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[HF 228](#) – Open Enrollment Equality, School District Diversity Plans (LSB1045HV.1)  
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Fiscal Note Version – As amended by Senate Amendment [H-1361](#)

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## **Description**

[House File 228](#) as amended repeals school district voluntary diversity plans set in place in FY 2009 and disallows denial of open enrollment based on those plans; eliminates provisions directing the State Board of Education to adopt rules and guidelines for districts with voluntary diversity plans; and removes requirements for the Department of Education (DE) to provide technical assistance to the school districts with voluntary diversity plans in place. The Bill further allows for open enrollment after the March 1 deadline for grades 1 through 12 during the 2021-2022 school year if a school district had a voluntary diversity plan in place during the 2020-2021 school year. The Bill is effective upon enactment.

## **Background**

Voluntary diversity plans were enacted after changes made by the U.S. Supreme Court's ruling in [Parents Involved in Community Schools v. Seattle School District No. 1](#), 551 U.S. 701 (2007). A voluntary diversity plan had to be adopted by the school district within a certain time frame, could only concern a limited number of factors, and could not use race as a factor.

Five Iowa school districts currently have voluntary diversity plans, with three districts using socioeconomic status (Davenport Community Schools, Des Moines Public Schools, and Waterloo Community School District) and two districts (West Liberty Community School District and Postville Community School District) using English language learner (ELL) status as their metrics for denying open enrollment. There are no districts in Iowa currently under a court-ordered desegregation plan.

## **Assumptions**

The estimated fiscal impact is based on averages of FY 2018-FY 2019 survey data for voluntary diversity plans and FY 2018-FY 2020 data for open enrollment denials and includes the following assumptions:

- Affected school districts will allow open enrollment out of the district for students who previously had been denied open enrollment under voluntary diversity plans.
- Districts that previously adopted a voluntary diversity plan will have an increase in open enrollment out, equal to the number of the previous year's requests denied due to the voluntary diversity plan, starting in FY 2022.
- During the 2021-2022 school year only, affected school districts will also have an increase in open enrollment out for students who would have been denied under current law due to filing after the March 1 deadline.
- During the 2021-2022 school year only, receiving districts will only be able to deny open-enrolled students from the affected districts due to insufficient classroom space.
- The deadline for open enrollment for students entering kindergarten is September 1, 2021, and the changes may impact FY 2022 program costs for the students' resident districts.

**Fiscal Impact**

House File 228 as amended has no fiscal impact to the State. Districts that have denied previous open enrollment requests based on the districts’ voluntary diversity programs may experience a decrease in per pupil funds equal to the cost of the previous year’s State cost per pupil (SCPP) and teacher leadership supplement, as well as a decrease resulting from any additional ELL weighting for the applicable pupils. The following table shows the possible fiscal impact by district based on survey information from previous school years’ open enrollment survey data. The data has been averaged where applicable.

Fiscal Impact to School Districts Due to Increased Open Enrollment — HF 228 as amended

	FY 2022		FY 2023	
	Est. Number of New Open Enrollment Out of Resident District	Estimate of Total Funds Leaving Resident District	Est. Number of New Open Enrollment Out of Resident District	Estimate of Total Funds Leaving Resident District
Davenport*	94	\$ 694,566	94	\$ 712,144
Des Moines	361	2,667,429	192	1,454,592
Postville	2	14,778	2	15,152
Waterloo	75	554,175	57	431,832
West Liberty**	5	36,945	0	0

\* Data not available to fully calculate FY 2022.

\*\* No voluntary diversity open enrollments denials for the years examined.

Open enrollment funds included the previous year's SCPP and teacher leadership categorical.

It is unknown into which districts pupils may choose to open enroll; therefore, the fiscal impact to the receiving districts cannot be determined. This estimate does not include any additional enrollments due to previously denied open enrollments from prior fiscal years. Any additional pupils previously denied under the voluntary enrollment plans from previous fiscal years who choose to open enroll may increase the fiscal impact on the resident school districts.

**Sources**

Iowa Association of School Boards  
Iowa Department of Education  
Urban Education Network of Iowa  
Des Moines Independent School District  
LSA 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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