

*Lib. Ed. Amend (3044) & Its Pass 2/27*

FILED FEB 6 7 1991

SENATE FILE 141  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 117)

Passed Senate, Date 2/13/91 (p. 341) Passed House, Date 3/1/91 (p. 517)  
Vote: Ayes 43 Nays 3 Vote: Ayes 95 Nays 0  
Approved March 7, 1991 (p. 564)

*Proposed Senate as amended by House (3083)*  
3/5/91 (p. 538)  
43-2

**A BILL FOR**

1 An Act relating to media and educational services funding for  
2 area education agencies.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 141

1 Section 1. Section 257.15, subsection 1, Code 1991, is  
2 amended to read as follows:

3 1. PROPERTY TAX ADJUSTMENT FOR 1991-1992. For the budget  
4 year beginning July 1, 1991, the department of management  
5 shall calculate for each district the difference between the  
6 sum of the revenues generated by the foundation property tax  
7 and the additional property tax in the district calculated  
8 under this chapter and the revenues that would have been  
9 generated by the foundation property tax and the additional  
10 property tax in that district for that budget year calculated  
11 under chapter 442, Code 1989, if chapter 442 were in effect,  
12 except that the revenues that would have been generated by the  
13 additional property tax levy under chapter 442 shall not  
14 include revenues generated for the school improvement program.  
15 However in making the calculation of the difference in  
16 revenues under this subsection, the department shall not  
17 include the revenues generated under section 257.37 and under  
18 chapter 442, Code 1989, for funding media and educational  
19 services through the area education agencies. If the property  
20 tax revenues for a district calculated under this chapter  
21 exceed the property tax revenues for that district calculated  
22 under chapter 442, Code 1989, the department of management  
23 shall reduce the revenues raised by the additional property  
24 tax levy in that district under this chapter by that  
25 difference and the department of education shall pay property  
26 tax adjustment aid to the district equal to that difference  
27 from moneys appropriated for property tax adjustment aid.

28 Sec. 2. NEW SECTION. 257.37 FUNDING MEDIA AND  
29 EDUCATIONAL SERVICES.

30 Media services and educational services provided through  
31 the area education agencies shall be funded, to the extent  
32 provided, by an addition to the district cost of each school  
33 district, determined as follows:

34 1. The total amount funded in each area for media services  
35 in the budget year is equal to eight hundred thirty-seven

1 thousandths of one percent of the state cost per pupil for the  
2 budget year multiplied by the enrollment served in the area  
3 for the budget year. Thirty percent of the budget of an area  
4 for media services shall be expended for media resource  
5 material which shall only be used for the purchase or  
6 replacement of material required in section 273.6, subsection  
7 1. Funds shall be paid to area education agencies as provided  
8 in section 257.35. The costs shall be allocated to school  
9 districts in the area based upon the proportion of the  
10 enrollment served that resides in the district.

30921 2. The total amount funded in each area for educational  
x12 services in the budget year is equal to nine hundred fifty-six  
13 thousandths of one percent of the state cost per pupil for the  
14 budget year multiplied by the enrollment served in the area  
15 for the budget year. Funds shall be paid to area education  
16 agencies as provided in section 257.35. The costs shall be  
17 allocated to school districts in the area based upon the  
18 proportion of the enrollment served that resides in the  
19 district.

20 3. "Enrollment served" means the basic enrollment plus the  
21 number of nonpublic school pupils served with media services  
22 or educational services, as applicable, except that if a  
23 nonpublic school pupil or a pupil attending another district  
24 under a whole-grade sharing agreement or open enrollment  
25 receives services through an area other than the area of the  
26 pupil's residence, the pupil shall be deemed to be served by  
27 the area of the pupil's residence, which shall by contractual  
28 arrangement reimburse the area through which the pupil  
29 actually receives services. Each school district shall  
30 include in the third Friday in September enrollment report the  
31 number of nonpublic school pupils within each school district  
32 for media and educational services served by the area.

33 4. If an area education agency does not serve nonpublic  
34 school pupils in a manner comparable to services provided  
35 public school pupils for media and educational services, as

1 determined by the state board of education, the state board  
2 shall instruct the department of management to reduce the  
3 funds for media services and educational services one time by  
4 an amount to compensate for such reduced services. The media  
5 services budget shall be reduced by an amount equal to the  
6 product of the cost per pupil in basic enrollment for the  
7 budget year for media services times the difference between  
8 the enrollment served and the basic enrollment recorded for  
9 the area. The educational services budget shall be reduced by  
10 an amount equal to the product of the cost per pupil in basic  
11 enrollment for the budget year for educational services times  
12 the difference between the enrollment served and the basic  
13 enrollment recorded for the area.

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

16 Notwithstanding this subsection, an area education agency  
17 shall distribute to nonpublic schools media materials  
18 purchased wholly or partially with federal funds in a manner  
19 comparable to the distribution of such media materials to  
20 public schools as determined by the director of the department  
21 of education.

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22 Sec. 3. This Act takes effect upon enactment.

23 EXPLANATION

24 This bill provides a funding formula for media and  
25 educational services, provided through the area education  
26 agencies, under the school finance provisions in chapter 257.  
27 The bill also exempts media and educational service funding  
28 from the property tax adjustment provisions contained in the  
29 school finance formula. This bill takes effect immediately  
30 upon enactment.

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HOUSE AMENDMENT TO  
SENATE FILE 141

S-3083

1 Amend Senate File 141, as passed by the Senate, as  
2 follows:

3 1. Page 1, line 32, by inserting after the word  
4 "the" the following: "combined".

5 2. By striking page 1, line 34, through page 2,  
6 line 19, and inserting the following:

7 "1. For the budget year beginning July 1, 1991,  
8 and succeeding budget years, the total amount funded  
9 in each area for media services shall be computed as  
10 provided in this subsection. For the budget year  
11 beginning July 1, 1991, the total amount funded in  
12 each area for media services in the base year,  
13 including the cost for media resource material which  
14 shall only be used for the purchase or replacement of  
15 material required in section 273.6, subsection 1,  
16 paragraphs "a", "b", and "c", shall be divided by the  
17 enrollment served in the base year to provide an area  
18 media services cost per pupil in the base year, and  
19 the department of management shall compute the state  
20 media services cost per pupil in the base year which  
21 is equal to the average of the area media services  
22 costs per pupil in the base year. For the budget year  
23 beginning July 1, 1991, and succeeding budget years,  
24 the department of management shall compute the  
25 allowable growth for media services in the budget year  
26 by multiplying the state media services cost per pupil  
27 in the base year times the state percent of growth for  
28 the budget year, and the total amount funded in each  
29 area for media services cost in the budget year equals  
30 the area media services cost per pupil in the base  
31 year plus the allowable growth for media services in  
32 the budget year times the enrollment served in the  
33 budget year. Funds shall be paid to area education  
34 agencies as provided in section 257.35.

