ 15,045,350	\$ 282,867,617	\$ 5,052,891
Professional Development				
Unadjusted Amount - District	\$ 30,265,584	\$ 1,753,271	\$ 32,018,855	
Budget Guarantee Amount - District	84,538	6,267	90,805	
Total Amount - District	\$ 30,350,122	\$ 1,759,538	\$ 32,109,660	\$ 569,951
Early Intervention Supplement				
Unadjusted Amount	\$ 32,943,873	NA	\$ 32,943,873	
Budget Guarantee Amount	83,992	NA	83,992	
Total Amount	\$ 33,027,865	NA	\$ 33,027,865	\$ 591,703
Teacher Leadership Supplement				
Unadjusted Amount	\$ 50,141,299	NA	\$ 50,141,299	
Budget Guarantee Amount	17,768	NA	17,768	
Total Amount	\$ 50,159,067	NA	\$ 50,159,067	\$ 50,159,067
All State Categorical Supplements				
Total Unadjusted Amount	\$ 380,366,233	\$ 16,744,921	\$ 397,111,154	
Total Budget Guarantee Amount	993,088	59,967	1,053,055	
Total State Categorical Supplement	\$ 381,359,321	\$ 16,804,888	\$ 398,164,209	\$ 56,373,612
Note: Contact the LSA for more information				

Sources

Iowa Department of Education, Certified Enrollment file
Iowa Department of Management, School Aid file
LSA analysis and calculations

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
