

# Senate File 242 - Introduced

SENATE FILE \_\_\_\_\_  
BY KETTERING and McKINLEY

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act directing state aid funding for special education support  
2 services, media services, educational services, area education  
3 agency professional development supplement, and area education  
4 agency teacher salary supplement to the applicable school  
5 districts, allowing area education agencies and other  
6 organizations to bid to provide the services the funding  
7 supports, and providing an applicability date.  
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
9 TLSB 1595XS 83  
10 ak/sc:mg/8

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1 1 Section 1. Section 257.35, subsection 1, Code 2009, is  
1 2 amended to read as follows:  
1 3 1. ~~The For school budget years beginning prior to July 1,~~  
1 4 ~~2010, the~~ department of management shall deduct the amounts  
1 5 calculated for special education support services, media  
1 6 services, area education agency teacher salary supplement  
1 7 district cost, area education agency professional development  
1 8 supplement district cost, and educational services for each  
1 9 school district from the state aid due to the district  
1 10 pursuant to this chapter and shall pay the amounts to the  
1 11 respective area education agencies on a monthly basis from  
1 12 September 15 through June 15 during each school year. The  
1 13 department of management shall notify each school district of  
1 14 the amount of state aid deducted for these purposes and the  
1 15 balance of state aid shall be paid to the district. If a  
1 16 district does not qualify for state aid under this chapter in  
1 17 an amount sufficient to cover its amount due to the area  
1 18 education agency as calculated by the department of  
1 19 management, the school district shall pay the deficiency to  
1 20 the area education agency from other moneys received by the  
1 21 district, on a quarterly basis during each school year.  
1 22 Sec. 2. NEW SECTION. 257.35A AREA EDUCATION AGENCIES ==  
1 23 STATE FUNDING REDIRECTED.  
1 24 1. Notwithstanding any provision of this chapter to the  
1 25 contrary, for school budget years beginning after July 1,  
1 26 2010, the state aid funding for special education support  
1 27 services, media services, and educational services, as  
1 28 calculated by this chapter, shall be paid directly to the  
1 29 applicable school district.  
1 30 2. A school district receiving funding under subsection 1  
1 31 shall choose one of the following options:  
1 32 a. A school district may provide its own special education  
1 33 services, media services, and educational services, as those  
1 34 services are described in chapter 273. However, the school  
1 35 district shall not receive funding for its costs that exceeds  
2 1 the amount determined under subsection 1, except for funds  
2 2 received from another school district for providing special  
2 3 education services, media services, or educational services to  
2 4 such other school district.  
2 5 b. A school district may solicit bids from organizations,  
2 6 including other school districts and area education agencies,  
2 7 to provide special education services, media services, and  
2 8 educational services, as those services are described in  
2 9 chapter 273. However, the school district soliciting bids  
2 10 shall not receive funding for its costs that exceeds the  
2 11 amount determined under subsection 1.  
2 12 3. The department of education shall distribute the  
2 13 appropriate amount of area education agency professional

2 14 development supplement and area education agency teacher  
2 15 salary supplement funding to a school district if an area  
2 16 education agency successfully bids to provide the services.  
2 17 Sec. 3. Section 273.9, subsection 1, Code 2009, is amended  
2 18 to read as follows:  
2 19 1. ~~School~~ For school budget years beginning prior to July  
2 20 1, 2010, school districts shall pay for the programs and  
2 21 services provided through the area education agency and shall  
2 22 include expenditures for the programs and services in their  
2 23 budgets, in accordance with this section.  
2 24 Sec. 4. NEW SECTION. 273.9A FUNDING FROM SCHOOL  
2 25 DISTRICTS == STATE AND LOCAL FUNDS.  
2 26 Notwithstanding any provision of this chapter to the  
2 27 contrary, for school budget years beginning after July 1,  
2 28 2010, an area education agency or other organization shall  
2 29 receive state aid funding for providing special education  
2 30 support services, media services, and educational services  
2 31 from the applicable school district. Area education agencies  
2 32 and other organizations may submit bids for providing special  
2 33 education support services, media services, and educational  
2 34 services in a process to be determined by the department of  
2 35 education by rule under chapter 17A.  
3 1 Sec. 5. APPLICABILITY DATE. This Act applies to school  
3 2 budget years beginning on and after July 1, 2010.  
3 3 EXPLANATION  
3 4 This bill enacts new Code section 257.35A, which directs  
3 5 state aid funding for special education support services,  
3 6 media services, educational services, area education agency  
3 7 professional development supplement, and area education agency  
3 8 teacher salary supplement to the applicable school districts.  
3 9 The bill allows a school district to provide its own  
3 10 services. A school district may also bid to provide services  
3 11 to other school districts. A school district may also solicit  
3 12 bids from organizations to receive these services. If a  
3 13 school district provides its own special education support  
3 14 services, media services, or educational services, it shall  
3 15 not receive funding that exceeds the amount determined under  
3 16 new Code section 257.35A. The bill requires area education  
3 17 agencies (AEAs) and other organizations to bid to provide  
3 18 special education support services, media services, and  
3 19 educational services. An AEA or organization that  
3 20 successfully bids to provide these services to a school  
3 21 district will receive the appropriate amount of funding. The  
3 22 department of education is tasked with developing the bid  
3 23 process by rule.  
3 24 Currently, area education agency funding operates pursuant  
3 25 to a "flow-through" concept. With no direct taxing authority,  
3 26 AEAs rely on local school districts to generate funds for  
3 27 their operation. While AEA funding is included within a  
3 28 school district's budget, the district does not actually  
3 29 receive AEA-related state aid payments. Instead, funds  
3 30 generated by the districts through the operation of the school  
3 31 finance formula and earmarked for AEAs are subtracted by the  
3 32 department of management from the state aid otherwise due to  
3 33 the district and are paid directly to each AEA.  
3 34 The bill applies to school budget years beginning on and  
3 35 after July 1, 2010.  
4 1 LSB 1595XS 83  
4 2 ak/sc:mg/8.3