

*Reprinted*

FILED JAN 12 1989

SENATE FILE 38  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 4A)

Passed Senate, Date 1-19-89 (p.137) Passed House, Date 2-16-89 (p.488)  
Vote: Ayes 48 Nays 2 Vote: Ayes 95 Nays 0  
Approved 3-7-89 (p.650)

**A BILL FOR**

1 An Act relating to the payment of moneys to teachers under the  
2 educational excellence program, including calculation of  
3 payments, the frequency and manner of payments, eligibility  
4 for payments, and deadlines for submission of plans and  
5 reports of moneys expended.

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

**SENATE FILE 38**

**S-3004**

- 1 Amend Senate File 38 as follows:
- 2 1. Page 2, line 22, by striking the word
- 3 "continues" and inserting the word "expands".
- 4 2. Page 2, by striking lines 27 and 28 and
- 5 inserting the following: "education shall include
- 6 both the general fund moneys which must be equal to
- 7 those used prior to July 1, 1987, and the phase III
- 8 moneys which expand the activity and is for".
- 9 3. Page 2, line 29, by striking the words "have
- 10 met" and inserting the word "meet".

By JIM LIND

**S-3004 FILED JANUARY 19, 1989**  
**ADOPTED (7.137)**

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1 Section 1. Section 294A.6, Code 1989, is amended by adding  
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. If the moneys allocated for  
4 phase I for a school year exceed the moneys required to pay  
5 the total minimum salary supplements to all school districts  
6 and area education agencies, the board of directors of a  
7 school district that has employed one or more additional  
8 teachers as a result of a whole grade sharing agreement  
9 completed under section 282.7 may request approval from the  
10 department of education for additional funding for its minimum  
11 salary supplement for that school year and succeeding school  
12 years if the other school district or districts that are  
13 parties to the sharing agreement have correspondingly reduced  
14 their number of teachers. If the department of education  
15 approves the payment of the additional salary supplement to a  
16 district, the department shall certify to the department of  
17 revenue and finance that the additional payment be made. The  
18 payment shall be equal to the amount of the difference between  
19 eighteen thousand dollars and the teacher's regular  
20 compensation, plus the amount required to make the payments on  
21 the additional salary moneys for the employer's share of the  
22 federal social security and Iowa public employees' retirement  
23 system, or a pension and annuity retirement system established  
24 under chapter 294. If the phase I moneys remaining are  
25 insufficient to pay the entire amount approved by the  
26 department of education, the department of revenue and finance  
27 shall prorate the payments to school districts.

28 Sec. 2. Section 294A.14, unnumbered paragraph 5, Code  
29 1989, is amended to read as follows:

30 For school districts, a performance-based pay plan may  
31 provide for additional salary for individual teachers, for  
32 teachers assigned to a specific discipline, or ~~for additional~~  
33 ~~salary~~ for all teachers assigned to an attendance center. For  
34 area education agencies, a performance-based pay plan may  
35 provide for additional salary for individual teachers, or for

1 additional salary for all teachers assigned to a specific  
2 discipline within an area education agency, or for additional  
3 salary for individual teachers assigned to a multidisciplinary  
4 team within an area education agency. If the plan provides  
5 additional salary for all teachers assigned to an attendance  
6 center, ~~or~~ specific discipline, or multidisciplinary team, the  
7 receipt of additional salary by those teachers shall be  
8 determined on the basis of whether that attendance center, ~~or~~  
9 specific discipline, or multidisciplinary team meets specific  
10 objectives adopted for that attendance center, ~~or~~ specific  
11 discipline, or multidisciplinary team. For school districts,  
12 the objectives may include, but are not limited to, decreasing  
13 the dropout rate, increasing the attendance rate, or  
14 accelerating the achievement growth of students enrolled in  
15 that attendance center.

16 Sec. 3. Section 294A.15, Code 1989, is amended by adding  
17 the following new unnumbered paragraph after unnumbered  
18 paragraph 1:

19 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1989, a plan  
20 adopted by the board of directors of a school district or area  
21 education agency may include as a part of the plan a proposal  
22 that continues a performance-based pay plan or a supplemental  
23 pay plan, or a combination of the two pay plans, that meets  
24 the criteria listed in section 294A.14 and was in effect in  
25 the school district or area education agency prior to July 1,  
26 1987. The budget for the plan submitted to the department of  
27 education shall include both the phase III moneys, and general  
28 fund moneys equal to those used prior to July 1, 1987, for  
29 programs that would have met the criteria listed in section  
30 294A.14.

31 Sec. 4. Section 294A.16, unnumbered paragraph 1, Code  
32 1989, is amended to read as follows:

33 A plan adopted by the board of directors of a school  
34 district or area education agency shall be submitted to the  
35 department of education not later than July 1 of a school year

1 for that school year for a school district, and not later than  
2 September 1 of a school year for that school year for an area  
3 education agency. Amendments to multiple year plans may be  
4 submitted annually.

