

Senate Amendment to  
House File 565

H-1338

1 Amend House File 565, as amended, passed, and reprinted by  
2 the House, as follows:

3 1. By striking everything after the enacting clause and  
4 inserting:

5 <Section 1. Section 256C.4, subsection 1, paragraph e, Code  
6 2017, is amended to read as follows:

7 e. Preschool foundation aid funding shall not be used for  
8 the costs of constructing a facility in connection with an  
9 approved local program. Preschool foundation aid funding may  
10 be used by approved local programs and community providers  
11 for professional development for preschool teachers, for  
12 instructional equipment, for material and equipment designed  
13 to develop pupils' large and small motor skills, and for other  
14 direct costs. Preschool foundation aid funding may be used  
15 by approved local programs for the costs of transportation  
16 involving children participating in the preschool program.  
17 The costs of transporting other children associated with  
18 the preschool program or transported as provided in section  
19 256C.3, subsection 3, paragraph "h", may be prorated by the  
20 school district. Preschool foundation aid funding received by  
21 an approved local program that ~~remain~~ remains unexpended ~~or~~  
22 and unobligated at the end of a fiscal year beginning on or  
23 after July 1, 2017, shall be used to build the approved local  
24 program's preschool program capacity in the next succeeding  
25 fiscal year excluding that portion of such unexpended and  
26 unobligated funding that the school district authorizes for  
27 transfer for deposit in the school district's flexibility  
28 account established under section 298A.2, subsection 2, if  
29 the statutory requirements for the use of such funding are  
30 met. For purposes of determining whether a school district  
31 has authority to transfer preschool foundation aid funding  
32 for deposit in the school district's flexibility account  
33 established under section 298A.2, subsection 2, the school  
34 district must have provided preschool programming during  
35 the fiscal year for which funding remains unexpended and

1 unobligated to all eligible students for whom a timely  
2 application for enrollment was submitted.

3 Sec. 2. Section 257.10, subsection 10, paragraph d, Code  
4 2017, is amended to read as follows:

5 *d.* The use of the funds calculated under this subsection  
6 and any amount designated for professional development purposes  
7 from the school district's flexibility account under section  
8 298A.2, subsection 2, shall comply with the requirements of  
9 chapter 284. If all professional development requirements of  
10 chapter 284 are met and funds received under this subsection  
11 remain unexpended and unobligated at the end of a fiscal year  
12 beginning on or after July 1, 2017, the school district may  
13 transfer all or a portion of such unexpended and unobligated  
14 funds for deposit in the school district's flexibility account  
15 established under section 298A.2, subsection 2.

16 Sec. 3. Section 257.41, subsection 1, Code 2017, is amended  
17 to read as follows:

18 1. *Budget.* The budget of an approved program for at-risk  
19 students, secondary students who attend alternative programs  
20 or alternative schools, or returning dropouts and dropout  
21 prevention for a school district, after subtracting funds  
22 received under [section 257.11, subsection 4](#), paragraphs "a"  
23 through "c", and from other sources for that purpose, including  
24 any previous carryover or amount designated from the school  
25 district's flexibility account under section 298A.2, subsection  
26 2, shall be funded annually on a basis of one-fourth or  
27 more from the district cost of the school district and up to  
28 three-fourths through establishment of a modified supplemental  
29 amount. Annually, the department of management shall establish  
30 a modified supplemental amount for each such school district  
31 equal to the difference between the approved budget for the  
32 program for that district and the sum of the amount funded from  
33 the district cost of the school district plus funds received  
34 under [section 257.11, subsection 4](#), and from other sources  
35 for that purpose, including any previous carryover or amount

1 designated from the school district's flexibility account under  
2 section 298A.2, subsection 2.

3 Sec. 4. Section 257.46, subsection 1, Code 2017, is amended  
4 to read as follows:

5 1. The budget of an approved gifted and talented children  
6 program for a school district, after subtracting funds received  
7 from other sources for that purpose, including any amount  
8 designated from the school district's flexibility account  
9 under section 298A.2, subsection 2, shall be funded annually  
10 on a basis of one-fourth or more from the district cost of the  
11 school district.

