

CHAPTER 257

FINANCING SCHOOL PROGRAMS

Referred to in §256.25A, 256B.2, 256B.9, 256C.4, 256C.5, 256E.8, 256F.4, 260C.18B, 273.3, 273.9, 273.23, 274.3, 282.3, 284.11, 284.13, 284.15, 285.2, 298.1, 301.1, 331.512, 465A.4

257.1	State school foundation program — state aid.	257.26	Instructional support income surtax distribution.
257.2	Definitions.	257.27	Continuation of instructional support program.
257.3	Foundation property tax.	257.28	Enrichment levy.
257.4	Additional property tax.	257.29	Educational improvement program.
257.5	Continuation of supplemental aid.	257.30	School budget review committee.
257.6	Enrollment.	257.31	Duties of the committee.
257.7	Authorized expenditures.	257.32	Area education budget review.
257.8	State percent of growth — supplemental state aid.	257.33	Prior enrichment approval.
257.9	State cost per pupil.	257.34	Cash reserve information.
257.10	District cost per pupil — district cost.	257.35	Area education agency payments.
257.11	Supplementary weighting plan.	257.36	Special education support services balances.
257.11A	Supplementary weighting and school reorganization.	257.37	Funding media and educational services.
257.11B	Education savings account program.	257.37A	Area education agency salary supplement funding.
257.12	Adjustment in state foundation aid.	257.38	Funding for at-risk, alternative school, and returning dropouts and dropout prevention programs — plan.
257.13	On-time funding budget adjustment.	257.39	Definitions — potential dropouts and returning dropouts.
257.14	Budget adjustment.	257.40	Approval of requests for modified supplement amounts for adopted program plans.
257.15	Property tax adjustment.	257.41	Funding for programs for returning dropouts and dropout prevention.
257.16	Appropriations.	257.42	Gifted and talented children. Program plans.
257.16A	Property tax equity and relief fund.	257.43	Gifted and talented children defined.
257.16B	School district property tax replacement payments.	257.44	Submission of program plans. Funding.
257.16C	Transportation equity program — fund — appropriation.	257.45	Cooperation by area education agencies.
257.16D	Foundation base supplement fund.	257.46	Advisory council.
257.17	Aid reduction for early school starts.	257.47	Duties of advisory council.
257.18	Instructional support program.	257.48	Federal assistance — school district responsibilities.
257.19	Instructional support funding.	257.49	Career academy fund — grant program.
257.20	Instructional support state aid appropriation.	257.50	
257.21	Computation of instructional support amount.	257.51	
257.22	Statutes applicable.		
257.23	Form and time of return.		
257.24	Deposit of instructional support income surtax.		
257.25	Instructional support income surtax certification.		

257.1 State school foundation program — state aid.

1. *Program established.* A state school foundation program is established for the school year commencing July 1, 1991, and succeeding school years.

2. *State school foundation aid — foundation base.*

a. For a budget year, each school district in the state is entitled to receive foundation aid, in an amount per pupil equal to the difference between the amount per pupil of foundation property tax in the district, and the combined foundation base per pupil or the combined district cost per pupil, whichever is less. However, if the amount of foundation aid received by a school district under [this chapter](#) is less than three hundred dollars per pupil, the district is entitled to receive three hundred dollars per pupil unless the receipt of three hundred

dollars per pupil plus the per pupil amount raised by the foundation property tax exceeds the combined district cost per pupil of the district for the budget year. In that case, the district is entitled to receive an amount per pupil equal to the difference between the per pupil amount raised by the foundation property tax for the budget year and the combined district cost per pupil for the budget year.

b. For the budget year commencing July 1, 1999, and for each succeeding budget year beginning before July 1, 2022, the regular program foundation base per pupil is eighty-seven and five-tenths percent of the regular program state cost per pupil. For the budget year commencing July 1, 2022, and for each succeeding budget year, the regular program foundation base per pupil is eighty-eight and four-tenths percent of the regular program state cost per pupil. For the budget year commencing July 1, 1991, and for each succeeding budget year the special education support services foundation base is seventy-nine percent of the special education support services state cost per pupil. The combined foundation base is the sum of the regular program foundation base, the special education support services foundation base, the total teacher salary supplement district cost, the total professional development supplement district cost, the total early intervention supplement district cost, the total teacher leadership supplement district cost, and the total area education agency teacher salary supplement district cost.

3. *Computations rounded.* In making computations and payments under [this chapter](#), except in the case of computations relating to funding of special education support services, media services, and educational services under [section 257.37](#), and the teacher salary supplement, the professional development supplement, the early intervention supplement, and the teacher leadership supplement, the department of management shall round amounts to the nearest whole dollar.

4. *Legislative review.* The provisions of [this chapter](#) shall be subject to legislative review at least every five years. The review shall be based upon a school finance formula status report containing the recommendations of a legislative interim committee appointed to conduct a review of the school finance formula, to be prepared with the assistance of the department of education, in association with the departments of management and revenue. The report shall include recommendations for school finance formula changes or revisions based upon demographic changes, enrollment trends, and property tax valuation fluctuations observed during the preceding five-year interval; an analysis of the operation of the school finance formula during the preceding five-year interval; and a summary of issues that have arisen since the previous review and potential approaches for their resolution. The first such report shall be submitted to the general assembly no later than January 1, 2005, with subsequent reports developed and submitted by January 1 at least every fifth year thereafter.

89 Acts, ch 135, §1; 91 Acts, ch 267, §517; 95 Acts, ch 130, §1; 96 Acts, ch 1197, §5, 6; 99 Acts, ch 2, §1, 4; 99 Acts, ch 178, §1, 10; 2000 Acts, ch 1186, §2; 2003 Acts, ch 145, §286; 2008 Acts, ch 1181, §93, 94; 2013 Acts, ch 121, §49, 50; 2016 Acts, ch 1036, §3; 2021 Acts, ch 177, §121; 2024 Acts, ch 1002, §23, 24, 37, 38

Referred to in §257.3, 257.4, 257.12, 257.15, 257.16B, 257.16D, 257.34

2024 amendments to section apply July 1, 2024, for school budget years beginning on or after that date; 2024 Acts, ch 1002, §38

257.2 Definitions.

As used in [this chapter](#):

1. “*Base year*” means the school year ending during the calendar year in which a budget is certified.
2. “*Budget adjustment*” means an adjustment to the regular program district cost of a school district for school districts in which the regular program district cost for a year would be less than the regular program district cost for the previous year.
3. “*Budget year*” means the school year beginning during the calendar year in which a budget is certified.
4. “*Combined district cost per pupil*” is an amount determined by adding together the regular program district cost per pupil for a year and the special education support services district cost per pupil for that year as calculated under [section 257.10](#).
5. “*Combined state cost per pupil*” is a per pupil amount determined by adding together

the regular program state cost per pupil for a year and the special education support services state cost per pupil for that year as calculated under [section 257.9](#).

6. “Committee” means the school budget review committee.
7. “Expenditures” means the total amounts paid from the general fund of a school district.
8. “Miscellaneous income” means the receipts deposited to the general fund of the school district but not including any of the following:
 - a. Foundation aid.
 - b. Revenue obtained from the foundation property tax.
 - c. Revenue obtained from the additional property tax under [section 257.4](#).
 - d. Property tax replacement payments received under [section 257.16B](#).
 - e. Foundation base supplement payments received under [section 257.16D](#).
9. “Property tax adjustment” means state aid distributed to those school districts in which the property tax revenues generated under [this chapter](#) would be higher than the revenues generated under [chapter 442, Code 1991](#).
10. “School district” means a school corporation organized under [chapter 274](#).
11. “State percent of growth” means the percent of growth which is established by statute pursuant to [section 257.8](#), and which is used in determining the supplemental state aid.
12. “Supplemental state aid” means the amount by which state cost per pupil and district cost per pupil will increase from one budget year to the next as the result of the state percent of growth.
13. “Unexpended fund balance” means a school district’s unreserved and undesignated fund balances.

[89 Acts, ch 135, §2; 90 Acts, ch 1190, §1; 91 Acts, ch 267, §518; 94 Acts, ch 1023, §93; 2010 Acts, ch 1004, §1, 10; 2013 Acts, ch 121, §1, 9, 11 – 13, 42; 2018 Acts, ch 1007, §1, 6; 2019 Acts, ch 166, §1](#)

Referred to in [§256.25A, 273.13, 279.45, 285.2, 298.10](#)

257.3 Foundation property tax.

1. *Amount of tax.*
 - a. Except as provided in [subsections 2 and 3](#), a school district shall cause to be levied each year, for the school general fund, a foundation property tax equal to five dollars and forty cents per thousand dollars of assessed valuation on all taxable property in the district. The county auditor shall spread the foundation levy over all taxable property in the district.
 - b. The amount paid to each school district for the tax replacement claim for industrial machinery, equipment, and computers under [section 427B.19A](#) shall be regarded as property tax. The portion of the payment which is foundation property tax shall be determined by applying the foundation property tax rate to the amount computed under [section 427B.19, subsection 3](#), paragraph “a”, as adjusted by [section 427B.19, subsection 3](#), paragraph “d”, if any adjustment was made.
 - c. Replacement taxes under [chapter 437A](#) or [chapter 437B](#) shall be regarded as property taxes for purposes of [this chapter](#).
 - d. The amount paid to each school district under [section 441.21, subsection 5](#), paragraph “e”, shall be regarded as property tax. The portion of the payment which is foundation property tax shall be determined by applying the foundation property tax rate to the amount computed under [section 441.21, subsection 5](#), paragraph “e”, subparagraph (4), subparagraph division (a), and such amount shall be prorated pursuant to [section 441.21, subsection 5](#), paragraph “e”, subparagraph (2), if applicable.
2. *Tax for reorganized and dissolved districts.*
 - a. Notwithstanding [subsection 1](#), a reorganized school district shall cause a foundation property tax of four dollars and forty cents per thousand dollars of assessed valuation to be levied on all taxable property which, in the year preceding a reorganization, was within a school district affected by the reorganization as defined in [section 275.1](#), or in the year preceding a dissolution was a part of a school district that dissolved if the dissolution proposal has been approved by the director of the department of education pursuant to [section 275.55](#).
 - b. In succeeding school years, the foundation property tax levy on that portion shall be increased to the rate of four dollars and ninety cents per thousand dollars of assessed

valuation the first succeeding year, five dollars and fifteen cents per thousand dollars of assessed valuation the second succeeding year, and five dollars and forty cents per thousand dollars of assessed valuation the third succeeding year and each year thereafter.

c. The foundation property tax levy reduction pursuant to [this subsection](#) shall be available if either of the following apply:

(1) In the year preceding the reorganization or dissolution, the school district affected by the reorganization or the school district that dissolved had a certified enrollment of fewer than six hundred pupils.

(2) In the year preceding the reorganization or dissolution, the school district affected by the reorganization or the school district that dissolved had a certified enrollment of six hundred pupils or greater, and entered into a reorganization or dissolution with one or more school districts with a certified enrollment of fewer than six hundred pupils. The amount of foundation property tax reduction received by a school district qualifying for the reduction pursuant to this subparagraph shall not exceed the highest reduction amount provided in paragraphs “a” and “b” received by any of the school districts with a certified enrollment of fewer than six hundred pupils involved in the reorganization pursuant to subparagraph (1) of this paragraph “c”.

d. For purposes of [this section](#), a reorganized school district is one which absorbs at least thirty percent of the enrollment of the school district affected by a reorganization or dissolved during a dissolution and in which action to bring about a reorganization or dissolution is initiated by a vote of the board of directors or jointly by the affected boards of directors to take effect on or after July 1, 2007, and on or before July 1, 2024. Each district which initiated, by a vote of the board of directors or jointly by the affected boards, action to bring about a reorganization or dissolution to take effect on or after July 1, 2007, and on or before July 1, 2024, shall certify the date and the nature of the action taken to the department of education by January 1 of the year in which the reorganization or dissolution takes effect.

3. *Railway corporations.* For purposes of [section 257.1](#), the “*amount per pupil of foundation property tax*” does not include the tax levied under [subsection 1 or 2](#) on the property of a railway corporation, or on its trustee if the corporation has been declared bankrupt or is in bankruptcy proceedings.

89 Acts, ch 135, §3; 91 Acts, ch 178, §1; 93 Acts, ch 180, §92 – 95; 95 Acts, ch 206, §34; 98 Acts, ch 1194, §27, 40; 2001 Acts, ch 126, §1 – 3; 2003 Acts, ch 180, §10, 71; 2007 Acts, ch 130, §1; 2010 Acts, ch 1061, §180; 2013 Acts, ch 94, §1, 35, 36; 2013 Acts, ch 123, §14, 22, 23; 2014 Acts, ch 1017, §1; 2019 Acts, ch 101, §1; 2021 Acts, ch 177, §122, 123; 2023 Acts, ch 66, §47; 2023 Acts, ch 115, §63, 64

Referred to in §275.55

257.4 Additional property tax.

1. Computation of tax.

a. A school district shall cause an additional property tax to be levied each year. The rate of the additional property tax levy in a school district shall be determined by the department of management and shall be calculated to raise the difference between the combined district cost for the budget year and the sum of the following:

(1) The product of the regular program foundation base per pupil times the weighted enrollment in the district.

(2) The product of special education support services foundation base per pupil times the special education support services weighted enrollment in the district.

(3) The total teacher salary supplement district cost.

(4) The total professional development supplement district cost.

(5) The total early intervention supplement district cost.

(6) The total area education agency teacher salary supplement district cost.

(7) The amount of the school district property tax replacement payment to be received by the school district under [section 257.16B](#).

(8) The total teacher leadership supplement district cost.

(9) The amount of the foundation base supplement payment to be received by the school district under [section 257.16D](#).

b. For the budget year beginning July 1, 2008, and succeeding budget years, the department of management shall annually determine an adjusted additional property tax levy and a statewide maximum adjusted additional property tax levy rate, not to exceed the statewide average additional property tax levy rate, calculated by dividing the total adjusted additional property tax levy dollars statewide by the statewide total net taxable valuation. For purposes of this paragraph, the adjusted additional property tax levy shall be that portion of the additional property tax levy corresponding to the state cost per pupil multiplied by a school district's weighted enrollment, and then multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#), and then reduced by the amount of the property tax replacement payment to be received under [section 257.16B](#) and the amount of the foundation base supplement payment to be received under [section 257.16D](#). The district shall receive adjusted additional property tax levy aid in an amount equal to the difference between the adjusted additional property tax levy rate and the statewide maximum adjusted additional property tax levy rate, as applied per thousand dollars of assessed valuation on all taxable property in the district. The statewide maximum adjusted additional property tax levy rate shall be annually determined by the department taking into account amounts allocated pursuant to [section 257.15, subsection 4](#), and the balance of the property tax equity and relief fund created in [section 257.16A](#) at the end of the calendar year.

2. *Supplemental aid.*

a. However, if the rate of the additional property tax levy determined under [subsection 1](#) with the application of [section 257.15](#) for a budget year for a reorganized school district is higher than the rate of additional property tax levy determined under [subsection 1](#) with the application of [section 257.15](#) for the year previous to the reorganization for a school district that had a certified enrollment of less than six hundred and that was within the school districts affected by the reorganization as defined in [section 275.1](#), the department of management shall reduce the rate of the additional property tax levy in the portion of the reorganized district where the new rate is higher, to the rate that was levied in that portion of the district during the year preceding the reorganization, for a five-year period. The department of management shall include in the state aid payments made to each reorganized school district under [section 257.16](#) during each of the first five years of existence of the reorganized district as supplemental aid, moneys equal to the reduction in property tax revenues made under [this subsection](#). For the budget year beginning July 1, 1991, the base year calculation shall be made using [chapter 442, Code 1991](#).

b. For purposes of [this section](#), a reorganized school district is one in which action to bring about a reorganization was initiated by a vote of the board of directors or jointly by the affected boards of directors prior to November 30, 1990, and the reorganization will take effect on or after July 1, 1991, and on or before July 1, 1993. Each district which initiated, by a vote of the board of directors or jointly by the affected boards, action to bring about a reorganization or dissolution by November 30, 1990, shall certify the date and the nature of the action taken to the department of education by September 1, 1991.

3. *Application of tax.* No later than June 15 of each year, the department of management shall notify the county auditor of each county the amount, in dollars and cents per thousand dollars of assessed value, of the additional property tax levy in each school district in the county. A county auditor shall spread the additional property tax levy for each school district in the county over all taxable property in the district.

[89 Acts, ch 135, §4; 91 Acts, ch 178, §2; 93 Acts, ch 1, §3; 2001 Acts, ch 126, §4, 12; 2006 Acts, ch 1182, §38, 53; 2008 Acts, ch 1134, §1; 2008 Acts, ch 1181, §95; 2013 Acts, ch 121, §2, 3, 9, 51; 2019 Acts, ch 166, §2, 3; 2024 Acts, ch 1002, §25, 37, 38](#)

Referred to in §257.2, 257.5, 257.15, 257.16, 257.31

2024 strike of subsection 1, paragraph a, former subparagraph (7) applies July 1, 2024, for school budget years beginning on or after that date; 2024 Acts, ch 1002, §38

257.5 Continuation of supplemental aid.

1. A reorganized school district, as defined in [section 257.4, subsection 2](#), receiving supplemental aid prior to July 1, 1991, under [section 442.9A, Code 1991](#), shall continue to

receive supplemental aid as provided in that section for the five-year period specified in that section.

2. There is appropriated from the general fund of the state to the department of management for each fiscal year an amount sufficient to pay the supplemental aid to school districts under [this section](#). Supplemental aid shall be paid in the manner provided in [section 257.16](#).

3. For the purpose of the department of management's determination of the portion of a school district's budget that was property tax and the portion that was state aid under [section 257.36](#), supplemental aid shall be considered property tax.

[89 Acts, ch 135, §5; 91 Acts, ch 178, §3; 2016 Acts, ch 1011, §121](#)

257.6 Enrollment.

1. Actual enrollment.

a. Actual enrollment is determined annually on October 1, or the first Monday in October if October 1 falls on a Saturday or Sunday, and includes all of the following:

(1) Resident pupils who were enrolled in public schools within the district in grades kindergarten through twelve and including prekindergarten pupils enrolled in special education programs.

(2) Full-time equivalent resident pupils of high school age for which the district pays tuition to attend an Iowa community college.

(3) Shared-time and part-time pupils of school age enrolled in public schools within the district, irrespective of the districts in which the pupils reside, in the proportion that the time for which they are enrolled or receive instruction for the school year is to the time that full-time pupils carrying a normal course schedule, at the same grade level, in the same school district, for the same school year, are enrolled and receive instruction. Tuition charges to the parent or guardian of a shared-time or part-time nonresident pupil shall be reduced by the amount of any increased state aid received by the district by the counting of the pupil. This subparagraph applies to pupils enrolled in grades nine through twelve under [section 299A.8](#) and to pupils from accredited nonpublic schools accessing classes or services on the accredited nonpublic school premises under [section 256.12](#) or on the school district site, but excludes accredited nonpublic school pupils receiving classes or services funded entirely by federal grants or allocations.

(4) Eleventh and twelfth grade nonresident pupils who were residents of the district during the preceding school year and are enrolled in the district until the pupils graduate. Tuition for those pupils shall not be charged by the district in which the pupils are enrolled and the requirements of [section 282.18](#) do not apply.

(5) Resident pupils receiving competent private instruction from a licensed practitioner provided through a public school district pursuant to [chapter 299A](#) shall be counted as three-tenths of one pupil. Revenues received by a school district attributed to a school district's weighted enrollment pursuant to this subparagraph shall be expended for the purpose for which the weighting was assigned under this subparagraph. If the school district determines that the expenditures associated with providing competent private instruction pursuant to [chapter 299A](#) are in excess of the revenue attributed to the school district's weighted enrollment for such instruction in accordance with this subparagraph, the school district may submit a request to the school budget review committee for a modified supplemental amount in accordance with [section 257.31, subsection 5, paragraph "n"](#). A home school assistance program shall not provide moneys received pursuant to this subparagraph, nor resources paid for with moneys received pursuant to this subparagraph, to parents or students utilizing the program. Moneys received by a school district pursuant to this subparagraph shall be used as provided in [section 299A.12](#).

(6) Resident pupils receiving competent private instruction under dual enrollment pursuant to [chapter 299A](#) shall be counted as one-tenth of one pupil.

(7) A student attending an accredited nonpublic school or receiving competent private instruction under [chapter 299A](#), who is assigned to a therapeutic classroom in accordance with [section 256.25A](#) or is participating in a program under [chapter 261E](#), shall be counted

as a shared-time student in the school district in which the nonpublic school of attendance is located for state foundation aid purposes.

(8) Pupils who are enrolled in public schools within the district under [section 282.1, subsection 3](#), in grades kindergarten through twelve and including prekindergarten pupils enrolled in special education programs.

(9) Resident pupils enrolled in a charter school under [chapter 256E](#) or [256F](#).

b. A school district shall certify its actual enrollment to the department of education by October 15 of each year, and the department shall promptly forward the information to the department of management.

c. The department of management shall adjust the enrollment of the school district for the audit year based upon reports filed under [section 11.6](#), and shall further adjust the budget of the second year succeeding the audit year for the property tax and state aid portions of the reported differences in enrollments for the year succeeding the audit year.

2. *Basic enrollment.* Basic enrollment for a budget year is a district's actual enrollment for the base year. Basic enrollment for the base year is a district's actual enrollment for the year preceding the base year.

