



[HF 2419](#) – English Learners Funding (LSB5796HV)
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Fiscal Note Version – New

Description

[House File 2419](#) divides students who are identified as limited-English proficient (LEP) into two categories and assigns a supplementary weighting to each level:

- Intensive student — 0.30 weighting
- Intermediate student — 0.25 weighting

The Bill takes effect upon enactment and would apply to the weightings reported in October 2020, for the FY 2022 school budget year.

Background

Under current law, the Department of Education describes an LEP student as a student who is in the process of acquiring English proficiency and has a first language other than English. Under current law, a student identified as being LEP may draw an additional weighting of 0.22 in the School Aid and Levy formula for no more than five years. In FY 2020, approximately 22,615 students were identified as being LEP and received supplementary weighting, an increase of 5.4% from FY 2019.

LEP students are assessed annually using the English Language Proficiency Assessment for the 21st Century (ELPA21). The definitions for LEP students established under the provisions of the Bill align with assessment levels under the test of “emerging student” for “intensive student” and “progressing student” for “intermediate student”.

School districts may petition the School Budget Review Committee (SBRC) for a modified supplemental amount (MSA) for the costs of providing services to LEP students in addition to the supplemental amount. Any MSA awarded is funded with local property taxes. Requests to the SBRC for excess costs from FY 2019 totaled \$16.6 million (119 school districts).

Assumptions

- Increasing the weighting for LEP pupils would have a fiscal impact on State aid from the General Fund.
- The fiscal estimate uses growth rates agreed upon by the Legislative Services Agency (LSA) and the Department of Management (DOM) for LEP pupils for fiscal years 2021 through 2025.
- The ELP weightings have already been established for FY 2021, and the increase in additional weightings would not apply until the October 2020 student count for FY 2022.
- Based on the most current ELPA21 testing, 21.0% of LEP students would qualify for the intensive student weighting, and 79.0% of LEP students would qualify for the intermediate student weighting.
- Under current law, the State cost per pupil is set at \$6,880 for FY 2021 through FY 2025.
- Individual district cost per pupil may be higher and may increase additional levy for property taxes beyond the fiscal impact below.
- The Bill may reduce requests to the SBRC for MSAs for costs of providing services to LEP students more than supplemental amounts received. The extent is unknown.

Fiscal Impact

Estimated State Aid and Property Taxes for HF 2419 — FY 2021 - FY 2025 (In Millions)

Fiscal Year	Current Law		HF 2419		Differences	
	State Aid	Prop. Tax	State Aid	Prop. Tax	State Aid	Prop. Tax
FY 2021	\$ 29.9	\$ 3.7	\$ 29.9	\$ 3.7	\$ 0.0	\$ 0.0
FY 2022	31.7	3.9	37.6	4.6	5.8	0.7
FY 2023	33.0	4.0	39.1	4.8	6.1	0.7
FY 2024	34.6	4.2	41.0	5.0	6.4	0.8
FY 2025	36.4	4.5	43.1	5.3	6.7	0.8

Totals may not add due to rounding.

Sources

Department of Education
Department of Management — School Aid and Levy File
LSA analysis and calculations

/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.

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