



SF 603 – Concurrent Enrollment Functions and Funding (LSB1520SZ.1)
Analyst: Michael Guanci (515.725.1286) michael.guanci@legis.iowa.gov
Fiscal Note Version – Final Action

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. This change applies retroactively to the school budget year beginning on July 1, 2019.
 - Allowing for an additional exception to the “supplement not supplant” requirements under Iowa Code section [257.11](#)(3) for districts with enrollment of 600 or fewer to generate supplementary weighting for one math or one science unit under “offer and teach” requirements.
 - Adding definitions under Iowa Code section [261E.2](#) for “full-time” and “part-time” enrollment under the Senior Year Plus Program.
 - 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.
 - Allowing for an appropriation by the General Assembly to the Department of Education to pay the community colleges for the cost of contracted concurrent enrollment with accredited nonpublic schools. Community colleges shall decrease the amount billed to the accredited nonpublic schools by the amount paid to the community colleges under this Division.
 - Permitting the Department of Education to prorate the amount available by appropriation if the funds are insufficient to pay for all contracted concurrent enrollment with an accredited nonpublic school.
 - Division II is contingent upon an appropriation by the General Assembly to the Department of Education to fund the concurrent enrollment provisions of nonpublic schools and community colleges.
- **Division III**
 - Expanding the definition of “school employee” under Iowa Code section [709.15](#) to include a person employed by a community college who provides instruction to high school students under a concurrent enrollment program.

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. Weightings for school year 2019-2020 were collected from spring

2019 and fall 2019 class enrollment and were approved by the School Board Review Committee (SBRC) in December 2019.

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. The nonpublic student attending classes at the community college is 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

- Divisions I and II of this Bill will have a fiscal impact. Division III of this Bill is not expected to have a fiscal impact.
- 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 or for 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 a unit. The maximum fiscal impact assumes each eligible district will generate weightings based on an eligible unit with the highest number of enrolled students.
- Weightings for FY 2020 (school year 2019-2020) have already been calculated using spring and fall 2019 concurrent enrollment data.
- 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 or science units.
- There are 44 accredited nonpublic schools that may qualify to generate weighting for other eligible concurrent enrollment units.
- 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.
- In FY 2020, the appropriation for concurrent enrollment for accredited nonpublic schools will be \$1.0 million if 2019 Iowa Acts, [HF 758](#), is enacted.
- After FY 2020, additional funding under Division II of this Bill is subject to General Assembly appropriations.
- Accredited nonpublic schools may cease enrolling nonpublic students in concurrent enrollment classes in school districts, thereby reducing regular program State foundation aid and property taxes.
- 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 supplementary 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 Due to Supplementary Weighting for Additional Exceptions Under Offer and Teach

Fiscal Year	Minimum Increase in State Aid	Minimum Increase in Property Taxes	Maximum Increase in State Aid	Maximum Increase in Property Taxes
2020	\$ 0	\$ 0	\$ 0	\$ 0
2021	243,650	31,050	584,745	74,464
2022	487,300	62,100	1,169,489	148,928

Table 3 shows the minimum and maximum estimated net General Fund fiscal impact in FY 2020 under Division II, as well as estimated reductions in property taxes if accredited nonpublic school students cease to enroll students in eligible concurrent enrollment classes through a public school district.

Table 3 — SF 603Estimated Fiscal Impact Due to Nonpublic Concurrent Enrollment — FY 2020

	Minimum	Maximum
General Fund Appropriation	\$ 1,000,000	\$ 1,000,000
Estimated State Aid Reduction	<u>-217,545</u>	<u> </u>
Net Increase — General Fund	<u>\$ 782,455</u>	<u>\$ 1,000,000</u>
Total Property Tax Reduction	\$ -27,517	\$ 0

Table 4 shows the minimum and maximum fiscal impact on the General Fund for FY 2020 and FY 2021.

Table 4 — SF 603Summary of General Fund Fiscal Impact for FY 2020 (in millions)

	FY 2020		FY 2021	
	Minimum Fiscal Impact	Maximum Fiscal Impact	Minimum Fiscal Impact	Maximum Fiscal Impact
Division I (Sec. 1)	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0
Division I (Sec. 2)	0.0	0.0	0.2	0.6
Division II (Sec. 6)	0.8	1.0	0.0	0.0
Total	<u>\$ 1.7</u>	<u>\$ 1.9</u>	<u>\$ 1.2</u>	<u>\$ 1.6</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

Note: House File 758 (FY 2020 Education Appropriations Bill) includes a \$1.0 million General Fund appropriation for the purpose of implementing Division II of the Bill.

/s/ Holly M. Lyons

May 14, 2019