

**NINETIETH GENERAL ASSEMBLY
2024 REGULAR SESSION
DAILY
SENATE CLIP SHEET**

March 26, 2024

Clip Sheet Summary

Displays all amendments, fiscal notes, and conference committee reports for previous day.

Bill	Amendment	Action	Sponsor
SF 345	S-5091	Adopted	DAN DAWSON
SF 2157	S-5093	Adopted	ANNETTE SWEENEY
SF 2338	S-5092	Adopted	DAN DAWSON
HF 2302	S-5095	Filed	NATE BOULTON
HF 2488	S-5096	Filed	MOLLY DONAHUE
HF 2531	S-5094	Filed	CHRIS COURNOYER
HF 2612	S-5090	Filed	RECEIVED FROM THE HOUSE

Fiscal Notes

[HF 2612](#) — [Area Education Agencies](#) (LSB6302HV.3)

SENATE FILE 345

S-5091

1 Amend the House amendment, S-5050, to Senate File 345, as
2 amended, passed, and reprinted by the Senate, as follows:

- 3 1. Page 1, by striking lines 3 through 19.
- 4 2. Page 2, by striking lines 6 through 9.
- 5 3. Page 6, by striking lines 28 through 35.
- 6 4. Page 7, by striking lines 3 through 4.
- 7 5. By renumbering as necessary.

By DAN DAWSON

S-5091 FILED MARCH 25, 2024

ADOPTED

SENATE FILE 2157

S-5093

- 1 Amend Senate File 2157 as follows:
- 2 1. Page 1, line 3, after <registered> by inserting
- 3 <all-terrain vehicle or>
- 4 2. Title page, line 1, after <of> by inserting <all-terrain
- 5 and>

By ANNETTE SWEENEY

S-5093 FILED MARCH 25, 2024

ADOPTED

SENATE FILE 2338

S-5092

1 Amend Senate File 2338 as follows:

2 1. Page 1, by striking lines 6 and 7 and inserting <officer
3 on a Brady-Giglio list. The district court shall have>

4 2. Page 1, line 10, by striking <of the of the evidence> and
5 inserting <of the evidence>

By DAN DAWSON

S-5092 FILED MARCH 25, 2024

ADOPTED

HOUSE FILE 2302

S-5095

- 1 Amend House File 2302, as passed by the House, as follows:
- 2 1. Page 1, line 11, by striking <or fire fighter,> and
3 inserting ~~<or fire fighter,>~~
- 4 2. Page 1, line 12, after <volunteer,> by inserting <or
5 sports official,>
- 6 3. Page 1, line 20, by striking <or fire fighter> and
7 inserting ~~<or fire fighter,>~~ or sports official>
- 8 4. Page 1, lines 28 and 29, by striking <or fire fighter,>
9 and inserting ~~<or fire fighter,>~~ or sports official,>
- 10 5. Page 2, line 3, by striking <or fire fighter,> and
11 inserting ~~<or fire fighter,>~~
- 12 6. Page 2, line 4, after <volunteer,> by inserting <or
13 sports official,>
- 14 7. Page 2, line 12, by striking <or fire fighter> and
15 inserting ~~<or fire fighter,>~~ or sports official>
- 16 8. Page 2, line 23, by striking <or fire fighter,> and
17 inserting ~~<or fire fighter,>~~
- 18 9. Page 2, line 24, after <volunteer,> by inserting <or
19 sports official,>
- 20 10. Page 2, line 32, by striking <or fire fighter,> and
21 inserting ~~<or fire fighter,>~~ or sports official>
- 22 11. Page 3, line 10, by striking <or fire fighter,> and
23 inserting ~~<or fire fighter,>~~
- 24 12. Page 3, line 11, after <volunteer,> by inserting <or
25 sports official,>
- 26 13. Page 3, line 19, by striking <or fire fighter,> and
27 inserting ~~<or fire fighter,>~~ or sports official,>

By NATE BOULTON

S-5095 FILED MARCH 25, 2024

S-5096

1 Amend the amendment, S-5063, to House File 2488, as amended,
2 passed, and reprinted by the House, as follows:

3 1. Page 9, after line 17 by inserting:

4 <DIVISION _____
5 INSURANCE COVERAGE FOR PRESCRIPTION INSULIN DRUGS
6 Sec. _____. NEW SECTION. 514C.18A Prescription insulin drugs
7 — coverage.

8 1. As used in this section, unless the context otherwise
9 requires:

10 a. *“Cost-sharing”* means any coverage limit, copayment,
11 coinsurance, deductible, or other out-of-pocket expense
12 obligation imposed on a covered person by a policy, contract,
13 or plan providing for third-party payment or prepayment of
14 health or medical expenses.

15 b. *“Covered person”* means a policyholder, subscriber, or
16 other person participating in a policy, contract, or plan that
17 provides for third-party payment or prepayment of health or
18 medical expenses.

19 c. *“Health care professional”* means the same as defined in
20 section 514J.102.

21 d. *“Prescription insulin drug”* means a prescription drug
22 that contains insulin, is used to treat diabetes, that has been
23 prescribed as medically necessary by a covered person’s health
24 care professional, and is a benefit covered by the covered
25 person’s policy, contract, or plan.

26 2. Notwithstanding the uniformity of treatment requirements
27 of section 514C.6, a policy, contract, or plan providing for
28 third-party payment or prepayment of health or medical expenses
29 that provides coverage for prescription drugs shall cap the
30 total amount of cost-sharing that a covered person is required
31 to pay per prescription filled to an amount not to exceed
32 twenty-five dollars for up to a thirty-one-day supply of at
33 least one type of each of the following:

34 a. Rapid-acting prescription insulin drugs.

35 b. Short-acting prescription insulin drugs.

1 *c.* Intermediate-acting prescription insulin drugs.

2 *d.* Long-acting prescription insulin drugs.

3 3. Nothing in this section shall be construed to prohibit
4 a policy, contract, or plan providing for third-party payment
5 or prepayment of health or medical expenses from reducing a
6 covered person's cost-sharing obligation by an amount greater
7 than the amount specified pursuant to subsection 2.

8 4. *a.* This section shall apply to the following classes
9 of third-party payment provider contracts, policies, or plans
10 delivered, issued for delivery, continued, or renewed in this
11 state on or after January 1, 2025:

12 (1) Individual or group accident and sickness insurance
13 providing coverage on an expense-incurred basis.

14 (2) An individual or group hospital or medical service
15 contract issued pursuant to chapter 509, 514, or 514A.

16 (3) An individual or group health maintenance organization
17 contract regulated under chapter 514B.

18 (4) A plan established for public employees pursuant to
19 chapter 509A.

20 *b.* This section shall not apply to accident-only, specified
21 disease, short-term hospital or medical, hospital confinement
22 indemnity, credit, dental, vision, Medicare supplement,
23 long-term care, basic hospital and medical-surgical expense
24 coverage as defined by the commissioner of insurance,
25 disability income insurance coverage, coverage issued as a
26 supplement to liability insurance, workers' compensation or
27 similar insurance, or automobile medical payment insurance.

28 5. The commissioner of insurance may adopt rules pursuant to
29 chapter 17A to administer this section.>

30 2. Page 9, by striking lines 19 and 20 and inserting
31 <inserting <organizations, certain cost controls for health
32 care services, and insurance coverage for prescription insulin
33 drugs>>

34 3. By renumbering as necessary.

S-5096 (Continued)

By MOLLY DONAHUE

S-5096 FILED MARCH 25, 2024

HOUSE FILE 2531

S-5094

- 1 Amend House File 2531, as passed by the House, as follows:
- 2 1. Page 1, line 1, by striking <cabarets> and inserting
3 <establishments>
- 4 2. Page 1, by striking lines 2 through 34 and inserting:
5 <1. As used in this section, "adult establishment" means any
6 business that provides nude or topless dancing or operates any
7 other adult-oriented business.>
- 8 3. Page 2, line 2, by striking <cabaret> and inserting
9 <establishment>
- 10 4. Page 2, line 3, by striking <within five>
- 11 5. Page 2, by striking line 4 and inserting <in any parking
12 lots or areas, including but not limited to public rights of
13 way, adjacent to the premises:>
- 14 6. Page 2, line 14, before <believes> by inserting <for the
15 county or city where the premises is located>
- 16 7. Page 2, line 19, by striking <cabaret> and inserting
17 <establishment>
- 18 8. Page 2, line 24, by striking <cabaret> and inserting
19 <establishment>
- 20 9. Title page, by striking lines 1 and 2 and inserting <An
21 Act relating to public safety nuisances at adult establishments
22 that provide nude or topless dancing or operate any other
23 adult-oriented business, and making penalties applicable.>

By CHRIS COURNOYER

S-5094 FILED MARCH 25, 2024

HOUSE AMENDMENT TO SENATE AMENDMENT TO
TO HOUSE FILE 2612

S-5090

1 Amend the Senate amendment, H-8220, to House File 2612, as
2 amended, passed, and reprinted by the House, as follows:

3 1. By striking page 1, line 5, through page 27, line 6, and
4 inserting:

5

<<DIVISION I

6 DIVISION OF SPECIAL EDUCATION OF THE DEPARTMENT OF EDUCATION

7 Section 1. Section 256.9, Code 2024, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 36. Develop and distribute to school
10 districts, accredited nonpublic schools, and area education
11 agencies a list of evidence-based professional development
12 services that an area education agency may provide to a public
13 school or accredited nonpublic school pursuant to section
14 273.2, subsection 3, paragraph "b".

15 Sec. 2. Section 256B.3, Code 2024, is amended by adding the
16 following new subsections:

17 NEW SUBSECTION. 15A. Beginning July 1, 2024, oversee the
18 operation of each area education agency to ensure the area
19 education agency complies with all applicable federal and state
20 laws related to special education.

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

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

1 education program meetings of students enrolled in accredited
2 nonpublic schools.

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

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

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

16 NEW SUBSECTION. 15G. Develop and distribute to school
17 districts and accredited nonpublic schools an implementation
18 plan related to identifying, evaluating, and promoting
19 strategies and models for providing special education and
20 related services with accredited nonpublic schools that improve
21 the experiences and outcomes for students with disabilities.

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

26 1. Devote at least thirteen full-time equivalent positions
27 within the department of education's location in the city
28 of Des Moines to oversight of the area education agencies,
29 including the accreditation of area education agencies under
30 section 273.10.

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

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

35 c. At least one of the full-time equivalent positions shall

1 be a liaison for accredited nonpublic schools.

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

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

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

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

20 DIVISION II

21 AREA EDUCATION AGENCIES — GENERAL PROVISIONS

22 Sec. 4. Section 273.1, Code 2024, is amended to read as
23 follows:

24 **273.1 Intent.**

25 It is the intent of the general assembly to provide an
26 effective, efficient, and economical means of identifying and
27 serving children from under five years of age through grade
28 twelve who require special education and any other children
29 requiring special education as defined in section 256B.2; to
30 provide for media services and other programs and services
31 for pupils in grades kindergarten through twelve and children
32 requiring special education as defined in section 256B.2; to
33 provide a method of financing the programs and services; and
34 ~~to avoid a duplication of programs and services provided by~~
35 ~~any other school corporation in the state; and to provide~~

1 services to school districts under a contract with those school
2 districts; to improve student achievement; and to close student
3 achievement gaps.

