

AREA EDUCATION AGENCY BILL SUBCOMMITTEE  
OF THE  
SENATE COMMITTEE ON EDUCATION

Report to Members of the  
Second Session of the Sixty-seventh General Assembly

State of Iowa  
1978

FINAL REPORT  
AREA EDUCATION AGENCY BILL SUBCOMMITTEE  
of the  
SENATE COMMITTEE ON EDUCATION

The Legislative Council authorized a Subcommittee of the Senate Committee on Education to review House File 463 relating to the operation of area education agencies as it passed the House of Representatives.

Senators named to serve on the Subcommittee were:

Senator Tom Slater, Chairperson  
Senator Willard R. Hansen  
Senator Earl M. Willits

The Subcommittee held two meetings. At the first meeting Senator Hansen gave a history of the establishment of the area education agencies and the Subcommittee reviewed the provisions of the bill and the policy areas in which decisions must be made.

At the second meeting the following persons were present to serve in a resource capacity for the Subcommittee:

Dr. Gary Olney, Department of Public Instruction  
Ms. Fran Fleck, Iowa Association of School Boards  
Dr. Calvin Bones, Administrator AEA13, representing  
AEA Administrators  
Mr. Pate Malmberg, Special Education Director AEA14, representing  
Special Education Directors  
Mr. Bob Dunlap, Media Director AEA5, representing  
AEA Media Directors  
Mr. Dennis Schrag, Educational Services Director,  
representing AEA Educational Services Directors  
Dr. Leonard Roberts, Superintendent of Maquoketa  
Community School District, representing the Association  
of School Administrators  
Dr. Dale Grabinsky, Superintendent of West Des Moines  
Community School District, representing the Association  
of School Administrators.

The resource persons answered questions posed by Subcommittee members as they voted on the various sections of the bill. The Subcommittee's actions on the bill are attached to this report and by this reference made a part thereof.

The Department of Public Instruction provided information about budgets of the area education agencies as well as information about the numbers of special education students identified and served. Information provided Subcommittee members by the Department is available from the Legislative Service Bureau.

Area Education Agency Bill Subcommittee  
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The Senate Committee on Education met on December 12 to act upon the Subcommittee's recommendations. Actions of the Committee are attached to this report and by this reference made a part thereof.

EXPLANATION OF HOUSE FILE 463  
as Passed by the House with  
Explanation of Senate Subcommittee Action

Section 1 and part of section 4 raise the upper limit of the salary range for an AEA administrator from \$27,500 to \$30,000 for areas with budgets over \$3,000,000 and to \$28,000 for areas with budgets under \$3,000,000 and require the approval of those salaries by the State Board of Public Instruction. (The Senate subcommittee voted to remove the salary ceiling but to limit salary increases to six percent of the previous year's salary.)

Section 2 grants area education agencies corporate status and the authority to enter into lease-purchase agreements for sites and buildings with the approval of the State Board of Public Instruction and approval at a referendum if the cost of the lease-purchase exceeds \$5,000.

Section 3, part of section 4, sections 7 and 21, and part of section 23 change the term "other services" to "educational services".

Section 4 and part of section 8 provide for payment from the state treasury of the costs of instruction provided by an AEA to children residing in county juvenile homes. Section 4 also requires approval of the AEA budgets by the State Board of Public Instruction rather than the Department of Public Instruction and requires that AEA's hold public hearings on their budgets.

Sections 5 and 10 require merged area boards to meet jointly with AEA boards to redraw the boundary lines for their coterminous director districts.

Section 6 prohibits special education support services funds from being expended for transportation purposes. (The Senate subcommittee voted to delete this section.)

Section 8 adds new sections relating to the costs of instruction given in juvenile homes and to the manner in which funds generated by an AEA for other services can be expended. It prohibits such funds from being expended for collective bargaining negotiations in any school district in the AEA.

Section 9 clarifies the provisions of law allowing sharing of teachers and facilities so that classes and grades offered jointly by districts meet the requirements for approval of the school district. (The Senate subcommittee voted to delete this section since the identical language is present in a bill voted out by the School Finance Subcommittee.)

Section 11 allows funds generated for special education instructional programs beginning with the current school year to be spent for transportation equipment to meet the special needs of children requiring special education and allows an amount up to two-sevenths of the cost of a regular school program to be allocated to the regular program for a child enrolled in a special education class who is integrated into the regular program. It prohibits special education instructional program dollars from being expended for modifications of school buildings to make them more accessible to handicapped children retroactive to July 1, 1975. (The Senate subcommittee voted to delete this section.)

