

House File 2 - Introduced

HOUSE FILE 2

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A BILL FOR

1 An Act increasing the regular program foundation base
2 percentage for purposes of the school funding formula.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.1, subsection 2, paragraph b, Code
2 2013, is amended by striking the paragraph and inserting in
3 lieu thereof the following:

4 b. (1) The regular program foundation base per pupil is the
5 following:

6 (a) For the budget year commencing July 1, 2012, the
7 regular program foundation base per pupil is eighty-seven and
8 five-tenths percent of the regular program state cost per
9 pupil.

10 (b) For the budget year commencing July 1, 2013, the regular
11 program foundation base per pupil is ninety percent of the
12 regular program state cost per pupil.

13 (c) For the budget year commencing July 1, 2014, the regular
14 program foundation base per pupil is ninety-two and five-tenths
15 percent of the regular program state cost per pupil.

16 (d) For the budget year commencing July 1, 2015, the regular
17 program foundation base per pupil is ninety-five percent of the
18 regular program state cost per pupil.

19 (e) For the budget year commencing July 1, 2016, the
20 regular program foundation base per pupil is ninety-seven and
21 five-tenths percent of the regular program state cost per
22 pupil.

23 (f) For the budget year commencing July 1, 2017, and
24 succeeding budget years, the regular program foundation base
25 per pupil is one hundred percent of the regular program state
26 cost per pupil.

27 (2) For each budget year, the special education support
28 services foundation base is seventy-nine percent of the special
29 education support services state cost per pupil. The combined
30 foundation base is the sum of the regular program foundation
31 base, the special education support services foundation base,
32 the total teacher salary supplement district cost, the total
33 professional development supplement district cost, the total
34 early intervention supplement district cost, the total area
35 education agency teacher salary supplement district cost,

1 and the total area education agency professional development
2 supplement district cost.

3 Sec. 2. Section 257.4, subsection 1, paragraph b, Code 2013,
4 is amended to read as follows:

5 b. For the budget year beginning July 1, 2008, and
6 succeeding budget years beginning before July 1, 2017, the
7 department of management shall annually determine an adjusted
8 additional property tax levy and a statewide maximum adjusted
9 additional property tax levy rate, not to exceed the statewide
10 average additional property tax levy rate, calculated by
11 dividing the total adjusted additional property tax levy
12 dollars statewide by the statewide total net taxable valuation.
13 For purposes of this paragraph, the adjusted additional
14 property tax levy shall be that portion of the additional
15 property tax levy corresponding to the state cost per pupil
16 multiplied by a school district's weighted enrollment, and then
17 multiplied by one hundred percent less the regular program
18 foundation base per pupil percentage pursuant to section
19 257.1. ~~The~~ For budget years beginning before July 1, 2017, the
20 district shall receive adjusted additional property tax levy
21 aid in an amount equal to the difference between the adjusted
22 additional property tax levy rate and the statewide maximum
23 adjusted additional property tax levy rate, as applied per
24 thousand dollars of assessed valuation on all taxable property
25 in the district. ~~The statewide maximum adjusted additional~~
26 ~~property tax levy rate shall be annually determined by the~~
27 ~~department taking into account amounts allocated pursuant to~~
28 ~~section 257.15, subsection 4.~~ The For budget years beginning
29 before July 1, 2017, the statewide maximum adjusted additional
30 property tax levy rate shall be annually determined by the
31 department taking into account amounts allocated pursuant to
32 section 257.15, subsection 4, and the balance of the property
33 tax equity and relief fund created in section 257.16A at the
34 end of the calendar year.

35 Sec. 3. Section 257.15, subsection 4, Code 2013, is amended

1 to read as follows:

2 4. a. *Allocations for maximum adjusted additional property*
3 *tax levy rate calculation and adjusted additional property*
4 *tax levy aid.* ~~The~~ For fiscal years beginning before July 1,
5 2017, the department of management shall allocate from amounts
6 appropriated pursuant to section 257.16, subsection 1, and from
7 funds appropriated from the property tax equity and relief
8 fund created in section 257.16A for the purpose of calculating
9 the statewide maximum adjusted additional property tax levy
10 rate and providing adjusted additional property tax levy aid
11 as provided in section 257.4, subsection 1, paragraph "b",
12 an amount equal to the sum of subparagraphs (1) and (2) as
13 follows:

14 (1) From the amount appropriated from the general fund of
15 the state pursuant to section 257.16, subsection 1, equal to
16 the following:

17 (a) For the budget year beginning July 1, 2006, six million
18 dollars.

19 (b) For the budget year beginning July 1, 2007, twelve
20 million dollars.

21 (c) For the budget year beginning July 1, 2008, eighteen
22 million dollars.

