

Sexton  
Tinsman  
Harper

SSB 3180  
Education

Succeeded By  
SENATE FILE SE/HF 2338  
BY (PROPOSED COMMITTEE ON  
EDUCATION BILL BY  
CHAIRPERSON REDFERN)

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

**A BILL FOR**

1 An Act providing for a school investment partnership pilot  
2 program.

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

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1 Section 1. NEW SECTION. 256.24 SCHOOL INVESTMENT  
2 PARTNERSHIPS -- PILOT PROGRAM.

3 The department of education shall establish a school  
4 investment partnership pilot program to evaluate the  
5 effectiveness of private participation in the funding and  
6 management of school infrastructure and nonacademic services.  
7 The program is intended to shift the responsibility for the  
8 operation and financing of school facility construction and  
9 maintenance to the private sector, thereby facilitating the  
10 focus of public school system resources on enhancing the  
11 educational experience of the schoolchildren of Iowa. The  
12 pilot program shall involve six pilot projects, to be  
13 conducted as follows:

14 1. Each project shall pair one or more private investors  
15 and one or more school districts in a partnership involving  
16 the shared utilization of school facilities. Private  
17 investors shall finance the construction of school facilities,  
18 based on school district specifications, and commit to the  
19 completion of a fully operational school facility, complete  
20 with all classroom furnishings and school facility equipment,  
21 by a mutually agreed-upon date.

22 2. The private investor shall lease the facility back to  
23 the school district at monthly payment levels below the  
24 anticipated cost to the school district had it incurred the  
25 school facility construction expenses directly, pursuant to a  
26 lease agreement negotiated at the same time that the agreement  
27 regarding construction of the school facility is entered into.  
28 A lease agreement shall typically extend for a twenty-year  
29 duration, with the option to continue the lease at the end of  
30 the lease period, and also to permit the purchase of the  
31 school facility by the school district at the conclusion of  
32 the lease period at an agreed-upon price. Monthly lease  
33 payments shall not exceed the present value of an amount  
34 equivalent to eighty-five percent of the anticipated final  
35 fair market value of the facility at the conclusion of the

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S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 initial lease term.

2 3. The school district shall retain control over all  
3 decisions related to the education of students within the  
4 school facility, including the determination of when the  
5 facility shall and shall not be utilized by the school  
6 district, the uses to which the facility shall be put during  
7 periods when school is in session, and access to the facility  
8 for after-hours athletic practices, extracurricular  
9 activities, staff, parent, and teacher meetings, and other  
10 school-related events.

11 4. All costs relating to maintenance of the school  
12 facility and ongoing furnishings and equipment replacement  
13 shall be the responsibility of the private investor, along  
14 with all tax benefits and liabilities relating to the  
15 construction and maintenance of the facility.

16 5. The private investor shall retain the right to contract  
17 with third parties for use of the school facility during  
18 periods when the facility is not being utilized by the school  
19 district. The periods of nonutilization by the school  
20 district shall be specified in the lease agreement, together  
21 with the purposes for which the facility shall be used by  
22 contracting third parties. If a proposed use is determined by  
23 the school district to be inappropriate for an educational  
24 facility used by schoolchildren, the proposed use shall not be  
25 approved by the school district for inclusion in the lease  
26 agreement. The private investor shall agree to maintain the  
27 building in the same condition during and after use by a third  
28 party as the facility is customarily maintained during periods  
29 of utilization by the school district. Possible third party  
30 contractors could include, but are not limited to, educational  
31 enrichment organizations, civic groups, day care facilities,  
32 religious organizations, community colleges, and governmental  
33 units.

34 6. School districts may submit an application for  
35 consideration for the pilot program to the department of

1 education by September 1, 2000. The department shall select a  
2 total of six public schools, three located in large school  
3 districts and three located in small school districts, to  
4 participate in the pilot program. For purposes of this  
5 section, a large school district is a district with an actual  
6 enrollment of five thousand or more pupils, and a small school  
7 district is a district with an actual enrollment of under two  
8 thousand pupils. The department shall notify all applicant  
9 school districts of the selected applicants by October 1,  
10 2000. An application may be considered which would involve a  
11 collaborative association of more than one public school in a  
12 school district, or more than one school district applying for  
13 the construction of a regional facility if the actual  
14 enrollment of the combined school districts falls within the  
15 definition of a large or a small school district pursuant to  
16 this section.

17 7. The department shall coordinate the establishment of  
18 each pilot program, including the development of criteria to  
19 be included in a request for proposals for the selection of  
20 one or more private investors for the program, the selection  
21 of private investors from among the proposals submitted, the  
22 development of school facility construction plans and  
23 specifications by the school district, the provision of a  
24 dispute resolution process, and oversight with regard to  
25 potential third-party contractual uses for the facility and  
26 the terms of lease and lease-purchase agreements entered into  
27 between the school district and one or more private investors.  
28 The department shall prepare and submit an annual report to  
29 the general assembly each year for a five-year period, by  
30 January 1, regarding the status of each pilot project. The  
31 report shall include detailed information regarding perceived  
32 advantages and disadvantages of the program, input from school  
33 district personnel, students, and parents associated with  
34 schools constructed pursuant to the program, and private  
35 investors constructing and maintaining the school facility.

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EXPLANATION

1  
 2 This bill provides for the establishment of a school  
 3 investment partnership pilot program to evaluate the  
 4 effectiveness of private participation in the funding and  
 5 management of school infrastructure and nonacademic services.  
 6 The bill provides that the purpose of the program is to shift  
 7 responsibility for the operation and financing of school  
 8 facility construction and maintenance to one or more private  
 9 investors, thereby facilitating the focus of public school  
 10 system resources on enhancing the educational experience of  
 11 the schoolchildren of Iowa.

