A BILL FOR

1 An Act relating to public school funding by establishing the state percent of growth and the categorical state percent of growth for the budget year beginning July 1, 2021, modifying provisions relating to the regular program state cost per pupil, providing a funding supplement for certain school districts, modifying provisions relating to the property tax replacement payment and the transportation equity payments, making appropriations, and including effective date provisions.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
Section 1. Section 257.8, subsections 1 and 2, Code 2021, are amended to read as follows:

1. State percent of growth. The state percent of growth for the budget year beginning July 1, 2018, is one percent. The state percent of growth for the budget year beginning July 1, 2019, is two and six hundredths percent. The state percent of growth for the budget year beginning July 1, 2020, is two and three-tenths percent. The state percent of growth for the budget year beginning July 1, 2021, is two and two-tenths percent. The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the transmission of the governor’s budget required by February 1 under section 8.21 during the regular legislative session beginning in the base year.

2. Categorical state percent of growth. The categorical state percent of growth for the budget year beginning July 1, 2018, is one percent. The categorical state percent of growth for the budget year beginning July 1, 2019, is two and six hundredths percent. The categorical state percent of growth for the budget year beginning July 1, 2020, is two and three-tenths percent. The categorical state percent of growth for the budget year beginning July 1, 2021, is two and two-tenths percent. The categorical state percent of growth for each budget year shall be established by statute which shall be enacted within thirty days of the transmission of the governor’s budget required by February 1 under section 8.21 during the regular legislative session beginning in the base year. The categorical state percent of growth may include state percents of growth for the teacher salary supplement, the professional development supplement, the early intervention supplement, the teacher leadership supplement, and for budget years beginning on or after July 1, 2020, transportation equity aid payments under section 257.16C.

Sec. 2. Section 257.9, subsection 2, Code 2021, is amended
2. Regular program state cost per pupil for 1992-1993 and succeeding years.
   a. For the budget year beginning July 1, 1992, and succeeding budget years beginning before July 1, 2018, the regular program state cost per pupil for a budget year is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year.
   b. For the budget year beginning July 1, 2018, the regular program state cost per pupil is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year, plus five dollars.
   c. For the budget year beginning July 1, 2019, the regular program state cost per pupil is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year, plus five dollars.
   d. For the budget year beginning July 1, 2020, the regular program state cost per pupil is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year, plus five dollars.
   e. For the budget year beginning July 1, 2021, the regular program state cost per pupil is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year, plus ten dollars.
   f. For the budget year beginning July 1, 2021, and succeeding budget years, the regular program state cost per pupil for a budget year is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year.
   Sec. 3. Section 257.16B, subsections 1 and 2, Code 2021, are amended to read as follows:
   1. For each fiscal year beginning on or after July 1, 2018, there is appropriated from the general fund of the state to the department of education an amount necessary to make all
school district property tax replacement payments under this section, as calculated in subsection 2.

2. a. For the budget year beginning July 1, 2018, the department of management shall calculate for each school district all of the following:

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

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

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

b. For the budget year beginning July 1, 2019, the department of management shall calculate for each school district all of the following:

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

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

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

(b) For each budget year beginning on or after July
1, 2020, the department of management shall calculate for each
school district all of the following:

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

(2) The regular program state cost per pupil for the budget
year beginning July 1, 2020, multiplied by one hundred percent
less the regular program foundation base per pupil percentage
pursuant to section 257.1.

(3) The amount of each school district’s property tax
replacement payment. Each school district’s property tax
replacement payment equals the school district’s weighted
enrollment for the budget year beginning July 1, 2020,
multiplied by the remainder of the amount calculated for
the school district under subparagraph (2) minus the amount
calculated for the school district under subparagraph (1).

For each budget year beginning on or after July 1, 2021,
the department of management shall calculate for each school
district all of the following:

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

(2) The regular program state cost per pupil for the budget
year beginning July 1, 2021, multiplied by one hundred percent
less the regular program foundation base per pupil percentage
pursuant to section 257.1.

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

Sec. 4. Section 257.16C, subsection 3, paragraph d,
subparagraph (3), Code 2021, is amended to read as follows:
(3) For each fiscal year beginning on or after July
1, 2021, there is appropriated from the general fund of the
state to the department of management for deposit in the
transportation equity fund the sum of the following, or so
much thereof as is necessary an amount necessary to make all
transportation equity aid payments under subsection 2, to be
used for the purposes of this section:
(a) The amount appropriated to the transportation equity
fund under this paragraph for the immediately preceding fiscal
year.
(b) The product of the amount determined under subparagraph
division (a) multiplied by the categorical percent of growth
under section 257.8, subsection 2, for the budget year
beginning on the same date of the fiscal year for which the
appropriation is made.

Sec. 5. Section 257.16C, subsection 3, paragraph d, Code
2021, is amended by adding the following new subparagraph:
NEW SUBPARAGRAPH. (4) For each fiscal year beginning on
or after July 1, 2022, there is appropriated from the general
fund of the state to the department of management for deposit
in the transportation equity fund the sum of the following, or
so much thereof as is necessary, to be used for the purposes of
this section:
(a) The amount appropriated to the transportation equity
fund under this paragraph for the immediately preceding fiscal
year.
(b) The product of the amount determined under subparagraph
division (a) multiplied by the categorical percent of growth
under section 257.8, subsection 2, for the budget year.
beginning on the same date of the fiscal year for which the
appropriation is made.

