

**IOWA PEACE OFFICERS ASSOCIATION**

***LEGISLATIVE UPDATE***

**January 30 – February 3, 2017**

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**House and Senate Move Forward With K-12 Funding Plan**

Last week, the House and Senate began moving legislation that funds K-12 education. SF 166 was approved by the Senate on Thursday, February 2nd by a vote of 28-21. The bill now moves to the House where it will be considered this week.

Senate File 166 has three provisions with a fiscal impact:

* 1.11% State percent of growth rate to be applied to the State cost per pupil for FY 2018.
* 1.11% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2018.
* Provides additional property tax relief based on the per pupil increase that results from the establishment of the State percent of growth in FY 2018. The bill requires the additional levy portion of the FY 2018 State cost per pupil amount to be frozen at $750 per pupil, regardless of the per pupil increase for FY 2018. Without enactment of this provision, the increase in the FY 2018 State cost per pupil due to the State percent of growth will include a per pupil property tax increase equivalent to 1/8th (12.5%) of the total per pupil increase.

**State Cost Per Pupil.** The school aid formula provides funding to school districts and Area Education Agencies (AEAs) through a mix of State aid and property tax. In general, funding is generated on a per pupil basis with the per pupil amounts providing an overall budget limitation (or spending authority). There are five FY 2017 State cost per pupil funding levels that will be increased by a 1.11% State percent of growth for FY 2018. The following table provides the supplemental State aid amounts (also referred to as per pupil growth amounts) and State cost per pupil amounts for FY 2018 based on a 1.11% growth rate. The supplemental State aid amounts will be applied to all corresponding district and AEA cost per pupil amounts.

**State Categorical Supplements.** The State categorical supplements are funded entirely through State aid and generate funds for each school district and area education agency (AEA) through the school aid formula on a per pupil basis. The FY 2017 State cost per pupil funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), and early intervention supplement (district only) will be increased by a 1.11% State percent of growth for FY 2018. Additionally, FY 2018 will be the final year that the teacher leadership supplement (TLS) for the Teacher Leadership and Compensation (TLC) System will be rolled into the school aid formula, the end of a three-year process. In FY 2018, TLC will be fully implemented into the school aid formula, and all school districts will receive the categorical supplement. The following table provides the per pupil growth amounts and State cost per pupil amounts for FY 2018 based on SF 166.

Additionally, there is a budget guarantee provision for each of the State categorical supplements, which provides each district and AEA with a minimum of the previous fiscal year’s level of funding (net of the previous year’s budget guarantee amount). This provision for the State categorical supplements is funded entirely through State aid.

**Property Tax Relief Payment (PTRP).** Enactment of HF 215 (2013 Education Reform Act) included the creation of the property tax replacement payment (PTRP) provision to replace local property tax amounts with State aid. The provision froze the additional levy portion of the State cost per pupil at $750; based on the State percent of growth enacted during the intervening fiscal years, this provision created $15 per pupil in property tax relief in FY 2014 and up to $74 per pupil in FY 2017. The continual growth is a result of this provision requiring that the per pupil property tax relief of previous fiscal years to carry forward in future fiscal years. Enactment of SF 166 will maintain a freeze of the additional levy portion of the State cost per pupil at $750 in FY 2018. The per pupil property tax relief amount will be based on the State percent of growth enacted for FY 2018. The following table provides detail regarding the State cost per pupil funding levels as provided by a 1.11% growth rate for FY 2018 in SF 166.

\*Source: Legislative Services Agency Fiscal Note

**Bills of Interest**

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| [HSB 61](https://www.legis.iowa.gov/legislation/BillBook?ba=HSB61&ga=87) | A bill for an act relating to controlled substances, including by temporarily designating substances as controlled substances, modifying the penalties for imitation controlled substances and certain controlled substances, modifying the controlled substances listed in schedules I, III, and IV, and providing penalties. |
| [HSB 58](https://www.legis.iowa.gov/legislation/BillBook?ba=HSB58&ga=87) | A bill for an act relating to persons soliciting donations from passing motorists on behalf of charitable organizations. |
| [SSB 1036](https://www.legis.iowa.gov/legislation/BillBook?ba=SSB1036&ga=87) | A bill for an act relating to the enforcement of motor vehicle laws and the regulation of commercial motor vehicles and certain operators by the department of transportation, and including effective date provisions. |
| [HSB 75](https://www.legis.iowa.gov/legislation/BillBook?ba=HSB75&ga=87) | A bill for an act establishing a motor vehicle insurance verification program, establishing fees, and including penalty and effective date provisions.  |
| [HSB 69](https://www.legis.iowa.gov/legislation/BillBook?ba=HSB69&ga=87) | A bill for an act relating to the enforcement of motor vehicle laws and the regulation of commercial motor vehicles and certain operators by the department of transportation, and including effective date provisions.  |
| [SF 195](https://www.legis.iowa.gov/legislation/BillBook?ba=SF195&ga=87) | A bill for an act providing for appropriations to the statewide fire and police retirement system and including effective date provisions. |
| [SF 194](https://www.legis.iowa.gov/legislation/BillBook?ba=SF194&ga=87) | A bill for an act relating to the appearance of motor vehicles, including the use of tinted windshields and windows and the issuance and display of one registration plate. |
| [HF 204](https://www.legis.iowa.gov/legislation/BillBook?ba=HF204&ga=87) | [A bill for an act relating to the unauthorized placement of a global positioning device and providing a penalty. (Formerly HF 2.)](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=HF2) |
| [HF 200](https://www.legis.iowa.gov/legislation/BillBook?ba=HF200&ga=87) | A bill for an act relating to the possession, manufacture, or delivery of marijuana and the possession of drug paraphernalia, and providing penalties. |
| [HF 199](https://www.legis.iowa.gov/legislation/BillBook?ba=HF199&ga=87) | A bill for an act relating to the compassionate use of medical cannabis Act, reclassifying marijuana, including tetrahydrocannabinols, from a schedule I controlled substance to a schedule II controlled substance, providing for civil and criminal penalties and fees, and including effective date provisions. |
| [HF 198](https://www.legis.iowa.gov/legislation/BillBook?ba=HF198&ga=87) | A bill for an act relating to the creation of the medical cannabis Act and providing for criminal penalties and fees. |
| [SF 196](https://www.legis.iowa.gov/legislation/BillBook?ba=SF196&ga=87) | [A bill for an act prohibiting the use of automated traffic law enforcement systems by the department of transportation and regulating the use of other automated traffic law enforcement systems. (Formerly SSB 1019.)](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=SSB1019) |