

**House File 2613 - Introduced**

HOUSE FILE 2613  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 712)

**A BILL FOR**

1 An Act relating to school funding by establishing the state  
2 percent of growth and the categorical state percent of  
3 growth for the budget year beginning July 1, 2024, modifying  
4 provisions relating to the property tax replacement  
5 payments, making appropriations, and including effective  
6 date 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 2024,  
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, 2021, is two and four-tenths~~  
5 ~~percent.~~ The state percent of growth for the budget year  
6 beginning July 1, 2022, is two and one-half percent. The  
7 state percent of growth for the budget year beginning July 1,  
8 2023, is three percent. The state percent of growth for the  
9 budget year beginning July 1, 2024, is three percent. The  
10 state percent of growth for each subsequent budget year shall  
11 be established by statute which shall be enacted within thirty  
12 days of the transmission of the governor's budget required by  
13 February 1 under [section 8.21](#) during the regular legislative  
14 session beginning in the base year.

15 2. *Categorical state percent of growth.* ~~The categorical~~  
16 ~~state percent of growth for the budget year beginning July 1,~~  
17 ~~2021, is two and four-tenths percent.~~ The categorical state  
18 percent of growth for the budget year beginning July 1, 2022,  
19 is two and one-half percent. The categorical state percent of  
20 growth for the budget year beginning July 1, 2023, is three  
21 percent. The categorical state percent of growth for the  
22 budget year beginning July 1, 2024, is three percent. The  
23 categorical state percent of growth for each budget year shall  
24 be established by statute which shall be enacted within thirty  
25 days of the transmission of the governor's budget required by  
26 February 1 under [section 8.21](#) during the regular legislative  
27 session beginning in the base year. The categorical state  
28 percent of growth may include state percents of growth for  
29 the teacher salary supplement, the professional development  
30 supplement, the early intervention supplement, the teacher  
31 leadership supplement, and for budget years beginning on or  
32 after July 1, 2020, transportation equity aid payments under  
33 section 257.16C.

34 Sec. 2. Section 257.16B, subsections 1 and 2, Code 2024, are  
35 amended to read as follows:

1 1. For each fiscal year beginning on or after July 1, ~~2021~~  
2 2022, 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 2. ~~a. For the budget year beginning July 1, 2021, the~~  
7 ~~department of management shall calculate for each school~~  
8 ~~district all of the following:~~

9 ~~(1) The regular program state cost per pupil for the budget~~  
10 ~~year beginning July 1, 2012, multiplied by one hundred percent~~  
11 ~~less the regular program foundation base per pupil percentage~~  
12 ~~pursuant to [section 257.1](#) for the budget year beginning July~~  
13 ~~1, 2021.~~

14 ~~(2) The regular program state cost per pupil for the budget~~  
15 ~~year beginning July 1, 2021, multiplied by one hundred percent~~  
16 ~~less the regular program foundation base per pupil percentage~~  
17 ~~pursuant to [section 257.1](#) for the budget year beginning July~~  
18 ~~1, 2021.~~

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, 2021,~~  
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 ~~b. a.~~ (1) For the budget year beginning July 1, 2022,  
27 the amount of each school district's property tax replacement  
28 payment shall be the product of the school district's weighted  
29 enrollment for the budget year multiplied by the per pupil  
30 property tax replacement amount for the budget year calculated  
31 under subparagraph (2).

32 (2) The per pupil property tax replacement amount for the  
33 budget year beginning July 1, 2022, is equal to the sum of one  
34 hundred fifty-three dollars plus the difference between the  
35 following:

1 (a) The regular program state cost per pupil for the budget  
2 year beginning July 1, 2022, multiplied by one hundred percent  
3 less the regular program foundation base per pupil percentage  
4 pursuant to [section 257.1](#) for the budget year beginning July  
5 1, 2022.

6 (b) The regular program state cost per pupil for the budget  
7 year beginning July 1, 2021, multiplied by one hundred percent  
8 less the regular program foundation base per pupil percentage  
9 pursuant to [section 257.1](#) for the budget year beginning July  
10 1, 2022.

11 ~~e.~~ b. (1) For each the budget year beginning ~~on or after~~  
12 July 1, 2023, the amount of each school district's property  
13 tax replacement payment shall be the product of the school  
14 district's weighted enrollment for the budget year multiplied  
15 by the per pupil property tax replacement amount for the budget  
16 year calculated under subparagraph (2).

17 (2) The per pupil property tax replacement amount for  
18 the budget years year beginning ~~on or after~~ July 1, 2023, is  
19 equal to the sum of one hundred fifty-three dollars plus the  
20 difference between the following:

21 (a) The regular program state cost per pupil for the budget  
22 year beginning July 1, 2023, multiplied by one hundred percent  
23 less the regular program foundation base per pupil percentage  
24 pursuant to [section 257.1](#) for the ~~applicable~~ budget year ~~under~~  
25 ~~this paragraph~~ beginning July 1, 2023.