Section 12 provides for payment from the state treasury of the costs of special education programs and services for children who are placed in a school district by the district court and for whom parental rights have been terminated.

Section 13 grants the Department of Public Instruction the authority to determine the district of residence of a child who requires special education programs who is living in a state-supported institution, charitable institution, or licensed boarding home and for whom there is a dispute over the school district of residence. It also provides for payment from the state treasury of the costs of instruction of such children instead of having school districts request funds from the School Budget Review Committee.

Sections 15 and 20 require that special education instructional funds not used by a school district be deducted from the amount of special education instructional funds generated in the year after the next succeeding year. (The Senate subcommittee voted to delete these sections and to have drafted for full committee consideration the concept that school

district funds for special education instructional programs would be reduced by the amount budgeted for unfilled special education staff positions.)

Section 16 reduces the budgets for media and other services of an area education agency if the agency reduced media services and other services to nonpublic school pupils who were counted in the enrollment served computed for the school year beginning July 1, 1975. It also requires that any media materials purchased wholly or partially with federal funds be distributed to nonpublic schools in the same manner they are distributed to public schools. (The Senate subcommittee voted to clarify that the materials and services to nonpublic students be limited to those which cannot be diverted for religious purposes.)

Section 17 limits the amount which an area education agency can expend for special education support services to the amount approved for the preceding year plus allowable growth beginning July 1, 1978. (The Senate subcommittee voted to delete this section.)

Section 18 reduces the state cost per pupil by the average amount per pupil by which special education support services are reduced by removal of transportation costs. (The Senate subcommittee voted to delete this section.)

Section 19 reduces district cost per pupil by the area education agency cost per pupil in the support services budget for transportation costs. (The Senate subcommittee voted to delete this section.)

Section 22 provides for growth to the media service costs for each area education agency. It establishes the funding in the school year beginning July 1, 1977, for media resource material as a part of media services to be funded at three dollars per pupil for the enrollment served in the area in January 1977. This bill provides for the growth of media services equal in percentage to the state percent of growth, and strikes the current \$8 per pupil limit for media services. This bill provides for a rounding up in three years for all areas and provides that by the school year beginning July 1,

1979, each area shall receive an amount equal to the maximum media service cost per pupil in the budget year times the enrollment served in the area as recorded in January 1979. Subsequent to the school year beginning July 1, 1979, the total budget for media services, including that portion for media resource material, will be allowed to grow at a percentage rate equal to the state percent of growth. (The Senate subcommittee withheld a decision on the section pending receipt of further information at the full committee meeting.)

Part of section 23 provides that beginning July 1, 1977 funds generated for other services can be expended for nonrecurring media costs. (The Senate subcommittee voted to delete this provision.)

Section 24 expresses the intent of the General Assembly that beginning July 1, 1979 the costs of funding special education support services for newly identified children will be paid from funds appropriated to the Department of Public Instruction. Program plans to verify the need must be submitted to the appropriate committees of the House and Senate. (The Senate subcommittee voted to delete this section.)

Section 25 appropriates \$1,500,000 for the next fiscal year from funds in the general fund of the state due to special education instructional funds not encumbered during the school year beginning July 1, 1975 to the School Budget Review Committee to be distributed to school districts which demonstrate unusual need because of the weight reductions. (The Senate subcommittee voted to delete this section.)

Section 26 is the publication clause.

EXPLANATION OF HOUSE FILE 463  
as Passed by the House with  
Explanation of Senate Committee on Education Action

Section 1 and part of section 4 raise the upper limit of the salary range for an AEA administrator from \$27,500 to \$30,000 for areas with budgets over \$3,000,000 and to \$28,000 for areas with budgets under \$3,000,000 and require the approval of those salaries by the State Board of Public Instruction. (The Senate Committee voted to remove the salary ceiling but to limit salary increases to six percent of the previous year's salary.)

Section 2 grants area education agencies corporate status and the authority to enter into lease-purchase agreements for sites and buildings with the approval of the State Board of Public Instruction and approval at a referendum if the cost of the lease-purchase exceeds \$5,000. (The Senate Committee voted no changes.)

Section 3, part of section 4, sections 6, 14, and 21, and part of section 23 change the term "other services" to "educational services". (The Senate Committee voted no changes.)

