

HSB 689

EDUCATION

*Brunkhorst, Chr
Boal
Lohson*

SENATE/HOUSE FILE 02515
BY (PROPOSED DEPARTMENT OF
EDUCATION BILL)

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

A BILL FOR

1 An Act relating to the duties and operation of the department of
2 education.

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

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1 Section 1. Section 256.9, Code Supplement 2001, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 51. Disburse, transfer, or receive funds
4 as authorized or required under federal or state law or
5 regulation in a manner that utilizes electronic transfer of
6 the funds whenever possible.

7 Sec. 2. Section 256.10, Code 2001, is amended to read as
8 follows:

9 256.10 EMPLOYMENT OF PROFESSIONAL STAFF.

10 1. The salary of the director shall be fixed by the
11 governor within a range established by the general assembly.

12 2. Appointments to the professional staff of the
13 department shall be without reference to political party
14 affiliation, religious affiliation, sex, or marital status,
15 but shall be based solely upon fitness, ability, and proper
16 qualifications for the particular position. The professional
17 staff shall serve at the discretion of the director. A member
18 of the professional staff shall not be dismissed for cause
19 without appropriate due process procedures including a
20 hearing.

21 3. The director may employ full-time professional staff
22 for less than twelve months each year, but such staff shall be
23 employed by the director for at least nine months of each
24 year. Salaries for full-time professional staff employed as
25 provided in this subsection shall be comparable to other
26 professional staff, adjusting for time worked. Salaries for
27 professional staff employed for periods of less than twelve
28 months shall be paid during each month of the year in which
29 they are employed on the same schedule as full-time permanent
30 professional staff. The director shall provide for and the
31 department shall pay for health and dental insurance benefits
32 for twelve months each year for the full-time professional
33 staff employed as provided in this subsection, and the health
34 and dental insurance benefits provided shall be comparable to
35 the benefits provided to all other professional staff employed

1 by the director.

2 Sec. 3. Section 256.11, subsection 10, unnumbered
3 paragraph 3, Code Supplement 2001, is amended to read as
4 follows:

5 The department shall conduct site visits to schools and
6 school districts to address accreditation issues identified in
7 the desk audit. Such a visit may be conducted by an
8 individual departmental consultant or may be a comprehensive
9 site visit by a team of departmental consultants and other
10 educational professionals. The purpose of a comprehensive
11 site visit is to determine that a district is in compliance
12 with minimum standards and to provide a general assessment of
13 educational practices in a school or school district and make
14 recommendations with regard to the visit findings for the
15 purposes of improving educational practices above the level of
16 minimum compliance. The department shall establish a long-
17 term schedule of site visits that includes visits of all
18 accredited schools and school districts ~~at-least-once-every~~
19 ~~five-years~~ as needed.

20 Sec. 4. Section 256.11, subsection 13, Code Supplement
21 2001, is amended by adding the following new paragraph:

22 NEW PARAGRAPH. d. Schools appearing on the special
23 accredited list of college preparatory schools, prepared by
24 the department in accordance with this subsection, which is in
25 effect on July 1, 2002, shall be considered an accredited
26 nonpublic school for purposes of receiving state assistance in
27 accordance with chapters 285 and 301 and moneys from any
28 appropriation made by the general assembly for purposes of
29 providing technology to school districts and accredited
30 nonpublic school students. Schools not appearing on the list
31 on July 1, 2002, are ineligible for state assistance under
32 chapters 285 and 301 or state assistance for technology.

33 Sec. 5. Section 257.11, subsection 2, paragraph c,
34 subparagraph (2), Code Supplement 2001, is amended to read as
35 follows:

1 (2) A school district which was not participating in a
2 whole grade sharing arrangement during the budget year
3 beginning July 1, ~~2001~~ 2002, which executes a whole grade
4 sharing agreement pursuant to sections 282.10 through 282.12
5 for the budget year beginning July 1, 2002, or July 1, 2003,
6 and which adopts a resolution jointly with the other affected
7 boards to study the question of undergoing a reorganization or
8 dissolution to take effect on or before July 1, 2006, shall
9 receive a weighting of one-tenth of the percentage of the
10 pupil's school day during which the pupil attends classes in
11 another district, attends classes taught by a teacher who is
12 jointly employed under section 280.15, or attends classes
13 taught by a teacher who is employed by another school
14 district. A district shall be eligible for supplementary
15 weighting pursuant to this subparagraph for a maximum of three
16 years. Receipt of supplementary weighting for a second and
17 third year shall be conditioned upon submission of information
18 resulting from the study to the school budget review committee
19 indicating progress toward the objective of reorganization on
20 or before July 1, 2006.