3. *Additional enrollment because of special education.*

a. A school district shall determine its additional enrollment because of special education, as defined in [this section](#), by November 1 of each year and shall certify its additional enrollment because of special education to the department of education by November 15 of each year, and the department shall promptly forward the information to the department of management.

b. For the purposes of [this chapter](#), "additional enrollment because of special education" is determined by multiplying the weighting of each category of child under [section 256B.9](#) times the number of children in each category totaled for all categories minus the total number of children in all categories.

4. *Budget enrollment.* Budget enrollment for the budget year is the basic enrollment for the budget year.

5. *Weighted enrollment.*

a. Weighted enrollment is the budget enrollment plus the district's additional enrollment because of special education calculated by November 1 of the base year plus additional pupils added due to the application of the supplementary weighting.

b. Weighted enrollment for special education support services costs is equal to the weighted enrollment minus the additional pupils added due to the application of the supplementary weighting.

6. *Students excluded.* For the school year beginning July 1, 2008, and each succeeding school year, a student shall not be included in a district's enrollment for purposes of [this chapter](#) or considered an eligible pupil under [section 261E.6](#) if the student meets all of the following:

a. Was eligible to receive a diploma with the class in which they were enrolled and that class graduated in the previous school year.

b. Continues enrollment in the district to take courses either provided by the district or offered by community colleges under the provisions of [section 257.11](#), or to take courses under the provisions of [section 261E.6](#).

[89 Acts, ch 135, §6; 92 Acts, ch 1187, §2; 92 Acts, ch 1230, §1, 2; 92 Acts, ch 1247, §47; 2001 Acts, ch 159, §6 – 8; 2001 Acts, ch 176, §32, 33; 2006 Acts, ch 1152, §22, 23; 2007 Acts, ch 22, §59; 2008 Acts, ch 1181, §45 – 47; 2008 Acts, ch 1191, §108, 113; 2009 Acts, ch 41, §100; 2009 Acts, ch 177, §15, 53, 57; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1069, §34; 2010 Acts, ch 1183, §20; 2013 Acts, ch 88, §4; 2013 Acts, ch 121, §14, 42; 2018 Acts, ch 1172, §87; 2020 Acts, ch 1022, §3; 2020 Acts, ch 1108, §6; 2021 Acts, ch 112, §15](#)

Referred to in [§11.6](#), [256.25A](#), [256B.8](#), [256C.4](#), [256E.8](#), [257.9](#), [257.10](#), [257.11A](#), [257.13](#), [257.16](#), [257.16C](#), [257.16D](#), [257.31](#), [257.37](#), [261E.7](#), [273.22](#), [275.14](#), [275.33](#), [279.60](#), [282.8](#), [282.12](#), [282.18](#), [282.31](#), [299A.2](#), [299A.8](#), [299A.12](#), [423F2](#)

257.7 Authorized expenditures.

1. *Budgets.* School districts are subject to [chapter 24](#). The authorized expenditures of a school district during a base year shall not exceed the lesser of the budget for that year

certified under [section 24.17](#) plus any allowable amendments permitted in [this section](#), or the authorized budget, which is the sum of the combined district cost for that year, the actual miscellaneous income received for that year, and the actual unspent balance from the preceding year.

2. *Budget amendments.* If actual miscellaneous income for a budget year exceeds the anticipated miscellaneous income in the certified budget for that year, or if an unspent balance has not been previously certified, a school district may amend its certified budget.

[89 Acts, ch 135, §7; 90 Acts, ch 1190, §2](#)

Referred to in [§298.10, 298A.12](#)

257.8 State percent of growth — supplemental state aid.

1. *State percent of growth.* The state percent of growth for the budget year beginning July 1, 2023, is three percent. The state percent of growth for the budget year beginning July 1, 2024, is two and one-half percent. The state percent of growth for the budget year beginning July 1, 2025, is two percent. The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the transmission of the governor's budget required by February 1 under [section 8.21](#) during the regular legislative session beginning in the base year.

2. *Categorical state percent of growth.* The categorical state percent of growth for the budget year beginning July 1, 2023, is three percent. The categorical state percent of growth for the budget year beginning July 1, 2024, is two and one-half percent. The categorical state percent of growth for the budget year beginning July 1, 2025, is two percent, except for calculating the appropriation to the transportation equity fund under [section 257.16C](#). The categorical state percent of growth for purposes of calculating the appropriation to the transportation equity fund under [section 257.16C](#) for the budget year beginning July 1, 2025, is five percent. The categorical state percent of growth for each budget year shall be established by statute which shall be enacted within thirty days of the transmission of the governor's budget required by February 1 under [section 8.21](#) during the regular legislative session beginning in the base year. The categorical state percent of growth may include state percents of growth for the teacher salary supplement, the professional development supplement, the early intervention supplement, the teacher leadership supplement, and for budget years beginning on or after July 1, 2020, transportation equity aid payments under [section 257.16C](#).

3. *Supplemental state aid calculation.* The department of management shall calculate the regular program supplemental state aid for a budget year by multiplying the state percent of growth for the budget year by the regular program state cost per pupil for the base year and shall calculate the special education support services supplemental state aid for the budget year by multiplying the state percent of growth for the budget year by the special education support services state cost per pupil for the base year.

4. *Combined supplemental state aid.* The combined supplemental state aid per pupil for each school district is the sum of the regular program supplemental state aid per pupil and the special education support services supplemental state aid per pupil for the budget year, which may be modified as follows:

a. By the school budget review committee under [section 257.31](#).

b. By the department of management under [section 257.36](#).

5. *Alternate supplemental state aid — definitions.*

a. For budget years beginning July 1, 2000, and subsequent budget years, references to the terms “supplemental state aid”, “regular program state cost per pupil”, and “regular program district cost per pupil” shall mean those terms as calculated for those school districts that calculated regular program supplemental state aid for the school budget year beginning July 1, 1999, with the additional thirty-eight dollars specified in [section 257.8, subsection 4](#), Code 2013.

b. For the budget year beginning July 1, 2018, and subsequent budget years, references to “supplemental state aid” and “regular program state cost per pupil” shall mean those terms as calculated including the additional amounts for the specified budget years under [section](#)

257.9, subsection 2, and references to “regular program district cost per pupil” shall mean that term as calculated including any adjustments made under section 257.10, subsection 2.

89 Acts, ch 135, §8; 92 Acts, ch 1227, §15; 95 Acts, ch 11, §1; 96 Acts, ch 1001, §1; 98 Acts, ch 1005, §1, 2; 99 Acts, ch 1, §1, 2; 99 Acts, ch 178, §2, 10; 2000 Acts, ch 1001, §1, 2; 2001 Acts, ch 2, §1, 2; 2002 Acts, ch 1159, §1, 2; 2002 Acts, ch 1167, §1, 6; 2003 Acts, ch 1, §1, 2; 2004 Acts, ch 1175, §234, 287; 2005 Acts, ch 1, §1, 2; 2006 Acts, ch 1154, §1, 2; 2007 Acts, ch 3, §1, 2; 2008 Acts, ch 1002, §1, 2; 2008 Acts, ch 1181, §96; 2009 Acts, ch 5, §1, 2; 2009 Acts, ch 6, §1, 2; 2011 Acts, ch 131, §122 – 125, 158; 2013 Acts, ch 121, §4, 9, 15, 16, 42, 52; 2015 Acts, ch 126, §1, 3, 4; 2015 Acts, ch 127, §1, 3, 4; 2016 Acts, ch 1047, §1, 3; 2016 Acts, ch 1048, §1, 3; 2017 Acts, ch 1, §1, 5, 6; 2018 Acts, ch 1005, §1, 5; 2018 Acts, ch 1007, §2, 6; 2019 Acts, ch 1, §1, 7; 2019 Acts, ch 2, §1, 2, 6

[A portion of subsection 2 relating to the budget year beginning July 1, 2019, was inadvertently omitted in the 2020 Code]

2020 Acts, ch 1012, §1, 5; 2021 Acts, ch 2, §1, 7; 2022 Acts, ch 1001, §1, 6; 2023 Acts, ch 2, §1, 3; 2024 Acts, ch 1002, §48, 51; 2025 Acts, ch 78, §1, 4

Referred to in §257.2, 257.9, 257.16C, 273.23
Subsections 1 and 2 amended

257.9 State cost per pupil.

1. Regular program state cost per pupil for 1991-1992.

a. For the budget year beginning July 1, 1991, for the regular program state cost per pupil, the department of management shall add together the sum of the products of each district’s regular program district cost per pupil for the base year, as regular program district cost per pupil would have been calculated under section 442.9, Code 1989, multiplied by its budget enrollment as budget enrollment would have been calculated under section 442.4, Code 1989, for the base year, plus the sum of the amounts added to the district cost of school districts pursuant to section 442.21, Code 1989.

b. The total calculated under this subsection shall be divided by the total of the budget enrollments of all school districts for the budget year beginning July 1, 1990, calculated under section 257.6, subsection 4, if section 257.6, subsection 4, had been in effect for that budget year. The regular program state cost per pupil for the budget year beginning July 1, 1991, is the amount calculated by the department of management under this subsection plus an amount of supplemental state aid, as defined in section 257.2, Code 2014, that is equal to the state percent of growth for the budget year multiplied by the amount calculated by the department of management under this subsection.

2. Regular program state cost per pupil for 1992-1993 and succeeding years.

a. For the budget year beginning July 1, 1992, and succeeding budget years beginning before July 1, 2018, the regular program state cost per pupil for a budget year is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year.

b. For the budget year beginning July 1, 2018, the regular program state cost per pupil is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year, plus five dollars.

c. For the budget year beginning July 1, 2019, the regular program state cost per pupil is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year, plus five dollars.

d. For the budget year beginning July 1, 2020, the regular program state cost per pupil is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year, plus ten dollars.

e. For the budget year beginning July 1, 2021, the regular program state cost per pupil is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year, plus ten dollars.

f. For the budget year beginning July 1, 2022, the regular program state cost per pupil is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year, plus five dollars.

g. For the budget years beginning July 1, 2023, and July 1, 2024, the regular program state

cost per pupil for a budget year is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year.

h. For the budget year beginning July 1, 2025, the regular program state cost per pupil is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year, plus five dollars.

i. For the budget year beginning July 1, 2026, and succeeding budget years, the regular program state cost per pupil for a budget year is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year.

3. *Special education support services state cost per pupil for 1991-1992.* For the budget year beginning July 1, 1991, for the special education support services state cost per pupil, the department of management shall divide the total of the approved budgets of the area education agencies for special education support services for that year approved by the state board of education under [section 273.3, subsection 12](#), by the total of the weighted enrollment for special education support services in the state for the budget year. The special education support services state cost per pupil for the budget year is the amount calculated by the department of management under [this subsection](#).

4. *Special education support services state cost per pupil for 1992-1993 and succeeding years.* For the budget year beginning July 1, 1992, and succeeding budget years, the special education support services state cost per pupil for the budget year is the special education support services state cost per pupil for the base year plus the special education support services supplemental state aid for the budget year.

5. *Combined state cost per pupil.* The combined state cost per pupil is the sum of the regular program state cost per pupil and the special education support services state cost per pupil.

6. *Teacher salary supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the teacher salary supplement state cost per pupil, the department of management shall add together the teacher compensation allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to [section 284.13, subsection 1](#), paragraph “h”, Code 2009, and the phase II allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to [section 294A.9, Code 2009](#), and divide that sum by the statewide total budget enrollment for the fiscal year beginning July 1, 2009. The teacher salary supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under [this subsection](#) for the base year plus a supplemental state aid amount that is equal to the teacher salary supplement categorical state percent of growth, pursuant to [section 257.8, subsection 2](#), for the budget year, multiplied by the amount calculated by the department of management under [this subsection](#) for the base year.

7. *Professional development supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the professional development supplement state cost per pupil, the department of management shall add together the professional development allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to [section 284.13, subsection 1](#), paragraph “d”, Code 2009, and divide that sum by the statewide total budget enrollment for the fiscal year beginning July 1, 2009. The professional development supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under [this subsection](#) for the base year plus a supplemental state aid amount that is equal to the professional development supplement categorical state percent of growth, pursuant to [section 257.8, subsection 2](#), for the budget year, multiplied by the amount calculated by the department of management under [this subsection](#) for the base year.

8. *Early intervention supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the early intervention supplement state cost per pupil, the department of management shall add together the early intervention allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to [section 256D.4, Code 2009](#), and divide that sum by the statewide total budget enrollment for the fiscal year beginning July 1, 2009. The early intervention supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of

management under [this subsection](#) for the base year plus a supplemental state aid amount that is equal to the early intervention supplement categorical state percent of growth, pursuant to [section 257.8, subsection 2](#), for the budget year, multiplied by the amount calculated by the department of management under [this subsection](#) for the base year.

9. *Area education agency teacher salary supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the area education agency teacher salary supplement state cost per pupil, the department of management shall add together the teacher compensation allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to [section 284.13, subsection 1](#), paragraph “i”, Code 2009, and the phase II allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to [section 294A.9, Code 2009](#), and divide that sum by the statewide special education support services weighted enrollment for the fiscal year beginning July 1, 2009. The area education agency teacher salary supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under [this subsection](#) for the base year plus a supplemental state aid amount that is equal to the teacher salary supplement categorical state percent of growth, pursuant to [section 257.8, subsection 2](#), for the budget year, multiplied by the amount calculated by the department of management under [this subsection](#) for the base year.

10. *Teacher leadership supplement state cost per pupil.* The teacher leadership supplement state cost per pupil amount for the budget year beginning July 1, 2014, shall be calculated by the department of management by dividing the allocation amount for the budget year beginning July 1, 2014, in [section 284.13, subsection 1](#), paragraph “d”, subparagraph (4), by one-third of the statewide total budget enrollment for the fiscal year beginning July 1, 2014. The teacher leadership supplement state cost per pupil for the budget year beginning July 1, 2015, and succeeding budget years, shall be the teacher leadership supplement state cost per pupil for the base year plus a supplemental state aid amount that is equal to the teacher leadership supplement categorical state percent of growth, pursuant to [section 257.8, subsection 2](#), for the budget year, multiplied by the teacher leadership supplement state cost per pupil for the base year.

89 Acts, ch 135, §9; 90 Acts, ch 1190, §3; 2008 Acts, ch 1181, §97; 2009 Acts, ch 68, §2; 2009 Acts, ch 177, §16; 2010 Acts, ch 1061, §43; 2013 Acts, ch 121, §17, 18, 42, 53; 2014 Acts, ch 1013, §3; 2018 Acts, ch 1007, §3, 6; 2019 Acts, ch 2, §3, 6; 2020 Acts, ch 1002, §1, 4; 2021 Acts, ch 2, §2, 7; 2022 Acts, ch 1001, §2, 6; 2024 Acts, ch 1002, §26, 37, 38; 2025 Acts, ch 78, §5, 6

Referred to in [§256E.8, 257.2, 257.8, 282.10, 282.18](#)

2024 strike of former subsection 10 applies July 1, 2024, for school budget years beginning on or after that date; 2024 Acts, ch 1002, §38
Subsection 2 amended

257.10 District cost per pupil — district cost.

1. *Regular program district cost per pupil for 1991-1992.* For the budget year beginning July 1, 1991, in order to determine the regular program district cost per pupil for a district, the department of management shall divide the product of the regular program district cost per pupil of the district for the base year, as regular program district cost per pupil would have been calculated under [section 442.9, Code 1989](#), multiplied by its budget enrollment for the base year as budget enrollment would have been calculated under [section 442.4, Code 1989](#), plus the amount added to district cost pursuant to [section 442.21, Code 1989](#), for each school district, by the budget enrollment of the school district for the budget year beginning July 1, 1990, calculated under [section 257.6, subsection 4](#), as if [section 257.6, subsection 4](#), had been in effect for that budget year. The regular program district cost per pupil for the budget year beginning July 1, 1991, is the amount calculated by the department of management under [this subsection](#) plus the amount of supplemental state aid, as defined in [section 257.2, Code 2014](#), calculated for regular program state cost per pupil, except that if the regular program district cost per pupil for the budget year calculated under [this subsection](#) in any school district exceeds one hundred ten percent of the regular program state cost per pupil for the budget year, the department of management shall reduce the regular program district cost per pupil of that district for the budget year to an amount equal to one hundred ten percent of the regular program state cost per pupil for the budget year, and if the regular program district cost per pupil for the budget year calculated under [this subsection](#) in any

school district is less than the regular program state cost per pupil for the budget year, the department of management shall increase the regular program district cost per pupil of that district to an amount equal to the regular program state cost per pupil for the budget year.

2. *Regular program district cost per pupil for 1992-1993 and succeeding years.*

a. For the budget year beginning July 1, 1992, and succeeding budget years, the regular program district cost per pupil for each school district for a budget year is the regular program district cost per pupil for the base year plus the regular program supplemental state aid for the budget year except as otherwise provided in [this subsection](#).

b. If the regular program district cost per pupil of a school district for the budget year under paragraph "a" exceeds one hundred five percent of the regular program state cost per pupil for the budget year and the state percent of growth for the budget year is greater than two percent, the regular program district cost per pupil for the budget year for that district shall be reduced to one hundred five percent of the regular program state cost per pupil for the budget year. However, under such conditions, if the difference between the regular program district cost per pupil for the budget year and the regular program state cost per pupil for the budget year is greater than an amount equal to two percent multiplied by the regular program state cost per pupil for the base year, the regular program district cost per pupil for the budget year shall be reduced by the amount equal to two percent multiplied by the regular program state cost per pupil for the base year.

c. For the budget year beginning July 1, 2018, and succeeding budget years, if the regular program district cost per pupil for the budget year calculated under [this subsection](#) in any school district is less than the regular program state cost per pupil for the budget year, the department of management shall increase the regular program district cost per pupil of that district to an amount equal to the regular program state cost per pupil for the budget year.

3. *Special education support services district cost per pupil for 1991-1992.* For the budget year beginning July 1, 1991, for the special education support services district cost per pupil, the department of management shall divide the approved budget of each area education agency for special education support services for that year approved by the state board of education, under [section 273.3, subsection 12](#), by the total of the weighted enrollment for special education support services in the area for that budget year. The special education support services district cost per pupil for each school district in an area for the budget year is the amount calculated by the department of management under [this subsection](#).

4. *Special education support services district cost per pupil for 1992-1993 and succeeding years.*

a. For the budget year beginning July 1, 1992, and succeeding budget years, the special education support services district cost per pupil for the budget year is the special education support services district cost per pupil for the base year plus the special education support services supplemental state aid for the budget year.

b. Notwithstanding the special education support services district cost per pupil for the budget year beginning July 1, 1991, calculated under [subsection 3](#), for area education agencies that have fewer than three and five-tenths public school pupils per square mile, the special education support services district cost per pupil for the budget year beginning July 1, 1991, is one hundred forty-seven dollars.

5. *Combined district cost per pupil.* The combined district cost per pupil for a school district is the sum of the regular program district cost per pupil and the special education support services district cost per pupil. Combined district cost per pupil does not include a modified supplemental amount added for school districts that have a negative balance of funds raised for special education instruction programs, a modified supplemental amount granted by the school budget review committee for a single school year, or a modified supplemental amount added for programs established pursuant to [sections 257.38 through 257.41](#).

6. *Regular program district cost.* Regular program district cost for a school district for a budget year is equal to the regular program district cost per pupil for the budget year multiplied by the budget enrollment for the budget year.

7. *Special education support services district cost.* Special education support services district cost for a school district for a budget year is equal to the special education support

services district cost per pupil for the budget year multiplied by the special education support services weighted enrollment for the district for the budget year. If the special education support services district cost for a school district for a budget year is less than the special education support services district cost for that district for the base year, the department of management shall adjust the special education support services district cost for that district for the budget year to equal the special education support services district cost for the base year. Funds calculated under [this subsection](#) and received by a school district shall be used for special education support services. For budget years beginning on or after July 1, 2025, not less than ninety percent of funds calculated under [this subsection](#) and received by a school district shall be used by the school district for special education support services contracted from an area education agency. The contract between the school district and the area education agency shall not require the school district to describe the specific special education support services the school district will receive from the area education agency. The special education services provided by the area education agency to the school district pursuant to the contract shall not be limited by the amount of funding the school district provided to the area education agency.

8. *Combined district cost.*

a. Combined district cost is the sum of the regular program district cost per pupil multiplied by the weighted enrollment, the special education support services district cost, the total teacher salary supplement district cost, the total professional development supplement district cost, the total early intervention supplement district cost, and the total teacher leadership supplement district cost, plus the sum of the additional district cost allocated to the district to fund media services and educational services under [section 257.37](#), and the area education agency total teacher salary supplement district cost.

b. A school district may increase its combined district cost for the budget year to the extent that an excess tax levy is authorized by the school budget review committee.

9. *Teacher salary supplement cost per pupil and district cost.*

a. (1) For the budget year beginning July 1, 2009, the department of management shall add together the teacher compensation allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to [section 284.13, subsection 1](#), paragraph “h”, Code 2009, and the phase II allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to [section 294A.9, Code 2009](#), and divide that sum by the district’s budget enrollment in the fiscal year beginning July 1, 2009, to determine the teacher salary supplement district cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years beginning before July 1, 2024, the teacher salary supplement district cost per pupil for each school district for a budget year is the teacher salary supplement program district cost per pupil for the base year plus the teacher salary supplement supplemental state aid amount for the budget year.

(2) (a) For the budget year beginning July 1, 2024, the teacher salary supplement district cost per pupil for each school district shall be determined under this subparagraph.

