

CHAPTER 1002

EDUCATION PROGRAMS AND SCHOOL FINANCE — AREA EDUCATION AGENCY SERVICES AND FUNDING — TEACHER COMPENSATION AND FUNDING SUPPLEMENTS — STATE PERCENTS OF GROWTH AND PROPERTY TAX REPLACEMENT PAYMENTS

H.F. 2612

AN ACT relating to education, including modifying provisions related to the duties and powers of area education agencies, the membership of the boards of directors of area education agencies, the department of education, area education agency funding, the calculation of the teacher salary supplement district cost per pupil and minimum teacher salaries, Iowa public employees' retirement system bona fide retirement requirements, and property tax replacement payments, establishing the state percent of growth and the categorical state percent of growth for supplemental state aid calculations for the budget year beginning July 1, 2024, and including transition, effective date, and applicability provisions.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I

DIVISION OF SPECIAL EDUCATION OF THE DEPARTMENT OF EDUCATION

Section 1. [Section 256.9](#), Code 2024, is amended by adding the following new subsection:
NEW SUBSECTION. 36. Develop and distribute to school districts, accredited nonpublic schools, and area education agencies a list of evidence-based professional development services that an area education agency may provide to a public school or accredited nonpublic school pursuant to [section 273.2, subsection 3](#), paragraph “b”.

Sec. 2. [Section 256B.3](#), Code 2024, is amended by adding the following new subsections:
NEW SUBSECTION. 15A. Beginning July 1, 2024, oversee the operation of each area education agency to ensure the area education agency complies with all applicable federal and state laws related to special education.

NEW SUBSECTION. 15B. Develop and distribute to school districts and accredited nonpublic schools a process to facilitate the development of individualized education programs and assist individualized education program teams with decisions regarding free appropriate public education and placement for students enrolled in accredited nonpublic schools.

NEW SUBSECTION. 15C. Provide professional learning and other support materials and tools for individualized education program teams, including students, families, teacher service providers, and administrators of both school districts and accredited nonpublic schools to help such individuals understand the processes required under the federal law that are relevant to students enrolled in accredited nonpublic schools and to promote informed participation in individualized education program meetings of students enrolled in accredited nonpublic schools.

NEW SUBSECTION. 15D. Provide information to individualized education program teams and public agencies that nonpublic schools shall be considered a placement option so long as the individualized education program of a child with a disability does not require some other arrangement.

NEW SUBSECTION. 15E. Develop and distribute to school districts professional learning and other materials for meaningful consultation for representatives of area education agencies, school districts, and accredited nonpublic schools.

NEW SUBSECTION. 15F. Establish sustainable accountability and data collection systems related to special education that meet federal and state legal requirements and encourage innovative models for meeting the needs of students.

NEW SUBSECTION. 15G. Develop and distribute to school districts and accredited nonpublic schools an implementation plan related to identifying, evaluating, and promoting

strategies and models for providing special education and related services with accredited nonpublic schools that improve the experiences and outcomes for students with disabilities.

Sec. 3. DIVISION OF SPECIAL EDUCATION — EMPLOYEES. From July 1, 2024, to June 30, 2025, the division of special education of the department of education shall do all of the following:

1. Devote at least thirteen full-time equivalent positions within the department of education's location in the city of Des Moines to oversight of the area education agencies, including the accreditation of area education agencies under [section 273.10](#).

a. At least one of the full-time equivalent positions shall be an administrator.

b. At least one of the full-time equivalent positions shall be a bureau chief of special education.

c. At least one of the full-time equivalent positions shall be a liaison for accredited nonpublic schools.

d. At least one of the full-time equivalent positions shall be an employee whose primary job duties relate to the child find process for special education.

e. At least one of the full-time equivalent positions shall be an employee whose primary job duties relate to best practices concerning the development and implementation of individualized education programs.

f. At least five of the full-time equivalent positions shall be devoted to the accreditation of area education agencies.

2. Within each area education agency, devote an amount of full-time equivalent positions, as determined by the division of special education of the department of education but not to exceed forty full-time equivalent positions in the aggregate, that is commensurate with the number of students enrolled in school districts located within the area education agency, to ensure that the area education agency complies with all applicable federal and state laws related to special education and to review the services the area education agency provides.

DIVISION II AREA EDUCATION AGENCIES — GENERAL PROVISIONS

Sec. 4. [Section 273.1](#), Code 2024, is amended to read as follows:

273.1 Intent.

It is the intent of the general assembly to provide an effective, efficient, and economical means of identifying and serving children from under five years of age through grade twelve who require special education and any other children requiring special education as defined in [section 256B.2](#); to provide for media services and other programs and services for pupils in grades kindergarten through twelve and children requiring special education as defined in [section 256B.2](#); to provide a method of financing the programs and services; ~~and to avoid a duplication of programs and services provided by any other school corporation in the state;~~ and to provide services to school districts under a contract with those school districts; to improve student achievement; and to close student achievement gaps.

Sec. 5. [Section 273.2](#), [subsections 1, 3, and 4](#), Code 2024, are amended to read as follows:

1. There are established throughout the state ~~fifteen~~ nine area education agencies, each of which is ~~governed by an area education agency board of directors~~ under the general supervision of the director of the department of education, except as otherwise provided in [this chapter](#). Each area education agency shall have an area education agency board of directors that shall serve in an advisory capacity. The boundaries of an area education agency shall not divide a school district. The director of the department of education shall change boundaries of area education agencies to take into account mergers of local school districts and changes in boundaries of local school districts, when necessary to maintain the policy of [this chapter](#) that a local school district shall not be a part of more than one area education agency.

3. a. The area education agency board shall furnish educational services and programs as provided in [section 273.1](#), [this section](#), [sections 273.3 through 273.8](#), and [chapter 256B](#) to the pupils enrolled in public or nonpublic schools located within its boundaries which are on the list of accredited schools pursuant to [section 256.11](#), which request to receive

such services. The programs and services provided shall be at least commensurate with programs and services existing on July 1, 1974. The programs and services provided to pupils enrolled in nonpublic schools shall be comparable to programs and services provided to pupils enrolled in public schools within constitutional guidelines.

b. The area education agency may furnish evidence-based professional development services to public or nonpublic schools which are on the list of accredited schools pursuant to [section 256.11](#) if any of the following requirements are satisfied:

(1) The professional development service is included on the list developed by the director of the department of education pursuant to [section 256.9, subsection 36](#).

(2) The director of the department of education grants approval to the area education agency to furnish the evidence-based professional development services.

4. ~~The area education agency board shall provide for special education services and media services for the local school districts in the area and shall encourage and assist school districts in the area to establish programs for gifted and talented children. The board~~ area education agency shall assist in facilitating interlibrary loans of materials between school districts and other libraries.

Sec. 6. [Section 273.2](#), Code 2024, is amended by adding the following new subsections:

NEW SUBSECTION. 4A. a. The area education agency may furnish services under [subsection 3 or 4](#) to public or nonpublic schools located within its boundaries, or within the boundaries of a contiguous area education agency, which are on the list of accredited schools pursuant to [section 256.11](#).

b. Notwithstanding paragraph “a”, the area education agency may furnish services under [subsection 3 or 4](#) to a public school located within the boundaries of an area education agency that is not contiguous if the school district shares a superintendent with another school district, pursuant to [section 257.11, subsection 5](#), that receives services from the area education agency pursuant to paragraph “a”.

NEW SUBSECTION. 12. The area education agency shall charge reasonable costs that are consistent with current market rates for the educational services, special education services, professional development services, and media services established by the area education agency.

NEW SUBSECTION. 13. The area education agency shall provide an annual report by January 1 of each year to the department of education, and to public schools and nonpublic schools located within the area education agency’s boundaries which are on the list of accredited schools pursuant to [section 256.11](#), a detailed description of the educational services, special education programs and services, professional development services, and media services that the area education agency provides, and the cost associated with purchasing such programs and services from the area education agency.

Sec. 7. [Section 273.3](#), Code 2024, is amended to read as follows:

273.3 Duties and powers of area education agency board — additional powers of area education agencies.

The board in carrying out the provisions of [section 273.2](#) shall:

1. ~~Determine the policies of~~ Advise and consult with the area education agency on policies and procedures for providing programs and services.