Sec. 6. QUALIFIED INSTRUCTION FUNDING SUPPLEMENT FOR FY
2021-2022 — APPROPRIATION.

1. For the school budget year beginning July 1, 2021, and
ending June 30, 2022, each qualified school district shall
receive a qualified instruction funding supplement. The
supplement shall be in an amount equal to the product of
sixty-five dollars multiplied by the budget enrollment for the
qualified school district for the budget year beginning July
1, 2021.

2. The qualified instruction funding supplement shall be
miscellaneous income, shall be deposited in the general fund of
the school district, may be used for any school general fund
purpose, and shall not be included in district cost.

3. The qualified instruction funding supplement shall be
paid at the same time and in the same manner as foundation
aid is paid under section 257.16, and may be included in the
monthly payment of state aid under section 257.16, subsection
2.

4. There is appropriated from the general fund of the state
to the department of management for the fiscal year beginning
July 1, 2021, and ending June 30, 2022, an amount necessary to
make all qualified instruction funding supplement payments for
the fiscal year.

5. For purposes of this section, “qualified school
district” means a brick-and-mortar public school district other
than a school district that for the school year beginning July
1, 2020, and ending June 30, 2021, did either of the following:

a. Provided instruction primarily through remote-learning
opportunities without an approved waiver from the department of
education for such method of instruction in accordance with the
requirements of 2020 Iowa Acts, ch. 1107; section 279.10; the
governor’s proclamation of a public health disaster emergency
issued July 17, 2020; and subsequent applicable proclamations
of a public health disaster emergency issued by the governor pursuant to section 29C.6 and related to COVID-19.

b. Failed to comply with the requirement of 2021 Iowa Acts, Senate File 160, section 1, to provide an opportunity for full-time in-person instruction without an approved waiver from the governor authorized under 2021 Iowa Acts, Senate File 160, section 2.

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

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 public school funding by establishing the state percent of growth and the categorical state percent of growth for the budget year beginning July 1, 2021, modifying provisions relating to the regular program state cost per pupil, providing a funding supplement for certain schools, modifying provisions and references relating to the property tax replacement payment, and modifying appropriations for transportation funding. The bill establishes a state percent of growth of 2.2 percent for the budget year beginning July 1, 2021. 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 2.2 percent for the budget year beginning July 1, 2021. The categorical state percent of growth is used to calculate the amount of supplemental state aid for each of the categorical funding supplements.

Current Code section 257.9 provides that for the budget year beginning July 1, 2021, and succeeding budget years, the regular program state cost per pupil for a budget year is the regular program state cost per pupil for the base year, which includes the $10 addition made for the budget year beginning July 1, 2020, plus the regular program supplemental state aid...
for the budget year.

Under the bill, for the budget year beginning July 1, 2021, the regular program state cost per pupil is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year, plus $15. Then with the budget year beginning July 1, 2022, and succeeding budget years, the regular program state cost per pupil will again be calculated as the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year.

Code section 257.16B provides for school district property tax replacement payments. Under current law, for each budget year beginning on or after July 1, 2020, 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, 2020, 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, 2021. For budget years beginning on or after July 1, 2021, each school district’s property tax replacement payment amount is equal to the school district’s weighted enrollment for the applicable budget year multiplied by the difference of the following: (1) the regular program state cost per pupil for the budget year beginning July 1, 2021, 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.
1 percentage.
2 For each fiscal year beginning on or after July 1, 2021,
3 Code section 257.16C appropriates from the general fund of the
4 state to the transportation equity fund the sum of the amount
5 appropriated for the immediately preceding fiscal year plus
6 the product of the amount appropriated for the immediately
7 preceding fiscal year multiplied by the categorical percent
8 of growth for the corresponding school budget year. The bill
9 modifies the appropriation for the fiscal year beginning
10 July 1, 2021, such that the total appropriated is equal to
11 the amount necessary to make all transportation equity aid
12 payments.
13 The bill establishes a qualified instruction funding
14 supplement for the school budget year beginning July 1, 2021,
15 and ending June 30, 2022. Each qualified school district shall
16 receive a qualified instruction funding supplement in an amount
17 equal to the product of $65 multiplied by the budget enrollment
18 for the qualified school district for the budget year beginning
19 July 1, 2021. The bill defines "qualified school district"
20 to mean a brick-and-mortar public school district other than
21 a school district that for the school year beginning July 1,
22 2020, and ending June 30, 2021, failed to comply with specified
23 student instruction requirements without a waiver.
24 The qualified instruction funding supplement is
25 miscellaneous income, shall be deposited in the general fund of
26 the school district, may be used for any school general fund
27 purpose, and shall not be included in district cost.
28 The bill appropriates from the general fund of the state to
29 the department of management an amount necessary to make all
30 qualified instruction funding supplement payments under the
31 bill.
32 The bill takes effect upon enactment.