12 The bill provides that each pilot project shall pair one or  
 13 more private investors with one or more school districts in a  
 14 partnership involving the shared utilization of school  
 15 facilities. Private investors shall finance the construction  
 16 and furnishing of school facilities based on school district  
 17 specifications, complete with all classroom furnishings and  
 18 equipment, and lease the facility back to the school district  
 19 at monthly payment levels below the anticipated cost to the  
 20 school district had it incurred the school facility  
 21 construction expenses directly. The bill provides that a  
 22 lease agreement shall be entered into, typically extending for  
 23 a 20-year duration, with the option to continue the lease at  
 24 the end of the lease period, and to permit the purchase of the  
 25 school facility by the school district at the conclusion of  
 26 the lease period at an agreed-upon price.

27 The bill provides that the school district shall retain  
 28 control over all decisions related to the education of  
 29 students within the school facility, and that all costs and  
 30 tax considerations relating to maintenance of the school  
 31 facility shall be the responsibility of the private investor.  
 32 The bill also provides that the private investor shall retain  
 33 the right to contract with third parties for use of the school  
 34 facility during periods when the facility is not being  
 35 utilized by the school district, with the periods available

1 for nonschool district use and the purposes to which the  
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8 condition during and after use by a third-party contractor as  
9 the facility is customarily maintained during periods of  
10 utilization by the school district. The bill provides  
11 examples of potential third-party contractors.

12 The bill additionally provides that school districts may  
13 submit an application for consideration for the pilot program  
14 to the department of education by September 1, 2000. The bill  
15 provides that the department shall select a total of six  
16 public schools, three located in large school districts and  
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18 pilot program. The bill defines a large school district to be  
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20 small school district to be one with an actual enrollment of  
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32 uses for the facility and the terms of lease and lease-  
33 purchase agreements. The bill provides that the department  
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35 each year for a five-year period regarding the status of each

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1 pilot project, which shall include information regarding  
2 perceived advantages and disadvantages of the program, input  
3 from school district personnel, students, and parents  
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REPRINTED

FILED FEB 24 '00

SENATE FILE 2338  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 3180)

Passed Senate, Date <sup>(p. 607)</sup> 3-9-00 Passed House, Date \_\_\_\_\_  
Vote: Ayes 39 Nays 10 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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SF 2338



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31 resolution process, and oversight with regard to potential  
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34 the department shall submit a report to the general assembly  
35 by January 1 each year for a five-year period regarding the

1 status of each pilot project, which shall include information  
2 regarding perceived advantages and disadvantages of the  
3 program, input from school district personnel, students, and  
4 parents associated with schools constructed pursuant to the  
5 program, and private investors constructing and maintaining  
6 the school facility.

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SENATE FILE 2338

H-8407

1 Amend Senate File 2338, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, line 12, by striking the word  
4 "involve" and inserting the following: "allow up to".

5 2. Page 3, by striking lines 6 through 13 and  
6 inserting the following: "education by September 1,  
7 2001. The department shall select up to a total of  
8 six public schools, from school districts with varying  
9 enrollment sizes. Of the public schools selected for  
10 participation in the pilot program, up to two schools  
11 shall be located in a school district with an actual  
12 enrollment of under two thousand pupils, up to two  
13 schools shall be located in a school district with an  
14 actual enrollment of between two thousand and four  
15 thousand nine hundred ninety-nine pupils, and up to  
16 two schools shall be located in a school district with  
17 an actual enrollment of five thousand or more pupils,  
18 respectively. The department shall notify all  
19 applicant".

20 3. Page 3, by striking lines 20 and 21 and  
21 inserting the following: "school districts conforms  
22 to the school district enrollment size requirements of  
23 this subsection."

24 4. Page 3, line 23, by striking the word  
25 "program" and inserting the following: "project".

26 5. Page 3, line 25, by striking the word  
27 "program" and inserting the following: "project".

By COMMITTEE ON EDUCATION

GRUNDBERG of Polk, Chairperson

H-8407 FILED MARCH 20, 2000

## SENATE FILE 2338

S-5126

1 Amend Senate File 2338 as follows:

2 1. Page 1, by inserting before line 1 the  
3 following:

4 "Section 1. Section 256.11, Code 1999, is amended  
5 by adding the following new subsection:  
6 NEW SUBSECTION. 9. Unless a waiver has been  
7 obtained under section 256.11A, each school or school  
8 district shall provide an articulated sequential  
9 elementary-secondary guidance program for grades  
10 kindergarten through twelve and a guidance counselor  
11 who meets the licensing standards prescribed by the  
12 board of educational examiners. In determining the  
13 requirements of this subsection for nonpublic schools,  
14 the department shall evaluate the schools on a school  
15 system basis rather than on an individual school  
16 basis.

17 Sec. \_\_\_\_ . Section 256.11A, subsection 1, Code  
18 1999, is amended to read as follows:

19 1. ~~Schools-and-school-districts-unable-to-meet-the~~  
20 ~~standard-adopted-by-the-state-board-requiring-each~~  
21 ~~school-or-school-district-operating-a-kindergarten~~  
22 ~~through-grade-twelve-program-to-provide-an-articulated~~  
23 ~~sequential-elementary-secondary-guidance-program~~ The  
24 board of directors of a school district or the  
25 authorities in charge of a nonpublic school may, not  
26 later than August 1, ~~1995~~ 1999, for the school year  
27 beginning July 1, ~~1995~~ 1999, file a written request to  
28 the department of education that the department waive  
29 the requirement for, established in section 256.11,  
30 subsection 9, that a school or school district  
31 operating a kindergarten through grade twelve program,  
32 provide an articulated sequential elementary-secondary  
33 guidance program and a guidance counselor who meets  
34 the licensing standards prescribed by the board of  
35 educational examiners. The procedures specified in  
36 subsection 3 apply to the request. Not later than  
37 August 1, ~~1996~~ 2000, for the school year beginning  
38 July 1, ~~1996~~ 2000, the board of directors of a school  
39 district or the authorities in charge of a nonpublic  
40 school may request a one-year extension of the  
41 waiver."

