



IOWA HOUSE DEMOCRATS

BILL AND AMENDMENT SUMMARY

State Supplemental Aid (SSA) HF 2230/SF 2164

Status of Bill: HF 2230 on House Floor, SF 2164 on Senate Floor Lead Democrat: Steckman
Committee: Education, 14-8 Floor Manager: Dolecheck
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HF 2230/SF 2164 Vs. Amendment H-8004 by Steckman:

The following shows a comparison of HF 2230/SF 2164 for State Supplemental Aid (SSA) at a 1% increase in the District Cost Per Pupil for FY 2019 compared to H-8004 by Steckman of 3% increase for FY 2019. Both proposals compare like numbers in that there would be an additional \$15 million cut to the Area Education Agencies (AEA's), and 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 2019, which matches the amount from FY 2018. However, HF 2230 and SF 2164 do 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 2018. HF 2230 and SF 2164 continue that state pickup through FY 2019.

The budget guarantee is the amount made up entirely of local property taxes to guarantee as 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 2230/SF 2164 at 1%, FY 2019	Vs.	H-8004 by Steckman at 3%, FY 2019
Total General Fund Amount	\$3.212 billion ¹ , an increase of \$31.96 million.		\$3.3 billion ² , an increase of \$120.25 million.
Cost Per Pupil	\$6,731, an increase of \$67.		\$6,864, an increase of \$200.
Combined Dist. Costs	\$4.70 billion, an increase of \$69.08 million.		\$4.769 billion, an increase of \$138.44 million.
Preschool Amount	\$82.20 million, an increase of \$4.04 million.		\$83.82 million, an increase of \$5.67 million.
Amount of PTRP	\$51.52 million, an increase of \$4.76 million.		\$61.14 million, an increase of \$14.38 million.
Amount Budget Guarantee	\$26.14 million, an increase of \$2.50 million.		\$7.77 million, a decrease of \$15.87 million.
School Districts on Budget Guarantee	183 or 55%, an increase of 4 districts. ISEA estimates that another 25% would have inadequate growth, or 80% total districts at the 1% level.		105 or 32%. This would be a decrease of 74 districts on the budget guarantee.

¹ Total includes categorical funding at 1%.

² Total includes categorical funding at 3%.

During the 2017 session, changes were made to the way SSA is set by the Legislature. The Legislature will no longer have to set SSA 16 months in advance, just 30 days after the Governor submits her budget prior to the next fiscal year. In addition, the SSA bill can contain more than one subject matter. So, HF 2230 and SF 2164 contain both the SSA increase, and the categorical funding increase, which used to be done by separate bills.

Categorical Funding

Continuing the comparison of HF 2330 and SF 2163 Vs. H-8004 by Steckman The category and total funding compared to FY 2017 are provided below³:

	HF 2230/SF 2164 at 1%, FY 2019	Vs.	H-8004 by Steckman at 3%, FY 2019
Teacher Salary Supplement	\$282.94 million, or a \$3.55 million increase.		\$287.58 million, or a \$8.19 million increase.
Professional Development	\$32.06 million, or a \$40 thousand increase.		\$32.59 million, or a \$92 thousand increase.
Class Size Reduction, Early Intervention	\$34.90 million, or a \$43 thousand increase.		\$35.47 million, or a \$1 million increase.
Teacher Leadership Compensation (TLC)	\$159.47 million, a \$2.06 million increase.		\$162.09 million, a \$4.68 million increase.
TOTAL, including AEA Categoricals:	\$527.2 million or a \$6.7 million increase.		\$535.9 million or a \$15.4 million increase.

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³ The categorical costs are included in the overall estimates.