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

6 1. There are established throughout the state ~~fifteen~~
7 nine area education agencies, each of which is ~~governed by an~~
8 ~~area education agency board of directors~~ under the general
9 supervision of the director of the department of education,
10 except as otherwise provided in this chapter. Each area
11 education agency shall have an area education agency board
12 of directors that shall serve in an advisory capacity. The
13 boundaries of an area education agency shall not divide a
14 school district. The director of the department of education
15 shall change boundaries of area education agencies to take
16 into account mergers of local school districts and changes
17 in boundaries of local school districts, when necessary
18 to maintain the policy of this chapter that a local school
19 district shall not be a part of more than one area education
20 agency.

21 3. a. The area education agency ~~board~~ shall furnish
22 educational services and programs as provided in section 273.1,
23 this section, sections 273.3 through 273.8, and chapter 256B
24 to the pupils enrolled in public or nonpublic schools ~~located~~
25 ~~within its boundaries~~ which are on the list of accredited
26 schools pursuant to section 256.11, which request to receive
27 such services. The programs and services provided shall be
28 at least commensurate with programs and services existing on
29 July 1, 1974. The programs and services provided to pupils
30 enrolled in nonpublic schools shall be comparable to programs
31 and services provided to pupils enrolled in public schools
32 within constitutional guidelines.

33 b. The area education agency may furnish evidence-based
34 professional development services to public or nonpublic
35 schools which are on the list of accredited schools pursuant

1 to section 256.11 if any of the following requirements are
2 satisfied:

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

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

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

16 Sec. 6. Section 273.2, Code 2024, is amended by adding the
17 following new subsections:

18 NEW SUBSECTION. 4A. a. The area education agency may
19 furnish services under subsection 3 or 4 to public or nonpublic
20 schools located within its boundaries, or within the boundaries
21 of a contiguous area education agency, which are on the list of
22 accredited schools pursuant to section 256.11.

23 b. Notwithstanding paragraph "a", the area education agency
24 may furnish services under subsection 3 or 4 to a public
25 school located within the boundaries of an area education
26 agency that is not contiguous if the school district shares
27 a superintendent with another school district, pursuant to
28 section 257.11, subsection 5, that receives services from the
29 area education agency pursuant to paragraph "a".

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

35 NEW SUBSECTION. 13. The area education agency shall provide

1 an annual report by January 1 of each year to the department of
2 education, and to public schools and nonpublic schools located
3 within the area education agency's boundaries which are on
4 the list of accredited schools pursuant to section 256.11,
5 a detailed description of the educational services, special
6 education programs and services, professional development
7 services, and media services that the area education agency
8 provides, and the cost associated with purchasing such programs
9 and services from the area education agency.

10 Sec. 7. Section 273.3, Code 2024, is amended to read as
11 follows:

12 **273.3 Duties and powers of area education agency board —**
13 **additional powers of area education agencies.**

14 The board in carrying out the provisions of section 273.2
15 shall:

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

19 2. Be authorized to receive and expend money for providing
20 programs and services as provided in sections 273.1, 273.2,
21 this section, sections 273.4 through 273.8, and chapters 256B
22 and 257. All costs incurred in providing the programs and
23 services, including administrative costs, shall be paid from
24 funds received pursuant to sections 273.1, 273.2, this section,
25 sections 273.4 through 273.8, and chapters 256B and 257.

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

28 4. Provide for advisory committees as deemed necessary.

29 5. Be Area education agencies are authorized, subject to
30 rules of the state board of education, to provide directly or
31 by contractual arrangement with public or private agencies
32 for special education programs and services, media services,
33 and educational programs and services requested by the local
34 boards of education as provided in this chapter, including
35 but not limited to contracts for the area education agency to

1 provide programs or services to the local school districts
2 and contracts for local school districts, other educational
3 agencies, and public and private agencies to provide programs
4 and services to the local school districts in the area
5 education agency in lieu of the area education agency providing
6 the services. Contracts may be made with public or private
7 agencies located outside the state if the programs and services
8 comply with the rules of the state board. Rules adopted by
9 the state board of education shall be consistent with rules,
10 adopted by the board of educational examiners, relating to
11 licensing of practitioners.

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

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

35 8. Be Area education agencies are authorized, subject to

1 the approval of the director of the department of education,
2 to enter into agreements for the joint use of personnel,
3 buildings, facilities, supplies, and equipment with school
4 corporations as deemed necessary to provide authorized programs
5 and services.

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

15 10. Be authorized to perform all other acts necessary to
16 carry out the provisions and intent of this chapter.

17 11. Employ personnel to carry out the functions of the
18 area education agency which shall include the employment of
19 an administrator who shall possess a license issued under
20 chapter 256, subchapter VII, part 3. The administrator shall
21 be employed pursuant to section 279.20 and sections 279.23,
22 279.24, and 279.25. The salary for an area education agency
23 administrator shall be established by the board based upon
24 the previous experience and education of the administrator;
25 provided, however, that the salary for an area education
26 agency administrator shall not exceed one hundred twenty-five
27 percent of the average salary of all superintendents of the
28 school districts that are located within the boundaries of the
29 area education agency at the time the employment agreement is
30 entered into or renewed between an area education agency and an
31 area education agency administrator. Section 279.13 applies to
32 the area education agency board and to all teachers employed by
33 the area education agency. Sections 279.23, 279.24, and 279.25
34 apply to the area education board and to all administrators
35 employed by the area education agency. Section 279.69 applies

1 to the area education agency board and employees of the board,
2 including part-time, substitute, or contract employees, who
3 provide services to a school or school district.

4 12. ~~Prepare~~ Area education agencies shall prepare an annual
5 budget estimating income and expenditures for programs and
6 services as provided in sections 273.1, 273.2, this section,
7 sections 273.4 through 273.8, and chapter 256B within the
8 limits of funds provided under section 256B.9 and chapter
9 257. The board shall ~~post notice of a public hearing on the~~
10 ~~proposed budget on the area education agency's internet site~~
11 ~~and by publication in the newspaper of general circulation~~
12 ~~in the territory of the area education agency in which the~~
13 ~~principal place of business of a school district that is a part~~
14 ~~of the area education agency is located. The notice shall~~
15 ~~specify the date, which shall be not later than March 1 of~~
16 ~~each year, the time, and the location of the public hearing~~
17 submit the proposed budget to the director of the department
18 of education for approval not later than March 1 of each year,
19 and the director shall either approve or reject the proposed
20 budget for changes within ten days after submission. The
21 ~~proposed budget as approved by the board~~ director of the
22 department of education shall then be submitted to the state
23 board of education, on forms provided by the department,
24 no later than March 15 preceding the next fiscal year for
25 approval. The state board shall review the proposed budget of
26 each area education agency and shall before May 1, either grant
27 approval or return the budget without approval with comments
28 of the state board included. An unapproved budget shall be
29 resubmitted to the state board for final approval not later
30 than May 15. The state board shall give final approval only to
31 budgets submitted by area education agencies accredited by the
32 state board or that have been given conditional accreditation
33 by the state board.

34 13. Be authorized to pay, out of funds available to the
35 board reasonable annual dues to an Iowa association of school

1 boards. Membership shall be limited to those duly elected
2 members of the area education agency board.

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

9 b. The selection of investment contracts to be included
10 within the plan established by the board shall be made either
11 pursuant to a competitive bidding process conducted by the
12 board, in coordination with employee organizations representing
13 employees eligible to participate in the plan, or pursuant to
14 an agreement with the department of administrative services
15 to make available investment contracts included in a deferred
16 compensation or similar plan established by the department
17 pursuant to section 8A.438, which plan meets the requirements
18 of this subsection. The determination of whether to select
19 investment contracts for the plan pursuant to a competitive
20 bidding process or by agreement with the department of
21 administrative services shall be made by agreement between the
22 board and the employee organizations representing employees
23 eligible to participate in the plan.

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

32 d. As used in this subsection, unless the context otherwise
33 requires, "investment contract" shall mean a custodial account
34 utilizing mutual funds or an annuity contract which meets the
35 requirements of section 403(b) of the Internal Revenue Code, as

1 defined in section 422.3.

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

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

11 17. Be authorized to issue warrants and anticipatory
12 warrants pursuant to chapter 74. The applicable rate of
13 interest shall be determined pursuant to sections 74A.2, 74A.3,
14 and 74A.7. This subsection shall not be construed to authorize
15 a board to levy a tax.

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

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

24 20. Be authorized to purchase equipment as provided in
25 section 279.48.

26 21. Be authorized to sell, lease, or dispose of, in whole
27 or in part, property belonging to the area education agency.
28 Before the area education agency may sell property belonging
29 to the agency, the board of directors shall comply with the
30 requirements set forth in section 297.22. Before the board
31 of directors of an area education agency may lease property
32 belonging to the agency, the board shall obtain the approval of
33 the director of the department of education.

34 22. Meet annually with the members of the boards of
35 directors of the school districts located within its boundaries

1 if requested by the school district boards.

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

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

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

11 24. Be authorized to sell software and support services,
12 professional development programs and materials, online
13 professional development, and online training to entities
14 other than school districts within the state and to school
15 districts and other public agencies located outside of the
16 state. The board may also sell to school districts within this
17 state software and support services, professional development
18 programs and materials, online professional development,
19 and online training which the area education agency is not
20 otherwise required to provide to a school district under this
21 chapter or chapter 256B or 257.

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

31 Sec. 8. Section 273.3, Code 2024, is amended by adding the
32 following new subsection:

33 NEW SUBSECTION. 26. On a quarterly basis, the area
34 education agency shall prepare and submit to each school
35 district that receives services from the area education agency

1 a report that includes all of the following:

2 a. A monetary accounting of payments the area education
3 agency received from the school district, including payments
4 under section 257.35.

5 b. A description of all of the following:

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

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

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

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

15 Sec. 9. Section 273.5, unnumbered paragraph 1, Code 2024,
16 is amended to read as follows:

17 There shall be established a division of special education
18 of the area education agency which shall provide for special
19 education programs and services to the local school districts.
20 The division of special education shall be headed by a director
21 of special education who meets certification standards of the
22 department of education. The director of special education
23 shall be an employee of the division of special education of
24 the department of education. The director of special education
25 shall not be an employee of the area education agency, shall
26 not receive compensation from the area education agency, shall
27 not supervise or manage employees of the area education agency,
28 and shall not directly provide special education services for
29 the agency. The director of special education's primary job
30 duties and responsibilities to the area education agency are
31 to provide oversight of the area education agency's special
32 education services. The director of special education shall
33 also have the responsibility for implementation of state
34 regulations and guidelines relating to special education
35 programs and services. The director of special education shall

1 have the following powers and duties:

2 Sec. 10. Section 273.8, subsection 1, Code 2024, is amended
3 to read as follows:

4 1. *Board of directors.*

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

12 b. Five members of the board of directors of an area
13 education agency must be residents of and elected in the
14 manner provided in this section from a director district that
15 is approximately equal in population to the other director
16 districts in the area education agency.