(b) The department of management shall categorize all school districts into not more than ten tiers according to each school district’s actual enrollment. Each tier established by the department of management containing a school district with an actual enrollment above three thousand five hundred pupils shall contain, to the extent feasible, the same number of school districts as other tiers containing school districts with an actual enrollment of more than three thousand five hundred pupils. Each tier established by the department of management containing a school district with an actual enrollment equal to or less than three thousand five hundred pupils shall contain, to the extent feasible, the same number of school districts as other tiers containing school districts with an actual enrollment equal to or less than three thousand five hundred pupils.

(c) (i) To support school districts with meeting the minimum teacher starting salary requirement of forty-seven thousand five hundred dollars and the minimum teacher salary requirement for full-time teachers with, as of July 1, 2024, at least twelve years of experience of sixty thousand dollars under [chapter 284](#) and other costs associated with such salary requirements, as identified in subparagraph subdivision (ii), the department of management shall calculate and assign to all school districts in a tier established under subparagraph

division (b), a teacher salary supplement district cost per pupil in an amount based in part on the average cost to school districts within the tier to meet the requirements.

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

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

(b) (i) To support school districts with meeting the minimum teacher salary requirements under [chapter 284](#), including the minimum teacher starting salary requirement of fifty thousand dollars; the minimum teacher salary requirement for full-time teachers with, as of July 1, 2025, at least twelve years of experience of sixty-two thousand dollars; and the minimum teacher salary requirement for teachers with at least twelve years of experience, who have had a bona fide retirement from employment with a covered employer as provided in [section 97B.52A](#), and who have returned to covered full-time employment with a covered employer pursuant to [chapter 97B](#) as a teacher licensed under [chapter 256](#), of fifty thousand dollars, and other costs associated with such salary requirements, including costs associated with the employer's share of contributions to the Iowa public employees' retirement system and the employer's share of the tax imposed by the federal Insurance Contributions Act, the department of management shall calculate and assign to all school districts a teacher salary supplement district cost per pupil in an amount to meet the requirements, plus an amount equal to the teacher salary supplement supplemental state aid amount for the budget year.

(ii) If, however, a school district reported a teacher's years of experience incorrectly on the fall 2023 basic educational data survey compared to the fall 2024 basic educational data survey, and the difference would have resulted in an additional per pupil amount for the budget year beginning July 1, 2024, the department of management shall increase the teacher salary supplement district cost per pupil for the budget year beginning July 1, 2025, by the difference between the teacher salary supplement district cost per pupil that would have been calculated if not for the incorrect reporting and the teacher salary supplement district cost per pupil actually calculated.

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

b. For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted teacher salary supplement district cost of a school district for a budget year is less than one hundred percent of the unadjusted teacher salary supplement district cost for the base year for the school district, the school district shall receive a budget adjustment for that budget year equal to the difference.

c. (1) The unadjusted teacher salary supplement district cost is the teacher salary supplement district cost per pupil for each school district for a budget year multiplied by the sum of the budget enrollment for that school district plus the number of resident pupils in the school district that received an education savings account payment under [section 257.11B](#) for the base year.

(2) The total teacher salary supplement district cost is the sum of the unadjusted teacher salary supplement district cost plus the budget adjustment for that budget year.

d. For the budget year beginning July 1, 2010, and succeeding budget years, the use of the funds calculated under [this subsection](#) or available for use as provided in [subsection 10](#), paragraph "d", [subsection 12](#), paragraph "d", or [section 257.46](#), [subsection 3](#), shall be distributed to teachers pursuant to [section 284.3A](#) and shall comply with the requirements of [chapter 284](#) related to such distribution under [section 284.3A](#).

10. *Professional development supplement cost per pupil and district cost.*

a. For the budget year beginning July 1, 2009, the department of management shall divide the professional development allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to [section 284.13, subsection 1](#), paragraph “d”, Code 2009, by the district’s budget enrollment in the fiscal year beginning July 1, 2009, to determine the professional development supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the professional development supplement district cost per pupil for each school district for a budget year is the professional development supplement district cost per pupil for the base year plus the professional development supplement supplemental state aid amount for the budget year.

b. For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted professional development supplement district cost of a school district for a budget year is less than one hundred percent of the unadjusted professional development supplement district cost for the base year for the school district, the school district shall receive a budget adjustment for that budget year equal to the difference.

c. (1) The unadjusted professional development supplement district cost is the professional development supplement district cost per pupil for each school district for a budget year multiplied by the sum of the budget enrollment for that school district plus the number of resident pupils in the school district that received an education savings account payment under [section 257.11B](#) for the base year.

(2) The total professional development supplement district cost is the sum of the unadjusted professional development supplement district cost plus the budget adjustment for that budget year.

d. The use of the funds calculated under [this subsection](#) and any amount designated for professional development purposes from the school district’s flexibility account under [section 298A.2, subsection 2](#), shall comply with the requirements of [chapter 284](#). If all professional development requirements of [chapter 284](#) are met and funds received under [this subsection](#) remain unexpended and unobligated at the end of a fiscal year beginning on or after July 1, 2017, the school district may transfer all or a portion of such unexpended and unobligated funds for deposit in the school district’s flexibility account established under [section 298A.2, subsection 2](#). At the end of a fiscal year beginning on or after July 1, 2022, the school district may use all or a portion of funds under [this subsection](#) for the purposes authorized under [subsection 9](#), paragraph “d”. At the end of a fiscal year beginning on or after July 1, 2024, the school district may use all or a portion of funds under [this subsection](#) for any trainings required as a condition for a school employee to carry a weapon at the school during school hours.

11. *Early intervention supplement cost per pupil and district cost.*

a. For the budget year beginning July 1, 2009, the department of management shall divide the early intervention allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to [section 256D.4, Code 2009](#), by the district’s budget enrollment in the fiscal year beginning July 1, 2009, to determine the early intervention supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the early intervention supplement district cost per pupil for each school district for a budget year is the early intervention supplement district cost per pupil for the base year plus the early development supplement supplemental state aid amount for the budget year.

b. For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted early intervention supplement district cost of a school district for a budget year is less than one hundred percent of the unadjusted early intervention supplement district cost for the base year for the school district, the school district shall receive a budget adjustment for that budget year equal to the difference.

c. (1) The unadjusted early intervention supplement district cost is the early intervention supplement district cost per pupil for each school district for a budget year multiplied by the sum of the budget enrollment for that school district plus the number of resident pupils in the

school district that received an education savings account payment under [section 257.11B](#) for the base year.

(2) The total early intervention supplement district cost is the sum of the unadjusted early intervention supplement district cost plus the budget adjustment for that budget year.

d. The funds calculated under [this subsection](#) may be used for any school general fund purpose.

12. *Teacher leadership supplement cost per pupil and district cost.*

a. The teacher leadership supplement district cost per pupil amount for the budget year beginning July 1, 2014, shall be calculated by the department of management by dividing the allocation amount for the budget year beginning July 1, 2014, in [section 284.13, subsection 1](#), paragraph “d”, subparagraph (4), by one-third of the statewide total budget enrollment for the fiscal year beginning July 1, 2014. For the budget year beginning July 1, 2015, and succeeding budget years, the teacher leadership supplement district cost per pupil for each school district for a budget year is the teacher leadership supplement program district cost per pupil for the base year plus the teacher leadership supplement supplemental state aid amount for the budget year.

b. For the budget year beginning July 1, 2015, and succeeding budget years, if the department of management determines that the unadjusted teacher leadership supplement district cost of a school district for a budget year is less than one hundred percent of the unadjusted teacher leadership supplement district cost for the base year for the school district, the school district shall receive a budget adjustment for that budget year equal to the difference.

c. (1) The unadjusted teacher leadership supplement district cost is the teacher leadership supplement district cost per pupil for each school district for a budget year multiplied by the sum of the budget enrollment for that school district plus the number of resident pupils in the school district that received an education savings account payment under [section 257.11B](#) for the base year.

(2) The total teacher leadership supplement district cost is the sum of the unadjusted teacher leadership supplement district cost plus the budget adjustment for that budget year.

d. Except as otherwise allowed under this paragraph, for the budget year beginning July 1, 2014, and succeeding budget years, the use of the funds calculated under [this subsection](#) shall comply with the requirements of [chapter 284](#) and shall be distributed to teachers pursuant to [section 284.15](#). The funds shall be used only to increase the payment for a teacher assigned to a leadership role pursuant to a framework or comparable system approved pursuant to [section 284.15](#); to increase the percentages of teachers assigned to leadership roles; to increase the minimum teacher starting salary to the amount provided in [section 284.15, subsection 2](#), paragraph “a”, subparagraph (1); to cover the costs for the time mentor and lead teachers are not providing instruction to students in a classroom; for coverage of a classroom when an initial or career teacher is observing or co-teaching with a teacher assigned to a leadership role; for professional development time to learn best practices associated with the career pathways leadership process; and for other costs associated with a framework or comparable system approved by the department of education under [section 284.15](#) with the goals of improving instruction and elevating the quality of teaching and student learning. If all requirements for the school district for the use of funds calculated under [this subsection](#) are met and funds received under [this subsection](#) remain unexpended and unobligated at the end of a fiscal year beginning on or after July 1, 2020, the school district may transfer all or a portion of such unexpended and unobligated funds for deposit in the school district’s flexibility account established under [section 298A.2, subsection 2](#). At the end of a fiscal year beginning on or after July 1, 2022, school districts may use all or a portion of funds under [this subsection](#) for the purposes authorized under [subsection 9](#), paragraph “d”, and, notwithstanding any provision of law to the contrary, school districts shall not be required to participate in or comply with [section 284.15](#) in order to continue to receive funding under [this subsection](#).

13. *Deference to school districts.*

a. When exercising authority to carry out an agency action, as defined in [section 17A.2](#), or to perform an activity or make a decision specified in [section 17A.2, subsection 11](#), paragraphs

“a” through “l”, if applicable, related to the provisions of [subsections 9, 10, and 11](#), including the expenditure of funds received by school districts under [subsections 9, 10, and 11](#), the department of education, the director of the department of education, and the state board of education shall carry out, perform, or make such agency action, activity, or decision in a manner that gives deference to decisions of school districts’ boards of directors, promotes flexibility for school districts, and minimizes intrusions into school district operations and decision making by boards of directors.

b. (1) In addition to paragraph “a”, the department of education, the director of the department of education, and the state board of education shall not issue guidance related to the provisions of [subsections 9, 10, and 11](#), including the expenditure of funds received by a school district under [subsections 9, 10, and 11](#), that is inconsistent with any statute, rule, or other legal authority or that imposes any legally binding obligations or duties upon any person unless such legally binding obligations or duties are required or reasonably implied by any statute, rule, or other legal authority. Guidance issued in violation of this paragraph “b” shall not be deemed to be legally binding.

(2) For the purposes of this paragraph “b”, “guidance” means a document or statement issued by the department of education, the director of the department of education, or the state board of education that purports to interpret a law, a rule, or other legal authority and is designed to provide advice or direction to a person regarding the implementation of or compliance with the law, the rule, or the other legal authority being interpreted. “Guidance” does not include any action, activity, or decision governed by paragraph “a”, a document or statement required by federal law or a court, or a document or statement issued in the course of a contested case proceeding, an administrative proceeding, or a judicial proceeding to which the department, the state board, or the director is a party.

[89 Acts, ch 135, §10; 90 Acts, ch 1190, §4 – 6; 90 Acts, ch 1272, §44; 99 Acts, ch 178, §3, 10; 2006 Acts, ch 1152, §24; 2008 Acts, ch 1181, §98, 99; 2009 Acts, ch 68, §3, 4; 2009 Acts, ch 177, §17, 18; 2010 Acts, ch 1061, §44; 2013 Acts, ch 121, §19 – 25, 42, 54, 55; 2014 Acts, ch 1013, §4; 2015 Acts, ch 140, §36, 58, 59; 2017 Acts, ch 153, §9 – 11; 2017 Acts, ch 154, §2; 2018 Acts, ch 1007, §4 – 6; 2018 Acts, ch 1112, §2, 16, 17; 2021 Acts, ch 139, §2; 2023 Acts, ch 1, §3 – 6, 10, 12 – 14, 18; 2024 Acts, ch 1002, §27, 28, 37, 38, 40, 46, 47; 2024 Acts, ch 1154, §35, 36; 2024 Acts, ch 1179, §1, 13; 2025 Acts, ch 142, §1, 2](#)

Referred to in [§256F4, 257.2, 257.8, 257.16, 257.35, 257.46, 282.24, 284.3A, 284.4, 284.6, 284.15, 284.16, 284.17, 298A.2](#)

2024 amendment to subsection 7 applies July 1, 2024, for school budget years beginning on or after that date; 2024 Acts, ch 1002, §38
2024 amendment to subsection 8, paragraph a applies July 1, 2024, for school budget years beginning on or after that date; 2024 Acts, ch 1002, §38

Subsection 9, paragraph a, subparagraph (3), subparagraph divisions (b) and (c) amended

257.11 Supplementary weighting plan.

1. *Regular curriculum.* Pupils in a regular curriculum attending all their classes in the district in which they reside, taught by teachers employed by that district, and having administrators employed by that district, are assigned a weighting of one.

2. *District-to-district sharing.*

a. In order to provide additional funds for school districts which send their resident pupils to another school district, which jointly employ and share the services of teachers under [section 280.15](#), or which use the services of a teacher employed by another school district, a supplementary weighting plan for determining enrollment is adopted.

b. If the school budget review committee certifies to the department of management that the shared classes or teachers would otherwise not be implemented without the assignment of additional weighting, pupils attending classes in another school district, attending classes taught by a teacher who is employed jointly under [section 280.15](#), or attending classes taught by a teacher who is employed by another school district are assigned a weighting of forty-eight hundredths of the percentage of the pupil’s school day during which the pupil attends classes in another district, attends classes taught by a teacher who is jointly employed under [section 280.15](#), or attends classes taught by a teacher who is employed by another school district.

c. Pupils attending class for all or a substantial portion of a school day pursuant to a whole grade sharing agreement executed under [sections 282.10 through 282.12](#) shall be eligible for supplementary weighting pursuant to [this subsection](#). A school district which

executes a whole grade sharing agreement and which adopts a resolution jointly with other affected boards to study the question of undergoing a reorganization or dissolution to take effect on or before July 1, 2024, shall receive a weighting of one-tenth of the percentage of the pupil's school day during which the pupil attends classes in another district, attends classes taught by a teacher who is jointly employed under [section 280.15](#), or attends classes taught by a teacher who is employed by another school district. A district shall be eligible for supplementary weighting pursuant to this paragraph for a maximum of three years. Receipt of supplementary weighting for a second and third year shall be conditioned upon submission of information resulting from the study to the school budget review committee indicating progress toward the objective of reorganization on or before July 1, 2024.

d. A school district which hosts a regional academy shall be eligible to assign its resident students attending classes at the academy a weighting of one-tenth of the percentage of the student's school day during which the student attends classes at the regional academy. The maximum amount of additional weighting for which a school district hosting a regional academy shall be eligible is an amount corresponding to thirty additional students. The minimum amount of additional weighting for which a school district establishing a regional academy shall be eligible is an amount corresponding to fifteen additional students if the academy provides both advanced-level courses and career and technical courses.

3. *District-to-community college sharing and concurrent enrollment programs.*

a. In order to provide additional funds for school districts which send their resident high school pupils to a community college for college-level classes, a supplementary weighting plan for determining enrollment is adopted.

b. If the school budget review committee certifies to the department of management that the class would not otherwise be implemented without the assignment of additional weighting, pupils attending a community college-offered class or attending a class taught by a community college-employed instructor are assigned a weighting of the percentage of the pupil's school day during which the pupil attends class in the community college or attends a class taught by a community college-employed instructor times seventy hundredths for career and technical courses or fifty hundredths for liberal arts and sciences courses. The following requirements shall be met for the purposes of assigning an additional weighting for classes offered through a sharing agreement between a school district and community college. The class must be:

(1) Supplementing, not supplanting, high school courses required to be offered pursuant to [section 256.11, subsection 5](#).

(2) Included in the community college catalog or an amendment or addendum to the catalog.

(3) Open to all registered community college students, not just high school students. The class may be offered in a high school attendance center.

(4) For college credit and the credit must apply toward an associate of arts or associate of science degree, or toward an associate of applied arts or associate of applied science degree, or toward completion of a college diploma program.

(5) Taught by an instructor employed or contracted by a community college who meets the requirements of [section 261E.3, subsection 2](#).

(6) Taught utilizing the community college course syllabus.

(7) Taught in such a manner as to result in student work and student assessment which meet college-level expectations.

c. Notwithstanding paragraph "b", subparagraph (1), a school district that otherwise meets the requirements of [this subsection](#) may enter into a sharing agreement with a community college under which the community college may offer, or provide a community college-employed instructor to teach, one of the science or one of the mathematics units in accordance with [section 256.11, subsection 5](#), and one or more units in only one of the six career and technical education service areas in accordance with [section 256.11, subsection 5, paragraph "h"](#). Pupils enrolled in a unit in accordance with this paragraph shall be assigned additional weighting in accordance with [this subsection](#) if the number of pupils enrolled in such a unit exceeds five and the school district's total enrollment does not exceed six hundred pupils. A school district that enters into a sharing agreement with a community

college under this paragraph to provide a unit of science or mathematics in accordance with [section 256.11, subsection 5](#), paragraph “a”, “d”, or “e”, shall be deemed to have met the requirement that the school district offer and teach such a unit under the educational standards of [section 256.11, subsection 5](#), paragraph “a”, “d”, or “e”. However, the provisions of this paragraph “c” relating to a sharing agreement for a unit of science or mathematics are applicable only if all of the following conditions are met:

(1) The school district has made every reasonable and good faith effort to employ a teacher licensed under [chapter 256, subchapter VII, part 3](#), for the science or mathematics unit, as applicable, and is unable to employ such a teacher. For purposes of this paragraph “c”, “good faith effort” means the same as defined in [section 279.19A, subsection 9](#).

(2) Enrollment for the unit exceeds five pupils.

(3) The unit is offered during the regular school day.

(4) The unit is made accessible by the school district to all eligible pupils.

4. *At-risk programs and alternative schools.*

a. In order to provide additional funding to school districts for programs serving at-risk pupils, alternative program and alternative school pupils in secondary schools, and pupils identified as potential dropouts or returning dropouts as defined in [section 257.39](#), a supplementary weighting plan for such pupils is adopted. A supplementary weighting of forty-eight ten-thousandths per pupil shall be assigned to the percentage of pupils in a school district enrolled in grades one through six, as reported by the school district on the basic educational data survey for the base year, who are eligible for free and reduced price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. §1751-1785, multiplied by the budget enrollment in the school district; and a supplementary weighting of one hundred fifty-six one-hundred-thousandths per pupil shall be assigned to pupils included in the budget enrollment of the school district. Amounts received as supplementary weighting under [this subsection](#) shall be utilized by a school district to develop or maintain at-risk pupils’ programs, alternative programs and alternative school programs, and returning dropout and dropout prevention programs approved pursuant to [section 257.40](#).

b. Notwithstanding paragraph “a”, a school district which received supplementary weighting for an alternative high school program for the school budget year beginning July 1, 1999, shall receive an amount of supplementary weighting for the next three school budget years as follows:

(1) For the budget year beginning July 1, 2000, the greater of the amount of supplementary weighting determined pursuant to paragraph “a”, or sixty-five percent of the amount received for the budget year beginning July 1, 1999.

(2) For the budget year beginning July 1, 2001, the greater of the amount of supplementary weighting determined pursuant to paragraph “a”, or forty percent of the amount received for the budget year beginning July 1, 1999.

(3) For the budget year beginning July 1, 2002, and succeeding budget years, the amount of supplementary weighting determined pursuant to paragraph “a”.

c. If a school district receives an amount pursuant to paragraph “b” which exceeds the amount the district would otherwise have received pursuant to paragraph “a”, the department of management shall annually determine the amount of the excess that would have been state aid and the amount that would have been property tax if the school district had generated that amount pursuant to paragraph “a”, and shall include the amounts in the state aid payments and property tax levies of school districts. The department of management shall recalculate the supplementary weighting amount received each year to reflect the amount of the reduction in funding from one budget year to the next pursuant to paragraph “b”, subparagraphs (1) through (3). It is the intent of the general assembly that when weights are recalculated under [this subsection](#), the total amounts generated by each weight shall be approximately equal.

d. Amounts that a school district receives as supplementary weighting pursuant to [this subsection](#) or as a modified supplemental amount received under [section 257.41](#) may be used in the budget year for purposes of providing district-wide, building-wide, or grade-specific at-risk and dropout prevention programming targeted to pupils who are not deemed at risk.

e. Notwithstanding paragraph “d” and [section 282.24](#), if a pupil has been determined by the school district to be likely to inflict self-harm or likely to harm another pupil and all of the following apply, the school district may use amounts received pursuant to paragraph “a” to pay the instructional costs necessary to address the pupil’s behavior during instructional time when those services are not otherwise provided to pupils who do not require special education and the costs exceed the costs of instruction of pupils in a regular curriculum:

(1) The pupil does not require special education.

(2) The pupil is not in a court-ordered placement under [chapter 232](#) under the care and custody of the department of health and human services or juvenile court services.

(3) The pupil is not in the state training school pursuant to a court order entered under [chapter 232](#) under the care and custody of the department of health and human services.

(4) The pupil is not placed in a facility licensed under [chapter 135B](#), [135C](#), or [135H](#).