2. Be authorized to receive and expend money for providing programs and services as provided in [sections 273.1, 273.2, this section, sections 273.4 through 273.8, and chapters 256B and 257](#). All costs incurred in providing the programs and services, including administrative costs, shall be paid from funds received pursuant to [sections 273.1, 273.2, this section, sections 273.4 through 273.8, and chapters 256B and 257](#).

3. Provide data and prepare reports as directed by the director of the department of education.

4. Provide for advisory committees as deemed necessary.

5. ~~Be~~ Area education agencies are authorized, subject to rules of the state board of education, to provide directly or by contractual arrangement with public or private agencies for special education programs and services, media services, and educational programs and services requested by the local boards of education as provided in [this chapter](#), including but

not limited to contracts for the area education agency to provide programs or services to the local school districts and contracts for local school districts, other educational agencies, and public and private agencies to provide programs and services to the local school districts in the area education agency in lieu of the area education agency providing the services. Contracts may be made with public or private agencies located outside the state if the programs and services comply with the rules of the state board. Rules adopted by the state board of education shall be consistent with rules, adopted by the board of educational examiners, relating to licensing of practitioners.

6. Area education agencies may cooperate and contract between themselves and with other public agencies to provide special education programs and services, media services, and educational services to schools and children residing within their respective areas. Area education agencies may provide print and nonprint materials to public and private colleges and universities that have teacher education programs approved by the state board of education.

7. Be Area education agencies are authorized to lease, purchase, or lease-purchase, subject to the approval of the state board of education or its designee and to receive by gift and operate and maintain facilities and buildings necessary to provide authorized programs and services. However, a lease for less than ten years and with an annual cost of less than the amount stated in [section 26.3, subsection 1](#), does not require the approval of the state board. The state board shall not approve a lease, purchase, or lease-purchase until the state board is satisfied by investigation that public school corporations within the area do not have suitable facilities available. A purchase of property that is not a lease-purchase may be made only within two years of a disaster as defined in [section 29C.2, subsection 4](#), and subject to the requirements of [this subsection](#).

8. Be Area education agencies are authorized, subject to the approval of the director of the department of education, to enter into agreements for the joint use of personnel, buildings, facilities, supplies, and equipment with school corporations as deemed necessary to provide authorized programs and services.

9. Be Area education agencies are authorized to make application for, accept, and expend state and federal funds that are available for programs of educational benefit approved by the director of the department of education, and cooperate with the department in the manner provided in federal-state plans or department rules in the effectuation and administration of programs approved by the director, or approved by other educational agencies, which agencies have been approved as state educational authorities.

10. Be authorized to perform all other acts necessary to carry out the provisions and intent of [this chapter](#).

11. Employ personnel to carry out the functions of the area education agency which shall include the employment of an administrator who shall possess a license issued under [chapter 256, subchapter VII, part 3](#). The administrator shall be employed pursuant to [section 279.20](#) and [sections 279.23, 279.24, and 279.25](#). The salary for an area education agency administrator shall be established by the board based upon the previous experience and education of the administrator; provided, however, that the salary for an area education agency administrator shall not exceed one hundred twenty-five percent of the average salary of all superintendents of the school districts that are located within the boundaries of the area education agency at the time the employment agreement is entered into or renewed between an area education agency and an area education agency administrator. [Section 279.13](#) applies to the area education agency board and to all teachers employed by the area education agency. [Sections 279.23, 279.24, and 279.25](#) apply to the area education board and to all administrators employed by the area education agency. [Section 279.69](#) applies to the area education agency board and employees of the board, including part-time, substitute, or contract employees, who provide services to a school or school district.

12. ~~Prepare~~ Area education agencies shall prepare an annual budget estimating income and expenditures for programs and services as provided in [sections 273.1, 273.2, this section, sections 273.4 through 273.8, and chapter 256B](#) within the limits of funds provided under [section 256B.9](#) and [chapter 257](#). The board shall ~~post notice of a public hearing on the proposed budget on the area education agency's internet site and by publication in the newspaper of general circulation in the territory of the area education agency in which the~~

~~principal place of business of a school district that is a part of the area education agency is located. The notice shall specify the date, which shall be not later than March 1 of each year, the time, and the location of the public hearing submit the proposed budget to the director of the department of education for approval not later than March 1 of each year, and the director shall either approve or reject the proposed budget for changes within ten days after submission.~~ The proposed budget as approved by the board director of the department of education shall then be submitted to the state board of education, on forms provided by the department, no later than March 15 preceding the next fiscal year for approval. The state board shall review the proposed budget of each area education agency and shall before May 1, either grant approval or return the budget without approval with comments of the state board included. An unapproved budget shall be resubmitted to the state board for final approval not later than May 15. The state board shall give final approval only to budgets submitted by area education agencies accredited by the state board or that have been given conditional accreditation by the state board.

13. Be authorized to pay, out of funds available to the board reasonable annual dues to an Iowa association of school boards. Membership shall be limited to those duly elected members of the area education agency board.

14. a. The board may establish a plan, in accordance with section 403(b) of the Internal Revenue Code, as defined in [section 422.3](#), for employees, which plan shall consist of one or more investment contracts, on a group or individual basis, acquired from a company, or a salesperson for that company, that is authorized to do business in this state.

b. The selection of investment contracts to be included within the plan established by the board shall be made either pursuant to a competitive bidding process conducted by the board, in coordination with employee organizations representing employees eligible to participate in the plan, or pursuant to an agreement with the department of administrative services to make available investment contracts included in a deferred compensation or similar plan established by the department pursuant to [section 8A.438](#), which plan meets the requirements of [this subsection](#). The determination of whether to select investment contracts for the plan pursuant to a competitive bidding process or by agreement with the department of administrative services shall be made by agreement between the board and the employee organizations representing employees eligible to participate in the plan.

c. The board may make elective deferrals in accordance with the plan as authorized by an eligible employee for the purpose of making contributions to the investment contract on behalf of the employee. The deferrals shall be made in the manner which will qualify contributions to the investment contract for the benefits under section 403(b) of the Internal Revenue Code, as defined in [section 422.3](#). In addition, the board may make nonelective employer contributions to the plan.

d. As used in [this subsection](#), unless the context otherwise requires, “*investment contract*” shall mean a custodial account utilizing mutual funds or an annuity contract which meets the requirements of section 403(b) of the Internal Revenue Code, as defined in [section 422.3](#).

15. Be authorized to establish and pay all or any part of the cost of group health insurance plans, nonprofit group medical service plans and group life insurance plans adopted by the board for the benefit of employees of the area education agency, from funds available to the board.

16. Meet at least annually with the members of the boards of directors of the merged areas in which the area education agency is located to discuss coordination of programs and services and other matters of mutual interest to the boards.

17. Be authorized to issue warrants and anticipatory warrants pursuant to [chapter 74](#). The applicable rate of interest shall be determined pursuant to [sections 74A.2, 74A.3, and 74A.7](#). [This subsection](#) shall not be construed to authorize a board to levy a tax.

18. Be authorized to issue school credit cards allowing area education agency employees to pay for the actual and necessary expenses incurred in the performance of work-related duties.

19. Pursuant to rules adopted by the state board of education, be authorized to charge user fees for certain materials and services that are not required by law or by rules of the state board of education and are specifically requested by a school district or accredited nonpublic school.

20. Be authorized to purchase equipment as provided in [section 279.48](#).

21. Be authorized to sell, lease, or dispose of, in whole or in part, property belonging to the area education agency. Before the area education agency may sell property belonging to the agency, the board of directors shall comply with the requirements set forth in [section 297.22](#). Before the board of directors of an area education agency may lease property belonging to the agency, the board shall obtain the approval of the director of the department of education.

22. Meet annually with the members of the boards of directors of the school districts located within its boundaries if requested by the school district boards.

23. By October 1 of each year, submit to the department of education the following information:

a. The contracted salary including bonus wages and benefits, annuity payments, or any other benefit for the administrators of the area education agency.

b. The contracted salary and benefits and any other expenses related to support for governmental affairs efforts, including expenditures for lobbyists and lobbying activities for the area education agency.

24. Be authorized to sell software and support services, professional development programs and materials, online professional development, and online training to entities other than school districts within the state and to school districts and other public agencies located outside of the state. The board may also sell to school districts within this state software and support services, professional development programs and materials, online professional development, and online training which the area education agency is not otherwise required to provide to a school district under [this chapter](#) or [chapter 256B](#) or [257](#).