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

26 Sec. 11. Section 273.8, subsection 2, paragraphs c and d,
27 Code 2024, are amended to read as follows:

28 c. The board of each separate school district that is
29 located entirely or partially inside an area education agency
30 director district shall cast a vote for director of the area
31 education agency board described in subsection 1, paragraph
32 "b", based upon the ratio that the population of the school
33 district, or portion of the school district, in the director
34 district bears to the total population in the director
35 district. The population of each school district or portion

1 shall be determined by the department of education. The member
2 of the area education agency board described in subsection 1,
3 paragraph "b", to be elected may be a member of a local school
4 district board of directors and shall be an elector and a
5 resident of the director district, but shall not be a school
6 district employee.

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

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

19 Sec. 12. Section 273.8, subsection 3, Code 2024, is amended
20 to read as follows:

21 3. *Director district convention.* If no candidate files with
22 the area education agency secretary by the deadline specified
23 in subsection 2, or a vacancy occurs, or if otherwise required
24 as provided in section 273.23, subsection 3, a director
25 district convention, attended by members of the boards of
26 directors of the local school districts located within the
27 director district, shall be called to elect a board member
28 described in subsection 1, paragraph "b", for that director
29 district. The convention location shall be determined by the
30 area education agency administrator. Notice of the time, date,
31 and place of a director district convention shall be published
32 by the area education agency administrator in at least one
33 newspaper of general circulation in the director district at
34 least thirty days prior to the day of the convention. The cost
35 of publication shall be paid by the area education agency. A

1 candidate for election to the area education agency board shall
2 file a statement of candidacy with the area education agency
3 secretary at least ten days prior to the date of the director
4 district convention on forms prescribed by the department of
5 education, or nominations may be made at the convention by a
6 delegate from a board of directors of a school district located
7 within the director district. A statement of candidacy shall
8 include the candidate's name, address, and school district.
9 Delegates to director district conventions shall not be bound
10 by a school board or any school board member to pledge their
11 votes to any candidate prior to the date of the convention.

12 Sec. 13. Section 273.10, subsection 6, Code 2024, is amended
13 to read as follows:

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

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

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

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

30 Sec. 14. Section 273.11, Code 2024, is amended to read as
31 follows:

32 **273.11 Standards for accrediting area education programs.**

33 1. The state board of education, in consultation with the
34 division of special education of the department of education,
35 shall develop standards and rules for the accreditation of area

1 education agencies. Standards shall be general in nature,
2 but at a minimum shall identify requirements addressing the
3 services provided by each division, as well as identifying
4 indicators of quality that will permit area education agencies,
5 school districts, the division of special education of the
6 department of education, and the general public to judge
7 accurately the effectiveness of area education agency services.

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

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

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

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

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

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

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

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

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

31 i. Support for school district libraries in accordance with
32 section 273.2, subsection 4.

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

1 coordination.

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

6 l. Support for schools and school districts in analyzing
7 student achievement data related to the learning environment,
8 comparing data to the external knowledge base, and using that
9 information to guide schools and school districts in setting
10 goals and implementing actions to improve student learning for
11 all students, including students with disabilities.

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

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

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

22 p. Support for students using educational programs and
23 services in a manner that is consistent with the educational
24 standards established pursuant to section 256.11.

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

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

33 Sec. 15. Section 284.6, subsection 10, Code 2024, is amended
34 to read as follows:

35 10. If funds are allocated for purposes of professional

1 development pursuant to section 284.13, subsection 1, paragraph
2 "c", the department shall, ~~in collaboration with the area~~
3 ~~education agencies~~, establish teacher development academies
4 for public and nonpublic school-based teams of teachers and
5 instructional leaders. Each academy shall include an institute
6 and shall provide follow-up training and coaching.

7 Sec. 16. AREA EDUCATION AGENCY — TASK FORCE.

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

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

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

18 (1) Crisis response services.

19 (2) Media services for nonpublic schools.

20 (3) Professional development services.

21 (4) Cooperative purchasing.

22 (5) Services associated with regional planning
23 partnerships.

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

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

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

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

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

35 (2) The media services, educational services, and special

1 education services provided by each area education agency.

2 (3) What services area education agencies should provide.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 1. Progress the area education agency has made in reducing

1 expenditures associated with administration and administrators,
2 including chief administrators, directors and department heads,
3 regional administrators, regional and zone coordinators,
4 district coordinators, and human resources and personnel
5 managers by at least thirty percent by July 1, 2026.

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

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

15 Sec. 18. TRANSITION PROVISIONS.

16 1. An area education agency that was accredited pursuant to
17 section 273.10 on or before the effective date of the section
18 of this division of this Act amending section 273.10 shall
19 remain accredited unless and until the division of special
20 education of the department of education takes action to remove
21 accreditation from the area education agency pursuant to
22 section 273.10, as amended in this division of this Act.

23 2. Within a reasonable time after July 1, 2024, the
24 division of special education of the department of education
25 shall employ at least one individual to serve as a director of
26 special education in each area education agency. During the
27 hiring process associated with employing an individual to serve
28 as director of special education in an area education agency,
29 the division of special education shall give preference to
30 qualified personnel employed by the area education agency.

31 Sec. 19. EFFECTIVE DATE. The following take effect July 1,
32 2025:

33 1. The section of this division of this Act amending section
34 273.10.

35 2. The section of this division of this Act amending section

1 273.11.

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

6 The portion of the section of this division of this Act
7 amending section 273.3, subsection 11.

8 Sec. 21. APPLICABILITY. The following applies to the
9 election of directors and vacancies occurring under section
10 273.8, as amended in this division of this Act, on or after
11 July 1, 2024:

12 The sections of this division of this Act amending section
13 273.8.

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

16 1. The portion of the section of this division of this Act
17 amending section 273.2, subsection 3.

18 2. The portion of the section of this division of this Act
19 amending section 273.2, subsection 4.

20 3. The portion of the section of this division of this Act
21 enacting section 273.2, subsection 4A.

22 DIVISION III

23 AREA EDUCATION AGENCIES — FUNDING

24 Sec. 23. Section 257.1, subsection 2, paragraph b, Code
25 2024, is amended to read as follows:

26 *b.* For the budget year commencing July 1, 1999, and for
27 each succeeding budget year beginning before July 1, 2022,
28 the regular program foundation base per pupil is eighty-seven
29 and five-tenths percent of the regular program state cost per
30 pupil. For the budget year commencing July 1, 2022, and for
31 each succeeding budget year, the regular program foundation
32 base per pupil is eighty-eight and four-tenths percent of the
33 regular program state cost per pupil. For the budget year
34 commencing July 1, 1991, and for each succeeding budget year
35 the special education support services foundation base is

1 seventy-nine percent of the special education support services
2 state cost per pupil. The combined foundation base is the sum
3 of the regular program foundation base, the special education
4 support services foundation base, the total teacher salary
5 supplement district cost, the total professional development
6 supplement district cost, the total early intervention
7 supplement district cost, the total teacher leadership
8 supplement district cost, and the total area education agency
9 teacher salary supplement district cost, ~~and the total area~~
10 ~~education agency professional development supplement district~~
11 ~~cost.~~

12 Sec. 24. Section 257.1, subsection 3, Code 2024, is amended
13 to read as follows:

14 3. *Computations rounded.* In making computations and
15 payments under this chapter, except in the case of computations
16 relating to funding of special education support services,
17 media services, and educational services ~~provided through the~~
18 ~~area education agencies~~ under section 257.37, and the teacher
19 salary supplement, the professional development supplement,
20 the early intervention supplement, and the teacher leadership
21 supplement, the department of management shall round amounts to
22 the nearest whole dollar.

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

26 Sec. 26. Section 257.9, subsection 10, Code 2024, is amended
27 by striking the subsection.

28 Sec. 27. Section 257.10, subsection 7, Code 2024, is amended
29 to read as follows:

30 7. *Special education support services district cost.* Special
31 education support services district cost for a school district
32 for a budget year is equal to the special education support
33 services district cost per pupil for the budget year multiplied
34 by the special education support services weighted enrollment
35 for the district for the budget year. If the special education

1 support services district cost for a school district for
2 a budget year is less than the special education support
3 services district cost for that district for the base year, the
4 department of management shall adjust the special education
5 support services district cost for that district for the budget
6 year to equal the special education support services district
7 cost for the base year. Funds calculated under this subsection
8 and received by a school district shall be used for special
9 education support services. For budget years beginning on
10 or after July 1, 2025, not less than ninety percent of funds
11 calculated under this subsection and received by a school
12 district shall be used by the school district for special
13 education support services contracted from an area education
14 agency. The contract between the school district and the area
15 education agency shall not require the school district to
16 describe the specific special education support services the
17 school district will receive from the area education agency.
18 The special education services provided by the area education
19 agency to the school district pursuant to the contract shall
20 not be limited by the amount of funding the school district
21 provided to the area education agency.

22 Sec. 28. Section 257.10, subsection 8, paragraph a, Code
23 2024, is amended to read as follows:

24 a. Combined district cost is the sum of the regular
25 program district cost per pupil multiplied by the weighted
26 enrollment, the special education support services district
27 cost, the total teacher salary supplement district cost, the
28 total professional development supplement district cost, the
29 total early intervention supplement district cost, and the
30 total teacher leadership supplement district cost, plus the sum
31 of the additional district cost allocated to the district to
32 fund media services and educational services ~~provided through~~
33 ~~the area education agency~~ under section 257.37, and the area
34 education agency total teacher salary supplement district cost
35 ~~and the area education agency total professional development~~

1 ~~supplement district cost.~~

2 Sec. 29. Section 257.16, subsection 4, Code 2024, is amended
3 to read as follows:

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

20 Sec. 30. Section 257.35, subsections 1, 2, and 17, Code
21 2024, are amended to read as follows:

22 1. a. (1) The For fiscal years beginning before July 1,
23 2024, the department of management shall deduct the amounts
24 calculated for special education support services, media
25 services, area education agency teacher salary supplement
26 district cost, area education agency professional development
27 supplement district cost, and educational services for each
28 school district from the state aid due to the district pursuant
29 to this chapter and shall pay the amounts to the respective
30 area education agencies on a monthly basis from September 15
31 through June 15 during each school year.

32 (2) For the fiscal year beginning July 1, 2024, the
33 department of management shall deduct the following amounts
34 from the state aid due to each school district pursuant to
35 this chapter and shall pay the amounts to the respective area

1 education agencies on a monthly basis from September 15 through
2 June 15 during each school year:

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

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

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

9 (d) Forty percent of the amount calculated in section 257.37
10 for educational services for the school district.

11 (e) The amount due to the area education agency as the
12 result of supplementary weighting for shared operational
13 functions under section 257.11, subsection 5, paragraph "e".

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

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

22 (b) The amount due to the area education agency as the
23 result of supplementary weighting for shared operational
24 functions under section 257.11, subsection 5, paragraph "e".

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

34 2. Notwithstanding the deduction and payment under
35 subsection 1, the state aid for area education agencies and

1 ~~the portion of the combined district cost calculated for these~~
2 ~~agencies amounts specified for school districts and area~~
3 ~~education agencies in subsection 1, paragraph "a", for the~~
4 ~~fiscal year beginning July 1, 2002 2024, and each succeeding~~
5 ~~fiscal year, shall be reduced by the department of management~~
6 ~~by seven million five hundred thousand dollars. The reduction~~
7 ~~for each area education agency shall be equal to the reduction~~
8 ~~that the agency received in the fiscal year beginning July 1,~~
9 ~~2001~~ The department of management shall calculate a reduction
10 such that such amounts shall be reduced proportionally to the
11 amount that the agency would otherwise have received under this
12 section if the reduction imposed pursuant to this subsection
13 did not apply.

