

Supplemental State Aid, Additional for In-Person Bill House File 532

As amended by S-3143

(Strike everything after the enacting clause)

Last Action:
Senate Appropriations
Committee
April 6, 2021

An Act relating to education funding by establishing a qualified instruction funding supplement for the school budget year beginning July 1, 2021, authorizing modified supplemental amounts for preschool funding, making appropriations, and including effective date provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at www.legis.iowa.gov/publications/information/appropriationBillAnalysis

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EXECUTIVE SUMMARY

SUPPLEMENTAL STATE AID, ADDITIONAL FOR IN-PERSON BILL - AS AMENDED

S3143

FUNDING SUMMARY

House File 532 as amended by the Senate appropriates up to \$27.2 million for FY 2022 for a Qualified Instruction Funding Supplement to eligible school districts.

Page 1, Line 3

NEW PROGRAMS, SERVICES, OR ACTIVITIES

Requires the Department of Education (DE) to establish and calculate a Qualified Instruction Funding Supplement for FY 2022 for eligible school districts.

Page 1, Line 7

Permits the School Board Review Committee (SBRC) to provide a modified supplemental amount (MSA) in FY 2022 for preschool programs that meet enrollment eligibility requirements based on funds made available to the SBRC.

Page 3, Line 23

EFFECTIVE DATE

This Bill takes effect upon enactment.

Page 5, Line 9

S3143

1 1 Amend House File 532, as amended, passed, and reprinted by
1 2 the House, as follows:

1 3 **#1.** By striking everything after the enacting clause and
1 4 inserting:
1 5 **#1. QUALIFIED INSTRUCTION FUNDING SUPPLEMENT FOR**
1 6 **FY 2021-2022 — APPROPRIATION.**
1 7 1. a. For the school budget year beginning July 1,
1 8 2021, and ending June 30, 2022, each brick-and-mortar public
1 9 school district shall receive a qualified instruction funding
1 10 supplement. Each school district's qualified instruction
1 11 funding supplement shall be in an amount calculated by the
1 12 department of education equal to the school district's
1 13 enrollment served multiplied by the school district's qualified
1 14 instruction factor.

1 15 b. For purposes of this section:
1 16 (1) "Enrollment served" means that portion of the basic
1 17 enrollment of the school district, as determined under section
1 18 257.6, subsection 1, paragraph "a", subparagraphs (1), (3),
1 19 (4), (7), and (8), for the budget year beginning July 1, 2020,
1 20 minus the number of students under section 282.18 for which
1 21 the school district was the district of residence, plus the
1 22 number of students under section 282.18 for which the school
1 23 was the receiving district, and excluding each pupil for which
1 24 the portion of the pupil's instruction received from the school
1 25 district was provided by a full-time remote learning program
1 26 offered by the school district.

1 27 (2) "Qualified instruction factor" means an amount equal
1 28 to sixty dollars multiplied by the quotient of the school
1 29 district's total qualified instruction days divided by ninety.

1 30 (3) "Total qualified instruction days" means the sum of the
1 31 number of school days during the period beginning July 1, 2020,
1 32 and ending January 29, 2021, but not exceeding ninety days,
1 33 that the school district offered at least one of the following:
1 34 (a) Full-time in-person instruction.
1 35 (b) Hybrid learning or remote learning in accordance with
2 1 or under an approved waiver from the department of education

Establishes a Qualified Instruction Funding Supplement for eligible school districts in FY 2022.

DETAIL: The Department of Education (DE) is directed to calculate the amount of the supplement equal to the school district's enrollment served by the district's qualified instruction factor.

NOTE: "Enrollment served" and "qualified instruction factor" are further defined in the Bill.

Defines "enrollment served" by reference to Iowa Code.

DETAIL: Enrollment served includes:

- Resident pupils in K-12 and prekindergarten in special education.
- Shared-time and part-time pupils.
- 11th- and 12th-grade nonresident pupils who were residents the previous year.
- A nonpublic pupil attending a therapeutic classroom.
- Pupils whose parents or guardians are on active duty.

Defines "qualified instruction factor" as an amount equal to \$60 multiplied by the total qualified instruction days a district is eligible for under the provisions of the Bill divided by 90.

Defines "total qualified instruction days" as the sum of school days, not to exceed 90, that included at least full-time in-person instruction; hybrid instruction under an approved waiver; or hybrid or in-person instruction due to the August 10, 2020, derecho event.

2 2 pursuant to the requirements of 2020 Iowa Acts, chapter
 2 3 1107; section 279.10; the governor's proclamation of a public
 2 4 health disaster emergency issued July 24, 2020; or subsequent
 2 5 applicable proclamations of a public health disaster emergency
 2 6 issued by the governor pursuant to section 29C.6 and related
 2 7 to COVID-19.

