



# Fiscal Note

## Fiscal Services Division

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[HF 2629](#) – Future Ready Iowa (LSB5595HZ.3)  
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Fiscal Note Version – Final Action

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### **Description**

[House File 2629](#) adds to and modifies the Iowa Code provisions enacted by [2018 Iowa Acts, chapter 1067](#) (Future Ready Iowa Act), and other efforts to strengthen Iowa's workforce, including an apprenticeship training program, a Child Care Challenge Program, computer science instruction, a scholarship program, and a Senior Year Plus Program. This Bill is organized by divisions. The Bill may contain a State mandate, as defined in Iowa Code section [25B.2\(3\)](#).

#### DIVISION I — Future Ready Iowa Apprenticeship Training Programs.

Division I creates an Expanded Registered Apprenticeship Opportunities Program that is similar to the existing [Registered Apprenticeship Development Program](#). The purpose of the new Program is to provide financial assistance to encourage sponsors of apprenticeship programs with 20 or fewer apprentices to maintain apprenticeship programs in [high-demand occupations](#). Implementation of this Division is subject to an appropriation.

#### DIVISION II — Iowa Child Care Challenge Fund.

Division II establishes an Iowa Child Care Challenge Program under the Iowa Department of Workforce Development (IWD) and creates an Iowa Child Care Challenge Fund under the control of the IWD. The IWD must administer the Program in consultation with the Workforce Development Board. The purpose of the Program is to encourage and enable businesses, nonprofit organizations, and consortiums to establish local child care facilities and increase the availability of quality, affordable child care for working Iowans. A portion of the moneys deposited in the [Iowa Employer Innovation Fund](#) created in Iowa Code section [84A.13](#), in an amount determined annually by the IWD in consultation with the Workforce Development Board, must be transferred annually to the Iowa Child Care Challenge Fund.

#### DIVISION III — Computer Science Instruction — Educational Standards.

Division III relates to computer science instruction in kindergarten through grade 12, amending Iowa Code provisions establishing the minimum educational standards and establishing or modifying computer science instruction-related responsibilities of the Department of Education (DE), school districts, and accredited nonpublic schools. Commencing with the 2023-2024 school year, accredited schools must offer and teach computer science instruction that incorporates the computer science education standards adopted by the State Board of Education in at least one grade at the elementary level and at the middle school level. In grades 9-12, commencing with the 2022-2023 school year, one-half unit of computer science

that incorporates the computer science education standards adopted by the State Board must be offered and taught; however, the one-half unit may be offered and taught online.

Each school district and accredited nonpublic school must develop and implement a K-12 computer science plan by July 1, 2022. The DE is required to develop and implement a statewide K-12 computer science instruction plan by July 1, 2022. The DE is required to convene a computer science work group to develop recommendations to strengthen computer science instruction and for the development and implementation of a statewide campaign to promote computer science to K-12 students and to the parents and legal guardians of students. The work group is required to submit its findings to the General Assembly by July 1, 2021.

The establishment of high-quality standards for computer science education taught by elementary, middle, and high schools, as described in Iowa Code section [256.7](#), are effective July 1, 2021.

This Division may include a State mandate as defined in Iowa Code section [25B.3](#) and requires that any State mandate in the Bill be paid by a school district from the State Foundation Aid appropriation.

#### DIVISION IV — Future Ready Iowa Skilled Workforce Last-Dollar Scholarship Program.

Division IV directs the State Board of Education to adopt administrative rules establishing a process by which the DE must approve structured educational and training programs that include authentic worksite training for purposes of participating community colleges, then expands the definition of “eligible student” under the Future Ready Iowa Skilled Workforce Last-Dollar Scholarship Program administered by the Iowa College Student Aid Commission. The Department of Education and the College Student Aid Commission are authorized to adopt emergency rules to implement the provisions of Division IV so as to take effect upon filing unless a later date is specified in the rules.

Division IV is effective upon enactment if approved by the Governor on or after July 1, 2020. If Division IV is approved by the Governor on or after July 1, 2020, Division IV applies retroactively to July 1, 2020.

#### DIVISION V — Senior Year Plus Program and Postsecondary Enrollment Options.

Division V amends provisions under the Senior Year Plus Program by eliminating references and provisions relating to full-time and part-time enrollment.

### **Background**

#### DIVISION III — Computer Science Instruction — Educational Standards.

In 2017, [SF 274](#) (Computer Science Education Act) was enacted to expand computer science opportunities for students statewide. Included in the legislation was the establishment of the Computer Science Professional Development Incentive Fund and a Computer Science Education Work Group. The Fund was established to provide for various forms of professional development relating to computer science and has received an annual appropriation of \$500,000. The Work Group issued its [recommendations](#) in 2017 on how to expand and strengthen computer science education in the State.

