

Senate File 269 - Introduced

SENATE FILE 269
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 1159)

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, 2021, modifying
4 provisions relating to the regular program state cost per
5 pupil, providing a funding supplement for certain school
6 districts, modifying provisions relating to the property
7 tax replacement payment and the transportation equity
8 payments, making appropriations, and including effective
9 date provisions.
10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.8, subsections 1 and 2, Code 2021,
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, 2018, is one percent.~~
5 The state percent of growth for the budget year beginning
6 July 1, 2019, is two and six hundredths percent. The state
7 percent of growth for the budget year beginning July 1,
8 2020, is two and three-tenths percent. The state percent of
9 growth for the budget year beginning July 1, 2021, is two and
10 two-tenths 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, 2018, is one percent.~~ The categorical state percent of
19 growth for the budget year beginning July 1, 2019, is two
20 and six hundredths percent. The categorical state percent
21 of growth for the budget year beginning July 1, 2020, is two
22 and three-tenths percent. The categorical state percent of
23 growth for the budget year beginning July 1, 2021, is two and
24 two-tenths 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 257.9, subsection 2, Code 2021, is amended

1 to read as follows:

2 2. *Regular program state cost per pupil for 1992-1993 and*
3 *succeeding years.*

4 a. For the budget year beginning July 1, 1992, and
5 succeeding budget years beginning before July 1, 2018, the
6 regular program state cost per pupil for a budget year is the
7 regular program state cost per pupil for the base year plus the
8 regular program supplemental state aid for the budget year.

9 b. For the budget year beginning July 1, 2018, the regular
10 program state cost per pupil is the regular program state
11 cost per pupil for the base year plus the regular program
12 supplemental state aid for the budget year, plus five dollars.

13 c. For the budget year beginning July 1, 2019, the regular
14 program state cost per pupil is the regular program state
15 cost per pupil for the base year plus the regular program
16 supplemental state aid for the budget year, plus five dollars.

17 d. For the budget year beginning July 1, 2020, the regular
18 program state cost per pupil is the regular program state
19 cost per pupil for the base year plus the regular program
20 supplemental state aid for the budget year, plus ten dollars.

21 e. For the budget year beginning July 1, 2021, the regular
22 program state cost per pupil is the regular program state
23 cost per pupil for the base year plus the regular program
24 supplemental state aid for the budget year, plus fifteen
25 dollars.

26 ~~e.~~ f. For the budget year beginning July 1, ~~2021~~ 2022, and
27 succeeding budget years, the regular program state cost per
28 pupil for a budget year is the regular program state cost per
29 pupil for the base year plus the regular program supplemental
30 state aid for the budget year.

31 Sec. 3. Section 257.16B, subsections 1 and 2, Code 2021, are
32 amended to read as follows:

33 1. For each fiscal year beginning on or after July 1, ~~2018~~
34 2019, there is appropriated from the general fund of the state
35 to the department of education an amount necessary to make all

1 school district property tax replacement payments under this
2 section, as calculated in [subsection 2](#).

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

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

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

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

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

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

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

32 ~~(3) The amount of each school district's property tax~~
33 ~~replacement payment. Each school district's property tax~~
34 ~~replacement payment equals the school district's weighted~~
35 ~~enrollment for the budget year beginning July 1, 2019,~~

1 multiplied by the remainder of the amount calculated for
2 the school district under subparagraph (2) minus the amount
3 calculated for the school district under subparagraph (1).

4 ~~e.~~ b. For each the budget year beginning ~~on or~~ after July
5 1, 2020, the department of management shall calculate for each
6 school district all of the following:

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

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

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

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

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

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

33 (3) The amount of each school district's property tax
34 replacement payment. Each school district's property tax
35 replacement payment equals the school district's weighted

1 enrollment for the budget year multiplied by the remainder
2 of the amount calculated for the school district under
3 subparagraph (2) minus the amount calculated for the school
4 district under subparagraph (1).

5 Sec. 4. Section 257.16C, subsection 3, paragraph d,
6 subparagraph (3), Code 2021, is amended to read as follows:

7 (3) For each the fiscal year beginning ~~on or after~~ July
8 1, 2021, there is appropriated from the general fund of the
9 state to the department of management for deposit in the
10 transportation equity fund ~~the sum of the following, or so~~
11 ~~much thereof as is necessary~~ an amount necessary to make all
12 transportation equity aid payments under subsection 2, to be
13 used for the purposes of this section.

