

**EIGHTY-SIXTH GENERAL ASSEMBLY
2015 REGULAR SESSION
DAILY
SENATE CLIP SHEET**

FEBRUARY 11, 2015

SENATE FILE 171

S-3003

1 Amend Senate File 171 as follows:

2 1. By striking everything after the enacting clause
3 and inserting:

4 <Section 1. Section 24.17, unnumbered paragraph 1,
5 Code 2015, is amended to read as follows:

6 The local budgets of the various political
7 subdivisions shall be certified by the chairperson of
8 the certifying board or levying board, as the case
9 may be, in duplicate to the county auditor not later
10 than March 15 of each year on forms, and pursuant
11 to instructions, prescribed by the department of
12 management. However, if the political subdivision is
13 a school district, as defined in section 257.2, its
14 budget shall be certified ~~not later than April 15 of~~
15 ~~each year~~ within sixty calendar days following the
16 enactment date of the statute establishing the state
17 percent of growth for the budget year under section
18 257.8, subsection 1, but not later than June 30.

19 Sec. 2. Section 24.23, Code 2015, is amended to
20 read as follows:

21 24.23 Supervisory power of state board.

22 1. The state board shall exercise general
23 supervision over the certifying boards and levying
24 boards of all municipalities with respect to budgets
25 and shall prescribe for them all necessary rules,
26 instructions, forms, and schedules. The best methods
27 of accountancy and statistical statements shall be used
28 in compiling and tabulating all data required by this
29 chapter.

30 2. The state board shall adopt rules governing the
31 budget certification deadline for school districts in
32 the event the date required for budget certification
33 for school districts under section 24.17 is later than
34 April 15. The state may adopt rules on an emergency
35 basis as provided in section 17A.4, subsection 3,
36 and section 17A.5, subsection 2, to administer this
37 subsection and the rules shall be effective immediately
38 upon filing unless a later date is specified in the
39 rules. Any emergency rules adopted in accordance with
40 this subsection shall also be published as a notice
41 of intended action as provided in section 17A.4,
42 subsection 1.

43 Sec. 3. Section 257.8, subsections 1 and 2, Code
44 2015, are amended to read as follows:

45 1. State percent of growth. The state percent of
46 growth for the budget year beginning July 1, 2012,
47 is two percent. The state percent of growth for the
48 budget year beginning July 1, 2013, is two percent.
49 The state percent of growth for the budget year
50 beginning July 1, 2014, is four percent. The state

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1 percent of growth for each subsequent budget year shall
2 be established by statute ~~which shall be enacted within~~
3 ~~thirty days of the submission in the year preceding the~~
4 ~~base year of the governor's budget under section 8.21.~~

5 The establishment of the state percent of growth for
6 a budget year shall be the only subject matter of the
7 bill which enacts the state percent of growth for a
8 budget year.

9 2. Categorical state percent of growth. The
10 categorical state percent of growth for the budget
11 year beginning July 1, 2012, is two percent. The
12 categorical state percent of growth for the budget
13 year beginning July 1, 2013, is two percent. The
14 categorical state percent of growth for the budget
15 year beginning July 1, 2014, is four percent. The
16 categorical state percent of growth for each budget
17 year shall be established by statute ~~which shall~~
18 ~~be enacted within thirty days of the submission in~~
19 ~~the year preceding the base year of the governor's~~
20 ~~budget under section 8.21.~~ The establishment of the
21 categorical state percent of growth for a budget year
22 shall be the only subject matter of the bill which
23 enacts the categorical state percent of growth for a
24 budget year. The categorical state percent of growth
25 may include state percents of growth for the teacher
26 salary supplement, the professional development
27 supplement, the early intervention supplement, and the
28 teacher leadership supplement.

29 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being
30 deemed of immediate importance, takes effect upon
31 enactment.