5 Sec. 5. Section 294A.16, unnumbered paragraph 2, Code  
6 1989, is amended to read as follows:

7 If a school district uses teachers under a contract between  
8 the district and the area education agency in which the  
9 district is located and both the school district and the area  
10 education agency have approved phase III plans, the school  
11 district shall ~~make-provision-for-these-teachers-under-phase~~  
12 ~~III~~ transmit to the employing area education agency a portion  
13 of its phase III moneys based upon the portion that the  
14 salaries of teachers employed by the area education agency and  
15 assigned to the school district for the school year bears to  
16 the total teacher salaries paid in the district for that  
17 school year, including the salaries of the teachers employed  
18 by the area education agency. If the area education agency  
19 has an approved phase III plan and the school district does  
20 not, the department of management shall transmit phase III  
21 moneys to the area education agency for those teachers from  
22 the phase III money that would have been paid to the school  
23 district if the school district had had an approved phase III  
24 plan using the formula that would have been used if the school  
25 district had had an approved phase III plan.

26 Sec. 6. Section 294A.19, Code 1989, is amended to read as  
27 follows:

28 294A.19 REPORT.

29 Each school district and area education agency receiving  
30 moneys for phase III during a school year shall file a report  
31 with the department of education. School district reports  
32 shall be filed by July 1 of the next following school year,  
33 and area education agency reports shall be filed by September  
34 1 of the next following school year. The report shall  
35 describe the plan, its objectives, its implementation, and the

1 expenditures made under the plan including the salary  
2 increases paid to each eligible employee, and the extent to  
3 which its objectives were attained. The report may include  
4 any proposed amendments to the plan for the next following  
5 school year.

6 Annually, the department shall summarize the information  
7 contained in the reports filed by the school districts and  
8 area education agencies. The reports shall be available upon  
9 request.

10 Sec. 7. Section 294A.22, unnumbered paragraph 1, Code  
11 1989, is amended to read as follows:

12 Payments for each phase of the educational excellence  
13 program shall be made by the department of revenue and finance  
14 on a ~~quarterly~~ monthly basis, ~~and the~~ commencing on October 15  
15 and ending on June 15 of each fiscal year taking into  
16 consideration the relative budget and cash position of the  
17 state resources. The payments shall be separate from state  
18 aid payments made pursuant to sections 442.25 and 442.26. For  
19 ~~the school year beginning July 1, 1987, the first quarterly~~  
20 ~~payment shall be made not later than October 15, 1987 taking~~  
21 ~~into consideration the relative budget and cash position of~~  
22 ~~the state resources.~~ The payments made under this section to  
23 a school district or area education agency may be combined and  
24 a separate accounting of the amount paid for each program  
25 shall be included.

26 Sec. 8. Section 294A.22, Code 1989, is amended by adding  
27 the following new unnumbered paragraph:

28 NEW UNNUMBERED PARAGRAPH. Payments made to a teacher by a  
29 school district or area education agency under this chapter  
30 are wages for the purposes of chapter 91A except for payments  
31 made under an approved phase III plan where a modified payment  
32 plan has either been mutually agreed upon by the board of  
33 directors and the certified bargaining representative for  
34 certificated employees or for a district that is not organized  
35 for collective bargaining purposes where a modified payment

1 plan is adopted by the board.

2 Sec. 9. Section 5 of this Act applies to phase III plans  
3 submitted for the school year beginning July 1, 1989.

4 EXPLANATION

5 This bill makes several changes in the educational ex-  
6 cellence program that provides teacher salary increases. It  
7 provides for additional payments for minimum salary  
8 supplements under phase I to school districts who add teachers  
9 because of whole grade sharing agreements if the moneys  
10 allocated for phase I exceed the moneys required to pay for  
11 phase I. It makes the salary payments, except for certain  
12 phase III payments mutually agreed upon, subject to the wage  
13 collection law. It allows phase III payments for performance-  
14 based pay plans to be paid to all of the teachers in a school  
15 district in a specific discipline and to teachers in an area  
16 education agency multidisciplinary team. It also provides for  
17 the allocation of school district phase III moneys to area  
18 education agency teachers teaching under contract to the  
19 school district. It delays the deadline for area education  
20 agencies to submit plans and reports of plans from July 1 to  
21 September 1 of a fiscal year. The bill also allows school  
22 districts to receive phase III moneys to supplement, not  
23 supplant, programs in effect prior to July 1, 1987, that are  
24 eligible for phase III funding and part of an approved phase  
25 III plan. It requires the reports concerning phase III plans  
26 filed by school districts and area education agencies to be  
27 summarized by the department of education and be available  
28 upon request.