42 2. Page 3, by inserting after line 35 the  
43 following:

44 "Sec. \_\_\_\_ . STATE MANDATE FUNDING SPECIFIED. In  
45 accordance with section 25B.2, subsection 3, the state  
46 cost of requiring compliance with any state mandate  
47 included in section 1 of this Act shall be paid by a  
48 school district from state school foundation aid  
49 received by the school district under section 257.16.  
50 This specification of the payment of the state cost

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S-5126

Page 2

1 shall be deemed to meet all the state funding-related  
2 requirements of section 25B.2, subsection 3, and no  
3 additional state funding shall be necessary for the  
4 full implementation of this Act by and enforcement of  
5 this Act against all affected school districts."

6 3. By renumbering as necessary.

By MIKE CONNOLLY

S-5126 FILED MARCH 13, 2000

*Withdrawn  
3/15/00  
(p. 669)*

## SENATE FILE 2338

S-5125

1 Amend Senate File 2338 as follows:

2 1. Page 1, by inserting before line 1 the  
3 following:

4 "Section 1. Section 256.11, Code 1999, is amended  
5 by adding the following new subsection:

6 NEW SUBSECTION. 9. Unless a waiver has been  
7 obtained under section 256.11A, each school or school  
8 district shall provide an articulated sequential  
9 elementary-secondary guidance program for grades  
10 kindergarten through twelve and a guidance counselor  
11 who meets the licensing standards prescribed by the  
12 board of educational examiners. In determining the  
13 requirements of this subsection for nonpublic schools,  
14 the department shall evaluate the schools on a school  
15 system basis rather than on an individual school  
16 basis.

17 Sec. \_\_\_\_ . Section 256.11A, subsection 1, Code  
18 1999, is amended to read as follows:

19 ~~1. Schools and school districts unable to meet the~~  
20 ~~standard adopted by the state board requiring each~~  
21 ~~school or school district operating a kindergarten~~  
22 ~~through grade twelve program to provide an articulated~~  
23 ~~sequential elementary-secondary guidance program~~ The  
24 board of directors of a school district or the  
25 authorities in charge of a nonpublic school may, not  
26 later than August 1, 1995 1999, for the school year  
27 beginning July 1, 1995 1999, file a written request to  
28 the department of education that the department waive  
29 the requirement for, established in section 256.11,  
30 subsection 9, that a school or school district  
31 operating a kindergarten through grade twelve program,  
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33 guidance program and a guidance counselor who meets  
34 the licensing standards prescribed by the board of  
35 educational examiners. The procedures specified in  
36 subsection 3 apply to the request. Not later than  
37 August 1, 1996 2000, for the school year beginning  
38 July 1, 1996 2000, the board of directors of a school  
39 district or the authorities in charge of a nonpublic  
40 school may request a one-year extension of the  
41 waiver."

42 2. Page 3, by inserting after line 35 the  
43 following:

44 "Sec. \_\_\_\_ . STATE MANDATE FUNDING SPECIFIED. In  
45 accordance with section 25B.2, subsection 3, the state  
46 cost of requiring compliance with any state mandate  
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48 a school district from state school foundation aid  
49 received by the school district under section 257.16.  
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S-5125

Page 2

1 shall be deemed to meet all the state funding-related  
2 requirements of section 25B.2, subsection 3, and no  
3 additional state funding shall be necessary for the  
4 full implementation of this Act by and enforcement of  
5 this Act against all affected school districts."

6 3. Title page, by striking lines 1 and 2 and  
7 inserting the following: "An Act relating to the  
8 duties and responsibilities of the state board of  
9 education."

By MIKE CONNOLLY

S-5125 FILED MARCH 13, 2000

*0/0*  
*3/15/00*  
*(p.669)*

SENATE FILE 2338

S-5138

1 Amend Senate File 2338 as follows:

2 1. Page 1, by inserting after line 21 the  
3 following:

4 "1A. All projects shall, where applicable, conform  
5 to the provisions of chapter 73A as if the school  
6 facility constructed were a public improvement and as  
7 if the private investors financing the school facility  
8 construction were a school corporation."

9 2. By renumbering as necessary.

By MIKE SEXTON

S-5138 FILED MARCH 14, 2000

ADOPTED *3/15/00 (p.669)*

H. 3/15/00 Education  
H. 3/20/00 Amend/Do Pass W/  
H. 3/23/00 Unfinished Business  
8047  
Calanda

SENATE FILE **2338**  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 3180)

(AS AMENDED AND PASSED BY THE SENATE MARCH 14, 2000)

\_\_\_\_\_ - New Language by the Senate

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

**A BILL FOR**

1 An Act providing for a school investment partnership pilot  
2 program.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
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S.F. 2338

1 Section 1. NEW SECTION. 256.24 SCHOOL INVESTMENT  
2 PARTNERSHIPS -- PILOT PROGRAM.

3 The department of education shall establish a school  
4 investment partnership pilot program to evaluate the  
5 effectiveness of private participation in the funding and  
6 management of school infrastructure and nonacademic services.  
7 The program is intended to shift the responsibility for the  
8 operation and financing of school facility construction and  
9 maintenance to the private sector, thereby facilitating the  
10 focus of public school system resources on enhancing the  
11 educational experience of the schoolchildren of Iowa. The  
12 pilot program shall involve six pilot projects, to be  
13 conducted as follows:

14 1. Each project shall pair one or more private investors  
15 and one or more school districts in a partnership involving  
16 the shared utilization of school facilities. Private  
17 investors shall finance the construction of school facilities,  
18 based on school district specifications, and commit to the  
19 completion of a fully operational school facility, complete  
20 with all classroom furnishings and school facility equipment,  
21 by a mutually agreed-upon date.