32 Sec. 5. APPLICABILITY. This Act applies to school
33 district budgets for school budget years beginning on
34 or after July 1, 2015.>

35 2. Title page, by striking lines 1 and 2 and
36 inserting <An Act relating to the requirements for
37 certification of school district budgets and for
38 enactment of the state percent of growth and including
39 effective date and applicability provisions.>

By MARK CHELGREN



SF 171 – School Supplemental State Aid – State Percent of Growth – FY 2016 (LSB1482SV)
Analyst: John Parker (Phone: (515) 725-2249) (john.parker@legis.iowa.gov)
Fiscal Note Version – New

Description

Senate File 171 requires a 4.0% State percent of growth rate to be applied to each of the regular school aid State cost per pupil amounts for FY 2016.

Background

The school aid formula provides funding through a mix of State aid and property tax to school districts and Area Education Agencies (AEAs). In general, funding is generated on a per pupil basis with the per pupil amounts providing an overall budget limitation. There are five FY 2016 State cost per pupil funding levels that will be increased by a 4.0% State percent of growth for FY 2016. The following table provides the supplemental State aid amounts (also referred to as per pupil growth amounts) and State cost per pupil amounts for FY 2016 based on a 4.0% growth rate. The supplemental State aid amounts will be applied to all corresponding district and AEA cost per pupil amounts.

Regular School Aid Per Pupil Components	FY 2015 State Cost Per Pupil	FY 2016 State Percent of Growth	Supplemental State Aid	FY 2016 State Cost Per Pupil
Regular Program	\$ 6,366.00	4.0%	\$ 255.00	\$ 6,621.00
Special Education Program	6,366.00	4.0%	255.00	6,621.00
AEA Special Education Support	279.53	4.0%	11.18	290.71
AEA Media Services	52.11	4.0%	2.08	54.19
AEA Educational Services	57.51	4.0%	2.30	59.81

In addition to the State percent of growth and supplemental State aid for FY 2016, enrollments, weightings, and taxable valuations within each school district have an impact on the amount of total school aid funding, including the amount of State aid and local property tax required to generate the total funding amount.

Assumptions

Assumptions include:

- Estimates are based on October 2014 certified enrollments and supplementary weightings for FY 2016 approved by the School Budget Review Committee (SBRC) on January 21, 2015.
- Statewide taxable valuation growth of 2.6% for FY 2016. Based on these assumptions, the statewide total for the uniform levy is estimated to account for \$30.4 million of the school foundation property tax change in FY 2016 (including the uniform levy portion of the commercial/industrial rollback replacement payment). The estimated increase in the uniform levy amount is not impacted by the establishment of State percent of growth rate.

- Property tax adjustment aid amounts are based on the statewide taxable valuation growth factor applied to each school district's FY 2016 taxable valuation amount.
- Other legislation may have an impact on the amount of State aid and property tax generated though the school aid formula. The fiscal impact in the table on the following page includes the provisions in [SF 172](#) (State Categorical Supplemental State Aid FY 2016) and [SF 173](#) (Education Funding Supplemental for FY 2016). These provisions are included in the State General Fund appropriation for school aid.
- State aid includes funding from the State General Fund and other funds appropriated or deposited in the Property Tax Equity and Relief (PTER) Fund that is used to provide additional property tax relief through the school aid formula.
- Establishing an FY 2016 State percent of growth will also impact the amount of funding generated for the Statewide Voluntary Preschool Program. Funding for the program is provided with State General Fund dollars and is included in the overall State aid total.
- Districts eligible for the 101.0% budget adjustment will approve use of that provision. The Legislative Services Agency (LSA) estimate includes a total budget adjustment of \$3.3 million, based on the FY 2016 State percent of growth and budget enrollments.
- Beginning in FY 2016, the additional \$15.0 million State aid reduction to AEAs implemented in FY 2015 will be restored.

