

**Senate File 2164 - Introduced**

SENATE FILE 2164  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 3109)

(COMPANION TO LSB 6154HV BY  
COMMITTEE ON EDUCATION)

**A BILL FOR**

1 An Act relating to the state school foundation program by  
2 establishing the state percent of growth and the categorical  
3 state percent of growth for the budget year beginning July  
4 1, 2018, modifying provisions relating to school district  
5 property tax replacement payments, and including effective  
6 date 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 2018,  
2 are amended to read as follows:

3 1. *State percent of growth.* ~~The state percent of growth for~~  
4 ~~the budget year beginning July 1, 2015, is one and twenty-five~~  
5 ~~hundredths percent.~~ The state percent of growth for the budget  
6 year beginning July 1, 2016, is two and twenty-five hundredths  
7 percent. The state percent of growth for the budget year  
8 beginning July 1, 2017, is one and eleven hundredths percent.  
9 The state percent of growth for the budget year beginning July  
10 1, 2018, is one percent. The state percent of growth for each  
11 subsequent budget year shall be established by statute which  
12 shall be enacted within thirty days of the transmission of the  
13 governor's budget required by February 1 under [section 8.21](#)  
14 during the regular legislative session beginning in the base  
15 year.

16 2. *Categorical state percent of growth.* ~~The categorical~~  
17 ~~state percent of growth for the budget year beginning July~~  
18 ~~1, 2015, is one and twenty-five hundredths percent.~~ The  
19 categorical state percent of growth for the budget year  
20 beginning July 1, 2016, is two and twenty-five hundredths  
21 percent. The categorical state percent of growth for  
22 the budget year beginning July 1, 2017, is one and eleven  
23 hundredths percent. The categorical state percent of growth  
24 for the budget year beginning July 1, 2018, is one percent.  
25 The categorical state percent of growth for each budget  
26 year shall be established by statute which shall be enacted  
27 within thirty days of the transmission of the governor's  
28 budget required by February 1 under [section 8.21](#) during the  
29 regular legislative session beginning in the base year. The  
30 categorical state percent of growth may include state percents  
31 of growth for the teacher salary supplement, the professional  
32 development supplement, the early intervention supplement, and  
33 the teacher leadership supplement.

34 Sec. 2. Section 257.16B, subsection 2, paragraph e,  
35 unnumbered paragraph 1, Code 2018, is amended to read as

1 follows:

2 For each the budget year beginning ~~on or after~~ July 1, 2017,  
3 the department of management shall calculate for each school  
4 district all of the following:

5 Sec. 3. Section 257.16B, subsection 2, paragraph e,  
6 subparagraph (3), Code 2018, is amended to read as follows:

7 (3) The amount of each school district's property tax  
8 replacement payment. Each school district's property tax  
9 replacement payment equals the school district's weighted  
10 enrollment for the budget year beginning July 1, 2017,  
11 multiplied by the remainder of the amount calculated for  
12 the school district under subparagraph (2) minus the amount  
13 calculated for the school district under subparagraph (1).

14 Sec. 4. Section 257.16B, subsection 2, Code 2018, is amended  
15 by adding the following new paragraph:

16 NEW PARAGRAPH. f. For each budget year beginning on  
17 or after July 1, 2018, the department of management shall  
18 calculate for each school district all of the following:

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

23 (2) The regular program state cost per pupil for the budget  
24 year beginning July 1, 2018, multiplied by one hundred percent  
25 less the regular program foundation base per pupil percentage  
26 pursuant to section 257.1.

27 (3) The amount of each school district's property tax  
28 replacement payment. Each school district's property tax  
29 replacement payment equals the school district's weighted  
30 enrollment for the budget year multiplied by the remainder  
31 of the amount calculated for the school district under  
32 subparagraph (2) minus the amount calculated for the school  
33 district under subparagraph (1).

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

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EXPLANATION

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

This bill relates to the state school foundation program.

The bill establishes the state percent of growth and the categorical state percent of growth for the budget year beginning July 1, 2018. The bill establishes a state percent of growth of 1 percent for the budget year beginning July 1, 2018. The state percent of growth is used to calculate the amount of supplemental state aid for a budget year as part of the state school foundation program.

The bill also establishes a categorical state percent of growth of 1 percent for the budget year beginning July 1, 2018. The categorical state percent of growth is used to calculate the amount of supplemental state aid for each of the categorical funding supplements.

Code section 257.16B provides for school district property tax replacement payments. For each budget year beginning on or after July 1, 2017, each school district's property tax replacement payment amount is equal to the school district's weighted enrollment for the budget year multiplied by the difference of the following: (1) the regular program state cost per pupil for the budget year beginning July 1, 2017, multiplied by 100 percent less the regular program foundation base per pupil percentage; and (2) the regular program state cost per pupil for the budget year beginning July 1, 2012, multiplied by 100 percent less the regular program foundation base per pupil percentage. The regular program foundation base per pupil percentage is 87.5 percent.

The bill modifies the property tax replacement payment calculation for budget years beginning on or after July 1, 2018. For budget years beginning on or after July 1, 2018, each school district's property tax replacement payment amount is equal to the school district's weighted enrollment for the budget year multiplied by the difference of the following: (1)

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1 the regular program state cost per pupil for the budget year  
2 beginning July 1, 2018, multiplied by 100 percent less the  
3 regular program foundation base per pupil percentage; and (2)  
4 the regular program state cost per pupil for the budget year  
5 beginning July 1, 2012, multiplied by 100 percent less the  
6 regular program foundation base per pupil percentage.  
7 The bill takes effect upon enactment.