35 2. For the budget year beginning July 1, 1991, the  
36 per pupil amount included in the media services amount  
37 per pupil shall be the per pupil amount included in  
38 the base year for media resources plus the allowable  
39 growth amount per pupil for media resources for the  
40 budget year.

41 3. For the budget year beginning July 1, 1991, and  
42 succeeding budget years, the total amount funded in  
43 each area for educational services shall be computed  
44 as provided in this subsection. For the budget year  
45 beginning July 1, 1991, the total amount funded in  
46 each area for educational services in the base year  
47 shall be divided by the enrollment served in the area  
48 in the base year to provide an area educational  
49 services cost per pupil in the base year, and the  
50 department of management shall compute the state

S-3083

Page 2

1 educational services cost per pupil in the base year,  
2 which is equal to the average of the area educational  
3 services costs per pupil in the base year. For the  
4 budget year beginning July 1, 1991, and succeeding  
5 budget years, the department of management shall  
6 compute the allowable growth for educational services  
7 by multiplying the state educational services cost per  
8 pupil in the base year times the state percent of  
9 growth for the budget year, and the total amount  
10 funded in each area for educational services for the  
11 budget year equals the area educational services cost  
12 per pupil for the base year plus the allowable growth  
13 for educational services in the budget year times the  
14 enrollment served in the area in the budget year.  
15 Funds shall be paid to area education agencies as  
16 provided in section 257.35."

17 5. By designating and redesignating as necessary.  
RECEIVED FROM THE HOUSE

S-3083 FILED MARCH 4, 1991

*Senate adopted 3/5 (p. 527)*

## SENATE FILE 141

H-3124

1 Amend the amendment, H-3094, to Senate File 141, as  
2 passed by the Senate, as follows:

3 1. Page 2, by inserting after line 26, the  
4 following:

5 "\_\_\_\_\_. Page 3, by inserting after line 21 the  
6 following:

7 "For the budget year beginning July 1, 1991, and  
8 each succeeding budget year the department of  
9 management shall calculate for each district in the  
10 area, the difference between the revenues generated by  
11 property tax in the district calculated under this  
12 section to pay for media and educational services and  
13 the revenues generated by property tax in that  
14 district for media and educational services for the  
15 budget year beginning July 1, 1990, calculated under  
16 chapter 442, Code 1991. If the property tax revenues  
17 for a district calculated under this section exceed  
18 the property tax revenues for that district calculated  
19 under chapter 442, Code 1991, the department of  
20 management shall reduce the revenues raised by the  
21 additional property tax levy in that district under  
22 this section by that difference and the department of  
23 education shall pay media and educational services  
24 adjustment aid to the district equal to that  
25 difference from moneys appropriated for media and  
26 educational services adjustment aid.

27 There is appropriated from the general fund of the  
28 state to the department of education, for each fiscal  
29 year, an amount necessary to pay media and educational  
30 services adjustment aid to school districts under this  
31 section. Media and educational services adjustment  
32 aid shall be paid to school districts in the manner  
33 provided in section 257.16. If insufficient funds are  
34 available in the general fund of the state for a  
35 budget year for full payment of media and educational  
36 services adjustment aid to a school district, the  
37 department of management shall reduce the moneys paid  
38 to the area education agency from that district for  
39 media and educational services by the difference  
40 between the amount of the reduction in the additional  
41 property tax made by the department of revenue and  
42 finance and the amount of media and educational  
43 services adjustment aid received by the district for  
44 that budget year."

45 \_\_\_\_\_ . Title page, line 2, by inserting after the  
46 word "agencies" the following: "and making an annual  
47 appropriation"."

By CORBETT of Linn  
IVERSON of Wright

H-3124 FILED FEBRUARY 28, 1991

w/s 3/1

SENATE FILE 141

H-3125

1 Amend Senate File 141, as passed by the Senate, as  
2 follows:

3 1. Page 3, by inserting after line 21 the  
4 following:

5 "For the budget year beginning July 1, 1991, and  
6 each succeeding budget year the department of  
7 management shall calculate for each district in the  
8 area, the difference between the revenues generated by  
9 property tax in the district calculated under this  
10 section to pay for media and educational services and  
11 the revenues generated by property tax in that  
12 district for media and educational services for the  
13 budget year beginning July 1, 1990, calculated under  
14 chapter 442, Code 1991. If the property tax revenues  
15 for a district calculated under this section exceed  
16 the property tax revenues for that district calculated  
17 under chapter 442, Code 1991, the department of  
18 management shall reduce the revenues raised by the  
19 additional property tax levy in that district under  
20 this section by that difference and the department of  
21 education shall pay media and educational services  
22 adjustment aid to the district equal to that  
23 difference from moneys appropriated for media and  
24 educational services adjustment aid.

25 There is appropriated from the general fund of the  
26 state to the department of education, for each fiscal  
27 year, an amount necessary to pay media and educational  
28 services adjustment aid to school districts under this  
29 section. Media and educational services adjustment  
30 aid shall be paid to school districts in the manner  
31 provided in section 257.16. If insufficient funds are  
32 available in the general fund of the state for a  
33 budget year for full payment of media and educational  
34 services adjustment aid to a school district, the  
35 department of management shall reduce the moneys paid  
36 to the area education agency from that district for  
37 media and educational services by the difference  
38 between the amount of the reduction in the additional  
39 property tax made by the department of revenue and  
40 finance and the amount of media and educational  
41 services adjustment aid received by the district for  
42 that budget year."

43 2. Title page, line 2, by inserting after the  
44 word "agencies" the following: "and making an annual  
45 appropriation".

By CORBETT of Dinn  
IVERSON of Wright

H-3125 FILED FEBRUARY 28, 1991

*6/28 2/1*

H-3094

Page 2

1 educational services cost per pupil in the base year,  
 2 which is equal to the average of the area educational  
 3 services costs per pupil in the base year. For the  
 4 budget year beginning July 1, 1991, and succeeding  
 5 budget years, the department of management shall  
 6 compute the allowable growth for educational services  
 7 by multiplying the state educational services cost per  
 8 pupil in the base year times the state percent of  
 9 growth for the budget year, and the total amount  
 10 funded in each area for educational services for the  
 11 budget year equals the area educational services cost  
 12 per pupil for the base year plus the allowable growth  
 13 for educational services in the budget year times the  
 14 enrollment served in the area in the budget year.  
 15 Funds shall be paid to area education agencies as  
 16 provided in section 257.35."

