



THOMAS J. VILSACK  
GOVERNOR

## OFFICE OF THE GOVERNOR

SALLY J. PEDERSON  
LT. GOVERNOR

June 1, 2006

The Honorable Chester Culver  
Secretary of State  
State Capitol  
LOCAL

Dear Mr. Secretary:

I hereby transmit **House File 2792**, an Act relating to government operations and finances, including the funding of, operation of, and appropriation of moneys to the department of education, the department of management, the department of veterans affairs, and the state board of Regents, providing for participation in an instructional support program by school districts, relating to education standards and services providing for a statewide core curriculum and standards study, providing for adjusted additional property tax levy aid for school districts, allocating and restricting utilization of local option sales and services tax moneys under specified circumstances, providing for an equity in property taxation interim study, making an appropriation, providing for an increase in the number of years for which supplementary weighting for limited English proficient students may be obtained, and providing effective and applicability dates.

In order to provide Iowa's students with the highest quality teachers, this bill makes a significant three-year commitment to increase compensation for Iowa's beginning and career teachers by \$35 million in FY07, \$70 million in FY08, and \$105 million in FY09. The initiative also supports the continued development of teachers and administrators by providing professional development and mentoring opportunities for Iowa's educators.

In addition, we have solidified the involvement of teacher-librarians in increasing student achievement and created the possibility for teachers in shortage areas and high-need schools to receive additional compensation.

The bill strengthens Iowa's education system by expanding English Language Learning to provide an additional year of assistance to those learning English.



The bill creates equity in property tax allocation across school districts that will allow innovation and efficiencies.

House File 2792 is approved on this date, with the following exceptions, which I hereby disapprove:

I am unable to approve the designated portion of Section 10. This language was intended to further clarify the definition of a teacher with respect to AEA employees. It appears that an unintended consequence of this language is that it may result in including AEA staff members who are non-classroom teachers as eligible for the teacher compensation program. The department of education will work with the AEA system to create language for next year that will work for everyone.

I am unable to approve the designated portions of Section 27 subsection 1 paragraphs a, b, c, and d. Section 27 creates a Pay-for-Performance Commission to design and implement a pay-for-performance program, specifies the commission members and their terms. The language was not part of an agreed upon negotiation and is too prescriptive. I am issuing an Executive Order to have the Institute for Tomorrow's Workforce take the lead on this study. The Institute for Tomorrow's Workforce was created by the General Assembly last year to provide a long-term forum for bold, innovative recommendations to improve Iowa's education system and is well suited for this challenging task.

I am unable to approve the designated portions of Section 27 subsection 4, paragraph a. The designated portion of this paragraph requires that the measure of student performance be based solely on tests of student achievement. There is a solid body of evidence showing that no one assessment can account for all of the variables that contribute to positive student achievement. If a pay-for-performance system is possible to design, it must be aligned with the existing Iowa Teacher Performance, Compensation and Career Development law. The designated portions of this section fail to do so.

I am unable to approve the designated portions of Section 27 subsection 4, paragraph b. This paragraph would prohibit pay-for-performance for teachers whose students, while improving, did not meet a predetermined and perhaps arbitrary level of performance. We should encourage, not discourage, student performance.

I am unable to approve the designated portions of Section 27 subsection 4, paragraph c. This paragraph would require the department of education to create a teacher remediation program for teachers. The Department of Education must not do this in isolation. Any meaningful remediation must be done by the principal and school district board in conjunction with the teacher involved.

I am unable to approve the designated portions of Section 27 subsection 5. This section allocates responsibility to the legislative services agency for providing technical and administrative assistance. It is inappropriate for an executive branch function. This

represents an infringement on appropriate separation of powers. A more effective approach would be to ask the Department of Education to provide support.

I am unable to approve the item designated as Section 42, in its entirety. This section adds one new voting member to the Iowa College Student Aid Commission, and requires that the member be a representative of a proprietary higher education institution. As part of legislative negotiations, it was agreed to remove this section from the bill but the language was inadvertently left in the final version. An item veto has been requested by leadership of both the House and Senate. I hereby veto this change to Iowa Code section 261.1, subsection 5.

For the above reasons, I respectfully disapprove of the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in **House File 2792** are hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Vilsack", with a horizontal line extending to the right.

Thomas J. Vilsack  
Governor

TJV:jmc

cc: Secretary of the Senate  
Chief Clerk of the House



HOUSE FILE 2792

AN ACT

RELATING TO GOVERNMENT OPERATIONS AND FINANCES, INCLUDING THE FUNDING OF, OPERATION OF, AND APPROPRIATION OF MONEYS TO THE DEPARTMENT OF EDUCATION, THE DEPARTMENT OF MANAGEMENT, THE DEPARTMENT OF VETERANS AFFAIRS, AND THE STATE BOARD OF REGENTS, PROVIDING FOR PARTICIPATION IN AN INSTRUCTIONAL SUPPORT PROGRAM BY SCHOOL DISTRICTS, RELATING TO EDUCATION STANDARDS AND SERVICES BY PROVIDING FOR A STATEWIDE CORE CURRICULUM AND STANDARDS STUDY, PROVIDING FOR ADJUSTED ADDITIONAL PROPERTY TAX LEVY AID FOR SCHOOL DISTRICTS, ALLOCATING AND RESTRICTING UTILIZATION OF LOCAL OPTION SALES AND SERVICES TAX MONEYS UNDER SPECIFIED CIRCUMSTANCES, PROVIDING FOR AN EQUITY IN PROPERTY TAXATION INTERIM STUDY, MAKING AN APPROPRIATION, PROVIDING FOR AN INCREASE IN THE NUMBER OF YEARS FOR WHICH SUPPLEMENTARY WEIGHTING FOR LIMITED ENGLISH PROFICIENT STUDENTS MAY BE OBTAINED, AND PROVIDING EFFECTIVE AND APPLICABILITY DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

STUDENT ACHIEVEMENT AND TEACHER QUALITY PROGRAM

Section 1. DEPARTMENT OF EDUCATION. There is appropriated from the general fund of the state to the department of education for the designated fiscal years of the fiscal period beginning July 1, 2006, and ending June 30, 2009, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For purposes, as provided in law, of the student achievement and teacher quality program established pursuant to chapter 284:

FY 2006-2007..... \$104,343,894



FY 2007-2008..... \$139,343,894  
FY 2008-2009..... \$174,343,894

Sec. 2. Section 256.11, Code Supplement 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 9. Beginning July 1, 2006, each school district shall have a qualified teacher librarian who shall be licensed by the board of educational examiners under chapter 272. The state board shall establish in rule a definition of and standards for an articulated sequential kindergarten through grade twelve media program. A school district that entered into a contract with an individual for employment as a media specialist or librarian prior to June 1, 2006, shall be considered to be in compliance with this subsection until June 30, 2011, if the individual is making annual progress toward meeting the requirements for a teacher librarian endorsement issued by the board of educational examiners under chapter 272. A school district that entered into a contract with an individual for employment as a media specialist or librarian who holds at least a master's degree in library and information studies shall be considered to be in compliance with this subsection until the individual leaves the employ of the school district.

Sec. 3. Section 256.11A, Code 2005, is amended to read as follows:

256.11A ~~GUIDANCE-PROGRAM~~ TEACHER LIBRARIAN -- MEDIA SERVICES-PROGRAM--- WAIVER.

1. ~~Schools-and-school-districts-unable-to-meet-the standard-adopted-by-the-state-board-requiring-each-school-or school-district-operating-a-kindergarten-through-grade-twelve program-to-provide-an-articulated-sequential-elementary-secondary-guidance-program~~ The board of directors of a school district may, not later than August 1, ~~1995~~ 2006, for the school year beginning July 1, ~~1995~~ 2006, file a written request to the department of education that the department waive the requirement ~~for~~ adopted by the state board pursuant to section 256.11, subsection 9, that ~~school-or~~ the school district have a qualified teacher librarian. The procedures specified in subsection 3 apply to the request. Not later

than August 1, ~~1996~~ 2007, for the school year beginning July 1, ~~1996~~ 2007, the board of directors of a school district or ~~the authorities in charge of a nonpublic school~~ may request a one-year extension of the waiver.

