

**EIGHTY-SIXTH GENERAL ASSEMBLY  
2015 REGULAR SESSION  
DAILY  
HOUSE CLIP SHEET**

FEBRUARY 3, 2015

**HOUSE RESOLUTION 4**

**H-1006**

1 Amend House Resolution 4 as follows:  
2 1. Page 16, line 24, by striking <~~fifth~~ fourth> and  
3 inserting <fifth>

**By** ROGERS of Black Hawk

**H-1006** FILED FEBRUARY 2, 2015



**HF 79** – School Categorical Supplemental State Aid FY 2017 (LSB1550HV)  
Analyst: John Parker (Phone: (515) 725-2249) ([john.parker@legis.iowa.gov](mailto:john.parker@legis.iowa.gov))  
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.

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

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.

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**HF 82** – School Supplemental State Aid FY 2017 (LSB1549HV)  
Analyst: John Parker (Phone: (515) 725-2249) ([john.parker@legis.iowa.gov](mailto:john.parker@legis.iowa.gov))  
Fiscal Note Version – New

### **Description**

**House File 82** requires a 2.45% State percent of growth rate to be applied to each of the regular school aid State 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 80** (School Supplemental State Aid FY 2016). The school aid formula provides funding through a mix of State aid and property tax to school districts and Area Education Agencies (AEAs). In general, funding is generated on a per pupil basis with the per pupil amounts providing an overall budget limitation. There are five FY 2017 State cost per pupil funding levels that will be increased by a 2.45% State percent of growth for FY 2017. The following table provides the supplemental State aid amounts (also referred to as per pupil growth amounts) and State cost per pupil amounts for FY 2017 based on a 2.45% growth rate. The supplemental State aid amounts will be applied to all corresponding district and AEA cost per pupil amounts.

Regular School Aid Per Pupil Components	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
Regular Program	\$ 6,366.00	1.25%	\$ 80.00	\$ 6,446.00	2.45%	\$ 158.00	\$ 6,604.00
Special Education Program	6,366.00	1.25%	80.00	6,446.00	2.45%	158.00	6,604.00
AEA Special Education Support	279.53	1.25%	3.49	283.02	2.45%	6.93	289.95
AEA Media Services	52.11	1.25%	0.65	52.76	2.45%	1.29	54.05
AEA Educational Services	57.51	1.25%	0.72	58.23	2.45%	1.43	59.66

In addition to the State percent of growth and supplemental State aid for FY 2017, enrollments, weightings, and taxable valuations within each school district have an impact on the amount of total school aid funding, including the amount of State aid and local property tax required to generate the total funding amount.

### **Assumptions**

Assumptions include:

- Estimates are based on Department of Education enrollment projections for FY 2017 and a 2.5% increase in preschool weighting change.
- The FY 2017 supplementary weightings assume a 1.0% increase in special education weightings, a 1.0% increase in at-risk weightings, a 7.0% increase in English-as-a-second-language (ESL) weightings, a 100% increase for operational sharing weightings, and a 5.0% increase in all other supplementary weightings.
- Statewide taxable valuation growth of 2.6% for FY 2016 and 4.18% for FY 2017. Based on these assumptions, the statewide total for the uniform levy is estimated to account for \$30.4 million of the school foundation property tax change in FY 2017 (including the uniform levy portion of the commercial/industrial rollback replacement payment). The estimated increase

in the uniform levy amount is not impacted by the establishment of State percent of growth rate.

- Property tax adjustment aid amounts are based on the statewide taxable valuation growth factor applied to each school district's FY 2017 taxable valuation amount.
- Other legislation may have an impact on the amount of State aid and property tax generated though the school aid formula. The fiscal impact in the table below includes the provisions in [HF 80](#) (School Supplemental State Aid FY 2016), [HF 81](#) (State Categorical Supplemental State Aid FY 2016), and [HF 79](#) (State Categorical Supplemental State Aid FY 2017). These provisions are included in the State General Fund appropriation for school aid.
- State aid includes funding from the State General Fund and other funds appropriated or deposited in the Property Tax Equity and Relief (PTER) Fund that is used to provide additional property tax relief through the school aid formula.
- Establishing a FY 2017 State percent of growth will also impact the amount of funding generated for the Statewide Voluntary Preschool Program. Funding for the program is provided with State General Fund dollars and is included in the overall State aid total.
- Districts eligible for the 101.0% budget adjustment will approve use of that provision. The Legislative Services Agency (LSA) estimate includes a total budget adjustment of \$18.2 million, based on the FY 2017 State percent of growth and budget enrollments.
- In FY 2017, the additional \$15.0 million State aid reduction to AEAs implemented in FY 2015 will be restored.

