

MAR 6 1997
EDUCATION

HOUSE FILE 496
BY GRUNDBERG

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to school finance by providing for retention of
2 special education support services, media services, and
3 educational services funds by a school district, authorization
4 of school districts to contract with independent agencies,
5 including other area education agencies, regarding these
6 funds, and containing an applicability provision.

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

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HF 476

1 Section 1. Section 257.35, Code 1997, is amended by
2 striking the section and inserting in lieu thereof the
3 following:

4 257.35 CONTRACTS FOR SERVICES.

5 For the budget year beginning July 1, 1998, notwithstanding
6 any other provision to the contrary, the amounts calculated by
7 the department of management for special education support
8 services, media services, and educational services for each
9 school district shall be paid directly to the school district.
10 A school district may contract with one or more area education
11 agencies for a portion or all of the district's special
12 education support services, media services, and educational
13 services needs for the budget year. Alternatively, pursuant
14 to section 28E.12, a school district may contract with one or
15 more independent agencies not associated with an area
16 education agency for the partial or complete furnishing of any
17 service or activity which the district could have contracted
18 with an area education agency to provide for the budget year.

19 Amounts paid by the department of management for each of
20 these divisions to a school district shall be expended by the
21 district only for such services. A school district shall not
22 be authorized to utilize the amounts for any other purpose.

23 However, nothing in this section shall be construed to
24 impact the utilization of an area education agency in
25 administering federally funded health care programs pursuant
26 to section 256B.15, or in identifying, weighting, and
27 providing special education enrollment counts pursuant to
28 section 273.5. Districts shall contract with an area
29 education agency for provision of these services.

30 Sec. 2. Section 257.36, Code 1997, is amended to read as
31 follows:

32 257.36 SPECIAL EDUCATION SUPPORT SERVICES BALANCES.

33 Notwithstanding chapters 256B and 273 and sections of this
34 chapter relating to the moneys available to-area-education
35 agencies for special education support services, for each

1 school year, the department of education may direct the
2 department of management to deduct amounts from the portions
3 of school district budgets that fund special education support
4 services ~~in-an-area-education-agency~~. The total amount
5 deducted ~~in-an-area~~ shall be based upon excess special
6 education support services unreserved and undesignated fund
7 balances in that ~~area-education-agency~~ school district for a
8 school year as determined by the department of education. The
9 ~~department-of-management-shall-determine-the-amount-deducted~~
10 ~~from-each-school-district-in-an-area-education-agency-on-a~~
11 ~~proportional-basis~~. The department of management shall
12 determine from the amounts deducted from the portions of
13 school district budgets that fund ~~area-education-agency~~
14 special education support services the amount that would have
15 been local property taxes and the amount that would have been
16 state aid and for the next following budget year shall
17 increase the district's total state school aid available under
18 this chapter for ~~area-education-agency~~ special education
19 support services and reduce the district's property tax levy
20 for ~~area-education-agency~~ special education support services
21 by the amount necessary for the property tax portion of the
22 deductions made under this section during the budget year.
23 The amount deducted from a school district's budget shall
24 not affect the calculation of the state cost per pupil or its
25 district cost per pupil in that school year or a subsequent
26 year.

27 Sec. 3. Section 257.37, Code 1997, is amended to read as
28 follows:

29 257.37 FUNDING MEDIA AND EDUCATIONAL SERVICES.

30 Media services and educational services ~~provided-through~~
31 ~~the-area-education-agencies~~ shall be funded, to the extent
32 provided, by an addition to the combined district cost of each
33 school district, determined as follows:

34 1. For the budget year beginning July 1, 1991, and
35 succeeding budget years, the total amount funded in each area

1 for media services shall be computed as provided in this
2 subsection. For the budget year beginning July 1, 1991, the
3 total amount funded in each area for media services in the
4 base year, including the cost for media resource material
5 which shall ~~only~~ be used only for the purchase or replacement
6 of material required in section 273.6, subsection 1,
7 paragraphs "a", "b", and "c", and shall be divided by the
8 enrollment served in the base year to provide an area media
9 services cost per pupil in the base year ~~and the~~. The
10 department of management shall compute the state media
11 services cost per pupil in the base year which is equal to the
12 average of the area media services costs per pupil in the base
13 year. For the budget year beginning July 1, 1991, and
14 succeeding budget years, the department of management shall
15 compute the allowable growth for media services in the budget
16 year by multiplying the state media services cost per pupil in
17 the base year times the state percent of growth for the budget
18 year, and the total amount funded in each area for media
19 services cost in the budget year equals the area media
20 services cost per pupil in the base year plus the allowable
21 growth for media services in the budget year times the
22 enrollment served in the budget year. Funds Beginning July 1,
23 1998, funds shall be paid to area-education-agencies school
24 districts as provided in section 257.35.