17 3. Page 1, line 34, by striking the figure and  
 18 word "1. The" and inserting the following: "\_\_\_\_".  
 19 Notwithstanding subsections 1 and 2, for the budget  
 20 year beginning July 1, 1992, and in succeeding budget  
 21 years, the".

22 4. Page 2, line 11, by striking the figure and  
 23 word "2. The" and inserting the following: "\_\_\_\_".  
 24 Notwithstanding subsection 3, for the budget year  
 25 beginning July 1, 1992, and in succeeding budget  
 26 years, the".

27 5. By designating and redesignating as necessary.

By COMMITTEE ON EDUCATION

OLLIE of Clinton, Chairperson

H-3094 FILED FEBRUARY 27, 1991

*Adopted as amended by 3118 3/1*

SENATE FILE 141

H-3118

1 Amend the amendment, H-3094, to Senate File 141, as  
 2 passed by the Senate, as follows:

3 1. Page 1, by striking line 5, and inserting the  
 4 following:

5 "2. By striking page 1, line 34, through page 2,  
 6 line 19, and inserting the fol-".

7 2. Page 2, by striking lines 17 through 26.

By IVERSON of Wright

SVOBODA of Tama

MERTZ of Kossuth

BROWN of Lucas

HESTER of Pottawattamie

BRANSTAD of Winnebago

BARTZ of Worth

BENNETT of Ida

PETERSEN of Muscatine

RENKEN of Grundy

H-3118 FILED FEBRUARY 28, 1991

*Adopted 3/1*

B-3094

1 Amend Senate File 141, as passed by the Senate, as  
2 follows:

3 1. Page 1, line 32, by inserting after the word  
4 "the" the following: "combined".

5 2. Page 1, by inserting after line 33 the fol-  
6 lowing:

7 "1. For the budget year beginning July 1, 1991,  
8 and succeeding budget years, the total amount funded  
9 in each area for media services, the total amount funded as  
10 provided in this subsection. For the budget year  
11 beginning July 1, 1991, the total amount funded in  
12 each area for media services in the base year,  
13 including the cost for media resource material which  
14 shall only be used for the purchase or replacement of  
15 material required in section 273.6, subsection 1,  
16 paragraphs "a", "b", and "c", shall be divided by the  
17 enrollment served in the base year to provide an area  
18 media services cost per pupil in the base year, and  
19 the department of management shall compute the state  
20 media services cost per pupil in the base year which  
21 is equal to the average of the area media services  
22 costs per pupil in the base year. For the budget year  
23 beginning July 1, 1991, and succeeding budget years,  
24 the department of management shall compute the  
25 allowable growth for media services in the budget year  
26 by multiplying the state media services cost per pupil  
27 in the base year times the state percent of growth for  
28 the budget year, and the total amount funded in each  
29 area for media services cost in the budget year equals  
30 the area media services cost per pupil in the base  
31 year plus the allowable growth for media services in  
32 the budget year times the enrollment served in the  
33 budget year. Funds shall be paid to area education  
34 agencies as provided in section 257.35.

35 2. For the budget year beginning July 1, 1991, the  
36 per pupil amount included in the media services amount  
37 per pupil shall be the per pupil amount included in  
38 the base year for media resources plus the allowable  
39 growth amount per pupil for media resources for the  
40 budget year.

41 3. For the budget year beginning July 1, 1991, and  
42 succeeding budget years, the total amount funded in  
43 each area for educational services shall be computed  
44 as provided in this subsection. For the budget year  
45 beginning July 1, 1991, the total amount funded in  
46 each area for educational services in the base year  
47 shall be divided by the enrollment served in the area  
48 in the base year to provide an area educational  
49 services cost per pupil in the base year, and the  
50 department of management shall compute the state

SENATE FILE 141

H-3127

1 Amend Senate File 141, as passed by the Senate, as  
2 follows:

3 1. Page 1, line 35, by striking the word "thirty-  
4 seven" and inserting the following: "twenty-eight".

5 2. Page 2, line 12, by striking the word "fifty-  
6 six" and inserting the following: "eighteen".

By IVERSON of Wright

H-3127 FILED FEBRUARY 28, 1991

*w/ds 3/1*

SENATE FILE 141

H-3128

1 Amend the amendment H-3094, to Senate File 141, as  
2 passed by the Senate, as follows:

3 1. Page 2, by inserting after line 21, the  
4 following:

5 "\_\_\_\_. Page 1, line 35, by striking the word  
6 "thirty-seven", and inserting the following: "twenty-  
7 eight"."

8 2. Page 2, by inserting after line 26, the  
9 following:

10 "\_\_\_\_. Page 2, line 12, by striking the word  
11 "fifty-six", and inserting the following:  
12 "eighteen"."

By IVERSON of Wright

H-3128 FILED FEBRUARY 28, 1991

*w/ds 3/1*

SENATE FILE 141

S-3039

1 Amend Senate File 141 as follows:

2 1. Page 3, by inserting after line 21 the  
3 following:

4 "For the budget year beginning July 1, 1991, and  
5 each succeeding budget year the department of  
6 management shall calculate for each district in the  
7 area, the difference between the revenues generated by  
8 property tax in the district calculated under this  
9 section to pay for media and educational services and  
10 the revenues generated by property tax in that  
11 district for media and educational services for the  
12 budget year beginning July 1, 1990, calculated under  
13 chapter 442, Code 1989. If the property tax revenues  
14 for a district calculated under this section exceed  
15 the property tax revenues for that district calculated  
16 under chapter 442, Code 1989, the department of  
17 management shall reduce the revenues raised by the  
18 additional property tax levy in that district under  
19 this section by that difference and the department of  
20 education shall pay media and educational services  
21 adjustment aid to the district equal to that  
22 difference from moneys appropriated for media and  
23 educational services adjustment aid.

24 There is appropriated from the general fund of the  
25 state to the department of education, for each fiscal  
26 year, an amount necessary to pay media and educational  
27 services adjustment aid to school districts under this  
28 section. Media and educational services adjustment aid  
29 shall be paid to school districts in the manner  
30 provided in section 257.16."

31 2. Title page, line 2, by inserting after the  
32 word "agencies" the following: "and making an annual  
33 appropriation".

By H. KAY HEDGE

S-3039 FILED FEBRUARY 13, 1991

*Lat 2/13 (p. 341)*



**SENATE FILE 141  
FISCAL NOTE**

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A fiscal note for Senate File 141 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 141 is a bill which provides funding for media and educational services provided through the Area Education Agencies (AEA). Under current law, no funding mechanism will exist for FY 1992, and no funds will be provided to the AEA's.

For FY 1991, each AEA has a different per pupil cost for both media and educational services. Senate File 141 changes the funding structure so that all AEA's receive the same per pupil amount, which would be a percentage of the state cost per pupil. This amount is .837% for media services and .956% for educational services. All AEA media and educational services are funded with property taxes.