21 Sec. 6. Section 257.42, unnumbered paragraph 3, Code 2001,
22 is amended by striking the unnumbered paragraph.

23 Sec. 7. Section 260C.14, subsection 1, Code Supplement
24 2001, is amended to read as follows:

25 1. Determine the curriculum to be offered in such school
26 or college subject to approval of the ~~state-board~~ director and
27 ensure that all vocational offerings are competency-based,
28 provide any minimum competencies required by the department of
29 education, comply with any applicable requirements in chapter
30 258, and are articulated with local school district vocational
31 education programs. If an existing private educational or
32 vocational institution within the merged area has facilities
33 and curriculum of adequate size and quality which would
34 duplicate the functions of the area school, the board of
35 directors shall discuss with the institution the possibility

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1 of entering into contracts to have the existing institution
2 offer facilities and curriculum to students of the merged
3 area. The board of directors shall consider any proposals
4 submitted by the private institution for providing such
5 facilities and curriculum. The board of directors may enter
6 into such contracts. In approving curriculum, the state-board
7 director shall ascertain that all courses and programs
8 submitted for approval are needed and that the curriculum
9 being offered by an area school does not duplicate programs
10 provided by existing public or private facilities in the area.
11 In determining whether duplication would actually exist, the
12 state board shall consider the needs of the area and consider
13 whether the proposed programs are competitive as to size,
14 quality, tuition, purposes, and area coverage with existing
15 public and private educational or vocational institutions
16 within the merged area. If the board of directors of the
17 merged area chooses not to enter into contracts with private
18 institutions under this subsection, the board shall submit a
19 list of reasons why contracts to avoid duplication were not
20 entered into and an economic impact statement relating to the
21 board's decision.

22 Sec. 8. Section 260C.70, Code 2001, is amended to read as
23 follows:

24 260C.70 TEN-YEAR PROGRAM AND TWO-YEAR BONDING ESTIMATE
25 SUBMITTED EACH YEAR.

26 The board of directors of each community college shall
27 prepare and submit to the general assembly, the governor, and
28 the department of education a proposed ten-year building
29 program for each institution under the board's control,
30 including an estimate of the maximum amount of bonds which the
31 board expects to issue under the provisions of this chapter
32 during each year of the ensuing biennium. The program and
33 estimate shall be submitted no later than seven days after the
34 convening of each regular annual session of the general
35 assembly. Before a board of directors can proceed with a

1 project in the building program, the project must be approved
2 by the ~~state-board-for-community-colleges~~ director of the
3 department of education, and be a project designed for special
4 programs, special needs of special students, and to meet needs
5 for which privately owned housing is not available. The
6 building program shall contain a list of the buildings and
7 facilities which are designed to meet the special needs of
8 students attending special programs. The list shall be
9 revised annually, but no project shall be eliminated from the
10 list when bonds have previously been issued by the board to
11 pay the cost of the project. Each list shall contain an
12 estimate of the cost of each of the buildings and facilities
13 referred to on the list.

14 Sec. 9. Section 260C.71, subsection 2, Code 2001, is
15 amended to read as follows:

16 2. The authority shall cooperate with the ~~state-board-for~~
17 ~~community-colleges~~ director of the department of education,
18 individual community colleges, and private developers, acting
19 in conjunction with a community college to build housing
20 facilities in connection with the community college, in the
21 creation, administration, and funding of a community college
22 dormitory bond program to finance housing facilities, such as
23 dormitories, in connection with a community college.

24 Sec. 10. Section 282.18, subsection 3, unnumbered
25 paragraph 2, Code 2001, is amended to read as follows:

26 A parent or guardian, whose request has been denied because
27 of a desegregation order or plan, may appeal the decision of
28 the superintendent to the board of the district in which the
29 request was denied. The board may either uphold or overturn
30 the superintendent's decision. A decision of the board to
31 uphold the denial of the request ~~is-subject-to-appeal-under~~
32 ~~section-290-1~~ may be appealed to the district court of the
33 county in which the administrative office of the school
34 district which denied the request is located.

