

EDUCATION DEPARTMENT[281]

Adopted and Filed

Rule making related to charter school funding

The State Board of Education hereby amends Chapter 19, “Charter Schools,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 256.7(5).

State or Federal Law Implemented

This rule making implements, in whole or in part, 2022 Iowa Acts, House File 2575.

Purpose and Summary

This rule making revises charter school funding in accordance with the requirements of 2022 Iowa Acts, House File 2575.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on August 24, 2022, as **ARC 6485C**. This rule making was also adopted and filed emergency and published in the Iowa Administrative Bulletin as **ARC 6486C** on the same date. A public hearing was held on September 13, 2022, at 10 a.m. at State Board Room, Second Floor, Grimes State Office Building, Des Moines, Iowa. No one attended the public hearing. One school leader appeared at the Administrative Rules Review Committee’s September meeting to discuss this rule making. The comments received from the school leader, which concerned the charter school funding formula as amended by House File 2575, were considered by the Department. Because the concerns expressed at the Administrative Rules Review Committee concerned the underlying statute and the rule making reflects the underlying statute, no changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the State Board on November 16, 2022.

Fiscal Impact

This rule making has the following fiscal impact to the State of Iowa, according to the Notes on Bills and Amendments: “An estimated 275 students will attend a charter school who were not included in the actual enrollment of the district of residence for FY 2023. The Department of Education will pay to the charter schools an estimated \$2,600,000 from the General Fund standing unlimited appropriation for charter school funding during FY 2023.” Based on enrollment estimates at the start of the school year, the current estimated fiscal impact is \$764,000.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the State Board for a waiver of the discretionary provisions, if any, pursuant to 281—Chapter 4.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on January 18, 2023, at which time the Adopted and Filed Emergency rule making is hereby rescinded.

The following rule-making actions are adopted:

ITEM 1. Amend paragraph **19.11(4)“c”** as follows:

c. An individual who holds an authorization to be a charter school administrator issued by the board of educational examiners under Iowa Code chapter 272. ~~The board of educational examiners shall adopt rules for the issuance of such authorizations not later than December 31, 2021, and such authorizations shall only be valid for service or employment as a charter school administrator.~~

ITEM 2. Amend subrules 19.12(2) to 19.12(4) as follows:

19.12(2) ~~The school district of residence shall pay to the~~ charter school in which the student is enrolled ~~in the manner required under Iowa Code section 282.18, and pursuant to the timeline in Iowa Code section 282.20(3),~~ shall receive under subrule 19.12(4) an amount equal to the sum of the state cost per pupil for the previous school year, plus the teacher leadership supplement state cost per pupil for the previous fiscal year as provided in Iowa Code section 257.9, plus any moneys received by the school district of residence for the student as a result of the non-English speaking weighting under Iowa Code section 280.4(3) for the previous school year, multiplied by the state cost per pupil for the previous year. If a student is an eligible pupil under Iowa Code section 261E.6, the charter school shall pay the tuition reimbursement amount to an eligible postsecondary institution as provided in Iowa Code section 261E.7.

19.12(3) For a student requiring special education, the school district of residence shall pay to the charter school, pursuant to the timeline in Iowa Code section 282.20(3), the actual costs incurred in providing the appropriate special education.

19.12(4) ~~For each student enrolled in the charter school who was not included in the actual enrollment of the district of residence under Iowa Code section 257.6(1) in the previous school year, the~~ The amount otherwise required to be paid to the charter school under subrule 19.12(2) or 19.12(3) shall instead be paid by the department to the charter school for the student's initial year of enrollment during the school year for which the student is enrolled in the charter school. The amount paid to the charter school under this subrule shall result in an equal reduction to the school district of residence's state aid payment amount under Iowa Code chapter 257 for the school budget year following the school year for which the payment to the charter school is made, so long as the student was counted in the district of residence's actual enrollment in the school year for which the student attended the charter school.

ITEM 3. Amend subrule 19.12(7) as follows:

19.12(7) If necessary, and pursuant to ~~rules adopted by the state board,~~ paragraph 19.12(7)“a,” funding amounts required under this rule for the first school year of a new charter school shall be based on enrollment estimates for the charter school included in the charter school contract. ~~Initial amounts~~ The process set out in paragraph 19.12(7)“b” shall be used for determining estimated enrollments for charter school funding purposes in school years after the first year of a charter school. Amounts paid using estimated enrollments shall be reconciled during the subsequent payment payments based on actual enrollment of the charter school during the first each school year- pursuant to paragraph 19.12(7)“c.”

a. Enrollment estimates for the first school year shall be based on the number of enrolled students reported to the department through the student information system by August 5 of the school year.

b. Enrollment estimates for school years following the first school year shall be based on the number of enrolled students reported to the department through the student information system by August 5 of the school year.

c. Estimated payments shall be reconciled, at minimum, based on actual enrollment information reported by the charter school pursuant to Iowa Code sections 256.9(44) and 257.6.

[Filed 11/16/22, effective 1/18/23]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/14/22.