**Assumptions:**

- \* If the FY 1991 mechanism was in effect for FY 1992, media services would cost \$13,988,220, and educational services would cost \$15,428,021, or a total of \$29,416,241.
- \* The 1992 state cost per pupil is \$3,203.
- \* A total of 528,364 children are being served in FY 1990 at the AEA's.
- \* The media cost per pupil for FY 1992 is \$26.81 (.00837 X 3,203).
- \* The total media cost for FY 1992 is \$14,165,438 (\$26.81 X 528,364).
- \* The educational cost per pupil for FY 1992 is \$30.62 (.00956 X 3,203).
- \* The total educational cost for FY 1992 is \$16,178,505 (\$30.62 X 528,364).

**Fiscal Effect:**

Senate File 141 has no General Fund impact, as media and educational services provided through the AEA's are funded entirely from property taxes.

The total new cost is \$14,165,438 for media and \$16,178,505 for educational services, or a total of \$30,343,943. This is an increase of \$928,000 over the FY 1991 law, if it were in place for FY 1992.

Source: Department of Education

(LSB 1971sv, CRH)

FILED FEBRUARY 14, 1991

BY DENNIS PROUTY, FISCAL DIRECTOR

MURPHY, CH.  
VARN  
CONNOLLY  
TAYLOR  
TINSMAN

SSB 117  
EDUCATION

SENATE HOUSE FILE 141  
BY (PROPOSED GOVERNOR'S BILL)

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

A BILL FOR

1 An Act relating to area education agencies and providing  
2 effective dates.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 Section 1. Section 256.7, subsection 7, Code 1991, is  
2 amended by striking the subsection and inserting in lieu  
3 thereof the following:

4 7. Perform duties relating to area education agency  
5 accreditation under section 256.11B.

6 Sec. 2. NEW SECTION. 256.11B AREA EDUCATION AGENCY  
7 ACCREDITATION STANDARDS.

8 1. The state board shall adopt rules under chapter 17A,  
9 and a procedure for accrediting all area education agencies  
10 which shall be effective not later than June 1, 1992. The  
11 rules of the state board shall define and describe the minimum  
12 result-based standards by which each area education agency  
13 will be evaluated. Rules adopted shall require that all area  
14 education agencies meet the standards by July 1, 1993. The  
15 minimum standards for area education agencies, which shall be  
16 no less than current rules and standards, shall address each  
17 of the following areas:

- 18 a. Educational services.  
19 b. Media services.  
20 c. Special education services.

21 2. For the school year commencing July 1, 1993, and in  
22 each succeeding year, the department of education shall use  
23 the process established by the state board to accredit all  
24 area education agencies. The accreditation process shall  
25 include an internal self study, including input from agency  
26 constituents, and an external validation study by the  
27 department for compliance with accreditation standards and a  
28 comprehensive on-site visit by an accreditation team once  
29 every five years. The number and composition of the  
30 membership of the accreditation team, determined by the  
31 director of the department of education, shall include  
32 membership from other area education agencies in the  
33 comprehensive on-site visits. After visiting the area  
34 education agency, the accreditation team shall determine  
35 whether the accreditation standards have been met and shall

1 make a report to the director, together with a recommendation  
2 as to whether the area education agency shall remain  
3 accredited. The accreditation team shall report strengths and  
4 weaknesses, if any, for each standard and shall advise the  
5 area education agency of available resources and technical  
6 assistance to further enhance strengths and improve areas of  
7 weakness. An area education agency may respond to the  
8 accreditation team's report and may formally appeal the  
9 findings to the state board.

10 3. The director shall review the accreditation team's  
11 report, and the response of the area education agency, and  
12 provide a report and recommendation to the state board along  
13 with copies of the accreditation team's report, the response  
14 to the report, and other pertinent information. The  
15 department of education shall determine whether the area  
16 education agency shall remain accredited. If the department  
17 of education determines that an area education agency should  
18 not remain accredited, the state director, in cooperation with  
19 the area education agency, shall establish a plan prescribing  
20 the procedures that must be taken to correct deficiencies in  
21 meeting the standards, and shall establish a deadline, of no  
22 more than three years and no less than one year for the  
23 completion of the procedures. The plan is subject to appeal  
24 before the state board.

25 4. During the period of time specified in the plan for its  
26 implementation by an area education agency, the area education  
27 agency remains accredited. The accreditation team shall  
28 revisit the area education agency at the time established in  
29 the plan and shall determine whether the deficiencies in the  
30 standards have been corrected and shall make a report and  
31 recommendation to the director and the state board. The state  
32 board shall review the report and recommendation, may request  
33 additional information, and shall determine whether the  
34 deficiencies have been corrected. If the deficiencies have  
35 not been corrected, the state board shall merge the territory

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 of the area education agency with one or more contiguous area  
2 education agencies. The criteria for assignment of school  
3 districts to contiguous area education agencies shall include,  
4 but not be limited to, improving access to quality services  
5 and long-term enrollment stability. Division of personnel,  
6 assets, and liabilities of the area education agency shall be  
7 as provided in section 273.17. The board of directors of an  
8 affected school district may make recommendations to the state  
9 board concerning the assignment of the district to an area  
10 education agency.

11 Sec. 3. NEW SECTION. 257.37 FUNDING MEDIA AND  
12 EDUCATIONAL SERVICES.

13 Media services and educational services provided through  
14 the area education agencies shall be funded, to the extent  
15 provided, by an addition to the district cost of each school  
16 district, determined as follows:

1. The total amount funded in each area for media services  
18 in the budget year is equal to eighty-three hundredths of one  
19 percent of the state cost per pupil for the budget year  
20 multiplied by the enrollment served in the area for the budget  
21 year. Thirty percent of the budget of an area for media  
22 services shall be expended for media resource material which  
23 shall only be used for the purchase or replacement of material  
24 required in section 273.6, subsections 1, 2, and 3. Funds  
25 shall be paid to area education agencies as provided in  
26 section 257.35. The costs shall be allocated to school  
27 districts in the area based upon the proportion of the  
28 enrollment served that resides in the district.

29 2. The total amount funded in each area for educational  
30 services in the budget year is equal to ninety-one hundredths  
31 of one percent of the state cost per pupil for the budget year  
32 multiplied by the enrollment served in the area for the budget  
33 year. Funds shall be paid to area education agencies as  
34 provided in section 257.35. The costs shall be allocated to  
35 school districts in the area based upon the proportion of the

1 enrollment served that resides in the district.

