



AMENDMENT SUMMARY

State Supplemental Aid (SSA) and Categorical Funding, HF 136

Status of Bill: HF 136 on House Floor, SF 166, Passed Senate (28-21)
Committee: Senate: Education, House: Appropriations (14-9)
Lead Democrats: Representative Winckler
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Amendment Summary HF 136

H-1009 by Winckler, Sets SSA at 4% and Categoricals at 4%, Both for FY 2018 and FY 2019

Provides a total in state school funding in FY 2018 of \$3.325 billion¹, an increase of approximately \$235.80 million compared to FY 2017. This is a level of 4%, and the state cost per pupil would increase from \$6,591 to \$6,855 (or \$264). Including the statutory reduction of \$7.5 million, the AEA funding would total \$238.2 million or an increase of \$28.8 million compared to FY 2017.

Other amounts include preschool aid would be set at \$80.29 million, an increase of \$3.91 million. The total foundation property tax amount would equal \$1.462 billion, an increase of \$40.46 million. The combined district costs are \$4.75 billion, an increase of \$272 million compared to FY 2017. The budget guarantee represents \$3.45 million of the local property taxes to reach the 101% funding level provided by the guarantee. There would be 56 districts (17%) on the budget guarantee, or a decrease of 54 districts compared to FY 2017. The Property Tax Replacement Payment (PTRP) in state funding would increase to \$60.26 million or an \$18.85 million increase.

Categorical Funding, FY 2018, at 4%

The amendment would provide categorical funding for FY 2018 at 4%. The category and total funding compared to FY 2017 are provided below²:

Teacher Salary Supplement:
\$286.49 million, or an \$11.6 million increase

Professional Development:
\$32.47 million, or a \$1.32 million increase

Class Size Reduction, Early Intervention:
\$35.34 million, or a \$1.44 million increase

Teacher Leadership Compensation (TLC):
\$161.41 million, a \$58 million increase

TOTAL Categorical Funding including AEA's:
\$533.8 million or a \$73.11 million increase

¹ Total includes categorical funding at 4%.

² The categorical costs are included in the overall estimates.

Continuing H-1009, FY 2019 Totals

Provides a total in state school funding in FY 2019 of \$3.484 billion³, an increase of approximately \$158.16 million compared to FY 2018 at 4%. This is a level of 4%, and the state cost per pupil would increase from \$6,855 to \$7,129 (or \$274). Including the statutory reduction of \$7.5 million, the AEA funding would total \$255.7 million or an increase of \$17.5 million compared to FY 2018 at 4%.

Other amounts include preschool aid would be set at \$85.32 million, an increase of \$5.03 million. The total foundation property tax amount would equal \$1.523 billion, an increase of \$61.69 million. The combined district costs are \$4.950 billion, an increase of \$200.22 million compared to FY 2018. The budget guarantee represents \$1.80 million of the local property taxes to reach the 101% funding level provided by the guarantee. There would be 25 districts (8%) on the budget guarantee, or a decrease of 31 districts compared to FY 2018. The PTRP payment in state funding would increase to \$79.63 million or a \$19.38 million increase.

Categorical Funding, FY 2019, at 4%

The amendment would provide categorical funding for FY 2019 at 4%. The category and total funding compared to FY 2018 are provided below⁴:

Teacher Salary Supplement:

\$298.18 million, or an \$11.7 million increase

Professional Development:

\$33.80 million, or a \$1.33 million increase

Class Size Reduction, Early Intervention:

\$36.79 million, or a \$1.44 million increase

Teacher Leadership Compensation (TLC):

\$167.99 million, a \$6.58 million increase

TOTAL Categorical Funding including AEA's:

\$555.6 million or a \$21.8 million increase

H-1010 by Winckler Sets SSA at 2% and Categoricals at 2%, Both for FY 2018 and FY 2019

Provides a total in state school funding in FY 2018 of \$3.237 billion⁵, an increase of approximately \$147.59 million compared to FY 2017. This is a level of 2% (matching the Governor's level), and the state cost per pupil would increase from \$6,591 to \$6,723 (or \$132). Including the statutory reduction of \$7.5 million, the AEA funding would total \$233.9 million or an increase of \$24.5 million compared to FY 2017.

