



# Fiscal Note

## Fiscal Services Division



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[SF 2404](#) – Special Schools, Pilot Program (LSB5556SV.1)  
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Fiscal Note Version – As amended and passed by the Senate

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### Description

[Senate File 2404](#) requires the Department of Education (DE) to develop and administer a pilot program for a rural district and an urban district to establish attendance centers to be used to provide educational services to eligible students. The Bill includes definitions for an eligible student, rural school district, and urban school district. The Bill provides for school district participation requirements and funds the pilot program through moneys appropriated by the General Assembly to the DE. The rural school district and urban school district will be required to submit an annual report to the DE by June 1 of each year, and the DE is required to compile and submit these reports to the General Assembly by June 30 of each year. The pilot program is repealed July 1, 2031.

### Background

The [Therapeutic Classroom Incentive Grant Program](#) currently receives a \$2.4 million appropriation annually in the Education Appropriations Act with additional claims-based pupil funding provided through a standing appropriation for [Therapeutic Classroom Services](#).

The DE oversees the current Therapeutic Classroom Grant Program and released a [2025 Therapeutic Classroom Report](#) detailing the history of the annually awarded grants.

The Bill proposes a pilot program that may be similar to the Therapeutic Classroom Incentive Grant Program but is associated with a different funding source and is not administered as a competitive grant program. There are currently 13 urban school districts and 1 rural school district that would meet the definitions of “urban school district” and “rural school district” in the Bill.

### Assumptions

- One rural school district, which will be the only rural school district to meet the requirements of the Bill, will participate in the pilot program.
- One of 13 urban school districts will be chosen to participate in the pilot program.
- The DE will have minimal additional administrative costs to meet the requirements of the Bill.

### Fiscal Impact

Senate File 2404 will require annual expenditures of \$165,000 by a rural district and between \$1.0 million and \$4.4 million by an urban district to fund the pilot program. The program will be funded through an appropriation to the DE.

### Sources

Department of Education  
Iowa Association of School Boards

/s/ Jennifer Acton

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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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