

House File 383 - Introduced

HOUSE FILE 383

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**A BILL FOR**

1 An Act relating to public school funding by establishing  
2 the state percent of growth and the categorical state  
3 percent of growth for the budget year beginning July 1,  
4 2019, specifying citation references, modifying provisions  
5 relating to the property tax replacement payments, and  
6 including effective date provisions.

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

1 Section 1. Section 257.1, subsection 1, Code 2019, is  
2 amended to read as follows:

3 1. *Program established.* A state school foundation program  
4 is established for the school year commencing July 1, 1991, and  
5 succeeding school years. This chapter shall be known and may  
6 be cited as the "Fund Iowa's Future Act".

7 Sec. 2. Section 257.8, subsections 1 and 2, Code 2019, are  
8 amended to read as follows:

9 1. *State percent of growth.* ~~The state percent of growth~~  
10 ~~for the budget year beginning July 1, 2016, is two and~~  
11 ~~twenty-five hundredths percent.~~ The state percent of growth  
12 for the budget year beginning July 1, 2017, is one and eleven  
13 hundredths percent. The state percent of growth for the  
14 budget year beginning July 1, 2018, is one percent. The  
15 state percent of growth for the budget year beginning July 1,  
16 2019, is three percent. The state percent of growth for each  
17 subsequent budget year shall be established by statute which  
18 shall be enacted within thirty days of the transmission of the  
19 governor's budget required by February 1 under [section 8.21](#)  
20 during the regular legislative session beginning in the base  
21 year.

22 2. *Categorical state percent of growth.* ~~The categorical~~  
23 ~~state percent of growth for the budget year beginning July~~  
24 ~~1, 2016, is two and twenty-five hundredths percent.~~ The  
25 categorical state percent of growth for the budget year  
26 beginning July 1, 2017, is one and eleven hundredths percent.  
27 The categorical state percent of growth for the budget year  
28 beginning July 1, 2018, is one percent. The categorical state  
29 percent of growth for the budget year beginning July 1, 2019,  
30 is three percent. The categorical state percent of growth  
31 for each budget year shall be established by statute which  
32 shall be enacted within thirty days of the transmission of the  
33 governor's budget required by February 1 under [section 8.21](#)  
34 during the regular legislative session beginning in the base  
35 year. The categorical state percent of growth may include

1 state percents of growth for the teacher salary supplement, the  
2 professional development supplement, the early intervention  
3 supplement, and the teacher leadership supplement.

4 Sec. 3. Section 257.16B, subsection 1, Code 2019, is amended  
5 to read as follows:

6 1. For each fiscal year beginning on or after July 1, ~~2013~~  
7 2017, there is appropriated from the general fund of the state  
8 to the department of education an amount necessary to make all  
9 school district property tax replacement payments under this  
10 section, as calculated in [subsection 2](#).

11 Sec. 4. Section 257.16B, subsection 2, paragraphs a, b, c,  
12 and d, Code 2019, are amended by striking the paragraphs.

13 Sec. 5. Section 257.16B, subsection 2, paragraph f,  
14 unnumbered paragraph 1, Code 2019, is amended to read as  
15 follows:

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

19 Sec. 6. Section 257.16B, subsection 2, paragraph f,  
20 subparagraph (3), Code 2019, is amended to read as follows:

21 (3) The amount of each school district's property tax  
22 replacement payment. Each school district's property tax  
23 replacement payment equals the school district's weighted  
24 enrollment for the budget year beginning July 1, 2018,  
25 multiplied by the remainder of the amount calculated for  
26 the school district under subparagraph (2) minus the amount  
27 calculated for the school district under subparagraph (1).

28 Sec. 7. Section 257.16B, subsection 2, Code 2019, is amended  
29 by adding the following new paragraph:

30 NEW PARAGRAPH. *g.* For each budget year beginning on  
31 or after July 1, 2019, the department of management shall  
32 calculate for each school district all of the following:

33 (1) The regular program state cost per pupil for the budget  
34 year beginning July 1, 2012, multiplied by one hundred percent  
35 less the regular program foundation base per pupil percentage

1 pursuant to section 257.1.

2 (2) The regular program state cost per pupil for the budget  
3 year beginning July 1, 2019, multiplied by one hundred percent  
4 less the regular program foundation base per pupil percentage  
5 pursuant to section 257.1.

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

13 Sec. 8. EFFECTIVE DATE. This Act, being deemed of immediate  
14 importance, takes effect upon enactment.

15

EXPLANATION

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

18 This bill relates to public school funding by establishing  
19 the state percent of growth and the categorical state percent  
20 of growth for the budget year beginning July 1, 2019, and  
21 modifying provisions relating to the property tax replacement  
22 payments.

23 The bill specifies that Code chapter 257 shall be known and  
24 may be cited as the "Fund Iowa's Future Act".

25 The bill establishes a state percent of growth of 3 percent  
26 for the budget year beginning July 1, 2019. The state percent  
27 of growth is used to calculate the amount of supplemental state  
28 aid for a budget year as part of the state school foundation  
29 program. The bill also establishes a categorical state percent  
30 of growth of 3 percent for the budget year beginning July 1,  
31 2019. The categorical state percent of growth is used to  
32 calculate the amount of supplemental state aid for each of the  
33 categorical funding supplements.

34 Code section 257.16B provides for school district property  
35 tax replacement payments. For each budget year beginning on

1 or after July 1, 2018, each school district's property tax  
2 replacement payment amount is equal to the school district's  
3 weighted enrollment for the budget year multiplied by the  
4 difference of the following: (1) the regular program state  
5 cost per pupil for the budget year beginning July 1, 2018,  
6 multiplied by 100 percent less the regular program foundation  
7 base per pupil percentage; and (2) the regular program state  
8 cost per pupil for the budget year beginning July 1, 2012,  
9 multiplied by 100 percent less the regular program foundation  
10 base per pupil percentage. The regular program foundation base  
11 per pupil percentage is 87.5 percent.

12 The bill modifies the property tax replacement payment  
13 calculation for budget years beginning on or after July 1,  
14 2019. For budget years beginning on or after July 1, 2019,  
15 each school district's property tax replacement payment amount  
16 is equal to the school district's weighted enrollment for the  
17 budget year multiplied by the difference of the following: (1)  
18 the regular program state cost per pupil for the budget year  
19 beginning July 1, 2019, multiplied by 100 percent less the  
20 regular program foundation base per pupil percentage; and (2)  
21 the regular program state cost per pupil for the budget year  
22 beginning July 1, 2012, multiplied by 100 percent less the  
23 regular program foundation base per pupil percentage.

24 The bill takes effect upon enactment.