25. Require, by July 1, 2024, any person employed by the area education agency who holds a license, certificate, statement of recognition, or authorization other than a coaching authorization, issued by the board of educational examiners under [chapter 256, subchapter VII, part 3](#), to complete the Iowa reading research center dyslexia overview module. Such persons employed after July 1, 2024, shall complete the module within one year of the employee's initial date of hire.

Sec. 8. [Section 273.3](#), Code 2024, is amended by adding the following new subsection:

NEW SUBSECTION. 26. On a quarterly basis, the area education agency shall prepare and submit to each school district that receives services from the area education agency a report that includes all of the following:

a. A monetary accounting of payments the area education agency received from the school district, including payments under [section 257.35](#).

b. A description of all of the following:

(1) The special education services provided by the area education agency to the school district.

(2) The services provided by the area education agency under part C of the federal Individuals with Disabilities Education Act.

(3) The services provided by the area education agency that are related to the child find process for special education.

(4) The services provided by the area education agency to accredited nonpublic schools and charter schools.

Sec. 9. [Section 273.5](#), unnumbered paragraph 1, Code 2024, is amended to read as follows:

There shall be established a division of special education of the area education agency which shall provide for special education programs and services to the local school districts. The division of special education shall be headed by a director of special education who meets certification standards of the department of education. The director of special education shall be an employee of the division of special education of the department of education. The director of special education shall not be an employee of the area education agency, shall not receive compensation from the area education agency, shall not supervise or manage employees of the area education agency, and shall not directly provide special education services for the agency. The director of special education's primary job duties and responsibilities to the area education agency are to provide oversight of the area education

agency's special education services. The director of special education shall also have the responsibility for implementation of state regulations and guidelines relating to special education programs and services. The director of special education shall have the following powers and duties:

Sec. 10. [Section 273.8, subsection 1](#), Code 2024, is amended to read as follows:

1. *Board of directors.*

a. The board of directors of an area education agency shall consist of ~~not less than five nor more than nine members, each a resident of and elected in the manner provided in [this section](#) from a director district that is approximately equal in population to the other director districts in the area education agency.~~ Each director shall serve a four-year term which commences at the organization meeting.

b. Five members of the board of directors of an area education agency must be residents of and elected in the manner provided in [this section](#) from a director district that is approximately equal in population to the other director districts in the area education agency.

c. Four members of the board of directors of an area education agency must be appointed by the majority vote of the superintendents of school districts located within the boundaries of the area education agency. A member appointed pursuant to this paragraph must be a superintendent of a school district located within the boundaries of the area education agency; provided, however, that a superintendent appointed pursuant to this paragraph may designate any individual to serve for all, or the remainder of, the superintendent's term.

Sec. 11. [Section 273.8, subsection 2](#), paragraphs c and d, Code 2024, are amended to read as follows:

c. The board of each separate school district that is located entirely or partially inside an area education agency director district shall cast a vote for director of the area education agency board described in [subsection 1, paragraph "b"](#), based upon the ratio that the population of the school district, or portion of the school district, in the director district bears to the total population in the director district. The population of each school district or portion shall be determined by the department of education. The member of the area education agency board described in [subsection 1, paragraph "b"](#), to be elected may be a member of a local school district board of directors and shall be an elector and a resident of the director district, but shall not be a school district employee.

d. (1) Vacancies A vacancy, as defined in [section 277.29](#), in the a membership position of the area education agency board described in [subsection 1, paragraph "b"](#), shall be filled for the unexpired portion of the term at a director district convention called and conducted in the manner provided in [subsection 3](#).

(2) A vacancy, as defined in [section 277.29](#), in a membership position of the area education agency board described in [subsection 1, paragraph "c"](#), shall be filled for the unexpired portion of the term by an individual who is appointed by the majority vote of the superintendents of school districts located within the boundaries of the area education agency.

Sec. 12. [Section 273.8, subsection 3](#), Code 2024, is amended to read as follows:

3. *Director district convention.* If no candidate files with the area education agency secretary by the deadline specified in [subsection 2](#), or a vacancy occurs, or if otherwise required as provided in [section 273.23, subsection 3](#), a director district convention, attended by members of the boards of directors of the local school districts located within the director district, shall be called to elect a board member described in [subsection 1, paragraph "b"](#), for that director district. The convention location shall be determined by the area education agency administrator. Notice of the time, date, and place of a director district convention shall be published by the area education agency administrator in at least one newspaper of general circulation in the director district at least thirty days prior to the day of the convention. The cost of publication shall be paid by the area education agency. A candidate for election to the area education agency board shall file a statement of candidacy with the area education agency secretary at least ten days prior to the date of the director district convention on forms prescribed by the department of education, or nominations may be

made at the convention by a delegate from a board of directors of a school district located within the director district. A statement of candidacy shall include the candidate's name, address, and school district. Delegates to director district conventions shall not be bound by a school board or any school board member to pledge their votes to any candidate prior to the date of the convention.

Sec. 13. [Section 273.10, subsection 6](#), Code 2024, is amended to read as follows:

6. *a.* If the deficiencies in an area education program have not been corrected, the agency board director of the department of education shall take one of the following actions within sixty days from removal of accreditation:

(1) Merge the deficient program with a program from another accredited area education agency.

(2) Contract with another area education agency or other public educational institution for purposes of program delivery.

b. The rules developed by the state board of education for the accreditation process shall include provisions for removal of accreditation, including provisions for proper notice to the administrator of the area education agency, each member of the board of directors of the area education agency, the department of education, and the superintendents and administrators of the schools of the districts served by the area education agency.

Sec. 14. [Section 273.11](#), Code 2024, is amended to read as follows:

273.11 Standards for accrediting area education programs.

1. The state board of education, in consultation with the division of special education of the department of education, shall develop standards and rules for the accreditation of area education agencies. Standards shall be general in nature, but at a minimum shall identify requirements addressing the services provided by each division, as well as identifying indicators of quality that will permit area education agencies, school districts, the division of special education of the department of education, and the general public to judge accurately the effectiveness of area education agency services.

2. Standards developed shall include, but are not limited to, the following:

a. Support for school-community planning, including a means of assessing needs, developing collaborative relationships among community agencies, establishing shared direction, and implementing program plans and reporting progress toward goals for all students, including students with disabilities.

b. Professional Evidence-based professional development programs that respond to current needs.

c. Support for curriculum development, instruction, and assessment ~~for~~ services that address the areas of reading, language arts, math, and science, using research-based methodologies, for all students, including students with disabilities.

d. Special education ~~compliance and~~ support.

e. Management services, including financial reporting and purchasing as requested and funded by local districts.

f. Support for instructional media services that supplement and support local district media centers and services.

g. Support for school technology planning and staff development for implementing instructional technologies.

h. A program and services evaluation and reporting system that includes information related to special education.

i. Support for school district libraries in accordance with [section 273.2, subsection 4](#).

j. Support for early childhood service coordination for families and children, age birth through three years, to meet health, safety, and learning needs, including service coordination.

k. Timely submission of required reports and documents to the state board of education, the department of education, and the division of special education of the department of education.

l. Support for schools and school districts in analyzing student achievement data related to the learning environment, comparing data to the external knowledge base, and using that

information to guide schools and school districts in setting goals and implementing actions to improve student learning for all students, including students with disabilities.

m. Support for addressing the diverse learning needs of all children and youths, including children and youths who are eligible for special education through services that include direct services to students with disabilities.

n. Support for schools and school districts to ensure compliance with rules adopted by the state board of education related to special education.

o. Support necessary to implement effective instruction for all students, including students with disabilities, through school technology services.

p. Support for students using educational programs and services in a manner that is consistent with the educational standards established pursuant to [section 256.11](#).

q. Support for staff development and adult learners utilizing evidence-based professional development in a manner that meets the professional needs of staff and adult learners consistent with standards adopted by the state board of education.

r. Compliance with all relevant federal and state laws in the provision of services and supports to students with disabilities.

Sec. 15. [Section 284.6, subsection 10](#), Code 2024, is amended to read as follows:

10. If funds are allocated for purposes of professional development pursuant to [section 284.13, subsection 1](#), paragraph “c”, the department shall, ~~in collaboration with the area education agencies~~, establish teacher development academies for public and nonpublic school-based teams of teachers and instructional leaders. Each academy shall include an institute and shall provide follow-up training and coaching.

