

**Senate File 262 - Introduced**

SENATE FILE 262

BY DONAHUE

**A BILL FOR**

1 An Act requiring the establishment of the state percent of growth  
2 and categorical state percent of growth for two consecutive  
3 budget years during the first regular session of the general  
4 assembly, and including effective date provisions.

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

unofficial

1 Section 1. Section 257.8, subsections 1 and 2, Code 2025, are  
2 amended to read as follows:

3 1. State percent of growth. During the first regular session  
4 of the Ninety-first General Assembly and during the first regular  
5 session of each subsequent general assembly thereafter, the  
6 general assembly shall establish by statute the state percent  
7 of growth for both the budget year beginning during the first  
8 regular session of the general assembly and for the succeeding  
9 budget year. After enactment of the state percent of growth for  
10 the succeeding budget year during the first regular session, the  
11 general assembly may increase but shall not decrease the state  
12 percent of growth for that succeeding budget year. The state  
13 percent of growth for the budget year beginning July 1, 2022,  
14 is two and one-half percent. The state percent of growth for  
15 the budget year beginning July 1, 2023, is three percent. The  
16 state percent of growth for the budget year beginning July 1,  
17 2024, is two and one-half percent. ~~The state percent of growth~~  
18 ~~for each subsequent budget year shall be established by statute~~  
19 ~~which shall be enacted within thirty days of the transmission~~  
20 ~~of the governor's budget required by February 1 under section~~  
21 ~~8.21 during the regular legislative session beginning in the base~~  
22 ~~year.~~

23 2. Categorical state percent of growth. During the first  
24 regular session of the Ninety-first General Assembly and during  
25 the first regular session of each subsequent general assembly  
26 thereafter, the general assembly shall establish by statute  
27 the categorical state percent of growth for both the budget  
28 year beginning during the first regular session of the general  
29 assembly and for the succeeding budget year. After enactment of  
30 the categorical state percent of growth for the succeeding budget  
31 year during the first regular session, the general assembly may  
32 increase but shall not decrease the categorical state percent of  
33 growth for that succeeding budget year. The categorical state  
34 percent of growth for the budget year beginning July 1, 2022,  
35 is two and one-half percent. The categorical state percent of

1 growth for the budget year beginning July 1, 2023, is three  
2 percent. The categorical state percent of growth for the budget  
3 year beginning July 1, 2024, is two and one-half percent. ~~The~~  
4 ~~categorical state percent of growth for each budget year shall be~~  
5 ~~established by statute which shall be enacted within thirty days~~  
6 ~~of the transmission of the governor's budget required by February~~  
7 ~~1 under section 8.21 during the regular legislative session~~  
8 ~~beginning in the base year.~~ The categorical state percent of  
9 growth may include state percents of growth for the teacher  
10 salary supplement, the professional development supplement, the  
11 early intervention supplement, the teacher leadership supplement,  
12 and for budget years beginning on or after July 1, 2020,  
13 transportation equity aid payments under section 257.16C.

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

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 requires the establishment of the state percent  
20 of growth and categorical state percent of growth for two  
21 consecutive budget years during the first regular session of the  
22 general assembly.

23 The bill also specifies that after enactment of the state  
24 percent of growth and the categorical state percent of growth  
25 for the second budget year during the first regular session,  
26 the general assembly may increase but shall not decrease either  
27 the state percent of growth or the categorical state percent of  
28 growth for that budget year.

29 The bill takes effect upon enactment.