

House Study Bill 587 - 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 a
2 state percent of growth and the categorical state percent
3 of growth for the budget year beginning July 1, 2020,
4 modifying provisions and references relating to the property
5 tax replacement payment, and including effective date
6 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 2020,
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, 2017, is one and eleven~~
5 ~~hundredths percent.~~ The state percent of growth for the
6 budget year beginning July 1, 2018, is one percent. The
7 state percent of growth for the budget year beginning July 1,
8 2019, is two and six hundredths percent. The state percent
9 of growth for the budget year beginning July 1, 2020, is two
10 and one-half 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 1,~~
18 ~~2017, is one and eleven hundredths percent.~~ The categorical
19 state percent of growth for the budget year beginning July
20 1, 2018, is one percent. The categorical state percent of
21 growth for the budget year beginning July 1, 2019, is two and
22 six hundredths percent. The categorical state percent of
23 growth for the budget year beginning July 1, 2020, is two and
24 one-half percent. The categorical state percent of growth
25 for each budget year shall be established by statute which
26 shall be enacted within thirty days of the transmission of the
27 governor's budget required by February 1 under [section 8.21](#)
28 during the regular legislative session beginning in the base
29 year. The categorical state percent of growth may include
30 state percents of growth for the teacher salary supplement, the
31 professional development supplement, the early intervention
32 supplement, the teacher leadership supplement, and for budget
33 years beginning on or after July 1, 2020, transportation equity
34 aid payments under [section 257.16C](#).

35 Sec. 2. Section 257.16B, subsections 1 and 2, Code 2020, are

1 amended to read as follows:

2 1. For each fiscal year beginning on or after July 1, ~~2017~~
3 2018, there is appropriated from the general fund of the state
4 to the department of education an amount necessary to make all
5 school district property tax replacement payments under this
6 section, as calculated in [subsection 2](#).

7 ~~2. a. For the budget year beginning July 1, 2017, the~~
8 ~~department of management shall calculate for each school~~
9 ~~district all of the following:~~

10 ~~(1) The regular program state cost per pupil for the budget~~
11 ~~year beginning July 1, 2012, multiplied by one hundred percent~~
12 ~~less the regular program foundation base per pupil percentage~~
13 ~~pursuant to [section 257.1](#).~~

14 ~~(2) The regular program state cost per pupil for the budget~~
15 ~~year beginning July 1, 2017, multiplied by one hundred percent~~
16 ~~less the regular program foundation base per pupil percentage~~
17 ~~pursuant to [section 257.1](#).~~

18 ~~(3) The amount of each school district's property tax~~
19 ~~replacement payment. Each school district's property tax~~
20 ~~replacement payment equals the school district's weighted~~
21 ~~enrollment for the budget year beginning July 1, 2017,~~
22 ~~multiplied by the remainder of the amount calculated for~~
23 ~~the school district under subparagraph (2) minus the amount~~
24 ~~calculated for the school district under subparagraph (1).~~

25 ~~b. a.~~ For the budget year beginning July 1, 2018, the
26 department of management shall calculate for each school
27 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, 2018, 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 beginning July 1, 2018,
5 multiplied by the remainder of the amount calculated for
6 the school district under subparagraph (2) minus the amount
7 calculated for the school district under subparagraph (1).

8 ~~c.~~ b. For each the budget year beginning ~~on or after~~ July
9 1, 2019, the department of management shall calculate for each
10 school district all of the following:

11 (1) The regular program state cost per pupil for the budget
12 year beginning July 1, 2012, multiplied by one hundred percent
13 less the regular program foundation base per pupil percentage
14 pursuant to [section 257.1](#).

15 (2) The regular program state cost per pupil for the budget
16 year beginning July 1, 2019, multiplied by one hundred percent
17 less the regular program foundation base per pupil percentage
18 pursuant to [section 257.1](#).

19 (3) The amount of each school district's property tax
20 replacement payment. Each school district's property tax
21 replacement payment equals the school district's weighted
22 enrollment for the budget year beginning July 1, 2019,
23 multiplied by the remainder of the amount calculated for
24 the school district under subparagraph (2) minus the amount
25 calculated for the school district under subparagraph (1).

26 c. For each budget year beginning on or after July 1, 2020,
27 the department of management shall calculate for each school
28 district all of the following:

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

33 (2) The regular program state cost per pupil for the budget
34 year beginning July 1, 2020, multiplied by one hundred percent
35 less the regular program foundation base per pupil percentage

1 pursuant to section 257.1.

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

9 Sec. 3. Section 257.16D, subsection 2, paragraph b, Code
10 2020, is amended to read as follows:

11 b. The moneys available in a fiscal year in the foundation
12 base supplement fund shall be distributed by the department
13 of management to each school district on a per pupil basis
14 calculated using each school district's weighted enrollment,
15 as defined in [section 257.6](#), for that fiscal year. However,
16 the amount of a school district's foundation base supplement
17 payment for a budget year shall not exceed an amount equal to
18 the product of the school district's weighted enrollment for
19 the budget year multiplied by the amount for the budget year
20 calculated under [section 257.16B, subsection 2](#), paragraph "b",
21 subparagraph (2), product of the regular program state cost per
22 pupil for the budget year multiplied by one hundred percent
23 less the regular program foundation base per pupil percentage
24 pursuant to section 257.1, minus the amount of the school
25 district's property tax replacement payment under section
26 257.16B for the budget year.

27 Sec. 4. EFFECTIVE DATE. This Act, being deemed of immediate
28 importance, takes effect upon enactment.

29

EXPLANATION

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

32 This bill relates to public school funding by establishing
33 the state percent of growth and the categorical state percent
34 of growth for the budget year beginning July 1, 2020, and
35 modifying provisions and references relating to the property

1 tax replacement payments.

2 The bill establishes a state percent of growth of 2.5 percent
3 for the budget year beginning July 1, 2020. The state percent
4 of growth is used to calculate the amount of supplemental state
5 aid for a budget year as part of the state school foundation
6 program. The bill also establishes a categorical state percent
7 of growth of 2.5 percent for the budget year beginning July
8 1, 2020. The categorical state percent of growth is used to
9 calculate the amount of supplemental state aid for each of the
10 categorical funding supplements.

11 Code section 257.16B provides for school district property
12 tax replacement payments. Under current law, for each budget
13 year beginning on or after July 1, 2019, each school district's
14 property tax replacement payment amount is equal to the school
15 district's weighted enrollment for the budget year multiplied
16 by the difference of the following: (1) the regular program
17 state cost per pupil for the budget year beginning July 1,
18 2019, multiplied by 100 percent less the regular program
19 foundation base per pupil percentage; and (2) the regular
20 program state cost per pupil for the budget year beginning July
21 1, 2012, multiplied by 100 percent less the regular program
22 foundation base per pupil percentage. The regular program
23 foundation base per pupil percentage is 87.5 percent.

24 The bill modifies the property tax replacement payment
25 calculation for budget years beginning on or after July 1,
26 2020. For budget years beginning on or after July 1, 2020,
27 each school district's property tax replacement payment amount
28 is equal to the school district's weighted enrollment for the
29 applicable budget year multiplied by the difference of the
30 following: (1) the regular program state cost per pupil for
31 the budget year beginning July 1, 2020, multiplied by 100
32 percent less the regular program foundation base per pupil
33 percentage; and (2) the regular program state cost per pupil
34 for the budget year beginning July 1, 2012, multiplied by 100
35 percent less the regular program foundation base per pupil

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1 percentage.

2 The bill takes effect upon enactment.