

**House Study Bill 109 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON EDUCATION BILL BY  
CHAIRPERSON DOLECHECK)

**A BILL FOR**

1 An Act relating to public school funding by establishing the  
2 state percent of growth and the categorical state percent of  
3 growth for the budget year beginning July 1, 2019, modifying  
4 provisions relating to the property tax replacement  
5 payments, and including effective date provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.8, subsections 1 and 2, Code 2019,  
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, 2016, is two and twenty-five~~  
5 ~~hundredths percent.~~ The state percent of growth for the budget  
6 year beginning July 1, 2017, is one and eleven hundredths  
7 percent. The state percent of growth for the budget year  
8 beginning July 1, 2018, is one percent. The state percent of  
9 growth for the budget year beginning July 1, 2019, is two and  
10 six hundredths 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, 2016, is two and twenty-five hundredths percent.~~ The  
19 categorical state percent of growth for the budget year  
20 beginning July 1, 2017, is one and eleven hundredths percent.  
21 The categorical state percent of growth for the budget year  
22 beginning July 1, 2018, is one percent. The categorical state  
23 percent of growth for the budget year beginning July 1, 2019,  
24 is two and six hundredths percent. The categorical state  
25 percent of growth for each budget year shall be established  
26 by statute which shall be enacted within thirty days of the  
27 transmission of the governor's budget required by February  
28 1 under [section 8.21](#) during the regular legislative session  
29 beginning in the base year. The categorical state percent of  
30 growth may include state percents of growth for the teacher  
31 salary supplement, the professional development supplement,  
32 the early intervention supplement, and the teacher leadership  
33 supplement.

34 Sec. 2. Section 257.16B, subsection 1, Code 2019, is amended  
35 to read as follows:

1 1. For each fiscal year beginning on or after July 1, ~~2013~~  
2 2017, there is appropriated from the general fund of the state  
3 to the department of education an amount necessary to make all  
4 school district property tax replacement payments under this  
5 section, as calculated in subsection 2.

6 Sec. 3. Section 257.16B, subsection 2, paragraphs a, b, c,  
7 and d, Code 2019, are amended by striking the paragraphs.

8 Sec. 4. Section 257.16B, subsection 2, paragraph f,  
9 unnumbered paragraph 1, Code 2019, is amended to read as  
10 follows:

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

14 Sec. 5. Section 257.16B, subsection 2, paragraph f,  
15 subparagraph (3), Code 2019, is amended to read as follows:

16 (3) The amount of each school district's property tax  
17 replacement payment. Each school district's property tax  
18 replacement payment equals the school district's weighted  
19 enrollment for the budget year beginning July 1, 2018,  
20 multiplied by the remainder of the amount calculated for  
21 the school district under subparagraph (2) minus the amount  
22 calculated for the school district under subparagraph (1).

23 Sec. 6. Section 257.16B, subsection 2, Code 2019, is amended  
24 by adding the following new paragraph:

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

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

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

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

8 Sec. 7. EFFECTIVE DATE. This Act, being deemed of immediate  
9 importance, takes effect upon enactment.

10

EXPLANATION

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

13 This bill relates to public school funding by establishing  
14 the state percent of growth and the categorical state percent  
15 of growth for the budget year beginning July 1, 2019, and  
16 modifying provisions relating to the property tax replacement  
17 payments.

18 The bill establishes a state percent of growth of 2.06  
19 percent for the budget year beginning July 1, 2019. The  
20 state percent of growth is used to calculate the amount  
21 of supplemental state aid for a budget year as part of the  
22 state school foundation program. The bill also establishes  
23 a categorical state percent of growth of 2.06 percent for  
24 the budget year beginning July 1, 2019. The categorical  
25 state percent of growth is used to calculate the amount of  
26 supplemental state aid for each of the categorical funding  
27 supplements.

28 Code section 257.16B provides for school district property  
29 tax replacement payments. For each budget year beginning on  
30 or after July 1, 2018, each school district's property tax  
31 replacement payment amount is equal to the school district's  
32 weighted enrollment for the budget year multiplied by the  
33 difference of the following: (1) the regular program state  
34 cost per pupil for the budget year beginning July 1, 2018,  
35 multiplied by 100 percent less the regular program foundation

1 base per pupil percentage; and (2) the regular program state  
2 cost per pupil for the budget year beginning July 1, 2012,  
3 multiplied by 100 percent less the regular program foundation  
4 base per pupil percentage. The regular program foundation base  
5 per pupil percentage is 87.5 percent.

6 The bill modifies the property tax replacement payment  
7 calculation for budget years beginning on or after July 1,  
8 2019. For budget years beginning on or after July 1, 2019,  
9 each school district's property tax replacement payment amount  
10 is equal to the school district's weighted enrollment for the  
11 budget year multiplied by the difference of the following: (1)  
12 the regular program state cost per pupil for the budget year  
13 beginning July 1, 2019, multiplied by 100 percent less the  
14 regular program foundation base per pupil percentage; and (2)  
15 the regular program state cost per pupil for the budget year  
16 beginning July 1, 2012, multiplied by 100 percent less the  
17 regular program foundation base per pupil percentage.

18 The bill takes effect upon enactment.