



IOWA HOUSE DEMOCRATS

BILL & AMENDMENT SUMMARY

HF 306 & SF 172 State Supplemental Aid (SSA)

Status of Bill: House Floor
Committee: Education (12-11)
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Lead Democrat: R. Smith
Floor Manager: Dolecheck

HF 306 Vs. Amendment H-1001 by R. Smith:

The following shows a comparison of HF 306 for State Supplemental Aid (SSA) at a 2.06% increase in the District Cost Per Pupil for FY 2020 compared to H-1001 by R. Smith of a 3% increase for FY 2020.

The comparison has like numbers in that there would be an additional \$15 million cut to the Area Education Agencies (AEA's), and where the Property Tax Relief Payment (PTRP) is extended. The total amount of AEA reduction, including the \$7.5 million in statute, would equal \$22.5 million for FY 2020, which matches the amount from FY 2019. However, HF 306 does NOT contain this additional AEA reduction. That would be contained in the Standings bill later in the session. The PTRP is the amount that the state picks up in property tax dollars due to the increase in SSA which started in FY 2014. By Legislation, currently this is picked up through FY 2019. HF 306 continues that state pickup through FY 2020. The bill also does not include the \$5 raise in the District Cost Per Pupil (DCPP) to address inequity and the additional \$19 million in transportation costs for FY 2020. That is in HF 111 in Appropriations. The cost of the additional \$5 DCPP is \$2.3 million.

The budget guarantee is the amount made up entirely of local property taxes to guarantee a school district receives 101% of the previous year's funding level. Based on actual enrollment, it only occurs when a district is experiencing an enrollment decline greater than the SSA percentage increase. The lower percentage of SSA, the more districts will be placed on the budget guarantee, and make up the difference in increased property taxes. Likewise, the higher percentage of SSA, a lower amount of districts will be on the budget guarantee and property taxes will decrease.

	HF 306 at 2.06%, FY 2020	Vs.	H-1001 by R. Smith at 3%, FY 2020
Total General Fund Amount	\$3.286 billion ¹ , an increase of \$78.6 million.		\$3.289 billion ² , an increase of \$120.9 million.
Cost Per Pupil	\$6,875, an increase of \$139.		\$6,938, an increase of \$202.
Combined Dist. Costs	\$4.807 billion, an increase of \$102.6 million.		\$4.844 billion, an increase of \$140 million.
Preschool Amount	\$85.9 million, an increase of \$3.7 million.		\$86.7 million, an increase of \$4.5 million.
Amount of PTRP	\$62.1 million, an increase of \$10 million.		\$66.6 million, an increase of \$14.5 million.
Amount Budget Guarantee	\$10.2 million, a decrease of \$15.4 million.		\$5.4 million, a decrease of \$20.2 million.
School Districts on Budget Guarantee	117 or 35.5%, a decrease of 61 districts on the budget guarantee.		83 or 25%. This would be a decrease of 95 districts on the budget guarantee.

¹ Total includes categorical funding at 2.06%.

² Total includes categorical funding at 3%.

Categorical Funding

Continuing the comparison of HF 306 Vs. H-1001 by R. Smith, the category and total funding compared to FY 2020 are provided below³:

	HF 306 at 2.06%, FY 2020	Vs.	H-1001 by R. Smith at 3%, FY 2020
Teacher Salary Supplement	\$288.6 million, or a \$5.7 million increase.		\$291.1 million, or a \$8.1 million increase.
Professional Development	\$32.7 million, or a \$600 thousand increase.		\$33 million, or a \$900 thousand increase.
Class Size Reduction, Early Intervention	\$35.6 million, or a \$700 thousand increase.		\$35.9 million, or a \$1 million increase.
Teacher Leadership Compensation (TLC)	\$162.7 million, a \$3.3 million increase.		\$164.1 million, a \$4.7 million increase.
TOTAL, including AEA Categoricals:	\$537.9 million or a \$10.7 million increase.		\$542.5 million or a \$15.3 million increase.

H-1002 by R. Smith and Hall:

The amendment creates a Complementary State Aid Fund to supplement school aid growth. The fund would receive revenues by maintaining the 2018 income tax rates for those with an adjusted gross income of \$1 million or more. By forgoing tax cuts to Iowa's top 1/2% of income taxpayers, we would generate approximately \$62 million in additional revenues for K-12 schools.

Effective Date

HF 306 takes effect upon enactment.

³ The categorical costs are included in the overall estimates.