35 Sec. 11. Section 282.18, subsection 4, Code 2001, is

1 amended by striking the subsection.

2 Sec. 12. Section 282.18, subsection 6, Code 2001, is
3 amended to read as follows:

4 6. A request under this section is for a period of not
5 less than one year. If the request is for more than one year
6 and the parent or guardian desires to have the pupil enroll in
7 a different district, the parent or guardian may petition the
8 current receiving district by January 1 of the previous school
9 year for permission to enroll the pupil in a different
10 district for a period of not less than one year. Upon receipt
11 of such a request, the current receiving district board may
12 act on the request to transfer to the other school district at
13 the next regularly scheduled board meeting after the receipt
14 of the request. The new receiving district shall enroll the
15 pupil in a school in the district unless there is insufficient
16 classroom space in the district or unless enrollment of the
17 pupil would adversely affect the court-ordered or voluntary
18 desegregation plan of the district. A denial of a request to
19 change district enrollment within the approved period is
20 subject to appeal ~~under section 290-1~~ to the district court of
21 the county in which the administrative office of the school
22 district which denied the request is located. However, a
23 pupil who has been in attendance in another district under
24 this section may return to the district of residence and
25 enroll at any time, once the parent or guardian has notified
26 the district of residence and the receiving district in
27 writing of the decision to enroll the pupil in the district of
28 residence.

29 Sec. 13. Section 282.18, subsection 14, Code 2001, is
30 amended to read as follows:

31 14. If a pupil, for whom a request to transfer has been
32 filed with a district, has been suspended or expelled in the
33 district, the pupil shall not be permitted to transfer until
34 the pupil has been reinstated in the sending district. Once
35 the pupil has been reinstated, however, the pupil shall be

1 permitted to transfer in the same manner as if the pupil had
2 not been suspended or expelled by the sending district. If a
3 pupil, for whom a request to transfer has been filed with a
4 district, is expelled in the district, the pupil shall be
5 permitted to transfer to a receiving district under this
6 section if the pupil applies for and is reinstated in the
7 sending district. However, if the pupil applies for
8 reinstatement but is not reinstated in the sending district,
9 the receiving district may deny the request to transfer. The
10 parent or guardian of the pupil shall be permitted to appeal
11 the decision of the receiving district to the ~~director-of-the~~
12 ~~department-of-education---~~~~if-the-director-rules-in-favor-of~~
13 ~~permitting-the-transfer,~~~~the-pupil-shall-be-permitted-to~~
14 ~~transfer,~~~~but-the-transfer-shall-be-conditioned-upon-the~~
15 ~~expiration-of-the-expulsion-period-without-the-pupil-incurring~~
16 ~~a-new-violation~~ district court of the county in which the
17 administrative office of the receiving district is located.

18 Sec. 14. Section 282.18, subsection 18, Code 2001, is
19 amended by striking the subsection and inserting in lieu
20 thereof the following:

21 18. If a board decision is appealed to district court in
22 accordance with this section, the person appealing the board's
23 decision shall be allowed costs and reasonable attorney fees
24 as determined by the court if the person prevails in the
25 action.

26 Sec. 15. Section 283A.2, subsection 2, paragraph a, Code
27 2001, is amended to read as follows:

28 a. A school district shall operate or provide for the
29 operation of ~~school-breakfast-and~~ lunch programs at all
30 attendance centers in the district. ~~However,~~~~with-the~~
31 ~~approval-of-the-department-of-education-as-provided-in~~
32 ~~paragraph-"b"~~, a A school district may operate or provide for
33 the operation of school breakfast programs at all attendance
34 centers in the district, or provide access to a school
35 breakfast program at an alternative site to students who wish

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1 to participate in a school breakfast program. The programs
2 shall provide students with nutritionally adequate meals and
3 shall be operated in compliance with the rules of the state
4 board of education and pertinent federal law and regulation.
5 The school lunch program shall be provided for all students in
6 each district who attend public school four or more hours each
7 school day and wish to participate in a school breakfast-or
8 lunch program. School districts may provide school breakfast
9 and lunch programs for other students.

