

Senate File 192 - Introduced

SENATE FILE 192
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 1081)

(COMPANION TO HF 171 BY
COMMITTEE ON EDUCATION)

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, 2023, 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 2023,
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, 2020, is two and three-tenths~~
5 ~~percent.~~ The state percent of growth for the budget year
6 beginning July 1, 2021, is two and four-tenths percent. The
7 state percent of growth for the budget year beginning July 1,
8 2022, is two and one-half percent. The state percent of growth
9 for the budget year beginning July 1, 2023, is three percent.
10 The state percent of growth for each subsequent budget year
11 shall be established by statute which shall be enacted within
12 thirty days of the transmission of the governor's budget
13 required by February 1 under [section 8.21](#) during the regular
14 legislative 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 ~~2020, is two and three-tenths percent.~~ The categorical state
18 percent of growth for the budget year beginning July 1, 2021,
19 is two and four-tenths percent. The categorical state percent
20 of growth for the budget year beginning July 1, 2022, is two
21 and one-half percent. The categorical state percent of growth
22 for the budget year beginning July 1, 2023, is three percent.
23 The categorical state percent of growth for each budget
24 year shall be established by statute which shall be enacted
25 within thirty days of the transmission of the governor's
26 budget required by February 1 under [section 8.21](#) during the
27 regular legislative session beginning in the base year. The
28 categorical state percent of growth may include state percents
29 of growth for the teacher salary supplement, the professional
30 development supplement, the early intervention supplement, the
31 teacher leadership supplement, and for budget years beginning
32 on or after July 1, 2020, transportation equity aid payments
33 under [section 257.16C](#).

34 Sec. 2. Section 257.16B, subsections 1 and 2, Code 2023, are
35 amended to read as follows:

1 1. For each fiscal year beginning on or after July 1, 2020
2 2021, 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, 2020, 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, 2020.~~

14 ~~(2) The regular program state cost per pupil for the budget~~
15 ~~year beginning July 1, 2020, 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, 2020.~~

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, 2020,~~
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.~~ For the budget year beginning July 1, 2021, the
27 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](#) for the budget year beginning July
33 1, 2021.

34 (2) The regular program state cost per pupil for the budget
35 year beginning July 1, 2021, multiplied by one hundred percent

1 less the regular program foundation base per pupil percentage
2 pursuant to [section 257.1](#) for the budget year beginning July
3 1, 2021.

4 (3) The amount of each school district's property tax
5 replacement payment. Each school district's property tax
6 replacement payment equals the school district's weighted
7 enrollment for the budget year beginning July 1, 2021,
8 multiplied by the remainder of the amount calculated for
9 the school district under subparagraph (2) minus the amount
10 calculated for the school district under subparagraph (1).

11 ~~e.~~ b. (1) For each the budget year beginning ~~on or after~~
12 July 1, 2022, 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, 2022, 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, 2022, 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, 2022.

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, 2022.

31 c. (1) For each budget year beginning on or after July
32 1, 2023, 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, 2023, 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, 2023, 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. EFFECTIVE DATE. This Act, being deemed of immediate
17 importance, takes effect upon enactment.

18 EXPLANATION

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

21 This bill relates to school funding by establishing the
22 state percent of growth and the categorical state percent
23 of growth for the budget year beginning July 1, 2023, and
24 modifying provisions relating to the property tax replacement
25 payments.

26 The bill establishes a state percent of growth of 3 percent
27 for the budget year beginning July 1, 2023. The state percent
28 of growth is used to calculate the amount of supplemental state
29 aid for a budget year as part of the state school foundation
30 program. The bill also establishes a categorical state percent
31 of growth of 3 percent for the budget year beginning July 1,
32 2023. The categorical state percent of growth is generally
33 used to calculate the amount of supplemental state aid for each
34 of the categorical funding supplements.

35 Code section 257.16B provides for school district property

1 tax replacement payments. For each budget year beginning on
2 or after July 1, 2022, the amount of each school district's
3 property tax replacement payment is the product of the school
4 district's weighted enrollment for the budget year multiplied
5 by the per pupil property tax replacement amount for the budget
6 year. The per pupil property tax replacement amount for budget
7 years beginning on or after July 1, 2022, is equal to the
8 sum of \$153 plus the difference between the following: (1)
9 the regular program state cost per pupil for the budget year
10 beginning July 1, 2022, multiplied by 100 percent less the
11 regular program foundation base per pupil percentage; and (2)
12 the regular program state cost per pupil for the budget year
13 beginning July 1, 2021, multiplied by 100 percent less the
14 regular program foundation base per pupil percentage. The
15 regular program foundation base per pupil percentage is 88.4
16 percent.

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

33 The bill takes effect upon enactment.