2 8 (c) (i) For school days between August 10, 2020, and
 2 9 January 29, 2021, instruction primarily through remote learning
 2 10 or hybrid learning, as the direct result of damage to a school
 2 11 attendance center caused by severe weather on or about August
 2 12 10, 2020, for which a proclamation of disaster emergency was
 2 13 issued by the governor.

2 14 (ii) In addition, for school days between August 10, 2020,
 2 15 and January 29, 2021, each day the school district was unable
 2 16 to provide in-person instruction, remote learning, or hybrid
 2 17 learning as the direct result of damage to a school attendance
 2 18 center caused by severe weather on or about August 10, 2020,
 2 19 for which a proclamation of disaster emergency was issued by
 2 20 the governor, and that day was previously scheduled as an
 2 21 instructional day as part of the school district's calendar
 2 22 approved by the school district's board of directors, shall be
 2 23 counted as a qualified instruction day.

2 24 2. Each school district shall pay to the school district's
 2 25 area education agency a portion of the school district's
 2 26 qualified instruction funding supplement. The amount to be
 2 27 paid to the area education agency shall be an amount equal to
 2 28 the product of one dollar multiplied by the school district's
 2 29 enrollment served, but not to exceed the total amount of the
 2 30 school district's qualified instruction funding supplement.

Directs school districts to allocate a portion of their supplement payment to the district's Area Education Agency (AEA).

DETAIL: An AEA's portion is calculated by multiplying a district's enrollment served, as defined under this Bill, by \$1. This amount cannot exceed the school district's qualified instruction funding supplement.

2 31 3. The qualified instruction funding supplement shall be
 2 32 miscellaneous income, shall be deposited in the general fund of
 2 33 the school district, shall not be included in district cost,
 2 34 and, except as provided in subsection 2, shall be used only for
 2 35 purposes for which a school district may use funds received
 3 1 from the Elementary and Secondary School Emergency Relief
 3 2 Fund under the federal Coronavirus Aid, Relief, and Economic
 3 3 Security Act, Pub.L.No.116-136, or the federal American
 3 4 Rescue Plan Act of 2021, Pub.L.No.117-2.

Stipulates the supplement is required to be considered miscellaneous income and can only be used for the same purposes as federal Elementary and Secondary Emergency Relief (ESSER) funds.

DETAIL: Allowable uses for ESSER funds can be found [here](#).

3 5 4. There is appropriated from the general fund of the state

Appropriates up to \$27,200,000 in FY 2022 to the DE from the

<p>3 6 to the department of education for the fiscal year beginning 3 7 July 1, 2021, and ending June 30, 2022, an amount necessary, 3 8 but not to exceed twenty-seven million two hundred thousand 3 9 dollars to be used for the payment of qualified instruction 3 10 funding supplement payments under this section. If the amount 3 11 appropriated under this subsection is insufficient to pay 3 12 in full all qualified instruction funding supplements, the 3 13 department of education shall prorate such supplement amounts. 3 14 The proration of funding amounts under this subsection shall 3 15 not, however, reduce the portion of the funding supplement 3 16 amount required to be paid to the area education agencies under 3 17 subsection 2.</p>	<p>General Fund for the payment of qualified instruction funding supplement payments.</p> <p>DETAIL: If the amount appropriated is insufficient to fund all supplement payments, the DE shall prorate the payments. Payments to the AEAs shall not be prorated.</p>
<p>3 18 5. If requested by the department of education, each school 3 19 district in the state shall provide to the department of 3 20 education all necessary information in order for the department 3 21 of education to determine the school district's qualified 3 22 instruction funding supplement amount.</p>	<p>Directs school districts, if requested by the DE, to provide all necessary information in order to determine a district's qualified instruction funding supplement.</p>
<p>3 23 <u>#2.</u> PRESCHOOL MODIFIED SUPPLEMENTAL AMOUNT — SCHOOL 3 24 BUDGET REVIEW COMMITTEE. 3 25 1. Notwithstanding section 256C.4, subsection 1, paragraph 3 26 "f", and any provision of section 257.31 to the contrary, if 3 27 fifty percent of a school district's actual enrollment of 3 28 eligible students in preschool programming provided by the 3 29 school district within the meaning of section 256C.5 on October 3 30 1, 2021, is greater than the preschool budget enrollment 3 31 determined under section 256C.5 for the budget year beginning 3 32 July 1, 2021, the school district may apply to the school 3 33 budget review committee for a modified supplemental amount for 3 34 the budget year beginning July 1, 2021. An approved modified 3 35 supplemental amount under this section shall not exceed an 4 1 amount equal to the product of the regular program state 4 2 cost per pupil for the budget year beginning July 1, 2021, 4 3 multiplied by the difference of fifty percent of a school 4 4 district's actual enrollment of eligible students in preschool 4 5 programming provided by the school district on October 1, 2021, 4 6 minus the preschool budget enrollment determined under section 4 7 256C.5 for the budget year beginning July 1, 2021.</p>	<p>Permits the School Board Review Committee (SBRC) to consider modified supplemental amount (MSA) requests for eligible preschool programs for FY 2022 only. The SBRC will calculate MSA awards granted by multiplying the FY 2022 State cost per pupil (\$7,227) by the difference between the October 2020 budget enrollment count and the October 2021 budget enrollment count.</p> <p>DETAIL: Budget enrollment is equal to 50.00% of the actual eligible preschool enrollment count.</p> <p>NOTE: Under current law, the SBRC cannot consider MSA requests for school district preschool programs.</p>
<p>4 8 2. The school budget review committee shall review a school 4 9 district's unexpended preschool fund balance for the budget</p>	<p>Directs the SBRC to review a school district's unobligated and unexpended balances before deciding whether to grant an MSA.</p>