25 2. Thirty percent of the budget of an-area a school
26 district for media services shall be expended for media
27 resource material which shall ~~only~~ be used only for the
28 purchase or replacement of material required in section 273.6,
29 subsection 1. Funds Beginning July 1, 1998, funds shall be
30 paid to area-education-agencies school districts as provided
31 in section 257.35.

32 3. For the budget year beginning July 1, 1991, and
33 succeeding budget years, the total amount funded in each area
34 for educational services shall be computed as provided in this
35 subsection. For the budget year beginning July 1, 1991, the

1 total amount funded in each area for educational services in
2 the base year shall be divided by the enrollment served in the
3 area in the base year to provide an area educational services
4 cost per pupil in the base year, ~~and the~~. The department of
5 management shall compute the state educational services cost
6 per pupil in the base year, which is equal to the average of
7 the area educational services costs per pupil in the base
8 year. For the budget year beginning July 1, 1991, and
9 succeeding budget years, the department of management shall
10 compute the allowable growth for educational services by
11 multiplying the state educational services cost per pupil in
12 the base year times the state percent of growth for the budget
13 year, and the total amount funded in each area for educational
14 services for the budget year equals the area educational
15 services cost per pupil for the base year plus the allowable
16 growth for educational services in the budget year times the
17 enrollment served in the area in the budget year. Funds
18 Beginning July 1, 1998, funds shall be paid to area-education
19 agencies school districts as provided in section 257.35.

20 4. "Enrollment served" means the basic enrollment plus the
21 number of nonpublic school pupils served in each school
22 district with media services or educational services, as
23 applicable, except that if a nonpublic school pupil or a pupil
24 attending another district under a whole-grade sharing
25 agreement or open enrollment receives services ~~through an area~~
26 in a district other than the area district of the pupil's
27 residence, the pupil shall be deemed to be served by in the
28 area district of the pupil's residence, which shall by
29 contractual arrangement reimburse the area district through
30 which the pupil actually receives services. Each school
31 district shall include in the third Friday in September
32 enrollment report the number of nonpublic school pupils within
33 each school district for media and educational services served
34 by in the area district.

35 5. If a school district, or an area education agency

1 contracted with by a school district, does not serve nonpublic
2 school pupils in a manner comparable to services provided
3 public school pupils for media and educational services, as
4 determined by the state board of education, the state board
5 shall instruct the department of management to reduce the
6 funds for media services and educational services one time by
7 an amount to compensate for such reduced services. The media
8 services budget shall be reduced by an amount equal to the
9 product of the cost per pupil in basic enrollment for the
10 budget year for media services times the difference between
11 the enrollment served and the basic enrollment recorded for
12 the area school district. The educational services budget
13 shall be reduced by an amount equal to the product of the cost
14 per pupil in basic enrollment for the budget year for
15 educational services times the difference between the
16 enrollment served and the basic enrollment recorded for the
17 area school district.

18 This subsection applies only to media and educational
19 services which cannot be diverted for religious purposes.

20 Notwithstanding this subsection, an a school district,
21 contracted area education agency, or private agency shall
22 distribute to nonpublic schools media materials purchased
23 wholly or partially with federal funds in a manner comparable
24 to the distribution of such media materials to public schools
25 as determined by the director of the department of education.

26 Sec. 4. Section 273.2, unnumbered paragraphs 3 and 4, Code
27 1997, are amended to read as follows:

28 The area education agency board shall furnish educational
29 services and programs as provided in sections 273.1 to 273.9
30 and chapter 256B to the pupils enrolled in public or nonpublic
31 schools located within its boundaries which are on the list of
32 accredited schools pursuant to section 256.11 under contract
33 with the board of the district. The programs and services
34 provided shall be at least commensurate with programs and
35 services existing on July 1, ~~1974~~ 1997. The programs and

1 services provided to pupils enrolled in nonpublic schools
2 shall be comparable to programs and services provided to
3 pupils enrolled in public schools within constitutional
4 guidelines.

5 The area education agency board shall provide for special
6 education services and media services for the local school
7 districts in the area with which it has contracted and shall
8 encourage and assist school districts in the area with which
9 it has contracted to establish programs for gifted and
10 talented children.

11 Sec. 5. Section 273.3, subsection 6, Code 1997, is amended
12 to read as follows:

13 6. Area education agencies may cooperate and contract
14 between themselves and with other public agencies to provide
15 special education programs and services, media services, and
16 educational services to schools and children residing within
17 their respective areas under contract with the board of the
18 school district. Area education agencies may provide print
19 and nonprint materials to public and private colleges and
20 universities that have teacher education programs approved by
21 the state board of education.

22 Sec. 6. Section 273.5, unnumbered paragraph 1, Code 1997,
23 is amended to read as follows:

24 There shall be established a division of special education
25 of the area education agency which shall provide for special
26 education programs and services to ~~the local~~ school districts
27 under contract with the board of the district. The division
28 of special education shall be headed by a director of special
29 education who meets certification standards of the department
30 of education. The director of special education shall have
31 the responsibility for implementation of state regulations and
32 guidelines relating to special education programs and
33 services. The director of special education shall have the
34 following powers and duties:

35 Sec. 7. Section 273.5, subsection 2, Code 1997, is amended

1 to read as follows:

2 2. Insure that each child requiring special education in
3 the area or outside the area pursuant to contract receives an
4 appropriate special education program or service.