5. *Shared operational functions — increased student opportunities — budget years beginning in 2014 through 2034.*

a. (1) In order to provide additional funding to increase student opportunities and redirect more resources to student programming for school districts that share operational functions, a district that shares with a political subdivision one or more operational functions of a curriculum director, master social worker, independent social worker, work-based learning coordinator, special education director, mental health professional who holds a statement of recognition issued by the board of educational examiners, college and career transition counselor or coordinator, school resource officer, or school counselor, or one or more operational functions in the areas of superintendent management, business management, human resources, transportation, or operation and maintenance for at least twenty percent of the school year shall be assigned a supplementary weighting for each shared operational function. A school district that shares an operational function in the area of superintendent management shall be assigned a supplementary weighting of nine pupils for the function. A school district that shares an operational function in the area of business management, human resources, transportation, or operation and maintenance shall be assigned a supplementary weighting of five pupils for the function. A school district that shares the operational functions of a curriculum director; a master social worker or an independent social worker licensed under [chapters 147](#) and [154C](#); a work-based learning coordinator; a special education director; a mental health professional who holds a statement of recognition issued by the board of educational examiners; a college and career transition counselor or coordinator; a school resource officer; or a school counselor shall be assigned a supplementary weighting of three pupils for the function. The additional weighting shall be assigned for each discrete operational function shared. However, a school district may receive the additional weighting under [this subsection](#) for sharing the services of an individual with a political subdivision or another school district even if the type of operational function performed by the individual for the school district and the type of operational function performed by the individual for the political subdivision or another school district are not the same operational function, so long as either both operational functions are eligible for weighting under [this subsection](#) or the operational function the individual performs for the school district is special education director. In either case, the school district shall be assigned the additional weighting for the type of operational function that the individual performs for the school district, and the school district shall not receive additional weighting for any other function performed by the individual. The operational function sharing arrangement does not need to be a newly implemented sharing arrangement to receive supplementary weighting under [this subsection](#).

(2) For the purposes of this paragraph “a”:

(a) “*College and career transition counselor or coordinator*” means a licensed school counselor or an appropriately trained individual responsible for providing direct services to students, parents, families, schools, and postsecondary institutions to support college preparation and postsecondary success, such as college preparation, financial aid processing, and transition to postsecondary institution enrollment.

(b) “*Political subdivision*” means a city, township, county, school corporation, merged

area, area education agency, institution governed by the state board of regents, or any other governmental subdivision.

(c) “*School resource officer*” means the same as defined in 34 U.S.C. §10389.

(d) “*Work-based learning coordinator*” means an appropriately trained individual responsible for facilitating authentic, engaging work-based learning experiences for learners and educators in partnership with employers and others to enhance learning by connecting the content and skills that are necessary for future careers.

b. (1) Notwithstanding paragraph “a”, subparagraph (1), each operational function assigned a supplementary weighting of five pupils under paragraph “a”, subparagraph (1), shall instead be assigned a supplementary weighting of four pupils for the school budget years beginning on or after July 1, 2022, but before July 1, 2035.

(2) Notwithstanding paragraph “a”, subparagraph (1), each operational function assigned a supplementary weighting of three pupils under paragraph “a”, subparagraph (1), shall instead be assigned a supplementary weighting of two pupils for the school budget years beginning on or after July 1, 2022, but before July 1, 2035.

c. School districts that share operational functions with other school districts are not required to be contiguous school districts. If two or more districts sharing operational functions are not contiguous to each other, the districts separating those districts are not required to be a party to the operational functions sharing arrangement.

d. Supplementary weighting pursuant to [this subsection](#) shall be available to a school district during the period commencing with the budget year beginning July 1, 2014, through the budget year beginning July 1, 2034. For budget years beginning prior to July 1, 2025, the maximum amount of additional weighting for which a school district shall be eligible in a budget year is twenty-one additional pupils; and for budget years beginning on or after July 1, 2025, the maximum amount of additional weighting for which a school district shall be eligible in a budget year is twenty-five pupils; provided, however, that for budget years beginning on or after July 1, 2024, the supplementary weighting assigned for a shared operational function in the area of a college and career transition counselor or coordinator shall not count toward this maximum amount. Criteria for determining the qualification of operational functions for supplementary weighting shall be determined by the department by rule, through consideration of increased student opportunities.

e. Supplementary weighting pursuant to [this subsection](#) shall be available to an area education agency during the period commencing with the budget year beginning July 1, 2014, through the budget year beginning July 1, 2034. The minimum amount of additional funding for which an area education agency shall be eligible in a budget year is thirty thousand dollars, and the maximum amount of additional funding for which an area education agency shall be eligible is two hundred thousand dollars. The department of management shall annually set a weighting for each area education agency to generate the approved operational sharing expense using the area education agency’s special education cost per pupil amount and foundation level. Criteria for determining the qualification of operational functions for supplementary weighting shall be determined by the department by rule, through consideration of increased student opportunities.

f. [This subsection](#) is repealed effective July 1, 2035.

6. *Shared classes delivered over the Iowa communications network.*

a. A school district that provides a virtual class to a pupil in another school district and the school district receiving that virtual class for a pupil shall each receive a supplemental weighting of one-twentieth of the percentage of the pupil’s school day during which the pupil attends the virtual class.

b. Fifty percent of the funding the school district providing the virtual class receives as a result of [this subsection](#) shall be reserved as additional pay for the virtual classroom instructor. If an instructor’s contract provides additional pay for teaching a virtual class, the instructor shall receive the greater amount of either the amount provided for in this paragraph or the amount provided for in the instructor’s contract.

c. A school district receiving a virtual class for a pupil from a community college, which class meets the sharing agreement requirements in [subsection 3](#), shall receive a supplemental

funding weighting of one-twentieth of the percentage of the pupil's school day during which the pupil attends the virtual class.

d. For the purposes of [this subsection](#), “*virtual class*” means either of the following:

(1) A class provided by a school district to a pupil in another school district via the Iowa communications network's video services.

(2) A class provided by a community college to a pupil in a school district via the Iowa communications network's video services.

7. *District to community college innovative sharing project.* A school district that collaborates with a community college to provide pupils enrolled in the school district's high school with a class that uses an activities-based, project-based, and problem-based learning approach that is offered through a partnership with a nationally recognized provider of rigorous and innovative science, technology, engineering, and mathematics curriculum for schools, which provider is exempt from taxation under section 501(c)(3) of the Internal Revenue Code, is eligible to assign its resident pupils attending the class an additional weighting of the percentage of the pupil's school day during which the pupil attends a class described in [this subsection](#) times seventy hundredths. To qualify for additional weighting, the class must supplement, not supplant, high school courses required to be offered pursuant to [section 256.11, subsection 5](#).

8. *Pupils ineligible.* A pupil eligible for the weighting plan provided in [section 256B.9](#) is not eligible for supplementary weighting pursuant to [this section](#) unless it is determined that the course generating the supplemental weighting has no relationship to the pupil's disability. A pupil attending an alternative program or an at-risk pupils' program, including alternative high school programs, is not eligible for supplementary weighting under [subsection 2](#).

9. *Shared classes and curriculum standards.* A school district shall ensure that any course made available to a student through any sharing agreement between the school district and a community college or any other entity providing course programming pursuant to [this section](#) to students enrolled in the school district meets the expectations contained in the core curriculum adopted pursuant to [section 256.7, subsection 26](#). The school district shall ensure that any course that has the capacity to generate college credit shall be equivalent to college-level work.

10. *School finance appropriations report.* The department of education shall annually prepare a report regarding school finance provisions or programs receiving a standing appropriation, including supplementary weighting programs. The report shall provide information regarding amounts received or accessed by school districts pursuant to the provisions or programs, whether the amounts received represent an increase or decrease over amounts received during the previous budget year and the percentage increase or decrease, conclusions regarding the adequacy of amounts received by school districts and whether the amounts received are equitable between school districts based upon input from the school districts and analysis by the department, and the rationale for current trends being observed by the department and projections regarding possible trends in the future. The report shall be submitted to the general assembly by January 1 each year, and copies of the report shall be forwarded to the chairpersons and members of the committee on education in the senate and in the house of representatives.

89 Acts, ch 135, §11; 90 Acts, ch 1190, §7; 93 Acts, ch 180, §96; 95 Acts, ch 111, §1; 95 Acts, ch 209, §13; 2000 Acts, ch 1198, §1, 6; 2001 Acts, ch 126, §5, 6; 2002 Acts, ch 1047, §3, 4, 20; 2002 Acts, ch 1140, §8; 2003 Acts, ch 179, §111; 2003 Acts, ch 180, §11; 2005 Acts, ch 19, §38; 2007 Acts, ch 130, §2 – 4; 2007 Acts, ch 214, §20, 44; 2008 Acts, ch 1032, §43; 2008 Acts, ch 1181, §48, 49; 2008 Acts, ch 1191, §157; 2009 Acts, ch 41, §247; 2009 Acts, ch 133, §100; 2010 Acts, ch 1016, §7; 2012 Acts, ch 1119, §37; 2013 Acts, ch 65, §1; 2013 Acts, ch 88, §5, 6; 2013 Acts, ch 140, §20; 2014 Acts, ch 1017, §2, 3; 2014 Acts, ch 1035, §1 – 3; 2015 Acts, ch 140, §37, 38, 58, 59; 2017 Acts, ch 153, §4, 7, 8; 2018 Acts, ch 1119, §12; 2018 Acts, ch 1166, §1 – 5; 2019 Acts, ch 100, §6; 2019 Acts, ch 101, §2; 2019 Acts, ch 164, §1, 2, 6; 2020 Acts, ch 1062, §94; 2021 Acts, ch 139, §24 – 26; 2021 Acts, ch 170, §15; 2022 Acts, ch 1102, §1 – 4; 2022 Acts, ch

1153, §42; 2023 Acts, ch 1, §15, 18; 2023 Acts, ch 19, §1011, 2555, 2605; 2024 Acts, ch 1124, §1; 2025 Acts, ch 78, §7, 8

Referred to in §11.6, 256.17, 257.6, 257.11A, 257.35, 257.38, 257.40, 257.41, 261E.2, 261E.3, 261E.6, 261E.8, 261E.9, 261E.10, 261E.11, 273.2, 279.50A, 280.13A, 282.7, 282.27, 423F.3, 709.15

Subsection 5, paragraph d amended

257.11A Supplementary weighting and school reorganization.

1. In determining weighted enrollment under [section 257.6](#), if the board of directors of a school district has approved a contract for sharing pursuant to [section 257.11](#) and the school district has approved an action to bring about a reorganization to take effect on and after July 1, 2007, and on or before July 1, 2024, the reorganized school district shall include, for a period of three years following the effective date of the reorganization, additional pupils added by the application of the supplementary weighting plan, equal to the pupils added by the application of the supplementary weighting plan in the year preceding the reorganization. For the purposes of [this subsection](#), the weighted enrollment for the period of three years following the effective date of reorganization shall include the supplementary weighting in the base year used for determining the combined district cost for the first year of the reorganization. However, the weighting shall be reduced by the supplementary weighting added for a pupil whose residency is not within the reorganized district.

2. For purposes of [this section](#), a reorganized district is one in which the reorganization was approved in an election pursuant to [sections 275.18](#) and [275.20](#) and takes effect on or after July 1, 2007, and on or before July 1, 2024. Each district which initiates, by a vote of the board of directors or jointly by the affected boards, action to bring about a reorganization or dissolution to take effect on or after July 1, 2007, and on or before July 1, 2024, shall certify the date and the nature of the action taken to the department of education by January 1 of the year in which the reorganization or dissolution takes effect.

3. A school district shall be eligible for a combined maximum total of six years of supplementary weighting under the provisions of [this section](#) and [section 257.11, subsection 2, paragraph "c"](#).

[2001 Acts, ch 126, §7; 2007 Acts, ch 130, §5; 2014 Acts, ch 1017, §4; 2019 Acts, ch 101, §3](#)

257.11B Education savings account program.

1. For purposes of [this section](#):

a. "Nonpublic school" means the same as defined in [section 285.16](#).

b. (1) "Qualified educational expenses" includes tuition and fees at a nonpublic school, textbooks, fees or payments for educational therapies, including tutoring or cognitive skills training, curriculum fees, software, and materials for a course of study for a specific subject matter or grade level, tuition or fees for nonpublic online education programs, tuition for vocational and life skills education approved by the department of education, education materials and services for pupils with disabilities from an accredited provider, including the cost of paraprofessionals and assistants who are trained in accordance with state law, standardized test fees, and advanced placement examinations or examinations related to postsecondary education admission or credentialing.

(2) "Qualified educational expenses" shall be limited to the items described in subparagraph (1) and rules adopted by the department to implement [this section](#) and does not include transportation costs for the pupil, the cost of food or refreshments consumed by the pupil, the cost of clothing for the pupil, or the cost of disposable materials, including but not limited to paper, notebooks, pencils, pens, and art supplies.

c. "Resident" means the same as defined in [section 282.1, subsection 2](#).

2. a. (1) For the school budget year beginning July 1, 2023, the following pupils who attend a nonpublic school for that school budget year shall be eligible to receive an education savings account payment:

(a) A resident pupil who is eligible to enroll in kindergarten.

(b) A resident pupil who is eligible to enroll in grades one through twelve and was not enrolled in a nonpublic school for the school year immediately preceding the school year for which the education savings account payment is requested.

(c) A resident pupil who is eligible to enroll in grades one through twelve and was enrolled

in a nonpublic school for the school year immediately preceding the school year for which the education savings account payment is requested if the pupil's household has an annual income less than or equal to three hundred percent of the most recently revised poverty income guidelines published by the United States department of health and human services.

(2) For the school budget year beginning July 1, 2024, the following pupils who attend a nonpublic school for that school budget year shall be eligible to receive an education savings account payment:

(a) A resident pupil who is eligible to enroll in kindergarten.

(b) A resident pupil who is eligible to enroll in grades one through twelve and was not enrolled in a nonpublic school for the school year immediately preceding the school year for which the education savings account payment is requested.

(c) A resident pupil who is eligible to enroll in grades one through twelve and was enrolled in a nonpublic school for the school year immediately preceding the school year for which the education savings account payment is requested if the pupil's household has an annual income less than or equal to four hundred percent of the most recently revised poverty income guidelines published by the United States department of health and human services.

(d) A resident pupil who received an education savings account payment in the immediately preceding school budget year.

(3) For school budget years beginning on or after July 1, 2025, resident pupils eligible to enroll in kindergarten through grade twelve who attend a nonpublic school for the applicable school budget year shall be eligible to receive an education savings account payment.

b. Education savings account payments shall be made available to parents and guardians in the manner authorized under [subsection 5](#) for the payment of qualified educational expenses as provided in [this section](#). Parents and guardians shall first use education savings account payments for all qualified educational expenses that are tuition and fees for which the parent or guardian is responsible for payment at the pupil's nonpublic school prior to using the education savings account for other qualified educational expenses.

3. a. On or after January 1, but on or before June 30, preceding the school year for which the education savings account payment is requested, the parent or guardian of an eligible pupil may request an education savings account payment by submitting an application to the department of education.

b. Within thirty days following submission of an application, the department of education or third-party entity shall notify the parent or guardian of each pupil approved for the following school year and specify the amount of the education savings account payment for the pupil, if known at the time of the notice. As soon as practical following the processing of all applications, the department of education or third-party entity shall determine the number of pupils in each school district approved for the school budget year and provide such information to the department of management.

c. Education savings account payments shall only be approved for one school year and applications must be submitted annually for payments in subsequent school years.

4. Each education savings account payment shall be equal to the regular program state cost per pupil for the same school budget year.

5. An education savings account fund is created in the state treasury under the control of the department of education consisting of moneys appropriated to the department of education for the purpose of providing education savings account payments under [this section](#). For the fiscal year commencing July 1, 2023, and each succeeding fiscal year, there is appropriated from the general fund of the state to the department of education to be credited to the fund the amount necessary to pay all education savings account payments approved for that fiscal year. The director of the department of education has all powers necessary to carry out and effectuate the purposes, objectives, and provisions of [this section](#) pertaining to the fund, including the power to do all of the following:

a. Make and enter into contracts with a third-party entity necessary for the administration of the program.

b. Procure insurance against any loss in connection with the assets of the fund or require a surety bond.

c. Contract with a qualified firm, including but not limited to the third-party entity under

paragraph “a”, to allocate funds from each pupil’s account for the payment of qualified educational expenses by the pupil’s parent or guardian.

d. Require the qualified firm under paragraph “c” to offer the department of education the capability of automated clearinghouse transactions, electronic commerce transactions, reimbursement transactions, and debit card payments in order to meet the diverse needs of participating parents and guardians to pay for qualified educational expenses. The director of the department of education shall determine which transaction capabilities will be available to participating parents and guardians.

e. Reduce the possibility of waste, fraud, and abuse, and ensure that any technology platform used for the program meets the state’s highest security requirements, including compliance.

f. Conduct audits or other reviews necessary to properly administer the program.

g. Adopt rules for the administration of the fund and accounts within the fund.

6. a. For each pupil approved for an education savings account payment, the department of education or third-party entity shall establish an individual account for that pupil in the education savings account fund. The amount of the pupil’s education savings account payment shall be deposited into the pupil’s individual account on July 15 or thirty days following submission of the application, whichever is later, and such amount shall be immediately available for the payment of qualified educational expenses incurred by the parent or guardian for the pupil during that fiscal year using a payment method authorized under [subsection 5](#).

b. A nonpublic school or other provider of qualified educational expenses that accepts payment from a parent or guardian using funds from a pupil’s individual account in the fund shall not refund, rebate, or share any portion of such payment with the parent, guardian, or pupil.

c. Moneys remaining in a pupil’s individual account upon conclusion of the fiscal year shall remain in the pupil’s individual account for the payment of qualified educational expenses in future fiscal years during which the pupil participates in the program until the pupil becomes ineligible under the program or until the remaining amounts are transferred to the state general fund under [subsection 8](#).

7. A person who makes a false claim for the purpose of obtaining an education savings account payment or who knowingly receives the payment or makes a payment from an individual account within the fund without being legally entitled to do so is guilty of a fraudulent practice under [chapter 714](#). The false claim for an education savings account or a payment from an individual account shall be disallowed. The department of education or third-party entity shall also close the pupil’s individual account in the fund and transfer any remaining moneys in the account for deposit in the general fund of the state. If the improperly obtained amounts have been disbursed from the applicable individual account, the department of education or third-party entity shall recover such amounts from the parent or guardian, including by initiating legal proceedings to recover such amounts, if necessary. A parent or guardian who commits a fraudulent practice under [this section](#) is prohibited from participating in the education savings account program in the future.

8. Moneys remaining in a pupil’s individual account when the pupil graduates from high school or turns twenty years of age, whichever occurs first, shall be transferred by the department of education for deposit in the general fund of the state.

9. a. A parent may appeal to the state board of education any administrative decision the department of education or third-party entity makes pursuant to [this section](#), including but not limited to determinations of eligibility, allowable expenses, and removal from the program. The department or third-party entity shall notify the parent or guardian in writing of the appeal process at the same time the department notifies the parent or guardian of the administrative decision. The state board of education shall establish the appeals process consistent with [chapter 17A](#) and shall post such appeal process information on the state board of education’s internet site.

b. The state board of education shall refer cases of substantial misuse of education savings account program funds to the attorney general for the purpose of collection or for the purpose

of a criminal investigation if the state board of education obtains evidence of fraudulent use of an account.

10. a. [This section](#) shall not be construed to authorize the state or any political subdivision of the state to exercise authority over any nonpublic school or construed to require a nonpublic school to modify its academic standards for admission or educational program in order to receive payment from a parent or guardian using funds from a pupil's account in the education savings account fund.

b. [This section](#) shall not be construed to expand the authority of the state or any political subdivision of the state to impose regulations upon any nonpublic school that are not necessary to implement [this section](#).

c. A nonpublic school that accepts payment from a parent or guardian using funds from a pupil's account in the education savings account fund is not an agent of this state or of a political subdivision of this state.

d. Rules adopted by the department of education to implement [this section](#) that impose an undue burden on a nonpublic school are invalid.

e. A nonpublic school that accepts payment from a parent or guardian using funds from a pupil's account in the education savings account fund shall be given the maximum freedom possible to provide for the educational needs of the school's students, consistent with state and federal law.

11. a. Each pupil participating in the education savings account program is required to take all applicable state and federally required student assessments and the results of those assessments shall be provided to the pupil's parents or guardians and reported to the department of education.

b. The department of education shall compile all such reported assessment results in order to analyze student proficiency and academic progress among those pupils participating in the program, including analysis of graduation rates, proficiency, and progress based on grade level, gender, race, and household income level. The results of the department's analysis shall be included in the annual condition of education report.

[2023 Acts, ch 1, §7, 10; 2023 Acts, ch 111, §23, 25, 26](#)

Referred to in [§256.9, 257.10, 422.7\(43\)](#)

257.12 Adjustment in state foundation aid.

1. If a school district is required to repay property taxes paid for school taxes levied on property originally assessed at five million dollars or more because the assessment was subsequently reduced by the action of the property assessment appeal board or judicial action and the amount of the reduction in the assessment equals at least one hundred thousand dollars or two percent of the assessed value of all taxable property in the district prior to the reduction, whichever is less, the school district is eligible for an adjustment in state foundation aid. To receive the adjustment in state foundation aid, the school district shall apply to the department of management prior to the beginning of the budget year following the budget year in which the repayment of the property taxes occurred. The department of management shall determine the amount of adjustment in state foundation aid pursuant to [subsection 2](#).

2. The department of management shall determine the amount of state foundation aid which the school district would have received under [section 257.1](#) if the amount of the school district's foundation property tax was determined using the reduced assessment of the applicable property. The difference between the amount of the state foundation aid using the reduced assessment and the amount of state foundation aid actually received under [section 257.1](#) equals the amount of the adjustment in state foundation aid to be paid to the school district.