### **Fiscal Impact**

The following table provides the estimated fiscal impact of [HF 82](#), and includes the provisions in [HF 80](#), [HF 81](#), and [HF 79](#):

- A total General Fund expenditure for State school aid in FY 2017 of \$3,093.1 million, an increase of \$133.3 million (4.5%) compared to estimated FY 2016. This includes:
  - Restoration of the \$15.0 million reduction in State aid to the AEAs. Under current law, the reduction will total \$7.5 million (a statutory reduction implemented annually).
  - \$25.7 million in property tax replacement payment (PTRP) funding. This provision required State aid to account for the entire increase in the cost per pupil amount due to the State percent of growth in FY 2014 and FY 2015 as specified in [HF 215](#) (2013 Education Reform Appropriations Act). The impact of this provision will continue in future fiscal years and under current law totals \$46 per pupil.
  - Based on [HF 79](#), \$460.8 million for the State categorical supplements, an increase of \$62.6 million (15.7%). This includes \$290.7 million for the teacher salary supplement, \$33.0 million for the professional development supplement, \$33.9 million for the early intervention supplement, and \$103.1 million for the teacher leadership supplement (new school aid funding provision beginning in FY 2016).
  - \$76.8 million for preschool formula funding, an increase of \$3.7 million compared to estimated 2016. The preschool formula funding is included in the State aid amount, but is not included in the combined district cost total.
- The combined district cost (reflecting the total school aid funding level for school districts and AEAs generated through the school aid formula), is estimated to increase \$186.7 million (4.3%) compared to estimated FY 2016.

Any legislative action impacting FY 2016 school aid provisions will have an impact on FY 2017 school aid amounts. Additionally, any variations in the assumptions noted may result in significant changes in the FY 2017 estimates provided in the following table.

**Legislative Services Agency: Estimated FY 2016 and FY 2017 School Aid Estimates - Statewide Totals (Dollars in Millions)**

