

**House File 2131 - Introduced**

HOUSE FILE 2131  
BY LEVIN

**A BILL FOR**

1 An Act relating to the timing for establishment of the state  
2 percent of growth and the categorical state percent of growth,  
3 and including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 257.8, subsections 1 and 2, Code 2026, are  
2 amended to read as follows:

3 1. *State percent of growth.* The state percent of growth for  
4 the budget year beginning July 1, 2023, is three percent. The  
5 state percent of growth for the budget year beginning July 1,  
6 2024, is two and one-half percent. The state percent of growth  
7 for the budget year beginning July 1, 2025, is two percent.  
8 The state percent of growth for ~~each subsequent~~ the budget year  
9 beginning July 1, 2026, and the state percent of growth for  
10 the budget year beginning July 1, 2027, shall be established  
11 by statute which shall be enacted within thirty days of the  
12 transmission of the governor's budget required by February 1  
13 under section 8.21 during the 2026 regular legislative session  
14 beginning in the base year. For the budget year beginning July  
15 1, 2028, and for each subsequent budget year, the state percent  
16 of growth shall be established by statute which shall be enacted  
17 within thirty days of the transmission of the governor's budget  
18 required by February 1 under section 8.21 during the regular  
19 legislative session beginning in the budget year preceding the  
20 base year.

21 2. *Categorical state percent of growth.* The categorical  
22 state percent of growth for the budget year beginning July  
23 1, 2023, is three percent. The categorical state percent of  
24 growth for the budget year beginning July 1, 2024, is two and  
25 one-half percent. The categorical state percent of growth for  
26 the budget year beginning July 1, 2025, is two percent, except  
27 for calculating the appropriation to the transportation equity  
28 fund under section 257.16C. The categorical state percent of  
29 growth for purposes of calculating the appropriation to the  
30 transportation equity fund under section 257.16C for the budget  
31 year beginning July 1, 2025, is five percent. The categorical  
32 state percent of growth for ~~each~~ the budget year beginning  
33 July 1, 2026, and the categorical state percent of growth for  
34 the budget year beginning July 1, 2027, shall be established  
35 by statute which shall be enacted within thirty days of the

1 transmission of the governor's budget required by February 1  
2 under section 8.21 during the 2026 regular legislative session  
3 beginning in the base year. For the budget year beginning July  
4 1, 2028, and for each subsequent budget year, the categorical  
5 state percent of growth shall be established by statute which  
6 shall be enacted within thirty days of the transmission of the  
7 governor's budget required by February 1 under section 8.21  
8 during the regular legislative session beginning in the budget  
9 year preceding the base year. The categorical state percent  
10 of growth may include state percents of growth for the teacher  
11 salary supplement, the professional development supplement, the  
12 early intervention supplement, the teacher leadership supplement,  
13 and for budget years beginning on or after July 1, 2020,  
14 transportation equity aid payments under section 257.16C.

15 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate  
16 importance, takes effect upon enactment.

17 EXPLANATION

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

20 This bill relates to the timing of the establishment of the  
21 state percent of growth and the categorical state percent of  
22 growth. Current law requires the state percent of growth and  
23 categorical state percent of growth for a budget year to be  
24 enacted within 30 days of the transmission of the governor's  
25 budget during the regular legislative session preceding the  
26 budget year.

27 For the budget years beginning July 1, 2026, and July 1,  
28 2027, the bill requires that the state percent of growth and  
29 categorical state percent of growth be enacted within 30 days  
30 of the governor's budget submitted during the 2026 regular  
31 legislative session. For budget years beginning on or after  
32 July 1, 2028, the state percent of growth and categorical state  
33 percent of growth are required to be established within 30 days  
34 of the governor's budget submitted during the regular legislative  
35 session beginning in the budget year preceding the base year.

1 The bill takes effect upon enactment.

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