2 3. "Enrollment served" means the basic enrollment plus the  
3 number of nonpublic school pupils served with media services  
4 or educational services, as applicable, except that if a  
5 nonpublic school pupil or a pupil attending another district  
6 under a whole-grade sharing agreement or open enrollment  
7 receives services through an area other than the area of the  
8 pupil's residence, the pupil shall be deemed to be served by  
9 the area of the pupil's residence, which shall by contractual  
10 arrangement reimburse the area through which the pupil  
11 actually receives services. Each school district shall  
12 include in the third Friday in September enrollment report the  
13 number of nonpublic school pupils within each school district  
14 for media and educational services served by the area.

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

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

33 Notwithstanding this subsection, an area education agency  
34 shall distribute to nonpublic schools media materials  
35 purchased wholly or partially with federal funds in a manner

1 comparable to the distribution of such media materials to  
2 public schools as determined by the director of the department  
3 of education.

4 Sec. 4. Section 273.2, Code 1991, is amended by striking  
5 the section and inserting in lieu thereof the following:

6 273.2 AREA EDUCATION AGENCY ESTABLISHED -- BOUNDARIES.

7 Fifteen area education agencies are established throughout  
8 the state, each of which is governed by an area education  
9 agency board of directors. The boundaries of an area  
10 education agency shall not divide a school district. The  
11 director of the department of education may adjust boundaries  
12 of area education agencies in which to take into account  
13 reorganizations, dissolutions, whole-grade sharing agreements,  
14 or boundary line changes of local school districts.

15 An area education agency established under this chapter is  
16 a body politic as a school corporation for the purposes of  
17 exercising powers granted under this chapter, and may sue and  
18 be sued.

19 An area education agency board shall provide for special  
20 education, media, and educational services for the local  
21 school districts in the area and shall determine the policies  
22 of the area education agency for providing programs and  
23 services to the local school districts.

24 Sec. 5. Section 273.3, Code 1991, is amended by striking  
25 the section and inserting in lieu thereof the following:

26 273.3 DUTIES AND POWERS OF AREA EDUCATION AGENCY BOARD.

27 1. Provide special education, media, and educational ser-  
28 vices to districts as required by standards established by the  
29 state board of education and as required by standards set  
30 forth in the rules for special education, media, and  
31 educational services, or as requested by local districts. The  
32 board, in implementing this subsection shall offer the  
33 following support services to local school districts:

34 a. Local district planning and assessment or evaluation  
35 functions.

1 b. Local district program development and implementation,  
2 especially in the area of curriculum development and  
3 implementation.

4 c. Organizing and developing human resources.

5 d. Identifying support services to local school districts  
6 to assist in the teaching and learning processes.

7 2. Respond to school district requests for specialized  
8 services beyond the services required by standards if  
9 resources exist for implementation of services.

10 3. An area education agency may contract, whenever  
11 practicable, with other school corporations for the use of  
12 personnel, buildings, facilities, supplies, equipment,  
13 programs, and services.

14 4. Subject to rules of the state board of education,  
15 provide services directly or by contractual agreement with  
16 public or private agencies, including but not limited to,  
17 contracts for the area education agency to provide programs or  
18 services to the local school districts and contracts for local  
19 school districts, other educational agencies, and public and  
20 private agencies to provide programs and services to the local  
21 school districts in the area education agency in lieu of the  
22 area education agency providing the services. Contracts may  
23 be made with public or private agencies located outside the  
24 state if the programs and services comply with the rules of  
25 the state board. Rules adopted by the state board of  
26 education shall be consistent with rules adopted by the board  
27 of educational examiners relating to licensing of  
28 practitioners.

29 5. Cooperate and contract between area education agencies  
30 and with other public agencies to provide special education  
31 programs and services, media services, and educational  
32 services to schools and children residing within their  
33 respective areas.

34 6. Be authorized to lease, subject to the approval of the  
35 director of the department of education and to receive by gift

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1 and operate and maintain facilities and buildings necessary to  
2 provide authorized programs and services. However, a lease  
3 for less than ten years and with an annual cost of less than  
4 twenty-five thousand dollars does not require the approval of  
5 the director. If a lease requires approval, the director  
6 shall not approve the lease until the director is satisfied by  
7 investigation that public school corporations within the area  
8 do not have suitable facilities available.

9 7. Be authorized to enter into agreements for services,  
10 the joint use of personnel, buildings, facilities, supplies,  
11 and equipment with school corporations and public and private  
12 agencies as deemed necessary to provide authorized programs  
13 and services.

14 8. Be authorized to make application for, accept, and  
15 expend state and federal funds that are available for programs  
16 of educational benefit approved by the director or the  
17 department of education, and cooperate with the department in  
18 the manner provided in the federal-state plans or department  
19 rules in the effectuation and administration of programs  
20 approved by the director, or approved by other educational  
21 agencies, which agencies have been approved as state  
22 educational authorities.

23 9. Be authorized to perform all other acts necessary to  
24 carry out the provisions and intent of this chapter.

25 10. Employ personnel to carry out the functions of the  
26 area education agency which shall include the employment of an  
27 administrator who shall possess a license issued under chapter  
28 260. The administrator shall be employed pursuant to sections  
29 279.20, 279.23, 279.24, and 279.25. The salary for an area  
30 education agency administrator shall be established by the  
31 board based upon the previous experience and education of the  
32 administrator. Section 279.13 applies to the area education  
33 agency board and to all teachers employed by the area  
34 education agency. Sections 279.23, 279.24, and 279.25 apply  
35 to the area education board and to all administrators employed

1 by the area education agency.

2 11. Prepare an annual budget estimating income and  
3 expenditures for programs and services as provided in sections  
4 273.1 to 273.9 and chapter 281 within the limits of funds  
5 provided under section 281.9 and chapter 257. The board shall  
6 give notice of a public hearing on the proposed budget by  
7 publication in an official county newspaper in each county in  
8 the territory of the area education agency in which the  
9 principal place of business of a school district that is a  
10 part of the area education agency is located. The notice  
11 shall specify the date, which shall be not later than February  
12 1 of each year, the time, and the location of the public  
13 hearing. The proposed budget as approved by the board shall  
14 then be submitted to the state board of education, on forms  
15 provided by the department, no later than February 15  
16 preceding the next fiscal year for approval. The state board  
17 shall review the proposed budget of each area education agency  
18 and shall before March 31, either grant approval or return the  
19 budget without approval with comments of the state board  
20 included. An unapproved budget shall be resubmitted to the  
21 state board for final approval.

22 12. Be authorized to pay, out of funds available to the  
23 board, reasonable annual dues, as approved by the area edu-  
24 cation agency board.

