

**Senate File 2429 - Introduced**

SENATE FILE 2429

BY DONAHUE

**A BILL FOR**

1 An Act establishing an area education agency support supplement  
2 categorical, and making appropriations.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.1, subsection 2, paragraph b, Code  
2 2024, is amended to read as follows:

3 b. For the budget year commencing July 1, 1999, and for  
4 each succeeding budget year beginning before July 1, 2022,  
5 the regular program foundation base per pupil is eighty-seven  
6 and five-tenths percent of the regular program state cost per  
7 pupil. For the budget year commencing July 1, 2022, and for  
8 each succeeding budget year, the regular program foundation  
9 base per pupil is eighty-eight and four-tenths percent of the  
10 regular program state cost per pupil. For the budget year  
11 commencing July 1, 1991, and for each succeeding budget year  
12 the special education support services foundation base is  
13 seventy-nine percent of the special education support services  
14 state cost per pupil. The combined foundation base is the sum  
15 of the regular program foundation base, the special education  
16 support services foundation base, the total teacher salary  
17 supplement district cost, the total professional development  
18 supplement district cost, the total early intervention  
19 supplement district cost, the total teacher leadership  
20 supplement district cost, the total area education agency  
21 teacher salary supplement district cost, ~~and~~ the total area  
22 education agency professional development supplement district  
23 cost, and the total area education agency support supplement  
24 district cost.

25 Sec. 2. Section 257.4, subsection 1, paragraph a, Code 2024,  
26 is amended by adding the following new subparagraph:

27 NEW SUBPARAGRAPH. (11) The total area education agency  
28 support supplement district cost.

29 Sec. 3. Section 257.8, subsection 2, Code 2024, is amended  
30 to read as follows:

31 2. *Categorical state percent of growth.* The categorical  
32 state percent of growth for the budget year beginning July  
33 1, 2021, is two and four-tenths percent. The categorical  
34 state percent of growth for the budget year beginning July  
35 1, 2022, is two and one-half percent. The categorical state

1 percent of growth for the budget year beginning July 1, 2023,  
2 is three percent. The categorical state percent of growth  
3 for each budget year shall be established by statute which  
4 shall be enacted within thirty days of the transmission of the  
5 governor's budget required by February 1 under [section 8.21](#)  
6 during the regular legislative session beginning in the base  
7 year. The categorical state percent of growth may include  
8 state percents of growth for the teacher salary supplement, the  
9 professional development supplement, the early intervention  
10 supplement, the teacher leadership supplement, and for budget  
11 years beginning on or after July 1, 2020, transportation equity  
12 aid payments under [section 257.16C](#), and for budget years  
13 beginning on or after July 1, 2025, the area education agency  
14 support supplement.

15 Sec. 4. Section 257.9, Code 2024, is amended by adding the  
16 following new subsection:

17 NEW SUBSECTION. 12. *Area education agency support supplement*  
18 *state cost per pupil.*

19 *a.* For the budget year beginning July 1, 2024, the area  
20 education agency support supplement state cost per pupil shall  
21 be one hundred million dollars divided by the statewide special  
22 education support services weighted enrollment for the fiscal  
23 year.

24 *b.* For the budget year beginning July 1, 2025, and  
25 succeeding budget years, the area education agency support  
26 supplement state cost per pupil shall be the amount calculated  
27 by the department of management under this subsection for  
28 the base year plus a supplemental state aid amount that is  
29 equal to the support supplement categorical state percent of  
30 growth, pursuant to section 257.8, subsection 2, for the budget  
31 year, multiplied by the amount calculated by the department of  
32 management under this subsection for the base year.

33 Sec. 5. Section 257.10, subsection 8, paragraph a, Code  
34 2024, is amended to read as follows:

35 *a.* Combined district cost is the sum of the regular program

1 district cost per pupil multiplied by the weighted enrollment,  
2 the special education support services district cost, the  
3 total teacher salary supplement district cost, the total  
4 professional development supplement district cost, the total  
5 early intervention supplement district cost, and the total  
6 teacher leadership supplement district cost, plus the sum of  
7 the additional district cost allocated to the district to fund  
8 media services and educational services provided through the  
9 area education agency, the area education agency total teacher  
10 salary supplement district cost, the area education agency  
11 support supplement district cost, and the area education agency  
12 total professional development supplement district cost.

13 Sec. 6. Section 257.10, Code 2024, is amended by adding the  
14 following new subsection:

15 NEW SUBSECTION. 12A. *Area education agency support*  
16 *supplement district cost.*

17 *a.* For the budget year beginning July 1, 2024, the  
18 department of management shall allocate and divide one hundred  
19 million dollars by the district's budget enrollment in the  
20 fiscal year beginning July 1, 2024, to determine the area  
21 education agency support supplement cost per pupil. For the  
22 budget year beginning July 1, 2025, and succeeding budget  
23 years, the area education agency support supplement district  
24 cost per pupil for each school district for a budget year is  
25 the area education agency support supplement district cost per  
26 pupil for the base year plus the area education agency support  
27 supplement supplemental state aid amount for the budget year.

