

CHAPTER 1012

SCHOOL FINANCE — STATE PERCENTS OF GROWTH — PROPERTY TAX REPLACEMENT PAYMENTS

S.F. 2142

AN ACT relating to public school funding by establishing a state percent of growth and the categorical state percent of growth for the budget year beginning July 1, 2020, modifying provisions and references relating to the property tax replacement payment, and including effective date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. [Section 257.8, subsections 1 and 2](#), Code 2020, are amended to read as follows:

1. ~~State percent of growth. The state percent of growth for the budget year beginning July 1, 2017, is one and eleven hundredths percent.~~ The state percent of growth for the budget year beginning July 1, 2018, is one percent. The state percent of growth for the budget year beginning July 1, 2019, is two and six hundredths percent. The state percent of growth for the budget year beginning July 1, 2020, is two and three-tenths percent. The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the transmission of the governor's budget required by February 1 under [section 8.21](#) during the regular legislative session beginning in the base year.

2. ~~Categorical state percent of growth. The categorical state percent of growth for the budget year beginning July 1, 2017, is one and eleven hundredths percent.~~ The categorical state percent of growth for the budget year beginning July 1, 2018, is one percent. The categorical state percent of growth for the budget year beginning July 1, 2019, is two and six hundredths percent. The categorical state percent of growth for the budget year beginning July 1, 2020, is two and three-tenths percent. The categorical state percent of growth for each budget year shall be established by statute which shall be enacted within thirty days of the transmission of the governor's budget required by February 1 under [section 8.21](#) during the regular legislative session beginning in the base year. The categorical state percent of growth may include state percents of growth for the teacher salary supplement, the professional development supplement, the early intervention supplement, the teacher leadership supplement, and for budget years beginning on or after July 1, 2020, transportation equity aid payments under [section 257.16C](#).

Sec. 2. [Section 257.16B, subsections 1 and 2](#), Code 2020, are amended to read as follows:

1. For each fiscal year beginning on or after July 1, ~~2017~~ 2018, there is appropriated from the general fund of the state to the department of education an amount necessary to make all school district property tax replacement payments under [this section](#), as calculated in [subsection 2](#).

2. ~~a. For the budget year beginning July 1, 2017, the department of management shall calculate for each school district all of the following:~~

~~(1) The regular program state cost per pupil for the budget year beginning July 1, 2012, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#).~~

~~(2) The regular program state cost per pupil for the budget year beginning July 1, 2017, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#).~~

~~(3) The amount of each school district's property tax replacement payment. Each school district's property tax replacement payment equals the school district's weighted enrollment for the budget year beginning July 1, 2017, multiplied by the remainder of the amount calculated for the school district under subparagraph (2) minus the amount calculated for the school district under subparagraph (1).~~

~~b. a. For the budget year beginning July 1, 2018, the department of management shall calculate for each school district all of the following:~~

(1) The regular program state cost per pupil for the budget year beginning July 1, 2012, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#).

(2) The regular program state cost per pupil for the budget year beginning July 1, 2018, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#).

(3) The amount of each school district's property tax replacement payment. Each school district's property tax replacement payment equals the school district's weighted enrollment for the budget year beginning July 1, 2018, multiplied by the remainder of the amount calculated for the school district under subparagraph (2) minus the amount calculated for the school district under subparagraph (1).

~~e. b.~~ For each ~~the~~ budget year beginning ~~on or after~~ July 1, 2019, the department of management shall calculate for each school district all of the following:

(1) The regular program state cost per pupil for the budget year beginning July 1, 2012, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#).

(2) The regular program state cost per pupil for the budget year beginning July 1, 2019, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#).

(3) The amount of each school district's property tax replacement payment. Each school district's property tax replacement payment equals the school district's weighted enrollment for the budget year beginning July 1, 2019, multiplied by the remainder of the amount calculated for the school district under subparagraph (2) minus the amount calculated for the school district under subparagraph (1).

c. For each budget year beginning on or after July 1, 2020, the department of management shall calculate for each school district all of the following:

(1) The regular program state cost per pupil for the budget year beginning July 1, 2012, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#).

(2) The regular program state cost per pupil for the budget year beginning July 1, 2020, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#).

(3) The amount of each school district's property tax replacement payment. Each school district's property tax replacement payment equals the school district's weighted enrollment for the budget year multiplied by the remainder of the amount calculated for the school district under subparagraph (2) minus the amount calculated for the school district under subparagraph (1).

Sec. 3. [Section 257.16D, subsection 2](#), paragraph b, Code 2020, is amended to read as follows:

b. The moneys available in a fiscal year in the foundation base supplement fund shall be distributed by the department of management to each school district on a per pupil basis calculated using each school district's weighted enrollment, as defined in [section 257.6](#), for that fiscal year. However, the amount of a school district's foundation base supplement payment for a budget year shall not exceed an amount equal to the product of the school district's weighted enrollment for the budget year multiplied by the amount for the budget year calculated under [section 257.16B, subsection 2](#), paragraph "b", subparagraph (2), product of the regular program state cost per pupil for the budget year multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#), minus the amount of the school district's property tax replacement payment under [section 257.16B](#) for the budget year.

Sec. 4. CODE SECTION 257.8 — IMPLEMENTATION. The requirements of [section 257.8, subsections 1 and 2](#), regarding the enactment of bills establishing the state percent of growth and the categorical state percent of growth within thirty days of the transmission of the governor's budget required by February 1 under [section 8.21](#) during the regular legislative session beginning in the base year, do not apply to this Act.

Sec. 5. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved March 12, 2020