~~2. Not later than August 17, 1995, for the school year beginning July 17, 1995, the board of directors of a school district, or authorities in charge of a nonpublic school, may file a written request with the department of education that the department waive the rule adopted by the state board to establish and operate a media services program to support the total curriculum for that district or school. The procedures specified in subsection 3 apply to the request. Not later than August 17, 1996, for the school year beginning July 17, 1996, the board of directors of a school district or the authorities in charge of a nonpublic school may request an additional one-year extension of the waiver.~~

3. 2. A request for a waiver filed by the board of directors of a school district or ~~authorities in charge of a nonpublic school~~ shall describe actions being taken by the district or ~~school~~ to meet the requirement for which the district or ~~school~~ has requested a waiver.

Sec. 4. Section 256.44, subsection 1, paragraph a, Code Supplement 2005, is amended to read as follows:

a. If a teacher registers for national board for professional teaching standards certification prior to June 30, ~~2006~~ 2007, a one-time initial reimbursement award in the amount of up to one-half of the registration fee paid by the teacher for registration for certification by the national board for professional teaching standards. The teacher shall apply to the department of education within one year of registration, submitting to the department any documentation the department requires. A teacher who receives an initial reimbursement award shall receive a one-time final registration award in the amount of the remaining national board registration fee paid by the teacher if the teacher notifies the department of the teacher's certification achievement and submits any documentation requested by the department.



Sec. 5. Section 284.1, unnumbered paragraph 1, Code 2005, is amended to read as follows:

A student achievement and teacher quality program is established to promote high student achievement. The program shall consist of the following ~~four~~ five major elements:

Sec. 6. Section 284.1, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 5. Evaluation of teachers against the Iowa teaching standards.

Sec. 7. Section 284.2, subsection 1, Code 2005, is amended to read as follows:

1. "Beginning teacher" means an individual serving under an initial or intern license, issued by the board of educational examiners under chapter 272, who is assuming a position as a ~~classroom~~ teacher. For purposes of the beginning teacher mentoring and induction program created pursuant to section 284.5, "beginning teacher" also includes preschool teachers who are licensed by the board of educational examiners under chapter 272 and are employed by a school district or area education agency.

Sec. 8. Section 284.2, subsection 2, Code 2005, is amended by striking the subsection.

Sec. 9. Section 284.2, subsection 8, Code 2005, is amended to read as follows:

8. "Mentor" means an individual employed by a school district or area education agency as a ~~classroom~~ teacher or a retired teacher who holds a valid license issued under chapter 272. The individual must have a record of four years of successful teaching practice, must be employed on a nonprobationary basis, and must demonstrate professional commitment to both the improvement of teaching and learning and the development of beginning teachers.

Sec. 10. Section 284.2, subsection 12, Code 2005, is amended to read as follows:

12. "Teacher" means an individual holding a practitioner's license issued under chapter 272, who is employed in a nonadministrative position as a teacher, teacher librarian, ~~media-specialist~~, preschool teacher, or counselor by a school

district or area education agency pursuant to a contract issued by a board of directors under section 279.13. However, an individual who is employed by an area education agency shall only be considered a teacher for purposes of this chapter if the individual directly delivers instruction to school or school district students for fifty percent or more of the individual's contracted time. A teacher may be employed in both an administrative and a nonadministrative position by a board of directors and shall be considered a part-time teacher for the portion of time that the teacher is employed in a nonadministrative position. "Teacher" includes a licensed individual employed on a less than full-time basis by a school district through a contract between the school district and an institution of higher education with a practitioner preparation program in which the licensed teacher is enrolled.

Sec. 11. Section 284.4, subsection 1, paragraph e, Code Supplement 2005, is amended to read as follows:

e. Adopt a teacher evaluation plan that, at minimum, requires a performance review of teachers in the participating district at least once every three years based upon the Iowa teaching standards and individual career development plans, and requires administrators to complete evaluator training in accordance with section 284.10.

Sec. 12. Section 284.5, subsections 1, 3, 4, and 7, Code Supplement 2005, are amended to read as follows:

1. A beginning teacher mentoring and induction program is created to promote excellence in teaching, enhance student achievement, build a supportive environment within school districts and area education agencies, increase the retention of promising beginning teachers, and promote the personal and professional well-being of classroom teachers.

3. Each school district and area education agency shall provide a beginning teacher mentoring and induction program for all classroom teachers who are beginning teachers, and notwithstanding section 284.4, subsection 1, a school district and an area education agency shall be eligible to receive moneys under section 284.13, subsection 1, paragraph "b", for

Disagreed  
6.1.06



purposes of implementing a beginning teacher mentoring and induction program in accordance with this section.

4. Each ~~participating~~ school district and area education agency shall develop an initial beginning teacher mentoring and induction plan. A school district shall include its plan in the school district's comprehensive school improvement plan submitted pursuant to section 256.7, subsection 21. The beginning teacher mentoring and induction plan shall, at a minimum, provide for a two-year sequence of induction program content and activities to support the Iowa teaching standards and beginning teacher professional and personal needs; mentor training that includes, at a minimum, skills of classroom demonstration and coaching, and district expectations for beginning teacher competence on Iowa teaching standards; placement of mentors and beginning teachers; the process for dissolving mentor and beginning teacher partnerships; district organizational support for release time for mentors and beginning teachers to plan, provide demonstration of classroom practices, observe teaching, and provide feedback; structure for mentor selection and assignment of mentors to beginning teachers; a district facilitator; and program evaluation.

7. If a beginning teacher who is participating in a mentoring and induction program leaves the employ of a ~~participating~~ school district or area education agency prior to completion of the program, the ~~participating~~ school district or area education agency subsequently hiring the beginning teacher shall credit the beginning teacher with the time earned in the program prior to the subsequent hiring.

Sec. 13. Section 284.6, subsection 1, unnumbered paragraph 1, Code 2005, is amended to read as follows:

The department shall coordinate a statewide network of career development for Iowa teachers. A ~~participating~~ school district or career development provider that offers a career development program in accordance with section 256.9, subsection 50, shall demonstrate that the program contains the following:

Sec. 14. Section 284.6, subsections 3 and 4, Code 2005, are amended to read as follows:



3. A ~~participating~~ school district shall incorporate a district career development plan into the district's comprehensive school improvement plan submitted to the department in accordance with section 256.7, subsection 21. The district career development plan shall include a description of the means by which the school district will provide access to all teachers in the district to career development programs or offerings that meet the requirements of subsection 1. The plan shall align all career development with the school district's long-range student learning goals and the Iowa teaching standards. The plan shall indicate the school district's approved career development provider or providers.

4. In cooperation with the teacher's evaluator, the career teacher employed by a ~~participating~~ school district shall develop an individual teacher career development plan. The evaluator shall consult with the teacher's supervisor on the development of the individual teacher career development plan. The purpose of the plan is to promote individual and group career development. The individual plan shall be based, at minimum, on the needs of the teacher, the Iowa teaching standards, and the student achievement goals of the attendance center and the school district as outlined in the comprehensive school improvement plan.

Sec. 15. Section 284.7, unnumbered paragraph 1, Code Supplement 2005, is amended to read as follows:

To promote continuous improvement in Iowa's quality teaching workforce and to give Iowa teachers the opportunity for career recognition that reflects the various roles teachers play as educational leaders, an Iowa teacher career path is established for teachers employed by ~~participating~~ school districts. A ~~participating~~ school district shall use funding allocated under section 284.13, subsection 1, paragraph "d" "h", to raise teacher salaries to meet the requirements of this section. The Iowa teacher career path and salary minimums are as follows:

Sec. 16. Section 284.7, subsection 1, unnumbered paragraph 1, Code Supplement 2005, is amended to read as follows:

~~Effective July 1, 2001, the~~ The following career path levels are established and shall be implemented in accordance with this chapter:

Sec. 17. Section 284.7, subsection 1, paragraph a, subparagraph (1), subparagraph subdivisions (a) and (b), Code 2005, are amended to read as follows:

(a) Has successfully completed an approved practitioner preparation program as defined in section 272.1 or holds an intern teacher license issued by the board of educational examiners under chapter 272.