22 2. All projects shall, where applicable, conform to the  
23 provisions of chapter 73A as if the school facility  
24 constructed were a public improvement and as if the private  
25 investors financing the school facility construction were a  
26 school corporation.

27 3. The private investor shall lease the facility back to  
28 the school district at monthly payment levels below the  
29 anticipated cost to the school district had it incurred the  
30 school facility construction expenses directly, pursuant to a  
31 lease agreement negotiated at the same time that the agreement  
32 regarding construction of the school facility is entered into.  
33 A lease agreement shall typically extend for a twenty-year  
34 duration, with the option to continue the lease at the end of  
35 the lease period, and also to permit the purchase of the

1 school facility by the school district at the conclusion of  
2 the lease period at an agreed-upon price. Monthly lease  
3 payments shall not exceed the present value of an amount  
4 equivalent to eighty-five percent of the anticipated final  
5 fair market value of the facility at the conclusion of the  
6 initial lease term.

7 4. The school district shall retain control over all  
8 decisions related to the education of students within the  
9 school facility, including the determination of when the  
10 facility shall and shall not be utilized by the school  
11 district, the uses to which the facility shall be put during  
12 periods when school is in session, and access to the facility  
13 for after-hours athletic practices, extracurricular  
14 activities, staff, parent, and teacher meetings, and other  
15 school-related events.

16 5. All costs relating to maintenance of the school  
17 facility and ongoing furnishings and equipment replacement  
18 shall be the responsibility of the private investor, along  
19 with all tax benefits and liabilities relating to the  
20 construction and maintenance of the facility.

21 6. The private investor shall retain the right to contract  
22 with third parties for use of the school facility during  
23 periods when the facility is not being utilized by the school  
24 district. The periods of nonutilization by the school  
25 district shall be specified in the lease agreement, together  
26 with the purposes for which the facility shall be used by  
27 contracting third parties. If a proposed use is determined by  
28 the school district to be inappropriate for an educational  
29 facility used by schoolchildren, the proposed use shall not be  
30 approved by the school district for inclusion in the lease  
31 agreement. The private investor shall agree to maintain the  
32 building in the same condition during and after use by a third  
33 party as the facility is customarily maintained during periods  
34 of utilization by the school district. Possible third party  
35 contractors could include, but are not limited to, educational

1 enrichment organizations, civic groups, day care facilities,  
2 religious organizations, community colleges, and governmental  
3 units.

4 7. School districts may submit an application for  
5 consideration for the pilot program to the department of  
6 education by September 1, 2001. The department shall select a  
7 total of six public schools, three located in large school  
8 districts and three located in small school districts, to  
9 participate in the pilot program. For purposes of this  
10 section, a large school district is a district with an actual  
11 enrollment of five thousand or more pupils, and a small school  
12 district is a district with an actual enrollment of under two  
13 thousand pupils. The department shall notify all applicant  
14 school districts of the selected applicants within thirty days  
15 after application submission. An application may be  
16 considered which would involve a collaborative association of  
17 more than one public school in a school district, or more than  
18 one school district applying for the construction of a  
19 regional facility if the actual enrollment of the combined  
20 school districts falls within the definition of a large or a  
21 small school district pursuant to this section.

22 8. The department shall coordinate the establishment of  
23 each pilot program, including the development of criteria to  
24 be included in a request for proposals for the selection of  
25 one or more private investors for the program, the selection  
26 of private investors from among the proposals submitted, the  
27 development of school facility construction plans and  
28 specifications by the school district, the provision of a  
29 dispute resolution process, and oversight with regard to  
30 potential third-party contractual uses for the facility and  
31 the terms of lease and lease-purchase agreements entered into  
32 between the school district and one or more private investors.  
33 The department shall prepare and submit an annual report to  
34 the general assembly each year for a five-year period, by  
35 January 1, regarding the status of each pilot project. The

1 report shall include detailed information regarding perceived  
2 advantages and disadvantages of the program, input from school  
3 district personnel, students, and parents associated with  
4 schools constructed pursuant to the program, and private  
5 investors constructing and maintaining the school facility.

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## SENATE FILE 2338

H-8802

1 Amend Senate File 2338, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. By striking everything after the enacting  
4 clause and inserting the following:

5 "Section 1. NEW SECTION. 256.24 SCHOOL  
6 INVESTMENT PARTNERSHIPS -- PILOT PROGRAM.

7 A school investment partnership pilot program is  
8 established to evaluate the effectiveness of private  
9 participation in the funding and management of school  
10 infrastructure. The program is intended to indicate  
11 the possibility of shifting the responsibility for the  
12 operation and financing of school facility  
13 construction and maintenance to the private sector,  
14 thereby facilitating the focus of public school system  
15 resources on enhancing the educational experience of  
16 the schoolchildren of Iowa. The pilot program shall  
17 allow up to six pilot projects, to be conducted as  
18 follows:

19 1. Each project shall pair one or more private  
20 investors and one or more school districts in a  
21 partnership involving the shared utilization of school  
22 facilities. Private investors shall finance the  
23 construction of school facilities, based on school  
24 district specifications, and commit to the completion  
25 of a fully operational school facility, complete with  
26 all classroom furnishings and school facility  
27 equipment, by a mutually agreed-upon date. A project  
28 may involve a collaborative association of more than  
29 one public school in a school district, or more than  
30 one school district collaborating for the construction  
31 of a regional facility.