Sec. 16. AREA EDUCATION AGENCY — TASK FORCE.

1. The legislative council shall convene an area education agency task force that shall do all of the following:

a. Study and make recommendations related to how to improve the outcomes of students who utilize services provided by area education agencies.

b. Study and make recommendations related to the amount of compensation paid to administrators employed by area education agencies, core services provided by area education agencies, and how to best fund the following services provided by area education agencies:

(1) Crisis response services.

(2) Media services for nonpublic schools.

(3) Professional development services.

(4) Cooperative purchasing.

(5) Services associated with regional planning partnerships.

(6) Services associated with the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006, codified at 20 U.S.C. §2301 et seq., as amended.

(7) Services associated with the federal Every Student Succeeds Act, Pub. L. No. 114-95.

(8) Services provided in conjunction with special education equipment.

c. Study and make recommendations related to all of the following:

(1) The real property and facilities utilized by each area education agency.

(2) The media services, educational services, and special education services provided by each area education agency.

(3) What services area education agencies should provide.

(4) Current accountability measures applicable to area education agencies.

(5) The special education services provided by the division of special education of the department of education, area education agencies, and school districts.

(6) The overall organizational structure that determines how special education services are provided to students in this state.

(7) How the operation of area education agencies is overseen.

(8) The accreditation standards related to area education agencies.

(9) A timeline for modifications to the staffing numbers of area education agencies and the transition of responsibilities related to the oversight of area education agencies.

2. a. The task force shall consist of the following voting members who are appointed by the legislative council to represent different geographical regions of this state:

(1) One special education teacher who is employed by a school district with a total enrollment of greater than or equal to one thousand students.

(2) One special education teacher who is employed by a school district with a total enrollment of less than one thousand students.

(3) One superintendent who is employed by a school district with a total enrollment of greater than or equal to one thousand students.

(4) One superintendent who is employed by a school district with a total enrollment of less than one thousand students.

(5) One teacher who is employed by a school district and who does not provide special education programs or services.

(6) One parent or guardian of a student who has an individualized education program.

(7) One parent or guardian of a student who has a plan under section 504 of the federal Rehabilitation Act, 29 U.S.C. §794.

(8) One president or chief executive officer of an accredited nonpublic school.

b. The task force shall also consist of the following voting members:

(1) One member to be appointed by the governor.

(2) One member to be appointed by the director of the department of education.

(3) One member who is the chief administrator of the heartland area education agency.

c. The task force shall also consist of the following ex officio, nonvoting members of the general assembly:

(1) Two state senators appointed by the majority leader of the senate.

(2) One state senator appointed by the minority leader of the senate.

(3) Two state representatives appointed by the speaker of the house of representatives.

(4) One state representative appointed by the minority leader of the house of representatives.

3. Any expenses incurred by a member of the task force shall be the responsibility of the individual member or the respective entity represented by the member.

4. The task force shall submit its findings and recommendations in a report to the general assembly on or before December 31, 2024. The report shall include an examination and evaluation of the impact to area education agencies and their operations and services made by this Act.

Sec. 17. AREA EDUCATION AGENCIES — CONTINUOUS IMPROVEMENT. On or before January 1, 2025, each area education agency shall submit a report to the director of the department of education and the general assembly that contains all of the following information:

1. Progress the area education agency has made in reducing expenditures associated with administration and administrators, including chief administrators, directors and department heads, regional administrators, regional and zone coordinators, district coordinators, and human resources and personnel managers by at least thirty percent by July 1, 2026.

2. A proposal for the reorganization of services provided by area education agencies to centralize some services provided by the area education agencies, including media services, and to create centers of excellence for other services.

3. Progress the area education agency has made to improve the outcomes achieved by students receiving special education services and a description of how the area education agency is focusing the moneys it receives on providing service in the classroom.

Sec. 18. TRANSITION PROVISIONS.

1. An area education agency that was accredited pursuant to [section 273.10](#) on or before the effective date of the section of this division of this Act amending [section 273.10](#) shall remain accredited unless and until the division of special education of the department of education takes action to remove accreditation from the area education agency pursuant to [section 273.10](#), as amended in this division of this Act.

2. Within a reasonable time after July 1, 2024, the division of special education of the department of education shall employ at least one individual to serve as a director of

special education in each area education agency. During the hiring process associated with employing an individual to serve as director of special education in an area education agency, the division of special education shall give preference to qualified personnel employed by the area education agency.

Sec. 19. EFFECTIVE DATE. The following take effect July 1, 2025:

1. The section of this division of this Act amending [section 273.10](#).
2. The section of this division of this Act amending [section 273.11](#).

Sec. 20. APPLICABILITY. The following applies to employment agreements entered into or renewed between an area education agency and an area education agency administrator on or after July 1, 2024:

The portion of the section of this division of this Act amending [section 273.3, subsection 11](#).

Sec. 21. APPLICABILITY. The following applies to the election of directors and vacancies occurring under [section 273.8](#), as amended in this division of this Act, on or after July 1, 2024:

The sections of this division of this Act amending [section 273.8](#).

Sec. 22. APPLICABILITY. The following apply to school years beginning on or after July 1, 2025:

1. The portion of the section of this division of this Act amending [section 273.2, subsection 3](#).
2. The portion of the section of this division of this Act amending [section 273.2, subsection 4](#).
3. The portion of the section of this division of this Act enacting [section 273.2, subsection 4A](#).

DIVISION III AREA EDUCATION AGENCIES — FUNDING

Sec. 23. [Section 257.1, subsection 2](#), paragraph b, Code 2024, is amended to read as follows:

b. For the budget year commencing July 1, 1999, and for each succeeding budget year beginning before July 1, 2022, the regular program foundation base per pupil is eighty-seven and five-tenths percent of the regular program state cost per pupil. For the budget year commencing July 1, 2022, and for each succeeding budget year, the regular program foundation base per pupil is eighty-eight and four-tenths percent of the regular program state cost per pupil. For the budget year commencing July 1, 1991, and for each succeeding budget year the special education support services foundation base is seventy-nine percent of the special education support services state cost per pupil. The combined foundation base is the sum of the regular program foundation base, the special education support services foundation base, the total teacher salary supplement district cost, the total professional development supplement district cost, the total early intervention supplement district cost, the total teacher leadership supplement district cost, and the total area education agency teacher salary supplement district cost, ~~and the total area education agency professional development supplement district cost.~~

Sec. 24. [Section 257.1, subsection 3](#), Code 2024, is amended to read as follows:

3. *Computations rounded.* In making computations and payments under [this chapter](#), except in the case of computations relating to funding of special education support services, media services, and educational services ~~provided through the area education agencies under [section 257.37](#)~~, and the teacher salary supplement, the professional development supplement, the early intervention supplement, and the teacher leadership supplement, the department of management shall round amounts to the nearest whole dollar.

Sec. 25. [Section 257.4, subsection 1](#), paragraph a, subparagraph (7), Code 2024, is amended by striking the subparagraph.

Sec. 26. [Section 257.9, subsection 10](#), Code 2024, is amended by striking the subsection.

Sec. 27. [Section 257.10, subsection 7](#), Code 2024, is amended to read as follows:

7. *Special education support services district cost.* Special education support services district cost for a school district for a budget year is equal to the special education support services district cost per pupil for the budget year multiplied by the special education support services weighted enrollment for the district for the budget year. If the special education support services district cost for a school district for a budget year is less than the special education support services district cost for that district for the base year, the department of management shall adjust the special education support services district cost for that district for the budget year to equal the special education support services district cost for the base year. Funds calculated under [this subsection](#) and received by a school district shall be used for special education support services. For budget years beginning on or after July 1, 2025, not less than ninety percent of funds calculated under [this subsection](#) and received by a school district shall be used by the school district for special education support services contracted from an area education agency. The contract between the school district and the area education agency shall not require the school district to describe the specific special education support services the school district will receive from the area education agency. The special education services provided by the area education agency to the school district pursuant to the contract shall not be limited by the amount of funding the school district provided to the area education agency.