(b) Holds an initial or intern teacher license issued by the board of educational examiners.

Sec. 18. Section 284.7, subsection 1, paragraph a, subparagraph (2), Code Supplement 2005, is amended by striking the subparagraph and inserting in lieu thereof the following:

(2) Beginning July 1, 2006, the minimum salary for a beginning teacher shall be twenty-five thousand five hundred dollars.

Sec. 19. Section 284.7, subsection 1, paragraph b, subparagraph (2), Code Supplement 2005, is amended by striking the subparagraph and inserting in lieu thereof the following:

(2) Beginning July 1, 2006, the minimum salary for a first-year career teacher shall be twenty-six thousand five hundred dollars and the minimum salary for all other career teachers shall be twenty-seven thousand five hundred dollars.

Sec. 20. Section 284.7, subsection 5, Code Supplement 2005, is amended to read as follows:

5. A teacher employed in a ~~participating~~ district shall not receive less compensation in that ~~participating~~ district than the teacher received in the school year preceding participation, as set forth in section 284.4 due to implementation of this chapter. A teacher who achieves national board for professional teaching standards certification and meets the requirements of section 256.44 shall continue to receive the award as specified in section 256.44 in addition to the compensation set forth in this section.



Sec. 21. Section 284.7, subsection 6, paragraphs a and b, Code Supplement 2005, are amended to read as follows:

a. If the licensed employees of a school district or area education agency receiving funds pursuant to section 284.13, subsection 1, paragraph "d" "h" or "e" "i", for purposes of this section, are organized under chapter 20 for collective bargaining purposes, the board of directors and the certified bargaining representative for the licensed employees shall mutually agree upon a formula for distributing the funds among the teachers employed by the school district or area education agency. However, the school district must comply with the salary minimums provided for in this section. The parties shall follow the negotiation and bargaining procedures specified in chapter 20 except that if the parties reach an impasse, neither impasse procedures agreed to by the parties nor sections 20.20 through 20.22 shall apply and the funds shall be paid as provided in paragraph "b". Negotiations under this section are subject to the scope of negotiations specified in section 20.9. If a board of directors and the certified bargaining representative for licensed employees have not reached mutual agreement for the distribution of funds received pursuant to section 284.13, subsection 1, paragraph "d" "h" or "e" "i", by July 15 of the fiscal year for which the funds are distributed, paragraph "b" of this subsection shall apply.

b. If, once the minimum salary requirements of this section have been met by the school district or area education agency, and the school district or area education agency receiving funds pursuant to section 284.13, subsection 1, paragraph "d" "h" or "e" "i", for purposes of this section, and the certified bargaining representative for the licensed employees have not reached an agreement for distribution of the funds remaining, in accordance with paragraph "a", the board of directors shall divide the funds remaining among full-time teachers employed by the district or area education agency whose regular compensation is equal to or greater than the minimum career teacher salary specified in this section. The payment amount for teachers employed on less than a full-time basis shall be prorated.

Sec. 22. Section 284.8, subsection 1, Code 2005, is amended to read as follows:

1. A ~~participating~~ school district shall review a teacher's performance at least once every three years for purposes of assisting teachers in making continuous improvement, documenting continued competence in the Iowa teaching standards, identifying teachers in need of improvement, or to determine whether the teacher's practice meets school district expectations for career advancement in accordance with section 284.7. The review shall include, at minimum, classroom observation of the teacher, the teacher's progress, and implementation of the teacher's individual career development plan; shall include supporting documentation from other evaluators, teachers, parents, and students; and may include video portfolios as evidence of teaching practices.

Sec. 23. Section 284.10, subsection 5, Code 2005, is amended to read as follows:

5. By July 1, ~~2005~~ 2007, the director shall develop and implement an evaluator training certification renewal program for administrators and other practitioners who need to renew a certificate issued pursuant to this section.

Sec. 24. Section 284.11, Code 2005, is amended by striking the section and inserting in lieu thereof the following:

284.11 MARKET FACTOR TEACHER SALARIES.

1. The general assembly finds that Iowa school districts need to be more competitive in recruiting and retaining talented professionals into the teaching profession. To ensure that school districts in all areas of the state have the ability to attract highly qualified teachers, it is the intent of the general assembly to encourage school districts to establish teacher compensation opportunities that recognize the need for geographic or other locally determined wage differentials and provide incentives for traditionally hard-to-staff schools and subject-area shortages. This section provides for state assistance to allow school districts to add a market factor to teacher salaries paid by the school districts.



2. A school district shall be paid annually, from moneys allocated for market factor salaries pursuant to section 284.13, subsection 1, paragraph "f", an amount of state assistance to create market factor incentives for classroom teachers in the school district. Market factor incentives may include but are not limited to improving salaries due to geographic differences, recruitment and retention needs of the school district in such areas as hard-to-staff schools, subject-area shortages, or improving the racial or ethnic diversity on local teaching staffs. The school district shall have the sole discretion to award funds received by the school district in accordance with section 284.13, subsection 1, paragraph "f", to classroom teachers on an annual basis. The funds shall supplement, but not supplant, wages and salaries paid as a result of a collective bargaining agreement reached pursuant to chapter 20 or as a result of funds appropriated elsewhere in this chapter, in chapter 256D, or in chapter 294A.

3. The allocations to each school district shall be made in one payment on or about October 15 of the fiscal year for which the appropriation is made, taking into consideration the relative budget and cash position of the state resources. Moneys received under this section shall not be commingled with state aid payments made under section 257.16 to a school district and shall be accounted for by the local school district separately from state aid payments. Payments made to school districts under this section are miscellaneous income for purposes of chapter 257. A school district shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this section. A school district shall certify to the department of education how the school district allocated the funds and that moneys received under this section were used to supplement, not supplant, the salary the school district would otherwise pay the teacher.

4. The department shall include market factor salaries when reporting teacher salaries in the annual condition of education report.



Sec. 25. Section 284.13, subsection 1, Code Supplement 2005, is amended to read as follows:

1. For each fiscal year in which moneys are appropriated by the general assembly for purposes of the student achievement and teacher quality program, the moneys shall be allocated as follows in the following priority order:

a. For each fiscal year of the fiscal year period beginning July 1, ~~2005~~ 2006, and ending June 30, ~~2006~~ 2009, to the department of education, the amount of two million two hundred fifty thousand dollars for the issuance of national board certification awards in accordance with section 256.44. Of the amount allocated under this paragraph, up to two hundred fifty thousand dollars may be used to support the implementation of a national board certification support program, and not less than eighty-five thousand dollars shall be used to administer the ambassador to education position in accordance with section 256.45.

b. For the fiscal year beginning July 1, ~~2005~~ 2006, and succeeding fiscal years, an amount up to four million ~~two~~ six hundred fifty thousand dollars for first-year and second-year beginning teachers, to the department of education for distribution to school districts and area education agencies for purposes of the beginning teacher mentoring and induction programs. A school district or area education agency shall receive one thousand three hundred dollars per beginning teacher participating in the program. If the funds appropriated for the program are insufficient to pay mentors, ~~and school districts, and area education agencies~~ as provided in this paragraph, the department shall prorate the amount distributed to school districts and area education agencies based upon the amount appropriated. Moneys received by a school district or area education agency pursuant to this paragraph shall be expended to provide each mentor with an award of five hundred dollars per semester, at a minimum, for participation in the school district's or area education agency's beginning teacher mentoring and induction program; to implement the plan; and to pay any applicable costs of the employer's share of contributions to federal social security

and the Iowa public employees' retirement system or a pension and annuity retirement system established under chapter 294, for such amounts paid by the district or area education agency.

c. For each fiscal year of the fiscal year period beginning July 1, ~~2005~~ 2006, and ending June 30, ~~2006~~ 2009, up to ~~four~~ six hundred ~~eighty-five~~ ninety-five thousand dollars to the department of education for purposes of implementing the career development program requirements of section 284.6, the review panel requirements of section 284.9, and the evaluator training program in section 284.10. ~~From the moneys allocated to the department pursuant to this paragraph, not less than ten thousand dollars shall be distributed to the board of educational examiners for purposes of convening an educator licensing review working group. From the moneys allocated to the department pursuant to this paragraph, not less than eighty-five thousand dollars shall be used to administer the ambassador to education position in accordance with section 256.45. A portion of the funds allocated to the department for purposes of this paragraph may be used by the department for administrative purposes. Notwithstanding section 8.33, moneys allocated for purposes of this paragraph prior to July 1, 2004, which remain unobligated or unexpended at the end of the fiscal year for which the moneys were appropriated, shall remain available for expenditure for the purposes for which they were allocated, for the fiscal year beginning July 1, 2004, and ending June 30, 2005.~~