25 13. At the request of an employee or area education agency  
26 board through contractual agreement, arrange for the purchase  
27 of an individual annuity contract for any of its employees  
28 from any company the employee chooses that is authorized to do  
29 business in this state. The annuity contract may be for  
30 retirement or other purposes and shall be purchased through an  
31 Iowa-licensed insurance agent selected by the employee. The  
32 board may make payroll deductions in accordance with  
33 arrangements with the employee, for the purpose of paying the  
34 entire premium due, and to become due, under the contract.  
35 The deductions shall be made in the manner which will qualify

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1 the annuity premiums for the benefits under section 403(b) of  
2 the Internal Revenue Code, as defined in section 422.3. The  
3 employee's rights under the annuity contract are  
4 nonforfeitable unless there is a failure to pay premiums.

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

10 15. Meet at least annually with the members of the boards  
11 of directors of the merged areas which have central campus  
12 sites located within the area education agency to discuss  
13 coordination of programs and services and other matters of  
14 mutual interest to the boards.

15 16. Be authorized to issue warrants and anticipatory  
16 warrants pursuant to chapter 74. The applicable rate of  
17 interest shall be determined pursuant to sections 74A.2,  
18 74A.3, and 74A.7. This subsection shall not be construed to  
19 authorize a board to levy a tax.

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

24 18. Be authorized to charge user fees for certain  
25 materials and services that are not required by law or by  
26 rules of the state board of education and are specifically  
27 requested by districts or accredited nonpublic schools served.

28 19. Provide auxiliary services for nonpublic school  
29 pupils, as provided in section 256.12. However, if auxiliary  
30 services are provided, their funding shall be based on the  
31 type of service provided.

32 20. Adopt a policy which prohibits unlawful possession,  
33 use or distribution of controlled substances or alcoholic  
34 beverages by students and employees on property owned or  
35 leased by the agency. In carrying out this policy, the area

1 education agency may provide substance abuse prevention  
2 programs for students and employees.

3 Sec. 6. Section 273.4, Code 1991, is amended by striking  
4 the section and inserting in lieu thereof the following:

5 273.4 DUTIES OF ADMINISTRATOR.

6 The administrator of the area education agency shall serve  
7 as the chief executive officer of the area education agency  
8 and shall report directly to the area education agency board  
9 of directors. All personnel employed by the area education  
10 agency shall report to the administrator or the  
11 administrator's designee for all agency functions as approved  
12 by the board of directors. The administrator shall function  
13 as the principal contact with all school districts and  
14 nonpublic schools within the area education agency boundaries,  
15 and shall delegate responsibilities and authorities to  
16 employees according to the policies established by the board  
17 of directors.

18 Sec. 7. Section 273.6, Code 1991, is amended by striking  
19 the section and inserting in lieu thereof the following:

20 273.6 MEDIA SERVICES.

21 The media services required under section 273.2 shall offer  
22 leadership, planning, and services and offer all of the  
23 following:

24 1. A wide selection of instructional materials in a  
25 variety of formats available on a timely basis, including  
26 those designed to accommodate student learning styles.

27 2. A variety of materials and consultation services to  
28 support individual and group staff development as well as  
29 program development. Materials and consultation services may  
30 include, but are not limited to, a professional library,  
31 curriculum laboratory, workshops, reference services,  
32 instructional design, and one-on-one consulting.

33 3. Assistance in the production of original design and  
34 reproduction of materials such as, but not limited to,  
35 transparencies production, videotape production and editing,

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1 filmstrips production, slide tape presentations, graphic  
2 design and printing support, and software development.

3 4. Access to professional staff with expertise in media  
4 administration, media center automation and design, media  
5 utilization, media production, printing and graphics  
6 management, integration of media library science, and  
7 instructional design.

8 5. Assistance in the utilization of information and  
9 technology which may include, but is not limited to,  
10 electronic networking, video disc, interactive media, the Iowa  
11 communications network, satellite links, and data base  
12 searching.

13 6. Delivery services to each approved school district  
14 building.

15 Sec. 8. Section 273.7, Code 1991, is amended by striking  
16 the section and inserting in lieu thereof the following:

17 273.7 EDUCATIONAL SERVICES.

18 The area education agencies shall offer leadership and  
19 services to each local school district, for purposes of school  
20 improvement in the areas of curriculum and instruction, staff  
21 development, planning, assessment, and administrative services  
22 as follows:

23 1. CURRICULUM AND INSTRUCTION. Area education agencies  
24 shall offer all of the following:

25 a. Service and leadership to teachers, students, and  
26 administrators in areas including, but not limited to,  
27 curriculum development and refinement processes, educational  
28 improvement, and effectiveness.

29 b. A staff with general and specialized educational  
30 training in broad-based learning opportunities for all local  
31 school staff and students.

32 c. Encouragement of flexible, collaborative efforts among  
33 local education agencies, area education agencies, community  
34 colleges, other institutions of higher education, the  
35 department of education, and other agencies to meet changing

1 needs.

2 2. STAFF DEVELOPMENT. Area education agencies shall offer  
3 all of the following:

4 a. Provision for staff development through use of internal  
5 or external resources which may include, but are not limited  
6 to, electronic learning and other appropriate technologies.

7 b. Provision for an array of offerings designed to meet  
8 the needs of licensed, unlicensed, or board of education  
9 personnel in areas including, but not limited to, licensing  
10 requirements, programs mandated by the state, professional  
11 growth, curriculum development, and curriculum implementation.

12 3. ASSESSMENT. Area education agencies shall:

13 a. Assist local school districts in assessing students  
14 learning outcomes, programs, and staff in the areas of  
15 procedures, instrumentation, analysis, and reporting.

16 b. Assist local school districts in training staff members  
17 in student and program assessment and evaluative decision  
18 making.

19 c. Provide technical assistance or resources for student  
20 assessment analysis.

21 4. ADMINISTRATIVE ASSISTANCE. Area education agencies may  
22 offer any administrative services and assistance in the  
23 formation of consortiums which contribute to the effectiveness  
24 and efficiency of school districts.

25 Sec. 9. Section 273.8, subsection 1, Code 1991, is amended  
26 to read as follows:

27 1. BOARD OF DIRECTORS. The board of directors of an area  
28 education agency shall consist of not less than five nor more  
29 than nine members, each a resident of and elected in the  
30 manner provided in this section from a director district that  
31 is approximately equal in population to the other director  
32 districts in the area education agency. Each director shall  
33 serve a three-year term which commences at the organization  
34 meeting. However, if an area education agency is dissolved or  
35 merged with other area education agencies, the agencies

1 affected by the dissolution and merger shall consist of nine  
2 members.

3 Sec. 10. Section 273.8, subsection 5, Code 1991, is  
4 amended by striking the subsection.

5 Sec. 11. Section 273.9, subsection 1, Code 1991, is  
6 amended by striking the subsection and inserting in lieu  
7 thereof the following:

8 1. Funding for area education agencies shall be provided  
9 pursuant to chapter 257. Area education agencies are  
10 authorized to receive funding and sell services and  
11 commodities as provided in this chapter.