23 (d) For the budget year beginning July 1, 2009, and
24 succeeding budget years beginning before July 1, 2017,
25 twenty-four million dollars.

26 (2) From the amount appropriated from the property tax
27 equity and relief fund created in section 257.16A.

28 b. After lowering all school district additional property
29 tax levy rates to the statewide maximum adjusted additional
30 property tax levy rate under paragraph "a", the department of
31 management shall use any remaining funds at the end of the
32 calendar year to further lower additional property taxes by
33 increasing for the budget year beginning the following July
34 1, the state foundation base percentage. If, however, the
35 state foundation base percentage is one hundred percent, the

1 department of management shall deposit those remaining funds
2 in the taxpayers trust fund created in section 8.57E. Moneys
3 used pursuant to this paragraph shall supplant an equal amount
4 of the appropriation made from the general fund of the state
5 pursuant to section 257.16 that represents the increase in
6 state foundation aid.

7 Sec. 4. Section 257.16A, subsections 2 and 3, Code 2013, are
8 amended to read as follows:

9 2. There For fiscal years beginning before July 1, 2017,
10 there is appropriated annually all moneys in the fund to the
11 department of management for purposes of section 257.15,
12 subsection 4.

13 3. Notwithstanding Except as provided in subsection 4,
14 and notwithstanding section 8.33, any moneys remaining in the
15 property tax equity and relief fund at the end of a fiscal year
16 shall not revert to any other fund but shall remain in the
17 property tax equity and relief fund for use as provided in this
18 section for the following fiscal year.

19 Sec. 5. Section 257.16A, Code 2013, is amended by adding the
20 following new subsection:

21 NEW SUBSECTION. 4. Any moneys in the property tax equity
22 and relief fund on June 30, 2017, shall be deposited by the
23 department of management in the taxpayers trust fund created
24 in section 8.57E.

25 Sec. 6. Section 423F.2, subsection 3, Code 2013, is amended
26 to read as follows:

27 3. The moneys available in a fiscal year in the secure an
28 advanced vision for education fund shall be distributed by the
29 department of revenue to each school district in an amount
30 equal to the amount the school district would have received
31 pursuant to the formula in section 423E.4 as if the local
32 sales and services tax for school infrastructure purposes was
33 imposed. Moneys collected in a fiscal year beginning before
34 July 1, 2015, that are in excess of that needed to provide each
35 school district with its formula amount shall be distributed

1 and credited to the property tax equity and relief fund
2 created in section 257.16A. Moneys collected in a fiscal year
3 beginning on or after July 1, 2015, that are in excess of that
4 amount needed to provide each school district with its formula
5 amount shall be deposited in the taxpayers trust fund created
6 in section 8.57E.

7 EXPLANATION

8 This bill provides for an increase in the regular program
9 foundation base under the state school foundation program. The
10 regular program foundation base is the specified percentage
11 of the regular state program cost per pupil calculation which
12 is paid as state aid to school districts, above and beyond
13 the uniform property tax levy imposed in Code section 257.3.
14 Beginning with the budget year commencing July 1, 2013, the
15 increase is phased in over a five-year period in equal annual
16 increments of two and five-tenths percentage points, from the
17 current regular program foundation base level of 87.5 percent
18 of the regular program state cost per pupil to the level of 100
19 percent in the fifth year.

20 The bill provides that the department of management's
21 determination of an adjusted additional property tax levy and a
22 statewide maximum adjusted additional property tax levy rate
23 only applies to budget years beginning before July 1, 2017.
24 The bill also provides that adjusted additional property tax
25 levy aid to school districts is only provided for budget years
26 beginning before July 1, 2017. The elimination of adjusted
27 additional property tax levy aid is the result of the regular
28 program foundation base percentage reaching 100 percent.

29 The bill sunsets the annual appropriation of \$24 million for
30 adjusted additional property tax levy aid under Code section
31 257.15(4) for the fiscal year beginning July 1, 2017, and
32 thereafter, and provides that if the regular program foundation
33 base percentage is 100 percent, the department of management
34 shall deposit in the taxpayers trust fund those remaining funds
35 allocated for adjusted additional property tax levy aid.

1 The bill specifies that any moneys in the property tax equity
2 and relief fund established under Code section 257.16A on June
3 30, 2017, shall be deposited by the department of management in
4 the taxpayers trust fund.

5 The bill provides that moneys in the secure an advanced
6 vision for education fund (SAVE) and collected in a fiscal
7 year beginning before July 1, 2015, that are in excess of that
8 needed to provide each school district with its formula amount
9 continue, as under current law, to be distributed and credited
10 to the property tax equity and relief fund created in Code
11 section 257.16A. The bill provides that such excess moneys
12 collected in a fiscal year beginning on or after July 1, 2015,
13 shall be deposited in the taxpayers trust fund.