~~d. For each fiscal year in which funds are appropriated for purposes of this chapter, the moneys remaining after distribution as provided in paragraphs "a" through "c" and "e" shall be allocated to school districts for salaries and career development in accordance with the following formula:~~

~~(1) Fifty percent of the allocation shall be in the proportion that the basic enrollment of a school district bears to the sum of the basic enrollments of all school districts in the state for the budget year.~~

~~(2) Fifty percent of the allocation shall be based upon the proportion that the number of full-time equivalent~~



~~teachers-employed-by-a-school-district-bears-to-the-sum-of-the number-of-full-time-equivalent-teachers-who-are-employed-by all-school-districts-in-the-state-for-the-base-year.~~

~~e.--From-moneys-available-under-paragraph-"d",-the department-shall-allocate-to-area-education-agencies-an-amount per-classroom-teacher-employed-by-an-area-education-agency that-is-approximately-equivalent-to-the-average-per-teacher amount-allocated-to-the-districts.--The-average-per-teacher amount-shall-be-calculated-by-dividing-the-total-number-of classroom-teachers-employed-by-school-districts-and-the classroom-teachers-employed-by-area-education-agencies-into the-total-amount-of-moneys-available-under-paragraph-"d".~~

f. d. For the fiscal year beginning July 1, ~~2005~~ 2006, and ending June 30, ~~2006~~ 2007, up to ten million dollars to the department of education for use by school districts to add one additional teacher contract day to the school calendar. The department shall distribute funds allocated for the purpose of this paragraph based on the average per diem contract salary for each district as reported to the department for the school year beginning July 1, ~~2004~~ 2005, multiplied by the total number of full-time equivalent teachers in the base year. The department shall adjust each district's average per diem salary by the allowable growth rate established under section 257.8 for the fiscal year beginning July 1, ~~2005~~ 2006. The contract salary amount shall be the amount paid for their regular responsibilities but shall not include pay for extracurricular activities. School districts shall distribute funds to teachers based on individual teacher per diem amounts. These funds shall not supplant existing funding for professional development activities. Notwithstanding any provision to the contrary, moneys received by a school district under this paragraph shall not revert but shall remain available for the same purpose in the succeeding fiscal year. A school district shall submit a report to the department in a manner determined by the department describing its use of the funds received under this paragraph. The department shall submit a report on school district use of the moneys distributed pursuant to this

paragraph to the chairpersons and ranking members of the house and senate standing committees on education, the joint appropriations subcommittee on education, and the legislative services agency not later than January 15, ~~2006~~ 2007.

~~g.~~ e. For the fiscal year beginning July 1, ~~2005~~ 2006, and ending June 30, ~~2006~~ 2007, up to six million six hundred twenty-five thousand dollars to the department ~~of education~~ for use by school districts for either salaries or professional development, or both, as determined by the school district. Funds received by a school district for purposes of this paragraph shall be distributed using the formula provided in paragraph "~~d~~" "h" and are subject to the provisions of section 284.7, subsection 6. A school district shall submit a report to the department in a manner determined by the department describing its use of the funds received under this paragraph. The department shall submit a report on school district use of the funds distributed pursuant to this paragraph to the chairpersons and ranking members of the house and senate standing committees on education, the joint appropriations subcommittee on education, and the legislative services agency not later than January 15~~7~~-~~2006~~ annually.

f. For purposes of market factor teacher salaries pursuant to section 284.11, the following amounts are allocated to the department for the following fiscal years:

(1) For the fiscal year beginning July 1, 2006, and ending June 30, 2007, the sum of three million three hundred ninety thousand dollars.

(2) For the fiscal year beginning July 1, 2007, and ending June 30, 2008, the sum of seven million five hundred thousand dollars.

(3) For the fiscal year beginning July 1, 2008, and ending June 30, 2009, the sum of ten million dollars.

The department shall use the formula set forth in paragraph "h" to distribute moneys allocated under this paragraph.

g. For purposes of the pay-for-performance program established pursuant to section 284.14, the following amounts are allocated to the department of management for the following fiscal years:



(1) For the fiscal year beginning July 1, 2006, and ending June 30, 2007, the sum of one million dollars. Of the amount allocated under this subparagraph, an amount equal to one hundred fifty thousand dollars shall be distributed to the institute for tomorrow's workforce created pursuant to section 7K.1 for the activities of the institute.

(2) For the fiscal year beginning July 1, 2007, and ending June 30, 2008, the sum of two million five hundred thousand dollars.

(3) For the fiscal year beginning July 1, 2008, and ending June 30, 2009, the sum of five million dollars.

h. For each fiscal year in which funds are appropriated for purposes of this chapter, the moneys remaining after distribution as provided in paragraphs "a" through "g" shall be allocated to school districts for salaries and career development in accordance with the following formula:

(1) Fifty percent of the allocation shall be in the proportion that the basic enrollment of a school district bears to the sum of the basic enrollments of all school districts in the state for the budget year.

(2) Fifty percent of the allocation shall be based upon the proportion that the number of full-time equivalent teachers employed by a school district bears to the sum of the number of full-time equivalent teachers who are employed by all school districts in the state for the base year.

i. From moneys available under paragraph "h", the department shall allocate to area education agencies an amount per classroom teacher employed by an area education agency that is approximately equivalent to the average per teacher amount allocated to the districts. The average per teacher amount shall be calculated by dividing the total number of classroom teachers employed by school districts and the classroom teachers employed by area education agencies into the total amount of moneys available under paragraph "h".

h. j. Notwithstanding section 8.33, any moneys remaining unencumbered or unobligated from the moneys allocated for purposes of paragraph "a", or "b", or "c" shall not revert but shall remain available in the succeeding fiscal year for



expenditure for the purposes designated. The provisions of section 8.39 shall not apply to the funds appropriated pursuant to this subsection.

Sec. 26. Section 284.13, subsection 2, Code Supplement 2005, is amended to read as follows:

2. A school district that is unable to meet the provisions of section 284.7, subsection 1, with funds allocated pursuant to subsection 1, paragraph "d" "h", may request a waiver from the department to use funds appropriated under chapter 256D to meet the provisions of section 284.7, subsection 1, if the difference between the funds allocated to the school district pursuant to subsection 1, paragraph "d" "h", and the amount required to comply with section 284.7, subsection 1, is not less than ten thousand dollars. The department shall consider the average class size of the school district, the school district's actual unspent balance from the preceding year, and the school district's current financial position.

Sec. 27. NEW SECTION. 284.14 PAY-FOR-PERFORMANCE PROGRAM.

1. COMMISSION.

a. A pay-for-performance commission is established to design and implement a pay-for-performance program and provide a study relating to teacher and staff compensation containing a pay-for-performance component. The study shall measure the cost and effectiveness in raising student achievement of a compensation system that provides financial incentives based on student performance. The commission is part of the executive branch of government. [The legislative services agency shall, upon request, provide technical and administrative support to the commission.]

The commission shall select its own chairperson and establish its own rules of procedure. A majority of the voting members of the commission shall constitute a quorum.

b. Any vacancy on the commission shall be filled by the appropriate appointing authority. Members shall receive a per diem. Membership of the commission shall be as follows:

(1) One classroom teacher selected jointly by the Iowa state educational association and the professional educators of Iowa.

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(2) One principal selected by the school administrators of Iowa.

(3) One private sector representative selected by the Iowa business council. This representative should have all of the following qualifications:

(a) Possess a degree in education and have teaching experience.

(b) Be employed in a business employing at least two hundred persons that has an employee performance pay program.

(c) Have served as a school board member.

(4) One industrial engineer appointed by the American society of engineers. This individual should have technical knowledge and experience in the design and implementation of individual and group pay-for-performance incentive programs.