14 17. a. Notwithstanding subsection 1, and in addition to the
15 reductions applicable pursuant to subsection 2 and paragraph
16 "b" of this subsection, the state aid for area education
17 agencies and the portion of the combined district cost
18 calculated for these agencies related to expenditures other
19 than expenditures for professional development for the fiscal
20 year beginning July 1, 2022, and ending June 30, 2023, shall
21 be reduced by the department of management by fifteen million
22 dollars. The reduction for each area education agency shall be
23 prorated based on the reduction that the agency received in the
24 fiscal year beginning July 1, 2003.

25 b. Notwithstanding subsection 1, and in addition to
26 the reductions applicable pursuant to subsection 2 and
27 paragraph "a" of this subsection, the state aid for area
28 education agencies and the portion of the combined district
29 cost calculated for these agencies related to professional
30 development expenditures for the fiscal year beginning July
31 1, 2022, and ending June 30, 2023, shall be reduced by the
32 department of management by an amount equal to the sum of the
33 area education agency professional development supplement
34 district cost for all area education agencies determined under
35 section 257.37A, subsection 2, Code 2022, for the budget

1 year beginning July 1, 2022. The reduction for each area
2 education agency shall be equal to the area education agency's
3 professional development district cost determined under section
4 257.37A, subsection 2, Code 2022, for the budget year beginning
5 July 1, 2022. The amounts reduced under this paragraph shall
6 be considered funds paid to school districts and area education
7 agencies under chapter 284 for purposes of requirements for
8 providing professional development opportunities.

9 Sec. 31. Section 257.36, subsection 1, Code 2024, is amended
10 to read as follows:

11 1. Notwithstanding chapters 256B and 273 and sections
12 of this chapter relating to the moneys available to school
13 districts and area education agencies for special education
14 support services, for each school year, the department of
15 education may direct the department of management to deduct
16 amounts from the portions of school district budgets that
17 fund special education support services in an area education
18 agency. The total amount deducted ~~in an area~~ for a school
19 district shall be based upon excess special education support
20 services unreserved and undesignated fund balances in that
21 school district or paid by the school district to an area
22 education agency for a school year that remain unreserved and
23 undesignated as determined by the department of education. The
24 department of management shall determine the amount deducted
25 from each school district in an area education agency on
26 a proportional basis. The department of management shall
27 determine from the amounts deducted from the portions of school
28 district budgets that fund area education agency special
29 education support services the amount that would have been
30 local property taxes and the amount that would have been state
31 aid and for the next following budget year shall increase the
32 district's total state school aid available under this chapter
33 for area education agency special education support services
34 and reduce the district's property tax levy for area education
35 agency special education support services by the amount

1 necessary for the property tax portion of the deductions made
2 under this section during the budget year.

3 Sec. 32. Section 257.37, Code 2024, is amended to read as
4 follows:

5 **257.37 Funding media and educational services.**

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

10 1. For the budget year beginning July 1, 1991, and
11 succeeding budget years, the total amount funded in each area
12 for media services shall be computed as provided in this
13 subsection. For the budget year beginning July 1, 1991, the
14 total amount funded in each area for media services in the base
15 year shall be divided by the enrollment served in the base year
16 to provide an area media services cost per pupil in the base
17 year, and the department of management shall compute the state
18 media services cost per pupil in the base year which is equal
19 to the average of the area media services costs per pupil in
20 the base year. For the budget year beginning July 1, 1991, and
21 succeeding budget years, the department of management shall
22 compute the supplemental state aid for media services in the
23 budget year by multiplying the state media services cost per
24 pupil in the base year times the state percent of growth for
25 the budget year, and the total amount funded in each area for
26 media services cost in the budget year equals the area media
27 services cost per pupil in the base year plus the supplemental
28 state aid for media services in the budget year times the
29 enrollment served in the budget year. ~~Funds~~ For fiscal years
30 beginning before July 1, 2025, funds shall be paid to area
31 education agencies as provided in section 257.35. For fiscal
32 years beginning on or after July 1, 2024, funds not required to
33 be paid to an area education agency may be used by the school
34 district for any school district general fund purpose.

35 2. Up to thirty percent of the budget of an area for media

1 services may be expended for media resource material including
2 the purchase or replacement of material required in section
3 273.6, subsection 1. ~~Funds shall be paid to area education~~
4 ~~agencies as provided in section 257.35.~~

5 3. For the budget year beginning July 1, 1991, and
6 succeeding budget years, the total amount funded in each area
7 for educational services shall be computed as provided in this
8 subsection. For the budget year beginning July 1, 1991, the
9 total amount funded in each area for educational services
10 in the base year shall be divided by the enrollment served
11 in the area in the base year to provide an area educational
12 services cost per pupil in the base year, and the department of
13 management shall compute the state educational services cost
14 per pupil in the base year, which is equal to the average of
15 the area educational services costs per pupil in the base year.
16 For the budget year beginning July 1, 1991, and succeeding
17 budget years, the department of management shall compute the
18 supplemental state aid for educational services by multiplying
19 the state educational services cost per pupil in the base year
20 times the state percent of growth for the budget year, and the
21 total amount funded in each area for educational services for
22 the budget year equals the area educational services cost per
23 pupil for the base year plus the supplemental state aid for
24 educational services in the budget year times the enrollment
25 served in the area in the budget year. Funds For fiscal years
26 beginning before July 1, 2025, funds shall be paid to area
27 education agencies as provided in section 257.35. For fiscal
28 years beginning on or after July 1, 2024, funds not required to
29 be paid to an area education agency may be used by the school
30 district for any school district general fund purpose.

31 4. "*Enrollment served*" means the basic enrollment of all
32 school districts within the boundaries of the area education
33 agency plus the number of nonpublic school pupils served by
34 the area education agency with media services or educational
35 services, as applicable, except that if a nonpublic school

1 pupil or a pupil attending another district under a whole grade
2 sharing agreement or open enrollment receives services through
3 an area other than the area of the pupil's residence, the
4 pupil shall be deemed to be served by the area of the pupil's
5 residence, which shall by contractual arrangement reimburse
6 the area through which the pupil actually receives services.
7 Each school district shall include in the enrollment report
8 submitted pursuant to section 257.6, subsection 1, the number
9 of nonpublic school pupils within each school district for
10 media and educational services served by the area. However,
11 the school district shall not include in the enrollment report
12 nonpublic school pupils receiving classes or services funded
13 entirely by federal grants or allocations.

14 5. *a.* If an area education agency does not serve nonpublic
15 school pupils in a manner comparable to services provided
16 public school pupils for media and educational services, as
17 determined by the state board of education, the state board
18 shall instruct the department of management to reduce the funds
19 for media services and educational services within the area one
20 time by an amount to compensate for such reduced services. The
21 media services budget shall be reduced by an amount equal to
22 the product of the cost per pupil in basic enrollment for the
23 budget year for media services times the difference between
24 the enrollment served and the basic enrollment recorded for
25 the area. The educational services budget shall be reduced by
26 an amount equal to the product of the cost per pupil in basic
27 enrollment for the budget year for educational services times
28 the difference between the enrollment served and the basic
29 enrollment recorded for the area.

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

32 *c.* Notwithstanding this subsection, an area education agency
33 shall distribute to nonpublic schools media materials purchased
34 wholly or partially with federal funds in a manner comparable
35 to the distribution of such media materials to public schools

1 as determined by the director of the department of education.
2 6. For the budget year beginning July 1, 2002, and each
3 succeeding budget year, notwithstanding the requirements of
4 this section for determining the budgets and funding of media
5 services and education services, an area education agency or
6 school district may, ~~within the limits of the total of the~~
7 ~~funds provided for the budget years pursuant to section 257.35,~~
8 expend for special education support services an amount that
9 exceeds the payment for special education support services
10 ~~pursuant to section 257.35~~ in order to maintain the level
11 of required special education support services in the area
12 education agency or the school district, as applicable.

13 Sec. 33. Section 257.37A, Code 2024, is amended to read as
14 follows:

15 **257.37A Area education agency salary supplement funding.**

16 ~~1. Area education agency teacher salary supplement cost per~~
17 ~~pupil and district cost.~~

18 ~~a.~~ 1. For the budget year beginning July 1, 2009, the
19 department of management shall add together the teacher
20 compensation allocation made to each area education agency for
21 the fiscal year beginning July 1, 2008, pursuant to section
22 284.13, subsection 1, paragraph "i", Code 2009, and the phase II
23 allocation made to each area education agency for the fiscal
24 year beginning July 1, 2008, pursuant to section 294A.9, Code
25 2009, and divide that sum by the special education support
26 services weighted enrollment in the fiscal year beginning July
27 1, 2009, to determine the area education agency teacher salary
28 supplement cost per pupil. For the budget year beginning July
29 1, 2010, and succeeding budget years, the area education agency
30 teacher salary supplement district cost per pupil for each area
31 education agency for a budget year is the area education agency
32 teacher salary supplement district cost per pupil for the base
33 year plus the area education agency teacher salary supplement
34 supplemental state aid amount for the budget year.

35 ~~b.~~ 2. For the budget year beginning July 1, 2010, and

1 succeeding budget years, if the department of management
2 determines that the unadjusted area education agency teacher
3 salary supplement district cost of an area education agency
4 for a budget year is less than one hundred percent of the
5 unadjusted area education agency teacher salary supplement
6 district cost for the base year for the area education agency,
7 the area education agency shall receive a budget adjustment for
8 that budget year equal to the difference.

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

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

19 ~~d.~~ 4. For the budget year beginning July 1, 2009, the
20 use of the funds calculated under this ~~subsection~~ section
21 shall comply with requirements of chapter 284 and shall be
22 distributed to teachers pursuant to section 284.3A. For the
23 budget year beginning July 1, 2010, and succeeding budget
24 years, the use of the funds calculated under this ~~subsection~~
25 section shall comply with the requirements of chapter 284 and
26 shall be distributed to teachers pursuant to section 284.3A.

