

Fiscal Services Division
Legislative Services Agency
Fiscal Note

House File 156 - Education Funding, Physical Plant & Equipment Levy (LSB 1447 HH)
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Fiscal Note Version – New

Description

House File 156 expands the use of Physical Plant and Equipment Levy (PPEL) revenues to include contracting for transportation services. The amount that can be expended is capped at the percentage of transportation costs that are allotted to depreciation by school districts operating their own transportation services.

Background

Based on FY 2006 transportation data, 24 school districts use some form of contracted transportation. With a cap of 17.5%, based on the proposed formula, these 24 school districts could expend \$5.9 million of their current PPEL revenues for transportation contracting.

Four of those districts are at their maximum PPEL rate; 20 have the option of increasing their PPEL rates to the maximum of \$0.167 per \$1,000 of taxable valuation. If these districts increased their PPEL rates to the maximum, they could raise an additional \$14.5 million in PPEL revenues and would have an additional \$2.5 million for transportation contracting.

Fiscal Impact

House File 156 does not change the maximum Physical Plant and Equipment Levy rates that can be levied by school districts. It is not known whether school districts with PPEL rates less than the maximum will increase their rates due to the change in this Bill, therefore the impact cannot be determined.

Source

Department of Education

/s/ Holly M. Lyons

February 13, 2007

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.