(5) One small business private sector employer, who employs at least fifty people in a targeted industry, selected by the governor, who has general management experience and top line and bottom line responsibilities.

(6) One professional economist with a doctoral degree with experience and knowledge in student achievement using test scores to measure student progress, selected by the voting members of the commission, after they convene.

(7) One representative from the department of education who shall serve as a nonvoting member.

(8) Two members of the senate and two members of the house of representatives who shall serve as nonvoting members for two-year terms coinciding with the legislative biennium.

c. Voting members shall serve three-year terms except for the terms of the initial members, which shall be staggered so that two members' terms expire each calendar year. A vacancy in the membership of the board shall be filled by appointment by the initial appointing authority.

d. The pay-for-performance commission is not subject to the provisions of section 69.16 or 69.16A.

2. DEVELOPMENT OF PROGRAM. Beginning July 1, 2006, the commission shall gather sufficient information to identify a pay-for-performance program based upon student achievement gains and global content standards where student achievement



gains cannot be easily measured. The commission shall review pay-for-performance programs in both the public and private sector. Based on this information, the commission shall design a program utilizing both individual and group incentive components. At least half of any available funding identified by the commission shall be designated for individual incentives.

a. Commencing with the school year beginning July 1, 2007, the commission shall initiate demonstration projects, in selected kindergarten through grade twelve schools, to test the effectiveness of the pay-for-performance program. The purpose of the demonstration projects is to identify the strengths and weaknesses of the pay-for-performance program design, evaluate cost effectiveness, analyze student achievement gains, test assessments, allow thorough review of data, and make necessary adjustments before implementing the pay-for-performance program statewide.

b. The commission shall select ten school districts as demonstration projects. To the extent practicable, participants shall represent geographically distinct rural, urban, and suburban areas of the state. Participants shall provide reports or other information as required by the commission.

c. Commencing with the school year beginning July 1, 2008, the commission shall select twenty additional school districts as demonstration projects.

3. REPORTS AND FINAL STUDY. Based on the information generated by the demonstration projects, the commission shall prepare an interim report by January 15, 2007, followed by interim progress reports annually, followed by a final study report analyzing the effectiveness of pay-for-performance in raising student achievement levels. The final study report shall be completed no later than six months after the completion of the demonstration projects. The commission shall provide copies of the final study report to the department of education and to the chairpersons and ranking members of the senate and house standing committees on education.

4. STATEWIDE IMPLEMENTATION -- REMEDIATION. The general assembly shall consider implementing the pay-for-performance program statewide for the 2009-2010 school year, notwithstanding the provisions of chapters 20 and 279 to the contrary.

a. The commission, in consultation with the department of education, shall develop a system which will provide for valid, reliable tracking and measuring of enhanced student achievement under the pay-for-performance program. Where possible, student performance shall be based solely on student achievement, objectively measured by academic gains made by individual students using valid, reliable, and nonsubjective assessment tools such as the dynamic indicators of basic early literacy skills (DIBELS), the Iowa test of basic skills, or the Iowa test of educational development.

b. The commission shall develop a pay-for-performance pay plan for teacher compensation. The plan shall establish salary adjustments which vary directly with the enhancement of student achievement. The plan shall include teacher performance standards which identify the following five levels of teacher performance with standards to measure each level:

- (1) Superior performance.
- (2) Exceeds expectations.
- (3) Satisfactory.
- (4) Emerging.
- (5) In need of remediation.

No individual salary adjustments under an individual incentive component of a pay-for-performance program shall be provided to teachers whose students do not demonstrate at least a satisfactory level of performance.

c. The department of education, in conjunction with the commission, shall create a teacher remediation program to provide counseling and assistance for teachers whose students do not demonstrate adequate increases in achievement.

5. STAFFING. The legislative services agency may annually use up to fifty thousand dollars of the moneys appropriated for the pay-for-performance program to provide technical and administrative assistance to the commission and monitoring of

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the program. The commission may annually use up to two hundred thousand dollars of the moneys appropriated for consultation services in coordination with the legislative services agency.

6. IOWA EXCELLENCE FUND. An Iowa excellence fund is created within the office of the treasurer of state, to be administered by the commission. 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 in the fund.

The commission may provide grants from this fund, according to criteria developed by the commission, for implementation of the pay-for-performance program.

Sec. 28. NEW SECTION. 284A.1 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Administrator" means an individual holding a professional administrator license issued under chapter 272, who is employed in a school district administrative position by a school district or area education agency pursuant to a contract issued by a board of directors under section 279.23. An administrator may be employed in both an administrative and a nonadministrative position by a board of directors and shall be considered a part-time administrator for the portion of time that the individual is employed in an administrative position.

2. "Beginning administrator" means an individual serving under an initial administrator license, issued by the board of educational examiners under chapter 272, who is assuming a position as a school district administrator for the first time.

3. "Department" means the department of education.

4. "Mentor" means an individual employed by a school district or area education agency as a school district administrator or a retired administrator who holds a valid license issued under chapter 272. The individual must have a record of four years of successful administrative experience and must demonstrate professional commitment to both the



improvement of teaching and learning and the development of beginning administrators.

5. "School board" means the board of directors of a school district or a collaboration of boards of directors of school districts.

6. "State board" means the state board of education.

Sec. 29. NEW SECTION. 284A.2 BEGINNING ADMINISTRATOR MENTORING AND INDUCTION PROGRAM.

1. A beginning administrator mentoring and induction program is created to promote excellence in school leadership, improve classroom instruction, enhance student achievement, build a supportive environment within school districts, increase the retention of promising school leaders, and promote the personal and professional well-being of administrators.

2. The department, in collaboration with other educational partners, shall develop a model beginning administrator mentoring and induction program for all beginning administrators.

3. Each school board shall establish an administrator mentoring program for all beginning administrators. The school board may adopt the model program developed by the department pursuant to subsection 2. Each school board's beginning administrator mentoring and induction program shall, at a minimum, provide for one year of programming. Each school board shall develop an initial beginning administrator mentoring and induction plan. The plan shall describe the mentor selection process, describe supports for beginning administrators, describe program organizational and collaborative structures, provide a budget, provide for sustainability of the program, and provide for program evaluation. The school board employing an administrator shall determine the conditions and requirements of an administrator participating in a program established pursuant to this section. A school board shall include its plan in the school district's comprehensive school improvement plan submitted pursuant to section 256.7, subsection 21.

4. By the end of a beginning administrator's second year of employment, the beginning administrator may be comprehensively evaluated at the discretion of the school board.

Sec. 30. NEW SECTION. 284A.3 PROGRAM APPROPRIATION.

1. For the fiscal year beginning July 1, 2006, and each succeeding fiscal year, there is appropriated from the general fund of the state to the department of education the sum of two hundred fifty thousand dollars for purposes of administering the beginning administrator mentoring and induction program established pursuant to this chapter.

2. A school district shall receive one thousand five hundred dollars per beginning administrator participating in the program. If the funds appropriated for the program are insufficient to pay mentors and school districts as provided in this subsection, the department shall prorate the amount distributed to school districts based upon the amount appropriated. Moneys received by a school district pursuant to this subsection shall be expended to provide each mentor with an award of five hundred dollars per semester, at a minimum, for participation in the school district's beginning administrator mentoring and induction program; to implement the plan; and to pay any applicable costs of the employer's share of contributions to federal social security and the Iowa public employees' retirement system or a pension and annuity retirement system established under chapter 294, for such amounts paid by the district.

3. Notwithstanding section 8.33, any moneys remaining unobligated or unexpended from the moneys appropriated under subsection 1 shall not revert, but shall remain available in the succeeding fiscal year for expenditure for the purposes designated. The provisions of section 8.39 shall not apply to the funds appropriated pursuant to this section.

Sec. 31. INSTITUTE FOR TOMORROW'S WORKFORCE -- IOWA EDUCATION EFFICIENCY AND IMPROVEMENT PLAN. The institute for tomorrow's workforce shall develop an Iowa education efficiency and improvement plan, the goal of which is to establish a new educational delivery system. In developing



the plan, the institute shall address issues concerning the alignment of school districts, area education agencies, public postsecondary institutions, and the department of education, focusing on specific quantitative and qualitative indicators, management, governance, services, boundaries, infrastructure and efficiencies, and administrative efficiencies. The institute shall submit the plan and any recommendations for changes to state law and administrative rules to the general assembly, the governor, and the department of education by January 15, 2007.