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**SENATE FILE 38  
FISCAL NOTE**

A fiscal note for **SENATE FILE 38 AS PASSED BY THE SENATE** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 38 as passed by the Senate makes several changes in the Educational Excellence program that provides additional moneys for teacher salaries. It changes the date that AEAs must submit plans and reports of plans from July 1 to September 1. It makes provisions for the issuance of supplemental contracts for teachers involved in supplemental pay plans.

It provides for additional payments for minimum salary supplements under phase I to school districts who add teachers because of whole grade sharing agreements. The additional payments would only be made if the moneys allocated for phase I for all school districts and AEAs exceed the moneys required to pay for phase I.

It also makes provision for AEA teachers under contract with a school district to receive phase III funds in the following manner. If both the AEA and school district have approved phase III plans, the school district must pay the AEA a prorated portion of the funds based on the ratio of salary paid to AEA teachers under contract and the salary paid to teachers employed by the school district plus the salary paid to the AEA teachers. If the AEA has an approved plan and the school district does not, the phase III money received by the AEA teachers under contract with the school district will be paid from the phase III moneys allocated to the school district which remain unobligated. The amount to be paid is prorated in the aforementioned manner.

The proposal also adds to the Department of Education's duties by requiring that it summarize the reports submitted by school districts and AEAs. The summary must be submitted to the General Assembly by January 1 of the following year.

**Fiscal Effect:**

In the 1988-89 school year, sixteen school districts employed teachers through whole grade sharing agreements which would be eligible for phase I funds. If the same average number of teachers were involved in the 1989-90 school year, the phase I provision would cost an estimated \$160,000.

Moneys available for the implementation of phase III plans are allocated to school districts and AEAs, respectively, based upon their certified headcount and their enrollment served. Although the proposal will result in some shifting of funds between certain AEAs and school districts, the proposal will have no net impact to the general fund of the State.

Source: Department of Education

(LSB 1088sv, TLJ)

FILED FEBRUARY 15, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

See Education 1/25 Times for 3126 2/10 (p. 392)

Senate File 38

Education: Wise, Chair: Harper and Siegrist.

SENATE FILE 38  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 4A)  
(AS AMENDED AND PASSED BY THE SENATE JANUARY 19, 1989)  
\_\_\_\_\_ - New Language by the Senate

Passed Senate, Date 2-27-89 Passed House, Date 2-16-89 (p. 482)  
Vote: Ayes 49 Nays 0 Vote: Ayes 95 Nays 0  
Approved March 7, 1989 (p. 650)

A BILL FOR

1 An Act relating to the payment of moneys to teachers under the  
2 educational excellence program, including calculation of  
3 payments, the frequency and manner of payments, eligibility  
4 for payments, and deadlines for submission of plans and  
5 reports of moneys expended.

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

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S.F. 38



1 Section 1. Section 294A.6, Code 1989, is amended by adding  
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. If the moneys allocated for  
4 phase I for a school year exceed the moneys required to pay  
5 the total minimum salary supplements to all school districts  
6 and area education agencies, the board of directors of a  
7 school district that has employed one or more additional  
8 teachers as a result of a whole grade sharing agreement  
9 completed under section 282.7 may request approval from the  
10 department of education for additional funding for its minimum  
11 salary supplement for that school year and succeeding school  
12 years if the other school district or districts that are  
13 parties to the sharing agreement have correspondingly reduced  
14 their number of teachers. If the department of education  
15 approves the payment of the additional salary supplement to a  
16 district, the department shall certify to the department of  
17 revenue and finance that the additional payment be made. The  
18 payment shall be equal to the amount of the difference between  
19 eighteen thousand dollars and the teacher's regular  
20 compensation, plus the amount required to make the payments on  
21 the additional salary moneys for the employer's share of the  
22 federal social security and Iowa public employees' retirement  
23 system, or a pension and annuity retirement system established  
24 under chapter 294. If the phase I moneys remaining are  
25 insufficient to pay the entire amount approved by the  
26 department of education, the department of revenue and finance  
27 shall prorate the payments to school districts.

28 Sec. 2. Section 294A.14, unnumbered paragraph 5, Code  
29 1989, is amended to read as follows:

30 For school districts, a performance-based pay plan may  
31 provide for additional salary for individual teachers, for  
32 teachers assigned to a specific discipline, or for additional  
33 salary for all teachers assigned to an attendance center. For  
34 area education agencies, a performance-based pay plan may  
35 provide for additional salary for individual teachers, or for

1 additional salary for all teachers assigned to a specific  
2 discipline within an area education agency, or for additional  
3 salary for individual teachers assigned to a multidisciplinary  
4 team within an area education agency. If the plan provides  
5 additional salary for all teachers assigned to an attendance  
6 center, or specific discipline, or multidisciplinary team, the  
7 receipt of additional salary by those teachers shall be  
8 determined on the basis of whether that attendance center, or  
9 specific discipline, or multidisciplinary team meets specific  
10 objectives adopted for that attendance center, or specific  
11 discipline, or multidisciplinary team. For school districts,  
12 the objectives may include, but are not limited to, decreasing  
13 the dropout rate, increasing the attendance rate, or  
14 accelerating the achievement growth of students enrolled in  
15 that attendance center.

