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[Senate File 2367](#) – Open Enrollment from Military Installation (LSB6153SV.1)  
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Fiscal Note Version – As Amended and Passed by the Senate

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### **Description**

[Senate File 2367](#) as amended and passed by the Senate allows a student living with a military parent or guardian on a military base that is contiguous to a county in Iowa to be counted for the purpose of residency for attending a school district in Iowa. There is one area the Bill would affect: Scott County schools near Rock Island Arsenal in Illinois.

The Scott County school districts include:

- Bennett
- Bettendorf
- Calamus-Wheatland
- Camanche
- Central DeWitt
- Davenport
- Durant
- Muscatine
- North Scott
- Pleasant Valley

### **Background**

Currently, there are 13 students residing at the Rock Island Arsenal and attending school in the Moline-Coal Valley School District in Illinois. Due to new construction, there will be an estimated 71 additional students moving to the Arsenal for the coming school year who otherwise would have resided on either the Iowa or Illinois side.

Current law allows a student to attend school in a contiguous state only if the following criteria are met:

- The two states have a reciprocal agreement.
- The two contiguous districts have agreements to establish tuition and transportation costs.
- The student lives closer to the school in the other state than to any appropriate school within the student's state of residence.

Under current allowances for enrollment between two states, the student continues to be counted as a resident in the district in the state where the student lives, and funds are paid between the school districts as laid out by the agreement.

### **Assumptions**

- It is estimated that half of the students, both current and in new construction, living at the Rock Island Arsenal will choose to attend school in an Iowa school district. An estimated 45 students living at the Rock Island Arsenal will enroll in Iowa schools.
- State cost per pupil is assumed to be set at the FY 2019 level of \$6,736, and the Property Tax Relief Payment (PTRP) is set at \$92 per student. Any changes to the State cost per pupil will affect the total estimated cost.

- All other State costs per pupil (Professional Development for Area Education Agencies (AEAs) and districts, Early Intervention, Teacher Salary Supplement for AEAs and districts, Teacher Leadership and Compensation) are also set at the FY 2019 level.
- The Iowa school aid formula in Iowa Code chapter [257](#) is based on budget enrollment, which is established the fall prior to the fiscal year for which it is used. For example, the FY 2019 budget enrollment is based on the October 2017 count date. For this reason, any changes to enrollment will not affect school aid formula funding until FY 2020, as the FY 2019 count date has already passed.
- Estimated property tax is based on the State cost per pupil and does not include district cost per pupil variation, as it is not certain which of the allowable Iowa school districts students will enroll into.
- Total estimates do not include any additional weighting that may be incurred if a student with disabilities enrolls in an Iowa school district. It is not clear if this kind of enrollment will meet the federal requirement that a student's district of residence is responsible for assuring that the student's Individualized Education Plan (IEP) requirements are met.

**Fiscal Impact**

**Table 1** shows the fiscal impact on the school aid formula of the estimated number of students enrolling in Iowa schools for FY 2020.

**Table 1 — FY 2020 Estimated School Aid Impact**

	<u>Rock Island Arsenal</u>
Estimated New Enrollment	45
State Aid Cost	\$ 269,370
Categoricals Cost	58,999
<b>Total State Aid Cost</b>	<b>\$ 328,369</b>
Property Tax Cost	41,758
<b>Total Cost</b>	<b>\$ 370,128</b>

Categoricals Cost includes Teacher Salary Supplement for AEAs and districts, Professional Development for AEAs and districts, Early Intervention, Teacher Leadership and Compensation, and 79.0% of the AEA Special Education cost.

Property Tax Cost includes the additional levy portion of the State cost per pupil, AEA Media and Ed services, and 21.0% of the Special Education AEA cost.

**Sources**

LSA analysis and calculations

Correspondence with Rock Island Arsenal staff

Correspondence with Illinois State Board of Education staff

/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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