32 2. All projects shall, where applicable, conform  
33 to the provisions of chapter 73A as if the school  
34 facility constructed were a public improvement and as  
35 if the private investors financing the school facility  
36 construction were a school corporation.

37 3. The private investor shall lease the facility  
38 back to the school district at monthly payment levels  
39 agreed upon between the school district and the  
40 private investor, not to exceed an amount which would  
41 have been incurred if the school district had built  
42 and financed the facility independently, without the  
43 involvement of a private investor, pursuant to a lease  
44 or lease-purchase agreement negotiated at the same  
45 time that the agreement regarding construction of the  
46 school facility is entered into. The lease or lease-  
47 purchase agreement shall extend for a twenty-year  
48 duration, with the option to continue the lease at the  
49 end of the lease period, and also to permit the  
50 purchase of the school facility by the school district

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1 at the conclusion of the lease period at an agreed-  
2 upon price. An agreed-upon purchase price shall  
3 contain a mechanism for crediting a portion of the  
4 lease payments remitted by the school district toward  
5 the purchase price, as determined by the school  
6 district and the private investor. A school district  
7 shall be authorized to issue bonds pursuant to section  
8 296.1 or 298.21, and to utilize the physical plant and  
9 equipment levy pursuant to section 298.2, for the  
10 purpose of monthly payments pursuant to the lease or  
11 lease-purchase agreement, or in the event that the  
12 school district exercises its option to purchase the  
13 school facility at the conclusion of the lease period.

14 4. The school district shall retain control over  
15 all decisions related to the education of students  
16 within the school facility, including the  
17 determination of when the facility shall and shall not  
18 be utilized by the school district, the uses to which  
19 the facility shall be put during periods when school  
20 is in session, and access to the facility for after-  
21 hours athletic practices, extracurricular activities,  
22 staff, parent, and teacher meetings, and other school-  
23 related events.

24 5. The lease or lease-purchase agreement shall  
25 include provisions specifying which party subject to  
26 the agreement shall determine the furnishings and  
27 equipment to be contained in the school facility, and  
28 what furnishings and equipment are to be provided.  
29 All costs relating to maintenance of the school  
30 facility and ongoing furnishings and equipment  
31 replacement shall be the responsibility of the private  
32 investor.

33 6. The private investor shall retain the right to  
34 contract with third parties for use of the school  
35 facility during periods when the facility is not being  
36 utilized by the school district. The periods of  
37 nonutilization by the school district shall be  
38 specified in the lease or lease-purchase agreement,  
39 together with the purposes for which the facility  
40 shall be used by contracting third parties. If a  
41 proposed use is determined by the school district to  
42 be inappropriate for an educational facility used by  
43 schoolchildren, the proposed use shall not be approved  
44 by the school district for inclusion in the lease or  
45 lease-purchase agreement. The school district and the  
46 private investor shall annually review the third-party  
47 contracts for use of the facility during periods of  
48 nonutilization by the school district, and shall  
49 mutually determine whether proposed contracts for the  
50 forthcoming year shall be considered appropriate or

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1 inappropriate for approval. The private investor  
2 shall agree to maintain the building in the same  
3 condition during and after use by a third party as the  
4 facility is customarily maintained during periods of  
5 utilization by the school district. Possible third  
6 party contractors could include, but are not limited  
7 to, educational enrichment organizations, civic  
8 groups, day care facilities, religious organizations,  
9 community colleges, and governmental units.

10 7. School districts may submit an application for  
11 the pilot program to the department of education until  
12 September 1, 2001, as follows:

13 a. If six or fewer school districts submit an  
14 application for participation by September 1, 2001,  
15 all of the applicant school districts shall be  
16 entitled to participate in the program.

17 b. If more than six school districts submit an  
18 application by September 1, 2001, the department shall  
19 select six school districts by lot for participation.

20 (1) In selecting by lot, to the extent  
21 applications are received from school districts with  
22 actual enrollments of varying amounts as provided in  
23 this paragraph, two schools shall be drawn which are  
24 located in a school district with an actual enrollment  
25 of under one thousand two hundred pupils, two schools  
26 shall be drawn which are located in a school district  
27 with an actual enrollment of between one thousand two  
28 hundred and four thousand nine hundred ninety-nine  
29 pupils, and two schools shall be drawn which are  
30 located in a school district with an actual enrollment  
31 of five thousand or more pupils. School districts  
32 shall be notified of their selection by lot by October  
33 1, 2001.

34 (2) If, pursuant to subsection 1, one or more of  
35 the applications involve a collaborative association  
36 of more than one public school in a school district,  
37 or more than one school district collaborating for the  
38 construction of a regional facility, at least one such  
39 application shall be selected, regardless of the  
40 actual enrollment of the combined schools or school  
41 districts.

42 8. The department shall prepare and submit a  
43 report to the general assembly annually by January 1,  
44 for a five-year period beginning January 1, 2002,  
45 regarding the status of the program. The report shall  
46 include detailed information regarding perceived  
47 advantages and disadvantages of the program, input  
48 from school district personnel, students, and parents  
49 associated with schools constructed pursuant to the  
50 program, and private investors constructing and

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1 maintaining the school facility."

By GRUNDBERG of Polk

**H-8802 FILED APRIL 11, 2000**

## SENATE FILE 2338

H-8824

1 Amend Senate File 2338, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. By striking everything after the enacting  
4 clause and inserting the following:

5 "Section 1. NEW SECTION. 256.24 SCHOOL  
6 INVESTMENT PARTNERSHIPS -- PILOT PROGRAM.