Sec. 28. [Section 257.10, subsection 8](#), paragraph a, Code 2024, is amended to read as follows:

a. Combined district cost is the sum of the regular program district cost per pupil multiplied by the weighted enrollment, the special education support services district cost, the total teacher salary supplement district cost, the total professional development supplement district cost, the total early intervention supplement district cost, and the total teacher leadership supplement district cost, plus the sum of the additional district cost allocated to the district to fund media services and educational services ~~provided through the area education agency under [section 257.37](#), and the area education agency total teacher salary supplement district cost and the area education agency total professional development supplement district cost.~~

Sec. 29. [Section 257.16, subsection 4](#), Code 2024, is amended to read as follows:

4. Notwithstanding any provision to the contrary, if the governor orders budget reductions in accordance with [section 8.31](#), the teacher salary supplement district cost, the professional development supplement district cost, the early intervention supplement district cost, and the teacher leadership supplement district cost as calculated under [section 257.10, subsections 9, 10, 11, and 12](#), and the area education agency teacher salary supplement district cost ~~and the area education agency professional development supplement district cost as calculated under [section 257.37A, subsections 1 and 2](#)~~, shall be paid in full as calculated and the reductions in the appropriations provided in accordance with [this section](#) shall be reduced from the remaining moneys appropriated pursuant to [this section](#) and shall be distributed on a per pupil basis calculated with the weighted enrollment determined in accordance with [section 257.6, subsection 5](#).

Sec. 30. [Section 257.35, subsections 1, 2, and 17](#), Code 2024, are amended to read as follows:

1. a. (1) ~~The~~ For fiscal years beginning before July 1, 2024, the department of management shall deduct the amounts calculated for special education support services, media services, area education agency teacher salary supplement district cost, area education agency professional development supplement district cost, and educational services for each school district from the state aid due to the district pursuant to [this chapter](#) and shall pay the amounts to the respective area education agencies on a monthly basis from September 15 through June 15 during each school year.

(2) For the fiscal year beginning July 1, 2024, the department of management shall deduct the following amounts from the state aid due to each school district pursuant to [this chapter](#)

and shall pay the amounts to the respective area education agencies on a monthly basis from September 15 through June 15 during each school year:

(a) The amount calculated for special education support services for the school district.

(b) Forty percent of the amount calculated for media services for the school district.

(c) The area education agency teacher salary supplement district cost.

(d) Forty percent of the amount calculated in [section 257.37](#) for educational services for the school district.

(e) The amount due to the area education agency as the result of supplementary weighting for shared operational functions under [section 257.11, subsection 5, paragraph “e”](#).

(3) For the fiscal year beginning July 1, 2025, and each fiscal year thereafter, the department of management shall deduct the following from the state aid due to each school district pursuant to [this chapter](#) and shall pay the amounts to the respective area education agencies on a monthly basis from September 15 through June 15 during each school year:

(a) The area education agency teacher salary supplement district cost.

(b) The amount due to the area education agency as the result of supplementary weighting for shared operational functions under [section 257.11, subsection 5, paragraph “e”](#).

b. The department of management shall notify each school district of the amount of state aid deducted for these purposes and the balance of state aid shall be paid to the district. If a district does not qualify for state aid under [this chapter](#) in an amount sufficient to cover its amount due to the area education agency as calculated by the department of management, the school district shall pay the deficiency to the area education agency from other moneys received by the district, on a quarterly basis during each school year.

2. Notwithstanding the deduction and payment under [subsection 1](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies amounts specified for school districts and area education agencies in [subsection 1, paragraph “a”](#), for the fiscal year beginning July 1, 2002 2024, and each succeeding fiscal year, shall be reduced by the department of management by seven million five hundred thousand dollars. ~~The reduction for each area education agency shall be equal to the reduction that the agency received in the fiscal year beginning July 1, 2001~~ The department of management shall calculate a reduction such that such amounts shall be reduced proportionally to the amount that the agency would otherwise have received under [this section](#) if the reduction imposed pursuant to [this subsection](#) did not apply.

17. a. Notwithstanding [subsection 1](#), and in addition to the reductions applicable pursuant to [subsection 2](#) and paragraph “b” of [this subsection](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies related to expenditures other than expenditures for professional development for the fiscal year beginning July 1, 2022, and ending June 30, 2023, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

b. Notwithstanding [subsection 1](#), and in addition to the reductions applicable pursuant to [subsection 2](#) and paragraph “a” of [this subsection](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies related to professional development expenditures for the fiscal year beginning July 1, 2022, and ending June 30, 2023, shall be reduced by the department of management by an amount equal to the sum of the area education agency professional development supplement district cost for all area education agencies determined under [section 257.37A, subsection 2, Code 2022](#), for the budget year beginning July 1, 2022. The reduction for each area education agency shall be equal to the area education agency’s professional development district cost determined under [section 257.37A, subsection 2, Code 2022](#), for the budget year beginning July 1, 2022. The amounts reduced under this paragraph shall be considered funds paid to school districts and area education agencies under [chapter 284](#) for purposes of requirements for providing professional development opportunities.

Sec. 31. [Section 257.36, subsection 1](#), Code 2024, is amended to read as follows:

1. Notwithstanding [chapters 256B and 273](#) and sections of [this chapter](#) relating to the moneys available to [school districts and](#) area education agencies for special education

support services, for each school year, the department of education may direct the department of management to deduct amounts from the portions of school district budgets that fund special education support services in an area education agency. The total amount deducted ~~in an area for a school district~~ shall be based upon excess special education support services unreserved and undesignated fund balances in that school district or paid by the school district to an area education agency for a school year that remain unreserved and undesignated as determined by the department of education. The department of management shall determine the amount deducted from each school district in an area education agency on a proportional basis. The department of management shall determine from the amounts deducted from the portions of school district budgets that fund area education agency special education support services the amount that would have been local property taxes and the amount that would have been state aid and for the next following budget year shall increase the district's total state school aid available under [this chapter](#) for area education agency special education support services and reduce the district's property tax levy for area education agency special education support services by the amount necessary for the property tax portion of the deductions made under [this section](#) during the budget year.

Sec. 32. [Section 257.37](#), Code 2024, is amended to read as follows:

257.37 Funding media and educational services.

Media services and educational services provided by a school district or through the area education agencies agency shall be funded, to the extent provided, by an addition to the combined district cost of each school district, determined as follows:

1. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for media services shall be computed as provided in [this subsection](#). For the budget year beginning July 1, 1991, the total amount funded in each area for media services in the base year shall be divided by the enrollment served in the base year to provide an area media services cost per pupil in the base year, and the department of management shall compute the state media services cost per pupil in the base year which is equal to the average of the area media services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the supplemental state aid for media services in the budget year by multiplying the state media services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for media services cost in the budget year equals the area media services cost per pupil in the base year plus the supplemental state aid for media services in the budget year times the enrollment served in the budget year. ~~Funds~~ For fiscal years beginning before July 1, 2025, funds shall be paid to area education agencies as provided in [section 257.35](#). For fiscal years beginning on or after July 1, 2024, funds not required to be paid to an area education agency may be used by the school district for any school district general fund purpose.

2. Up to thirty percent of the budget of an area for media services may be expended for media resource material including the purchase or replacement of material required in [section 273.6, subsection 1](#). ~~Funds shall be paid to area education agencies as provided in [section 257.35](#).~~

3. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for educational services shall be computed as provided in [this subsection](#). For the budget year beginning July 1, 1991, the total amount funded in each area for educational services in the base year shall be divided by the enrollment served in the area in the base year to provide an area educational services cost per pupil in the base year, and the department of management shall compute the state educational services cost per pupil in the base year, which is equal to the average of the area educational services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the supplemental state aid for educational services by multiplying the state educational services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for educational services for the budget year equals the area educational services cost per pupil for the base year plus the supplemental state aid for educational services

in the budget year times the enrollment served in the area in the budget year. Funds For fiscal years beginning before July 1, 2025, funds shall be paid to area education agencies as provided in [section 257.35](#). For fiscal years beginning on or after July 1, 2024, funds not required to be paid to an area education agency may be used by the school district for any school district general fund purpose.