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

29 ~~a.~~ For the budget year beginning July 1, 2009, the
30 department of management shall divide the area education
31 agency professional development supplement made to each
32 area education agency for the fiscal year beginning July 1,
33 2008, pursuant to section 284.13, subsection 1, paragraph
34 "d", Code 2009, by the special education support services
35 weighted enrollment in the fiscal year beginning July 1, 2009,

~~1 to determine the professional development supplement cost
2 per pupil. For the budget year beginning July 1, 2010, and
3 succeeding budget years, the area education agency professional
4 development supplement district cost per pupil for each area
5 education agency for a budget year is the area education agency
6 professional development supplement district cost per pupil
7 for the base year plus the area education agency professional
8 development supplement supplemental state aid amount for the
9 budget year.~~

~~10 *b.* For the budget year beginning July 1, 2010, and
11 succeeding budget years, if the department of management
12 determines that the unadjusted area education agency
13 professional development supplement district cost of an area
14 education agency for a budget year is less than one hundred
15 percent of the unadjusted area education agency professional
16 development supplement district cost for the base year for
17 the area education agency, the area education agency shall
18 receive a budget adjustment for that budget year equal to the
19 difference.~~

~~20 *c.* (1) The unadjusted area education agency professional
21 development supplement district cost is the area education
22 agency professional development supplement district cost
23 per pupil for each area education agency for a budget year
24 multiplied by the special education support services weighted
25 enrollment for that area education agency.~~

~~26 (2) The total area education agency professional
27 development supplement district cost is the sum of the
28 unadjusted area education agency professional development
29 supplement district cost plus the budget adjustment for that
30 budget year.~~

~~31 *d.* The use of the funds calculated under this subsection
32 shall comply with requirements of chapter 284.~~

~~33 Sec. 34. Section 284.3A, subsection 4, Code 2024, is amended
34 to read as follows:~~

~~35 4. The teacher salary supplement district cost as~~

1 calculated under section 257.10, subsection 9, and the area
2 education agency teacher salary supplement district cost as
3 calculated under section 257.37A, ~~subsection 1~~, are not subject
4 to a uniform reduction in accordance with section 8.31.

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

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

15 Sec. 36. Section 284.6, subsections 8 and 9, Code 2024, are
16 amended to read as follows:

17 8. For each year in which a school district receives funds
18 calculated and paid to school districts for professional
19 development pursuant to section 257.10, subsection 10, ~~or~~
20 ~~section 257.37A, subsection 2~~, the school district shall create
21 quality professional development opportunities. Not less than
22 thirty-six hours in the school calendar, held outside of the
23 minimum school day, shall be set aside during nonpreparation
24 time or designated professional development time to allow
25 practitioners to collaborate with each other to deliver
26 educational programs and assess student learning, or to engage
27 in peer review pursuant to section 284.8, subsection 1. The
28 funds may be used to implement the professional development
29 provisions of the teacher career paths and leadership roles
30 specified in section 284.15, including but not limited to
31 providing professional development to teachers, including
32 additional salaries for time beyond the normal negotiated
33 agreement; activities and pay to support a beginning teacher
34 mentoring and induction program that meets the requirements
35 of section 284.5; pay for substitute teachers, professional

1 development materials, speakers, and professional development
2 content; textbooks and curriculum materials used for classroom
3 purposes if such textbooks and curriculum materials include
4 professional development; administering assessments pursuant to
5 section 256.7, subsection 21, paragraph "b", subparagraphs (1)
6 and (2), if such assessments include professional development;
7 and costs associated with implementing the individual
8 professional development plans. The use of the funds shall
9 be balanced between school district, attendance center,
10 and individual professional development plans, making every
11 reasonable effort to provide equal access to all teachers.

12 9. Moneys received pursuant to section 257.10, subsection
13 10, ~~or section 257.37A, subsection 2,~~ shall be maintained
14 as a separate listing within a school district's ~~or area~~
15 ~~education agency's~~ budget for funds received and expenditures
16 made pursuant to this subsection. The department shall not
17 require a school district ~~or area education agency~~ to allocate
18 a specific amount or percentage of moneys received pursuant to
19 section 257.10, subsection 10, ~~or section 257.37A, subsection~~
20 ~~2,~~ for professional development related to implementation of
21 the core curriculum under section 256.7, subsection 26. A
22 school district shall certify to the department how the school
23 district allocated the funds and that moneys received under
24 this subsection were used to supplement, not supplant, the
25 professional development opportunities the school district
26 would otherwise make available. For budget years beginning
27 on or after July 1, 2017, all or a portion of the moneys
28 received pursuant to section 257.10, subsection 10, that remain
29 unexpended and unobligated at the end of a fiscal year may,
30 pursuant to section 257.10, subsection 10, paragraph "d", be
31 transferred for deposit in the school district's flexibility
32 account established under section 298A.2, subsection 2.

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

35 Sec. 38. APPLICABILITY. This division of this Act applies

1 July 1, 2024, for school budget years beginning on or after
2 that date.

3 DIVISION IV

4 TEACHER COMPENSATION AND IPERS

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

8 NEW SUBPARAGRAPH DIVISION. (d) For a member whose first
9 month of entitlement is July 2024 or later, but before July
10 2027, the member may return to covered employment as a teacher
11 for a covered employer after receiving one month of retirement
12 benefits. For the purposes of this subparagraph division,
13 "teacher" means a teacher licensed under chapter 256.

14 Sec. 40. Section 257.10, subsection 12, paragraph d, Code
15 2024, is amended to read as follows:

16 *d.* Except as otherwise allowed under this paragraph, for
17 the budget year beginning July 1, 2014, and succeeding budget
18 years, the use of the funds calculated under this subsection
19 shall comply with the requirements of chapter 284 and shall
20 be distributed to teachers pursuant to section 284.15. The
21 funds shall be used only to increase the payment for a teacher
22 assigned to a leadership role pursuant to a framework or
23 comparable system approved pursuant to section 284.15; to
24 increase the percentages of teachers assigned to leadership
25 roles; to increase the minimum teacher starting salary to
26 ~~thirty-three thousand five hundred dollars~~ the amount provided
27 in section 284.15, subsection 2, paragraph "a", subparagraph
28 (1); to cover the costs for the time mentor and lead teachers
29 are not providing instruction to students in a classroom;
30 for coverage of a classroom when an initial or career
31 teacher is observing or co-teaching with a teacher assigned
32 to a leadership role; for professional development time to
33 learn best practices associated with the career pathways
34 leadership process; and for other costs associated with a
35 framework or comparable system approved by the department of

1 education under section 284.15 with the goals of improving
2 instruction and elevating the quality of teaching and student
3 learning. If all requirements for the school district for
4 the use of funds calculated under this subsection are met
5 and funds received under this subsection remain unexpended
6 and unobligated at the end of a fiscal year beginning on or
7 after July 1, 2020, the school district may transfer all or a
8 portion of such unexpended and unobligated funds for deposit
9 in the school district's flexibility account established
10 under section 298A.2, subsection 2. At the end of a fiscal
11 year beginning on or after July 1, 2022, school districts may
12 use all or a portion of funds under this subsection for the
13 purposes authorized under subsection 9, paragraph "d", and,
14 notwithstanding any provision of law to the contrary, school
15 districts shall not be required to participate in or comply
16 with section 284.15 in order to continue to receive funding
17 under this subsection.

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

20 (1) (a) The For the fiscal year beginning July 1, 2024, the
21 salary for an initial teacher who has successfully completed an
22 approved practitioner preparation program as defined in section
23 256.145 or holds an initial or intern teacher license issued
24 under chapter 256, subchapter VII, part 3, shall be at least
25 ~~thirty-three~~ forty-seven thousand five hundred dollars, which
26 shall also constitute the minimum salary for an Iowa teacher.

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

34 Sec. 42. Section 284.15, Code 2024, is amended by adding the
35 following new subsection:

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

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

13 Sec. 43. Section 284.16, subsection 1, paragraph a,
14 unnumbered paragraph 1, Code 2024, is amended to read as
15 follows:

16 ~~The~~ For the fiscal year beginning July 1, 2024, the beginning
17 teacher shall be paid not less than ~~thirty-three~~ forty-seven
18 thousand five hundred dollars and. For the fiscal year
19 beginning July 1, 2025, and each subsequent fiscal year, the
20 beginning teacher shall be paid not less than fifty thousand
21 dollars. Each beginning teacher shall meet the following
22 requirements:

23 Sec. 44. Section 284.16, Code 2024, is amended by adding the
24 following new subsection:

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

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

1 teacher salary supplement district cost per pupil for each
2 school district shall be determined under this subparagraph.

3 (b) The department of management shall categorize all
4 school districts into not more than ten tiers according to each
5 school district's actual enrollment. Each tier established
6 by the department of management containing a school district
7 with an actual enrollment above three thousand five hundred
8 pupils shall contain, to the extent feasible, the same number
9 of school districts as other tiers containing school districts
10 with an actual enrollment of more than three thousand five
11 hundred pupils. Each tier established by the department
12 of management containing a school district with an actual
13 enrollment equal to or less than three thousand five hundred
14 pupils shall contain, to the extent feasible, the same number
15 of school districts as other tiers containing school districts
16 with an actual enrollment equal to or less than three thousand
17 five hundred pupils.

18 (c) (i) To support school districts with meeting the
19 minimum teacher starting salary requirement of forty-seven
20 thousand five hundred dollars and the minimum teacher salary
21 requirement for full-time teachers with at least twelve years
22 of experience of sixty thousand dollars under chapter 284
23 and other costs associated with such salary requirements, as
24 identified in subparagraph subdivision (ii), the department of
25 management shall calculate and assign to all school districts
26 in a tier established under subparagraph division (b), a
27 teacher salary supplement district cost per pupil in an amount
28 based in part on the average cost to school districts within
29 the tier to meet the requirements.

30 (ii) If, however, a school district's total teacher salary
31 supplement district cost under paragraph "c" as calculated
32 using the teacher salary supplement district cost per
33 pupil assigned to the school district's applicable tier, is
34 insufficient to comply with the applicable minimum teacher
35 salary requirements of the school district, including costs

1 associated with the employer's share of contributions to the
2 Iowa public employees' retirement system and the employer's
3 share of the tax imposed by the federal Insurance Contributions
4 Act, the department of management shall set the school
5 district's teacher salary supplement district cost per pupil
6 at an amount necessary to meet the district's minimum salary
7 requirements and associated costs.

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

11 (b) The department of management shall categorize all
12 school districts into not more than ten tiers according to each
13 school district's actual enrollment. Each tier established
14 by the department of management containing a school district
15 with an actual enrollment above three thousand five hundred
16 pupils shall contain, to the extent feasible, the same number
17 of school districts as other tiers containing school districts
18 with an actual enrollment of more than three thousand five
19 hundred pupils. Each tier established by the department
20 of management containing a school district with an actual
21 enrollment equal to or less than three thousand five hundred
22 pupils shall contain, to the extent feasible, the same number
23 of school districts as other tiers containing school districts
24 with an actual enrollment equal to or less than three thousand
25 five hundred pupils.

26 (c) (i) To support school districts with meeting the
27 minimum teacher starting salary requirement of fifty thousand
28 dollars and the minimum teacher salary requirement for
29 full-time teachers with at least twelve years of experience of
30 sixty-two thousand dollars under chapter 284 and other costs
31 associated with such salary requirements, as identified in
32 subparagraph subdivision (ii), the department of management
33 shall calculate and assign to all school districts in a tier
34 established under subparagraph division (b), a teacher salary
35 supplement district cost per pupil in an amount based in part

1 on the average cost to school districts within the tier to meet
2 the requirements.

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

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

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

24 DIVISION VI

25 STATE PERCENTS OF GROWTH

26 Sec. 48. Section 257.8, subsections 1 and 2, Code 2024, are
27 amended to read as follows:

28 1. *State percent of growth.* ~~The state percent of growth for~~
29 ~~the budget year beginning July 1, 2021, is two and four-tenths~~
30 ~~percent.~~ The state percent of growth for the budget year
31 beginning July 1, 2022, is two and one-half percent. The state
32 percent of growth for the budget year beginning July 1, 2023,
33 is three percent. The state percent of growth for the budget
34 year beginning July 1, 2024, is two and one-half percent. The
35 state percent of growth for each subsequent budget year shall

1 be established by statute which shall be enacted within thirty
2 days of the transmission of the governor's budget required by
3 February 1 under section 8.21 during the regular legislative
4 session beginning in the base year.