16 Sec. 3. Section 294A.15, Code 1989, is amended by adding  
17 the following new unnumbered paragraph after unnumbered  
18 paragraph 1:

316219 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1989, a plan  
20 adopted by the board of directors of a school district or area  
21 education agency may include as a part of the plan a proposal  
22 that expands a performance-based pay plan or a supplemental  
23 pay plan, or a combination of the two pay plans, that meets  
24 the criteria listed in section 294A.14 and was in effect in  
25 the school district or area education agency prior to July 1,  
26 1987. The budget for the plan submitted to the department of  
27 education shall include both the general fund moneys which  
28 must be equal to those used prior to July 1, 1987, and the  
29 phase III moneys which expand the activity and is for programs  
30 that would meet the criteria listed in section 294A.14.

31 Sec. 4. Section 294A.16, unnumbered paragraph 1, Code  
32 1989, is amended to read as follows:

33 A plan adopted by the board of directors of a school  
34 district or area education agency shall be submitted to the  
35 department of education not later than July 1 of a school year

1 for that school year for a school district, and not later than  
2 September 1 of a school year for that school year for an area  
3 education agency. Amendments to multiple year plans may be  
4 submitted annually.

5 Sec. 5. Section 294A.16, unnumbered paragraph 2, Code  
6 1989, is amended to read as follows:

7 If a school district uses teachers under a contract between  
8 the district and the area education agency in which the  
9 district is located and both the school district and the area  
10 education agency have approved phase III plans, the school  
11 district shall make-provision-for-these-teachers-under-phase  
12 III transmit to the employing area education agency a portion  
13 of its phase III moneys based upon the portion that the  
14 salaries of teachers employed by the area education agency and  
15 assigned to the school district for the school year bears to  
16 the total teacher salaries paid in the district for that  
17 school year, including the salaries of the teachers employed  
18 by the area education agency. If the area education agency  
19 has an approved phase III plan and the school district does  
20 not, the department of management shall transmit phase III  
21 moneys to the area education agency for those teachers from  
22 the phase III moneys that would have been paid to the school  
23 district if the school district had had an approved phase III  
24 plan using the formula that would have been used if the school  
25 district had had an approved phase III plan.

2070, 5126

26 Sec. 6. Section 294A.19, Code 1989, is amended to read as  
27 follows:

28 294A.19 REPORT.

29 Each school district and area education agency receiving  
30 moneys for phase III during a school year shall file a report  
31 with the department of education. School district reports  
32 shall be filed by July 1 of the next following school year,  
33 and area education agency reports shall be filed by September  
34 1 of the next following school year. The report shall  
35 describe the plan, its objectives, its implementation, and the

1 expenditures made under the plan including the salary  
2 increases paid to each eligible employee, and the extent to  
3 which its objectives were attained. The report may include  
4 any proposed amendments to the plan for the next following  
5 school year.

6 Annually, the department shall summarize the information  
7 contained in the reports filed by the school districts and  
8 area education agencies. The reports shall be available upon  
9 request.

10 Sec. 7. Section 294A.22, unnumbered paragraph 1, Code  
11 1989, is amended to read as follows:

12 Payments for each phase of the educational excellence  
13 program shall be made by the department of revenue and finance  
14 on a quarterly monthly basis, and the commencing on October 15  
15 and ending on June 15 of each fiscal year taking into  
16 consideration the relative budget and cash position of the  
17 state resources. The payments shall be separate from state  
18 aid payments made pursuant to sections 442.25 and 442.26. For  
19 ~~the school year beginning July 1, 1987, the first quarterly~~  
20 ~~payment shall be made not later than October 15, 1987 taking~~  
21 ~~into consideration the relative budget and cash position of~~  
22 ~~the state resources.~~ The payments made under this section to  
23 a school district or area education agency may be combined and  
24 a separate accounting of the amount paid for each program  
25 shall be included.

26 Sec. 8. Section 294A.22, Code 1989, is amended by adding  
27 the following new unnumbered paragraph:

28 NEW UNNUMBERED PARAGRAPH. Payments made to a teacher by a  
29 school district or area education agency under this chapter  
30 are wages for the purposes of chapter 91A except for payments  
31 made under an approved phase III plan where a modified payment  
32 plan has either been mutually agreed upon by the board of  
33 directors and the certified bargaining representative for  
34 certificated employees or for a district that is not organized  
35 for collective bargaining purposes where a modified payment

1 plan is adopted by the board.