Other amounts include preschool aid would be set at \$78.74 million, an increase of \$2.36 million. The total foundation property tax amount would equal \$1.468 billion, an increase of \$46.47 million. The combined district costs are \$4.669 billion, an increase of \$191.64 million compared to FY 2017. The budget guarantee represents \$13.12 million of the local property taxes to reach the 101% funding level provided by the guarantee. There would be 141 districts (42%) on the budget guarantee, or an increase of 31 districts compared to FY 2018. The Property Tax Replacement Payment (PTRP) in state funding would increase to \$50.68 million or a \$9.28 million increase.

³ Total includes categorical funding at 4%.

⁴ The categorical costs are included in the overall estimates.

⁵ Total includes categorical funding at 2%.

Categorical Funding, FY 2018, at 2%

The amendment would provide categorical funding for FY 2018 at 2%. The category and total funding compared to FY 2017 are provided below⁶:

Teacher Salary Supplement:

\$281.36 million, or a \$6.47 million increase

Professional Development:

\$31.89 million, or a \$730,000 increase

Class Size Reduction, Early Intervention:

\$34.71 million, or a \$800,000 increase

Teacher Leadership Compensation (TLC):

\$158.52 million, a \$55.1 million increase

TOTAL Categorical Funding including AEA's:

\$524.2 million or a \$65.53 million increase

Continuing H-1010, FY 2019 Totals

Provides a total in state school funding in FY 2019 of \$3.300 billion⁷, an increase of approximately \$65.53 million compared to FY 2018 at 4%. This is a level of 2%, and the state cost per pupil would increase from \$6,723 to \$6857 (or \$134). Including the statutory reduction of \$7.5 million, the AEA funding would total \$246.6 million or an increase of \$12.7 million compared to FY 2018 at 4%.

Other amounts include preschool aid would be set at \$82.06 million, an increase of \$3.32 million. The total foundation property tax amount would equal \$1.522 billion, an increase of \$54.55 million. The combined district costs are \$4.769 billion, an increase of \$99.85 million compared to FY 2018. The budget guarantee represents \$8.36 million of the local property taxes to reach the 101% funding level provided by the guarantee. There would be 68 districts (20%) on the budget guarantee, or a decrease of 73 districts compared to FY 2018. The PTRP payment in state funding would increase to \$60.43 million or a \$9.75 million increase.

Categorical Funding, FY 2019, at 2%

The amendment would provide categorical funding for FY 2019 at 2%. The category and total funding compared to FY 2018 are provided below⁸:

Teacher Salary Supplement:

\$287.19 million, or a \$5.83 million increase

Professional Development:

\$32.55 million, or a \$660,000 increase

Class Size Reduction, Early Intervention:

\$35.43 million, or a \$720,000 increase

Teacher Leadership Compensation (TLC):

\$161.58 million, a \$3.06 million increase

TOTAL Categorical Funding including AEA's: \$534.9 million or a \$10.66 million increase

⁶ The categorical costs are included in the overall estimates.

⁷ Total includes categorical funding at 2%.

⁸ The categorical costs are included in the overall estimates.

H-1011 by Winckler, Keep Current On-time Funding Law on Setting SSA, Proper Notice to Schools

The amendment would keep the current law in place of when SSA would be set in the future. Current law requires that it be set 1 ½ year in advance to provide on-time funding and to give schools time to prepare their budget and meet deadlines. The bill would change this so SSA would be set within 30-days of receiving the Governor's budget, for the next Fiscal Year.

Why Set State School Aid (SSA) in Advance?

- In order to give school districts as much advance notice as possible regarding available funding for budget determination and certification. This provides them stable, on-time predictable funding. It is a bipartisan law passed in 1992 (Democrats controlled the Legislature and Branstad was Governor).
- The law enables them to meet deadlines. Schools submit requests for Modified Allowable Growth by December 15th. After modifications and review, districts are notified by February 15th if they are approved. Their budget is published by April 5 and certified April 15. Early retirement programs (employees must opt in by April 1) and bargaining deadlines (pink slips must be issued by April 30) all require advance notice.

H-1012 by Wolfe, If Funding is not Set On-time, it Would Automatically Go To 4%

Would set a safeguard in place in case the Legislature does not follow the law in setting SSA on-time. If SSA is not enacted before the expiration of the 30-days, it will be automatically set at 4%. Categorical funding would also be set at 4% if the Legislature refuses to act within 30-days.