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**SF 438** – Education Deregulation (LSB1662SV)  
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Fiscal Note Version – New

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**Description**

[Senate File 438](#) makes a variety of changes to the Iowa Code regarding education.

**Division I — Requirements Relating to Children’s Health**

Division I makes the following changes:

- Eliminates a requirement that school districts, community colleges, and institutions under the control of the Board of Regents purchase specified cleaning products.
- Eliminates a requirement that school districts furnish a list of enrolled kindergarten students to the Iowa Department of Public Health (IDPH). School districts would no longer be required to collect dental screening, vision screening, or blood lead testing data from students. Providers of the vision screenings and dental screenings would be required to provide information to the IDPH. A parent, guardian, or person doing the blood lead testing would be required to send information to the IDPH.

**Background**

Currently, school districts, community colleges, and institutions under the control of the Board of Regents are required to purchase only cleaning and maintenance products identified by the Department of Administrative Services or that meet nationally recognized standards.

Currently, school districts are required to receive evidence from parents or guardians that enrolled students have had required vision screenings, dental screenings, and blood lead testing. The school districts then report collected data to the IDPH using established reporting modules.

Children under age 21 who are enrolled in Medicaid are eligible for the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit. EPSDT benefits include lead toxicity screening, vision services, and dental services. States are responsible for ensuring that families are informed about the EPSDT benefit, that children are screened at appropriate intervals, and that children receive medically necessary treatment services. States are required to annually report data about their EPSDT programs to the U.S. Centers for Medicare and Medicaid Services (CMS).

**Division I Assumptions**

- Although school districts, community colleges, and institutions under the control of the Board of Regents may change cleaning and maintenance products, most that would change use of products have already filed an exemption request with the Department of Education.
- Because of the required reporting for students enrolled in Medicaid, collecting of dental screening, vision screening, and blood lead testing data is necessary.
- The review of completed screenings could be shifted from the school districts to the IDPH. The review process schedule would change from being done primarily once a year to an ongoing review, as screening and testing results would be submitted throughout the year.

- Modifications would be required by the current Immunization Registry Information System (IRIS) vision screening module used by IDPH to allow screening providers to access to the reporting module.
- Modifications to the current IDPH information technology systems will be required to allow dental screening providers access for reporting. Additional I-Smile Coordinators may be required to ensure dental screening compliance due to the potential impact of loss of grant funds that are currently received through the Centers for Disease Control, the U.S. Health Resources and Services Administration, and Delta Dental of Iowa.
- IDPH will require an additional 6.0 full-time equivalent (FTE) positions.

### **Division II — Area Education Agency Boards — Posting of Notice of Proposed Budget**

Division II will allow the area education agencies (AEAs) to post notice of a public hearing on annual budgets on their Internet site rather than in an official county newspaper.

### **Division III — School District — Miscellaneous Provisions**

Division III makes the following changes:

- Eliminates a requirement that the board of directors of a school corporation publish a notice before entering into a loan agreement for an equipment purchase.
- Eliminates the requirement for school boards to include in their rules provisions regulating the loading and unloading of students from a school bus stopped on the highway during inclement weather.
- Allows school boards to deposit money received from the sale of schoolhouses or sites in an account other than the physical, plant, and equipment levy (PPEL) fund account. This may have the potential of increasing a school district's spending authority.
- Eliminates a requirement that school districts collect preschool and early childhood information from the parent, guardian, or custodian of a student enrolled in kindergarten.
- Allows school districts to charge an employee for background checks.
- Eliminates a requirement that school districts file results of an energy audit with the Economic Development Authority.

### **Background**

The Early Childhood Iowa (ECI) initiative was established to allow the State and communities to work together to improve the efficiency and effectiveness of early care, education, health, and human services provided to families with children from ages zero to five. In 2018, ECI was awarded a \$2.2 million Preschool Development Grant. Information collected from school districts was included in the grant application.

### **Fiscal Impact**

#### **Division I**

Fiscal impact of the changes in cleaning and maintenance products cannot be determined because it is unknown if changes will be made.

In regard to health screenings, [SF 438](#) is estimated to cost the IDPH \$1.2 million for the initial year and \$850,000 for the second year. The Department will have ongoing costs, but the amount cannot be estimated until the reporting processes have been established.

School districts may realize some savings due to the change in reporting requirements, but this cannot be estimated.

**Division II**

The changes in Division II relating to the posting of public hearing notices may result in minimal savings to AEAs.

**Division III**

The fiscal impact of Division III cannot be determined; however, there may be some cost savings to school districts associated with the following:

- Elimination of the requirement to publish notice before entering into a loan agreement for an equipment purchase.
- Allowing school districts to charge employees for the background check fee.
- Eliminating the requirement of school districts to file the energy audit reports with the Economic Development Authority.

Eliminating the requirement that school districts collect preschool data and early childhood data may prevent ECI from applying for future Preschool Development Grants.

**Sources**

Department of Education  
Early Childhood Iowa  
Iowa Department of Public Health  
Iowa Association of Community College Trustees

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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