4. “Enrollment served” means the basic enrollment of all school districts within the boundaries of the area education agency plus the number of nonpublic school pupils served by the area education agency with media services or educational services, as applicable, except that if a nonpublic school pupil or a pupil attending another district under a whole grade sharing agreement or open enrollment receives services through an area other than the area of the pupil’s residence, the pupil shall be deemed to be served by the area of the pupil’s residence, which shall by contractual arrangement reimburse the area through which the pupil actually receives services. Each school district shall include in the enrollment report submitted pursuant to [section 257.6, subsection 1](#), the number of nonpublic school pupils within each school district for media and educational services served by the area. However, the school district shall not include in the enrollment report nonpublic school pupils receiving classes or services funded entirely by federal grants or allocations.

5. a. If an area education agency does not serve nonpublic school pupils in a manner comparable to services provided public school pupils for media and educational services, as determined by the state board of education, the state board shall instruct the department of management to reduce the funds for media services and educational services within the area one time by an amount to compensate for such reduced services. The media services budget shall be reduced by an amount equal to the product of the cost per pupil in basic enrollment for the budget year for media services times the difference between the enrollment served and the basic enrollment recorded for the area. The educational services budget shall be reduced by an amount equal to the product of the cost per pupil in basic enrollment for the budget year for educational services times the difference between the enrollment served and the basic enrollment recorded for the area.

b. This subsection applies only to media and educational services which cannot be diverted for religious purposes.

c. Notwithstanding [this subsection](#), an area education agency shall distribute to nonpublic schools media materials purchased wholly or partially with federal funds in a manner comparable to the distribution of such media materials to public schools as determined by the director of the department of education.

6. For the budget year beginning July 1, 2002, and each succeeding budget year, notwithstanding the requirements of [this section](#) for determining the budgets and funding of media services and education services, an area education agency or school district may, within the limits of the total of the funds provided for the budget years pursuant to [section 257.35](#), expend for special education support services an amount that exceeds the payment for special education support services pursuant to [section 257.35](#) in order to maintain the level of required special education support services in the area education agency or the school district, as applicable.

Sec. 33. [Section 257.37A](#), Code 2024, is amended to read as follows:

257.37A Area education agency salary supplement funding.

1. *Area education agency teacher salary supplement cost per pupil and district cost.*

α. 1. For the budget year beginning July 1, 2009, the department of management shall add together the teacher compensation allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to [section 284.13, subsection 1](#), paragraph “i”, Code 2009, and the phase II allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to [section 294A.9, Code 2009](#), and divide that sum by the special education support services weighted enrollment in the fiscal year beginning July 1, 2009, to determine the area education agency teacher salary supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the area education agency teacher salary supplement district cost per pupil for each area education agency for a budget year is the area education agency teacher salary supplement district cost per pupil for

the base year plus the area education agency teacher salary supplement supplemental state aid amount for the budget year.

~~b. 2.~~ For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted area education agency teacher salary supplement district cost of an area education agency for a budget year is less than one hundred percent of the unadjusted area education agency teacher salary supplement district cost for the base year for the area education agency, the area education agency shall receive a budget adjustment for that budget year equal to the difference.

~~e. (1) 3. a.~~ The unadjusted area education agency teacher salary supplement district cost is the area education agency teacher salary supplement district cost per pupil for each area education agency for a budget year multiplied by the special education support services weighted enrollment for that area education agency.

~~(2) b.~~ The total area education agency teacher salary supplement district cost is the sum of the unadjusted area education agency teacher salary supplement district cost plus the budget adjustment for that budget year.

~~d. 4.~~ For the budget year beginning July 1, 2009, the use of the funds calculated under [this subsection section](#) shall comply with requirements of [chapter 284](#) and shall be distributed to teachers pursuant to [section 284.3A](#). For the budget year beginning July 1, 2010, and succeeding budget years, the use of the funds calculated under [this subsection section](#) shall comply with the requirements of [chapter 284](#) and shall be distributed to teachers pursuant to [section 284.3A](#).

~~2. Area education agency professional development supplement cost per pupil and district cost.~~

~~a.~~ For the budget year beginning July 1, 2009, the department of management shall divide the area education agency professional development supplement made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to [section 284.13, subsection 1](#), paragraph “d”, Code 2009, by the special education support services weighted enrollment in the fiscal year beginning July 1, 2009, to determine the professional development supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the area education agency professional development supplement district cost per pupil for each area education agency for a budget year is the area education agency professional development supplement district cost per pupil for the base year plus the area education agency professional development supplement supplemental state aid amount for the budget year.

~~b.~~ For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted area education agency professional development supplement district cost of an area education agency for a budget year is less than one hundred percent of the unadjusted area education agency professional development supplement district cost for the base year for the area education agency, the area education agency shall receive a budget adjustment for that budget year equal to the difference.

~~e. (1)~~ The unadjusted area education agency professional development supplement district cost is the area education agency professional development supplement district cost per pupil for each area education agency for a budget year multiplied by the special education support services weighted enrollment for that area education agency.

~~(2)~~ The total area education agency professional development supplement district cost is the sum of the unadjusted area education agency professional development supplement district cost plus the budget adjustment for that budget year.

~~d.~~ The use of the funds calculated under [this subsection](#) shall comply with requirements of [chapter 284](#).

Sec. 34. [Section 284.3A, subsection 4](#), Code 2024, is amended to read as follows:

4. The teacher salary supplement district cost as calculated under [section 257.10, subsection 9](#), and the area education agency teacher salary supplement district cost as calculated under [section 257.37A, subsection 1](#), are not subject to a uniform reduction in accordance with [section 8.31](#).

Sec. 35. [Section 284.4, subsection 1](#), paragraph b, subparagraph (3), Code 2024, is amended to read as follows:

(3) Determine, following the adoption of the Iowa professional development model by the state board of education, the use and distribution of the professional development funds calculated and paid to the school district or agency as provided in [section 257.9, subsection 10](#), or [section 257.10, subsection 10](#), based upon school district or agency, attendance center, and individual teacher and professional development plans.

Sec. 36. [Section 284.6, subsections 8 and 9](#), Code 2024, are amended to read as follows:

8. For each year in which a school district receives funds calculated and paid to school districts for professional development pursuant to [section 257.10, subsection 10](#), or ~~[section 257.37A, subsection 2](#)~~, the school district shall create quality professional development opportunities. Not less than thirty-six hours in the school calendar, held outside of the minimum school day, shall be set aside during nonpreparation time or designated professional development time to allow practitioners to collaborate with each other to deliver educational programs and assess student learning, or to engage in peer review pursuant to [section 284.8, subsection 1](#). The funds may be used to implement the professional development provisions of the teacher career paths and leadership roles specified in [section 284.15](#), including but not limited to providing professional development to teachers, including additional salaries for time beyond the normal negotiated agreement; activities and pay to support a beginning teacher mentoring and induction program that meets the requirements of [section 284.5](#); pay for substitute teachers, professional development materials, speakers, and professional development content; textbooks and curriculum materials used for classroom purposes if such textbooks and curriculum materials include professional development; administering assessments pursuant to [section 256.7, subsection 21](#), paragraph “b”, subparagraphs (1) and (2), if such assessments include professional development; and costs associated with implementing the individual professional development plans. The use of the funds shall be balanced between school district, attendance center, and individual professional development plans, making every reasonable effort to provide equal access to all teachers.

9. Moneys received pursuant to [section 257.10, subsection 10](#), or ~~[section 257.37A, subsection 2](#)~~, shall be maintained as a separate listing within a school district’s or area education agency’s budget for funds received and expenditures made pursuant to [this subsection](#). The department shall not require a school district or area education agency to allocate a specific amount or percentage of moneys received pursuant to [section 257.10, subsection 10](#), or ~~[section 257.37A, subsection 2](#)~~, for professional development related to implementation of the core curriculum under [section 256.7, subsection 26](#). A school district shall certify to the department how the school district allocated the funds and that moneys received under [this subsection](#) were used to supplement, not supplant, the professional development opportunities the school district would otherwise make available. For budget years beginning on or after July 1, 2017, all or a portion of the moneys received pursuant to [section 257.10, subsection 10](#), that remain unexpended and unobligated at the end of a fiscal year may, pursuant to [section 257.10, subsection 10](#), paragraph “d”, be transferred for deposit in the school district’s flexibility account established under [section 298A.2, subsection 2](#).

Sec. 37. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 38. APPLICABILITY. This division of this Act applies July 1, 2024, for school budget years beginning on or after that date.