2 Sec. 9. Section 5 of this Act applies to phase III plans  
3 submitted for the school year beginning July 1, 1989.

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## SENATE FILE 38

H-3126

1 Amend Senate File 38, as amended, passed, and  
2 reprinted by the Senate as follows:

3 1. Page 3, by inserting after line 25, the  
4 following:

5 "Sec. \_\_\_\_ . Section 294A.16, unnumbered paragraph 4,  
6 Code 1989, is amended by striking the paragraph and  
7 inserting in lieu thereof the following:

8 A school district or area education agency, which  
9 receives money for a school year for an approved phase  
10 III plan, may retain up to fifty percent of the moneys  
11 allocated to the district or area education agency for  
12 the next succeeding school year, in order to continue  
13 the approved plan. Any of the retained phase III  
14 moneys remaining in the district or area education  
15 agency account after the second year of the plan shall  
16 revert to the general fund of the state as provided in  
17 section 8.33.

18 Any moneys allocated or retained for an approved  
19 phase III plan, and any interest accrued on the  
20 moneys, shall not be commingled with state aid  
21 payments made, under sections 442.25 and 442.26, to a  
22 school district or area education agency and shall be  
23 accounted for by the school district or area education  
24 agency separately from state aid payment accounts."

By COMMITTEE ON EDUCATION

OLLIE of Clinton, Chairperson

3126 FILED FEBRUARY 10, 1989

*Adopted 2-16-89 (p. 487)*  
SENATE FILE 38

H-3162

1 Amend Senate File 38 as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 2, line 22, by striking the word  
4 "expands" and inserting the following: "continues".

5 2. Page 2, by striking lines 29 and 30, and  
6 inserting the following: "phase III moneys, for  
7 programs that would have met the criteria listed in  
8 section 294A.14."

By BLACK of Jasper

H-3162 FILED FEBRUARY 15, 1989

*lost 2-16-89 (p. 488)*

HOUSE AMENDMENT TO  
SENATE FILE 38

S-3096

1 Amend Senate File 38, as amended, passed, and  
2 reprinted by the Senate as follows:

3 1. Page 3, by inserting after line 25, the  
4 following:

5 "Sec. \_\_\_\_ . Section 294A.16, unnumbered paragraph 4,  
6 Code 1989, is amended by striking the paragraph and  
7 inserting in lieu thereof the following:

8 A school district or area education agency, which  
9 receives money for a school year for an approved phase  
10 III plan, may retain up to fifty percent of the moneys  
11 allocated to the district or area education agency for  
12 the next succeeding school year, in order to continue  
13 the approved plan. Any of the retained phase III  
14 moneys remaining in the district or area education  
15 agency account after the second year of the plan shall  
16 revert to the general fund of the state as provided in  
17 section 8.33.

18 Any moneys allocated or retained for an approved  
19 phase III plan, and any interest accrued on the  
20 moneys, shall not be commingled with state aid  
21 payments made, under sections 442.25 and 442.26, to a  
22 school district or area education agency and shall be  
23 accounted for by the school district or area education  
24 agency separately from state aid payment accounts."

RECEIVED FROM THE HOUSE

S-3096 FILED FEBRUARY 21, 1989

*concurrent*  
*2-27-89*  
*(p. 518)*

SSB #4  
EDUCATION

Now

SENATE FILE 38  
BY (PROPOSED COMMITTEE ON  
EDUCATION BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

Phase III

1 An Act relating to the payment of moneys to teachers under the  
2 educational excellence program, including calculation of  
3 payments, the frequency and manner of payments, eligibility  
4 for payments, and deadlines for submission of plans and  
5 reports of moneys expended.

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

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1 Section 1. Section 294A.6, Code 1989, is amended by adding  
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. If the moneys allocated for  
4 phase I for a school year exceed the moneys required to pay  
5 the total minimum salary supplements to all school districts  
6 and area education agencies, the board of directors of a  
7 school district that has employed one or more additional  
8 teachers as a result of a whole grade sharing agreement  
9 completed under section 282.7 may request approval from the  
10 department of education for additional funding for its minimum  
11 salary supplement for that school year and succeeding school  
12 years if the other school district or districts that are  
13 parties to the sharing agreement have correspondingly reduced  
14 their number of teachers. If the department of education  
15 approves the payment of the additional salary supplement to a  
16 district, the department shall certify to the department of  
17 revenue and finance a payment equal to the amount of the  
18 difference between eighteen thousand dollars and the teacher's  
19 regular compensation plus the amount required to pay the  
20 employer's share of the federal social security and Iowa  
21 public employees' retirement system, or a pension and annuity  
22 retirement system established under chapter 294, payments on  
23 the additional salary moneys. If the phase I moneys remaining  
24 are insufficient to pay the entire amount approved by the  
25 department of education, the department of revenue and finance  
26 shall prorate the payments to school districts.