5 2. *Categorical state percent of growth.* ~~The categorical~~
6 ~~state percent of growth for the budget year beginning July~~
7 ~~1, 2021, is two and four-tenths percent.~~ The categorical
8 state percent of growth for the budget year beginning July
9 1, 2022, is two and one-half percent. The categorical state
10 percent of growth for the budget year beginning July 1,
11 2023, is three percent. The categorical state percent of
12 growth for the budget year beginning July 1, 2024, is two and
13 one-half percent. The categorical state percent of growth
14 for each budget year shall be established by statute which
15 shall be enacted within thirty days of the transmission of the
16 governor's budget required by February 1 under section 8.21
17 during the regular legislative session beginning in the base
18 year. The categorical state percent of growth may include
19 state percents of growth for the teacher salary supplement, the
20 professional development supplement, the early intervention
21 supplement, the teacher leadership supplement, and for budget
22 years beginning on or after July 1, 2020, transportation equity
23 aid payments under section 257.16C.

24 Sec. 49. Section 257.16B, subsections 1 and 2, Code 2024,
25 are amended to read as follows:

26 1. For each fiscal year beginning on or after July 1, ~~2021~~
27 2022, there is appropriated from the general fund of the state
28 to the department of education an amount necessary to make all
29 school district property tax replacement payments under this
30 section, as calculated in subsection 2.

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

34 (1) ~~The regular program state cost per pupil for the budget~~
35 ~~year beginning July 1, 2012, multiplied by one hundred percent~~

1 ~~less the regular program foundation base per pupil percentage~~
2 ~~pursuant to section 257.1 for the budget year beginning July~~
3 ~~1, 2021.~~

4 ~~(2) The regular program state cost per pupil for the budget~~
5 ~~year beginning July 1, 2021, multiplied by one hundred percent~~
6 ~~less the regular program foundation base per pupil percentage~~
7 ~~pursuant to section 257.1 for the budget year beginning July~~
8 ~~1, 2021.~~

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

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

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

26 (a) The regular program state cost per pupil for the budget
27 year beginning July 1, 2022, multiplied by one hundred percent
28 less the regular program foundation base per pupil percentage
29 pursuant to section 257.1 for the budget year beginning July
30 1, 2022.

31 (b) The regular program state cost per pupil for the budget
32 year beginning July 1, 2021, multiplied by one hundred percent
33 less the regular program foundation base per pupil percentage
34 pursuant to section 257.1 for the budget year beginning July
35 1, 2022.

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

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

11 (a) The regular program state cost per pupil for the budget
12 year beginning July 1, 2023, multiplied by one hundred percent
13 less the regular program foundation base per pupil percentage
14 pursuant to section 257.1 for the ~~applicable~~ budget year ~~under~~
15 ~~this paragraph~~ beginning July 1, 2023.

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

21 c. (1) For each budget year beginning on or after July
22 1, 2024, the amount of each school district's property
23 tax replacement payment shall be the product of the school
24 district's weighted enrollment for the budget year multiplied
25 by the per pupil property tax replacement amount for the budget
26 year calculated under subparagraph (2).

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

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

S-5090 (Continued)

1 ending June 30, 2024, divided by the statewide total budget
2 enrollment for the budget year beginning July 1, 2023, and
3 ending June 30, 2024. For purposes of this section, "education
4 support personnel" means regular and part-time employees of a
5 school district who are not salaried.

6 3. The payment of funding supplement amounts under this
7 section shall be paid by the department of education at the
8 same time and in the same manner as foundation aid is paid
9 under section 257.16 for the fiscal year beginning July 1,
10 2024, and ending June 30, 2025, and may be included in the
11 monthly payment of state aid under section 257.16, subsection
12 2.

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

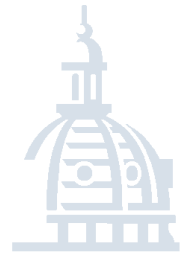
15 DIVISION VIII

16 STATE MANDATE

17 Sec. 54. IMPLEMENTATION OF ACT. Section 25B.2, subsection
18 3, shall not apply to this Act.>>

19 2. Page 27, by striking lines 8 through 15 and inserting
20 <<An Act relating to education, including modifying provisions
21 related to the duties and powers of area education agencies,
22 the membership of the boards of directors of area education
23 agencies, the department of education, area education agency
24 funding, the calculation of the teacher salary supplement
25 district cost per pupil and minimum teacher salaries, Iowa
26 public employees' retirement system bona fide retirement
27 requirements, and property tax replacement payments,
28 establishing the state percent of growth and the categorical
29 state percent of growth for supplemental state aid calculations
30 for the budget year beginning July 1, 2024, and including
31 transition, effective date, and applicability provisions.>>

S-5090 FILED MARCH 25, 2024



[HF 2612](#) – Area Education Agencies (LSB6302HV.3)
Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov
Fiscal Note Version – As amended by House amendment [S-5090](#) to Senate amendment [H-8220](#)

Description

[House File 2612](#) as amended relates to education, including modifying provisions related to the duties and powers of Area Education Agencies (AEAs), the membership of the boards of directors of AEAs, the Department of Education (DE), AEA funding, the calculation of the teacher salary supplement (TSS) district cost per pupil (DCPP) and minimum teacher salaries, Iowa Public Employees' Retirement System (IPERS), and property tax replacement payments (PTRP), establishing the State percent of growth and the categorical State percent of growth for supplemental State aid calculations for FY 2025, and including transition, effective date, and applicability provisions.

Division I — Division of Special Education of the Department of Education

Current law requires the Director of the DE to provide guidance and standards to AEAs for federal and State education initiatives that the AEAs must implement statewide. The Bill as amended requires the DE to perform the following additional duties:

- Develop and distribute to school districts a list of evidence-based professional development services that AEAs can provide to public or nonpublic schools.
- Oversee the operations of the AEAs to ensure compliance with federal and State special education laws beginning with FY 2025.
- Develop and distribute to school districts and accredited nonpublic schools a process to facilitate the development of Individualized Education Programs (IEPs) and assist IEP teams with decisions regarding free appropriate public education and placement for students enrolled in accredited nonpublic schools.
- Provide professional learning and other support materials and tools for IEP 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 IEP meetings of students enrolled in accredited nonpublic schools.
- Provide information to IEP teams and public agencies that nonpublic schools will be considered a placement option so long as the IEP of a child with a disability does not require some other arrangement.
- Develop and distribute to school districts professional learning and other materials for meaningful consultation for representatives of AEAs, school districts, and accredited nonpublic schools.
- 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.
- 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.

The Bill as amended requires the Division of Special Education (DSE) of the DE, during FY 2025, to devote at least 13.0 full-time equivalent (FTE) positions within the DE's location in Des Moines to oversight of the AEAs, including the accreditation of AEAs.

The Bill as amended also requires the DE to devote an amount of FTE positions, as determined by the DSE of the DE, not to exceed 40.0 FTE positions in the aggregate, to ensure that the AEA complies with all applicable federal and State laws related to special education and to review the services the AEA provides.

Division II — Area Education Agencies — General Provisions

The Bill as amended requires each AEA to have an AEA board of directors that serves in an advisory capacity. The Bill as amended establishes that this provision is effective in FY 2026.

The Bill as amended makes the following changes:

- Authorizes the AEAs to furnish evidence-based professional development services to public or nonpublic schools located within each AEA's boundary, subject to the approval of the Director of the DE. The Bill as amended establishes that this provision is effective in FY 2026.
- Authorizes an AEA to provide services to public and nonpublic schools located within the AEA's boundaries or located within the boundaries of a contiguous AEA, or if the school district shares a superintendent with another school district that receives services from the AEA. These provisions are effective in FY 2026.
- Requires AEA boards to charge reasonable costs that are consistent with market rates for the educational services, special education services, professional development services, and media services provided by the AEA.
- Requires AEAs to prepare and submit to the DE and each school district within the AEA's boundaries an annual report on or before January 1 of each year containing information related to an accounting of payments and a description of services provided. Each AEA is also required to provide a quarterly report on the services provided to all school districts that receive services from the AEA.
- Limits the salary for an AEA administrator to 125.0% of the average salary of all superintendents of school districts that are located within the boundaries of the AEA. This provision applies to employment agreements entered into or renewed beginning in FY 2025.
- Requires each AEA to submit a proposed budget to the Director of the DE for approval no later than March 1 of each year. The Director must either approve or reject the budget for changes within 10 days of submission.
- Requires the director of special education to be an employee of the DSE and changes the makeup of the AEA boards of directors and the process for filling positions.
- Modifies several provisions related to the accreditation of AEA programs to incorporate the DSE of the DE into the accreditation process and to incorporate additional standards related to accreditation. The Bill as amended provides that an AEA that was accredited on or before July 1, 2025, will remain accredited unless and until the DSE takes action to remove accreditation. The Bill as amended establishes that these provisions are effective in FY 2026.
- Requires the Legislative Council to convene an AEA Task Force. The Bill as amended establishes the AEA Task Force's membership, required areas of study, and areas of recommendations. The AEA Task Force is required to submit a report of its findings and recommendations to the General Assembly on or before December 31, 2024. Any

expenses incurred by a member of the AEA Task Force are the responsibility of the member or the respective entity represented by the member.

- Requires each AEA, on or before January 1, 2025, to submit a report to the DE and the General Assembly that contains information related to progress the AEA has made in reducing expenditures associated with certain positions by at least 30.0% by July 1, 2026, a proposal for the reorganization of services provided by AEAs, and the AEA's progress related to student outcomes and use of moneys.

The Bill as amended requires the DSE to employ at least one person to serve as the director of special education in each AEA beginning in FY 2025.

Division III — Area Education Agencies — Funding

Under current law, amounts calculated for special education support services, media services, AEA TSS district costs, AEA professional development supplement district costs, and educational services are deducted by the Department of Management (DOM) from State aid for each school district and instead paid to the school district's AEA. The Bill as amended eliminates the AEA professional development supplement district cost funding deduction.

Beginning in FY 2026, school districts are required to use at least 90.0% of the funds the school district receives for special education support services district cost for special education support services contracted from an AEA.

The Bill as amended provides that the funds calculated under Iowa Code section [257.10\(7\)](#) (Special Education Support Services District Cost) and received by a school district or an AEA must be used for special education support services.

The Bill as amended changes the allocation to each AEA of the \$7.5 million statutory reduction specified in Iowa Code section [257.35\(2\)](#) from an allocation based on the AEA reductions for FY 2002 to the proportional amount of funding the AEA receives.

The Bill as amended provides that beginning in FY 2025, the DOM must deduct the following amounts from the State aid due to each school district and pay the amounts to the respective AEAs:

- The amount calculated for special education support services for the school district.
- 40.0% of the amount calculated for media services for the school district.
- The AEA TSS district cost.
- 40.0% of the amount calculated for educational services for the school district.
- AEA shared operational functions.