Based on HF 79, HF 80, HF 81, and HF 82

Program Funding:			FY 2016 Estimates			FY 2017 Estimates		
	FY 2014	FY 2015	Assumes 1.25% State Percent of Growth			Assumes 2.45% State Percent of Growth		
			Totals	Est. Change	% Change	Totals	Est. Change	% Change
Regular Program District Cost	\$ 2,926.1	\$ 3,059.8	\$ 3,110.0	\$ 50.2	1.6%	\$ 3,192.6	\$ 82.5	2.7%
Regular Program Budget Guarantee	11.2	3.2	16.5	13.3	420.4%	18.2	1.7	10.3%
Total Supplemental Weighting	66.8	75.6	81.3	5.7	7.5%	98.9	17.6	21.7%
District Special Education	389.3	398.9	398.7	-0.1	0.0%	412.6	13.8	3.5%
Dropout and Dropout Prevention	97.2	103.5	105.1	1.6	1.6%	108.0	2.9	2.7%
Teacher Salary Supplement (District)	252.1	263.0	267.8	4.8	1.8%	275.2	7.4	2.8%
Professional Development Supplement (District)	28.6	29.8	30.4	0.5	1.8%	31.2	0.8	2.8%
Early Intervention Supplement (District)	31.1	32.4	33.0	0.6	1.8%	33.9	0.9	2.8%
Teacher Leadership Supplement (District)	N.A.		50.2	50.2		103.1	53.0	
AEA Special Education (with adjustment)	147.5	153.1	155.4	2.4	1.6%	159.4	4.0	2.6%
AEA Media Services	25.5	26.7	27.2	0.5	1.8%	27.9	0.7	2.7%
AEA Education Services	28.2	29.5	30.0	0.5	1.8%	30.8	0.8	2.7%
AEA Sharing	0.2	0.1	0.1	0.0	1.2%	0.1	0.0	2.4%
Total AEA Reduction	-22.5	-22.5	-7.5	15.0	-66.7%	-7.5	0.0	0.0%
Teacher Salary Supplement (AEA)	14.2	14.8	15.0	0.3	1.7%	15.5	0.4	2.8%
Professional Development Supplement (AEA)	1.7	1.7	1.8	0.0	1.7%	1.8	0.0	2.7%
<b>Combined District Cost</b>	<b>\$ 3,997.2</b>	<b>\$ 4,169.4</b>	<b>\$ 4,315.0</b>	<b>\$ 145.6</b>	<b>3.5%</b>	<b>\$ 4,501.7</b>	<b>\$ 186.7</b>	<b>4.3%</b>
Statewide Voluntary Preschool Program	\$ 66.1	\$ 70.0	\$ 73.1	\$ 3.2	4.5%	\$ 76.8	\$ 3.7	5.0%
<b>Funding Sources:</b>								
State Aid from General Fund	\$ 2,716.9	\$ 2,865.5	\$ 2,959.8	\$ 94.3	3.3%	\$ 3,093.1	\$ 133.3	4.5%
Excess from SAVE Fund	8.7	8.2	6.3	-2.0	-23.8%	8.5	2.2	35.2%
<b>Total State Aid</b>	<b>\$ 2,725.6</b>	<b>\$ 2,873.8</b>	<b>\$ 2,966.1</b>	<b>\$ 92.3</b>	<b>3.2%</b>	<b>\$ 3,101.6</b>	<b>\$ 135.5</b>	<b>4.6%</b>
Uniform Levy Amount	\$ 759.4	\$ 783.7	\$ 814.1	\$ 30.4	3.9%	\$ 850.0	\$ 35.9	4.4%
Additional Levy Total	578.6	582.5	608.0	25.5	4.4%	626.9	18.9	3.1%
Comm/Ind - Uniform Levy Portion		-9.3	-19.1	-9.8	105.8%	-19.9	-0.8	4.2%
Comm/Ind. Additional Levy Portion		-7.3	-15.2	-7.8	107.5%	-15.6	-0.4	2.8%
<b>Total Levy to Fund Combined District Cost</b>	<b>\$ 1,338.0</b>	<b>\$ 1,349.7</b>	<b>\$ 1,387.8</b>	<b>\$ 38.2</b>	<b>2.8%</b>	<b>\$ 1,441.4</b>	<b>\$ 53.6</b>	<b>3.9%</b>
<b>Misc. Information:</b>								
Budget Enrollment	476,245.0	478,920.9	480,771.9	1,851.0	0.4%	481,756.4	2,835.5	0.2%
Number of Districts with Budget Guarantee	133	66	165	99	150.0%	126	-39	-23.6%
State Categorical Total (in Millions)	\$ 327.5	\$ 341.8	\$ 398.2	\$ 56.4	16.5%	\$ 460.8	\$ 62.6	15.7%
AEA Funding (In Millions)	\$ 194.8	\$ 203.3	\$ 222.0	\$ 18.7	9.2%	\$ 228.0	\$ 6.0	2.7%
Property Tax Relief Payment (PTRP)	\$ 8.3	\$ 25.4	\$ 25.5	\$ 0.1	0.3%	\$ 25.7	\$ 0.2	0.7%

Notes:

Contact the LSA for more information

**Sources**

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

/s/ Holly M. Lyons

Holly M. Lyons

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.



**HF 81** – School Categorical Supplemental State Aid FY 2016 (LSB1548HV)  
Analyst: John Parker (Phone: (515) 725-2249) ([john.parker@legis.iowa.gov](mailto:john.parker@legis.iowa.gov))  
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.

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

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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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.

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**HF 80** – School Supplemental State Aid FY 2016 (LSB1547HV)  
Analyst: John Parker (Phone: (515) 725-2249) ([john.parker@legis.iowa.gov](mailto:john.parker@legis.iowa.gov))  
Fiscal Note Version – New

**Description**

**House File 80** requires a 1.25% State percent of growth rate to be applied to each of the regular school aid State cost per pupil amounts for FY 2016.

**Background**

The school aid formula provides funding through a mix of State aid and property tax to school districts and Area Education Agencies (AEAs). In general, funding is generated on a per pupil basis with the per pupil amounts providing an overall budget limitation. There are five FY 2016 State cost per pupil funding levels that will be increased by a 1.25% State percent of growth for FY 2016. The following table provides the supplemental State aid amounts (also referred to as per pupil growth amounts) and State cost per pupil amounts for FY 2016 based on a 1.25% growth rate. The supplemental State aid amounts will be applied to all corresponding district and AEA cost per pupil amounts.