27 Sec. 2. Section 294A.14, unnumbered paragraph 5, Code  
28 1989, is amended to read as follows:

29 For school districts, a performance-based pay plan may  
30 provide for additional salary for individual teachers, for  
31 teachers assigned to a specific discipline, or ~~for additional~~  
32 ~~salary~~ for all teachers assigned to an attendance center. For  
33 area education agencies, a performance-based pay plan may  
34 provide for additional salary for individual teachers, or for  
35 additional salary for all teachers assigned to a specific

1 discipline within an area education agency, or for additional  
2 salary for individual teachers assigned to a multidisciplinary  
3 team within an area education agency. If the plan provides  
4 additional salary for all teachers assigned to an attendance  
5 center, or specific discipline, or multidisciplinary team, the  
6 receipt of additional salary by those teachers shall be  
7 determined on the basis of whether that attendance center, or  
8 specific discipline, or multidisciplinary team meets specific  
9 objectives adopted for that attendance center, or specific  
10 discipline, or multidisciplinary team. For school districts,  
11 the objectives may include, but are not limited to, decreasing  
12 the dropout rate, increasing the attendance rate, or  
13 accelerating the achievement growth of students enrolled in  
14 that attendance center.

15 Sec. 3. Section 294A.15, Code 1989, is amended by adding  
16 the following new unnumbered paragraph after unnumbered  
17 paragraph 1:

18 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1989, a plan  
19 adopted by the board of directors of a school district or area  
20 education agency may include as a part of the plan a proposal  
21 that continues a performance-based pay plan or a supplemental  
22 pay plan, or a combination of the two pay plans, that meets  
23 the criteria listed in section 294A.14 and was in effect in  
24 the school district or area education agency prior to July 1,  
25 1987. The budget for the plan submitted to the department of  
26 education shall include both the phase III moneys, and general  
27 fund moneys equal to those used prior to July 1, 1987, for  
28 programs that would have met the criteria listed in section  
29 294A.14.

30 Sec. 4. Section 294A.16, unnumbered paragraph 1, Code  
31 1989, is amended to read as follows:

32 A plan adopted by the board of directors of a school  
33 district or area education agency shall be submitted to the  
34 department of education not later than July 1 of a school year  
35 for that school year for a school district, and not later than

1 September 1 of a school year for that school year for an area  
2 education agency. Amendments to multiple year plans may be  
3 submitted annually.

4 Sec. 5. Section 294A.16, unnumbered paragraph 2, Code  
5 1989, is amended to read as follows:

6 If a school district uses teachers under a contract between  
7 the district and the area education agency in which the  
8 district is located and both the school district and the area  
9 education agency have approved phase III plans, the school  
10 district shall ~~make-provision-for-those-teachers-under-phase~~  
11 ~~III~~ transmit to the employing area education agency a portion  
12 of its phase III moneys based upon the portion that the  
13 salaries of teachers employed by the area education agency and  
14 assigned to the school district for the school year bears to  
15 the total teacher salaries paid in the district for that  
16 school year, including the salaries of the teachers employed  
17 by the area education agency. If the area education agency  
18 has an approved phase III plan and the school district does  
19 not, the department of management shall transmit phase III  
20 moneys to the area education agency for those teachers from  
21 the phase III money that would have been paid to the school  
22 district if the school district had had an approved phase III  
23 plan using the formula that would have been used if the school  
24 district had had an approved phase III plan.

25 Sec. 6. Section 294A.19, Code 1989, is amended to read as  
26 follows:

27 294A.19 REPORT.

28 Each school district and area education agency receiving  
29 moneys for phase III during a school year shall file a report  
30 with the department of education. School district reports  
31 shall be filed by July 1 of the next following school year,  
32 and area education agency reports shall be filed by September  
33 1 of the next following school year. The report shall  
34 describe the plan, its objectives, its implementation, and the  
35 expenditures made under the plan including the salary

1 increases paid to each eligible employee, and the extent to  
2 which its objectives were attained. The report may include  
3 any proposed amendments to the plan for the next following  
4 school year.

5 Annually, the department shall summarize the information  
6 contained in the reports filed by the school districts and  
7 area education agencies and transmit its summary to the  
8 general assembly not later than the next following January 1.

