

---

# BUDGET UNIT BRIEF – FY 2025

Fiscal Services Division

July 1, 2024



---

Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

## Charter Schools Standing Appropriation

### Purpose and History

The 2021 enactment of [HF 813](#) (Charter School Programs Act) established Iowa Code chapter [256E](#), which created a new charter school program and provides for two pathways to establish a charter school in the State. A charter school can be established through application by a founding group created by a local school board, thereby creating a new attendance center that would be part of a public school district. A charter school can also be established through application by a founding group not created by a local school board, thereby creating a charter school independent of a public school district and having no boundary lines within the State. The charter school's governing board is subject to open meetings in accordance with Iowa Code chapter [21](#), and membership requirements for the governing board of the charter school are also established.

### Background

For FY 2023, under Iowa Code chapter 256E, the two authorized charter schools after July 1, 2021, are [Choice Charter School](#) (Grades 9–12) and [Hamburg Charter High School](#) (Grades 9–12). Choice Charter was established through a founding group not created by a local school board, and Hamburg Charter was established by a founding group created by a local school board.

Under Iowa Code section [256F.1](#), a charter school may be established by creating a new school within an existing public school or converting an existing public school attendance center to charter school status. Authorized charter schools prior to July 1, 2021, are [Storm Lake/Iowa Central/Buena Vista Early College Charter High School](#) (Grades 9–12) and [Northeast Iowa Charter High School](#) (Grades 9–12) and are the two public charter schools in the State of Iowa. For additional information on these charter school programs, please read the Department of Education (DE) report [Legislative Report: Charter and Innovation Zone Schools in Iowa](#).

### Funding — State General Fund

Under HF 813, funding for each student attending a charter school was to flow through the student's district of residence, similar to open enrollment, and includes the State cost per pupil, the teacher leadership supplement, and additional weightings as detailed in HF 813. For students attending a charter school who had not been included in the previous year's enrollment count, HF 813 established a General Fund standing unlimited appropriation to the DE to be paid to the charter school for the students' initial year of enrollment in the charter school.

Iowa Code section [256E.8\(2\)\(d\)](#), as established with the enactment of HF 813, provides a standing unlimited appropriation and appropriates annually from the General Fund to the DE an amount necessary to pay all applicable amounts to charter schools for students not included in the actual enrollment of the student's district of residence in the previous school year. However, the 2022 enactment of [HF 2575](#)

---

### More Information

Iowa Department of Education — Charter Schools: [educateiowa.gov/pk-12/options-educational-choice/charter-schools](https://educateiowa.gov/pk-12/options-educational-choice/charter-schools)

LSA Staff Contact: Ron Robinson (515.281.6256) [ron.robinson@legis.iowa.gov](mailto:ron.robinson@legis.iowa.gov)

(FY 2023 Education Appropriations Act) amended Iowa Code section 256E.8(2) to require the specified calculated costs per pupil for each student enrolled in a charter school who was included in the actual enrollment of the district of residence to be paid by the DE directly to the charter school for the school year the student was enrolled in the charter school and require the amount paid to the charter school to be deducted from the payments to the district of residence in the succeeding fiscal year. The direct payments by the DE for students that were not included in the prior year actual enrollment of the district of residence was maintained.

Additionally, the school district of residence is required to pay to a charter school the actual costs of providing appropriate special education as itemized and delivered to the district by the charter school on or before February 15 and July 15 of each year.

**Related Statutes and Administrative Rules**

Iowa Code chapters [256E](#) and [256F](#)

Iowa Administrative Code [281—17](#), [19](#), [33](#), [41](#), [68](#), and [120](#)

**Budget Unit Number**

28209060001

1443972