<u>Regular School Aid Per Pupil Components</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>
Regular Program	\$ 6,366.00	1.25%	\$ 80.00	\$ 6,446.00
Special Education Program	6,366.00	1.25%	80.00	6,446.00
AEA Special Education Support	279.53	1.25%	3.49	283.02
AEA Media Services	52.11	1.25%	0.65	52.76
AEA Educational Services	57.51	1.25%	0.72	58.23

In addition to the State percent of growth and supplemental State aid for FY 2016, enrollments, weightings, and taxable valuations within each school district have an impact on the amount of total school aid funding, including the amount of State aid and local property tax required to generate the total funding amount.

**Assumptions**

Assumptions include:

- Estimates are based on October 2014 certified enrollments and supplementary weightings for FY 2016 approved by the School Budget Review Committee (SBRC) on January 21, 2015.
- Statewide taxable valuation growth of 2.6% for FY 2016. Based on these assumptions, the statewide total for the uniform levy is estimated to account for \$30.4 million of the school foundation property tax change in FY 2016 (including the uniform levy portion of the commercial/industrial rollback replacement payment). The estimated increase in the uniform levy amount is not impacted by the establishment of State percent of growth rate.
- Property tax adjustment aid amounts are based on the statewide taxable valuation growth factor applied to each school district's FY 2016 taxable valuation amount.

- Other legislation may have an impact on the amount of State aid and property tax generated through the school aid formula. The fiscal impact in the table below includes the provisions in [HF 81](#) (State Categorical Supplemental State Aid FY 2016). These provisions are included in the State General Fund appropriation for school aid.
- State aid includes funding from the State General Fund and other funds appropriated or deposited in the Property Tax Equity and Relief (PTER) Fund that is used to provide additional property tax relief through the school aid formula.
- Establishing an FY 2016 State percent of growth will also impact the amount of funding generated for the Statewide Voluntary Preschool Program. Funding for the program is provided with State General Fund dollars and is included in the overall State aid total.
- Districts eligible for the 101.0% budget adjustment will approve use of that provision. The Legislative Services Agency (LSA) estimate includes a total budget adjustment of \$16.5 million, based on the FY 2016 State percent of growth and budget enrollments.
- Beginning in FY 2016, the additional \$15.0 million State aid reduction to AEAs implemented in FY 2015 will be restored.

### **Fiscal Impact**

The following table provides the estimated fiscal impact of [HF 80](#), and includes the provisions in [HF 81](#):

- A total General Fund expenditure for State school aid in FY 2016 of \$2,959.8 million, an increase of \$94.3 million (3.3%) compared to FY 2015. This includes:
  - Restoration of the \$15.0 million reduction in State aid to the AEAs. Under current law, the reduction will total \$7.5 million (a statutory reduction implemented annually).
  - \$25.5 million in property tax replacement payment (PTRP) funding. This provision required State aid to account for the entire increase in the cost per pupil amount due to the State percent of growth in FY 2014 and FY 2015 as specified in [HF 215](#) (2013 Education Reform Appropriations Act). The impact of this provision will continue in future fiscal years and under current law totals \$46 per pupil.
  - Based on [HF 81](#), \$398.2 million for the State categorical supplements, an increase of \$56.4 million (16.5%). This includes \$282.9 million for the teacher salary supplement, \$32.1 million for the professional development supplement, \$33.0 million for the early intervention supplement, and \$50.2 million for the teacher leadership supplement (new school aid funding provision in FY 2016).
  - \$73.1 million for preschool formula funding, an increase of \$3.2 million compared to FY 2015. The preschool formula funding is included in the State aid amount, but is not included in the combined district cost total.
- The combined district cost (reflecting the total school aid funding level for school districts and AEAs generated through the school aid formula), is estimated to increase \$145.6 million (3.5%) compared to estimated FY 2015.

Any legislative action impacting school aid provisions will have an impact on FY 2016 school aid amounts. Additionally, any variations in the assumptions noted may result in significant changes in the FY 2016 estimates provided in the following table.