5 Sec. 8. Section 273.5, subsection 5, Code 1997, is amended
6 to read as follows:

7 5. Provide each school district ~~within-the-area-served~~
8 under contract with the area education agency and the
9 department of education with a special education weighted
10 enrollment count, including the additional enrollment because
11 of special education for December 1 of each year.

12 Sec. 9. Section 273.7, Code 1997, is amended to read as
13 follows:

14 273.7 ADDITIONAL SERVICES.

15 If sixty percent of the number of local school boards
16 ~~located-in~~ who have contracted with an area education agency,
17 or if local school boards representing sixty percent of the
18 enrollment in the school districts ~~located-in~~ who have
19 contracted with the agency, request in writing to the area
20 education agency board that an additional service be provided
21 them, for pupils in grades kindergarten through twelve or
22 children requiring special education as defined in section
23 256B.2 or for employees or board members of school districts
24 or area education agencies, the area education agency board
25 shall arrange for the service to be provided to all school
26 districts in the area ~~within-the-financial-capabilities-of-the~~
27 ~~area-education-agency~~.

28 Sec. 10. Section 273.7A, unnumbered paragraph 1, Code
29 1997, is amended to read as follows:

30 The board of an area education agency may provide services
31 to school districts located ~~in~~ within or outside the area
32 education agency under contract with the school districts.
33 These services may include, but are not limited to,
34 superintendency services, personnel services, business
35 management services, specialized maintenance services, and

1 transportation services. In addition, the board of the area
2 education agency may provide for furnishing expensive and
3 specialized equipment for school districts. School districts
4 shall pay to area education agencies the cost of providing the
5 services.

6 Sec. 11. Section 273.9, Code 1997, is amended to read as
7 follows:

8 273.9 FUNDING.

9 1. School districts shall pay for the programs and
10 services provided through the an area education agency to the
11 extent utilized by the school district and shall include
12 expenditures for the programs and services in their budgets,
13 in accordance with this section.

14 2. School districts shall pay the costs of special
15 education instructional programs to the extent utilized by the
16 school district with the moneys available to the districts for
17 each child requiring special education, by application of the
18 special education weighting plan in section 256B.9. Special
19 education instructional programs shall be provided at the
20 local level if practicable, or otherwise by contractual
21 arrangements with the an outside agency or an area education
22 agency board as provided in section 273.3, subsection 5, but
23 in each case the total money available through section 256B.9
24 and chapter 257 because of weighted enrollment for each child
25 requiring special education instruction shall be made
26 available to the district or agency which provides the special
27 education instructional program to the child, subject to
28 adjustments for transportation or other costs which may be
29 paid by the school district in which the child is enrolled.
30 Each district shall co-operate with its an area education
31 agency or other contracted agency to provide an appropriate
32 special education instructional program for each child who
33 requires special education instruction, as identified and
34 counted within the certification by the area director of
35 special education or as identified by the area director of

1 special education subsequent to the certification, and shall
2 not provide a special education instructional program to a
3 child who has not been so identified and counted within the
4 certification or identified subsequent to the certification.

5 3. The costs of special education support services
6 provided through the an area education agency to the extent
7 utilized by the school district shall be funded as provided
8 in chapter 257. Special education support services shall not
9 be funded until the program plans submitted by the special
10 education directors of each area education agency as required
11 by section 273.5 are modified as necessary and approved by the
12 director of the department of education according to the
13 criteria and limitations of chapters 256B and 257.

14 4. The costs of media services provided through the an
15 area education agency to the extent utilized by the school
16 district shall not be funded until the program plans submitted
17 by the administrators of each area education agency as
18 required by section 273.4 are modified as necessary and
19 approved by the director of the department of education
20 according to the criteria of section 273.6.

21 The state board of education shall adopt rules under
22 chapter 17A relating to the approval of program plans under
23 this section.

24 Sec. 12. This bill applies to school budget years
25 beginning July 1, 1998.

26 EXPLANATION

27 This bill provides that amounts calculated by the
28 department of management for special education support
29 services, media services, and educational services for each
30 school district shall be paid directly to that district. The
31 district can choose to utilize the area education agency for
32 the furnishing of those services, to utilize other area
33 education agencies, to contract with an independent agency, or
34 to utilize a combination thereof.

35 These provisions do not impact the utilization of area

1 education agencies in administering federally funded health
2 care programs pursuant to section 256B.15, or in identifying,
3 weighting, and providing special education enrollment counts
4 pursuant to section 273.5.

5 The bill applies to the school budget year beginning July
6 1, 1998.

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