The Bill as amended provides that beginning with FY 2026, and each fiscal year thereafter, the DOM must deduct the following amounts from the State aid due to each school district and pay the amounts to the respective AEAs:

- The AEA TSS district cost.
- AEA shared operational functions.

The Bill as amended modifies provisions related to the funding of media services and educational services provided by a school district or through an AEA. The Bill as amended provides that funds for FY 2025 are not required to be paid to the AEA pursuant to Iowa Code section 257.35 (AEA Payments) may be used by the school district for any school district general fund purpose.

The Bill as amended provides that, for purposes of Iowa Code section [257.37](#) (Funding Media and Educational Services), "enrollment served" means the basic enrollment of all school districts within the boundaries of the AEA plus the number of nonpublic school pupils served by the AEA.

Division III is effective upon enactment and applies July 1, 2024, for school budget years beginning on or after that date.

Division IV — Teacher Compensation and IPERS

The Bill as amended increases the minimum annual salary for an initial teacher who has successfully completed an approved practitioner preparation program or holds an initial or intern teacher license issued by the Board of Educational Examiners (BOEE), as specified in Iowa Code chapter [284](#) (Teacher Performance Compensation, and Career Development), from \$33,500 to \$47,500 in FY 2025 and to \$50,000 in FY 2026.

The Bill as amended also establishes a minimum teacher salary for a career teacher, model teacher, instructional coach, curriculum and professional development leader, mentor teacher, or lead teacher who holds a valid license and who has been a teacher for at least 12 years of \$60,000 in FY 2025 and \$62,000 in FY 2026.

Division V — Teacher Salary Supplement District Cost Per Pupil

The Bill as amended provides that, for FY 2025, the TSS DCPD must be determined as follows:

- The DOM must categorize each school district into no more than 10 tiers, based on each school district's actual enrollment.
- The DOM must calculate the TSS DCPD for each tier based, in part, on the average cost to school districts within the tier to meet the requirements of **Division IV**.
- The DOM must also set the TSS DCPD for a school district above the average TSS DCPD for the tier if the average is insufficient to comply with the teacher salaries and associated costs related to complying with **Division IV**.
- The Bill as amended provides that, for FY 2026, the DOM must set the TSS DCPD for each school district in the same manner as described above and adjust for the increased teacher salaries and associated costs related to complying with **Division IV**.

Additionally, the Bill as amended provides that for FY 2027 and succeeding budget years, the TSS DCPD for each school district for a budget year is the TSS DCPD for the base year plus the TSS supplemental State aid amount for the budget year.

Division V is effective upon enactment.

Division VI — State Percent of Growth

The Bill as amended modifies and establishes provisions related to the funding of school districts, including establishing a State supplemental aid (SSA) amount based on a State percent of growth rate and the categorical State percent of growth rate for the budget year beginning July 1, 2024 (FY 2025), and provides for other changes to the school aid formula.

Division VI has three provisions with a fiscal impact, as follows:

- Establishes a 2.50% State percent of growth rate to be applied to the State cost per pupil (SCPP) for FY 2025, for an SSA of \$191 per pupil. The growth rate will also increase the amount of each Education Savings Account (ESA).
- Establishes a 2.50% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2025.
- Provides additional property tax replacement funding based on the per pupil increase that results from the establishment of the State percent of growth in FY 2025. The Bill as

amended requires the additional levy portion of the FY 2025 SCPP amount to be frozen at \$685 per pupil, regardless of the per pupil increase for FY 2025.

This Bill as amended specifies that the current requirements that allowable growth rates must be enacted within 30 days of the transmission of the Governor's budget submission, which is required by February 1 during the regular legislative session, do not apply to this Bill as amended.

Division VI is effective upon enactment.

Division VII — Education Support Personnel Salary Supplement

The Bill as amended provides a method to distribute an Education Support Personnel Salary Supplement for FY 2025 if funding is appropriated by the General Assembly to the DE for FY 2025.

Division VII is effective upon enactment.

Division VIII — State Mandate

The Bill as amended makes inapplicable Iowa Code section [25B.2\(3\)](#), which would relieve a political subdivision from complying with a State mandate if funding for the cost of the State mandate is not provided or specified. Therefore, political subdivisions are required to comply with any State mandate included in the Bill as amended.

Background

State Cost Per Pupil. The school aid formula provides funding to school districts and AEAs through a mix of State aid and property taxes. In general, funding is generated on a per pupil basis, with the per pupil amounts providing an overall budget limitation (or spending authority). Five SCPP funding levels would be increased by a 2.50% State percent of growth for FY 2025 with the enactment of this Bill as amended.

Figure 1 provides the SSA amounts (also referred to as per pupil growth amounts) and SCPP amounts for FY 2025 based on a 2.50% growth rate. The SSA amounts will be applied to all corresponding district and AEA cost per pupil amounts.

**Figure 1 — HF 2612
FY 2025 State Cost Per Pupil Calculations**

	FY 2024 State Cost Per Pupil	FY 2025 State Percent of Growth	FY 2025 Supplemental State Aid	FY 2025 State Cost Per Pupil
Regular Program	\$ 7,635	2.50%	\$ 191	\$ 7,826
Special Education Program	7,635	2.50%	191	7,826
AEA Special Education Services	333.59	2.50%	8.34	341.93
AEA Media Services	62.19	2.50%	1.55	63.74
AEA Education Services	68.63	2.50%	1.72	70.35

In addition to the State percent of growth and SSA amounts for FY 2025, enrollments, weightings, and taxable valuations within each school district have an impact on total school aid funding, including the amount of State aid and local property tax required to generate the total funding.

State Categorical Supplements. The State categorical supplements are funded entirely through State aid and generate funds for each school district and AEA through the school aid formula on a per pupil basis. The FY 2025 SCPP funding levels for the teacher salary supplement (district and AEA), professional development supplement (district only), early intervention supplement (district only), and Teacher Leadership and Compensation (TLC) supplement (district only) would be increased by a 2.50% State percent of growth for FY 2025. **Figure 2** provides the per pupil growth amounts and SCPP amounts for FY 2025 based on the Bill as amended.

**Figure 2 — HF 2612
FY 2025 State Categorical Cost Per Pupil Calculations**

	FY 2024 State Cost Per Pupil	FY 2025 State Percent of Growth	FY 2025 Supplemental State Aid	FY 2025 State Cost Per Pupil
Teacher Salary – Districts	\$ 654.68	2.50%	\$ 16.37	\$ 671.05
Professional Development – Districts	74.15	2.50%	1.85	76.00
Early Intervention – Districts	80.76	2.50%	2.02	82.78
Teacher Leadership and Compensation – Districts	368.53	2.50%	9.21	377.74
Teacher Salary – AEAs	34.26	2.50%	0.86	35.12
Professional Development – AEAs	4.00			

Additionally, there is a budget guarantee provision for each of the State categorical supplements, which provides each district and AEA with a minimum of the previous fiscal year’s level of funding (net of the previous year’s budget guarantee amount). This provision for the State categorical supplements is funded entirely through State aid.

Property Tax Replacement Payment (PTRP). 2013 Iowa Acts, chapter [121](#) (Education Reform), included the creation of the PTRP provision to replace local property tax amounts with State aid. The provision froze the additional levy portion of the SCPP at \$750; based on the State percent of growth impact during the intervening fiscal years, this provision created \$15 per pupil in property tax relief in FY 2014 and up to \$153 per pupil in FY 2022. The continual growth is a result of the requirement that the per pupil property tax relief of previous fiscal years be carried forward into future fiscal years.

2022 Iowa Acts, chapter [1001](#) (Supplemental State Aid — FY 2023), froze the additional levy portion of the SCPP at \$685 due to the Foundation Level increasing to 88.40% from 87.50%. House File 2612 as amended will cause the additional levy portion of the SCPP to be \$685 in FY 2025.

The per pupil property tax relief amount will be based on the State percent of growth impact for FY 2025. **Figure 3** provides details regarding the SCPP funding levels as provided by a 2.50% growth rate for FY 2025 in the Bill as amended.

Figure 3 — HF 2612
FY 2025 Property Tax Replacement Payment Calculation

	FY 2024	Increase Due to Supplemental State Aid Rate	FY 2025
Regular Program	\$ 7,635	\$ 191	\$ 7,826
Unadjusted Additional Levy	886	22	908
PTRP Portion	201	22	223
Fixed Additional Levy Portion	685	0	685

Transportation Equity Program. Iowa Code section [257.16C](#) establishes the Transportation Equity Program. The Program was created to provide additional funding to school districts for public school transportation costs that exceed a statewide adjusted average cost per pupil. Unless otherwise provided, the appropriation increases at the categorical State percent of growth. Transportation equity payments may buy down transportation costs to the statewide average cost per pupil for providing transportation to public schools. If funding permits, school districts with transportation costs per pupil below the statewide average will receive transportation base funding payments on a per capita basis.

Assumptions

- The DE's and the DSE's required staffing and responsibilities will be funded with current AEA staffing funding.
- The pupil count and funding will follow the pupil to the AEA that provides the services.
- The market rates for services provided and charged by the AEA's will be comparable to the costs and revenues provided under the current system.
- The DOM will establish seven tiers related to the TSS DCP.
- The AEA's will not incur costs for services that are no longer provided by the AEA's.
- The State percent of growth will be 0.00% each year after FY 2025.
- There will not be an additional reduction for the AEA's beyond the \$7.5 million reduction specified in Iowa Code section 257.35(2).
- All resident accredited nonpublic pupils receive media and educational services from AEA's.
- Estimates are based on October 2023 certified enrollments and supplementary weightings for FY 2024, which were approved by the School Budget Review Committee (SBRC) in December 2023.
- A statewide taxable valuation growth rate of 4.73% for FY 2025 was agreed upon by the Legislative Services Agency (LSA) and the DOM. Based on this assumed rate, the statewide total for the uniform levy is estimated to account for an increase of \$49.3 million (4.52%) toward the school foundation property tax change in FY 2025. The estimated increase in the uniform levy amount is not affected by the establishment of the State percent of growth rate. Property tax adjustment aid amounts are based on the statewide taxable valuation growth factor applied to each school district's FY 2025 taxable valuation amount.
- Total State aid includes funding from the State General Fund and other funds appropriated or deposited in the Property Tax Equity and Relief (PTER) Fund, which is used to provide additional property tax relief through the school aid formula.
- Establishing an FY 2025 State percent of growth rate will also affect the amount of funding generated for the Statewide Voluntary Preschool Program. Funding for the Program is provided by State General Fund dollars and is included in the overall State aid total.
- Districts eligible for the 101.00% budget adjustment will approve the use of that provision.
- Other legislation may have an impact on the amount of State aid and property tax generated through the school aid formula.
- The General Fund appropriation to the Transportation Equity Fund will increase by approximately \$0.8 million. The appropriation may grow at the same rate as the categorical SCPP rate in subsequent years.
- Establishing an FY 2025 State percent of growth rate will also affect the amount of funding generated for the Education Savings Account (ESA) Program. Funding for the Program is provided by State General Fund dollars and is not included in the overall State school aid total.
- The number of ESAs will increase by approximately 6,100, to approximately 22,900 for FY 2025, compared to FY 2024.

