

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 497 - School Foundation Plan (LSB 1944 YH)
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Fiscal Note Version - New

Description

House File 497 increases the foundation level for regular program costs (87.5%), special education costs (87.5%), and Area Education Agencies (AEA) special education costs (79.0%), to 92.4%. The uniform levy is increased from \$5.40 per thousand taxable valuation to \$6.90. Area Education Agencies special education costs per pupil that are below the State AEA cost per pupil are brought up to the State cost.

Assumptions

1. The allowable growth rate for FY 2007 is 4.0%.
2. Budget enrollments are based on the Department of Education 2005 preliminary projections.
3. The \$7.5 million AEA reduction is applied to FY 2006 and later years, rather than the \$19.3 million reduction applied to FY 2005.
4. FY 2005 Taxable valuations decreased by 2.9%; FY 2006 valuations are estimated to increase by 2.3%; and FY 2007 valuations are projected to increase by 2.0%.
5. Weighting increases include: 10.0% annually for shared teachers and pupils; 10.0% annually for English language learners; no change for at-risk students; and special education at 3.5% in FY 2005, 1.1% in FY 2006, and 3.5% in FY 2007.

Fiscal Impact

In FY 2007, the school districts total spending authority will increase by \$1.4 million to bring Area Education Agencies special education costs per pupil up to the State AEA cost per pupil. The State Foundation Aid cost to the General Fund will increase by \$3.5 million, and Foundation property taxes will decrease by \$2.1 million.

Source

Department of Management: School Foundation data base

/s/ Holly M. Lyons

March 4, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