DIVISION IV TEACHER COMPENSATION AND IPERS

Sec. 39. [Section 97B.52A, subsection 1](#), paragraph c, subparagraph (2), Code 2024, is amended by adding the following new subparagraph division:

NEW SUBPARAGRAPH DIVISION. (d) For a member whose first month of entitlement is July 2024 or later, but before July 2027, the member may return to covered employment as

a teacher for a covered employer after receiving one month of retirement benefits. For the purposes of this subparagraph division, “teacher” means a teacher licensed under [chapter 256](#).

Sec. 40. [Section 257.10, subsection 12](#), paragraph d, Code 2024, is amended to read as follows:

d. Except as otherwise allowed under this paragraph, for the budget year beginning July 1, 2014, and succeeding budget years, the use of the funds calculated under [this subsection](#) shall comply with the requirements of [chapter 284](#) and shall be distributed to teachers pursuant to [section 284.15](#). The funds shall be used only to increase the payment for a teacher assigned to a leadership role pursuant to a framework or comparable system approved pursuant to [section 284.15](#); to increase the percentages of teachers assigned to leadership roles; to increase the minimum teacher starting salary to ~~thirty-three thousand five hundred dollars~~ the amount provided in [section 284.15, subsection 2](#), paragraph “a”, subparagraph (1); to cover the costs for the time mentor and lead teachers are not providing instruction to students in a classroom; for coverage of a classroom when an initial or career teacher is observing or co-teaching with a teacher assigned to a leadership role; for professional development time to learn best practices associated with the career pathways leadership process; and for other costs associated with a framework or comparable system approved by the department of education under [section 284.15](#) with the goals of improving instruction and elevating the quality of teaching and student learning. If all requirements for the school district for the use of funds calculated under [this subsection](#) are met and funds received under [this subsection](#) remain unexpended and unobligated at the end of a fiscal year beginning on or after July 1, 2020, the school district may transfer all or a portion of such unexpended and unobligated funds for deposit in the school district’s flexibility account established under [section 298A.2, subsection 2](#). At the end of a fiscal year beginning on or after July 1, 2022, school districts may use all or a portion of funds under [this subsection](#) for the purposes authorized under [subsection 9](#), paragraph “d”, and, notwithstanding any provision of law to the contrary, school districts shall not be required to participate in or comply with [section 284.15](#) in order to continue to receive funding under [this subsection](#).

Sec. 41. [Section 284.15, subsection 2](#), paragraph a, subparagraph (1), Code 2024, is amended to read as follows:

(1) (a) ~~The~~ For the fiscal year beginning July 1, 2024, the salary for an initial teacher who has successfully completed an approved practitioner preparation program as defined in [section 256.145](#) or holds an initial or intern teacher license issued under [chapter 256, subchapter VII, part 3](#), shall be at least ~~thirty-three~~ forty-seven thousand five hundred dollars, which shall also constitute the minimum salary for an Iowa teacher.

(b) For the fiscal year beginning July 1, 2025, and each subsequent fiscal year, the salary for an initial teacher who has successfully completed an approved practitioner preparation program as defined in [section 256.145](#) or holds an initial or intern teacher license issued under [chapter 256, subchapter VII, part 3](#), shall be at least fifty thousand dollars, which shall also constitute the minimum salary for an Iowa teacher.

Sec. 42. [Section 284.15](#), Code 2024, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. a. For the fiscal year beginning July 1, 2024, the salary for a career teacher, model teacher, mentor teacher, or lead teacher, who holds a valid license issued under [chapter 256, subchapter VII, part 3](#), and who has been a teacher for at least twelve years, shall be at least sixty thousand dollars.

b. For the fiscal year beginning July 1, 2025, and each subsequent fiscal year, the salary for a career teacher, model teacher, mentor teacher, or lead teacher, who holds a valid license issued under [chapter 256, subchapter VII, part 3](#), and who has been a teacher for at least twelve years, shall be at least sixty-two thousand dollars.

Sec. 43. [Section 284.16, subsection 1](#), paragraph a, unnumbered paragraph 1, Code 2024, is amended to read as follows:

The For the fiscal year beginning July 1, 2024, the beginning teacher shall be paid not less than ~~thirty-three~~ forty-seven thousand five hundred dollars and. For the fiscal year beginning

July 1, 2025, and each subsequent fiscal year, the beginning teacher shall be paid not less than fifty thousand dollars. Each beginning teacher shall meet the following requirements:

Sec. 44. [Section 284.16](#), Code 2024, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. a. Experienced teacher. For the fiscal year beginning July 1, 2024, a career teacher, instructional coach, curriculum and professional development leader, or model teacher, who has been a teacher for at least twelve years, shall be paid not less than sixty thousand dollars.

b. For the fiscal year beginning July 1, 2025, and each subsequent fiscal year, a career teacher, instructional coach, curriculum and professional development leader, or model teacher, who has been a teacher for at least twelve years, shall be paid not less than sixty-two thousand dollars.

Sec. 45. [Section 284.17, subsection 1](#), Code 2024, is amended to read as follows:

1. a. A For the fiscal year beginning July 1, 2024, the minimum salary of thirty-three forty-seven thousand five hundred dollars for a full-time teacher who has less than twelve years of teaching experience and a minimum salary of sixty thousand dollars for a full-time teacher who has at least twelve years of teaching experience.

b. For the fiscal year beginning July 1, 2025, and each subsequent fiscal year, the minimum salary of fifty thousand dollars for a full-time teacher who has less than twelve years of teaching experience and a minimum salary of sixty-two thousand dollars for a full-time teacher who has at least twelve years of teaching experience.

DIVISION V

TEACHER SALARY SUPPLEMENT DISTRICT COST PER PUPIL

Sec. 46. [Section 257.10, subsection 9](#), paragraph a, Code 2024, is amended to read as follows:

a. (1) For the budget year beginning July 1, 2009, the department of management shall add together the teacher compensation allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to [section 284.13, subsection 1](#), paragraph “h”, Code 2009, and the phase II allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to [section 294A.9, Code 2009](#), and divide that sum by the district’s budget enrollment in the fiscal year beginning July 1, 2009, to determine the teacher salary supplement district cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years beginning before July 1, 2024, the teacher salary supplement district cost per pupil for each school district for a budget year is the teacher salary supplement program district cost per pupil for the base year plus the teacher salary supplement supplemental state aid amount for the budget year.

(2) (a) For the budget year beginning July 1, 2024, the teacher salary supplement district cost per pupil for each school district shall be determined under this subparagraph.

(b) The department of management shall categorize all school districts into not more than ten tiers according to each school district’s actual enrollment. Each tier established by the department of management containing a school district with an actual enrollment above three thousand five hundred pupils shall contain, to the extent feasible, the same number of school districts as other tiers containing school districts with an actual enrollment of more than three thousand five hundred pupils. Each tier established by the department of management containing a school district with an actual enrollment equal to or less than three thousand five hundred pupils shall contain, to the extent feasible, the same number of school districts as other tiers containing school districts with an actual enrollment equal to or less than three thousand five hundred pupils.

(c) (i) To support school districts with meeting the minimum teacher starting salary requirement of forty-seven thousand five hundred dollars and the minimum teacher salary requirement for full-time teachers with at least twelve years of experience of sixty thousand dollars under [chapter 284](#) and other costs associated with such salary requirements, as identified in subparagraph subdivision (ii), the department of management shall calculate and assign to all school districts in a tier established under subparagraph division (b), a

teacher salary supplement district cost per pupil in an amount based in part on the average cost to school districts within the tier to meet the requirements.

(ii) If, however, a school district's total teacher salary supplement district cost under paragraph "c" as calculated using the teacher salary supplement district cost per pupil assigned to the school district's applicable tier, is insufficient to comply with the applicable minimum teacher salary requirements of the school district, including costs associated with the employer's share of contributions to the Iowa public employees' retirement system and the employer's share of the tax imposed by the federal Insurance Contributions Act, the department of management shall set the school district's teacher salary supplement district cost per pupil at an amount necessary to meet the district's minimum salary requirements and associated costs.

(3) (a) For the budget year beginning July 1, 2025, the teacher salary supplement district cost per pupil for each school district shall be determined under this subparagraph.