26 (b) The regular program state cost per pupil for the budget  
27 year beginning July 1, 2021, multiplied by one hundred percent  
28 less the regular program foundation base per pupil percentage  
29 pursuant to [section 257.1](#) for the ~~applicable~~ budget year ~~under~~  
30 ~~this paragraph~~ beginning July 1, 2023.

31 c. (1) For each budget year beginning on or after July  
32 1, 2024, the amount of each school district's property  
33 tax replacement payment shall be the product of the school  
34 district's weighted enrollment for the budget year multiplied  
35 by the per pupil property tax replacement amount for the budget

1 year calculated under subparagraph (2).

2 (2) The per pupil property tax replacement amount for budget  
3 years beginning on or after July 1, 2024, is equal to the sum  
4 of one hundred fifty-three dollars plus the difference between  
5 the following:

6 (a) The regular program state cost per pupil for the budget  
7 year beginning July 1, 2024, multiplied by one hundred percent  
8 less the regular program foundation base per pupil percentage  
9 pursuant to section 257.1 for the applicable budget year under  
10 this paragraph.

11 (b) The regular program state cost per pupil for the budget  
12 year beginning July 1, 2021, multiplied by one hundred percent  
13 less the regular program foundation base per pupil percentage  
14 pursuant to section 257.1 for the applicable budget year under  
15 this paragraph.

16 Sec. 3. CODE SECTION 257.8 — IMPLEMENTATION. The  
17 requirements of section 257.8, subsections 1 and 2, regarding  
18 the enactment of bills establishing the state percent of growth  
19 and the categorical state percent of growth within thirty  
20 days of the transmission of the governor's budget required by  
21 February 1 under section 8.21 during the regular legislative  
22 session beginning in the base year, do not apply to this Act.

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

25 EXPLANATION

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

28 This bill relates to school funding by establishing the  
29 state percent of growth and the categorical state percent  
30 of growth for the budget year beginning July 1, 2024, and  
31 modifying provisions relating to the property tax replacement  
32 payments.

33 The bill establishes a state percent of growth of 3 percent  
34 for the budget year beginning July 1, 2024. The state percent  
35 of growth is used to calculate the amount of supplemental state

1 aid for a budget year as part of the state school foundation  
2 program. The bill also establishes a categorical state percent  
3 of growth of 3 percent for the budget year beginning July 1,  
4 2024. The categorical state percent of growth is generally  
5 used to calculate the amount of supplemental state aid for each  
6 of the categorical funding supplements.

7 Under current law, the state percent of growth and the  
8 categorical state percent of growth used to determine the  
9 funding each school district shall receive for the upcoming  
10 budget year is required to be set by statute within 30 days of  
11 the transmission of the governor's budget required by February  
12 1 under Code section 8.21. The bill allows the state percent  
13 of growth and categorical state percent of growth to be set on  
14 a date after 30 days from the transmission of the governor's  
15 budget.

16 Code section 257.16B provides for school district property  
17 tax replacement payments. For each budget year beginning on  
18 or after July 1, 2023, the amount of each school district's  
19 property tax replacement payment is the product of the school  
20 district's weighted enrollment for the budget year multiplied  
21 by the per pupil property tax replacement amount for the budget  
22 year. The per pupil property tax replacement amount for budget  
23 years beginning on or after July 1, 2023, is equal to the  
24 sum of \$153 plus the difference between the following: (1)  
25 the regular program state cost per pupil for the budget year  
26 beginning July 1, 2023, multiplied by 100 percent less the  
27 regular program foundation base per pupil percentage; and (2)  
28 the regular program state cost per pupil for the budget year  
29 beginning July 1, 2021, multiplied by 100 percent less the  
30 regular program foundation base per pupil percentage. The  
31 regular program foundation base per pupil percentage is 88.4  
32 percent.

33 The bill modifies the property tax replacement payment  
34 calculation for budget years beginning on or after July 1,  
35 2024. For budget years beginning on or after July 1, 2024,

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1 the amount of each school district's property tax replacement  
2 payment is the product of the school district's weighted  
3 enrollment for the budget year multiplied by the per pupil  
4 property tax replacement amount for the budget year. The  
5 per pupil property tax replacement amount for budget years  
6 beginning on or after July 1, 2024, is equal to the sum of \$153  
7 plus the difference between the following: (1) the regular  
8 program state cost per pupil for the budget year beginning July  
9 1, 2024, multiplied by 100 percent less the regular program  
10 foundation base per pupil percentage; and (2) the regular  
11 program state cost per pupil for the budget year beginning July  
12 1, 2021, multiplied by 100 percent less the regular program  
13 foundation base per pupil percentage.  
14 The bill takes effect upon enactment.