

## HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	SF 192/HF 171/HSB 117	House Committee: <b>PASSED on 1/31 (14-9)</b>
Committee:	Education/Appropriations	House Floor: <b>PASSED on 2/7 (59-40)</b>
Floor Manager	Rep. Johnson	Senate Floor: <b>PASSED on 2/2 (34-15)</b>
Date:	February, 1 2023	Governor: <b>SIGNED on 2/7</b>
Staff:	Kristin Rozeboom	

### Supplemental State Aid

HSB 117 sets Supplemental State Aid (SSA) at 3% for FY24 for both the Regular Program and the Categorical Supplements. It also extends the Property Tax Relief Payment (PTRP) an additional year which has the state pick up any property tax growth in the Additional Levy portion of the school funding formula.

The State Cost Per Pupil (SCPP) amount on which the school aid formula is based increased to \$7,635 which is a \$222 increase.

This bill also includes a transportation equity increase of 3% which equals about \$900,000.

Here's a breakdown of the funding result of the bill:

FY 23 Totals		FY 24 Est. Totals	FY23 Estimated Increases – 3%
\$3,568.6 B	<b>School Aid</b>	\$3,675.4 B	\$106.8 M
81	<b># of Districts on BA</b>	71	-10
\$99.4	<b>Property Tax Pickup (PTRP)</b>	\$114.8	\$15.3 M
-\$24.6	<b>AEA Reduction *</b>	-\$22.5	\$2.1 M
\$29.5	<b>Transp. Equity Fund</b>	30.3	\$.9 M

\* The AEA reduction does not occur in this bill. It is proposed. \$7.5 million occurs in statute and the remaining \$15 million occurs in another appropriations bill.

### Section-by-Section Analysis

#### Section 1 - 257.8 -State Percent of Growth

Amended to set the State Percent of Growth and the Categorical State Percent of Growth for fiscal year beginning July 1, 2022 at 3%. The categorical state percent of growth may include state percents of growth for the teacher salary supplement, the early intervention supplement, the teacher leadership supplement, and transportation equity aid payments.

Section 2 – 257.16B – Property Tax Replacement Payments (PTRP)

Amended to state that for fiscal year beginning on or after July 1, 2021 there is appropriated an amount necessary to make all school district property tax replacement payments.

For budget years beginning on or after July 1, 2022, each school district's property tax replacement payment amount is equal to the school district's weighted enrollment for the applicable budget year multiplied by the per pupil property tax replacement amount. The per pupil property tax replacement amount for the budget year beginning July 1, 2022 is equal to the sum of \$153 plus the difference between the following: (1) the regular program state cost per pupil for the budget year beginning July 1, 2022, multiplied by 100 percent less the regular program foundation base per pupil percentage; and (2) the regular program state cost per pupil for the budget year beginning July 1, 2021, multiplied by 100 percent less the regular program foundation base per pupil percentage.

For each budget year beginning on or after July 1, 2023 the amount of each school district's property tax replacement payment shall be the product of the school district's weighted enrollment for the budget year multiplied by the per pupil property tax replacement amount for the budget year.

The per pupil property tax replacement amount for budget years beginning on or after July 1, 2023 is equal to the sum of \$153 plus the difference between the following: the regular program SCPP multiplied by 100% less the regular program foundation base per pupil percentage and the regular program SCPP for the budget year beginning July 1, 2021 multiplied by 100% less the regular program foundation base per pupil.

Section 6 –Effective Date

Takes effect upon enactment.