**Legislative Services Agency: Estimated FY 2016 School Aid Estimates  
Statewide Totals (Dollars in Millions) - Based on HF 80 and HF 81**

Program Funding:	FY 2016 Estimates Assumes 1.25% State Percent of Growth				
	FY 2014	FY 2015	Totals	Est. Change	% Change
Regular Program District Cost	\$ 2,926.1	\$ 3,059.8	\$ 3,110.0	\$ 50.2	1.6%
Regular Program Budget Guarantee	11.2	3.2	16.5	13.3	420.4%
Total Supplemental Weighting	66.8	75.6	81.3	5.7	7.5%
District Special Education	389.3	398.9	398.7	-0.1	0.0%
Dropout and Dropout Prevention	97.2	103.5	105.1	1.6	1.6%
Teacher Salary Supplement (District)	252.1	263.0	267.8	4.8	1.8%
Professional Development Supplement (District)	28.6	29.8	30.4	0.5	1.8%
Early Intervention Supplement (District)	31.1	32.4	33.0	0.6	1.8%
Teacher Leadership Supplement (District)	N.A.		50.2	50.2	
<i>AEA Special Education (with adjustment)</i>	<i>147.5</i>	<i>153.1</i>	<i>155.4</i>	<i>2.4</i>	<i>1.6%</i>
<i>AEA Media Services</i>	<i>25.5</i>	<i>26.7</i>	<i>27.2</i>	<i>0.5</i>	<i>1.8%</i>
<i>AEA Education Services</i>	<i>28.2</i>	<i>29.5</i>	<i>30.0</i>	<i>0.5</i>	<i>1.8%</i>
<i>AEA Sharing</i>	<i>0.2</i>	<i>0.1</i>	<i>0.1</i>	<i>0.0</i>	<i>1.2%</i>
<i>Total AEA Reduction</i>	<i>-22.5</i>	<i>-22.5</i>	<i>-7.5</i>	<i>15.0</i>	<i>-66.7%</i>
<i>Teacher Salary Supplement (AEA)</i>	<i>14.2</i>	<i>14.8</i>	<i>15.0</i>	<i>0.3</i>	<i>1.7%</i>
<i>Professional Development Supplement (AEA)</i>	<i>1.7</i>	<i>1.7</i>	<i>1.8</i>	<i>0.0</i>	<i>1.7%</i>
<b>Combined District Cost</b>	<b>\$ 3,997.2</b>	<b>\$ 4,169.4</b>	<b>\$ 4,315.0</b>	<b>\$ 145.6</b>	<b>3.5%</b>
Statewide Voluntary Preschool Program	\$ 66.1	\$ 70.0	\$ 73.1	\$ 3.2	4.5%
<b>Funding Sources:</b>					
State Aid from General Fund	\$ 2,716.9	\$ 2,865.5	\$ 2,959.8	\$ 94.3	3.3%
Excess from SAVE Fund	8.7	8.2	6.3	-2.0	-23.8%
<b>Total State Aid</b>	<b>\$ 2,725.6</b>	<b>\$ 2,873.8</b>	<b>\$ 2,966.1</b>	<b>\$ 92.3</b>	<b>3.2%</b>
Uniform Levy Amount	\$ 759.4	\$ 783.7	\$ 814.1	\$ 30.4	3.9%
Additional Levy Total	578.6	582.5	608.0	25.5	4.4%
Comm/Ind - Uniform Levy Portion		-9.3	-19.1	-9.8	105.8%
Comm/Ind. Additional Levy Portion		-7.3	-15.2	-7.8	107.5%
<b>Total Levy to Fund Combined District Cost</b>	<b>\$ 1,338.0</b>	<b>\$ 1,349.7</b>	<b>\$ 1,387.8</b>	<b>\$ 38.2</b>	<b>2.8%</b>
<b>Misc. Information:</b>					
Budget Enrollment	476,245.0	478,920.9	480,771.9	1,851.0	0.4%
Number of Districts with Budget Guarantee	133	66	165	99	150.0%
State Categorical Total (in Millions)	\$ 327.5	\$ 341.8	\$ 398.2	\$ 56.4	16.5%
<i>AEA Funding (In Millions)</i>	<i>\$ 194.8</i>	<i>\$ 203.3</i>	<i>\$ 222.0</i>	<i>\$ 18.7</i>	<i>9.2%</i>
Property Tax Relief Payment (PTRP)	\$ 8.3	\$ 25.4	\$ 25.5	\$ 0.1	0.3%

Notes:

Contact the LSA for more information

**Sources**

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

/s/ Holly M. Lyons

Holly M. Lyons

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.