



[HF 605](#) – English Learners Funding (LSB2077HV.1)
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Fiscal Note Version – Final Action

Description

[House File 605](#) divides students who are identified as limited-English proficient (LEP) into two categories and assigns a supplementary weighting to each level:

- Intensive student — 0.26 weighting (an increase of 0.04 compared to current law)
- Intermediate student — 0.21 weighting (a decrease of 0.01 compared to current law)

The Bill takes effect upon enactment and would begin for the weightings reported in October 2021 during the FY 2023 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 speaks 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 2021, approximately 21,334 students were identified as being LEP and received supplementary weighting.

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. Requests to the SBRC for excess costs from FY 2020 totaled \$17.6 million (130 school districts). Any MSA awarded is funded with local property taxes.

Assumptions

- Changing the weighting for LEP pupils will increase the State aid appropriation from the General Fund and local property taxes.
- The fiscal estimate uses growth rates agreed on by the Legislative Services Agency (LSA) and the Department of Management (DOM) for LEP pupils for FY 2022 through FY 2026.
- The LEP weightings have already been established for FY 2022, and the increase in additional weightings will not apply until the October 2021 student count for FY 2023.
- Based on the 2019 ELPA21 testing, 21.0% of LEP students will qualify for the intensive student weighting and 79.0% of LEP students will qualify for the intermediate student weighting.
- Under current law, the State cost per pupil is set at \$7,227 for FY 2023 through FY 2026.
- Beginning in FY 2023, approximately 18,400 students identified as intermediate will generate \$72 less funding per pupil, and approximately 4,900 students identified as intensive will generate \$289 more funding per pupil.
- Individual district cost per pupil may be higher and may increase additional levy for property taxes beyond the fiscal impact calculated.

Fiscal Impact

Estimated State Aid and Property Taxes for HF 605 — FY 2022 - FY 2026

Fiscal Year	Current Law		HF 605		Differences		Total
	State Aid	Prop. Tax	State Aid	Prop. Tax	State Aid	Prop. Tax	
FY 2022	\$ 30,400,000	\$ 3,520,000	\$ 30,400,000	\$ 3,520,000	\$ 0	\$ 0	\$ 0
FY 2023	33,211,000	3,846,000	33,286,000	3,854,000	75,000	9,000	84,000
FY 2024	34,871,000	4,038,000	34,950,000	4,047,000	79,000	9,000	88,000
FY 2025	36,614,000	4,240,000	36,698,000	4,249,000	83,000	10,000	93,000
FY 2026	38,445,000	4,452,000	38,533,000	4,462,000	87,000	10,000	97,000

Totals may not add due to rounding.

The Bill may increase requests to the SBRC for MSAs for costs of providing services to intermediate LEP students that exceed supplemental amounts received, and may reduce requests for MSAs for costs of providing services to intensive LEP students that exceed the supplemental amounts received. The extent of the fiscal impact is unknown.

Sources

Department of Education
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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