12 Sec. 5. Section 284.6, subsection 9, Code 2017, is amended  
13 to read as follows:

14 9. Moneys received pursuant to section 257.10, subsection  
15 10, or [section 257.37A, subsection 2](#), shall be maintained  
16 as a separate listing within a school district's or area  
17 education agency's budget for funds received and expenditures  
18 made pursuant to [this subsection](#). A school district shall  
19 certify to the department of education how the school  
20 district allocated the funds and that moneys received under  
21 this subsection were used to supplement, not supplant, the  
22 professional development opportunities the school district  
23 would otherwise make available. For budget years beginning  
24 on or after July 1, 2017, all or a portion of the moneys  
25 received pursuant to section 257.10, subsection 10, that remain  
26 unexpended and unobligated at the end of a fiscal year may,  
27 pursuant to section 257.10, subsection 10, paragraph "d", be  
28 transferred for deposit in the school district's flexibility  
29 account established under section 298A.2, subsection 2.

30 Sec. 6. Section 298A.2, Code 2017, is amended to read as  
31 follows:

32 **298A.2 General fund — flexibility account.**

33 1. All moneys received by a school corporation from taxes  
34 and other sources must be accounted for in the general fund,  
35 except moneys required by law to be accounted for in another

1 fund.

2 2. a. A flexibility account shall be established in  
3 the general fund of each school corporation if the school  
4 corporation has authorized the transfer of all or a portion  
5 of the unexpended and unobligated funds from any of the  
6 following sources following a determination that the statutory  
7 requirements for such funds are met:

8 (1) An approved local program under the statewide preschool  
9 program for four-year-old children under chapter 256C.

10 (2) Professional development funds received under section  
11 257.10, subsection 10.

12 (3) The home school assistance program under section  
13 299A.12.

14 b. In addition to the transfers to the flexibility account  
15 authorized by law, a school district may transfer to the  
16 flexibility account all or a portion of any unexpended and  
17 unobligated moneys in any other school district fund or school  
18 district general fund account if the program, purpose, or  
19 requirements for the expenditure of such moneys have been  
20 repealed or are no longer in effect.

21 c. Moneys deposited in the flexibility account may be used  
22 by the school district during a budget year beginning in or  
23 after the calendar year in which the moneys were transferred to  
24 the flexibility account for any of the following:

25 (1) Start-up costs for an approved local program under the  
26 statewide preschool program for four-year-old children under  
27 chapter 256C.

28 (2) Professional development requirements under chapter  
29 284.

30 (3) The home school assistance program under section  
31 299A.12.

32 (4) At-risk pupils programs, alternative programs and  
33 alternative school programs, and returning dropout and dropout  
34 prevention programs under section 257.40.

35 (5) Gifted and talented children programs under section

1 257.46.

2 (6) Any school district general fund purpose.

3 d. Expenditures from the flexibility account shall be  
4 approved by resolution of the board of directors of the school  
5 corporation and shall be included in the budget certified in  
6 accordance with chapter 24. Before the board of directors  
7 may adopt the resolution approving expenditures from the  
8 flexibility account, the board shall hold a public hearing on  
9 the proposed resolution. The proposed resolution must state  
10 the original source and purpose of the funds, the proposed use  
11 of such funds, the amount of the proposed expenditure, and  
12 the fiscal year from which the transfer of such funds to the  
13 flexibility account occurred. The proposed resolution must  
14 also include a certification that the statutory requirements  
15 for each original source of the money proposed to be used have  
16 been met, have been repealed, or are no longer in effect. The  
17 board shall publish notice of the time and the place of the  
18 public hearing in the same manner as required in section 24.9.  
19 The department of education shall prescribe the form for public  
20 hearing notices. A copy of the resolution shall be provided  
21 by the board to the department of education and shall be made  
22 available by the board for any audit performed under chapter  
23 11.

24 e. (1) When exercising authority to carry out an agency  
25 action, as defined in section 17A.2, or to perform an activity  
26 or make a decision specified in section 17A.2, subsection  
27 11, paragraphs "a" through "l", if applicable, related to the  
28 provisions of this subsection, the department of education, the  
29 director of the department of education, and the state board  
30 of education shall carry out, perform, or make such agency  
31 action, activity, or decision in a manner that gives deference  
32 to decisions of school districts' boards of directors, promotes  
33 flexibility for school districts, and minimizes intrusions into  
34 school district operations and decision making by boards of  
35 directors.