Fiscal Impact

The table on the following page provides the estimated fiscal impact of [SF 171](#), and includes the provisions in [SF 172](#) and [SF 173](#). These changes will result in a total General Fund expenditure for State school aid in FY 2016 of \$3,077.7 million, an increase of \$212.2 million (7.4%) compared to FY 2015. This includes:

- Restoration of the \$15.0 million reduction in State aid to the AEAs. Under current law, the reduction will total \$7.5 million (a statutory reduction implemented annually).
- \$43.3 million in property tax replacement payment (PTRP) funding, an increase of \$17.8 million. [SF 173](#) (Education Funding Supplemental for FY 2016) requires State aid to account for the entire increase in the cost per pupil amount due to the State percent of growth in FY 2016.
- Based on [SF 172](#), \$408.2 million for the State categorical supplements, an increase of \$66.4 million (19.4%). This includes \$289.9 million for the teacher salary supplement, \$32.9 million for the professional development supplement, \$33.9 million for the early intervention supplement, and \$51.5 million for the teacher leadership supplement (new school aid funding provision in FY 2016).
- \$75.1 million for preschool formula funding, an increase of \$5.2 million compared to FY 2015. The preschool formula funding is included in the State aid amount, but is not included in the combined district cost total.

The combined district cost (reflecting the total school aid funding level for school districts and AEAs generated through the school aid formula), is estimated to increase \$247.3 million (5.9%) compared to estimated FY 2015.

Any legislative action impacting school aid provisions will have an impact on FY 2016 school aid amounts. Additionally, any variations in the assumptions noted may result in significant changes in the FY 2016 estimates provided in the following table.

**Legislative Services Agency: Estimated FY 2016 School Aid Estimates
Statewide Totals (Dollars in Millions) - Based on SF 171, SF 172, SF 173**

Program Funding:	FY 2016 Estimates Assumes 4.00% State Percent of Growth				
	FY 2014	FY 2015	Totals	Est. Change	% Change
Regular Program District Cost	\$ 2,926.1	\$ 3,059.8	\$ 3,194.2	\$ 134.3	4.4%
Regular Program Budget Guarantee	11.2	3.2	3.3	0.1	2.7%
Total Supplemental Weighting	66.8	75.6	83.5	7.9	10.4%
District Special Education	389.3	398.9	409.5	10.6	2.7%
Dropout and Dropout Prevention	97.2	103.5	107.9	4.5	4.3%
Teacher Salary Supplement (District)	252.1	263.0	274.5	11.4	4.4%
Professional Development Supplement (District)	28.6	29.8	31.1	1.3	4.4%
Early Intervention Supplement (District)	31.1	32.4	33.9	1.4	4.4%
Teacher Leadership Supplement (District)	N.A.		51.5	51.5	
AEA Special Education (with adjustment)	147.5	153.1	158.8	5.7	3.7%
AEA Media Services	25.5	26.7	27.9	1.2	4.5%
AEA Education Services	28.2	29.5	30.8	1.3	4.5%
AEA Sharing	0.2	0.1	0.1	0.0	3.9%
Total AEA Reduction	-22.5	-22.5	-7.5	15.0	-66.7%
Teacher Salary Supplement (AEA)	14.2	14.8	15.4	0.6	4.3%
Professional Development Supplement (AEA)	1.7	1.7	1.8	0.1	4.2%
Combined District Cost	\$ 3,997.2	\$ 4,169.4	\$ 4,416.6	\$ 247.3	5.9%
Statewide Voluntary Preschool Program	\$ 66.1	\$ 70.0	\$ 75.1	\$ 5.2	7.4%
Funding Sources:					
State Aid from General Fund	\$ 2,716.9	\$ 2,865.5	\$ 3,077.7	\$ 212.2	7.4%
Excess from SAVE Fund	8.7	8.2	6.3	-2.0	-23.8%
Total State Aid	\$ 2,725.6	\$ 2,873.8	\$ 3,084.0	\$ 210.2	7.3%
Uniform Levy Amount	\$ 759.4	\$ 783.7	\$ 814.1	\$ 30.4	3.9%
Additional Levy Total	578.6	582.5	593.7	11.2	1.9%
Comm/Ind - Uniform Levy Portion		-9.3	-19.1	-9.8	105.8%
Comm/Ind. Additional Levy Portion		-7.3	-14.9	-7.6	104.2%
Total Levy to Fund Combined District Cost	\$ 1,338.0	\$ 1,349.7	\$ 1,373.8	\$ 24.1	1.8%
Misc. Information:					
Budget Enrollment	476,245.0	478,920.9	480,771.9	1,851.0	0.4%
Number of Districts with Budget Guarantee	133	66	60	-6	-9.1%
State Categorical Total (in Millions)	\$ 327.5	\$ 341.8	\$ 408.2	\$ 66.4	19.4%
AEA Funding (In Millions)	\$ 194.8	\$ 203.3	\$ 227.3	\$ 24.0	11.8%
Property Tax Replacement Payment (PTRP)	\$ 8.3	\$ 25.4	\$ 43.3	\$ 17.8	70.1%