Fiscal Impact

The estimated fiscal impact of HF 2612 as amended, by division, is as follows:

Division I — Division of Special Education of the Department of Education relates to the DE's and the DSE's required staffing and responsibilities and will not have a fiscal impact since the required staffing and responsibilities will be funded with current AEA staffing funding.

Division II — Area Education Agencies — General Provisions relates to general AEA provisions. The provision that specifies that AEA's can furnish services and programs to pupils will not have an overall fiscal impact since the assumption is that the funding will follow the

pupil. The provision related to directors of special education will not have an overall fiscal impact since the AEAs will be reducing staff and the DSE will be increasing staff.

The market rates for services provided and charged by the AEAs will be comparable to the costs and revenues provided under the current system and will not have an overall fiscal impact.

The reporting required from the AEAs may have little to no fiscal impact and can be completed within available resources.

The provision relating to AEA administrator salaries will reduce overall AEA expenditures from all sources by an estimated \$251,000 annually, beginning in FY 2025.

The change in the accreditation process will not have a fiscal impact.

The provision related to the AEA Task Force will have a minimal cost to the member or the respective entity represented by the member.

Division III — Area Education Agencies — Funding relates to AEA funding and will reallocate current AEA funding between AEAs and school districts. The AEA funding allocation is displayed below in **Figure 4**.

Figure 4 — HF 2612
AEA Funding Allocation

FY 2024 AEA Funding	(In Millions)						
	FY 2025 Allocation			FY 2026 Allocation			Total
	AEA	School Districts	Total	AEA	School Districts	Total	
AEA Special Ed Support District Cost	\$ 185.3	\$ 185.3	\$ 0.0	\$185.3	\$ 0.0	\$ 185.3 **	\$185.3
AEA Special Ed Support Adjustment	0.6	0.6	0.0	0.6	0.0	0.6 **	0.6
AEA Media Services*	32.3	12.9	19.4	32.3	0.0	32.3	32.3
AEA Ed Services*	35.7	14.3	21.4	35.7	0.0	35.7	35.7
AEA Sharing	0.2	0.2	0.0	0.2	0.2	0.0	0.2
AEA Teacher Salary Supplement	18.2	18.2	0.0	18.2	18.2	0.0	18.2
AEA Professional Development Supplement	2.1	0.0	2.1	2.1	0.0	0.0	0.0
AEA Statewide State Aid Reduction	-29.6	-7.5	0.0	-7.5	-7.5	0.0	-7.5
Total	\$ 244.9	\$ 223.9	\$ 43.0	\$266.9	\$10.8	\$ 253.9	\$264.8

*Assumes all resident accredited nonpublic pupils receive media and educational services from AEAs.

**School districts are required to use at least 90.0% of the funds the school district receives for special education support services district cost for special education support services contracted from an AEA.

***Totals may not add due to rounding.

Division IV — Teacher Compensation and IPERS relates to increasing the minimum teacher starting salary and the salary of teachers with at least 12 years of experience. **Division V** provides the method for funding the salaries and associated costs from the General Fund by increasing TSS funding.

General Fund appropriations will increase each year beginning with FY 2027 by the increase in the categorical State percent of growth.

Division V — Teacher Salary Supplement District Cost Per Pupil relates to the funding and calculation of TSS. **Division V** is estimated to increase General Fund expenditures by the following:

Figure 5 — HF 2612
Teacher Salary Supplement District Cost Per Pupil

(In Millions)

	FY 2025	FY 2026
Minimum Teacher Salary	\$ 27.4	\$ 47.1
Minimum 12 Years' Experience	17.9	25.8
Tiers	22.4	23.1
Total	\$ 67.6	\$ 96.1
Change vs. Prior Year	\$ 67.6	\$ 28.4

Division VI — State Percent of Growth relates to the State percents of growth.

Figure 6 provides the estimated fiscal impact of **Division VI** as amended. These provisions include:

- A \$7.5 million reduction¹ in State aid to the AEAs (current statute).
- \$126.8 million in PTRP funding, an increase of \$12.0 million (10.49%) compared to FY 2024.
- \$622.1 million for the State categorical supplements for school districts and AEAs, an increase of \$29.3 million (4.95%) compared to FY 2024. This includes:
 - \$353.6 million for the teacher salary supplement at the district and AEA levels.
 - \$38.0 million for the professional development supplement at the district level.
 - \$41.3 million for the early intervention supplement.
 - \$189.2 million for the TLC supplement.
- \$91.4 million for preschool formula funding, an increase of \$1.2 million (1.32%) compared to FY 2024. The preschool formula funding is included in the State aid amount but is not included in the combined district cost total.
- \$15.5 million in budget adjustment funding for 140 qualifying districts, an increase of \$10.0 million (184.37%) compared to FY 2024. The budget guarantee adjustment is calculated at the school district level so that school districts receive 101.00% of their previous year's funding. The budget guarantee adjustment is funded entirely through property taxes.
- The total property tax funds generated through the school aid formula are estimated to be \$1,734.5 million, an increase of \$50.6 million (3.00%) compared to FY 2024.
- The total State aid from the General Fund (reflecting the total school aid funding level for school districts and AEAs generated through the school aid formula) is estimated to be \$3,786.7 million, an increase of \$119.2 million (3.25%) compared to FY 2024. Any legislative action affecting FY 2025 school aid provisions will have an impact on school aid amounts. Additionally, any variations in the assumptions noted may result in changes in the FY 2025 estimates provided in **Figure 6**.

The total General Fund appropriation in **Figure 6** provides the additional fiscal impact of HF 2612 as amended. This also includes the FY 2025 General Fund appropriation of \$31.1 million to the Transportation Equity Fund, which is not included in the total State aid estimate. **Figure 6** also does not include the General Fund appropriation for ESAs. The ESAs are estimated to have a General Fund cost of \$179.2 million in FY 2025, an increase of \$51.3 million compared to FY 2024.

¹ Since FY 2018, the General Assembly has further reduced funding to AEAs by an additional amount per year. Historically, the additional reductions have been included in the annual Standing Appropriations Act.

Figure 6 — HF 2612

Legislative Services Agency: FY 2025 School Aid Estimates (Statewide Dollars in Millions)

State Percent of Growth	2.50%	Statutory AEA Reduction	\$	7,500,000
State Supplemental Aid	\$ 191	Additional AEA Reduction		0
State Cost Per Pupil	\$ 7,826	Total AEA Reduction	\$	7,500,000
Program Funding:	FY 2024	Est. FY 2025	Est. Change	% Change
Regular Program District Cost	\$ 3,719.3	\$ 3,790.5	\$ 71.2	1.91%
Regular Program Budget Adjustment	5.4	15.5	10.0	184.37%
Supplementary Weighting (District)	120.7	128.3	7.6	6.29%
Special Education Instruction (District)	524.9	536.8	11.9	2.26%
Teacher Salary Supplement (District)	317.9	335.0	17.1	5.38%
Professional Development Supplement (District)	36.0	38.0	2.0	5.50%
Early Intervention Supplement (District)	39.1	41.3	2.2	5.56%
Teacher Leadership Supplement (District)	179.4	189.2	9.8	5.47%
AEA Special Ed Support District Cost	185.3	188.9	3.6	1.95%
AEA Special Ed Support Adjustment	0.6	0.8	0.3	44.03%
AEA Media Services	32.3	33.0	0.6	1.94%
AEA Ed Services	35.7	36.4	0.7	1.95%
AEA Sharing	0.2	0.2	0.0	2.47%
AEA Teacher Salary Supplement	18.2	18.6	0.4	2.22%
AEA Professional Development Supplement	2.1	0.0	-2.1	-100.00%
AEA Statewide State Aid Reduction	-29.6	-7.5	22.1	-74.63%
Dropout and Dropout Prevention	144.2	144.2	0.0	0.00%
Combined District Cost	\$ 5,331.5	\$ 5,489.2	\$ 157.7	2.96%
Statewide Voluntary Preschool Program	\$ 90.2	\$ 91.4	\$ 1.2	1.32%
State Aid:	FY 2024	Est. FY 2025	Est. Change	% Change
Regular Program	\$ 2,078.3	\$ 2,105.4	\$ 27.1	1.30%
Supplementary Weighting	103.4	110.5	7.1	6.82%
Special Education Weighting	463.3	473.8	10.5	2.27%
Property Tax Adjustment Aid (1992)	6.8	6.5	-0.3	-4.39%
Property Tax Replacement Payment (PTRP)	114.8	126.8	12.0	10.49%
Adjusted Additional Property Tax - General Fund	24.0	24.0	0.0	0.00%
Statewide Voluntary Preschool Program	90.2	91.4	1.2	1.32%
State Aid from General Fund	\$ 3,667.4	\$ 3,786.7	\$ 119.2	3.25%
Transfer from Economic Emergency Fund	\$ 21.9	\$ 0.0	\$ -21.9	-100.00%
*Excess from SAVE Fund	25.3	29.0	3.7	14.45%
Foundation Base Supplement (FBS)	5.7	9.7	4.0	69.30%
Total State Aid (Includes Non-General Fund)	\$ 3,720.1	\$ 3,825.4	\$ 105.3	2.83%
Local Property Tax:	FY 2024	Est. FY 2025	Est. Change	% Change
Uniform Levy Amount	\$ 1,091.5	\$ 1,140.9	\$ 49.3	4.52%
Additional Levy	592.4	593.6	1.2	0.20%
Total Levy to Fund Combined District Cost	\$ 1,683.9	\$ 1,734.5	\$ 50.6	3.00%
Comm/Ind - Uniform Levy Adjustments	18.0	18.3	0.3	1.59%
Miscellaneous Information:	FY 2024	Est. FY 2025	Est. Change	% Change
Budget Enrollment	486,476	483,699	-2,777	-0.57%
State Cost Per Pupil	\$ 7,635	\$ 7,826	\$ 191	2.50%
Number of Districts with Budget Adjustment	71	140	69	97.18%
Percentage of Districts with Budget Adjustment	21.85%	43.08%		
Statewide Category Totals	\$ 592.7	\$ 622.1	\$ 29.3	4.95%
Property Tax Relief Payment Per Pupil	201	223	22	10.95%
Foundation Base Supplement Per Pupil	2	10	8	400.00%
Statewide AEA Funding	244.9	270.4	25.5	10.43%
Transportation Equity Fund	30.3	31.1	0.8	2.50%

Notes:

Totals may not sum due to data duplication and exclusion. For example, other funds are provided by State Aid but not included in the State Aid section because they are represented in the Program Funding section listed above. The Transportation Equity Program is not included in State Aid totals. The provision for minimum State Aid requires that the State provide at least \$300 per student.

Area Education Agencies (AEA)

*Secure an Advanced Vision for Education (SAVE) Fund

Sources: Department of Management (School Aid File), LSA analysis and calculations

Division VII — Education Support Personnel Salary Supplement relates to a method to distribute an Education Support Personnel Salary Supplement for FY 2025 and will have no fiscal impact since the provision is contingent on the appropriation of funds that is not made in the Bill as amended.

Division VIII — State Mandate relates to the inapplicability of a possible State mandate and will not have a fiscal impact.

Sources

Department of Education, Certified Enrollment and Enrollment Projections File
Department of Management, School Aid File
Legislative Services Agency analysis and calculations

/s/ Jennifer Acton

March 25, 2024

Doc ID 1448318

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

www.legis.iowa.gov