



SF 394 – Online Education Offer and Teach (LSB2208SV.1)
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Fiscal Note Version – Final Action

Description

Senate File 394 amends Iowa Code section [256.42](#) to allow Iowa Learning Online (ILO), school districts, or accredited nonpublic schools to provide specified online courses. Currently, specified courses are required to be provided by ILO, and the specified course may only be provided by the school district or accredited nonpublic school if ILO lacks the capacity to accommodate additional students. With the proposed legislation, online courses can be offered through the school district or accredited nonpublic school if the courses meet certain criteria, or through an approved private provider.

Background

In 2018, an Online Learning Task Force examined the needs of Iowa school districts and the availability of online learning offerings for K-12 students. A survey initiated by the Task Force identified that the top private providers for online learning were Edgenuity, ILO, Apex Learning, and community colleges. Both Edgenuity and Apex offer courses through an unfacilitated approach, with Edgenuity being used mostly for credit recovery. The Task Force made [recommendations](#) and identified ILO, Iowa community colleges, and Iowa’s Area Education Agencies (AEAs) as statewide partners to assist local districts in the delivery of K-12 online learning.

In FY 2014, FY 2015, and FY 2016, ILO received a General Fund appropriation of \$1.5 million annually to expand the offerings of ILO to a full curriculum except for career and technical education courses. ILO provides “offer and teach” coverage to allow a school to maintain accreditation until the school can provide a teacher. ILO also supports students seeking credit advancement, credit recovery, and classes outside of what their current school districts offer. ILO has a 2018-2019 school year estimated enrollment of 1,702 students in 97 different school districts. Enrollment in world languages accounts for 80.0% of current enrollment.

The community colleges offer high school students the opportunity to enroll in college credit coursework. Kirkwood Community College offers a High School Distance Learning (HSDL) Program which offers supplementary online courses that help students earn credit at their local high school. In the 2017-2018 school year, there were 400 students from more than 35 school districts participating in the HSDL Program.

The AEAs provide both online professional development for teachers and online learning services for K-12 schools to use with their students. AEA Learning Online does not provide direct online instruction to K-12 students.

The Department of Education has estimated an initial cost of \$150,000 per course for a single school district to provide its own online curriculum. This amount would include the cost of maintaining the online platform and 2.0 full-time equivalent (FTE) teaching positions, including one teacher to design content and one teacher to provide instruction. Ongoing costs would include the cost for the teacher providing instruction and the cost of maintaining the online

platform. The Bill would allow two or more school districts or accredited nonpublic schools to partner in offering an online course.

Iowa administrative rule [281—15.13\(256\)](#) directs the Director of the Department to maintain a list of approved online providers that meet certain standards, including that course content provided through an online learning platform must be taught by a teacher licensed under Iowa Code chapter [272](#). The licensed teacher must have specialized training or experience in online learning. Providers are required to apply for approval annually or as determined by the Department. The Department is nearing completion of the Private Provider Approval Application and once it is posted, higher education institutions along with other vendors can apply.

The amount of fees collected for ILO for the 2018-2019 school year was estimated to be \$450,000. If there is a significant loss of fee revenue, ILO may not be able to sustain its current level of programming.

Assumptions

- With the expanded options for school districts to use other online providers, ILO may not be used as the primary online provider. If ILO is not able to be a primary online provider, it may not be able to sustain its current programming and collection of enrollment fees.
- Online courses will be a desired option for school districts, especially in a situation where “offer and teach” coverage is necessary to maintain accreditation.
- School districts that choose to offer their own online courses will have training and support available. ILO is offering a new service to help schools take the first step to offering their own online service to meet local district needs. The AEAs currently have a professional development series, Online Learning for Iowa Educators, that aligns to national online teaching standards.

Fiscal Impact

[Senate File 394](#) may result in the loss of fee revenue collected by the Department of Education for the operation of ILO. The amount of revenue loss cannot be estimated as it is dependent upon the future utilization of ILO services by school districts.

The impact on school districts cannot be determined because of the unknown number of districts that may choose to use options other than ILO, including other online providers that would be approved by the Department or school districts creating their own online courses. The current cost per student per online course is detailed in **Table 1**.

Table 1
Cost Per Student Per Course by Online Provider

<u>Online Provider</u>	<u>Cost Per Student Per Course</u>
Kirkwood HSDL	\$175
ILO	\$260
Apex	\$350
Edgenuity	\$350 - \$1,000
Community Colleges	As negotiated

Sources

Department of Education
Kirkwood Community College
Apex
Edgenuity

/s/ Holly M. Lyons

May 14, 2019

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.