Notes:

Contact the LSA for more information

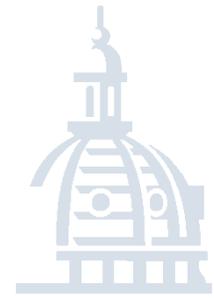
Sources

Iowa Department of Education, Certified Enrollment
Iowa Department of Management, School Aid file
Iowa Department of Revenue
LSA analysis and calculations

/s/ Holly M. Lyons

February 10, 2015

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



SF 172 – School Categorical Supplemental State Aid - State Percent Growth - FY 2016 (LSB1514SV)
Analyst: John Parker (Phone: (515) 725-2249) (john.parker@legis.iowa.gov)
Fiscal Note Version – New

Description

Senate File 172 requires a 4.0% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2016.

Background

The State categorical supplements are funded entirely through State aid and generate funds for each school district and area education agency (AEA) through the school aid formula on a per pupil basis. The FY 2015 State cost per pupil funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), and early intervention supplement (district only) will be increased by a 4.0% State percent of growth for FY 2016. Additionally, FY 2016 will be the initial year that the teacher leadership supplement (TLS) for the Teacher Leadership and Compensation System, will be included in the school aid formula. The following table provides the per pupil growth amounts and State cost per pupil amounts for FY 2016 based on **SF 172**.

<u>State Categorical Supplements</u>	<u>FY 2015 State Cost Per Pupil Amount</u>	<u>FY 2016 State Percent of Growth</u>	<u>Supplemental State Aid</u>	<u>FY 2016 State Cost Per Pupil</u>
Teacher Salary - Districts	\$ 548.61	4.0%	\$ 21.94	\$ 570.55
Professional Development - Districts	62.18	4.0%	2.49	64.67
Early Intervention	67.68	4.0%	2.71	70.39
Teacher Leadership	308.82	4.0%	12.35	321.17
Teacher Salary - AEAs	28.71	4.0%	1.15	29.86
Professional Development - AEAs	3.35	4.0%	0.13	3.48

Additionally, there is a budget guarantee provision for each of the State categorical supplements that provides each district and AEA with a minimum of the previous fiscal year’s level of funding (net of the previous year’s budget guarantee amount). This provision for the State categorical supplements is funded entirely through State aid.

Assumptions

Estimates are based on October 2014 certified enrollment counts and supplementary weightings for FY 2016 approved by the School Budget Review Committee (SBRC) on January 21, 2015.

Fiscal Impact

The estimated total fiscal impact of **SF 172** will be a General Fund expenditure of \$408.2 million to fund the FY 2016 State categorical supplement amounts. This is an increase of \$66.4 million (19.4%) compared to estimated FY 2015. This estimate includes \$51.5 million for the teacher leadership supplement (TLS) for FY 2016.

The following table provides the detail of the funding levels for each of the State categorical supplements.

