



HF 79 – School Categorical Supplemental State Aid FY 2017 (LSB1550HV)
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Fiscal Note Version – New

Description

House File 79 requires a 2.45% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2017.

Background

The State cost per pupil amounts in FY 2017 will depend on what is established for FY 2016. The table below assumes a 1.25% growth rate for FY 2016 that is included in **HF 81** (School Categorical Supplemental State Aid FY 2016). 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 2016 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 2.45% State percent of growth for FY 2017. Additionally, FY 2017 will be the second year that the teacher leadership supplement (TLS) for the Teacher Leadership and Compensation System, will be included in the school aid formula to provide funding to approximately two thirds of the students statewide. The following table provides the per pupil growth amounts and State cost per pupil amounts for FY 2017 based on **HF 79** and **HF 81**.

State Categorical Supplements	FY 2015 State Cost Per Pupil Amount	FY 2016 State Percent of Growth	Supplemental State Aid	FY 2016 State Cost Per Pupil	FY 2017 State Percent of Growth	Supplemental State Aid	FY 2017 State Cost Per Pupil
Teacher Salary - Districts	\$ 548.61	1.25%	\$ 6.86	\$ 555.47	2.45%	\$ 13.61	\$ 569.08
Professional Development - Districts	62.18	1.25%	0.78	62.96	2.45%	1.54	64.50
Early Intervention	67.68	1.25%	0.85	68.53	2.45%	1.68	70.21
Teacher Leadership	308.82	1.25%	3.86	312.68	2.45%	7.66	320.34
Teacher Salary - AEs	28.71	1.25%	0.36	29.07	2.45%	0.71	29.78
Professional Development - AEs	3.35	1.25%	0.04	3.39	2.45%	0.08	3.47

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 Department of Education enrollment projections for FY 2017 and a 1.0% increase in special education weightings compared to FY 2016.

Fiscal Impact

The estimated total fiscal impact of **HF 79**, including the provisions in **HF 81**, will be a General Fund expenditure of \$460.8 million to fund the FY 2017 State categorical supplement amounts. This is an increase of \$62.6 million (15.7%) compared to estimated FY 2016. This estimate includes \$103.1 million for the teacher leadership supplement (TLS) for FY 2017.

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

Estimated Funding Levels - HF 79				
	District Amount FY 2017	AEA Amount FY 2017	Total Amount FY 2017	FY 2017 vs. FY 2016 vs.
Teacher Salary Supplement				
Unadjusted Amount - District	\$ 274,108,337	\$ 15,415,709	\$ 289,524,046	
Budget Guarantee Amount - District	1,124,503	49,054	1,173,557	
Total Amount - District	\$ 275,232,840	\$ 15,464,763	\$ 290,697,603	\$ 7,829,986
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Professional Development				
Unadjusted Amount - District	\$ 31,074,273	\$ 1,801,615	\$ 32,875,888	
Budget Guarantee Amount - District	118,441	5,696	124,137	
Total Amount - District	\$ 31,192,714	\$ 1,807,311	\$ 33,000,025	\$ 890,365
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Early Intervention Supplement				
Unadjusted Amount	\$ 33,825,481	NA	\$ 33,825,481	
Budget Guarantee Amount	122,802	NA	122,802	
Total Amount	\$ 33,948,283	NA	\$ 33,948,283	\$ 920,418
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Teacher Leadership Supplement				
Unadjusted Amount	\$ 103,097,681	NA	\$ 103,097,681	
Budget Guarantee Amount	29,697	NA	29,697	
Total Amount	\$ 103,127,378	NA	\$ 103,127,378	\$ 52,968,311
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All State Categorical Supplements				
Total Unadjusted Amount	\$ 442,105,772	\$ 17,217,324	\$ 459,323,096	
Total Budget Guarantee Amount	1,395,443	54,750	1,450,193	
Total State Categorical Supplement	\$ 443,501,215	\$ 17,272,074	\$ 460,773,289	\$ 62,609,080
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Note:	Contact the LSA for more information			

Sources

Iowa Department of Education, Certified Enrollment file and Enrollment Projections 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.