4 10 year ending June 30, 2021, when deciding whether to grant a
 4 11 modified supplemental amount request under this section. For
 4 12 a school district with an unexpended preschool fund balance
 4 13 that is equal to or less than twenty-five percent of the school
 4 14 district's preschool foundation aid under section 256C.5
 4 15 for the budget year beginning July 1, 2020, the modified
 4 16 supplemental amount shall be granted. For a school district
 4 17 with an unexpended preschool fund balance that is greater
 4 18 than twenty-five percent of the school district's preschool
 4 19 foundation aid under section 256C.5 for the budget year
 4 20 beginning July 1, 2020, the modified supplemental amount may
 4 21 be granted.

DETAIL: If a school district's fund balance is equal to or is less than 25.00% of FY 2021 preschool foundation aid, then the SBRC shall grant the MSA. If a school district's fund balance is greater than 25.00% of FY 2021 preschool foundation aid, then the SBRC may grant the MSA.

4 22 3. A modified supplemental amount granted under this
 4 23 section must be used for the purposes of chapter 256C,
 4 24 including amounts passed through to a community-based provider.

Clarifies any MSA granted under the provisions of this Bill must be used for preschool programming purposes under Iowa Code chapter [256C](#), which may include pass-through amounts to community-based providers.

4 25 4. Amounts received as the result of a modified supplemental
 4 26 amount granted under this section shall not be eligible for
 4 27 transfer to a school district's flexibility account under
 4 28 section 298A.2, subsection 2, and, notwithstanding section
 4 29 256C.4, subsection 1, paragraph "e", a school district that
 4 30 is granted a modified supplemental amount under this section
 4 31 shall not be eligible to transfer any preschool foundation
 4 32 aid that remains unexpended and unobligated at the end of the
 4 33 fiscal year beginning July 1, 2021, to the school district's
 4 34 flexibility account under section 298A.2, subsection 2.

Stipulates any MSA amounts granted are not eligible to be transferred to a school district's flexibility fund, and districts cannot transfer any preschool foundation aid that remains unexpended or unobligated at the end of FY 2022.

4 35 5. Modified supplemental amounts granted under this section
 5 1 shall be subject to available funding and be funded solely
 5 2 through aid awarded by the school budget review committee from
 5 3 funds made available to the school budget review committee for
 5 4 purposes of this section. If amounts made available to the
 5 5 school budget review committee for purposes of this section are
 5 6 insufficient to fund all modified supplemental amounts granted
 5 7 under this section, the amount of each modified supplement
 5 8 amount shall be prorated.

States MSAs granted under the provisions of this Bill will be funded solely by funds made available to the SBRC. If the amount made available to the SBRC is insufficient to fund all MSAs, then the SBRC is directed to prorate the payments.

5 9 #3. EFFECTIVE DATE. This Act, being deemed of immediate
 5 10 importance, takes effect upon enactment.

The Bill takes effect upon enactment.

5 11 #2. Title page, by striking lines 1 through 3 and inserting
5 12 An Act relating to education funding by establishing a
5 13 qualified instruction funding supplement for the school budget
5 14 year beginning July 1, 2021, authorizing modified supplemental
5 15 amounts for preschool funding, making appropriations, and
5 16 including effective date provisions.

Amends the title of the Bill.

Unassigned Standings

General Fund

	<u>Supp-House Action</u> <u>FY 2021</u> <u>(1)</u>	<u>Supp-Senate Approp</u> <u>FY 2021</u> <u>(2)</u>	<u>Senate Approp</u> <u>FY 2022</u> <u>(3)</u>	<u>Bill</u> <u>Number</u> <u>(4)</u>
<u>Education, Department of</u>				
<u>Education, Dept. of</u>				
Qualified Instruction Funding Supplement	\$ 27,200,000	\$ 0	\$ 27,200,000	HF532
Total Education, Department of	<u>\$ 27,200,000</u>	<u>\$ 0</u>	<u>\$ 27,200,000</u>	
Total Unassigned Standings	<u>\$ 27,200,000</u>	<u>\$ 0</u>	<u>\$ 27,200,000</u>	