



## BILL SUMMARY

# School Funding Every Other Year HF 139

Status of Bill: On House Floor  
 Committee: Education 13-9  
 Lead Democrats: Representative Steckman  
 Floor Manager: Representative Jorgensen  
 Research Analyst: David Epley 515-281-6367  
[david.epley@legis.iowa.gov](mailto:david.epley@legis.iowa.gov)

February 4, 2015

## Background

Current law was established and signed by Governor Branstad in 1992. (Note: In 1992, Governor Branstad was governor and the Legislature was controlled by Democrats. It was supported by Branstad at the time after two across the board cuts after recessions hit the national economy). It requires that within 30 days of receiving the Governor's budget, the Legislature will enact school aid funding for the following 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.
- Schools need stable and predictable funding. Budgeting deadlines (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.

## Bill Summary

Instead of setting school funding on-time as required by law, HF 139 changes the deadline. It strikes the current 30 day time line to set school funding, and establishes that the percentage increase for school funding and categorical funding would be set only in the first session of the General Assembly. If the bill (which may not pass the Senate) were enacted into law, the Legislature would set two years of school funding within the same session with two different time lines. If the bill were applied to this year, House Republicans have set SSA for FY 2016 (a year late as required by law). If following this bill, they would set SSA for FY 2017 by the end of session (even though current law says they need to set it within 30 days of receiving the Governor's budget which would be February 12<sup>th</sup> this year.)

### Modified Allowable Growth Provision

Different than previous years, the bill changes the deadlines for the Modified Allowable Growth (MAG). The program allows districts to request additional spending authority for returning dropouts and dropout prevention. To do so, districts must apply to the School Budget Review Committee. Below are the current deadlines for the program, and how those deadlines would change under the bill:

	Current Law	Changes Under HF 139
Submit request to Dept. for MAG	December 15 <sup>th</sup>	February 10 <sup>th</sup>
Dept. reviews the request	January 15 <sup>th</sup>	March 10 <sup>th</sup>
Unapproved request resubmit with modifications	February 1 <sup>st</sup>	March 25 <sup>th</sup>
Dept. notifies DOM of the school districts approved	February 15 <sup>th</sup>	April 10 <sup>th</sup>

The bill is applicable for the 2015-2016 school year and would take effect upon enactment and would be applied to the SSA and categorical funding bills for the budget years beginning FY 2017. Except for the Modified Allowable Growth provision, the bill is similar to HF 2245 of 2012 that passed the House and died in the Senate, and HF 2194 of 2014 that passed the House and died in the Senate.