3. The adjustment in state foundation aid under [this section](#) shall be paid as provided in [section 257.16](#). If the application to receive an adjustment in state aid was filed prior to April 15, the adjustment shall be paid in the budget year. If the application is made after April 15, the adjustment shall be paid in the following budget year.

[2006 Acts, ch 1185, §78](#)

257.13 On-time funding budget adjustment.

1. For the school budget year beginning July 1, 2001, and succeeding budget years, if a district's actual enrollment for the budget year, determined under [section 257.6](#), is greater than its budget enrollment for the budget year, the district shall be eligible to receive an on-time funding budget adjustment. The adjustment shall be in an amount equal to the difference between the actual enrollment for the budget year and the budget enrollment for the budget year, multiplied by the district cost per pupil.

2. The board of directors of a school district that wishes to receive an on-time funding budget adjustment shall adopt a resolution to receive the adjustment and notify the school budget review committee annually, but not earlier than November 1, as determined by the department of education. The school budget review committee shall establish a modified supplemental amount pursuant to [subsection 1](#).

3. If the board of directors of a school district determines that a need exists for additional funds exceeding the on-time funding budget adjustment pursuant to [this section](#), a request for a modified supplemental amount based upon increased enrollment may be submitted to the school budget review committee as provided in [section 257.31](#).

99 Acts, ch 2, §2, 4; 2000 Acts, ch 1055, §1, 3; 2001 Acts, ch 126, §8; 2008 Acts, ch 1142, §1, 6; 2013 Acts, ch 121, §26, 42; 2014 Acts, ch 1013, §5

257.14 Budget adjustment.

1. For the budget year commencing July 1, 2016, and succeeding budget years, a school district shall be eligible for a budget adjustment in an amount equal to the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year.

2. The board of directors of a school district that wishes to receive a budget adjustment for a budget year pursuant to [this section](#) shall adopt by May 15 of the base year for which the budget adjustment is sought, a resolution to receive the budget adjustment and shall notify the department of management of the adoption of the resolution and the amount of the budget adjustment to be received.

89 Acts, ch 135, §14; 90 Acts, ch 1190, §8; 92 Acts, ch 1230, §6; 93 Acts, ch 179, §17; 95 Acts, ch 130, §2; 97 Acts, ch 18, §1, 2; 99 Acts, ch 2, §3, 4; 2000 Acts, ch 1055, §2, 3; 2001 Acts, ch 126, §9 – 12; 2002 Acts, ch 1050, §59, 65; 2002 Acts, ch 1140, §9, 10, 47; 2004 Acts, ch 1175, §235, 287; 2005 Acts, ch 179, §58; 2008 Acts, ch 1142, §2, 3, 6; 2016 Acts, ch 1036, §4, 5

Referred to in [§257.16C](#), [257.19](#)

257.15 Property tax adjustment.

1. *Property tax adjustment for 1991-1992.*

a. 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, Code 1989](#), were in effect, except that the revenues that would have been generated by the additional property tax levy under [chapter 442, Code 1989](#), 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.

b. For purposes of [this subsection](#), in computing the amount of revenues generated by the foundation property tax and the additional property tax under [chapter 442, Code 1989](#), the

computation shall be based on a regular program foundation base per pupil of eighty-three percent of the regular program state cost per pupil except that for the portion of weighted enrollment that is additional enrollment because of special education the regular program foundation base per pupil shall be seventy-nine percent of the regular program state cost per pupil. The special education support services foundation base shall be seventy-nine percent of the special education support services state cost per pupil.

2. *Property tax adjustment aid for 1992-1993 and succeeding years.* For the budget year beginning July 1, 1992, and succeeding budget years, the department of education shall pay property tax adjustment aid to a school district equal to the amount paid to the district for the base year less an amount equal to the product of the percent by which the taxable valuation in the district increased, if the taxable valuation increased, from January 1 of the year prior to the base year to January 1 of the base year and the property tax adjustment aid. The department of management shall adjust the rate of the additional property tax accordingly and notify the department of education of the amount of aid to be paid to each district from moneys appropriated for property tax adjustment aid.

3. *Property tax adjustment aid appropriation.* There is appropriated from the general fund of the state to the department of education, for each fiscal year, an amount necessary to pay property tax adjustment aid to school districts under [this section](#). Property tax adjustment aid shall be paid to school districts in the manner provided in [section 257.16](#).

4. a. *Allocations for maximum adjusted additional property tax levy rate calculation and adjusted additional property tax levy aid.* The department of management shall allocate from amounts appropriated pursuant to [section 257.16, subsection 1](#), and from funds appropriated from the property tax equity and relief fund created in [section 257.16A](#) for the purpose of calculating the statewide maximum adjusted additional property tax levy rate and providing adjusted additional property tax levy aid as provided in [section 257.4, subsection 1](#), paragraph “b”, an amount equal to the sum of subparagraphs (1) and (2) as follows:

(1) From the amount appropriated from the general fund of the state pursuant to [section 257.16, subsection 1](#), equal to the following:

- (a) For the budget year beginning July 1, 2006, six million dollars.
- (b) For the budget year beginning July 1, 2007, twelve million dollars.
- (c) For the budget year beginning July 1, 2008, eighteen million dollars.
- (d) For the budget year beginning July 1, 2009, and succeeding budget years, twenty-four million dollars.

(2) From the amount appropriated from the property tax equity and relief fund created in [section 257.16A](#).

b. After lowering all school district adjusted additional property tax levy rates to the statewide maximum adjusted additional property tax levy rate under paragraph “a”, the department of management shall use any remaining funds at the end of the calendar year to further lower additional property taxes by increasing for the budget year beginning the following July 1, the regular program foundation base per pupil percentage under [section 257.1](#). Moneys used pursuant to this paragraph shall supplant an equal amount of the appropriation made from the general fund of the state pursuant to [section 257.16](#) that represents the increase in state foundation aid.

[89 Acts, ch 135, §15; 91 Acts, ch 6, §1; 91 Acts, ch 267, §519; 2006 Acts, ch 1182, §39, 53; 2008 Acts, ch 1134, §2; 2010 Acts, ch 1061, §45; 2013 Acts, ch 121, §5, 9; 2019 Acts, ch 166, §4](#)
 Referred to in [§257.4, 257.16, 257.16A](#)

257.16 Appropriations.

1. There is appropriated each year from the general fund of the state an amount necessary to pay the foundation aid under [this chapter](#), the preschool foundation aid under [chapter 256C](#), supplementary aid under [section 257.4, subsection 2](#), and adjusted additional property tax levy aid under [section 257.15, subsection 4](#).

2. All state aids paid under [this chapter](#), unless otherwise stated, shall be paid in monthly installments beginning on September 15 of a budget year and ending on or about June 15 of the budget year as determined by the department of management, taking into consideration the relative budget and cash position of the state resources.

3. All moneys received by a school district from the state under [this chapter](#) shall be deposited in the general fund of the school district, and may be used for any school general fund purpose unless otherwise provided by law.

4. Notwithstanding any provision to the contrary, if the governor orders budget reductions in accordance with [section 8.31](#), the teacher salary supplement district cost, the professional development supplement district cost, the early intervention supplement district cost, and the teacher leadership supplement district cost as calculated under [section 257.10, subsections 9, 10, 11, and 12](#), and the area education agency teacher salary supplement district cost as calculated under [section 257.37A](#) shall be paid in full as calculated and the reductions in the appropriations provided in accordance with [this section](#) shall be reduced from the remaining moneys appropriated pursuant to [this section](#) and shall be distributed on a per pupil basis calculated with the weighted enrollment determined in accordance with [section 257.6, subsection 5](#).

89 Acts, ch 135, §16; 91 Acts, ch 178, §5; 92 Acts, ch 1208, §1; 92 Acts, ch 1232, §303; 94 Acts, ch 1023, §44; 94 Acts, ch 1181, §12, 18; 95 Acts, ch 214, §10, 11; 2002 Acts, ch 1140, §11; 2006 Acts, ch 1182, §40, 53; 2007 Acts, ch 148, §8; 2010 Acts, ch 1183, §21, 43; 2013 Acts, ch 121, §56; 2024 Acts, ch 1002, §29, 37, 38

Referred to in [§256.12, 256C.4, 256C.5, 257.4, 257.5, 257.12, 257.15, 257.16B, 257.16C, 257.17, 257.20, 275.31, 282.31, 282.33, 282.35, 284.11, 284.13, 284.15](#)

2024 amendment to subsection 4 applies July 1, 2024, for school budget years beginning on or after that date; 2024 Acts, ch 1002, §38

257.16A Property tax equity and relief fund.

1. A property tax equity and relief fund is created as a separate and distinct fund in the state treasury under the control of the department of management. Moneys in the fund include revenues credited to the fund, appropriations made to the fund, and other moneys deposited into the fund.

2. There is appropriated annually all moneys in the fund to the department of management for purposes of [section 257.15, subsection 4](#).

3. Notwithstanding [section 8.33](#), any moneys remaining in the property tax equity and relief fund at the end of a fiscal year shall not revert to any other fund but shall remain in the property tax equity and relief fund for use as provided in [this section](#) for the following fiscal year.

2008 Acts, ch 1134, §3

Referred to in [§257.4, 257.15, 423F2](#)

257.16B School district property tax replacement payments.

1. For each fiscal year beginning on or after July 1, 2023, there is appropriated from the general fund of the state to the department of education an amount necessary to make all school district property tax replacement payments under [this section](#), as calculated in [subsection 2](#).

2. a. (1) For the budget year beginning July 1, 2023, the amount of each school district's property tax replacement payment shall be the product of the school district's weighted enrollment for the budget year multiplied by the per pupil property tax replacement amount for the budget year calculated under subparagraph (2).

(2) The per pupil property tax replacement amount for the budget year beginning July 1, 2023, is equal to the sum of one hundred fifty-three dollars plus the difference between the following:

(a) The regular program state cost per pupil for the budget year beginning July 1, 2023, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the budget year beginning July 1, 2023.

(b) The regular program state cost per pupil for the budget year beginning July 1, 2021, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the budget year beginning July 1, 2023.

b. (1) For the budget year beginning July 1, 2024, the amount of each school district's property tax replacement payment shall be the product of the school district's weighted enrollment for the budget year multiplied by the per pupil property tax replacement amount for the budget year calculated under subparagraph (2).

(2) The per pupil property tax replacement amount for the budget year beginning July 1, 2024, is equal to the sum of one hundred fifty-three dollars plus the difference between the following:

(a) The regular program state cost per pupil for the budget year beginning July 1, 2024, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the budget year beginning July 1, 2024.

(b) The regular program state cost per pupil for the budget year beginning July 1, 2021, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the budget year beginning July 1, 2024.

c. (1) For each budget year beginning on or after July 1, 2025, the amount of each school district's property tax replacement payment shall be the product of the school district's weighted enrollment for the budget year multiplied by the per pupil property tax replacement amount for the budget year calculated under subparagraph (2).

(2) The per pupil property tax replacement amount for budget years beginning on or after July 1, 2025, is equal to the sum of one hundred fifty-three dollars plus the difference between the following:

(a) The regular program state cost per pupil for the budget year beginning July 1, 2025, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the applicable budget year under this paragraph.

(b) The regular program state cost per pupil for the budget year beginning July 1, 2021, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#) for the applicable budget year under this paragraph.

3. School district property tax replacement payments shall be paid by the department of education at the same time and in the same manner as foundation aid is paid under [section 257.16](#) and may be included in the monthly payment of state aid under [section 257.16, subsection 2](#).

2013 Acts, ch 121, §6, 9; 2015 Acts, ch 3, §1 – 4; 2015 Acts, ch 121, §1 – 4; 2017 Acts, ch 1, §2 – 6; 2018 Acts, ch 1005, §2 – 5; 2019 Acts, ch 1, §2 – 7; 2020 Acts, ch 1012, §2, 5; 2021 Acts, ch 2, §3, 7; 2022 Acts, ch 1001, §3, 6; 2023 Acts, ch 2, §2, 3; 2024 Acts, ch 1002, §49, 51; 2025 Acts, ch 78, §2, 4

Referred to in [§257.2](#), [257.4](#), [257.16D](#)
Subsections 1 and 2 amended

257.16C Transportation equity program — fund — appropriation.

1. A transportation equity program is established to provide prioritized additional funding for school districts with a transportation cost per pupil that exceeds the statewide adjusted transportation cost per pupil for the same budget year.

2. a. For the budget year beginning July 1, 2018, and each succeeding budget year, the department of management shall annually determine a statewide adjusted transportation cost per pupil that is not lower than the statewide average transportation cost per pupil. The statewide adjusted transportation cost per pupil shall be annually determined, by taking into account amounts appropriated to the transportation equity fund under [subsection 3](#), for the purpose of providing transportation equity aid for those school districts with the highest transportation cost per pupil differential.

b. Each school district that satisfies the criteria of [subsection 1](#) shall receive transportation equity aid in an amount equal to the school district's actual enrollment for the school year, excluding the shared-time enrollment for the school year, multiplied by the school district's transportation cost per pupil differential for the budget year.

c. For purposes of [this section](#):

(1) “*Statewide average transportation cost per pupil*” means the total transportation cost for all school districts in the state used to calculate each school district's transportation cost per pupil under paragraph “d” divided by the total enrollment for all school districts used to calculate each school district's transportation cost per pupil under paragraph “d”.

(2) “*Transportation cost per pupil differential*” means an amount equal to a school district's transportation cost per pupil minus the statewide adjusted transportation cost per pupil for the same budget year.

d. A school district's transportation cost per pupil shall be determined by dividing the school district's actual transportation cost for all children transported in all school buses for a school year pursuant to [section 285.1, subsection 12](#), less the amount of transportation costs reimbursed under [section 256.25A](#) and the amount received for transporting nonpublic school pupils under [section 285.1](#), by the district's actual enrollment for the school year, excluding the shared-time enrollment for the school year as defined in [section 257.6](#).

3. a. A transportation equity fund is created as a separate and distinct fund in the state treasury under the control of the department of management. Moneys in the fund include revenues credited to the fund, appropriations made to the fund, and other moneys deposited in the fund. For each fiscal year beginning on or after July 1, 2018, there is appropriated all moneys in the fund to the department of management for purposes of making transportation equity aid payments under [this section](#).

b. If the balance of the fund exceeds the amount necessary to make all transportation equity aid payments under [subsection 2](#), moneys remaining in the fund shall be used for transportation base funding payments under [subsection 4](#).

c. If the balance of the fund exceeds the amount necessary to make all transportation equity aid payments and all transportation base funding payments, moneys remaining in the fund at the end of a fiscal year, notwithstanding [section 8.33](#), shall remain in the fund and shall be available for expenditure for the purposes of [this section](#) in subsequent fiscal years.

d. (1) For the fiscal year beginning July 1, 2019, there is appropriated from the general fund of the state to the department of management for deposit in the transportation equity fund the sum of nineteen million dollars, or so much thereof as is necessary, to be used for the purposes of [this section](#).

(2) For the fiscal year beginning July 1, 2020, there is appropriated from the general fund of the state to the department of management for deposit in the transportation equity fund the sum of the following, or so much thereof as is necessary, to be used for the purposes of [this section](#):

(a) The amount appropriated to the transportation equity fund under this paragraph for the immediately preceding fiscal year.

(b) The product of the amount determined under subparagraph division (a) multiplied by the categorical percent of growth under [section 257.8, subsection 2](#), for the budget year beginning on the same date of the fiscal year for which the appropriation is made.

(c) Seven million two hundred fifty-three thousand eighty-eight dollars.

(3) For the fiscal year beginning July 1, 2021, and the fiscal year beginning July 1, 2022, there is appropriated from the general fund of the state to the department of management for deposit in the transportation equity fund an amount necessary to make all transportation equity aid payments under [subsection 2](#), to be used for the purposes of [this section](#).

(4) For each fiscal year beginning on or after July 1, 2023, there is appropriated from the general fund of the state to the department of management for deposit in the transportation equity fund the sum of the following, or so much thereof as is necessary, to be used for the purposes of [this section](#):

(a) The amount appropriated to the transportation equity fund under this paragraph for the immediately preceding fiscal year.

(b) The product of the amount determined under subparagraph division (a) multiplied by the categorical percent of growth under [section 257.8, subsection 2](#), for the budget year beginning on the same date of the fiscal year for which the appropriation is made.

4. For budget years beginning on or after July 1, 2018, if funding is available as provided in [subsection 3](#), paragraph "b", each school district in the state shall receive a transportation base funding payment in an amount equal to the school district's enrollment used under [subsection 2](#), paragraph "d", multiplied by the lesser of the statewide average transportation cost per pupil or the school district's transportation cost per pupil for the budget year. If an amount appropriated for a budget year is insufficient to pay all transportation base funding payments, the department of management shall prorate such payment amounts.

5. a. The sum of the transportation equity aid payment and the transportation base funding payment paid to a school district for a budget year shall not exceed the school

district's actual transportation cost used to calculate the school district's transportation cost per pupil under [subsection 2](#), paragraph "d", for the budget year.

b. Transportation equity aid payments and transportation base funding payments shall be paid at the same time and in the same manner as foundation aid is paid under [section 257.16](#), and may be included in the monthly payment of state aid under [section 257.16, subsection 2](#).

6. Transportation equity aid payments and transportation base funding payments received under [this section](#) are miscellaneous income and shall be deposited in the general fund of the school district. However, the transportation equity aid amount and the transportation base funding amount shall not be included in district cost. Transportation equity aid under [this section](#) shall not affect the receipt or amount of a budget adjustment received under [section 257.14](#) or transportation assistance aid under [section 257.31, subsection 17](#).

7. On or before December 1, 2020, and on or before December 1 every five years thereafter, the director of the department of education shall compile and review the data collected as a result of the transportation equity aid and transportation base funding payments provided under [this section](#) and shall prepare a report to the general assembly containing analysis of the aid and the payments' efficacy and recommendations for changes.

[2018 Acts, ch 1007, §7, 9; 2019 Acts, ch 2, §4 – 6; 2020 Acts, ch 1002, §2 – 4; 2020 Acts, ch 1108, §7; 2021 Acts, ch 2, §4, 5, 7; 2021 Acts, ch 174, §14, 34, 38; 2022 Acts, ch 1001, §4, 6](#)

Referred to in [§257.8](#)

257.16D Foundation base supplement fund.

1. A foundation base supplement fund is created as a separate and distinct fund in the state treasury under the control of the department of management. Moneys in the fund include revenues credited to the fund, appropriations made to the fund, and other moneys deposited into the fund.

2. a. There is appropriated annually from the fund to the department of management an amount necessary to make all foundation base supplement payments under [this section](#). The department of management shall calculate each school district's foundation base supplement payment based on the distribution methodology under paragraph "b".

b. The moneys available in a fiscal year in the foundation base supplement fund shall be distributed by the department of management to each school district on a per pupil basis calculated using each school district's weighted enrollment, as defined in [section 257.6](#), for that fiscal year. However, the amount of a school district's foundation base supplement payment for a budget year shall not exceed an amount equal to the product of the school district's weighted enrollment for the budget year multiplied by the product of the regular program state cost per pupil for the budget year multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to [section 257.1](#), minus the amount of the school district's property tax replacement payment under [section 257.16B](#) for the budget year.

3. Notwithstanding [section 8.33](#), any moneys remaining in the foundation base supplement fund at the end of a fiscal year shall not revert to any other fund but shall remain in the foundation base supplement fund for use as provided in [this section](#) for the following fiscal year.

[2019 Acts, ch 166, §5; 2020 Acts, ch 1012, §3, 5](#)

Referred to in [§257.2, 257.4, 423F2](#)

257.17 Aid reduction for early school starts.

1. State aid payments made pursuant to [section 257.16](#) for a fiscal year shall be reduced by one one-hundred-eightieth for each day of that fiscal year for which the school district begins school before the earliest school start date specified in [section 279.10, subsection 1](#).

2. [This section](#) does not apply to a school district attendance center that has received approval from the department of education under [section 279.10, subsection 2](#), to maintain a year-round school calendar that commences classes in advance of the school start date established in [section 279.10, subsection 1](#). The department of management shall prorate the

reduction made pursuant to [this section](#) to account for an attendance center in a school district that is approved to maintain a year-round school calendar under [section 279.10, subsection 2.89 Acts, ch 135, §17](#); [2015 Acts, ch 31, §1, 5](#); [2016 Acts, ch 1011, §43](#)

257.18 Instructional support program.

1. An instructional support program that provides additional funding for school districts is established. A board of directors that wishes to consider participating in the instructional support program shall hold a public hearing on the question of participation. The board shall set forth its proposal, including the method that will be used to fund the program, in a resolution and shall publish the notice of the time and place of a public hearing on the resolution. Notice of the time and place of the public hearing shall be published not less than ten nor more than twenty days before the public hearing in a newspaper which is a newspaper of general circulation in the school district. At the hearing, or no later than thirty days after the date of the hearing, the board shall take action to adopt a resolution to participate in the instructional support program for a period not exceeding five years or to direct the county commissioner of elections to submit the question of participation in the program for a period not exceeding ten years to the registered voters of the school district at an election held on a date specified in [section 39.2, subsection 4](#), paragraph “c”. If the board submits the question at an election and a majority of those voting on the question favors participation in the program, the board shall adopt a resolution to participate and certify the results of the election to the department of management.

