



SF 603 – Concurrent Enrollment Functions and Funding (LSB1520SZ)
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Fiscal Note Version – New (Similar to Fiscal Note for SF 488)

Description

Senate File 603 makes various changes to the Iowa Code involving concurrent enrollment, which include:

- **Division I**
 - Increasing the supplementary weighting of eligible arts and science concurrent enrollment units from 0.46 to 0.50.
 - Allowing for an additional exception to the “supplement not supplant” requirements under Iowa Code section [257.11](#) for districts with enrollment of 600 or fewer to generate supplementary weighting for one math and one science unit under “offer and teach” requirements.
 - Adding definitions under Iowa Code section [261E.2](#) for “full-time” and “part-time” enrollment.
 - Allowing for school districts with enrollment of 600 or more to contract with a community college for certain “offer and teach” requirements without generating supplementary weighting. This provision of the Bill applies retroactively to July 1, 2018.
- **Division II**
 - Expanding the definition of concurrent enrollment to include courses contracted between community colleges and accredited nonpublic schools.
 - Creating a standing unlimited appropriation from the General Fund to community colleges that generates concurrent enrollment weighting with eligible accredited nonpublic schools.

Background

School districts may contract with community colleges to offer college-level courses to eligible high school students in subjects taught by instructors employed or contracted by community colleges. School districts may receive additional supplementary weighting based on the type of course and percentage of a student’s day spent in the class. The total amount of supplementary weighting being generated for the 2019-2020 school year is estimated to be the equivalent of 3,499.1 pupils.

2018 Iowa Acts, ch. [1119](#) (Regulation of Primary and Secondary Education — Miscellaneous Changes) created an exception to the “supplement not supplant” requirements under Iowa Code section [257.11](#) for one or more career and technical education (CTE) classes falling under a single technical educational area.

Under current law, nonpublic schools may contract with community colleges to provide access to community college courses for the nonpublic students. A nonpublic student attending classes at the community college, or the nonpublic school, would be responsible for paying the tuition costs. Nonpublic schools may also enroll their students in concurrent enrollment classes in a public school district. In FY 2019, an estimated 1,525 nonpublic students attended concurrent enrollment classes in 23 school districts. A school district is eligible to generate supplementary weighting for nonpublic students, including those receiving private competent instruction under Iowa Code chapter [299A](#).

Assumptions

- Under the provisions of this Bill, the first year with an estimated fiscal impact will be FY 2020.
- Approximately 50.8% of concurrent enrollment weightings are for arts and science units.
- For estimating purposes, it is assumed the total number of concurrent enrollment weightings will increase by 5.0% each fiscal year.
- It is not known how many school districts will generate supplementary weighting for one math and one science course under the “offer and teach” exception. For estimating purposes, the minimum fiscal impact assumes each district will generate the minimum amount of weighting for six pupils in each unit. The maximum fiscal impact assumes each eligible district will generate weightings based on eligible units with the highest number of enrolled students.
- State aid and property tax calculations under Division I use individual districts’ cost per pupil.
- There are 13 State-accredited nonpublic schools that may qualify to generate weighting under Division II for the “offer and teach” requirements for math and science units.
- There are 44 accredited nonpublic schools that may qualify to generate weighting for other eligible concurrent enrollment units.
- Accredited nonpublic schools may cease enrolling nonpublic students in concurrent enrollment classes in school districts, thereby reducing State aid and property taxes.
- Weightings calculated under Division II use the FY 2020 State cost per pupil.
- Under current law, the State cost per pupil in FY 2020 and ensuing years is \$6,880.
- The Department of Education will require one full-time equivalent (FTE) position to implement the provisions of this Bill.

Fiscal Impact

Table 1 shows the fiscal impact in Division I of the increase in supplemental weighting for concurrent enrollment arts and science units from 0.46 to 0.50.

Table 1 — SF 603

State Aid for Arts and Sciences Concurrent Enrollment Weighting (In Millions)

Fiscal Year	State Aid	Property Taxes	Total	Increase in State Aid Compared to Current Law
2020	\$ 11.8	\$ 1.5	\$ 13.3	\$ 0.9
2021	12.4	1.6	14.0	1.0
2022	13.0	1.6	14.7	1.0
2023	13.7	1.7	15.4	1.1
2024	14.4	1.8	16.2	1.2

Numbers may not equal totals due to rounding.

Table 2 shows the estimated minimum and maximum increase in General Fund State aid in Division I for the additional exceptions under “offer and teach” for school districts with enrollment of 600 or fewer.

Table 2 — SF 603

Estimated Increase in State Aid of Supplementary Weighting for Additional Exceptions Under Offer and Teach

	Minimum Increase in State Aid	Minimum Increase in Property Taxes	Maximum Increase in State Aid	Maximum Increase in Property Taxes
FY 2020	\$ 487,300	\$ 62,100	\$ 1,992,800	\$ 253,600

Table 3 shows the estimated minimum and maximum General Fund appropriation in FY 2021 under Division II, as well as estimated reductions in State aid from the General Fund and property taxes.

Table 3 — SF 603

Estimated Fiscal Impact for Nonpublic Concurrent Enrollment — FY 2020

	Minimum	Maximum
1 Unit Math and Science	\$ 67,080	\$ 323,360
Contracting for Any Concurrent Enrollment Unit	313,200	933,998
General Fund Appropriation	\$ 380,280	\$ 1,257,358
State Aid Reduction	0	-217,545
Net Increase — General Fund	<u>\$ 380,280</u>	<u>\$ 1,039,813</u>
Total Property Tax Reduction	\$ 0	\$ -27,517

Table 4 shows the minimum and maximum fiscal impact from the General Fund for FY 2020.

Table 4 — SF 603

Summary of General Fund Fiscal Impact for FY 2020

(In Millions)

	Minimum Fiscal Impact	Maximum Fiscal Impact
Division I (Sec. 1)	\$ 0.9	\$ 0.9
Division I (Sec. 2)	0.5	2.0
Division II (Sec. 6)	0.4	1.0
Total	<u>\$ 1.8</u>	<u>\$ 3.9</u>

The Department of Education estimates it will need 1.0 additional FTE position (\$108,000 per fiscal year) to implement the provisions under this Bill.

Sources

Department of Education
Department of Management
LSA calculations and analysis

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