12 Sec. 12. Section 273.9, subsections 3, 4, and 5, Code  
13 1991, are amended by striking the subsections.

14 Sec. 13. Section 273.9, unnumbered paragraph 1, Code 1991,  
15 is amended to read as follows:

16 The state board of education shall adopt rules under  
17 chapter 17A relating to the approval of program plans under  
18 this-section for purposes of receiving funding under chapter  
19 257.

20 Sec. 14. NEW SECTION. 273.14 EFFECTIVE DATE OF CHANGE.

21 When an area education agency is enlarged, reorganized,  
22 merged, or dissolved, the change shall take effect on July 1  
23 following the date of the decision of the state board to  
24 approve the enlargement, reorganization, merger, or  
25 dissolution if the decision was made by the prior November 30.  
26 Otherwise the change shall take effect on July 1 one year  
27 later.

28 Sec. 15. NEW SECTION. 273.15 MANAGEMENT OF DISSOLVED  
29 AREA EDUCATION AGENCIES.

30 If an area education agency is dissolved, reorganized, or  
31 is merged with another area education agency or area education  
32 agencies, the area education agency or the parts of the area  
33 education agency which merge with another area education  
34 agency shall be governed by the board and administration of  
35 the receiving area education agency until the boundaries of

1 the reorganized area education agency can be redrawn and a  
2 director district convention held for the newly formed area  
3 education agency. Redrawing of boundaries and the holding of  
4 the director district conventions shall take place no later  
5 than June 30 of the year prior to the effective date of the  
6 change. A director who resides in an existing director  
7 district shall remain in office if the director's residence is  
8 located in a newly formed director district and no other  
9 director resides within the boundaries of the newly formed  
10 district. If no existing director resides within the  
11 boundaries of a newly formed director district, a convention  
12 shall be conducted and a new director selected. If more than  
13 one director from any affected area education agency resides  
14 in a newly formed director district, the new director shall be  
15 chosen from among the old directors by lot.

16 Sec. 16. NEW SECTION. 273.16 EMPLOYMENT CONTRACTS OF  
17 AREA EDUCATION AGENCY.

18 1. The terms of employment of area education agency  
19 personnel for the school year following the effective date of  
20 a dissolution or merger of an area education agency shall not  
21 be affected by the formation of the new area education agency,  
22 except in accordance with the procedures outlined in  
23 subsections 2 and 3, and the authority and responsibility to  
24 offer new contracts or to continue, modify, or terminate  
25 existing contracts pursuant to section 273.3 for the school  
26 year beginning with the effective date of the dissolution,  
27 shall be transferred from the board of the existing area  
28 education agency to the board or boards of the new area  
29 education agency on the third Tuesday of January prior to the  
30 school year the dissolution or merger is effective.

31 2. The collective bargaining agreement of the existing  
32 accredited area education agency which serves the largest  
33 total district basic enrollment, as defined in section 257.6,  
34 in the new area education agency shall serve as the base  
35 agreement and the employees of the other area education agency

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1 involved in the formation of the new area education agency  
2 shall automatically be accreted to the bargaining unit of that  
3 collective bargaining agreement for purposes of negotiating  
4 the contracts for the following years without further action  
5 by the public employment relations board. If only one  
6 collective bargaining agreement is in effect among the area  
7 education agencies which are affected by the formation of the  
8 new area education agency, then that agreement shall serve as  
9 the base agreement, and the employees of the other area  
10 education agency involved in the formation of the new area  
11 education agency shall automatically be accreted to the  
12 bargaining unit of that collective bargaining agreement for  
13 purposes of negotiating the contracts for the following years  
14 without further action by the public employment relations  
15 board. The board of the newly formed area education agency,  
16 using the base agreement as its existing contract, shall  
17 bargain with the combined employees of the existing area  
18 education agencies for the school year beginning with the  
19 effective date of the dissolution. The bargaining shall be  
20 completed by March 15 prior to the school year in which the  
21 dissolution becomes effective. If a bargaining agreement was  
22 already concluded, the board and employees of the existing  
23 accredited area education agency with the contract serving as  
24 the base agreement for the school year beginning with the  
25 effective date of the dissolution, that agreement shall be  
26 void. However, if the base agreement contains multi-year  
27 provisions affecting school years subsequent to the effective  
28 date of the dissolution, the base agreement shall remain in  
29 effect as specified in the agreement.

30 3. The provisions of the base agreement shall apply to the  
31 offering of new contracts, or continuation, modification, or  
32 termination of existing contracts as provided in subsection 1.

33 Sec. 17. NEW SECTION. 273.17 DIVISION OF PERSONNEL,  
34 ASSETS, AND LIABILITIES AFTER DISSOLUTION -- ARBITRATION.

35 By March 1, the board of directors of the newly formed area

1 education agency shall meet with the board or boards of all of  
2 the old area education agencies, or parts of area education  
3 agencies, affected by the organization of the new area  
4 education agency for the purpose of reaching joint agreement  
5 on an equitable division of the personnel employed by the old  
6 area education agency or agencies and any real property held  
7 by the old area education agency or agencies. Division of  
8 personnel shall take into account the person's workstation in  
9 the old area education agency.

10 Between July 1 and July 20, the board or boards of the  
11 newly formed area education agency or agencies shall meet with  
12 the board of the old area education agency, or parts of the  
13 area education agency affected by the organization of the new  
14 area education agency, for purposes of reaching joint  
15 agreement on an equitable division of the other assets of the  
16 area education agency or parts of the area education agency  
17 and an equitable distribution of the liabilities of the  
18 affected area education agency or parts of the area education  
19 agency. If the boards cannot agree on a division and  
20 distribution of personnel, real property, other assets, or  
21 liabilities, the matters on which they differ shall be decided  
22 by disinterested arbitrators, one selected by each board  
23 having an interest in the matters in dispute. If the number  
24 of arbitrators selected is even, then one shall be added by  
25 the director of the department of education. The decision of  
26 the arbitrators shall be made in writing and filed with the  
27 acting board secretary of the newly formed area education  
28 agency, and any party to the proceeding may appeal from the  
29 decision to the district court by serving a notice of appeal  
30 on the acting board secretary within twenty days after the  
31 decision of the arbitrators is filed. The appeal shall be  
32 tried in equity and a decree entered determining the entire  
33 matter.