Sec. 32. STATE MANDATE FUNDING SPECIFIED. In accordance with section 25B.2, subsection 3, the state cost of requiring compliance with any state mandate included in this Act shall be paid by a school district from state school foundation aid received by the school district under section 257.16. This specification of the payment of the state cost shall be deemed to meet all the state funding-related requirements of section 25B.2, subsection 3, and no additional state funding shall be necessary for the full implementation of this Act by and enforcement of this Act against all affected school districts.

DIVISION II

EDUCATION POLICY

DEPARTMENT OF EDUCATION

Sec. 33. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To assist school districts with the implementation of statewide graduation requirements as provided in division III of this Act:

..... \$ 130,000

DIVISION III

MISCELLANEOUS EDUCATION PROVISIONS

Sec. 34. STATE EDUCATIONAL ASSISTANCE -- CHILDREN OF DECEASED VETERANS. There is appropriated from the general fund of the state to the department of veterans affairs for the fiscal year beginning July 1, 2006, and ending June 30,

2007, the following amount, or so much thereof as is necessary, for the purpose designated:

For educational assistance pursuant to section 35.9:  
..... \$ 27,000

Notwithstanding section 8.33, moneys appropriated under this section that remain unexpended at the close of the fiscal year shall not revert to any fund but shall remain available for the purpose designated until the close of the succeeding fiscal year.

Sec. 35. Section 35.8, Code Supplement 2005, is amended to read as follows:

35.8 WAR ORPHANS EDUCATIONAL ~~AID~~ ASSISTANCE FUND.

A war orphans educational ~~aid~~ assistance fund is created as a separate fund in the state treasury under the control of the department of veterans affairs. Any money appropriated for the purpose of ~~aiding~~ assisting in the education of orphaned children of veterans, as defined in section 35.1, or the education of a child as provided in section 35.9, subsection 2, shall be deposited in the war orphans educational ~~aid~~ assistance fund.

Sec. 36. Section 35.9, Code Supplement 2005, is amended to read as follows:

35.9 EXPENDITURE BY COMMISSION.

1. a. The department ~~of-veterans-affairs~~ may expend not more than six hundred dollars per year for any one child who has lived in the state of Iowa for two years preceding application for ~~aid~~ state educational assistance, and who is the child of a person who died prior to September 11, 2001, during active federal military service while serving in the armed forces or during active federal military service in the Iowa national guard or other military component of the United States, to defray the expenses of tuition, matriculation, laboratory and similar fees, books and supplies, board, lodging, and any other reasonably necessary expense for the child or children incident to attendance in this state at an educational or training institution of college grade, or in a business or vocational training school with standards approved by the department of veterans affairs.



b. A child eligible to receive funds under this section shall not receive more than three thousand dollars under this ~~section~~ subsection during the child's lifetime.

2. Upon application by a child who has lived in the state of Iowa for two years preceding application for state educational assistance, and who is the child of a person who died on or after September 11, 2001, during active federal military service while serving in the armed forces or during active federal military service in the Iowa national guard or other military component of the United States, the department shall provide state educational assistance in the amount of five thousand five hundred dollars per year or the amount of the child's established financial need, whichever is less, to defray the expenses of tuition, matriculation, laboratory and similar fees, books and supplies, board, lodging, and any other reasonably necessary expense for the child or children incident to attendance in this state at a community college established under chapter 260C or at an institution of higher education governed by the state board of regents. A child eligible to receive state educational assistance under this subsection shall not receive more than twenty-seven thousand five hundred dollars under this subsection during the child's lifetime. The college student aid commission may, if requested, assist the department in administering this subsection.

Sec. 37. Section 35.10, Code Supplement 2005, is amended to read as follows:

35.10 ELIGIBILITY AND PAYMENT OF ~~AID~~ ASSISTANCE.

Eligibility for ~~aid~~ assistance shall be determined upon application to the department of veterans affairs, whose decision is final. The eligibility of eligible applicants shall be certified by the department of veterans affairs to the director of the department of administrative services, and all amounts that are or become due to an individual or a training institution under this chapter shall be paid to the individual or institution by the director of the department of administrative services upon receipt by the director of certification by the president or governing board of the

educational or training institution as to accuracy of charges made, and as to the attendance of the individual at the educational or training institution. The department of veterans affairs may pay over the annual sum ~~of four hundred dollars~~ set forth in section 35.9 to the educational or training institution in a lump sum, or in installments as the circumstances warrant, upon receiving from the institution such written undertaking as the department may require to assure the use of funds for the child for the authorized purposes and for no other purpose. A person is not eligible for the benefits of this chapter until the person has graduated from a high school or educational institution offering a course of training equivalent to high school training.

Sec. 38. Section 257.4, subsection 1, Code 2005, is amended to read as follows:

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 products of the regular program foundation base per pupil times the weighted enrollment in the district and the special education support services foundation base per pupil times the special education support services weighted enrollment in the district.

b. For the budget year beginning July 1, 2006, and succeeding budget years, the department of management shall determine an adjusted additional property tax levy and a statewide maximum adjusted additional property tax levy rate. 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. 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.

Sec. 39. Section 257.15, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The department of management shall allocate from amounts appropriated pursuant to section 257.16, subsection 1, 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 not to exceed 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.

Sec. 40. Section 257.16, subsection 1, Code 2005, is amended to read as follows:

1. There is appropriated each year from the general fund of the state an amount necessary to pay the foundation aid, and supplementary aid under section 257.4, subsection 2, and adjusted additional property tax levy aid under section 257.15, subsection 4.

Sec. 41. Section 257.31, subsection 5, paragraph j, Code 2005, is amended to read as follows:

j. Unusual need to continue providing a program or other special assistance to non-English speaking pupils after the expiration of the ~~three-year~~ four-year period specified in section 280.4.

Sec. 42. Section 261.1, subsection 5, Code 2005, is amended to read as follows:

5. ~~Eight~~ Nine additional members to be appointed by the governor. One of the members shall be selected to represent private colleges, private universities and private junior colleges located in the state of Iowa. When appointing this member, the governor shall give careful consideration to any person or persons nominated or recommended by any organization or association of some or all private colleges, private universities and private junior colleges located in the state of Iowa. One of the members shall be selected to represent institutions located in the state of Iowa whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code. One of the members shall be selected to represent community colleges located in the state of Iowa. When appointing this member, the governor shall give careful consideration to any person or persons nominated or recommended by any organization or association of Iowa community colleges. One member shall be enrolled as a student at a board of regents institution, community college, or accredited private institution. One member shall be a representative of a lending institution located in this state. One member shall be a representative of the Iowa student loan liquidity corporation. The other three members, none of whom shall be official board members or trustees of an institution of higher learning or of an association of institutions of higher learning, shall be selected to represent the general public.

Sec. 43. Section 261.25, subsection 1A, as enacted by 2006 Iowa Acts, House File 2527, if enacted, is amended to read as follows:

1A. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of five million one hundred sixty-seven thousand three hundred fifty-eight dollars for proprietary tuition grants for students attending for-profit accredited private institutions located in Iowa. A for-profit institution which, effective March 9, 2005, purchased an accredited private institution

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that was exempt from taxation under section 501(c) of the Internal Revenue Code, shall be an eligible institution under the tuition grant program. In the case of a qualified student who was enrolled in such accredited private institution that was purchased by the for-profit institution effective March 9, 2005, and who continues to be enrolled in the eligible institution in succeeding years, the amount the student qualifies for under this subsection shall be not less than the amount the student qualified for in the fiscal year beginning July 1, 2004. For purposes of the tuition grant program, "for-profit accredited private institution" means an accredited private institution which is not exempt from taxation under section 501(c)(3) but which otherwise meets the requirements of section 261.9, subsection 1, paragraph "b", and whose students were eligible to receive tuition grants in the fiscal year beginning July 1, 2003.