7 A school investment partnership pilot program is  
8 established to evaluate the effectiveness of private  
9 participation in the funding and management of school  
10 infrastructure. The program is intended to indicate  
11 the possibility of shifting the responsibility for the  
12 operation and financing of school facility  
13 construction and maintenance to the private sector,  
14 thereby facilitating the focus of public school system  
15 resources on enhancing the educational experience of  
16 the schoolchildren of Iowa. The pilot program shall  
17 allow up to six pilot projects, to be conducted as  
18 follows:

19 1. Each project shall pair one or more private  
20 investors and one or more school districts in a  
21 partnership involving the shared utilization of school  
22 facilities. Private investors shall finance the  
23 construction of school facilities, based on school  
24 district specifications, and commit to the completion  
25 of a fully operational school facility by a mutually  
26 agreed-upon date. A project may involve a  
27 collaborative association of more than one public  
28 school in a school district, or more than one school  
29 district collaborating for the construction of a  
30 regional facility.

31 2. All projects shall, where applicable, conform  
32 to the provisions of chapter 73A as if the school  
33 facility constructed were a public improvement and as  
34 if the private investors financing the school facility  
35 construction were a school corporation.

36 3. The private investor shall lease the facility  
37 back to the school district at monthly payment levels  
38 agreed upon between the school district and the  
39 private investor, not to exceed an amount which would  
40 have been incurred if the school district had built  
41 and financed the facility independently, without the  
42 involvement of a private investor, pursuant to a lease  
43 or lease-purchase agreement negotiated at the same  
44 time that the agreement regarding construction of the  
45 school facility is entered into. The lease or lease-  
46 purchase agreement shall extend for a twenty-year  
47 duration, with the option to continue the lease at the  
48 end of the lease period, and also to permit the  
49 purchase of the school facility by the school district  
50 at the conclusion of the lease period at an agreed-

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1 upon price. An agreed-upon purchase price shall  
2 contain a mechanism for crediting a portion of the  
3 lease payments remitted by the school district toward  
4 the purchase price, as determined by the school  
5 district and the private investor. A school district  
6 shall be authorized to issue bonds pursuant to section  
7 296.1 or 298.21, and to utilize the physical plant and  
8 equipment levy pursuant to section 298.2, for the  
9 purpose of monthly payments pursuant to the lease or  
10 lease-purchase agreement, or in the event that the  
11 school district exercises its option to purchase the  
12 school facility at the conclusion of the lease period.

13 4. The school district shall retain control over  
14 all decisions related to the education of students  
15 within the school facility, including the  
16 determination of when the facility shall and shall not  
17 be utilized by the school district, the uses to which  
18 the facility shall be put during periods when school  
19 is in session, and access to the facility for after-  
20 hours athletic practices, extracurricular activities,  
21 staff, parent, and teacher meetings, and other school-  
22 related events.

23 5. The lease or lease-purchase agreement shall  
24 include provisions specifying which party shall  
25 furnish and equip the school facility, and what  
26 furnishings and equipment are to be provided. All  
27 costs relating to maintenance of the school facility  
28 shall be the responsibility of the private investor.  
29 Ongoing furnishings and equipment replacement shall be  
30 determined by the lease or lease-purchase agreement.

31 6. The private investor shall retain the right to  
32 contract with third parties for use of the school  
33 facility during periods when the facility is not being  
34 utilized by the school district. The periods of  
35 nonutilization by the school district shall be  
36 specified in the lease or lease-purchase agreement,  
37 together with the purposes for which the facility  
38 shall be used by contracting third parties. If a  
39 proposed use is determined by the school district to  
40 be inappropriate for an educational facility used by  
41 schoolchildren, the proposed use shall not be approved  
42 by the school district for inclusion in the lease or  
43 lease-purchase agreement. The school district and the  
44 private investor shall annually review the third-party  
45 contracts for use of the facility during periods of  
46 nonutilization by the school district, and shall  
47 mutually determine whether proposed contracts for the  
48 forthcoming year shall be considered appropriate or  
49 inappropriate for approval. The private investor  
50 shall agree to maintain the building in the same

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1 condition during and after use by a third party as the  
2 facility is customarily maintained during periods of  
3 utilization by the school district. Possible third  
4 party contractors could include, but are not limited  
5 to, educational enrichment organizations, civic  
6 groups, day care facilities, religious organizations,  
7 community colleges, and governmental units.

8 7. School districts may submit an application for  
9 the pilot program to the department of education until  
10 September 1, 2001, as follows:

11 a. If six or fewer school districts submit an  
12 application for participation by September 1, 2001,  
13 all of the applicant school districts shall be  
14 entitled to participate in the program.

15 b. If more than six school districts submit an  
16 application by September 1, 2001, the department shall  
17 select six school districts by lot for participation.

18 (1) In selecting by lot, to the extent  
19 applications are received from school districts with  
20 actual enrollments of varying amounts as provided in  
21 this paragraph, two schools shall be drawn which are  
22 located in a school district with an actual enrollment  
23 of under one thousand two hundred pupils, two schools  
24 shall be drawn which are located in a school district  
25 with an actual enrollment of between one thousand two  
26 hundred and four thousand nine hundred ninety-nine  
27 pupils, and two schools shall be drawn which are  
28 located in a school district with an actual enrollment  
29 of five thousand or more pupils. School districts  
30 shall be notified of their selection by lot by October  
31 1, 2001.

32 (2) If, pursuant to subsection 1, one or more of  
33 the applications involve a collaborative association  
34 of more than one public school in a school district,  
35 or more than one school district collaborating for the  
36 construction of a regional facility, at least one such  
37 application shall be selected, regardless of the  
38 actual enrollment of the combined schools or school  
39 districts.

