

House File 136 - Introduced

HOUSE FILE 136

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 55)

A BILL FOR

1 An Act relating to the state school foundation program, by
2 modifying requirements for the enactment of the state
3 percents of growth, establishing state percents of growth,
4 modifying provisions relating to school district property
5 tax replacement payments, and including effective date and
6 applicability provisions.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.8, subsections 1 and 2, Code 2017,
2 are amended to read as follows:

3 1. *State percent of growth.* ~~The state percent of growth~~
4 ~~for the budget year beginning July 1, 2014, is four percent.~~
5 The state percent of growth for the budget year beginning July
6 1, 2015, is one and twenty-five hundredths percent. The state
7 percent of growth for the budget year beginning July 1, 2016,
8 is two and twenty-five hundredths percent. The state percent
9 of growth for the budget year beginning July 1, 2017, is one
10 and eleven hundredths percent. The state percent of growth for
11 each subsequent budget year shall be established by statute
12 which shall be enacted within thirty days of the ~~submission in~~
13 ~~the year preceding the base year transmission~~ of the governor's
14 budget required by February 1 under [section 8.21](#) during the
15 regular legislative session beginning in the base year. ~~The~~
16 ~~establishment of the state percent of growth for a budget year~~
17 ~~shall be the only subject matter of the bill which enacts the~~
18 ~~state percent of growth for a budget year.~~

19 2. *Categorical state percent of growth.* ~~The categorical~~
20 ~~state percent of growth for the budget year beginning July~~
21 ~~1, 2014, is four percent.~~ The categorical state percent of
22 growth for the budget year beginning July 1, 2015, is one and
23 twenty-five hundredths percent. The categorical state percent
24 of growth for the budget year beginning July 1, 2016, is two
25 and twenty-five hundredths percent. The categorical state
26 percent of growth for the budget year beginning July 1, 2017,
27 is one and eleven hundredths percent. The categorical state
28 percent of growth for each budget year shall be established
29 by statute which shall be enacted within thirty days of the
30 ~~submission in the year preceding the base year transmission~~ of
31 the governor's budget required by February 1 under [section 8.21](#)
32 during the regular legislative session beginning in the base
33 year. ~~The establishment of the categorical state percent of~~
34 ~~growth for a budget year shall be the only subject matter of~~
35 ~~the bill which enacts the categorical state percent of growth~~

1 ~~for a budget year.~~ The categorical state percent of growth
2 may include state percents of growth for the teacher salary
3 supplement, the professional development supplement, the early
4 intervention supplement, and the teacher leadership supplement.

5 Sec. 2. Section 257.16B, subsection 2, paragraph d,
6 unnumbered paragraph 1, Code 2017, is amended to read as
7 follows:

8 For ~~each~~ the budget year beginning ~~on or after~~ July 1, 2016,
9 the department of management shall calculate for each school
10 district all of the following:

11 Sec. 3. Section 257.16B, subsection 2, paragraph d,
12 subparagraph (3), Code 2017, is amended to read as follows:

13 (3) The amount of each school district's property tax
14 replacement payment. Each school district's property tax
15 replacement payment equals the school district's weighted
16 enrollment for the budget year beginning July 1, 2016,
17 multiplied by the remainder of the amount calculated for
18 the school district under subparagraph (2) minus the amount
19 calculated for the school district under subparagraph (1).

20 Sec. 4. Section 257.16B, subsection 2, Code 2017, is amended
21 by adding the following new paragraph:

22 NEW PARAGRAPH. e. For each budget year beginning on
23 or after July 1, 2017, the department of management shall
24 calculate for each school district all of the following:

25 (1) The regular program state cost per pupil for the budget
26 year beginning July 1, 2012, multiplied by one hundred percent
27 less the regular program foundation base per pupil percentage
28 pursuant to section 257.1.

29 (2) The regular program state cost per pupil for the budget
30 year beginning July 1, 2017, multiplied by one hundred percent
31 less the regular program foundation base per pupil percentage
32 pursuant to section 257.1.

33 (3) The amount of each school district's property tax
34 replacement payment. Each school district's property tax
35 replacement payment equals the school district's weighted

1 enrollment for the budget year multiplied by the remainder
2 of the amount calculated for the school district under
3 subparagraph (2) minus the amount calculated for the school
4 district under subparagraph (1).

5 Sec. 5. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
6 immediate importance, takes effect upon enactment.

7 Sec. 6. APPLICABILITY. This Act applies to school budget
8 years beginning on or after July 1, 2017.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 This bill relates to the state school foundation program, by
13 modifying requirements for the enactment of the state percents
14 of growth, establishing state percents of growth, and modifying
15 provisions relating to school district property tax replacement
16 payments.

17 The bill establishes a state percent of growth of 1.11
18 percent for the budget year beginning July 1, 2017. The
19 state percent of growth is used to calculate the amount
20 of supplemental state aid for a budget year as part of the
21 state school foundation program. The bill also establishes
22 a categorical state percent of growth of 1.11 percent for
23 the budget year beginning July 1, 2017. The categorical
24 state percent of growth is used to calculate the amount of
25 supplemental state aid for each of the categorical funding
26 supplements.

27 Current Code section 257.8 requires bills establishing the
28 state percent of growth and the categorical state percent of
29 growth to be enacted within 30 days of the submission in the
30 year preceding the base year of the governor's budget. Code
31 section 257.8 also requires the state percent of growth and the
32 categorical state percent of growth to be enacted in separate
33 bills and be the only subject matter of each bill. The bill
34 strikes the subject matter requirement for such bills and
35 specifies that the enactment deadline for bills establishing

1 the state percent of growth and the categorical state percent
2 of growth is within 30 days of transmission of the governor's
3 budget, which Code section 8.21 requires by February 1 of the
4 regular legislative session beginning in the base year.

5 Current Code section 257.16B provides for school district
6 property tax replacement payments. For each budget year
7 beginning on or after July 1, 2016, each school district's
8 property tax replacement payment amount is equal to the school
9 district's weighted enrollment for the budget year multiplied
10 by the difference of the following: (1) the regular program
11 state cost per pupil for the budget year beginning July 1,
12 2016, multiplied by 100 percent less the regular program
13 foundation base per pupil percentage; and (2) the regular
14 program state cost per pupil for the budget year beginning July
15 1, 2012, multiplied by 100 percent less the regular program
16 foundation base per pupil percentage. Under current law, the
17 regular program foundation base per pupil percentage is 87.5
18 percent.

19 The bill modifies the replacement payment calculation for
20 budget years beginning on or after July 1, 2017. For each
21 budget year beginning on or after July 1, 2017, each school
22 district's property tax replacement payment amount is equal to
23 the school district's weighted enrollment for the budget year
24 multiplied by the difference of the following: (1) the regular
25 program state cost per pupil for the budget year beginning July
26 1, 2017, multiplied by 100 percent less the regular program
27 foundation base per pupil percentage; and (2) the regular
28 program state cost per pupil for the budget year beginning July
29 1, 2012, multiplied by 100 percent less the regular program
30 foundation base per pupil percentage.

31 The bill takes effect upon enactment and applies to school
32 budget years beginning on or after July 1, 2017.