

AN ACT

RELATING TO THE ALLOWABLE USES FOR MODIFIED ALLOWABLE GROWTH  
FOR PROGRAMS FOR RETURNING DROPOUTS AND DROPOUT PREVENTION  
AND INCLUDING APPLICABILITY PROVISIONS.

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

Section 1. Section 257.41, Code 2011, is amended to read as follows:

**257.41 Funding for programs for returning dropouts and dropout prevention.**

1. Budget. The budget of an approved program for returning dropouts and dropout prevention for a school district, after subtracting funds received from other sources for that purpose, shall be funded annually on a basis of one-fourth or more from the district cost of the school district and up to three-fourths by an increase in allowable growth as defined in section 257.8. Annually, the department of management shall establish a modified allowable growth for each such school district equal to the difference between the approved budget for the program for returning dropouts and dropout prevention for that district and the sum of the amount funded from the district cost of the school district plus funds received from other sources.

2. Appropriate uses of funding. Appropriate uses of the returning dropout and dropout prevention program funding include but are not limited to the following:

a. Salary and benefits for instructional staff, instructional support staff, and school-based youth services staff who are working with students who are participating in dropout prevention programs, alternative programs, and alternative schools, in a traditional or alternative setting,

if the staff person's time is dedicated to working with returning dropouts or students who are deemed, at any time during the school year, to be at risk of dropping out, in order to provide services beyond those which are provided by the school district to students who are not identified as at risk of dropping out. However, if the staff person works part-time with students who are participating in returning dropout and dropout prevention programs, alternative programs, and alternative schools and has another unrelated staff assignment, only the portion of the staff person's time that is related to the returning dropout and dropout prevention program, alternative program, or alternative school may be charged to the program. For purposes of this paragraph, if an alternative setting is necessary to provide for a program which is offered at a location off school grounds and which is intended to serve student needs by improving relationships and connections to school, decreasing truancy and tardiness, providing opportunities for course credit recovery, or helping students identified as at risk of dropping out to accelerate through multiple grade levels of achievement within a shortened time frame, the tuition costs for a student identified as at risk of dropping out shall be considered an appropriate use of the returning dropout and dropout prevention program funding.

b. Professional development for all teachers and staff working with at-risk students and programs involving dropout prevention strategies.

c. Research-based resources, materials, software, supplies, and purchased services that meet all of the following criteria:

(1) Meets the needs of kindergarten through grade twelve students identified as at risk of dropping out and of returning dropouts.

(2) Are beyond those provided by the regular school program.

(3) Are necessary to provide the services listed in the school district's dropout prevention plan.

(4) Will remain with the kindergarten through grade twelve returning dropout and dropout prevention program.

d. Up to five percent of the total budgeted amount received pursuant to subsection 1 may be used for purposes of providing district-wide or building-wide returning dropout and dropout prevention programming targeted to students who are not deemed at risk of dropping out.

3. Limitation. For the fiscal year beginning July 1, 2013, and each succeeding fiscal year, the ratio of the amount of

modified allowable growth established by the department of management compared to the school district's total regular program district cost shall not exceed two and one-half percent. However, if the school district's highest such ratio so determined for any fiscal year beginning on or after July 1, 2009, but before July 1, 2013, exceeded two and one-half percent, the ratio may exceed two and one-half percent but shall not exceed the highest such ratio established during that period.

Sec. 2. APPLICABILITY.

1. Notwithstanding section 257.38, subsection 1, section 257.40, subsection 1, or any other provision of law to the contrary, the section of this Act enacting section 257.41, subsection 2, is applicable to budget years beginning on or after July 1, 2012, for purposes of the appropriate uses of funding for returning dropout and dropout prevention program plans approved for budget years beginning on or after July 1, 2012.

2. The section of this Act enacting section 257.41, subsection 3, is applicable to budget years beginning on or after July 1, 2013.

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JOHN P. KIBBIE  
President of the Senate

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KRAIG PAULSEN  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 451, Eighty-fourth General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved \_\_\_\_\_, 2012

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TERRY E. BRANSTAD  
Governor