40 8. The department shall prepare and submit a  
41 report to the general assembly annually by January 1,  
42 for a five-year period beginning January 1, 2002,  
43 regarding the status of the program. The report shall  
44 include detailed information regarding perceived  
45 advantages and disadvantages of the program, input  
46 from school district personnel, students, and parents  
47 associated with schools constructed pursuant to the  
48 program, and private investors constructing and  
49 maintaining the school facility."

By GRUNDBERG of Polk

## SENATE FILE 2338

H-8851

1 Amend the amendment, H-8824, to Senate File 2338,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. By striking page 1, line 5, through page 3,  
5 line 49, and inserting the following:

6 ""Section 1. NEW SECTION. 256.24 SCHOOL  
7 INVESTMENT PARTNERSHIPS -- PILOT PROGRAM.

8 A school investment partnership pilot program is  
9 established to evaluate the effectiveness of state  
10 participation in the funding and management of school  
11 infrastructure. The program is intended to indicate  
12 the possibility of shifting the responsibility for the  
13 operation and financing of school facility  
14 construction and maintenance to the state, thereby  
15 facilitating the focus of public school system  
16 resources on enhancing the educational experience of  
17 the schoolchildren of Iowa. The pilot program shall  
18 allow up to six pilot projects, to be conducted as  
19 follows:

20 1. Each project shall pair the state with one or  
21 more school districts in a partnership involving the  
22 shared utilization of school facilities. The state  
23 shall finance the construction of school facilities,  
24 based on school district specifications, and commit to  
25 the completion of a fully operational school facility  
26 by a mutually agreed-upon date. A project may involve  
27 a collaborative association of more than one public  
28 school in a school district, or more than one school  
29 district collaborating for the construction of a  
30 regional facility.

31 2. All projects shall, where applicable, conform  
32 to the provisions of chapter 73A as if the school  
33 facility constructed were a public improvement and as  
34 if the state financing the school facility  
35 construction were a school corporation.

36 3. The state shall lease the facility back to the  
37 school district at monthly payment levels agreed upon  
38 between the school district and the state, not to  
39 exceed an amount which would have been incurred if the  
40 school district had built and financed the facility  
41 independently, without the involvement of the state,  
42 pursuant to a lease or lease-purchase agreement  
43 negotiated at the same time that the agreement  
44 regarding construction of the school facility is  
45 entered into. The lease or lease-purchase agreement  
46 shall extend for a twenty-year duration, with the  
47 option to continue the lease at the end of the lease  
48 period, and also to permit the purchase of the school  
49 facility by the school district at the conclusion of  
50 the lease period at an agreed-upon price. An agreed-

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1 upon purchase price shall contain a mechanism for  
2 crediting a portion of the lease payments remitted by  
3 the school district toward the purchase price, as  
4 determined by the school district and the state. A  
5 school district shall be authorized to issue bonds  
6 pursuant to section 296.1 or 298.21, and to utilize  
7 the physical plant and equipment levy pursuant to  
8 section 298.2, for the purpose of monthly payments  
9 pursuant to the lease or lease-purchase agreement, or  
10 in the event that the school district exercises its  
11 option to purchase the school facility at the  
12 conclusion of the lease period.

13 4. The school district shall retain control over  
14 all decisions related to the education of students  
15 within the school facility, including the  
16 determination of when the facility shall and shall not  
17 be utilized by the school district, the uses to which  
18 the facility shall be put during periods when school  
19 is in session, and access to the facility for after-  
20 hours athletic practices, extracurricular activities,  
21 staff, parent, and teacher meetings, and other school-  
22 related events.

23 5. The lease or lease-purchase agreement shall  
24 include provisions specifying which party shall  
25 furnish and equip the school facility, and what  
26 furnishings and equipment are to be provided. All  
27 costs relating to maintenance of the school facility  
28 shall be the responsibility of the state. Ongoing  
29 furnishings and equipment replacement shall be  
30 determined by the lease or lease-purchase agreement.

31 6. The state shall retain the right to contract  
32 with third parties for use of the school facility  
33 during periods when the facility is not being utilized  
34 by the school district. The periods of nonutilization  
35 by the school district shall be specified in the lease  
36 or lease-purchase agreement, together with the  
37 purposes for which the facility shall be used by  
38 contracting third parties. If a proposed use is  
39 determined by the school district to be inappropriate  
40 for an educational facility used by schoolchildren,  
41 the proposed use shall not be approved by the school  
42 district for inclusion in the lease or lease-purchase  
43 agreement. The school district and the state shall  
44 annually review the third-party contracts for use of  
45 the facility during periods of nonutilization by the  
46 school district, and shall mutually determine whether  
47 proposed contracts for the forthcoming year shall be  
48 considered appropriate or inappropriate for approval.  
49 The state shall agree to maintain the building in the  
50 same condition during and after use by a third party

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1 as the facility is customarily maintained during  
2 periods of utilization by the school district.  
3 Possible third party contractors could include, but  
4 are not limited to, educational enrichment  
5 organizations, civic groups, day care facilities,  
6 religious organizations, community colleges, and  
7 governmental units.

8 7. School districts may submit an application for  
9 the pilot program to the department of education until  
10 September 1, 2001, as follows:

11 a. If six or fewer school districts submit an  
12 application for participation by September 1, 2001,  
13 all of the applicant school districts shall be  
14 entitled to participate in the program.

15 b. If more than six school districts submit an  
16 application by September 1, 2001, the department shall  
17 select six school districts by lot for participation.

