

Senate File 60 - Introduced

SENATE FILE 60
BY ROWLEY

A BILL FOR

1 An Act relating to the state school foundation program and
2 the calculation of minimum state foundation aid for school
3 districts and including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 257.1, subsection 2, paragraph a, Code
2 2025, is amended to read as follows:

3 a. For a budget year, each school district in the state is
4 entitled to receive foundation aid, in an amount ~~per pupil~~ equal
5 to the difference between the amount ~~per pupil~~ of foundation
6 property tax in the district, otherwise determined under section
7 257.3 and the combined foundation base ~~per pupil or the combined~~
8 ~~district cost per pupil, whichever is less~~ for the district.
9 However, if the amount of foundation aid to be received by a
10 school district under this chapter is less than ~~three hundred~~
11 ~~dollars per pupil~~ the state foundation aid minimum for the
12 district, the district is entitled to receive ~~three hundred~~
13 ~~dollars per pupil unless the receipt of three hundred dollars per~~
14 ~~pupil plus the per pupil amount raised by the foundation property~~
15 ~~tax exceeds the combined district cost per pupil of the district~~
16 ~~for the budget year~~ state foundation aid in an amount equal to
17 the state foundation aid minimum. ~~In that case, the district is~~
18 ~~entitled to receive an amount per pupil equal to the difference~~
19 ~~between the per pupil amount raised by the foundation property~~
20 ~~tax for the budget year and the combined district cost per pupil~~
21 ~~for the budget year.~~ If the sum of the amount of foundation
22 aid received by a school district plus the amount of foundation
23 property tax in the district otherwise determined under section
24 257.3 exceeds the combined foundation base, the department of
25 management shall reduce the district's foundation property tax to
26 be collected under section 257.3, subsection 1, paragraph "a", or
27 under section 257.3, subsection 2, as applicable, by the amount
28 by which such sum exceeds the combined foundation base and adjust
29 the district's foundation property tax rate accordingly. For
30 purposes of this paragraph, "state foundation aid minimum" means
31 the sum of the total teacher salary supplement district cost,
32 the total professional development supplement district cost, the
33 total early intervention supplement district cost, and the total
34 teacher leadership supplement district cost.

35 Sec. 2. Section 257.2, subsection 4, Code 2025, is amended by

1 striking the subsection.

2 Sec. 3. Section 257.10, subsection 5, Code 2025, is amended
3 by striking the subsection.

4 Sec. 4. APPLICABILITY. This Act applies to school budget
5 years beginning on or after July 1, 2026.

6 EXPLANATION

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

9 Code section 257.1 provides that for a budget year, each
10 school district in the state is entitled to receive foundation
11 aid in an amount per pupil equal to the difference between the
12 amount per pupil of foundation property tax in the district
13 and the combined foundation base per pupil or the combined
14 district cost per pupil, whichever is less, and subject to a
15 \$300 per pupil minimum unless the receipt of \$300 per pupil
16 plus the per pupil amount raised by the foundation property tax
17 exceeds the combined district cost per pupil of the district
18 for the budget year, in which case the district gets an amount
19 per pupil equal to the difference. The "combined foundation
20 base" is defined as the sum of the regular program foundation
21 base, the special education support services foundation base,
22 the total teacher salary supplement district cost, the total
23 professional development supplement district cost, the total
24 early intervention supplement district cost, the total teacher
25 leadership supplement district cost, and the total area education
26 agency teacher salary supplement district cost.

27 This bill modifies the calculation of foundation aid to be an
28 amount equal to the difference between the amount of foundation
29 property tax in the district and the combined foundation base
30 for the district. However, if the amount of foundation aid
31 to be received by a school district is less than the state
32 foundation aid minimum for the district, the district is entitled
33 to receive state foundation aid in an amount equal to the state
34 foundation aid minimum. "State foundation aid minimum" means
35 the sum of the total teacher salary supplement district cost,

1 the total professional development supplement district cost, the
2 total early intervention supplement district cost, and the total
3 teacher leadership supplement district cost. Additionally, if
4 the sum of the amount of foundation aid received by a school
5 district plus the amount of foundation property tax in the
6 district otherwise determined under Code section 257.3 exceeds
7 the combined foundation base, the department of management is
8 required to reduce the district's foundation property tax to be
9 collected by the amount by which such sum exceeds the combined
10 foundation base and adjust the district's foundation property tax
11 rate accordingly.

12 The bill also strikes definitions made obsolete by the bill.

13 The bill applies to school budget years beginning on or after
14 July 1, 2026.

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