The Department of Education recently issued the Computer Science Education in Iowa [report](#), which details the implementation of computer science instruction in school districts and district needs to support computer science education. It is estimated that 51.0% of elementary schools,

39.0% of middle schools, and 38.0% of high schools will need to either incorporate computer science instruction with current staff or add additional teachers to teach computer science to meet the requirements of this Bill.

A settlement of a Microsoft class-action lawsuit will provide \$4.0 million to be used for school districts to support Division III of the Bill. The funds will be used for supporting computer science professional learning and training for teachers, virtual computer science curriculum for Iowa schools, and computer science curriculum for schools.

**DIVISION V — Senior Year Plus Program and Postsecondary Enrollment Options.**

The Senior Year Plus Program offers a variety of options for eligible students, including concurrent enrollment and Postsecondary Enrollment Options (PSEO). A review of concurrent enrollment credits by the Department of Education completed during the 2018-2019 school year showed 819 students (1.8% of total enrollees) enrolled in 24 credit hours or more of coursework. One hundred seventeen districts (38.7%) enrolled at least one student in concurrent enrollment courses where credits associated with those courses met the definition of full-time enrollment (24 credits or more). The additional concurrent enrollment credit hours are already funded by supplementary weighting for an estimated total of \$240,000 in State aid from the General Fund.

PSEO enrollment has been declining in the last several years. During the 2018-2019 school year, total PSEO enrollment was 1,014 students, down from 5,916 students in the 2010-2011 school year.

### **Assumptions**

**DIVISION III — Computer Science Instruction — Educational Standards.** It is unknown how many school districts will choose to hire additional computer science instruction staff.

**DIVISION V — Senior Year Plus Program and Postsecondary Enrollment Options.**

- Based on an analysis by the DE of concurrent enrollment credits completed for school year 2018-2019, there may be an additional 143 students who exceed 23 credit hours during the 2020-2021 school year.
- The fiscal estimates assume each student's total credit hours will increase by 4.1 credits.
- The average cost per credit is estimated to be \$71.
- Under current law, the State cost per pupil for FY 2022 and all future years is \$7,048.
- PSEO costs will remain at \$250 per course.
- PSEO enrollment over the 23-hour credit limit may increase; however, the impact is expected to be minimal.

### **Fiscal Impact**

The estimated fiscal impact of [HF 2629](#), by division, is as follows:

**Division I** relates to an Expanded Registered Apprenticeship Opportunities Program administered by the Iowa Economic Development Authority (IEDA) and is subject to an appropriation of funds. The fiscal impact of Division I cannot be determined since the demand for the Expanded Registered Apprenticeship Opportunities Program is unknown and an appropriation is not provided. The current Registered Apprenticeship Development Program established in Iowa Code chapter [15C](#) receives an annual General Fund appropriation of \$1.0 million. If funds are appropriated, the IEDA annual administrative expenditures are limited to 2.0% of the funds appropriated.

**Division II** relates to the establishment of an Iowa Child Care Challenge Program and Fund. The Division will have a fiscal impact that cannot be determined because this Division authorizes the IWD to utilize a current appropriation for the new Program, and the impact on current education and training efforts supported by the Iowa Employer Innovation Fund cannot be determined because this Division does not specify the amount of the current appropriation that will be used for the new Program. Administration costs incurred by the IWD would be minimal and incorporated within the existing budget for the IWD.

**Division III** relates to computer science instruction. Division III will have minimal fiscal impact to the DE. However, the fiscal impact to school districts and accredited nonpublic schools cannot be determined. It is unknown how many school districts will choose to hire additional staff to meet the requirements of this Bill. School districts may choose to use current staff or incorporate computer science into current instruction or use an online course offering. School districts may have costs for additional staff, training and professional development of current staff, and curriculum. Some of that cost may be offset by the \$4.0 million Microsoft class-action lawsuit proceeds or by funds in the Computer Science Professional Development Incentive Fund.

**Division IV** relates to the Future Ready Iowa Skilled Workforce Last-Dollar Scholarship Program. The Division will result in one-time and ongoing costs to the Iowa College Student Aid Commission in FY 2021 totaling an estimated \$32,000. The ongoing costs will total between \$5,000 and \$6,000 in subsequent years. These costs will be funded from the Commission's Strategic Reserve Fund, also known as the Operating Fund. The cost of awards under the Program is capped by an annual General Fund appropriation.

**Division V** relates to the Senior Year Plus Program and postsecondary enrollment options and is expected to increase State school aid from the General Fund by an estimated \$42,000 beginning in FY 2022. Any increase in Postsecondary Enrollment Options (PSEO) enrollments may increase individual school districts' costs; however, due to the recent decline in PSEO courses, the fiscal impact is expected to be minimal for school districts.

### **Sources**

Iowa Department of Workforce Development  
Iowa Department of Education  
Iowa College Student Aid Commission  
Iowa Economic Development Authority

/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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