18 (1) In selecting by lot, to the extent  
19 applications are received from school districts with  
20 actual enrollments of varying amounts as provided in  
21 this paragraph, two schools shall be drawn which are  
22 located in a school district with an actual enrollment  
23 of under one thousand two hundred pupils, two schools  
24 shall be drawn which are located in a school district  
25 with an actual enrollment of between one thousand two  
26 hundred and four thousand nine hundred ninety-nine  
27 pupils, and two schools shall be drawn which are  
28 located in a school district with an actual enrollment  
29 of five thousand or more pupils. School districts  
30 shall be notified of their selection by lot by October  
31 1, 2001.

32 (2) If, pursuant to subsection 1, one or more of  
33 the applications involve a collaborative association  
34 of more than one public school in a school district,  
35 or more than one school district collaborating for the  
36 construction of a regional facility, at least one such  
37 application shall be selected, regardless of the  
38 actual enrollment of the combined schools or school  
39 districts.

40 8. The department shall prepare and submit a  
41 report to the general assembly annually by January 1,  
42 for a five-year period beginning January 1, 2002,  
43 regarding the status of the program. The report shall  
44 include detailed information regarding perceived  
45 advantages and disadvantages of the program, input  
46 from school district personnel, students, and parents  
47 associated with schools constructed pursuant to the  
48 program, and the state constructing and maintaining  
49 the school facility.""

By WEIGEL of Chickasaw

H-8851 FILED APRIL 11, 2000

SENATE FILE 2338

H-8869

1 Amend the amendment, H-8824, to Senate File 2338,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 1, by striking lines 40 and 41 and  
5 inserting the following: "have been incurred if the  
6 school district had built, financed, and maintained  
7 the facility independently, without the".

By BRUNKHORST of Bremer

H-8869 FILED APRIL 12, 2000

## SENATE FILE 2338

H-9049

1 Amend the amendment, H-8824, to Senate File 2338,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 3, by inserting after line 49 the  
5 following:

6 "Sec. \_\_\_\_\_. Section 296.1, Code 1999, is amended to  
7 read as follows:

8 296.1 INDEBTEDNESS AUTHORIZED.

9 Subject to the approval of the voters thereof,  
10 school districts are hereby authorized to contract  
11 indebtedness and to issue general obligation bonds to  
12 provide funds to defray the cost of purchasing,  
13 building, furnishing, reconstructing, repairing,  
14 improving, or remodeling a schoolhouse or schoolhouses  
15 and additions thereto, gymnasium, stadium, field  
16 house, school bus garage, teachers' or  
17 superintendent's home or homes, and procuring a site  
18 or sites therefor, or purchasing land to add to a site  
19 already owned, or procuring and improving a site for  
20 an athletic field, or improving a site already owned  
21 for an athletic field, and for any one or more of such  
22 purposes. Taxes for the payment of said bonds shall  
23 be levied in accordance with chapter 76, and said such  
24 bonds shall mature within a period not exceeding  
25 twenty years from date of issue, shall bear interest  
26 at a rate or rates not exceeding that permitted by  
27 chapter 74A, and shall be of such form as the board of  
28 directors of such school district shall by resolution  
29 provide, but the aggregate indebtedness of any school  
30 district shall not exceed five percent of the actual  
31 value of the taxable property within said the school  
32 district, as ascertained by the last preceding state  
33 and county tax lists. The bonds may be sold at public  
34 or private sale at a price as may be determined by the  
35 board of directors. Such bonds may be sold at not  
36 less than ninety-eight percent of par or may be  
37 exchanged for other bonds at not less than ninety-  
38 eight percent of par.

39 Sec. \_\_\_\_\_. Section 298.22, unnumbered paragraph 1,  
40 Code 1999, is amended to read as follows:

41 All of said bonds shall be substantially in the  
42 form provided for county bonds, but subject to changes  
43 that will conform them to the action of the board  
44 providing therefor; shall run not more than twenty  
45 years, and may be sooner paid if so nominated in the  
46 bond; bear a rate of interest not exceeding that  
47 permitted by chapter 74A, payable semiannually; be  
48 signed by the president and countersigned by the  
49 secretary of the board of directors; and ~~shall not be~~  
50 ~~disposed of for less than par value, nor issued for~~

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1 ~~other purposes than this chapter provides~~ be sold at  
2 public or private sale at a price as may be determined  
3 by the board of directors. Such bonds may be sold at  
4 not less than ninety-eight percent of par or may be  
5 exchanged for other bonds at not less than ninety-  
6 eight percent of par.

7 Sec. \_\_\_\_ . Section 422E.4, unnumbered paragraph 1,  
8 Code Supplement 1999, is amended to read as follows:

9 The board of directors of a school district shall  
10 be authorized to issue negotiable, interest-bearing  
11 school bonds, without election, and utilize tax  
12 receipts derived from the sales and services tax for  
13 school infrastructure purposes for principal and  
14 interest repayment. Proceeds of the bonds issued  
15 pursuant to this section shall be utilized solely for  
16 school infrastructure needs as school infrastructure  
17 is defined in section 422E.1, subsection 3. Issuance  
18 of bonds pursuant to this section shall be permitted  
19 only in a district which has imposed a local sales and  
20 services tax for school infrastructure purposes  
21 pursuant to section 422E.2. The provisions of  
22 sections 298.22 through 298.24 shall apply regarding  
23 the form, rate of interest, registration, redemption,  
24 and recording of bond issues pursuant to this section,  
25 with the exception that the maximum period during  
26 which principal on the bonds is payable shall not  
27 exceed a ten-year period, or the date of repeal stated  
28 on the ballot proposition. Bonds issued pursuant to  
29 this section may be sold at public or private sale at  
30 a price as may be determined by the board of directors  
31 of the school district. Such bonds may be sold at not  
32 less than ninety-eight percent of par or may be  
33 exchanged for other bonds at not less than ninety-  
34 eight percent of par."

35 2. By renumbering as necessary.

By GRUNDBERG of Polk

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