10 Sec. 16. Section 283A.2, subsection 2, paragraphs b and c,
11 Code 2001, are amended by striking the paragraphs.

12 Sec. 17. Section 285.3, Code 2001, is amended by striking
13 the section and inserting in lieu thereof the following:

14 285.3 PARENTAL REIMBURSEMENT FOR NONPUBLIC SCHOOL PUPIL
15 TRANSPORTATION.

16 1. A parent or legal guardian of a student attending an
17 accredited nonpublic school, who furnishes transportation for
18 the student pursuant to section 285.1, subsection 17,
19 paragraph "c", and who meets the requirements of subsection 2
20 of this section, is entitled to reimbursement equal to an
21 amount calculated under the provisions of section 285.1,
22 subsection 3. In addition, a parent or guardian who
23 transports one or more family members more than four miles to
24 their nonpublic school of attendance shall be entitled to one
25 supplemental mileage payment per family, per claim period,
26 equal to thirteen percent of the parental reimbursement for
27 the claim period rounded to the nearest whole dollar.

28 2. To qualify for parental reimbursement under subsection
29 1, a parent or guardian of a student attending an accredited
30 nonpublic school who furnishes transportation for the student
31 in accordance with this section, shall submit a notice of
32 nonpublic school attendance to the resident public school
33 district, notifying the district that the student is enrolled
34 in and will attend an accredited nonpublic school during the
35 period for which parental reimbursement is being requested.

1 The notice shall be filed with the resident public school
2 district not later than December 1 for the first semester
3 claim and May 1 for the second semester claim each year. The
4 notice shall include the parent's name and address, the name,
5 age, and grade level of the student, and the name of the
6 nonpublic school and its location. The resident public school
7 district shall submit claims for reimbursement to the
8 department of education on behalf of the parent or guardian if
9 the parent or guardian meets the requirements of this section.

10 Sec. 18. Section 285.8, Code 2001, is amended by adding
11 the following new subsection:

12 NEW SUBSECTION. 9. Establish a fee for conducting school
13 bus inspections in accordance with subsection 4 and issuing
14 school bus driver authorizations in accordance with section
15 321.376, which shall not exceed the budgeted cost for
16 conducting inspections and administering authorizations.

17 Sec. 19. Section 285.12, Code 2001, is amended to read as
18 follows:

19 285.12 DISPUTES -- HEARINGS AND APPEALS.

20 In the event of a disagreement between a school patron and
21 the board of the school district, the patron if dissatisfied
22 with the decision of the district board, may appeal ~~the same~~
23 to the area education agency board, notifying the secretary of
24 the district in writing within ten days of the decision of the
25 board and by filing an affidavit of appeal with the agency
26 board within the ten-day period. The affidavit of appeal
27 shall include the reasons for the appeal and points at issue.
28 The secretary of the local board on receiving notice of appeal
29 shall certify all papers to the agency board which shall hear
30 the appeal within ten days of the receipt of the papers and
31 decide it within three days of the conclusion of the hearing
32 and shall immediately notify all parties of its decision.
33 Either party may appeal the decision of the agency board to
34 the director of the department of education by notifying the
35 opposite party and the agency administrator in writing within

1 five days after receipt of notice of the decision of the
 2 agency board and by filing with the director of the department
 3 of education an affidavit of appeal, reasons for appeal, and
 4 the facts involved in the disagreement within five days after
 5 receipt of notice of the decision of the agency board. The
 6 agency administrator shall, within ten days of said receipt of
 7 the notice, file with the director all records and papers
 8 pertaining to the case, including action of the agency board.
 9 The director shall hear the appeal within fifteen days of the
 10 filing of the records in the director's office, notifying all
 11 parties and the agency administrator of the date and time of
 12 hearing. The director shall ~~forthwith decide the same and~~
 13 notify all parties of the decision and return all papers with
 14 a copy of the decision to the agency administrator. The
 15 decision of the director shall be subject to judicial review
 16 in accordance with ~~the terms of the Iowa administrative~~
 17 ~~procedure Act~~ chapter 17A. Pending final order made by the
 18 director, upon any appeal prosecuted to such director, the
 19 order of the agency board from which the appeal is taken shall
 20 be operative and be in full force and effect.

21 Sec. 20. Section 290.1, Code 2001, is amended to read as
 22 follows:

23 290.1 APPEAL TO STATE BOARD.