(b) The department of management shall categorize all school districts into not more than ten tiers according to each school district's actual enrollment. Each tier established by the department of management containing a school district with an actual enrollment above three thousand five hundred pupils shall contain, to the extent feasible, the same number of school districts as other tiers containing school districts with an actual enrollment of more than three thousand five hundred pupils. Each tier established by the department of management containing a school district with an actual enrollment equal to or less than three thousand five hundred pupils shall contain, to the extent feasible, the same number of school districts as other tiers containing school districts with an actual enrollment equal to or less than three thousand five hundred pupils.

(c) (i) To support school districts with meeting the minimum teacher starting salary requirement of fifty thousand dollars and the minimum teacher salary requirement for full-time teachers with at least twelve years of experience of sixty-two thousand dollars under [chapter 284](#) and other costs associated with such salary requirements, as identified in subparagraph subdivision (ii), the department of management shall calculate and assign to all school districts in a tier established under subparagraph division (b), a teacher salary supplement district cost per pupil in an amount based in part on the average cost to school districts within the tier to meet the requirements.

(ii) If, however, a school district's total teacher salary supplement district cost under paragraph "c", as calculated using the teacher salary supplement district cost per pupil assigned to the school district's applicable tier, is insufficient to comply with the applicable minimum teacher salary requirements of the school district, including costs associated with the employer's share of contributions to the Iowa public employees' retirement system and the employer's share of the tax imposed by the federal Insurance Contributions Act, the department of management shall set the school district's teacher salary supplement district cost per pupil at an amount necessary to meet the district's minimum salary requirements and associated costs.

(4) For the budget year beginning July 1, 2026, and succeeding budget years, the teacher salary supplement district cost per pupil for each school district for a budget year is the teacher salary supplement program district cost per pupil for the base year plus the teacher salary supplement supplemental state aid amount for the budget year.

Sec. 47. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION VI STATE PERCENTS OF GROWTH

Sec. 48. [Section 257.8, subsections 1 and 2](#), Code 2024, are amended to read as follows:

1. State percent of growth. The state percent of growth for the budget year beginning July 1, 2021, is two and four-tenths percent. The state percent of growth for the budget year beginning July 1, 2022, is two and one-half percent. The state percent of growth for the budget year beginning July 1, 2023, is three percent. The state percent of growth for the budget year beginning July 1, 2024, is two and one-half percent. The state percent of growth

for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the transmission of the governor's budget required by February 1 under [section 8.21](#) during the regular legislative session beginning in the base year.

2. ~~Categorical state percent of growth. The categorical state percent of growth for the budget year beginning July 1, 2021, is two and four-tenths percent. The categorical state percent of growth for the budget year beginning July 1, 2022, is two and one-half percent. The categorical state percent of growth for the budget year beginning July 1, 2023, is three percent. The categorical state percent of growth for the budget year beginning July 1, 2024, is two and one-half percent.~~ The categorical state percent of growth for each budget year shall be established by statute which shall be enacted within thirty days of the transmission of the governor's budget required by February 1 under [section 8.21](#) during the regular legislative session beginning in the base year. The categorical state percent of growth may include state percents of growth for the teacher salary supplement, the professional development supplement, the early intervention supplement, the teacher leadership supplement, and for budget years beginning on or after July 1, 2020, transportation equity aid payments under [section 257.16C](#).

Sec. 49. [Section 257.16B, subsections 1 and 2](#), Code 2024, are amended to read as follows:

1. For each fiscal year beginning on or after July 1, ~~2021~~ 2022, there is appropriated from the general fund of the state to the department of education an amount necessary to make all school district property tax replacement payments under [this section](#), as calculated in [subsection 2](#).

2. ~~a. For the budget year beginning July 1, 2021, the department of management shall calculate for each school district all of the following:~~

~~(1) The regular program state cost per pupil for the budget year beginning July 1, 2012, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the budget year beginning July 1, 2021.~~

~~(2) The regular program state cost per pupil for the budget year beginning July 1, 2021, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the budget year beginning July 1, 2021.~~

~~(3) The amount of each school district's property tax replacement payment. Each school district's property tax replacement payment equals the school district's weighted enrollment for the budget year beginning July 1, 2021, multiplied by the remainder of the amount calculated for the school district under subparagraph (2) minus the amount calculated for the school district under subparagraph (1).~~

~~b. a. (1) For the budget year beginning July 1, 2022, the amount of each school district's property tax replacement payment shall be the product of the school district's weighted enrollment for the budget year multiplied by the per pupil property tax replacement amount for the budget year calculated under subparagraph (2).~~

~~(2) The per pupil property tax replacement amount for the budget year beginning July 1, 2022, is equal to the sum of one hundred fifty-three dollars plus the difference between the following:~~

~~(a) The regular program state cost per pupil for the budget year beginning July 1, 2022, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the budget year beginning July 1, 2022.~~

~~(b) The regular program state cost per pupil for the budget year beginning July 1, 2021, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the budget year beginning July 1, 2022.~~

~~e. b. (1) For each the budget year beginning on or after July 1, 2023, the amount of each school district's property tax replacement payment shall be the product of the school district's weighted enrollment for the budget year multiplied by the per pupil property tax replacement amount for the budget year calculated under subparagraph (2).~~

~~(2) The per pupil property tax replacement amount for the budget years year beginning on or after July 1, 2023, is equal to the sum of one hundred fifty-three dollars plus the difference between the following:~~

~~(a) The regular program state cost per pupil for the budget year beginning July 1, 2023, multiplied by one hundred percent less the regular program foundation base per pupil~~

percentage pursuant to [section 257.1](#) for the applicable budget year under this paragraph beginning July 1, 2023.

(b) The regular program state cost per pupil for the budget year beginning July 1, 2021, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the applicable budget year under this paragraph beginning July 1, 2023.

c. (1) For each budget year beginning on or after July 1, 2024, the amount of each school district's property tax replacement payment shall be the product of the school district's weighted enrollment for the budget year multiplied by the per pupil property tax replacement amount for the budget year calculated under subparagraph (2).

(2) The per pupil property tax replacement amount for budget years beginning on or after July 1, 2024, is equal to the sum of one hundred fifty-three dollars plus the difference between the following:

(a) The regular program state cost per pupil for the budget year beginning July 1, 2024, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the applicable budget year under this paragraph.

(b) The regular program state cost per pupil for the budget year beginning July 1, 2021, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the applicable budget year under this paragraph.

Sec. 50. CODE SECTION 257.8 — IMPLEMENTATION. The requirements of [section 257.8, subsections 1 and 2](#), regarding the enactment of bills establishing the state percent of growth and the categorical state percent of growth within thirty days of the transmission of the governor's budget required by February 1 under [section 8.21](#) during the regular legislative session beginning in the base year, do not apply to this division of this Act.

Sec. 51. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION VII EDUCATION SUPPORT PERSONNEL SALARY SUPPLEMENT

Sec. 52. EDUCATION SUPPORT PERSONNEL SALARY SUPPLEMENT — FY 2024-2025.

1. If funds are appropriated by the general assembly to the department of education for the fiscal year beginning July 1, 2024, and ending June 30, 2025, to make all payments to school districts required under subsection 2, such funds shall be used to provide a funding supplement to each school district during the fiscal year beginning July 1, 2024, and ending June 30, 2025, to supplement education support personnel compensation.

2. In order to receive the funding supplement, a school district shall first report to the department of education on or before July 1, 2024, the number of education support personnel employed by the school district, including all other information related to such personnel required by the department of education. Each school district's funding supplement amount shall be equal to fourteen million dollars multiplied by the quotient of the school district's budget enrollment for the budget year beginning July 1, 2023, and ending June 30, 2024, divided by the statewide total budget enrollment for the budget year beginning July 1, 2023, and ending June 30, 2024. For purposes of this section, "education support personnel" means regular and part-time employees of a school district who are not salaried.

3. The payment of funding supplement amounts under this section shall be paid by the department of education at the same time and in the same manner as foundation aid is paid under [section 257.16](#) for the fiscal year beginning July 1, 2024, and ending June 30, 2025, and may be included in the monthly payment of state aid under [section 257.16, subsection 2](#).

Sec. 53. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION VIII
STATE MANDATE

Sec. 54. IMPLEMENTATION OF ACT. [Section 25B.2, subsection 3](#), shall not apply to this Act.

Approved March 27, 2024