34 Sec. 18. NEW SECTION. 273.18 PROPOSALS FOR MERGER OR  
35 DISSOLUTION.

1 The board of directors of an area education agency may  
2 propose to merge the agency with a contiguous area education  
3 agency or to dissolve and assign the school districts in the  
4 agency to other contiguous area education agencies. The plan  
5 shall include provisions for selecting the interim and initial  
6 boards of directors; for division of assets, personnel, and  
7 liabilities; and for assignment of school districts to a  
8 contiguous area education agency or agencies. The merger or  
9 dissolution of an area education agency shall be subject to  
10 the approval of the state board of education. The state board  
11 of education shall adopt rules pursuant to chapter 17A to  
12 establish a procedure to include but not limited to a public  
13 hearing and criteria for approving the merger or dissolution  
14 of an area education agency, which shall include, but not be  
15 limited to, improving access to quality services and long-term  
16 enrollment stability.

17 Sec. 19. Section 281.2, subsection 4, Code 1991, is  
18 amended to read as follows:

19 4. Moneys Any funds received by the school district of the  
20 child's residence for the child's education, derived from  
21 moneys funds received through chapter 257, this chapter, and  
22 section 273.9 shall be paid by the school district of the  
23 child's residence to the appropriate education agency, private  
24 agency, or other school district providing special education  
25 for the child pursuant to contractual arrangements as provided  
26 in section 273.3, subsections 5-and-7 4 and 5.

27 Sec. 20. The department of education shall establish a  
28 committee to conduct a study relating to the accreditation of  
29 Iowa's area education agencies. The committee shall be  
30 composed of representatives from the department of education,  
31 local education agencies, members of the general public, and  
32 area education agencies. A majority of the membership of the  
33 committee shall be comprised of representatives of local  
34 education agencies and area education agencies. The committee  
35 shall develop recommendations for accreditation standards for

1 area education agencies by October 1, 1991, and shall submit  
2 those recommendations to the state board of education and to  
3 the general assembly for review and approval.

4 Sec. 21. Sections 1, 4 through 17, and 19 of this Act take  
5 effect January 1, 1992.

6 Sec. 22. Section 3 of this Act takes effect upon  
7 enactment, for the purpose of performing procedures required  
8 for the levying of property taxes which are payable in the  
9 budget year beginning July 1, 1991.

10 Sec. 23. Sections 2 and 18 of this Act take effect July 1,  
11 1991.

12 Sec. 24. Section 20 of this Act takes effect upon  
13 enactment.

14 EXPLANATION

15 This bill establishes an accreditation process, including  
16 dissolution provisions, for area education agencies.  
17 Transition provisions for the transfer from the existing area  
18 education agencies to the new area education agencies of  
19 assets, personnel, liabilities, and contractual  
20 responsibilities and powers are included, which are similar to  
21 those currently used for the reorganization of school  
22 districts. The accreditation process, which is similar to  
23 that used for school districts, is to be created by the state  
24 board of education and implemented by the department of  
25 education.

26 The services to be provided by each area education agency  
27 have been altered with the exception of special education  
28 services, which remain the same. The standards for contents  
29 of media services and media service responsibilities have been  
30 altered, as well as the requirements relating to educational  
31 services. A funding mechanism is provided for media and  
32 educational services for the area education agencies beginning  
33 July 1, 1991.

34 A provision permitting the dissolution or merger of an area  
35 education agency will be in effect. The department of

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1 education is to develop proposed standards and an economic  
2 impact statement for the accreditation of area education  
3 agencies.

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**CHAPTER 6****MEDIA AND EDUCATIONAL SERVICES FUNDING FOR AREA EDUCATION AGENCIES***S.F. 141*

AN ACT relating to media and educational services funding for area education agencies.

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

Section 1. Section 257.15, subsection 1, Code 1991, is amended to read as follows:

1. **PROPERTY TAX ADJUSTMENT FOR 1991-1992.** For the budget year beginning July 1, 1991, the department of management shall calculate for each district the difference between the sum of the revenues generated by the foundation property tax and the additional property tax in the district calculated under this chapter and the revenues that would have been generated by the foundation property tax and the additional property tax in that district for that budget year calculated under chapter 442, Code 1989, if chapter 442 were in effect, except that the revenues that would have been generated by the additional property tax levy under chapter 442 shall not include revenues generated for the school improvement program. However in making the calculation of the difference in revenues under this subsection, the department shall not include the revenues generated under section 257.37 and under chapter 442, Code 1989, for funding media and educational services through the area education agencies. If the property tax revenues for a district calculated under this chapter exceed the property tax revenues for that district calculated under chapter 442, Code 1989, the department of management shall reduce the revenues raised by the additional property tax levy in that district under this chapter by that difference and the department of education shall pay property tax adjustment aid to the district equal to that difference from moneys appropriated for property tax adjustment aid.

Sec. 2. **NEW SECTION. 257.37 FUNDING MEDIA AND EDUCATIONAL SERVICES.**

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

1. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for media services shall be computed as provided in this subsection. For the budget year beginning July 1, 1991, the total amount funded in each area for media services in the base year, including the cost for media resource material which shall only be used for the purchase or replacement of material required in section 273.6, subsection 1, paragraphs "a", "b", and "c", shall be divided by the enrollment served in the base year to provide an area media services cost per pupil in the base year, and the department of management shall compute the state media services cost per pupil in the base year which is equal to the average of the area media services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the allowable growth for media services in the budget year by multiplying the state media services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for media services cost in the budget year equals the area media services cost per pupil in the base year plus the allowable growth for media services in the budget year times the enrollment served in the budget year. Funds shall be paid to area education agencies as provided in section 257.35.

2. For the budget year beginning July 1, 1991, the per pupil amount included in the media services amount per pupil shall be the per pupil amount included in the base year for media resources plus the allowable growth amount per pupil for media resources for the budget year.

3. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for educational services shall be computed as provided in this subsection. For the budget year beginning July 1, 1991, the total amount funded in each area for educational services in the base year shall be divided by the enrollment served in the area in the base year to provide an area educational services cost per pupil in the base year, and

the department of management shall compute the state educational services cost per pupil in the base year, which is equal to the average of the area educational services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the allowable growth for educational services by multiplying the state educational services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for educational services for the budget year equals the area educational services cost per pupil for the base year plus the allowable growth for educational services in the budget year times the enrollment served in the area in the budget year. Funds shall be paid to area education agencies as provided in section 257.35.

4. "Enrollment served" means the basic enrollment plus the number of nonpublic school pupils served with media services or educational services, as applicable, except that if a nonpublic school pupil or a pupil attending another district under a whole-grade sharing agreement or open enrollment receives services through an area other than the area of the pupil's residence, the pupil shall be deemed to be served by the area of the pupil's residence, which shall by contractual arrangement reimburse the area through which the pupil actually receives services. Each school district shall include in the third Friday in September enrollment report the number of nonpublic school pupils within each school district for media and educational services served by the area.

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

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

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

Sec. 3. This Act takes effect upon enactment.

Approved March 7, 1991