Section 4 and part of section 8 provide for payment from the state treasury of the costs of instruction provided by an AEA to children residing in county juvenile homes. Section 4 also requires approval of the AEA budgets by the State Board of Public Instruction rather than the Department of Public Instruction and requires that AEA's hold public hearings on their budgets. (The Senate Committee voted to require publication re public hearings only in counties located wholly in an AEA.)

Sections 5 and 10 require merged area boards to meet jointly with AEA boards to redraw the boundary lines for their coterminous director districts. (The Senate Committee voted no changes.)

Section 7 prohibits special education support services funds from being expended for transportation purposes. (The Senate Committee voted to delete this section.)

Section 8 adds new sections relating to the costs of instruction given in juvenile homes and to the manner in which funds generated by an AEA for other services can be expended. It prohibits such funds from being expended for collective bargaining negotiations in any school district in the AEA. (The Senate Committee voted no changes.)

Section 9 clarifies the provisions of law allowing sharing of teachers and facilities so that classes and grades offered jointly by districts meet the requirements for approval of the school district. (The Senate Committee voted to delete this section since the identical language is present in a bill voted out by the School Finance Subcommittee.)

Section 11 allows funds generated for special education instructional programs beginning with the current school year to be spent for transportation equipment to meet the special needs of children requiring special education and allows an amount up to two-sevenths of the cost of a regular school program to be allocated to the regular program for a child enrolled in a special education class who is integrated into the regular program. It prohibits special education instructional program dollars from

being expended for modifications of school buildings to make them more accessible to handicapped children retroactive to July 1, 1975. (The Senate Committee voted to delete this section.)

Section 12 provides for payment from the state treasury of the costs of special education programs and services for children who are placed in a school district by the district court and for whom parental rights have been terminated. (The Senate Committee voted no changes.)

Section 13 grants the Department of Public Instruction the authority to determine the district of residence of a child who requires special education programs who is living in a state-supported institution, charitable institution, or licensed boarding home and for whom there is a dispute over the school district of residence. It also provides for payment from the state treasury of the costs of instruction of such children instead of having school districts request funds from the School Budget Review Committee. (The Senate Committee voted no changes.)

Sections 15 and 20 require that special education instructional funds not used by a school district be deducted from the amount of special education instructional funds generated in the year after the next succeeding year. (The Senate Committee voted to delete these sections and to await action by the School Budget Review Committee.)

Section 16 reduces the budgets for media and other services of an area education agency if the agency reduced media services and other services to nonpublic school pupils who were counted in the enrollment served computed for the school year beginning July 1, 1975. It also requires that any media materials purchased wholly or partially with federal funds be distributed to nonpublic schools in the same manner they are distributed to public schools. (The Senate Committee voted to clarify that the materials and services to nonpublic pupils be limited to those which cannot be diverted for religious purposes and that the materials or services be "comparable" rather than "equal" to those provided public school pupils.)

Section 17 limits the amount which an area education agency can expend for special education support services to the amount approved for the preceding year plus allowable growth beginning July 1, 1978. (The Senate Committee voted to delete this section.)

Section 18 reduces the state cost per pupil by the average amount per pupil by which special education support services are reduced by removal of transportation costs. (The Senate Committee voted to delete this section.)

Section 19 reduces district cost per pupil by the area education agency cost per pupil in the support services budget for transportation costs. (The Senate Committee voted to delete this section.)

Section 22 provides for growth to the media service costs for each area education agency. It establishes the funding in the school year beginning July 1, 1977, for media resource material as a part of media services to be funded at three dollars per pupil for the enrollment served in the area in January 1977. This bill provides for the growth of media services equal in percentage to the state percent of growth, and strikes the current \$8 per pupil

limit for media services. This bill provides for a rounding up in three years for all areas and provides that by the school year beginning July 1, 1979, each area shall receive an amount equal to the maximum media service cost per pupil in the budget year times the enrollment served in the area as recorded in January 1979. Subsequent to the school year beginning July 1, 1979, the total budget for media services, including that portion for media resource material, will be allowed to grow at a percentage rate equal to the state percent of growth. (The Senate Committee voted to correct the dates and voted no other changes.)

Part of section 23 provides that beginning July 1, 1977 funds generated for other services can be expended for nonrecurring media costs. (The Senate Committee voted to delete this provision.)

Section 24 expresses the intent of the General Assembly that beginning July 1, 1979 the costs of funding special education support services for newly identified children will be paid from funds appropriated to the Department of Public Instruction. Program plans to verify the need must be submitted to the appropriate committees of the House and Senate. (The Senate Committee voted to delete this section.)

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Section 26 is the publication clause. (The Senate Committee voted no changes.)