



[SF 2348](#) – Open Enrollment, School Budget Review Committee (LSB6158SV)
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Fiscal Note Version – New

Description

[Senate File 2348](#) adds a new circumstance under which a school district may request funding from the School Budget Review Committee (SBRC) or a modified supplemental amount (MSA) authorization from the SBRC. Specifically, if the percentage of students enrolled in a school district, as the result of open enrollment, is equal to or greater than 35.0% of the total number of students enrolled in the school district, then the school district may make such a request.

The SBRC must not approve supplemental aid or an MSA that exceeds an amount equal to 50.0% of the net increase in the school district's enrollment due to open enrollment multiplied by the sum of the following amounts:

- The difference between the district's regular program district cost per pupil minus the regular program State cost per pupil.
- The teacher salary supplement district cost per pupil.
- The professional development supplement district cost per pupil.
- The early intervention supplement district cost per pupil.

A school district is not eligible for supplemental aid or an MSA if a majority of the students enrolled in the district as the result of open enrollment are receiving online instruction from private providers under Iowa Code section [256.43](#)(2).

This Bill takes effect upon enactment and applies July 1, 2022 (FY 2023), for school budget years beginning on or after that date.

Background

Iowa Code section [257.31](#) provides that if a school district has unusual circumstances, creating an unusual need for additional funds, the SBRC may grant supplemental aid to the school district from certain funds appropriated to the Department of Education (DE) for the use of the SBRC, or the SBRC may establish an MSA for the school district, or both. The SBRC does not currently have funds appropriated to the DE for this purpose. The SBRC must review a school district's unexpended fund balance prior to any decision regarding these types of funding requests.

Assumption

Estimates are based on FY 2022 data and October 2021 enrollments.

Fiscal Impact

Senate File 2348 might result in MSAs totaling an estimated \$807,000 for nine school districts, beginning with FY 2023. The funding for the MSAs will be paid from resources available to the school district or from increased property tax collections.

Sources

Department of Education
Iowa Association of School Boards

/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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