Estimated Funding Levels - SF 172				
	District Amount FY 2016	AEA Amount FY 2016	Total Amount FY 2016	FY 2016 vs. FY 2015
Teacher Salary Supplement				
Unadjusted Amount - District	\$ 274,265,527	\$ 15,420,136	\$ 289,685,663	
Budget Guarantee Amount - District	196,671	11,789	208,460	
Total Amount - District	\$ 274,462,198	\$ 15,431,925	\$ 289,894,123	\$ 12,079,397
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Professional Development				
Unadjusted Amount - District	\$ 31,087,703	\$ 1,802,091	\$ 32,889,794	
Budget Guarantee Amount - District	18,642	1,366	20,008	
Total Amount - District	\$ 31,106,345	\$ 1,803,457	\$ 32,909,802	\$ 1,370,093
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Early Intervention Supplement				
Unadjusted Amount	\$ 33,838,104	NA	\$ 33,838,104	
Budget Guarantee Amount	17,500	NA	17,500	
Total Amount	\$ 33,855,604	NA	\$ 33,855,604	\$ 1,419,442
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Teacher Leadership Supplement				
Unadjusted Amount	\$ 51,502,757	NA	\$ 51,502,757	
Budget Guarantee Amount	4,342	NA	4,342	
Total Amount	\$ 51,507,099	NA	\$ 51,507,099	\$ 51,507,099
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All State Categorical Supplements				
Total Unadjusted Amount	\$ 390,694,091	\$ 17,222,227	\$ 407,916,318	
Total Budget Guarantee Amount	237,155	13,155	250,310	
Total State Categorical Supplement	\$ 390,931,246	\$ 17,235,382	\$ 408,166,628	\$ 66,376,031
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Note:	Contact the LSA for more information			

Sources

Iowa Department of Education, Certified Enrollment file
Iowa Department of Management, School Aid file
LSA analysis and calculations

/s/ Holly M. Lyons

February 10, 2015

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



SF 175 – School Categorical Supplemental State Aid - State Percent Growth FY 2017 (LSB1519SV)
Analyst: John Parker (Phone: (515) 725-2249) (john.parker@legis.iowa.gov)
Fiscal Note Version – New

Description

Senate File 175 requires a 4.0% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2017.

Background

The State cost per pupil amounts in FY 2017 will depend on what is established for FY 2016. The table below assumes a 4.0% growth rate for FY 2016 that is included in **SF 172** (School Categorical Supplemental State Aid FY 2016). The State categorical supplements are funded entirely through State aid and generate funds for each school district and area education agency (AEA) through the school aid formula on a per pupil basis. The FY 2016 State cost per pupil funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), and early intervention supplement (district only) will be increased by a 4.0% State percent of growth for FY 2017. Additionally, FY 2017 will be the second year that the teacher leadership supplement (TLS) for the Teacher Leadership and Compensation System will be included in the school aid formula to provide funding to approximately two-thirds of the students statewide. The following table provides the per pupil growth amounts and State cost per pupil amounts for FY 2017 based on **SF 172** and **SF 175**.

State Categorical Supplements	FY 2015 State Cost Per Pupil Amount	FY 2016 State Percent of Growth	Supplemental State Aid	FY 2016 State Cost Per Pupil	FY 2017 State Percent of Growth	Supplemental State Aid	FY 2017 State Cost Per Pupil
Teacher Salary - Districts	\$ 548.61	4.0%	\$ 21.94	\$ 570.55	4.0%	\$ 22.82	\$ 593.37
Professional Development - Districts	62.18	4.0%	2.49	64.67	4.0%	2.59	67.26
Early Intervention	67.68	4.0%	2.71	70.39	4.0%	2.82	73.21
Teacher Leadership	308.82	4.0%	12.35	321.17	4.0%	12.85	334.02
Teacher Salary - AEAs	28.71	4.0%	1.15	29.86	4.0%	1.19	31.05
Professional Development - AEAs	3.35	4.0%	0.13	3.48	4.0%	0.14	3.62

Additionally, there is a budget guarantee provision for each of the State categorical supplements that provides each district and AEA with a minimum of the previous fiscal year's level of funding (net of the previous year's budget guarantee amount). This provision for the State categorical supplements is funded entirely through State aid.

Assumptions

Estimates are based on Department of Education enrollment projections for FY 2017 and a 1.0% increase in special education weightings compared to FY 2016.

Fiscal Impact

The estimated total fiscal impact of **SF 175**, including the provisions in **SF 172**, will be a General Fund expenditure of \$479.8 million to fund the FY 2017 State categorical supplement amounts. This is an increase of \$71.7 million (17.6%) compared to estimated FY 2016. This estimate includes \$107.5 million for the teacher leadership supplement (TLS) for FY 2017.

The following table provides the detail of the funding levels for each of the State categorical supplements.