24 A person An affected pupil, or the parent or guardian of an
 25 affected pupil who is a minor, who is aggrieved by a decision
 26 or order of the board of directors of a school corporation in
 27 a matter of law or fact, ~~or a decision or order of a board of~~
 28 ~~directors under section 282-18~~ may, within thirty days after
 29 the rendition of the decision or the making of the order,
 30 appeal the decision or order to the state board of education;
 31 the basis of the proceedings shall be an affidavit filed with
 32 the state board by the party aggrieved within the time for
 33 taking the appeal, which affidavit shall set forth any error
 34 complained of in a plain and concise manner.

35 ~~For purposes of section 282-117, a "person aggrieved" or~~

1 "party-aggrieved"-means-the-"parent-or-guardian-of-an-affected
2 pupil":

3 Sec. 21. Section 297.7, subsection 1, Code 2001, is
4 amended to read as follows:

5 1. Sections 73A.2 and 73A.18 are applicable to the
6 construction and repair of school buildings. Before
7 construction-of-a-school-building-for-which-the-cost-of
8 construction-exceeds-twenty-five-thousand-dollars,-the-board
9 of-directors-of-a-school-district-shall-send-a-copy-of-the
10 plans-to-the-building-consultant-in-the-department-of
11 education-for-review.--The-board-of-directors-may-submit-for
12 review-a-copy-of-the-plans-for-repair-or-renovation-of-a
13 school-building.--The-building-consultant-shall-return-the
14 plans-together-with-any-recommendations-to-the-board-of
15 directors-within-thirty-days-following-the-receipt-of-the
16 plans:

17 Sec. 22. Section 321.178, subsection 1, unnumbered
18 paragraph 1, Code Supplement 2001, is amended to read as
19 follows:

20 An approved driver education course as programmed by the
21 department of-education shall consist of at least thirty clock
22 hours of classroom instruction, of which no more than one
23 hundred eighty minutes shall be provided to a student in a
24 single day, and six or more clock hours of laboratory
25 instruction of which at least three clock hours shall consist
26 of street or highway driving. Classroom instruction shall
27 include all of the following:

28 Sec. 23. Section 321.178, subsection 1, unnumbered
29 paragraphs 3, 4, and 5, Code Supplement 2001, are amended to
30 read as follows:

31 Every public school district in Iowa shall offer or make
32 available to all students residing in the school district or
33 Iowa students attending a nonpublic school in the district an
34 approved course in driver education. The courses may be
35 offered at sites other than at the public school, including

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1 nonpublic school facilities within the public school
2 districts. An approved course offered during the summer
3 months, on Saturdays, after regular school hours during the
4 regular terms or partly in one term or summer vacation period
5 and partly in the succeeding term or summer vacation period,
6 as the case may be, shall satisfy the requirements of this
7 section to the same extent as an approved course offered
8 during the regular school hours of the school term. A student
9 who successfully completes and obtains certification in an
10 approved course in driver education or an approved course in
11 motorcycle education may, upon proof of such fact, be excused
12 from any field test which the student would otherwise be
13 required to take in demonstrating the student's ability to
14 operate a motor vehicle. A student shall not be excused from
15 any field test if a parent, guardian, or instructor requests
16 that a test be administered. Street or highway driving
17 instruction may be provided by a person qualified as a
18 classroom driver education instructor or a person certified by
19 the department of-transportation and authorized by the board
20 of educational examiners. A person shall not be required to
21 hold a current Iowa teacher or administrator license at the
22 elementary or secondary level or to have satisfied the
23 educational requirements for an Iowa teacher license at the
24 elementary or secondary level in order to be certified by the
25 department of-transportation or authorized by the board of
26 educational examiners to provide street or highway driving
27 instruction. A final field test prior to a student's
28 completion of an approved course shall be administered by a
29 person qualified as a classroom driver education instructor.
30 The department of-transportation shall adopt rules pursuant to
31 chapter 17A to provide for certification of persons qualified
32 to provide street or highway driving instruction. The board
33 of educational examiners shall adopt rules pursuant to chapter
34 17A to provide for authorization of persons certified by the
35 department of-transportation to provide street or highway

1 driving instruction.

2 "Student", for purposes of this section, means a person
3 between the ages of fourteen years and twenty-one years who
4 resides in the public school district and who satisfies the
5 preliminary licensing requirements of the department of
6 transportation.

7 Any person who successfully completes an approved driver
8 education course at a private or commercial driver education
9 school licensed by the department of-transportation, shall
10 likewise be eligible for a driver's license as provided in
11 section 321.180B or 321.194.