2. *a.* If the board does not provide for an election and adopts a resolution to participate in the instructional support program, the district shall participate in the instructional support program unless within twenty-eight days following the action of the board, the secretary of the board receives a petition containing the required number of signatures, asking that the question to approve or disapprove the action of the board in adopting the instructional support program be submitted to the voters of the school district. The petition must be signed by eligible electors equal in number to not less than one hundred or thirty percent of the number of voters at the last preceding regular school election, whichever is greater. The board shall either rescind its action or direct the county commissioner of elections to submit the question to the registered voters of the school district at an election held on a date specified in [section 39.2, subsection 4](#), paragraph “c”. If a majority of those voting on the question at the election favors disapproval of the action of the board, the district shall not participate in the instructional support program. If a majority of those voting on the question favors approval of the action, the board shall certify the results of the election to the department of management and the district shall participate in the program.

b. At the expiration of the twenty-eight day period, if no petition is filed, the board shall certify its action to the department of management and the district shall participate in the program.

3. Participation in an instructional support program is not affected by a change in the boundaries of the school district, except as otherwise provided in [this section](#). If each school district involved in a school reorganization under [chapter 275](#) has approved an instructional support program, and if the voters have not voted upon the question of participation in the program in the reorganized district, the instructional support program shall be in effect for the reorganized district that has been approved for the least amount and the shortest time in any of the districts.

[89 Acts, ch 135, §18](#); [92 Acts, ch 1171, §1](#); [95 Acts, ch 67, §53](#); [96 Acts, ch 1112, §1, 2](#); [2008 Acts, ch 1115, §32, 33, 71](#)

Referred to in [§257.27, 257.29](#)

257.19 Instructional support funding.

1. The additional funding for the instructional support program for a budget year is limited to an amount not exceeding ten percent of the total of regular program district cost for the budget year and moneys received under [section 257.14](#) as a budget adjustment for the budget year. Moneys received by a district for the instructional support program are miscellaneous income and may be used for any general fund purpose. However, moneys received by a

district for the instructional support program shall not be used as, or in a manner which has the effect of, supplanting funds authorized to be received under [sections 257.41, 257.46, 298.2, and 298.4](#), or to cover any deficiencies in funding for special education instructional services resulting from the application of the special education weighting plan under [section 256B.9](#).

2. Certification of a board's intent to participate for a budget year, the method of funding, and the amount to be raised shall be made to the department of management not later than April 30 of the base year. Funding for the instructional support program shall be obtained from instructional support state aid and from local funding using either an instructional support property tax or a combination of an instructional support property tax and an instructional support income surtax.

3. The board of directors shall determine whether the instructional support property tax or the combination of the instructional support property tax and instructional support income surtax shall be used for the local funding. Subject to the limitation specified in [section 298.14](#), if the board elects to use the combination of the instructional support property tax and instructional support income surtax, for each budget year the board shall determine the percent of income surtax that will be imposed, expressed as full percentage points, not to exceed twenty percent.

[89 Acts, ch 135, §19; 91 Acts, ch 126, §3; 93 Acts, ch 1, §4; 2017 Acts, ch 54, §76; 2024 Acts, ch 1094, §35, 47, 48](#)

Referred to in [§257.21, 403.19](#)

2024 amendment to subsection 2 applies retroactively to January 1, 2024; 2024 Acts, ch 1094, §48

257.20 Instructional support state aid appropriation.

1. In order to determine the amount of instructional support state aid and the amount of local funding for the instructional support program for a district, the department of management shall divide the total assessed valuation in the state by the total budget enrollment for the budget year in the state to determine a state assessed valuation per pupil and shall divide the assessed valuation in each district by the district's budget enrollment for the budget year to determine the district assessed valuation per pupil. The department of management shall multiply the ratio of the state's valuation per pupil to the district's valuation per pupil by twenty-five hundredths and subtract that result from one to determine the portion of the instructional support program budget that is local funding. The remaining portion of the budget shall be funded by instructional support state aid. However, for the budget year beginning July 1, 1992, only, the amount of state aid is three and one-quarter percent less than the amount computed under this paragraph for that budget year.

2. There is appropriated for each fiscal year from the general fund of the state to the department of education, an amount necessary to pay instructional support state aid as determined under [subsection 1](#).

a. However, moneys appropriated under [this subsection](#) shall not exceed the amount of moneys appropriated as instructional support state aid for the budget year which commenced on July 1, 1992.

b. If the amount appropriated under [this subsection](#) is insufficient to pay the amount of instructional support state aid determined under [subsection 1](#), the department of education shall prorate the amount of the instructional support state aid provided to each district.

3. If the general assembly makes an appropriation for instructional support state aid in lieu of the standing appropriation provided under [subsection 2](#), the appropriation for instructional support state aid shall include in the appropriation the allocation of the instructional support state aid to the school districts applicable for that appropriation and [subsections 1 and 2](#) do not apply to the appropriation.

4. Instructional support state aid shall be paid at the same time and in the same manner as foundation aid is paid under [section 257.16](#).

[89 Acts, ch 135, §20; 92 Acts, ch 1227, §16; 92 Acts, ch 1230, §8](#)

See Iowa Acts for provisions relating to appropriations for instructional support state aid in a given year

257.21 Computation of instructional support amount.

1. The department of management shall establish the amount of instructional support property tax to be levied and the amount of instructional support income surtax to be

imposed by a district in accordance with the decision of the board under [section 257.19](#) for each school year for which the instructional support program is authorized. The department of management shall determine these amounts based upon the most recent figures available for the district's valuation of taxable property, individual state income tax paid, and budget enrollment in the district, and shall certify to the district's county auditor the amount of instructional support property tax, and to the director of revenue the amount of instructional support income surtax to be imposed if an instructional support income surtax is to be imposed.

2. The instructional support income surtax shall be imposed on the state individual income tax for the calendar year during which the school's budget year begins, or for a taxpayer's fiscal year ending during the second half of that calendar year and after the date the board adopts a resolution to participate in the program or the first half of the succeeding calendar year, and shall be imposed on all individuals residing in the school district on the last day of the applicable tax year. As used in [this section](#), "state individual income tax" means the taxes computed under [section 422.5](#), less the amounts of nonrefundable credits allowed under [chapter 422, subchapter II](#).

[89 Acts, ch 135, §21](#); [91 Acts, ch 159, §1](#); [97 Acts, ch 23, §25](#); [2003 Acts, ch 145, §286](#); [2006 Acts, ch 1158, §3](#); [2013 Acts, ch 123, §42, 45, 46](#); [2018 Acts, ch 1161, §50, 53, 54](#); [2020 Acts, ch 1062, §94](#)

Referred to in [§257.29, 298.2, 298.14](#)

Limit on total surtax, [§298.14, 422D.2](#)

257.22 Statutes applicable.

The director of revenue shall administer the instructional support income surtax imposed under [this chapter](#), and [sections 422.4, 422.20, sections 422.22 through 422.31, sections 422.68, 422.70, and sections 422.72 through 422.75](#) shall apply with respect to administration of the instructional support income surtax.

[89 Acts, ch 135, §22](#); [2003 Acts, ch 145, §286](#); [2009 Acts, ch 60, §1](#); [2021 Acts, ch 80, §138](#)

Referred to in [§257.29, 298.2](#)

257.23 Form and time of return.

The instructional support income surtax shall be made a part of the Iowa individual income tax return subject to the conditions and restrictions set forth in [section 422.21](#).

[89 Acts, ch 135, §23](#)

Referred to in [§257.29, 298.2](#)

257.24 Deposit of instructional support income surtax.

The director of revenue, by the last day of each month, shall deposit all moneys collected and determined by the department of revenue to be instructional support income surtax in the preceding month, and shall credit each district from which the moneys are collected, in the school district income surtax fund which is established in [section 298.14](#).

[89 Acts, ch 135, §24](#); [2003 Acts, ch 145, §286](#); [2017 Acts, ch 54, §36](#); [2023 Acts, ch 115, §59](#)

Referred to in [§257.29, 298.2](#)

257.25 Instructional support income surtax certification.

1. On or before November 15 each year, the director of revenue shall make an accounting of the instructional support income surtax collected under [this chapter](#) since January 1 of the same calendar year from taxpayers in each school district in the state which has approved the instructional support program, and shall certify to the department of management and the department of education the amount of total instructional support income surtax credited from the taxpayers of each school district.

2. On or before January 15 of each year, the director of revenue shall make an accounting of the instructional support income surtax collected under [this chapter](#) during the preceding calendar year from taxpayers in each school district in the state which has approved the instructional support program, and shall certify to the department of management and the

department of education the amount of total instructional support income surtax credited from the taxpayers of each school district.

[89 Acts, ch 135, §25](#); [2003 Acts, ch 145, §286](#); [2023 Acts, ch 115, §60](#)

Referred to in [§257.29, 298.2](#)

257.26 Instructional support income surtax distribution.

The director of the department of administrative services shall draw warrants in payment of the amount of instructional support surtax in the manner provided in [section 298.14](#).

[89 Acts, ch 135, §26](#); [2003 Acts, ch 145, §286](#); [2004 Acts, ch 1101, §30](#)

Referred to in [§257.29, 298.2](#)

257.27 Continuation of instructional support program.

1. At the expiration of the period for which the instructional support program was adopted, the program may be extended for a period of not exceeding five or ten years in the manner provided in [section 257.18](#).

2. If the voters do not approve adoption of the instructional support program, the board shall wait at least one hundred twenty days following the election before taking action to adopt the program or resubmit the proposition.

[89 Acts, ch 135, §27](#); [2018 Acts, ch 1041, §127](#)

257.28 Enrichment levy.

If a school district has approved the use of the instructional support program for a budget year, the district shall not also collect moneys under the additional enrichment amount approved by the voters under [chapter 442, Code 1991](#), for the budget year.

[89 Acts, ch 135, §28](#); [92 Acts, ch 1163, §60](#); [2005 Acts, ch 179, §124](#)

Referred to in [§257.33](#)

257.29 Educational improvement program.

1. An educational improvement program is established to provide additional funding for school districts in which the regular program district cost per pupil for a budget year is one hundred ten percent of the regular program state cost per pupil for the budget year and which have approved the use of the instructional support program established in [section 257.18](#). A board of directors that wishes to consider participating in the educational improvement program shall hold a hearing on the question of participation and the maximum percent of the regular program district cost of the district that will be used. The hearing shall be held in the manner provided in [section 257.18](#) for the instructional support program. Following the hearing, the board may direct the county commissioner of elections to submit the question to the registered voters of the school district at an election held on a date specified in [section 39.2, subsection 4](#), paragraph “c”. If a majority of those voting on the question favors participation in the program, the board shall adopt a resolution to participate and shall certify the results of the election to the department of management and the district shall participate in the program. If a majority of those voting on the question does not favor participation, the district shall not participate in the program.

2. The educational improvement program shall provide additional revenues each fiscal year equal to a specified percent of the regular program district cost of the district, as determined by the board but not more than the maximum percent authorized by the electors if an election has been held. Certification of a district’s participation for a budget year, the method of funding, and the amount to be raised shall be made to the department of management not later than April 15 of the base year.

3. The educational improvement program shall be funded by either an educational improvement property tax or by a combination of an educational improvement property tax and an educational improvement income surtax. The method of raising the educational improvement moneys shall be determined by the board. Subject to the limitation in [section 298.14](#), if the board uses a combination of an educational improvement property tax and an educational improvement income surtax, the board shall determine the percent of income surtax to be imposed, expressed as full percentage points, not to exceed twenty percent.

4. The department of management shall establish the amount of the educational

improvement property tax to be levied or the amount of the combination of the educational improvement property tax to be levied and the amount of the school district income surtax to be imposed for each school year that the educational improvement amount is authorized. The educational improvement property tax and income surtax, if an income surtax is imposed, shall be levied and imposed, collected, and paid to the school district in the manner provided for the instructional support program in [sections 257.21 through 257.26](#). Moneys received by a school district under the educational improvement program are miscellaneous income.

5. Once approved at an election, the authority of the board to use the educational improvement program shall continue until the board votes to rescind the educational improvement program or the voters of the school district by majority vote order the discontinuance of the program. The board shall submit at an election held on a date specified in [section 39.2, subsection 4](#), paragraph “c”, the proposition whether to discontinue the program upon the receipt of a petition signed by not less than one hundred eligible electors or thirty percent of the number of electors voting at the last preceding school election, whichever is greater.

6. Participation in an educational improvement program is not affected by a change in the boundaries of the school district, except as otherwise provided in [this section](#). If each school district involved in school reorganization under [chapter 275](#) has approved an educational improvement program, and if the voters have not voted upon the question of participation in the program in the reorganized district, the educational improvement program shall be in effect for the reorganized district that has been approved for the least amount and the shortest time in any of the districts.

7. Notwithstanding the requirement in [subsection 1](#) that the regular program district cost per pupil for a budget year is one hundred ten percent of the regular state cost per pupil, the board of directors may participate in the educational improvement program as provided in [this section](#) if the school district had adopted an enrichment levy of fifteen percent of the state cost per pupil multiplied by the budget enrollment in the district prior to July 1, 1992, and upon expiration of the period for which the enrichment levy was adopted, adopts a resolution for the use of the instructional support program established in [section 257.18](#). The maximum percent of the regular district cost of the district that may be used under [this subsection](#) shall not exceed five percent.

[89 Acts, ch 135, §29; 90 Acts, ch 1190, §9; 92 Acts, ch 1171, §2; 92 Acts, ch 1187, §3; 93 Acts, ch 1, §5; 95 Acts, ch 67, §53; 2008 Acts, ch 1115, §34, 35, 71](#)

Referred to in [§298.14](#)

Limit on total surtax, [§298.14, 422D.2](#)

257.30 School budget review committee.

1. A school budget review committee is established in the department of education and consists of the director of the department of education in an ex officio, nonvoting capacity, the director of the department of management, and four members who are knowledgeable in the areas of Iowa school finance or public finance issues appointed by the governor to represent the public. At least one of the public members shall possess a master’s or doctoral degree in which areas of school finance, economics, or statistics are an integral component, or shall have equivalent experience in an executive administrative or senior research position in the education or public administration field. The members appointed by the governor shall serve staggered three-year terms beginning and ending as provided in [section 69.19](#) and are subject to senate confirmation as provided in [section 2.32](#). The committee shall meet and hold hearings each year and shall continue in session until it has reviewed budgets of school districts, as provided in [section 257.31](#). The committee may call in school board members and employees as necessary for the hearings. The committee’s scheduled hearing agendas and the minutes of such hearings shall be posted on the department of education’s internet site. Legislators shall be notified of hearings concerning school districts in their legislative districts.

2. The committee shall adopt its own rules of procedure under [chapter 17A](#). The director of the department of education shall serve as chairperson, and the director of the department of management shall serve as secretary. The committee members representing the public are

entitled to receive their necessary expenses while engaged in their official duties. Members shall be paid a per diem at the rate specified in [section 7E.6](#). Per diem and expense payments shall be made from appropriations to the department of education.

3. The department of education shall employ a staff member to assist the school budget review committee.

[89 Acts, ch 135, §30; 2009 Acts, ch 54, §5; 2010 Acts, ch 1004, §2, 10](#)

Referred to in [§257.32, 260C.18B, 292.1](#)

257.31 Duties of the committee.

1. The school budget review committee may recommend the revision of any rules, regulations, directives, or forms relating to school district budgeting and accounting, confer with local school boards or their representatives and make recommendations relating to any budgeting or accounting matters, and direct the director of the department of education or the director of the department of management to make studies and investigations of school costs in any school district.

2. The committee shall specify the number of hearings held annually, the reasons for the committee's recommendations, information about the amounts of property tax levied by school districts for a cash reserve, and other information the committee deems advisable on the department of education's internet site.

3. The committee shall review the proposed budget and certified budget of each school district, and may make recommendations. The committee may make decisions affecting budgets to the extent provided in [this chapter](#). The costs and computations referred to in [this section](#) relate to the budget year unless otherwise expressly stated.

4. Not later than January 1, 1992, the committee shall adopt recommendations relating to the implementation by school districts and area education agencies of procedures pertaining to the preparation of financial reports in conformity with generally accepted accounting principles and submit those recommendations to the state board of education. The state board shall consider the recommendations and adopt rules under [section 256.7](#) specifying procedures and requiring the school districts and area education agencies to conform to generally accepted accounting principles commencing with the school year beginning July 1, 1996.

5. If a district has unusual circumstances, creating an unusual need for additional funds, including but not limited to the circumstances enumerated in [this subsection](#), the committee may grant supplemental aid to the district from any funds appropriated to the department of education for the use of the school budget review committee for the purposes of [this subsection](#). The school budget review committee shall review a school district's unexpended fund balance prior to any decision regarding unusual finance circumstances. Such aid shall be miscellaneous income and shall not be included in district cost. In addition to or as an alternative to granting supplemental aid the committee may establish a modified supplemental amount for the district. The school budget review committee shall review a school district's unspent balance prior to any decision to establish a modified supplemental amount under [this subsection](#).

- a. Any unusual increase or decrease in enrollment.
- b. Unusual natural disasters.
- c. Unusual initial staffing problems.
- d. The closing of a nonpublic school, wholly or in part, or the opening or closing of a charter school.
- e. Substantial reduction in miscellaneous income due to circumstances beyond the control of the district.
- f. Unusual necessity for additional funds to permit continuance of a course or program which provides substantial benefit to pupils.
- g. Unusual need for a new course or program which will provide substantial benefit to pupils, if the district establishes the need and the amount of necessary increased cost.
- h. Unusual need for additional funds for special education or compensatory education programs.
- i. Year-round or substantially year-round attendance programs which apply toward

graduation requirements, including but not limited to trimester or four-quarter programs. Enrollment in such programs shall be adjusted to reflect equivalency to normal school year attendance.

j. Unusual need to continue providing a program or other special assistance to non-English speaking pupils after the expiration of the five-year period specified in [section 280.4](#).

k. Circumstances caused by unusual demographic characteristics.

l. Any unique problems of school districts.

m. The addition of one or more teacher librarians pursuant to [section 256.11, subsection 9](#), one or more guidance counselors pursuant to [section 256.11, subsection 9A](#), or one or more school nurses pursuant to [section 256.11, subsection 9B](#).

n. Unusual need for additional funds for the costs associated with providing competent private instruction pursuant to [chapter 299A](#).

o. (1) The percentage of students enrolled in the school district as the result of open enrollment under [section 282.18](#) is equal to or greater than forty-five percent of the total number of students enrolled in the school district. The committee shall not approve supplemental aid or a modified supplemental amount that exceeds an amount equal to fifty percent of the product of the net change in the school district's expected enrollment due to open enrollment multiplied by the sum of the following amounts:

(a) The difference between the district's regular program district cost per pupil minus the regular program state cost per pupil.

(b) The professional development supplement district cost per pupil.

(c) The early intervention supplement district cost per pupil.

(2) Prior to filing a request for supplemental aid or a modified supplemental amount based on the grounds specified in this paragraph, the board of directors shall hold a public hearing on the issue and shall publish the notice of the time and place of the public hearing. Notice of the time and place of the public hearing shall be published not less than ten nor more than twenty days before the public hearing in a newspaper that is a newspaper of general circulation in the school district.

(3) A school district is not eligible for supplemental aid or a modified supplemental amount under this paragraph if a majority of the students enrolled in the school district as the result of open enrollment are students receiving online instruction from a private provider under [section 256.43, subsection 2](#).

(4) If a school district is granted a modified supplemental amount under this paragraph for a budget year beginning on or after July 1, 2025, the school district's combined property tax rate per one thousand dollars for all school district levies for the succeeding budget year shall not exceed the combined property tax rate for all such levies for the budget year for which the modified supplemental amount was granted.

6. a. The committee shall establish a modified supplemental amount for a district when the district submits evidence that it requires additional funding for removal, management, or abatement of environmental hazards due to a state or federal requirement. Environmental hazards shall include but are not limited to the presence of asbestos, radon, or the presence of any other hazardous material dangerous to health and safety.

b. The district shall include a budget for the actual cost of the project that may include the costs of inspection, reinspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, developing of management plans, recordkeeping requirements, and encapsulation or removal of the hazardous material.

7. a. The committee may authorize a district to spend a reasonable and specified amount from its unexpended fund balance for the following purposes:

(1) Furnishing, equipping, and contributing to the construction of a new building or structure for which the voters of the district have approved a bond issue as provided by law or the tax levy provided in [section 298.2](#).

(2) The costs associated with the demolition of an unused school building, or the conversion of an unused school building for community use, in a school district involved in a dissolution or reorganization under [chapter 275](#), if the costs are incurred within three years of the dissolution or reorganization.

(3) The costs associated with the demolition or repair of a building or structure in a school district if such costs are necessitated by, and incurred within two years of, a disaster as defined in [section 29C.2, subsection 4](#).

b. Other expenditures, including but not limited to expenditures for salaries or recurring costs, are not authorized under [this subsection](#). Expenditures authorized under [this subsection](#) shall not be included in a modified supplemental amount or district cost, and the portion of the unexpended fund balance which is authorized to be spent shall be regarded as if it were miscellaneous income. Any part of the amount not actually spent for the authorized purpose shall revert to its former status as part of the unexpended fund balance.

8. The committee may approve or modify the initial base year district cost of any district which changes accounting procedures.

9. When the committee makes a decision under [subsections 3 through 8](#), it shall make all necessary changes in the district cost, budget, and tax levy. It shall give written notice of its decision, including all such changes, to the school board through the department of education.

10. All decisions by the committee under [this chapter](#) shall be made in accordance with reasonable and uniform policies which shall be consistent with [this chapter](#). All such policies of general application shall be stated in rules adopted in accordance with [chapter 17A](#). The committee shall take into account the intent of [this chapter](#) to equalize educational opportunity, to provide a good education for all the children of Iowa, to provide property tax relief, to decrease the percentage of school costs paid from property taxes, and to provide reasonable control of school costs. The committee shall also take into account the amount of funds available.