9 Sec. 7. Section 294A.22, unnumbered paragraph 1, Code  
10 1989, is amended to read as follows:

11 Payments for each phase of the educational excellence  
12 program shall be made by the department of revenue and finance  
13 on a ~~quarterly~~ monthly basis, ~~and the~~ commencing on October 15  
14 and ending on June 15 of each fiscal year taking into  
15 consideration the relative budget and cash position of the  
16 state resources. The payments shall be separate from state  
17 aid payments made pursuant to sections 442.25 and 442.26. ~~For~~  
18 ~~the school year beginning July 1, 1987, the first quarterly~~  
19 ~~payment shall be made not later than October 15, 1987 taking~~  
20 ~~into consideration the relative budget and cash position of~~  
21 ~~the state resources.~~ The payments made under this section to  
22 a school district or area education agency may be combined and  
23 a separate accounting of the amount paid for each program  
24 shall be included.

25 Sec. 8. Section 294A.22, Code 1989, is amended by adding  
26 the following new unnumbered paragraph:

27 NEW UNNUMBERED PARAGRAPH. Payments made to a teacher by a  
28 school district or area education agency under this chapter  
29 are wages for the purposes of chapter 91A except for payments  
30 made under an approved phase III plan where a modified payment  
31 plan has either been mutually agreed upon by the board of  
32 directors and the certified bargaining representative for  
33 certificated employees or for a district that is not organized  
34 for collective bargaining purposes where a modified payment  
35 plan is adopted by the board.

1      Sec. 9. Section 5 of this Act applies to phase III plans  
2 submitted for the school year beginning July 1, 1989.

3

EXPLANATION

4      This bill makes several changes in the educational ex-  
5 cellence program that provides teacher salary increases. It  
6 provides for additional payments for minimum salary  
7 supplements under phase I to school districts who add teachers  
8 because of whole grade sharing agreements if the moneys  
9 allocated for phase I exceed the moneys required to pay for  
10 phase I. It makes the salary payments, except for certain  
11 phase III payments mutually agreed upon, subject to the wage  
12 collection law. It allows phase III payments for performance-  
13 based pay plans to be paid to all of the teachers in a school  
14 district in a specific discipline and to teachers in an area  
15 education agency multidisciplinary team. It also provides for  
16 the allocation of school district phase III moneys to area  
17 education agency teachers teaching under contract to the  
18 school district. It delays the deadline for area education  
19 agencies to submit plans and reports of plans from July 1 to  
20 September 1 of a fiscal year. The bill also allows school  
21 districts to receive phase III moneys to supplement, not  
22 supplant, programs in effect prior to July 1, 1987, that are  
23 eligible for phase III funding and part of an approved phase  
24 III plan. It requires the reports concerning phase III plans  
25 filed by school districts and area education agencies to be  
26 summarized by the department of education and the summary to  
27 be transmitted to the general assembly.

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SENATE FILE 38

AN ACT

RELATING TO THE PAYMENT OF MONEYS TO TEACHERS UNDER THE EDUCATIONAL EXCELLENCE PROGRAM, INCLUDING CALCULATION OF PAYMENTS, THE FREQUENCY AND MANNER OF PAYMENTS, ELIGIBILITY FOR PAYMENTS, AND DEADLINES FOR SUBMISSION OF PLANS AND REPORTS OF MONEYS EXPENDED.

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

Section 1. Section 294A.6, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the moneys allocated for phase I for a school year exceed the moneys required to pay the total minimum salary supplements to all school districts and area education agencies, the board of directors of a school district that has employed one or more additional teachers as a result of a whole grade sharing agreement completed under section 282.7 may request approval from the department of education for additional funding for its minimum salary supplement for that school year and succeeding school years if the other school district or districts that are parties to the sharing agreement have correspondingly reduced their number of teachers. If the department of education approves the payment of the additional salary supplement to a district, the department shall certify to the department of revenue and finance that the additional payment be made. The payment shall be equal to the amount of the difference between eighteen thousand dollars and the teacher's regular compensation, plus the amount required to make the payments on the additional salary moneys for the employer's share of the federal social security and Iowa public employees' retirement

system, or a pension and annuity retirement system established under chapter 294. If the phase I moneys remaining are insufficient to pay the entire amount approved by the department of education, the department of revenue and finance shall prorate the payments to school districts.

Sec. 2. Section 294A.14, unnumbered paragraph 5, Code 1989, is amended to read as follows:

For school districts, a performance-based pay plan may provide for additional salary for individual teachers, for teachers assigned to a specific discipline, or for additional salary for all teachers assigned to an attendance center. For area education agencies, a performance-based pay plan may provide for additional salary for individual teachers, or for additional salary for all teachers assigned to a specific discipline within an area education agency, or for additional salary for individual teachers assigned to a multidisciplinary team within an area education agency. If the plan provides additional salary for all teachers assigned to an attendance center, or specific discipline, or multidisciplinary team, the receipt of additional salary by those teachers shall be determined on the basis of whether that attendance center, or specific discipline, or multidisciplinary team meets specific objectives adopted for that attendance center, or specific discipline, or multidisciplinary team. For school districts, the objectives may include, but are not limited to, decreasing the dropout rate, increasing the attendance rate, or accelerating the achievement growth of students enrolled in that attendance center.

