



SF 270 – Open Enrollment Equality, School Districts (LSB1460XS)
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Fiscal Note Version – New

Description

Senate File 270 repeals school district voluntary diversity plans set in place in FY 2009 and disallows denial of open enrollment based on those plans. The Bill is effective July 1, 2018.

Background

Voluntary diversity plans were enacted after changes made by the U.S. Supreme Court's ruling *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 enacted voluntary diversity plans, with three districts using socioeconomic status (Davenport Community Schools, Des Moines Public Schools, and Waterloo Community School District) and two districts using English language learner status (West Liberty Community School District and Postville Community School District) as their metrics for denying open enrollment.

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 increased amount of open enrollment out, equal to the number of the previous year's requests denied, due to the diversity plan.
- Affected districts will have similar open enrollment requests to the most recent school year, as reported to the Urban Education Network of Iowa.
- The open enrollment window for FY 2019 closes on March 1, 2018; the first year of effect on school districts will be FY 2020.

Fiscal Impact

There is no expected fiscal impact to the State.

Districts with increased open enrollment out will have a total budget reduction equal to the cost of the previous year's State cost per pupil and teacher leadership supplement, as well as the product of any additional non-English speaking weighting for applicable students. See **Table 1** for more information.

**Table 1
Fiscal Impact to School Districts Due to Increased Open Enrollment**

	Est. Number of New Open Enrollment Out of District	Open Enrollment Funds Per Student	Estimate of Total Funds Leaving District
Davenport	109	\$ 6,987.90	\$ 761,681
Des Moines	182	6,987.90	1,271,798
Postville	N/A*	6,987.90	N/A
Waterloo	64	6,987.90	447,226
West Liberty	N/A*	6,987.90	N/A
<p>Open enrollment funds include the previous year's State cost per pupil and teacher leadership categorical funds.</p> <p>*West Liberty and Postville granted all requested open enrollments in FY 2018.</p>			

Since it is unknown which districts students will choose to open enroll into, the fiscal impact to receiving districts cannot be determined.

The estimate also does not include any additional open enrollments due to previous applications and denials. Additional students who were previously denied open enrollment may choose to open enroll, which would increase the fiscal impact on the school district.

Minority Impact

The [U.S. Census](#) permits people to identify their race and ethnicity. The table below displays the census estimates as of July 1, 2017, and July 1, 2016, for county data. The population estimate for Iowa was 3,100,000.

**Table 2
National and Iowa Census Estimates**

	Total Population	Male	Female	Caucasian	African American	American Indian/ Alaska Native	Asian	Hawaiian/ Other Pacific Islander	Hispanic	Two or More Races
National Census	323.1 million	49.2%	50.8%	72.6%	12.7%	0.8%	5.4%	0.2%	17.8%	3.2%
Iowa Census	3.1 million	49.7%	50.3%	91.4%	3.7%	0.5%	2.5%	0.1%	5.8%	1.8%
Black Hawk Co.	172,474	37.8%	51.3%	85.7%	9.2%	0.3%	2.2%	0.3%	4.3%	2.3%
Polk Co.	474,045	49.7%	50.3%	85.7%	6.8%	0.4%	4.7%	0.1%	8.2%	2.3%
Scott Co.	132,904	49.7%	50.3%	86.2%	7.6%	0.4%	2.8%	0.1%	6.6%	3.0%

In addition, according to the 2016 American Community Survey (ACS) [report](#):

- In Black Hawk County (Waterloo Community Schools), 50.7% of families with children under the age of 18 receive SNAP (Supplemental Nutrition Assistance Program) benefits.
- In Polk County (Des Moines Public Schools), 56.3% of families with children under the age of 18 receive SNAP benefits.
- In Scott County (Davenport Community Schools), 56.4% of families with children under the age of 18 receive SNAP benefits.

SNAP benefits are available to families below 130.0% of the federal poverty level, which is similar to the guidelines for the National School Lunch Program (Free and Reduced Lunch). The correlation between SNAP beneficiaries and minority status cannot be determined at this time.

Data collected from other urban center school districts that do not currently have voluntary diversity plans shows a rise in the net open enrollment out of the district over the past eight years.

- Sioux City Community School District had net 188 students open enroll out in FY 2010, compared to net 379 open enrollment out in FY 2017. In that time, the district also had an overall increase in students of color and an increase in percent of students on Free and Reduced Lunch.
- Council Bluffs Community School District had net 341 students open enroll out in FY 2010, compared to net 512 open enrollment out in FY 2016. In that time, the district also had an overall increase in the percent of students on Free and Reduced Lunch.
- Iowa City Community School District had net 136 students open enroll out in FY 2010, compared to net 332 students in FY 2017. In that time, the district also had an overall increase in percent of students on Free and Reduced Lunch, as well as an increase in enrollment of students of color.

An impact on minority students cannot be determined at this time. Voluntary diversity plans are based on socioeconomic status and English language learner status, not race. The available data on open enrollment denial due to the voluntary diversity plans does not include data about race. There is not sufficient causative evidence data to conclude an impact on minority students.

Sources

U.S. Census Bureau statistics

Urban Education Network of Iowa survey of districts

[*Parents Involved in Community Schools v. Seattle School District No. 1*](#), 551 U.S. 701 (2007)

LSA analysis and 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.