11. Failure by any school district to provide information or appear before the committee as requested for the accomplishment of review or hearing is justification for the committee to instruct the director of the department of management to withhold any state aid to that district until the committee's inquiries are satisfied completely.

12. The committee shall review the recommendations of the director of the department of education relating to the special education weighting plan, and shall establish a weighting plan for each school year pursuant to [section 256B.9](#), and report the plan to the director of the department of education.

13. The committee may recommend that two or more school districts jointly employ and share the services of any school personnel, or acquire and share the use of classrooms, laboratories, equipment, and facilities as specified in [section 280.15](#).

14. As soon as possible following June 30 of the base year, the school budget review committee shall determine for each school district the balance of funds, whether positive or negative, raised for special education instruction programs under the special education weighting plan established in [section 256B.9](#). The committee shall certify the balance of funds for each school district to the director of the department of management.

a. If the amount certified for a school district to the director of the department of management under [this subsection](#) for the base year is positive, the director of the department of management shall subtract the amount of the positive balance exceeding ten percent of the additional funds generated for special education, not to include any previous carryover, from the amount of state aid remaining to be paid to the district during the budget year. If the positive amount exceeding the ten percent amount exceeds the amount of state aid that remains to be paid to the district, not including any previous carryover, the school district shall pay the excess on a quarterly basis prior to June 30 of the budget year to the director of the department of management from other funds received by the district. The director of the department of management shall determine the amount of the positive balance that exceeds the ten percent amount that came from local property tax revenues and shall increase the district's total state school aids available under [this chapter](#) for the next following budget year by the amount so determined and shall reduce the district's tax levy computed under [section 257.4](#) for the next following budget year by the amount necessary to compensate for the increased state aid.

b. (1) If the amount certified for a school district to the director of the department of management under [this subsection](#) for the base year is negative, the director of the

department of management shall determine the amount of the deficit that would have been state aid and the amount that would have been property taxes for each eligible school district.

(2) There is appropriated from the general fund of the state to the school budget review committee for each fiscal year an amount equal to the state aid portion of five percent of the receipts for special education instruction programs in all districts that have a positive balance determined under paragraph “a” for the base year, or the state aid portion of all of the positive balances determined under paragraph “a” for the base year, whichever is less, to be used for supplemental aid payments to school districts. Except as otherwise provided in this paragraph “b”, supplemental aid paid to a district is equal to the state aid portion of the district’s negative balance. The school budget review committee shall direct the director of the department of management to make the payments to school districts under this paragraph “b”.

(3) A school district is only eligible to receive supplemental aid payments during the budget year if the school district certifies to the school budget review committee that for the year following the budget year it will notify the school budget review committee to instruct the director of the department of management to increase the district’s modified supplemental amount and will fund the modified supplemental amount increase either by using moneys from its unexpended fund balance to reduce the district’s property tax levy or by using cash reserve moneys to equal the amount of the deficit that would have been property taxes and any part of the state aid portion of the deficit not received as supplemental aid under [this subsection](#). The director of the department of management shall make the necessary adjustments to the school district’s budget to provide the modified supplemental amount and shall make the supplemental aid payments.

(4) If the amount appropriated under this lettered paragraph is insufficient to make the supplemental aid payments under [this subsection](#), the director of the department of management shall prorate the payments on the basis of the amount appropriated.

15. Annually the school budget review committee shall review the amount of property tax levied by each school district for the cash reserve authorized in [section 298.10](#). If in the committee’s judgment, the amount of a district’s cash reserve levy is unreasonably high, the committee shall instruct the director of the department of management to reduce that district’s tax levy computed under [section 257.4](#) for the following budget year by the amount the cash reserve levy is deemed excessive. A reduction in a district’s property tax levy for a budget year under [this subsection](#) does not affect the district’s authorized budget.

16. The committee shall perform the duties assigned to it under [sections 257.32, 257.40, and 260C.18B](#).

17. *a.* If a district’s average transportation costs per pupil exceed the state average transportation costs per pupil determined under paragraph “c” by one hundred fifty percent, the committee may grant transportation assistance aid to the district. Such aid shall be miscellaneous income and shall not be included in district cost.

b. To be eligible for transportation assistance aid, a school district shall annually certify its actual cost for all children transported in all school buses not later than July 31 after each school year on forms prescribed by the committee.

c. A district’s average transportation costs per pupil shall be determined by dividing the district’s actual cost for all children transported in all school buses for a school year pursuant to [section 285.1, subsection 12](#), less the amount received for transporting nonpublic school pupils under [section 285.1](#), by the district’s actual enrollment for the school year excluding the shared-time enrollment for the school year as defined in [section 257.6](#). The state average transportation costs per pupil shall be determined by dividing the total actual costs for all children transported in all districts for a school year, by the total of all districts’ actual enrollments for the school year.

d. Funds transferred to the committee in accordance with [section 321.34, subsection 22](#), are appropriated to and may be expended for the purposes of the committee, as described in [this section](#). However, highest priority shall be given to districts that meet the conditions described in [this subsection](#). Notwithstanding any other provision of the Code, unencumbered or unobligated funds transferred to the committee pursuant to [section 321.34, subsection 22](#), remaining on June 30 of the fiscal year for which the funds were

transferred, shall not revert but shall be available for expenditure for the purposes of [this subsection](#) in subsequent fiscal years.

18. If a school district exceeds its authorized budget or carries a negative unspent balance for two or more consecutive years, the committee may recommend that the department implement a phase II on-site visit to conduct a fiscal review pursuant to [section 256.11, subsection 10](#), paragraph “b”, subparagraph (1), subparagraph division (e).

89 Acts, ch 135, §31; 91 Acts, ch 267, §520; 93 Acts, ch 101, §202; 94 Acts, ch 1175, §3; 96 Acts, ch 1088, §1; 96 Acts, ch 1215, §22; 97 Acts, ch 23, §26; 2003 Acts, ch 79, §4, 7, 8; 2006 Acts, ch 1152, §25; 2006 Acts, ch 1182, §41, 54; 2007 Acts, ch 42, §2; 2007 Acts, ch 108, §8; 2008 Acts, ch 1191, §109; 2009 Acts, ch 41, §263; 2009 Acts, ch 54, §6; 2009 Acts, ch 65, §4; 2009 Acts, ch 133, §190, 250; 2010 Acts, ch 1004, §3 – 6, 10; 2013 Acts, ch 90, §257; 2013 Acts, ch 121, §27 – 30, 42; 2013 Acts, ch 140, §89; 2014 Acts, ch 1013, §6 – 9; 2014 Acts, ch 1026, §63; 2014 Acts, ch 1135, §12; 2018 Acts, ch 1112, §3, 18; 2021 Acts, ch 112, §16; 2024 Acts, ch 1152, §43, 44, 46, 47; 2025 Acts, ch 159, §31, 33, 34

Referred to in [§256.11](#), [256C.4](#), [257.6](#), [257.8](#), [257.13](#), [257.16C](#), [257.30](#), [257.32](#), [284.13](#), [321.34](#)

2024 amendment to subsection 5, unnumbered paragraph 1 applies July 1, 2024, for school budget years beginning on or after that date; 2024 Acts, ch 1152, §47

Subsection 5, paragraph o applies July 1, 2024, for school budget years beginning on or after that date; 2024 Acts, ch 1152, §47

2025 amendment to subsection 5, paragraph o applies to school budget years beginning on or after July 1, 2025; 2025 Acts, ch 159, §34

Subsection 5, paragraph o amended

257.32 Area education budget review.

1. *a.* An area education agency budget review procedure is established for the school budget review committee created in [section 257.30](#). The school budget review committee, in addition to its duties under [section 257.31](#), shall meet and hold hearings each year to review unusual circumstances of area education agencies, either upon the committee’s motion or upon the request of an area education agency. The committee may grant supplemental aid to the area education agency from funds appropriated to the department of education for area education agency budget review purposes, or an amount may be added to the area education agency special education support services modified supplemental amount for districts in an area or an additional amount may be added to district cost for media services or educational services for all districts in an area for the budget year either on a temporary or permanent basis, or both.

b. Unusual circumstances shall include but are not limited to the following:

(1) An unusual increase or decrease in enrollment of children requiring special education or unusual need for additional moneys for special education support services.

(2) Unusual need for additional moneys for media services.

(3) Unusual need for additional moneys for educational services.

(4) Unusual costs for building repair, building maintenance, or removal of environmental hazards.

(5) Participation by the area education agency in telecommunications, electronic, and technological development with school districts, and related staff development programs.

2. When the school budget review committee makes a decision under [subsection 1](#), it shall provide written notice of its decision, including all changes, to the board of directors of the area education agency, and to the department of management and the department of education.

3. All decisions by the school budget review committee under [this section](#) shall be made in accordance with reasonable and uniform policies which shall be consistent with [this chapter](#).

4. Failure by an area education agency to provide information or appear before the school budget review committee as requested for the accomplishment of review or hearing constitutes justification for the committee to instruct the department of administrative services to withhold payments for the area education agency until the committee’s inquiries are satisfied completely.

89 Acts, ch 135, §32; 2003 Acts, ch 145, §286; 2010 Acts, ch 1061, §180; 2013 Acts, ch 121, §31, 42; 2014 Acts, ch 1013, §10

Referred to in [§257.31](#)

257.33 Prior enrichment approval.

1. If the electors of a school district approved the use of the additional enrichment amount prior to July 1, 1991, under [chapter 442, Code 1991](#), or [section 279.43, Code 1991](#), the approval for use of the enrichment amount shall continue in effect until the expiration of the period for which it was approved and districts may use the additional enrichment amount during that period. However, [section 257.28](#) applies to the use of the additional enrichment amount.

2. Use of the additional enrichment amounts approved under [chapter 442, Code 1991](#), is not affected by a change in the boundaries of the school district, except as otherwise provided in [this section](#). If each school district involved in a school reorganization under [chapter 275](#) has approved the use of the additional enrichment amount, and if the voters have not voted upon the question of participation in the instructional support program in the reorganized district, the use of the additional enrichment amount shall be in effect for the reorganized district that has been approved for the least amount and the shortest time in any of the districts.

[89 Acts, ch 135, §33](#); [92 Acts, ch 1163, §61](#); [93 Acts, ch 8, §1](#); [2006 Acts, ch 1010, §78](#); [2018 Acts, ch 1041, §127](#)

257.34 Cash reserve information.

If a school district receives less state school foundation aid under [section 257.1](#) than is due under that section for a base year and the school district uses funds from its cash reserve during the base year to make up for the amount of state aid not paid, the board of directors of the school district shall include in its general fund budget document information about the amount of the cash reserve used to replace state school foundation aid not paid.

[89 Acts, ch 135, §34](#)

257.35 Area education agency payments.

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

(2) For the fiscal year beginning July 1, 2024, the department of management shall deduct the following amounts from the state aid due to each school district pursuant to [this chapter](#) and shall pay the amounts to the respective area education agencies on a monthly basis from September 15 through June 15 during each school year:

- (a) The amount calculated for special education support services for the school district.
- (b) Forty percent of the amount calculated for media services for the school district.
- (c) The area education agency teacher salary supplement district cost.
- (d) Forty percent of the amount calculated in [section 257.37](#) for educational services for the school district.

(e) The amount due to the area education agency as the result of supplementary weighting for shared operational functions under [section 257.11, subsection 5](#), paragraph “e”.

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

- (a) The area education agency teacher salary supplement district cost.
- (b) The amount due to the area education agency as the result of supplementary weighting for shared operational functions under [section 257.11, subsection 5](#), paragraph “e”.

b. The department of management shall notify each school district of the amount of state aid deducted for these purposes and the balance of state aid shall be paid to the district. If a district does not qualify for state aid under [this chapter](#) in an amount sufficient to cover its amount due to the area education agency as calculated by the department of management,

the school district shall pay the deficiency to the area education agency from other moneys received by the district, on a quarterly basis during each school year.

2. The amounts specified for school districts in [section 257.10, subsection 7](#), for the fiscal year beginning July 1, 2025, and each succeeding fiscal year, shall be reduced by the department of management by seven million five hundred thousand dollars. The department of management shall calculate a state aid reduction such that such amounts shall be reduced proportionally to the amount that the district would otherwise have received under [section 257.10, subsection 7](#).

3. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2003, and ending June 30, 2004, shall be reduced by the department of management by ten million dollars. The department shall calculate a reduction such that each area education agency shall receive a reduction proportionate to the amount that it would otherwise have received under [this section](#) if the reduction imposed pursuant to [this subsection](#) did not apply.

4. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2007, shall be reduced by the department of management by five million two hundred fifty thousand dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

5. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for each fiscal year of the fiscal period beginning July 1, 2008, and ending June 30, 2011, shall be reduced by the department of management by two million five hundred thousand dollars. The reduction for each area education agency for each fiscal year of the fiscal period beginning July 1, 2008, and ending June 30, 2011, shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

6. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2011, and ending June 30, 2012, shall be reduced by the department of management by twenty million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

7. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2012, and ending June 30, 2013, shall be reduced by the department of management by twenty million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

8. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2013, and ending June 30, 2014, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

9. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2014, and ending June 30, 2015, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

10. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2015, and ending June

30, 2016, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

11. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2016, and ending June 30, 2017, shall be reduced by the department of management by eighteen million seven hundred fifty thousand dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

12. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2017, and ending June 30, 2018, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

13. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2018, and ending June 30, 2019, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

14. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2019, and ending June 30, 2020, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

15. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2020, and ending June 30, 2021, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

16. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2021, and ending June 30, 2022, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

17. a. Notwithstanding [subsection 1](#), and in addition to the reductions applicable pursuant to [subsection 2](#) and paragraph “b” of [this subsection](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies related to expenditures other than expenditures for professional development for the fiscal year beginning July 1, 2022, and ending June 30, 2023, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

b. Notwithstanding [subsection 1](#), and in addition to the reductions applicable pursuant to [subsection 2](#) and paragraph “a” of [this subsection](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies related to professional development expenditures for the fiscal year beginning July 1, 2022, and ending June 30, 2023, shall be reduced by the department of management by an amount equal to the sum of the area education agency professional development supplement district cost for all area education agencies determined under [section 257.37A, subsection 2, Code 2022](#), for the budget year beginning July 1, 2022. The reduction for each area education

agency shall be equal to the area education agency's professional development district cost determined under [section 257.37A, subsection 2, Code 2022](#), for the budget year beginning July 1, 2022. The amounts reduced under this paragraph shall be considered funds paid to school districts and area education agencies under [chapter 284](#) for purposes of requirements for providing professional development opportunities.

18. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2023, and ending June 30, 2024, shall be reduced by the department of management by twenty-two million fifty-seven thousand one hundred thirty-one dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

19. Notwithstanding [subsection 1](#), and in addition to the reduction applicable pursuant to [subsection 2](#), the amounts specified for school districts and area education agencies in [subsection 1](#), paragraph "a", for the fiscal year beginning July 1, 2024, and ending June 30, 2025, shall be reduced by the department of management by fifteen million dollars and, in addition, as a result of appropriations made pursuant to [2024 Iowa Acts, ch. 1152](#), shall be reduced by the department of management by ten million dollars. The reductions for each district or agency shall be prorated based on the proportional reduction that the district or agency receives under [subsection 2](#).

20. In addition to the state aid reduction applicable pursuant to [subsection 2](#), the state aid portion of the amounts specified for school districts in [section 257.10, subsection 7](#), for the fiscal year beginning July 1, 2025, and ending June 30, 2026, shall be reduced by the department of management by twenty-five million dollars. The reductions for each district shall be prorated based on the proportional reduction that the district receives under [subsection 2](#).

21. The director of the department of management may deduct the following from the state aid due to each school district pursuant to [this chapter](#) and shall pay the amounts to the respective area education agencies on a monthly basis from September 15 through June 15 during each school year for purposes of providing services to students enrolled in nonpublic schools within the boundaries of the area education agency:

a. The amount calculated for media services for the school district that is attributable to the number of students enrolled in nonpublic schools within the school district who are provided with media services by an area education agency.

b. The amount calculated for educational services for the school district that is attributable to the number of students enrolled in nonpublic schools within the school district who are provided with educational services by an area education agency.

22. Notwithstanding [section 257.37](#), an area education agency may use the funds determined to be available under [this section](#) in a manner which the area education agency determines is appropriate to best maintain the level of required area education agency special education services. An area education agency may also use unreserved fund balances for media services or education services in a manner which the area education agency determines is appropriate to best maintain the level of required area education agency special education services.

[89 Acts, ch 135, §35; 2002 Acts, ch 1167, §2, 6; 2003 Acts, ch 178, §40, 41, 43; 2004 Acts, ch 1175, §236, 287; 2005 Acts, ch 179, §6; 2006 Acts, ch 1185, §6; 2007 Acts, ch 215, §9; 2008 Acts, ch 1181, §100; 2008 Acts, ch 1191, §8; 2009 Acts, ch 183, §69, 74; 2010 Acts, ch 1193, §13; 2011 Acts, ch 131, §5, 44, 158; 2012 Acts, ch 1138, §24; 2013 Acts, ch 140, §8; 2014 Acts, ch 1141, §4; 2015 Acts, ch 138, §7, 161, 162; 2016 Acts, ch 1138, §3; 2017 Acts, ch 170, §11; 2018 Acts, ch 1172, §4; 2019 Acts, ch 89, §3; 2020 Acts, ch 1019, §6; 2021 Acts, ch 174, §3; 2022 Acts, ch 1153, §4; 2023 Acts, ch 119, §5; 2024 Acts, ch 1002, §30, 37, 38; 2024 Acts, ch 1154, §8 – 11; 2025 Acts, ch 159, §5, 6](#)

Referred to in [§257.37, 273.3](#)

2024 amendments to subsections 1, 2, and 17 apply July 1, 2024, for school budget years beginning on or after that date; 2024 Acts, ch 1002, §38; 2024 Acts, ch 1154, §11

Subsection 2 amended

NEW subsections 20 and 21 and former subsection 20 renumbered as 22

257.36 Special education support services balances.

1. Notwithstanding [chapters 256B](#) and [273](#) and sections of [this chapter](#) relating to the moneys available to school districts and area education agencies for special education support services, for each school year, the department of education may direct the department of management to deduct amounts from the portions of school district budgets that fund special education support services in an area education agency. The total amount deducted for a school district shall be based upon excess special education support services unreserved and undesignated fund balances in that school district or paid by the school district to an area education agency for a school year that remain unreserved and undesignated as determined by the department of education. The department of management shall determine the amount deducted from each school district in an area education agency on a proportional basis. The department of management shall determine from the amounts deducted from the portions of school district budgets that fund area education agency special education support services the amount that would have been local property taxes and the amount that would have been state aid and for the next following budget year shall increase the district's total state school aid available under [this chapter](#) for area education agency special education support services and reduce the district's property tax levy for area education agency special education support services by the amount necessary for the property tax portion of the deductions made under [this section](#) during the budget year.

2. The amount deducted from a school district's budget shall not affect the calculation of the state cost per pupil or its district cost per pupil in that school year or a subsequent year.

[89 Acts, ch 135, §36; 2018 Acts, ch 1041, §127; 2024 Acts, ch 1002, §31, 37, 38](#)

Referred to in [§257.5, 257.8](#)

2024 amendment to subsection 1 applies July 1, 2024, for school budget years beginning on or after that date; 2024 Acts, ch 1002, §38

257.37 Funding media and educational services.

Media services and educational services provided by a school district or through the area education agency 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 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 supplemental state aid 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 supplemental state aid for media services in the budget year times the enrollment served in the budget year. For fiscal years beginning before July 1, 2025, funds shall be paid to area education agencies as provided in [section 257.35](#). For fiscal years beginning on or after July 1, 2024, funds not required to be paid to an area education agency may be used by the school district for any school district general fund purpose.

2. Up to thirty percent of the budget of an area for media services may be expended for media resource material including the purchase or replacement of material required in [section 273.6, subsection 1](#).

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 supplemental state aid 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 supplemental state aid for educational services in the budget year times the enrollment served in the area in the budget year. For fiscal years beginning before July 1, 2025, funds shall be paid to area education agencies as provided in [section 257.35](#). For fiscal years beginning on or after July 1, 2024, funds not required to be paid to an area education agency may be used by the school district for any school district general fund purpose.

4. “*Enrollment served*” means the basic enrollment of all school districts within the boundaries of the area education agency plus the number of nonpublic school pupils served by the area education agency 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 enrollment report submitted pursuant to [section 257.6, subsection 1](#), the number of nonpublic school pupils within each school district for media and educational services served by the area. However, the school district shall not include in the enrollment report nonpublic school pupils receiving classes or services funded entirely by federal grants or allocations.

5. a. 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 within the area 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.

b. [This subsection](#) applies only to media and educational services which cannot be diverted for religious purposes.

c. 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.

6. For the budget year beginning July 1, 2002, and each succeeding budget year, notwithstanding the requirements of [this section](#) for determining the budgets and funding of media services and education services, an area education agency or school district may expend for special education support services an amount that exceeds the payment for special education support services in order to maintain the level of required special education support services in the area education agency or the school district, as applicable.

91 Acts, ch 6, §2; 91 Acts, ch 267, §228; 2002 Acts, ch 1167, §3, 6; 2003 Acts, ch 178, §42, 43; 2006 Acts, ch 1152, §26; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1138, §25; 2013 Acts, ch 88, §7; 2013 Acts, ch 121, §32, 42; 2024 Acts, ch 1002, §32, 37, 38

Referred to in §257.1, 257.10, 257.15, 257.35, 273.23

2024 amendment applies July 1, 2024, for school budget years beginning on or after that date; 2024 Acts, ch 1002, §38

257.37A Area education agency salary supplement funding.