14 ~~(a) The amount appropriated to the transportation equity~~
15 ~~fund under this paragraph for the immediately preceding fiscal~~
16 ~~year.~~

17 ~~(b) The product of the amount determined under subparagraph~~
18 ~~division (a) multiplied by the categorical percent of growth~~
19 ~~under section 257.8, subsection 2, for the budget year~~
20 ~~beginning on the same date of the fiscal year for which the~~
21 ~~appropriation is made.~~

22 Sec. 5. Section 257.16C, subsection 3, paragraph d, Code
23 2021, is amended by adding the following new subparagraph:

24 NEW SUBPARAGRAPH. (4) For each fiscal year beginning on
25 or after July 1, 2022, there is appropriated from the general
26 fund of the state to the department of management for deposit
27 in the transportation equity fund the sum of the following, or
28 so much thereof as is necessary, to be used for the purposes of
29 this section:

30 (a) The amount appropriated to the transportation equity
31 fund under this paragraph for the immediately preceding fiscal
32 year.

33 (b) The product of the amount determined under subparagraph
34 division (a) multiplied by the categorical percent of growth
35 under section 257.8, subsection 2, for the budget year

1 beginning on the same date of the fiscal year for which the
2 appropriation is made.

3 Sec. 6. QUALIFIED INSTRUCTION FUNDING SUPPLEMENT FOR FY
4 2021-2022 — APPROPRIATION.

5 1. For the school budget year beginning July 1, 2021, and
6 ending June 30, 2022, each qualified school district shall
7 receive a qualified instruction funding supplement. The
8 supplement shall be in an amount equal to the product of
9 sixty-five dollars multiplied by the budget enrollment for the
10 qualified school district for the budget year beginning July
11 1, 2021.

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

16 3. The qualified instruction funding supplement shall be
17 paid at the same time and in the same manner as foundation
18 aid is paid under section 257.16, and may be included in the
19 monthly payment of state aid under section 257.16, subsection
20 2.

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

26 5. For purposes of this section, "qualified school
27 district" means a brick-and-mortar public school district other
28 than a school district that for the school year beginning July
29 1, 2020, and ending June 30, 2021, did either of the following:

30 a. Provided instruction primarily through remote-learning
31 opportunities without an approved waiver from the department of
32 education for such method of instruction in accordance with the
33 requirements of 2020 Iowa Acts, ch. 1107; section 279.10; the
34 governor's proclamation of a public health disaster emergency
35 issued July 17, 2020; and subsequent applicable proclamations

1 of a public health disaster emergency issued by the governor
2 pursuant to section 29C.6 and related to COVID-19.

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

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

10

EXPLANATION

11

The inclusion of this explanation does not constitute agreement with

12

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, 2021, modifying
16 provisions relating to the regular program state cost per
17 pupil, providing a funding supplement for certain schools,
18 modifying provisions and references relating to the property
19 tax replacement payment, and modifying appropriations for
20 transportation funding.

21

The bill establishes a state percent of growth of 2.2 percent
22 for the budget year beginning July 1, 2021. The state percent
23 of growth is used to calculate the amount of supplemental state
24 aid for a budget year as part of the state school foundation
25 program. The bill also establishes a categorical state percent
26 of growth of 2.2 percent for the budget year beginning July
27 1, 2021. The categorical state percent of growth is used to
28 calculate the amount of supplemental state aid for each of the
29 categorical funding supplements.

30

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

1 for the budget year.

2 Under the bill, for the budget year beginning July 1, 2021,
3 the regular program state cost per pupil is the regular program
4 state cost per pupil for the base year plus the regular program
5 supplemental state aid for the budget year, plus \$15. Then
6 with the budget year beginning July 1, 2022, and succeeding
7 budget years, the regular program state cost per pupil will
8 again be calculated as the regular program state cost per pupil
9 for the base year plus the regular program supplemental state
10 aid for the budget year.

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, 2020, 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 2020, 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 2021. For budget years beginning on or after July 1, 2021,
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, 2021, 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

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.