12 Sec. 24. Section 321.375, subsection 1, paragraph d, Code
13 2001, is amended by striking the paragraph and inserting in
14 lieu thereof the following:

15 d. Possess a current certificate of qualification for
16 operation of a commercial motor vehicle issued by a physician
17 licensed pursuant to chapter 148 or 150A, physician's
18 assistant, advanced registered nurse practitioner, or
19 chiropractor or any other person identified by federal and
20 state law as authorized to perform physical examinations.

21 Sec. 25. Section 321.375, subsection 2, paragraph c, Code
22 2001, is amended to read as follows:

23 c. Fraud in the procurement or renewal of a school bus
24 driver's permit authorization to operate a school bus.

25 Sec. 26. Section 321.376, Code 2001, is amended to read as
26 follows:

27 321.376 LICENSE -- PERMIT AUTHORIZATION -- INSTRUCTION
28 REQUIREMENT.

29 1. The driver of a school bus shall hold a driver's
30 license issued by the department of transportation valid for
31 the operation of the school bus and ~~shall hold a school bus~~
32 ~~driver's permit issued by the department of education when~~
33 ~~transporting student or adult passengers to or from school~~
34 ~~activities.--The department of education shall charge a fee~~
35 ~~for the issuance of a school bus driver's permit in the amount~~

1 ~~of five dollars, which shall be deposited in the general fund~~
2 ~~of the state~~ a certificate of qualification for operation of a
3 commercial motor vehicle issued by a physician licensed
4 pursuant to chapter 148 or 150A, physician's assistant,
5 advanced registered nurse practitioner, or chiropractor or any
6 other person identified by federal and state law as authorized
7 to perform physical examinations, and shall successfully
8 complete an approved course of instruction in accordance with
9 subsection 2. A person holding a temporary restricted license
10 issued under chapter 321J shall be prohibited from operating a
11 school bus. The department of education shall revoke or
12 refuse to issue ~~a permit~~ an authorization to operate a school
13 bus to any person who, after notice and opportunity for
14 hearing, is determined to have committed any of the acts
15 proscribed under section 321.375, subsection 2. The
16 department of education shall recommend, and the state board
17 of education shall adopt under chapter 17A, rules and
18 procedures for ~~the revocation and issuance of permits to~~
19 ~~persons~~ issuing and revoking authorization to operate a school
20 bus in this state. Rules and procedures adopted shall
21 include, but are not limited to, provisions for the revocation
22 of, or refusal to issue, ~~permits~~ authorization to persons who
23 are determined to have committed any of the acts proscribed
24 under section 321.375, subsection 2.

25 2. A person applying for employment or employed as a
26 school bus driver shall successfully complete a department of
27 education approved course of instruction for school bus
28 drivers before or within the first six months of employment
29 and at least every twenty-four months thereafter. If an
30 employee fails to provide an employer with a certificate of
31 completion of the required school bus driver's course, the
32 driver's employer shall report the failure to the department
33 of education and the employee's authorization to operate a
34 school bus ~~driver's permit~~ shall be revoked. The department
35 of education shall send notice of the revocation ~~of the~~

1 employee's-permit to both the employee and the employer. A
2 person whose school bus driver's-permit authorization has been
3 revoked under this section shall not be issued another school
4 bus-driver's-permit authorization until certification of the
5 completion of an approved school bus driver's course is
6 received by the department of education.

7 ~~3.--The-department-of-education-shall-submit-an-annual~~
8 ~~budget-request,-separately-from-the-department's-annual~~
9 ~~operating-budget-request,-in-an-amount-not-to-exceed-the~~
10 ~~amount-collected-by-the-department-for-the-issuance-of-annual~~
11 ~~school-bus-driver-permits.--Funds-requested-shall-be~~
12 ~~designated-for-purposes-of-establishing-and-conducting~~
13 ~~approved-courses-of-instruction-for-school-bus-drivers-and-for~~
14 ~~school-bus-passenger-safety-programs.--The-department-shall~~
15 ~~recommend-rules-for-adoption-by-the-state-board-of-education~~
16 ~~relating-to-the-assessment-and-collection-of-funds-from-the~~
17 ~~school-bus-driver-fee-and-relating-to-distribution-of-funds~~
18 ~~for-approved-courses-of-instruction.~~

19 Sec. 27. Section 321J.22, subsection 2, paragraph d, Code
20 2001, is amended to read as follows:

21 d. The department of education shall establish reasonable
22 fees to defray the expense of obtaining classroom space,
23 instructor salaries, and class materials for courses offered
24 both by community colleges and by substance abuse treatment
25 programs licensed under chapter 125, and for administrative
26 expenses incurred by the department in implementing subsection
27 5.

