



BILL AND AMENDMENT SUMMARY

FY 2017 State Supplemental Aid and Categorical Funding Bills: SF 174 and SF 175

Status of Bill: On House Floor
Committee: Education, Both Passed Senate 26-24 (2/10/15)
Both Passed Committee 13-10 (1-19-16)
Lead Democrats: Ruff
Floor Manager: Jorgensen
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Bill Summary SF 174, FY 2017, at 4%

The Legislature has still not set State Supplemental Aid (SSA) for FY 2017. Iowa law requires FY 2017 school funding to be set within 30 days after the Governor's budget was introduced for FY 2016, which was last year. SF 174 passed the Senate on time last year and was not brought up in the House. It would set SSA for FY 2017 at 4.0% for the 2016-17 school year. By law, FY 2018 should be set for the 2017-18 school year within 30 days of the Governor's introduction of the budget (or Feb. 11th), but this bill only deals with FY 2017.

SF 174 provides a total in state school funding in FY 2017 of \$3.181 billion¹, an increase of approximately \$227.9 million compared to FY 2016. At 4%, the state cost per pupil would increase from \$6,446 to \$6,704 (or \$258). Preschool aid would be set at \$77.6 million, an increase of \$4.3 million. The total foundation property tax amount would equal \$1.409 billion, an increase of \$29.1 million. The combined district costs are \$4.557 billion, an increase of \$255 million compared to FY 2016. AEA funding would total \$231.8 million or an increase of \$24.8 million compared to FY 2016. The property tax replacement total is \$49.2 million, or an increase of \$18.2 million. The budget guarantee represents \$3.2 million of the local property taxes to reach the 101% funding level provided by the guarantee. There are 57 districts (17%) on the budget guarantee, or a decrease of 105 districts (64.8%).

Amendment Summary, SF 174

H-8001 by Jorgensen: Sets State Supplemental Aid for PreK-12 Schools for FY 2017 at 2%

The amendment provides the total state school funding amount in FY 2017 of \$3.096 billion, an increase of approximately \$143.1 million compared to FY 2016. At 2%, the state cost per pupil would increase from \$6,446 to \$6,575 (or \$129). Preschool aid would be set at \$76.1 million, an increase of \$2.8 million. The total foundation property tax amount would equal \$1.417 billion, an increase of \$37.1 million. The combined district costs are \$4.482 billion, an increase of \$180 million compared to FY 2016. AEA funding would total \$227.7 million or an increase of \$20.8 million compared to FY 2016. The property tax replacement total is \$40.3 million, or an increase of \$9.2 million. The budget guarantee represents \$12.3 million of the local property taxes to reach the 101% funding level provided by the guarantee. There are 124 districts (37%) on the budget guarantee, or a decrease of 38 districts (23.5%).

Implementation

The amendment also adds a provision that the implementation of state law requiring the establishment of SSA within thirty days of the submission of the governor's budget in the year preceding does not apply to this act.

¹ Total includes categorical funding at 4%.

The law also states that the bill setting SSA shall be a single subject, yet the amendment adds this additional subject.

Bill and Amendment Summary, SF 175, Categorical Funding, FY 2017, at 4%

SF 175 provides categorical funding for FY 2017. The category and total funding compared to the Jorgensen amendment are provided below²:

<u>SF 175 at 4%</u>	<u>Vs. Amendment H-XXXX by Jorgensen at 2%</u>
Teacher Salary Supplement: \$279.3 million, or an \$11.5 million increase	Vs. \$274.3 million or a \$6.5 million increase
Professional Development: \$31.7 million, or a \$1.3 million increase	Vs. \$31.1 million or a \$700,000 increase
Class Size Reduction, Early Intervention: \$34.4 million, or a \$1.4 million increase	Vs. \$33.8 million or a \$800,000 increase
Teacher Leadership Compensation (TLC): \$105.1 million, a \$55 million increase	Vs. \$103.2 million, a \$53 million increase
TOTAL Categorical Funding including AEA's: \$468.1 million or a \$69.9 million increase	Vs. \$459.7 million or a \$61.6 million increase

Implementation

The amendment also adds a provision that the implementation of state law requiring the establishment the categorical funding within thirty days of the submission of the governor's budget in the year preceding does not apply to this act. The law also states that the bill setting categorical funding shall be a single subject, yet the amendment adds this additional subject.

² The categorical costs are included in the overall estimates.