28 *b.* For the budget year beginning July 1, 2025, and  
29 succeeding budget years, if the department of management  
30 determines that the unadjusted area education agency support  
31 supplement district cost of a school district for a budget  
32 year is less than one hundred percent of the unadjusted area  
33 education agency support supplement district cost for the  
34 base year for the school district, the school district shall  
35 receive a budget adjustment for that budget year equal to the

1 difference.

2     *c.* (1) The unadjusted area education agency support  
3 supplement district cost is the area education agency support  
4 supplement district cost per pupil for each school district for  
5 a budget year multiplied by the sum of the budget enrollment  
6 for that school district plus the number of resident pupils in  
7 the school district that received an education savings account  
8 payment under section 257.11B for the base year.

9     (2) The total area education agency support supplement  
10 district cost is the sum of the unadjusted area education  
11 agency support supplement district cost plus the budget  
12 adjustment for that budget year.

13     Sec. 7. Section 257.16, subsection 4, Code 2024, is amended  
14 to read as follows:

15     4. Notwithstanding any provision to the contrary, if  
16 the governor orders budget reductions in accordance with  
17 section 8.31, the teacher salary supplement district cost,  
18 the professional development supplement district cost, the  
19 early intervention supplement district cost, ~~and~~ the teacher  
20 leadership supplement district cost, and the area education  
21 agency support supplement district cost as calculated under  
22 section 257.10, subsections 9, 10, 11, ~~and~~ 12, and 12A, and  
23 the area education agency teacher salary supplement district  
24 cost and the area education agency professional development  
25 supplement district cost as calculated under section 257.37A,  
26 subsections 1 and 2, shall be paid in full as calculated and  
27 the reductions in the appropriations provided in accordance  
28 with [this section](#) shall be reduced from the remaining moneys  
29 appropriated pursuant to [this section](#) and shall be distributed  
30 on a per pupil basis calculated with the weighted enrollment  
31 determined in accordance with [section 257.6, subsection 5](#).

32     Sec. 8. Section 257.35, subsection 1, Code 2024, is amended  
33 to read as follows:

34     1. The department of management shall deduct the amounts  
35 calculated for special education support services, media

1 services, area education agency teacher salary supplement  
2 district cost, area education agency professional development  
3 supplement district cost, area education agency support  
4 supplement district cost, and educational services for each  
5 school district from the state aid due to the district pursuant  
6 to [this chapter](#) and shall pay the amounts to the respective  
7 area education agencies on a monthly basis from September 15  
8 through June 15 during each school year. The department of  
9 management shall notify each school district of the amount  
10 of state aid deducted for these purposes and the balance of  
11 state aid shall be paid to the district. If a district does  
12 not qualify for state aid under [this chapter](#) in an amount  
13 sufficient to cover its amount due to the area education agency  
14 as calculated by the department of management, the school  
15 district shall pay the deficiency to the area education agency  
16 from other moneys received by the district, on a quarterly  
17 basis during each school year.

18 Sec. 9. Section 257.37A, Code 2024, is amended by adding the  
19 following new subsection:

20 NEW SUBSECTION. 3. *Area education agency support supplement*  
21 *cost per pupil and district cost.*

22 a. (1) For the budget year beginning July 1, 2024, the area  
23 education agency support supplement district cost per pupil  
24 shall be one hundred million dollars divided by the special  
25 education support services weighted enrollment for the fiscal  
26 year.

27 (2) For the budget year beginning July 1, 2025, and  
28 succeeding budget years, the area education agency support  
29 supplement district cost per pupil for each area education  
30 agency for a budget year is the area education agency support  
31 supplement supplemental state aid amount for the budget year.

32 b. For the budget year beginning July 1, 2025, and  
33 succeeding budget years, if the department of management  
34 determines that the unadjusted area education agency support  
35 supplement district cost of an area education agency for a

1 budget year is less than one hundred percent of the unadjusted  
2 area education agency support supplement district cost for the  
3 base year for the area education agency, the area education  
4 agency shall receive a budget adjustment for that budget year  
5 equal to the difference.

6 c. (1) The unadjusted area education agency support  
7 supplement district cost is the area education agency support  
8 supplement district cost per pupil for each area education  
9 agency for a budget year multiplied by the special education  
10 support services weighted enrollment for that area education  
11 agency.

12 (2) The total area education agency support supplement  
13 district cost is the sum of the unadjusted area education  
14 agency support supplement district cost plus the budget  
15 adjustment for that budget year.

16 EXPLANATION

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

19 This bill establishes an area education agency support  
20 supplement categorical.

21 Each budget year, area education agencies receive funding  
22 through various categoricals. The bill allocates \$100 million  
23 for the purposes of an area education agency support supplement  
24 categorical. The area education agency support supplement  
25 categorical district cost per pupil and state cost per pupil  
26 for the budget year beginning July 1, 2024, is \$100 million  
27 divided by the statewide special education support services  
28 weighted enrollment for the fiscal year. For budget years  
29 beginning on or after July 1, 2025, the area education agency  
30 support supplement categorical is calculated by multiplying the  
31 amount allocated for the categorical in the previous budget  
32 year by the categorical state percent of growth.