Estimated Funding Levels - SF 175				
	District Amount	AEA Amount	Total Amount	FY 2017 vs.
	FY 2017	FY 2017	FY 2017	FY 2016 vs.
Teacher Salary Supplement				
Unadjusted Amount - District	\$ 285,810,208	\$ 16,106,583	\$ 301,916,791	
Budget Guarantee Amount - District	689,610	27,573	717,183	
Total Amount - District	\$ 286,499,818	\$ 16,134,156	\$ 302,633,974	\$ 12,739,851
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Professional Development				
Unadjusted Amount - District	\$ 32,403,932	\$ 1,883,200	\$ 34,287,132	
Budget Guarantee Amount - District	69,237	2,989	72,226	
Total Amount - District	\$ 32,473,169	\$ 1,886,189	\$ 34,359,358	\$ 1,449,556
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Early Intervention Supplement				
Unadjusted Amount	\$ 35,270,733	NA	\$ 35,270,733	
Budget Guarantee Amount	71,454	NA	71,454	
Total Amount	\$ 35,342,187	NA	\$ 35,342,187	\$ 1,486,583
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Teacher Leadership Supplement				
Unadjusted Amount	\$ 107,500,435	NA	\$ 107,500,435	
Budget Guarantee Amount	9,185	NA	9,185	
Total Amount	\$ 107,509,620	NA	\$ 107,509,620	\$ 56,002,521
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All State Categorical Supplements				
Total Unadjusted Amount	\$ 460,985,308	\$ 17,989,783	\$ 478,975,091	
Total Budget Guarantee Amount	839,486	30,562	870,048	
Total State Categorical Supplement	\$ 461,824,794	\$ 18,020,345	\$ 479,845,139	\$ 71,678,511
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Note: Contact the LSA for more information				

Sources

Iowa Department of Education, Certified Enrollment file and Enrollment Projections file
Iowa Department of Management, School Aid file
LSA analysis and calculations

/s/ Holly M. Lyons

February 10, 2015

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



SF 176 – Education Funding Supplemental for FY 2017 (LSB2185SV)
 Analyst: John Parker (Phone: (515) 725-2249) (john.parker@legis.iowa.gov)
 Fiscal Note Version – New

Description

Senate File 176 provides additional property tax relief based on the per pupil increase that results from the establishment of the State percent of growth in FY 2017. The Bill requires the additional levy portion of the FY 2017 State cost per pupil amount to be frozen at \$750 per pupil, regardless of the per pupil increase for FY 2017. Without enactment of this provision, the increase in the FY 2017 State cost per pupil due to the State percent of growth will include a per pupil property tax increase equivalent to 1/8th (12.5%) of the total per pupil increase.

Background

Enactment of **HF 215** (2013 Education Reform Act) included the creation of the property tax replacement payment (PTRP) provision to replace local property tax amounts with State aid. The provision froze the additional levy portion of the State cost per pupil in FY 2014 and FY 2015 at \$750. Based on the State percent of growth enacted for those fiscal years (2.0% in FY 2014 and 4.0% in FY 2015), this provision resulted in per pupil property tax relief of \$15/pupil in FY 2014 and another \$31/pupil in FY 2015. This provision also required these per pupil property tax relief provisions for FY 2014 and FY 2015 to carry forward in future fiscal years, resulting in per pupil property tax relief totaling \$46/pupil beginning in FY 2015. Enactment of **SF 173** (Education Supplement for FY 2016) and **SF 176** will maintain a freeze of the additional levy portion of the State cost per pupil at \$750 in FY 2016 and FY 2017. The per pupil property tax relief amount will be based on the State percent of growth enacted for FY 2016 and FY 2017. The following table provides detail regarding the State cost per pupil funding levels as provided by a 4.0% growth rate for FY 2016 in **SF 171** (School Supplemental State Aid, State Percent of Growth FY 2016) and a 4.0% growth rate for FY 2017 in **SF 174** (School Supplemental State Aid, State Percent of Growth FY 2017).