1. For the budget year beginning July 1, 2009, the department of management shall add together the teacher compensation allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to [section 284.13, subsection 1](#), paragraph “i”, Code 2009, and the phase II allocation made to each area education agency for the fiscal

year beginning July 1, 2008, pursuant to [section 294A.9, Code 2009](#), and divide that sum by the special education support services weighted enrollment in the fiscal year beginning July 1, 2009, to determine the area education agency teacher salary supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the area education agency teacher salary supplement district cost per pupil for each area education agency for a budget year is the area education agency teacher salary supplement district cost per pupil for the base year plus the area education agency teacher salary supplement supplemental state aid amount for the budget year.

2. For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted area education agency teacher salary supplement district cost of an area education agency for a budget year is less than one hundred percent of the unadjusted area education agency teacher salary supplement district cost for the base year for the area education agency, the area education agency shall receive a budget adjustment for that budget year equal to the difference.

3. *a.* The unadjusted area education agency teacher salary supplement district cost is the area education agency teacher salary supplement district cost per pupil for each area education agency for a budget year multiplied by the special education support services weighted enrollment for that area education agency.

b. The total area education agency teacher salary supplement district cost is the sum of the unadjusted area education agency teacher salary supplement district cost plus the budget adjustment for that budget year.

4. For the budget year beginning July 1, 2009, the use of the funds calculated under [this section](#) shall comply with requirements of [chapter 284](#) and shall be distributed to teachers pursuant to [section 284.3A](#). For the budget year beginning July 1, 2010, and succeeding budget years, the use of the funds calculated under [this section](#) shall comply with the requirements of [chapter 284](#) and shall be distributed to teachers pursuant to [section 284.3A](#).

[2008 Acts, ch 1181, §101; 2009 Acts, ch 68, §5, 6; 2009 Acts, ch 177, §19, 20; 2013 Acts, ch 121, §33, 34, 42; 2024 Acts, ch 1002, §33, 37, 38](#)

Referred to in [§256F.4, 257.16, 284.3A](#)

2024 amendment applies July 1, 2024, for school budget years beginning on or after that date; [2024 Acts, ch 1002, §38](#)

257.38 Funding for at-risk, alternative school, and returning dropouts and dropout prevention programs — plan.

1. Boards of school districts, individually or jointly with boards of other school districts, requesting to use a modified supplemental amount for costs in excess of the amount received under [section 257.11, subsection 4](#), for programs for at-risk students, secondary students who attend alternative programs and alternative schools, and returning dropouts and dropout prevention, shall approve, by resolution, comprehensive program plans for the programs and budget costs, including annual requests for a modified supplemental amount for funding the programs. The program plans shall include:

a. Program goals, objectives, and activities to meet the needs of students identified as at risk, secondary students who attend alternative programs and alternative schools, or potential dropouts or returning dropouts.

b. Student identification criteria and procedures.

c. Staff in-service education design.

d. Staff utilization plans.

e. Evaluation criteria and procedures and performance measures.

f. Program budget.

g. Qualifications required of personnel delivering the program.

h. A program for at-risk students.

i. A provision for identifying at-risk students.

2. Program plans shall identify the parts of the plan that will be implemented first upon adoption of the program plan. If a district is requesting to use a modified supplemental amount to finance the program, the school district shall include in the request the number

of students in its budget enrollment for the budget year identified as returning dropouts and potential dropouts.

89 Acts, ch 135, §38; 2001 Acts, ch 159, §9; 2006 Acts, ch 1152, §27; 2013 Acts, ch 121, §35, 36, 42; 2015 Acts, ch 140, §39, 58, 59; 2018 Acts, ch 1112, §4 – 6, 18

Referred to in §257.10, 257.41

257.39 Definitions — potential dropouts and returning dropouts.

As used in [this chapter](#):

1. “*Potential dropouts*” are resident pupils who are enrolled in a public or nonpublic school who demonstrate poor school adjustment as indicated by two or more of the following:

- a. High rate of absenteeism, truancy, or frequent tardiness.
- b. Limited or no extracurricular participation or lack of identification with school, including but not limited to expressed feelings of not belonging.
- c. Poor grades, including but not limited to failing in one or more school subjects or grade levels.
- d. Low achievement scores in reading or mathematics which reflect achievement at two years or more below grade level.

e. Children in grades kindergarten through three who meet the definition of at-risk children adopted by the department of education.

2. “*Returning dropouts*” are resident pupils who have been enrolled in a public or nonpublic school in any of grades seven through twelve who withdrew from school for a reason other than transfer to another school or school district and who subsequently enrolled in a public school in the district.

89 Acts, ch 135, §39; 2020 Acts, ch 1062, §38

Referred to in §257.10, 257.11, 282.27

257.40 Approval of requests for modified supplement amounts for adopted program plans.

1. The board of directors of a school district requesting to use a modified supplemental amount for costs in excess of the funding received under [section 257.11, subsection 4](#), for programs for at-risk students, secondary students who attend alternative programs and alternative schools, or returning dropouts and dropout prevention shall submit requests for a modified supplemental amount, including budget costs, to the school budget review committee not later than January 15 of the budget year preceding the budget year during which the program will be offered. The school budget review committee shall review the request and shall grant approval for the request if the amount requested does not exceed an amount equal to the limitation of [section 257.41, subsection 3](#), minus any funds for the adopted program carried forward from the year prior to the base year. The board of directors shall certify by resolution that the request complies with the school district’s adopted program plan. If the amount requested exceeds an amount equal to the limitation of [section 257.41, subsection 3](#), minus any funds for the adopted program carried forward from the year prior to the base year, the amount approved by the school budget review committee shall equal the limitation amount minus any funds for the adopted program carried forward from the year prior to the base year. Not later than March 15, the school budget review committee shall notify the department of management of the names of the school districts for which programs using a modified supplemental amount for funding have been approved and the approved budget of each program listed separately for each school district having an approved request. If requested, the board of directors shall provide the adopted program plan for any audit performed under [chapter 11](#) or other provision of law.

2. If a school district submits a request after January 15 but before March 1 of the budget year preceding the budget year during which the program will be offered, the school budget review committee may grant the modified supplemental amount request based on the specifications under [subsection 1](#).

89 Acts, ch 135, §40; 2006 Acts, ch 1152, §28; 2007 Acts, ch 22, §60; 2013 Acts, ch 121, §37, 42; 2015 Acts, ch 140, §40, 58, 59; 2018 Acts, ch 1112, §7, 18; 2020 Acts, ch 1093, §2, 4, 5

Referred to in §257.10, 257.11, 257.31, 298A.2

257.41 Funding for programs for returning dropouts and dropout prevention.

1. *Budget.* The budget of an adopted program for at-risk students, secondary students who attend alternative programs or alternative schools, or returning dropouts and dropout prevention for a school district, after subtracting funds received under [section 257.11, subsection 4](#), paragraphs “a” through “c”, and from other sources for that purpose, including any previous carryover or amount designated from the school district’s flexibility account under [section 298A.2, subsection 2](#), shall be funded annually on a basis of one-fourth or more from the district cost of the school district and up to three-fourths through establishment of a modified supplemental amount. Annually, the department of management shall establish a modified supplemental amount for each such school district equal to the difference between the approved budget for the program for that district and the sum of the amount funded from the district cost of the school district plus funds received under [section 257.11, subsection 4](#), and from other sources for that purpose, including any previous carryover or amount designated from the school district’s flexibility account under [section 298A.2, subsection 2](#).

2. *Appropriate uses of funding.* Appropriate uses of the funding for an adopted program include but are not limited to the following:

a. Salary and benefits for staff including but not limited to instructional staff, instructional support staff, administrative staff, and guidance counselors, salary and benefits or contract payments for psychologists licensed under [chapter 154B](#), licensed independent social workers or master social workers under [chapter 154C](#), licensed mental health counselors under [chapter 154D](#), and salary and benefits for school-based youth services staff who are working with at-risk or dropout prevention programs, alternative programs, and alternative schools, in a traditional or alternative setting, or who are working with students who are participating in such programs or schools, if such person’s time is dedicated to working with the program or with such students in order to provide services beyond those which are provided by the school district to students who are not participating in such programs or alternative schools. However, if such person works part-time with students who are participating in a program or alternative school and the person has another unrelated assignment, only the portion of the person’s time that is related to the program or alternative school may be charged to the program or school. For each such person who works part time or on a contract basis with the program or with students who are participating in a program or alternative school, the school district shall have the authority to designate the portion of the person’s time and the corresponding amount of salary and benefits or contract payment amount that is related to the program or alternative school and shall include such designation as part of the program plan under [section 257.38](#), if applicable. For purposes of this paragraph, if an alternative setting is necessary to provide for a program which is offered at a location off school grounds and which is intended to serve student needs by improving relationships and connections to school, decreasing truancy and tardiness, providing opportunities for course credit recovery, or helping students identified as at risk to accelerate through multiple grade levels of achievement within a shortened time frame, the tuition costs for a student identified as at risk shall be considered an appropriate use of the program funding under [this section](#).

b. Professional development for all teachers, counselors, and staff identified in paragraph “a” who are working with at-risk students under a program or an alternative school setting.

c. Research-based resources, materials, software, supplies, and purchased services that meet all of the following criteria:

(1) Meets the needs of kindergarten through grade twelve students identified as at risk.

(2) Are beyond those provided by the regular school program.

(3) Are necessary to provide the services listed in the school district’s plan submitted pursuant to [section 257.38](#).

(4) Will remain with the kindergarten through grade twelve at-risk program, alternative program or alternative school, or returning dropout and dropout prevention program.

d. Costs incurred for a program intended to address high rates of absenteeism, truancy, or frequent tardiness.

e. Costs incurred for programs authorized under [section 257.11, subsection 4](#), paragraph “d”.

f. Any purpose determined by the board of directors that directly benefits students participating in the adopted program.

g. School security personnel costs.

3. *Limitation.* For the fiscal year beginning July 1, 2013, and each succeeding fiscal year, the ratio of the amount of the modified supplemental amount established by the department of management compared to the school district's total regular program district cost shall not exceed two and one-half percent. However, if the school district's highest such ratio so determined for any fiscal year beginning on or after July 1, 2009, but before July 1, 2013, exceeded two and one-half percent, the ratio may exceed two and one-half percent but shall not exceed the highest such ratio established during that period.

4. *Other uses.* Notwithstanding [subsection 2](#) and [section 282.24](#), if a student has been determined by the school district to be likely to inflict self-harm or likely to harm another student and all of the following apply, the school district may use the modified supplemental amount established under [subsection 1](#) to pay the instructional costs necessary to address the student's behavior during instructional time when those services are not otherwise provided to students who do not require special education and the costs exceed the costs of instruction of students in a regular curriculum:

a. The student does not require special education.

b. The student is not in a court-ordered placement under [chapter 232](#) under the care and custody of the department of health and human services or juvenile court services.

c. The student is not in the state training school pursuant to a court order entered under [chapter 232](#) under the care and custody of the department of health and human services.

d. The pupil is not placed in a facility licensed under [chapter 135B](#), [135C](#), or [135H](#).

[89 Acts, ch 135, §41](#); [2012 Acts, ch 1102, §1, 2](#); [2013 Acts, ch 121, §38, 42](#); [2014 Acts, ch 1013, §11](#); [2014 Acts, ch 1135, §13](#); [2015 Acts, ch 140, §41, 42, 58, 59](#); [2017 Acts, ch 153, §5 – 8](#); [2017 Acts, ch 154, §3](#); [2018 Acts, ch 1112, §8 – 11, 18](#); [2019 Acts, ch 100, §7](#); [2023 Acts, ch 19, §1012](#)

Referred to in [§257.10](#), [257.11](#), [257.19](#), [257.40](#), [282.27](#)

257.42 Gifted and talented children.

1. Boards of school districts, individually or jointly with the boards of other school districts, shall annually submit program plans for gifted and talented children programs and budget costs to the department of education and to the applicable gifted and talented children advisory council, if an advisory council has been established, as provided in [this chapter](#).

2. The parent or guardian of a pupil may request that a gifted and talented children program be established for pupils who qualify as gifted and talented children under [section 257.44](#), including demonstrated achievement or potential ability in a single subject area.

3. The department of education shall employ one full-time qualified staff member or consultant for gifted and talented children programs.

4. The department of education shall adopt rules under [chapter 17A](#) relating to the administration of this section and [sections 257.43 through 257.49](#). The rules shall prescribe the format of program plans submitted under [section 257.43](#) and shall require that programs fulfill specified objectives. The department shall encourage and assist school districts to provide programs for gifted and talented children.

5. The department of education may request that the staff of the auditor of state conduct an independent program audit to verify that the gifted and talented programs conform to a district's program plans.

[89 Acts, ch 135, §42](#); [94 Acts, ch 1088, §1](#); [99 Acts, ch 178, §5, 10](#); [2015 Acts, ch 140, §43, 58, 59](#); [2016 Acts, ch 1073, §86](#)

257.43 Program plans.

The program plans submitted by school districts shall be part of the school improvement plan submitted pursuant to [section 256.7, subsection 21](#), paragraph "a", and shall include all of the following:

1. Program goals, objectives, and activities to meet the needs of gifted and talented children.

2. Student identification criteria and procedures.

3. Staff in-service education design.
4. Staff utilization plans.
5. Evaluation criteria and procedures and performance measures.
6. Program budget.
7. Qualifications required of personnel administering the program.
8. Other factors the department requires.

[89 Acts, ch 135, §43](#); [99 Acts, ch 178, §6, 10](#)

Referred to in [§257.42](#), [261E.6](#)

257.44 Gifted and talented children defined.

1. “*Gifted and talented children*” are those children who are identified as possessing outstanding abilities and who are capable of high performance. Gifted and talented children are children who require appropriate instruction and educational services commensurate with their abilities and needs beyond those provided by the regular school program.

2. Gifted and talented children include those children with demonstrated achievement or potential ability, or both, in any of the following areas or in combination:

- a. General intellectual ability.
- b. Creative thinking.
- c. Leadership ability.
- d. Visual and performing arts ability.
- e. Specific ability aptitude.

[89 Acts, ch 135, §44](#); [2010 Acts, ch 1069, §72](#)

Referred to in [§257.42](#)

257.45 Submission of program plans.

1. The board of directors of a school district shall submit applications for approval for the programs to the department not later than November 1 preceding the fiscal year during which the program will be offered. The board shall also submit a copy of the program plans to the gifted and talented children advisory council, if an advisory council has been established. The department shall review the program plans and shall prior to January 15 either grant approval for the program or return the request for approval with comments of the department included. Any unapproved request for a program may be resubmitted with modifications to the department not later than a date established by the department. Not later than February 15 the department shall notify the department of management and the school budget review committee of the names of the school districts for which gifted and talented children programs have been approved and the approved budget of each program listed separately for each school district having an approved program.

2. The department of education may waive the November 1 deadline, if the department finds that the school district applying for approval of gifted and talented programs missed the deadline for good cause. The department shall adopt rules defining good cause for purposes of [this section](#).

[89 Acts, ch 135, §45](#); [94 Acts, ch 1088, §2](#); [99 Acts, ch 178, §7, 10](#)

Referred to in [§257.42](#)

257.46 Funding.

1. The budget of an approved gifted and talented children program for a school district, after subtracting funds received from other sources for that purpose, including any amount designated from the school district’s flexibility account under [section 298A.2, subsection 2](#), shall be funded annually on a basis of one-fourth or more from the district cost of the school district.

2. The remaining portion of the budget shall be funded by the thirty-eight dollar increase in supplemental state aid, as defined in [section 257.2](#), Code 2014, for the school budget year beginning July 1, 1999, multiplied by a district’s budget enrollment. The thirty-eight dollar increase for the school budget year beginning July 1, 1999, shall increase in subsequent years by each year’s state percent of growth. School districts shall annually report the amount expended for a gifted and talented program to the department of education. The proportion of a school district’s budget which corresponds to the thirty-eight dollar increase

in supplemental state aid, as defined in [section 257.2](#), Code 2014, for the school budget year beginning July 1, 1999, added to the amount in [subsection 1](#), shall be utilized exclusively for a school district's gifted and talented program.

3. If any portion of the gifted and talented program budget remains unexpended at the end of the budget year, the remainder shall be carried over to the subsequent budget year and added to the gifted and talented program budget for that year. At the end of a fiscal year beginning on or after July 1, 2022, the school district may use all or a portion of funds for the purposes authorized under [section 257.10, subsection 9](#), paragraph "d".

[89 Acts, ch 135, §46; 94 Acts, ch 1088, §3; 99 Acts, ch 178, §8, 10; 2000 Acts, ch 1058, §29; 2000 Acts, ch 1151, §1, 2; 2013 Acts, ch 121, §39, 42; 2017 Acts, ch 154, §4; 2023 Acts, ch 1, §16, 18; 2023 Acts, ch 111, §24 – 26](#)

Referred to in [§257.10, 257.19, 257.42, 298A.2](#)

257.47 Cooperation by area education agencies.

The area education agencies in which the school districts having approved gifted and talented children programs are located shall cooperate with the school district in the identification and placement of gifted and talented children and may assist school districts in the establishment of such programs.

[89 Acts, ch 135, §47](#)

Referred to in [§257.42](#)

257.48 Advisory council.

1. At the written request of one or more boards of school districts, in an area education agency, the area education agency board shall establish one or more gifted and talented children advisory councils and shall appoint members for four-year staggered terms. The terms of office of advisory council members shall commence on July 1 of each year. An advisory council shall consist of seven members including teachers, parents, school administrators, and other persons interested in education in the area. Except as otherwise provided in [this section](#), members shall be eligible electors residing in the merged area. Members shall serve without compensation but shall be reimbursed for actual and necessary expenses and mileage incurred in the performance of their duties from funds available to the area education agency.

2. If an area education agency has a weighted enrollment of more than thirty-five thousand, the board may appoint additional advisory councils for each thirty-five thousand weighted enrollment or fraction of thirty-five thousand. If more than one advisory council is appointed by the board, the board shall divide the merged area along school district boundary lines for jurisdiction of the advisory councils, and membership of these advisory councils shall be appointed from the designated portion of the merged area.

[89 Acts, ch 135, §48; 2018 Acts, ch 1041, §127](#)

Referred to in [§257.42](#)

257.49 Duties of advisory council.

The gifted and talented children advisory council shall:

1. Elect a chairperson and vice chairperson from the membership of the advisory council.
2. Meet as often as deemed necessary by the advisory council.
3. Advise and assist a local board of directors in the establishment of gifted and talented children programs, when requested by the local board.

4. Review program plans and proposed budgets for a gifted and talented children program, in consultation with a gifted and talented children consultant employed by the area education agency, when requested by a local board.

5. When requested by a local board, evaluate the results of a gifted and talented children program and file a written report together with recommendations for improvement or change with the board of directors of the applicable school district, the area education agency and the department of education. The evaluation shall be conducted by three or more members of the advisory council.

[89 Acts, ch 135, §49](#)

Referred to in [§257.42](#)

257.50 Federal assistance — school district responsibilities.

The director of the department of education, in accepting and administering federal funds in accordance with [section 256.9, subsection 7](#), shall upon receiving federal grant moneys under the federal 21st Century Community Learning Center Grant, Tit. IV, pt. B of the federal Elementary and Secondary Education Act of 1965, as amended by the federal Every Student Succeeds Act, as amended, 20 U.S.C. §7171–7176, designate that a school district be the fiscal agent for an eligible local grant. Whenever possible, the grant applicant school district shall collaborate with a community-based organization, a public or private entity, or a consortium of two or more of such organizations or entities in establishing a community learning center. The department shall give priority to applications for programs serving students determined through research-based methods to be in the greatest need of eligible services. Notwithstanding the provisions of [this section](#), if federal rules or regulations relating to the 21st Century Community Learning Center Grant are adopted that are inconsistent with the provisions of [this section](#), the department of education shall comply with the requirements of the federal rules or regulations.

[2002 Acts, ch 1140, §12; 2010 Acts, ch 1061, §180; 2018 Acts, ch 1057, §8](#)

257.51 Career academy fund — grant program.

1. A career academy fund is created and established as a separate and distinct fund in the state treasury under the control of the department of education.

2. *a.* In addition to moneys deposited in the career academy fund pursuant to [section 423F.2](#), the department of education may accept gifts, grants, bequests, and other private contributions, as well as state or federal funds, and shall deposit the moneys in the fund to be used for purposes of [this section](#). Moneys in the fund are appropriated to the department of education and shall be used for the purposes of [this section](#).

b. Notwithstanding [section 8.33](#), moneys in the fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes of [this section](#) in succeeding fiscal years. Notwithstanding [section 12C.7, subsection 2](#), interest earned on moneys in the career academy fund shall be credited to the fund.

3. The department of education shall adopt rules to establish and administer a career academy grant program to provide for the allocation of money in the fund in the form of competitive grants, not to exceed one million dollars per grant, to school corporations for career academy infrastructure, career academy equipment, or both, in accordance with the goals of [this section](#) and to further the goals of the establishment and operation of career academies under [section 256.137](#). The rules adopted by the department of education shall specify the eligibility of applicants and eligible items for grant funding. Priority for grants shall first be given to applications to establish new career academies that are organized as regional centers pursuant to [chapter 256, subchapter VII, part 2](#). Subsequent priority shall be given to applications for expanding existing career academies.

[2019 Acts, ch 166, §6; 2023 Acts, ch 19, §2525](#)

Referred to in [§423F.2](#)