1       (2) (a) In addition to subparagraph (1), the department of  
2 education, the director of the department of education, and the  
3 state board of education shall not issue guidance related to  
4 the provisions of this subsection, that is inconsistent with  
5 any statute, rule, or other legal authority or that imposes  
6 any legally binding obligations or duties upon any person  
7 unless such legally binding obligations or duties are required  
8 or reasonably implied by any statute, rule, or other legal  
9 authority. Guidance issued in violation of this subparagraph  
10 (2) shall not be deemed to be legally binding.

11       (b) For the purposes of this subparagraph (2), "guidance"  
12 means a document or statement issued by the department of  
13 education, the director of the department of education, or the  
14 state board of education that purports to interpret a law,  
15 a rule, or other legal authority and is designed to provide  
16 advice or direction to a person regarding the implementation  
17 of or compliance with the law, the rule, or the other legal  
18 authority being interpreted. "Guidance" does not include any  
19 action, activity, or decision governed by subparagraph (1), a  
20 document or statement required by federal law or a court, or  
21 a document or statement issued in the course of a contested  
22 case proceeding, an administrative proceeding, or a judicial  
23 proceeding to which the department, the state board, or the  
24 director is a party.

25       Sec. 7. Section 299A.12, subsection 1, Code 2017, is amended  
26 to read as follows:

27       1. The board of directors of a school district shall  
28 expend moneys received pursuant to section 257.6, subsection  
29 1, paragraph "a", subparagraph (5), and amounts designated  
30 from the school district's flexibility account under section  
31 298A.2, subsection 2, for purposes of providing a home school  
32 assistance program.

33       Sec. 8. Section 299A.12, subsection 2, unnumbered paragraph  
34 1, Code 2017, is amended to read as follows:

35       Purposes for which a school district may expend funds

1 received pursuant to [section 257.6, subsection 1](#), paragraph  
2 "a", subparagraph (5), or amounts designated from the school  
3 district's flexibility account under section 298A.2, subsection  
4 2, shall include but not be limited to the following:

5 Sec. 9. Section 299A.12, subsection 2, paragraphs c and d,  
6 Code 2017, are amended to read as follows:

7 c. Salary and benefits for the supervising teacher of  
8 the home school assistance program students. If the teacher  
9 is a part-time home school assistance program teacher and a  
10 part-time regular classroom teacher, funds received pursuant to  
11 [section 257.6, subsection 1, paragraph "a", subparagraph \(5\)](#),  
12 or amounts designated from the school district's flexibility  
13 account under section 298A.2, subsection 2, may be used only  
14 for the portion of time in which the teacher is a home school  
15 assistance program teacher.

16 d. Salary and benefits for clerical and office staff of  
17 the home school assistance program. If the staff members are  
18 shared with other programs or functions within the district,  
19 funds received pursuant to [section 257.6, subsection 1](#),  
20 [paragraph "a", subparagraph \(5\)](#), or amounts designated from the  
21 school district's flexibility account under section 298A.2,  
22 subsection 2, shall only be expended for the portion of time  
23 spent providing the home school assistance program services.

24 Sec. 10. Section 299A.12, subsection 3, unnumbered  
25 paragraph 1, Code 2017, is amended to read as follows:

26 Purposes for which a school district shall not expend funds  
27 received pursuant to [section 257.6, subsection 1](#), paragraph  
28 "a", subparagraph (5), or amounts designated from the school  
29 district's flexibility account under section 298A.2, subsection  
30 2, include but are not limited to the following:

31 Sec. 11. Section 299A.12, Code 2017, is amended by adding  
32 the following new subsection:

33 NEW SUBSECTION. 4. Unless otherwise prohibited by law, and  
34 if the statutory requirements for use of home school assistance  
35 program funding have been met, including funding all purposes

1 listed in subsection 2 and funding all requests for services  
2 and materials from parents or guardians of students eligible  
3 to access the program, all or a portion of the moneys received  
4 by a school district pursuant to section 257.6, subsection  
5 1, paragraph "a", subparagraph (5), that remain unexpended  
6 and unobligated at the end of a budget year beginning on or  
7 after July 1, 2017, may be transferred for deposit in the  
8 school district's flexibility account established under section  
9 298A.2, subsection 2.>

10 2. Title page, line 2, by striking <fund>