Sec. 44. Section 280.4, subsection 3, Code 2005, is amended to read as follows:

3. In order to provide funds for the excess costs of instruction of limited English proficient students above the costs of instruction of pupils in a regular curriculum, students identified as limited English proficient shall be assigned an additional weighting of twenty-two hundredths, and that weighting shall be included in the weighted enrollment of the school district of residence for a period not exceeding ~~three~~ four years. However, the school budget review committee may grant supplemental aid or modified allowable growth to a school district to continue funding a program for students after the expiration of the ~~three-year~~ four-year period.

Sec. 45. Section 423B.7, subsection 6, Code 2005, is amended to read as follows:

6. Local sales and services tax moneys received by a city or county may be expended for any lawful purpose of the city or county.

a. Notwithstanding the provisions of this subsection, sales and services tax moneys received from a tax imposed by a county pursuant to this chapter shall not be expended by or for the benefit of a school district located in whole or in

part in the county unless the county is imposing a local option sales and services tax for school infrastructure purposes pursuant to chapter 423E.

b. Paragraph "a" of this subsection is repealed December 31, 2022.

Sec. 46. Section 423E.4, Code Supplement 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 7. Notwithstanding subsection 2 of this section or any other provision to the contrary, a school district that is located in whole or in part in a county that has not previously imposed the local sales and services tax for school infrastructure, and which votes on and approves the tax at a rate of one percent on or before July 1, 2008, shall receive an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 423E.3, subsection 5, paragraph "d", for a period corresponding to one-half the duration of the tax authorized by the voters. For the second half of the duration of the tax authorized by the voters, local sales and services tax receipts shall be distributed as otherwise applicable pursuant to subsection 2 of this section.

Sec. 47. LIMITED ENGLISH PROFICIENT WEIGHTING ADJUSTMENT. For the fiscal year beginning July 1, 2006, and ending June 30, 2007, there shall be allocated to the department of education from the amount appropriated pursuant to section 257.16, subsection 1, based upon the increase from three to four years in the availability of supplementary weighting for instruction of limited English proficient students pursuant to section 280.4, an amount not to exceed three million, three hundred thousand dollars. The funds shall be used to adjust the weighted enrollment of a school district with students identified as limited English proficient on a prorated basis.

Sec. 48. EQUITY IN PROPERTY TAXATION INTERIM STUDY COMMITTEE.

1. The legislative council is requested to establish an equity in property taxation interim study committee to review the provisions of chapter 257 and develop one or more proposals that will equalize property tax rates applicable



pursuant to the basic school foundation aid formula. The review shall include but not be limited to finance formulas that specifically address equalizing property tax rates, and shall be authorized for and conducted over a two-year period during the 2006 and 2007 legislative interims.

2. The membership of the committee shall include the following:

a. Two members of the senate standing committee on education.

b. Two members of the house standing committee on education.

c. Two members of the senate standing committee on ways and means.

d. Two members of the house standing committee on ways and means.

e. Persons representing education associations and stakeholders, urban and rural property tax interests, and other associations, groups, or interested parties as may be identified by the council, or added by the chairperson or co-chairpersons of the study committee designated by the council.

3. Staffing assistance shall be provided by the department of education, with the assistance of the department of management and the department of revenue. The committee shall report its findings and recommendations, including proposed legislation, to the general assembly no later than January 1, 2008.

Sec. 49. BOARD OF EDUCATIONAL EXAMINERS -- TEACHER LIBRARIAN REVIEW. The board of educational examiners shall review the impact the enactment of section 256.11, subsection 9, if enacted, on school districts, media specialists, and librarians and shall submit its findings and recommendations in a report to the chairpersons and ranking members of the senate and house of representatives standing committees on education by January 1, 2007.

Sec. 50. STATEWIDE GRADUATION REQUIREMENTS.

The department of education shall use funds appropriated for graduation requirements under division II of this Act to

assist school districts with the implementation of graduation requirements established pursuant to section 256.7, subsection 26, as amended by 2006 Iowa Acts, Senate File 2272, if enacted. The department shall survey school districts as to their readiness for implementation of the requirements. The department shall review Iowa law and administrative rules and policies to determine if changes are necessary or beneficial to implement the graduation requirements. The department shall submit its findings and recommendations in a report to the chairpersons and ranking members of the senate and house of representatives standing education committees and to the chairpersons and ranking members of the joint appropriations subcommittee on education by January 1, 2007.

Sec. 51. PARTICIPATION IN AN INSTRUCTIONAL SUPPORT PROGRAM BY SCHOOL DISTRICTS -- SUSPENSION OF REQUIREMENTS.

Notwithstanding any contrary provision in chapter 257, including sections 257.18 through 257.21, a school district that has participated in a board-approved instructional support program during the fiscal year beginning July 1, 2005, and ending June 30, 2006, may continue to participate in the board-approved instructional support program for the fiscal year beginning July 1, 2006, and ending June 30, 2007, to the extent established by the board's resolution, as if it had complied with those sections, if all of the following apply:

1. The board of directors of the school district has adopted or adopts a resolution not later than May 15, 2006, to participate in the board-approved instructional support program as otherwise provided in section 257.18. If the board of directors has adopted a budget which did not account for the board-approved instructional support program, the board of directors may adjust its budget to account for the board-approved instructional support program as approved by the department of management.

2. The secretary of the board of directors does not receive a petition as authorized in section 257.18, subsection 2, within twenty-eight days following the adoption of the resolution by the board of directors of the school district to participate in the board-approved instructional support



program as provided in subsection 1, which asks that an election be called to approve or disapprove the action of the board of directors in adopting the resolution.

Sec. 52. EFFECTIVE DATE. Section 51 of this division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 53. EFFECTIVE DATE. The sections of this Act amending section 257.4, subsection 1, relating to the calculation of an adjusted additional property tax levy and a statewide maximum adjusted additional property tax levy rate, enacting section 257.15, subsection 4, relating to allocating funds for calculation of the statewide maximum adjusted additional property tax levy rate and providing adjusted additional property tax levy aid, amending section 257.16, subsection 1, relating to conforming changes, amending section 423B.7, relating to prohibiting expenditure of sales and services tax moneys under specified circumstances, allocating funds for a limited English proficient weighting adjustment for the fiscal year beginning July 1, 2006, and ending June 30, 2007, and enacting section 423E.4, subsection 7, relating to the distribution of local option sales and services tax revenue under specified circumstances, take effect upon enactment.

Sec. 54. EFFECTIVE AND APPLICABILITY DATES. The sections of this Act amending sections 257.31 and 280.4, being deemed of immediate importance, take effect upon enactment and are applicable for the school budget year beginning July 1, 2006, and succeeding budget years.

#### DIVISION IV

##### STATE AND LOCAL GOVERNMENT OPERATIONS

Sec. 55. Section 8A.108, Code 2005, is amended to read as follows:

##### 8A.108 ACCEPTANCE OF FUNDS.

1. The department may receive and accept donations, grants, gifts, and contributions in the form of moneys, services, materials, or otherwise, from the United States or any of its agencies, from this state or any of its agencies, or from any other person, and may use or expend such moneys,

services, materials, or other contributions, or issue grants, in carrying out the operations of the department. All federal grants to and the federal receipts of the department are hereby appropriated for the purpose set forth in such federal grants or receipts. The department shall report annually to the general assembly on or before September 1 the donations, grants, gifts, and contributions with a monetary value of one thousand dollars or more that were received during the most recently concluded fiscal year.

2. a. The department may solicit donations, grants, gifts, and contributions in the form of moneys, services, materials, real property, or otherwise from any person for specific projects and improvements on or near the capitol complex. However, no less than twenty days prior to commencing any such solicitation, the department shall notify the executive council, the department of management, and the legislative council of the project for which the solicitation is proposed. The department is only required to provide one notification for each project for which a solicitation is proposed.

b. The department shall not accept any donation, grant, gift, or contribution in any form that includes any condition other than a condition to use the donation, grant, gift, or contribution for the project for which it was solicited. The department shall not confer any benefit upon or establish any permanent acknowledgement of the donor of the donation, grant, gift, or contribution unless specifically authorized by a constitutional majority of each house of the general assembly and approved by the governor or unless otherwise specifically authorized by law.

