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SENATE FILE 252  
BY RENSINK

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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SF 252

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

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:

17 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

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

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 authority to employees  
16 according to the policies established by the board of  
17 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,

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

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 by 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 multiyear  
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 199., 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

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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