Sec. 3. Section 294A.15, Code 1989, is amended by adding the following new unnumbered paragraph after unnumbered paragraph 1:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1989, a plan adopted by the board of directors of a school district or area

education agency may include as a part of the plan a proposal that expands a performance-based pay plan or a supplemental pay plan, or a combination of the two pay plans, that meets the criteria listed in section 294A.14 and was in effect in the school district or area education agency prior to July 1, 1987. The budget for the plan submitted to the department of education shall include both the general fund moneys which must be equal to those used prior to July 1, 1987, and the phase III moneys which expand the activity and is for programs that would meet the criteria listed in section 294A.14.

Sec. 4. Section 294A.16, unnumbered paragraph 1, Code 1989, is amended to read as follows:

A plan adopted by the board of directors of a school district or area education agency shall be submitted to the department of education not later than July 1 of a school year for that school year for a school district, and not later than September 1 of a school year for that school year for an area education agency. Amendments to multiple year plans may be submitted annually.

Sec. 5. Section 294A.16, unnumbered paragraph 2, Code 1989, is amended to read as follows:

If a school district uses teachers under a contract between the district and the area education agency in which the district is located and both the school district and the area education agency have approved phase III plans, the school district shall ~~make provision for those teachers under phase III~~ transmit to the employing area education agency a portion of its phase III moneys based upon the portion that the salaries of teachers employed by the area education agency and assigned to the school district for the school year bears to the total teacher salaries paid in the district for that school year, including the salaries of the teachers employed by the area education agency. If the area education agency

has an approved phase III plan and the school district does not, the department of management shall transmit phase III moneys to the area education agency for those teachers from the phase III money that would have been paid to the school district if the school district had had an approved phase III plan using the formula that would have been used if the school district had had an approved phase III plan.

Sec. 6. Section 294A.16, unnumbered paragraph 4, Code 1989, is amended by striking the paragraph and inserting in lieu thereof the following:

A school district or area education agency, which receives money for a school year for an approved phase III plan, may retain up to fifty percent of the moneys allocated to the district or area education agency for the next succeeding school year, in order to continue the approved plan. Any of the retained phase III moneys remaining in the district or area education agency account after the second year of the plan shall revert to the general fund of the state as provided in section 8.33.

Any moneys allocated or retained for an approved phase III plan, and any interest accrued on the moneys, shall not be commingled with state aid payments made, under sections 442.25 and 442.26, to a school district or area education agency and shall be accounted for by the school district or area education agency separately from state aid payment accounts.

Sec. 7. Section 294A.19, Code 1989, is amended to read as follows:

294A.19 REPORT.

Each school district and area education agency receiving moneys for phase III during a school year shall file a report with the department of education. School district reports shall be filed by July 1 of the next following school year, and area education agency reports shall be filed by September

1 of the next following school year. The report shall describe the plan, its objectives, its implementation, and the expenditures made under the plan including the salary increases paid to each eligible employee, and the extent to which its objectives were attained. The report may include any proposed amendments to the plan for the next following school year.

Annually, the department shall summarize the information contained in the reports filed by the school districts and area education agencies. The reports shall be available upon request.

Sec. 8. Section 294A.22, unnumbered paragraph 1, Code 1989, is amended to read as follows:

Payments for each phase of the educational excellence program shall be made by the department of revenue and finance on a quarterly monthly basis, and the commencing on October 15 and ending on June 15 of each fiscal year taking into consideration the relative budget and cash position of the state resources. The payments shall be separate from state aid payments made pursuant to sections 442.25 and 442.26. For the school year beginning July 1, 1987, the first quarterly payment shall be made not later than October 15, 1987, taking into consideration the relative budget and cash position of the state resources. The payments made under this section to a school district or area education agency may be combined and a separate accounting of the amount paid for each program shall be included.

Sec. 9. Section 294A.22, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Payments made to a teacher by a school district or area education agency under this chapter are wages for the purposes of chapter 91A except for payments made under an approved phase III plan where a modified payment

plan has either been mutually agreed upon by the board of directors and the certified bargaining representative for certificated employees or for a district that is not organized for collective bargaining purposes where a modified payment plan is adopted by the board.

Sec. 10. Section 5 of this Act applies to phase III plans submitted for the school year beginning July 1, 1989.

JO ANN ZIMMERMAN  
President of the Senate

DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 38, Seventy-third General Assembly.

JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1989

TERRY E. BRANSTAD  
Governor

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