FY 2016 and FY 2017 State Cost Per Pupil Amounts Based on SF 173 and SF 176			
	FY 2015	FY 2016 4.00%	FY 2017 4.00%
State Cost Per Pupil (SCPP):	\$ 6,366	\$ 6,621	\$ 6,886
87.5% Foundation Level (FL):	5,570	5,793	6,025
Previous Enacted PTRP Amount:	46	46	46
Additional Levy Portion:	750	782	815
Additional Per Pupil Property Tax:	\$ 32	\$ 33	
Total Per Pupil Property Tax Relief:	\$ 78	\$ 111	

Enactment of [SF 173](#) will provide additional property tax relief of \$32/pupil for FY 2016 at the 4.0% State percent of growth provided in [SF 171](#). Enactment of [SF 176](#) will provide additional property tax relief of \$33/pupil for FY 2017 at the 4.0% State percent of growth provided in [SF 174](#).

Assumptions

Estimates are based on October 2014 certified enrollments and weighting and enrollment projections for October 2015.

Fiscal Impact

The estimated fiscal impact of [SF 173](#) and [SF 176](#) will be an increase in the State General Fund expenditures of \$17.8 million in FY 2016 and \$36.6 million in FY 2017 compared to current law.

Estimated Impact - SF 173 and SF 176			
FY 2016 and FY 2017 General Fund Expenditure Increase for Property Tax Replacement Payments (PTRP)			
Based on SF 173 and SF 176 (Millions of Dollars)			
	FY 2016		FY 2017
	4.00%		4.00%
Total Current Law PTRP Amount	\$ 25.4	\$	25.4
SF 173 and SF 176 Total PTRP Amount	43.3		62.0
Est. Impact of SF 173 and SF 176	\$ 17.8	\$	36.6

Sources

Iowa Department of Education, Certified Enrollment file
 Iowa Department of Management, School Aid file
 LSA analysis and calculations

/s/ Holly M. Lyons

February 10, 2015

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



SF 177 – Lottery Proceeds to Iowa Veterans Trust Fund (LSB1182SV)
Analyst: David Reynolds (Phone: (515) 281-6934) (dave.reynolds@legis.iowa.gov)
Fiscal Note Version – New

Description

Senate File 177 requires \$2.5 million of lottery revenue to be transferred annually to the Veterans Trust Fund. Under current law, the Lottery Authority is required to conduct a limited series of lottery games to specifically benefit veterans programs. The proceeds from these lottery games are deposited in the Veterans Trust Fund. **Senate File 177** repeals the current requirement.

Background

The lottery revenues deposited in the Veterans Trust Fund from FY 2009 to FY 2014 have averaged \$2.5 million annually. However, over the last two fiscal years the proceeds have been below the five-year average and have decreased to \$2.1 million in FY 2013 and \$1.8 million in FY 2014. For the first six months of FY 2015, the revenues from lottery games benefitting veterans have increased \$467,000 compared to the same period of FY 2014. According to the Iowa Lottery Authority, the increase is due to the successful release of a \$3 instant-scratch game at the beginning of the fiscal year. The Lottery Authority discontinued the \$3 instant-scratch game and does not anticipate ticket sales to be as strong in the second half of FY 2015.

Assumptions

- Assumes lottery revenues generated for the Veterans Trust Fund from January 2015 through June 2015 will be similar to the revenue generated during the same period of FY 2014 (\$955,000), resulting in estimated revenues of \$2.3 million for FY 2015.
- The actual impact of **SF 177** will be the difference between the potential future sales of lottery games benefitting veterans compared to the \$2.5 million transfer limit specified in the Bill. For estimating purposes it is assumed that lottery revenue for the Veterans Trust Fund in FY 2016 and FY 2017 will range between \$2.0 million and \$2.3 million annually.
- According to the Iowa Lottery Authority, lottery games benefitting veterans will continue to be marketed.

Fiscal Impact

Senate File 177 will reduce lottery revenues transferred to the General Fund in FY 2016 and FY 2017 by an estimated \$200,000 to \$500,000 annually with a midpoint estimate of \$350,000. The Bill will increase the funds transferred to the Veterans Trust Fund by a like amount.

Sources

Iowa Lottery Authority
Legislative Services Agency

/s/ Holly M. Lyons

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