



Timeliness of the Setting of Supplemental State Aid

Iowa law, as enacted in SF 166 during the 2017 legislative session, requires that the supplemental state aid (SSA) state percent of growth rate for the following fiscal year be set within 30 days of the governor's budget submission (which is required to be submitted by February 1 each year). In general, the current law requires the legislature to pass the SSA bill about 2 months prior to when school districts are required to certify their budgets (April 15 of each year).

Prior to enactment of SF 166, establishment of the SSA state percent of growth rate was required to be set about 14 months ahead of when the school districts were required to certify their budgets. That provision had been in place since the enactment of SF 460 during the 1995 legislative session. This provision allowed school districts and area education agencies (AEAs) the time needed for boards to be able to engage in comprehensive decision making, to develop fiscally sound budgets and make necessary budget adjustments.

The following table provides information on the enactment of SSA state percent of growth rates (formerly referred to as Allowable Growth Rates) from FY 2000 to FY 2022. The table includes the fiscal year, the state percent of growth rate enacted, the year the legislation was enacted, the bill number, the official date the bill was enacted (signed by the governor), and whether or not the SSA state percent of growth rate was approved "on time" (met the law requirement in place at that time).

Iowa Association of School Boards: Timeliness of Enacting the School Aid State Percent of Growth Rate

Fiscal Year	State Percent of Growth	Legislative Session Enacted	Bill #	Date Enacted	Approved "On Time"	Notes
FY 2022	2.40%	2021	SF 269	2/23/2021	No	Due date was set for February 12, 2021 and not enacted until February 23, 2021.
FY 2021	2.30%	2020	SF 2142	3/12/2020	No	Due date was set for February 13, 2020 and rate not enacted until March 12, 2020.
FY 2020	2.06%	2019	HF 306	2/19/2019	No	Due date was set for February 14, 2019 and rate not enacted until February 19, 2019.
FY 2019	1.00%	2018	HF 2230	3/7/2018	No	Due date was set for February 8, 2018 and rate not enacted until March 7, 2018.
FY 2018*	1.11%	2017	SF 166	2/8/2017	No	Due date was set for February 11, 2016 and rate not enacted until February 8, 2017.
FY 2017	2.25%	2016	SF 174	4/6/2016	No	Rate was not set during the 2015 legislative session. Rate was set in March 2016.
FY 2016	1.25%	2015	SF 171	7/2/2015	No	Note: Rate was not set during the 2014 legislative session. Rate was set at the end of the 2015 legislative session.
FY 2015	4.00%	2013	HF 215	6/3/2013	No	Rate was set at the end of the 2013 legislative session.
FY 2014	2.00%	2013	HF 215	6/3/2013	No	No rate set during 2012 session. Rate was set at the end of the 2013 legislative session.
FY 2013	2.00%	2011	SF 533	7/27/2011	No	Rate was set at the end of the 2011 legislative session (June 30, 2011).
FY 2012	0.00%	N.A.	N.A.	N.A.	No	Note: no rate was established and defaulted to 0.0% - no increase in per pupil funding.
FY 2011	2.00%	2009	SF 218	2/27/2009	Yes	
FY 2010	4.00%	2008	HF 2140	2/12/2008	Yes	
FY 2009	4.00%	2007	SF 109	2/22/2007	Yes	
FY 2008	4.00%	2006	HF 2095	6/1/2006	No	
FY 2007	4.00%	2005	SF 36	2/2/2005	Yes	
FY 2006	4.00%	2004	SF 2298	5/17/2004	No	
FY 2005	2.00%	2003	SF 211	3/3/2003	No	
FY 2004	2.00%	2002	SF 2328	5/9/2002	Yes	
FY 2003	1.00%	2002	SF 2315	3/28/2002	No/Yes*	Note: The State percent of growth was originally set at 4.0% during the 2001 Session (HF 191 approved on 2/12/2001).
FY 2002	4.00%	2000	SF 2082	2/9/2000	Yes	
FY 2001	4.00%	1999	HF 146	2/4/1999	Yes	
FY 2000	3.00%	1998	SF 2094	2/19/1998	Yes	

Notes:

*Senate File 166 (enacted during the 2017 Legislative Session), changed the timeline requirement for setting supplemental state aid to the legislative session preceeding the school budget year. For example, the FY 2020 budget year state percent of growth rate should be set within 30 days of the Governor's budget submittal during the 2019 Legislative Session.

"On-Time" is defined as the state percent of growth rate is signed into law within 30 days of the Governor's budget submittal. Under Section 8.21, the budget must be transmitted to the legislature by February 1.

Starting with FY 2019:

Iowa Code 257.8 - "The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the transmission of the governor's budget required by February 1 under section 8.21 during the regular legislative session beginning in the base year."

Prior to FY 2018:

Iowa Code 257.8 - "The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21."

Iowa Code 8.21 - "Not later than February 1 of each legislative session, the governor shall transmit to the legislature a document to be known as a budget, setting forth the governor's financial program for the ensuing fiscal year and having the character and scope set forth in sections 8.22 through 8.29."

Sources:

Iowa Acts, 1998 - 2015 Sessions, and Legislative Services Billbook

Legislative Services Agency, Fiscal Services Division

IASB research and analysis

The legislature has not met the legally required deadline for establishing the SSA state percent of growth rate for eleven consecutive legislative sessions. It should be noted that although the legislature met the deadline date for FY 2018 based on the law change provided in SF 166, the law in place for the establishment of the FY 2018 SSA state percent of growth rate required that the rate be set initially during the 2016 legislative session.

The following chart shows the number of months in advance of the school district budget certification deadline that the SSA state percent of growth rate was enacted. Green bars represent when the SSA rate was set "on time" while red bars represent when the SSA rate was not set on time. Items to note:

- The agreed upon FY 2022 rate was passed by the House on February 11, 2021 and the Senate on February 17, 2021. The bill was sent to and signed by the governor on February 23, 2021, after the due date of February 11, 2021.

- In FY 2012 no rate was established, and the result was that the SSA rate defaulted to 0.0%. That SSA rate wasn't determined until the 2011 legislature adjourned on June 30, 2011 (just one day prior to the start of FY 2012) with the legislature taking no action on the FY 2012 SSA rate.
- The rates established for FY 2014 and FY 2016 were established after the budget certification date.
- From FY 2000 to FY 2011, the rate was set on time 8 out of 12 times. Additionally, three of the four times when the rate was not set on time, the rate was set at least 11 months in advance of the budget certification.
- In FY 2003, the original rate was set on time during the 2001 legislative session, but because of budget issues the rate was re-established (lowered from 4.0% to 1.0%) during the 2002 legislative session.
- Only two times since FY 2011 has the SSA rate been established at least 9 months in advance of the budget certification date.

