



[SF 2377](#) – Teacher Recruitment (LSB5492SZ)
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Fiscal Note Version – New

Description

[Senate File 2377](#) relates to education, including eligibility for grants under the [Teach Iowa Scholar Program](#), licenses issued by the Board of Educational Examiners (BOEE), and the use of revenues from the District Management Levy.

The Bill specifies that grants awarded by the College Student Aid Commission under the Teach Iowa Scholar Program must be awarded as follows:

- 50.0% to applicants preparing to teach in a school district, charter school, or accredited nonpublic school with 1,200 students or fewer.
- 50.0% to applicants preparing to teach in a school district, charter school, or accredited nonpublic school with greater than 1,200 students.

If the number of applicants is less than the amount reserved for that group, the College Student Aid Commission may award grants to the other group.

Currently, Iowa Code section [279.46](#) authorizes the board of directors of a school district to adopt a program for early retirement benefits to encourage its employees to retire before the normal retirement date. The Bill modifies Iowa Code section 279.46 to also authorize the board of directors to adopt a program for teacher recruitment incentives to recruit new teachers.

The Bill prohibits the board of directors from adopting the program for early retirement benefits concurrently with the program for teacher recruitment incentives. The Bill also prohibits the board of directors from adopting either the program for early retirement benefits or the program for teacher recruitment incentives within two years after adopting the other program.

The Bill authorizes the board of directors to expend the district management levy to pay the costs of either the program for early retirement benefits or the program for teacher recruitment incentives. The Bill prohibits the board of directors from expending the district management levy on the costs of both programs in the same fiscal year.

Background

The Teach Iowa Scholar Program has an annual General Fund appropriation of \$400,000. The maximum annual award is a \$4,000 income bonus or student loan repayment for up to five consecutive years of full-time employment. This allows for approximately 100 awards each year. Approximately 20.0% of the awards, or 20 each year, are for new applicants.

The District Management Levy is authorized in Iowa Code section [298.4](#). The section provides that the Levy must only be expended for the following:

- To pay the cost of unemployment benefits as provided in Iowa Code section [96.31](#).
- To pay the costs of liability insurance and the costs of a judgment or settlement relating to liability together with interest accruing on the judgment or settlement to the expected date of payment.

- To pay the costs of insurance agreements under Iowa Code section [296.7](#).
- To pay the costs of a judgment under Iowa Code section [298.16](#).
- To pay the cost of early retirement benefits to employees under Iowa Code section [279.46](#).
- To pay the costs of mediation and arbitration, including but not limited to legal fees associated with such mediation or arbitration.

The Levy is deposited in a management fund, does not have a cap, and is a tax on local property.

Assumptions

- Data is not available for the allocation of the Teach Iowa Scholar Program awards based on the size of a school district.
- A mechanism to determine the number of districts with an existing teacher recruitment incentives program does not exist.
- It is unknown how many districts with an existing teacher recruitment incentives program would shift costs to the management fund.
- A mechanism to determine the number of districts with an existing early retirement program or how those would impact adoption of a teacher recruitment incentives program does not exist.

Fiscal Impact

The changes being made related to the Teach Iowa Scholar Program will have no net fiscal impact, since the changes only relate to the distribution of new awards based on the size of the school district. Also, the impact on the distribution of the awards is unknown since information is not available on the current distribution based on the size of the school district. However, for FY 2023, approximately 10 $((100 \times 20.0\%) / 2)$ awards totaling \$40,000 will be made to applicants preparing to teach in school districts with 1,200 or fewer students, and approximately 10 awards totaling \$40,000 will be made to applicants preparing to teach in school districts with greater than 1,200 students. Each year, more applicants will be impacted until 50.0% of the appropriation is allocated to each identified segment of school districts based on the number of students. This will result in awards to 50 applicants totaling \$200,000 for each identified group.

Senate File 2377 would result in an estimated one-time expense for the Iowa College Student Aid Commission of approximately \$11,000 related to system programming costs to implement the changes to the Teach Iowa Scholar Program. If funding is not provided for the one-time expenses, the expenditure would be covered by the Commission's Operating Fund.

The fiscal impact of allowing the school districts to use revenues from the District Management Levy for a teacher recruitment incentives program cannot be determined due to the lack of information.

Sources

Department of Education
Department of Management
Iowa College Student Aid Commission

/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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