Sec. 56. Section 8A.321, Code Supplement 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 8A. With the approval of the executive council pursuant to section 7D.29 or pursuant to other authority granted by law, acquire real property to be held by the department in the name of the state as follows:

a. By purchase, lease, option, gift, grant, bequest, devise, or otherwise.



b. By exchange of real property belonging to the state for property belonging to another person.

Sec. 57. Section 68B.7, Code 2005, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding the provisions of this section, a person who has served as the workers' compensation commissioner, or any deputy thereof, may represent a claimant in a contested case before the division of workers' compensation at any point subsequent to termination of such service, regardless of whether the person charges a contingent fee for such representation, provided such case was not pending before the division during the person's tenure as commissioner or deputy.

Sec. 58. Section 100B.13, Code Supplement 2005, is amended to read as follows:

100B.13 VOLUNTEER FIRE FIGHTER PREPAREDNESS FUND.

1. A volunteer fire fighter preparedness fund is created as a separate and distinct fund in the state treasury under the control of the division of state fire marshal of the department of public safety.

2. Revenue for the volunteer fire fighter preparedness fund shall include, but is not limited to, the following:

a. Moneys credited to the fund pursuant to section 422.12F.

b. Moneys credited to the fund pursuant to section 422.12G.

~~b.~~ c. Moneys in the form of a devise, gift, bequest, donation, or federal or other grant intended to be used for the purposes of the fund.

3. Moneys in the volunteer fire fighter preparedness fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

4. Moneys in the volunteer fire fighter preparedness fund are appropriated to the division of state fire marshal of the department of public safety to be used annually to pay the costs of providing volunteer fire fighter training around the state and to pay the costs of providing volunteer fire fighting equipment.

Sec. 59. Section 232.116, subsection 1, Code 2005, is amended by adding the following new paragraph:

NEW PARAGRAPH. o. The parent has been convicted of a felony offense that is a criminal offense against a minor as defined in section 692A.1, the parent is divorced from or was never married to the minor's other parent, and the parent is serving a minimum sentence of confinement of at least five years for that offense.

Sec. 60. Section 314.28, Code 2005, is amended to read as follows:

314.28 KEEP IOWA BEAUTIFUL FUND.

A keep Iowa beautiful fund is created in the office of the treasurer of state. The fund is composed of moneys appropriated or available to and obtained or accepted by the treasurer of state for deposit in the fund. The fund shall include moneys transferred to the fund as provided in section 422.12A. The fund shall also include moneys transferred to the fund as provided in section 422.12G. All interest earned on moneys in the fund shall be credited to and remain in the fund. Section 8.33 does not apply to moneys in the fund.

Moneys in the fund that are authorized by the department for expenditure are appropriated, and shall be used, to educate and encourage Iowans to take greater responsibility for improving their community environment and enhancing the beauty of the state through litter prevention, improving waste management and recycling efforts, and beautification projects.

The department may authorize payment of moneys from the fund upon approval of an application from a private or public organization. The applicant shall submit a plan for litter prevention, improving waste management and recycling efforts, or a beautification project along with its application. The department shall establish standards relating to the type of projects available for assistance.

Sec. 61. NEW SECTION. 422.12G JOINT INCOME TAX REFUND CHECKOFF FOR KEEP IOWA BEAUTIFUL FUND AND VOLUNTEER FIRE FIGHTER PREPAREDNESS FUND.

1. A person who files an individual or a joint income tax return with the department of revenue under section 422.13 may



designate one dollar or more to be paid jointly to the keep Iowa beautiful fund created in section 314.28 and to the volunteer fire fighter preparedness fund created in section 100B.13. If the refund due on the return or the payment remitted with the return is insufficient to pay the additional amount designated by the taxpayer, the amount designated shall be reduced to the remaining amount of refund or the remaining amount remitted with the return. The designation of a contribution under this section is irrevocable.

2. The director of revenue shall draft the income tax form to allow the designation of contributions to the keep Iowa beautiful fund and to the volunteer fire fighter preparedness fund as one checkoff on the tax return. The department of revenue, on or before January 31, shall transfer one-half of the total amount designated on the tax return forms due in the preceding calendar year to the keep Iowa beautiful fund and the remaining one-half to the volunteer fire fighter preparedness fund. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of administrative services and accounts identified as owing under section 8A.504 and the political contribution allowed under section 68A.601 shall be satisfied.

3. The department of revenue shall adopt rules to administer this section.

4. This section is subject to repeal under section 422.12E.

Sec. 62. Section 427.1, subsection 21A, Code Supplement 2005, as amended by 2006 Iowa Acts, House File 2797, section 84, if enacted, is amended to read as follows:

21A. DWELLING UNIT PROPERTY OWNED BY COMMUNITY HOUSING DEVELOPMENT ORGANIZATION. Dwelling unit property owned and managed by a community housing development organization, as recognized by the state of Iowa and the federal government pursuant to criteria for community housing development organization designation contained in the HOME program of the federal National Affordable Housing Act of 1990, if the organization is also a nonprofit organization exempt from federal income tax under section 501(c)(3) of the Internal

Revenue Code and owns and manages more than one hundred and fifty dwelling units that are located in a city with a population of more than one hundred ten thousand. For the 2005 and 2006 assessment years, an application is not required to be filed to receive the exemption. For the 2007 and subsequent assessment years, an application for exemption must be filed with the assessing authority not later than February 1 of the assessment year for which the exemption is sought. Upon the filing and allowance of the claim, the claim shall be allowed on the property for successive years without further filing as long as the property continues to qualify for the exemption.

Sec. 63. Section 600A.8, Code Supplement 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 10. The parent has been convicted of a felony offense that is a criminal offense against a minor as defined in section 692A.1, the parent is divorced from or was never married to the minor's other parent, and the parent is serving a minimum sentence of confinement of at least five years for that offense.

Sec. 64. Section 602.8108, subsection 8B, if enacted by 2006 Iowa Acts, House File 2789, section 8, is amended to read as follows:

8B. The state court administrator shall allocate to the office of attorney general for the fiscal year beginning July 1, 2006, and for each fiscal year thereafter, ~~three~~ four hundred fifty thousand dollars of the moneys received annually under subsection 2, to be used for legal services for persons in poverty grants as provided in section 13.34.

Sec. 65. 2006 Iowa Acts, House File 2797, section 43, subsection 1, paragraph a, if enacted, is amended by adding the following new subparagraphs:

NEW SUBPARAGRAPH. (11) Sierra club - Iowa chapter.

NEW SUBPARAGRAPH. (12) Izaak Walton league of Iowa.

NEW SUBPARAGRAPH. (13) State conservation districts.

Sec. 66. 2006 Iowa Acts, House File 2794, section 58, if enacted, is repealed.



Sec. 67. RETROACTIVE APPLICABILITY. The section of this Act enacting section 422.12G applies retroactively to tax years beginning on or after January 1, 2006.

DIVISION V

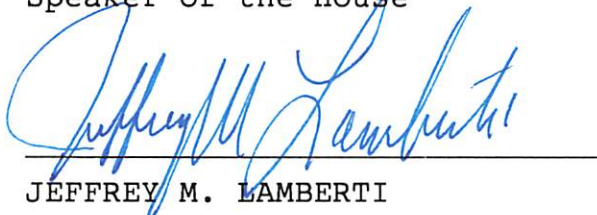
MISCELLANEOUS PROVISIONS

Sec. 68. Section 8F.2, subsection 8, paragraph b, subparagraph (3), if enacted by 2006 Iowa Acts, Senate File 2410, is amended to read as follows:

(3) A contract for services provided for the operation, construction, or maintenance of a public or city utility, combined public or city utility, or a city enterprise as defined by section 384.24.



CHRISTOPHER C. RANTS  
Speaker of the House



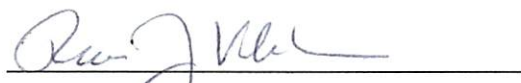
JEFFREY M. LAMBERTI  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2792, Eighty-first General Assembly.



MARGARET THOMSON  
Chief Clerk of the House

*certa exceptions noted*  
Approved June 1, 2006

  
THOMAS J. VILSACK  
Governor