28 Sec. 28. Section 455A.19, subsection 1, unnumbered
29 paragraph 1, Code Supplement 2001, is amended to read as
30 follows:

31 Upon receipt of any revenue, the director shall deposit the
32 moneys in the Iowa resources enhancement and protection fund
33 created pursuant to section 455A.18. The first three hundred
34 fifty thousand dollars of the funds received for deposit in
35 the fund annually shall be allocated to the conservation

1 education program board for the purposes specified in section
2 ~~256.34~~ 455.21. One percent of the revenue receipts shall be
3 deducted and transferred to the administration fund provided
4 for in section 456A.17. All of the remaining receipts shall
5 be allocated to the following accounts:

6 Sec. 29. NEW SECTION. 455A.21 CONSERVATION EDUCATION
7 PROGRAM BOARD.

8 1. A conservation education program board is created in
9 the department. The board shall have five members appointed
10 as follows:

11 a. One member appointed by the director of the department
12 of education.

13 b. One member appointed by the director of the department
14 of natural resources.

15 c. One member appointed by the president of the Iowa
16 association of county conservation boards.

17 d. One member appointed by the president of the Iowa
18 association of naturalists.

19 e. One member appointed by the president of the Iowa
20 conservation education council.

21 2. Section 69.16 does not apply to appointments made
22 pursuant to this section.

23 3. The duties of the board are to revise and produce
24 conservation education materials and to specify stipends to
25 Iowa educators who participate in innovative conservation
26 education programs approved by the board. The board shall
27 allocate the funds provided for under section 455A.19,
28 subsection 1, for the educational materials and stipends.

29 4. The department shall administer the funds allocated to
30 the conservation education program as provided in this
31 section.

32 Sec. 30. Section 714.18, unnumbered paragraph 1, Code
33 2001, is amended to read as follows:

34 Except as otherwise provided in subsection 4, every person,
35 firm, association, or corporation maintaining or conducting in

1 Iowa any such course of instruction, by classroom instruction
2 or by correspondence, or soliciting in Iowa the sale of such
3 course, shall file with the ~~director-of-the-department-of~~
4 education secretary of state:

5 Sec. 31. Section 714.18, subsections 1 and 2, Code 2001,
6 are amended to read as follows:

7 1. A continuous corporate surety bond to the state of Iowa
8 in the sum of fifty thousand dollars conditioned for the
9 faithful performance of all contracts and agreements with
10 students made by such person, firm, association, or
11 corporation, or their salespersons; but the aggregate
12 liability of the surety for all breaches of the conditions of
13 the bond shall not exceed the sum of the bond. The surety on
14 the bond may cancel the bond upon giving thirty days' written
15 notice to the ~~director-of-the-department-of-education~~
16 secretary of state and thereafter shall be relieved of
17 liability for any breach of condition occurring after the
18 effective date of the cancellation.

19 2. A statement designating a resident agent for the
20 purpose of receiving service in civil actions. In the absence
21 of such designation, service may be had upon the ~~director-of~~
22 ~~the-department-of-education~~ secretary of state if service
23 cannot otherwise be made in this state.

24 Sec. 32. Section 714.18, subsection 4, Code 2001, is
25 amended to read as follows:

26 4. A school licensed under the provisions of section 157.8
27 or 158.7 shall file with the ~~director-of-the-department-of~~
28 education secretary of state:

29 a. A continuous corporate surety bond to the state of Iowa
30 in the sum of fifty thousand dollars or ten percent of the
31 total annual tuition collected, whichever is less, conditioned
32 for the faithful performance of all contracts and agreements
33 with students made by such school. A school desiring to file
34 a surety bond based on a percentage of annual tuition shall
35 provide to the ~~director-of-the-department-of-education~~

1 secretary of state, in the form prescribed by the director
 2 secretary, a notarized statement attesting to the total amount
 3 of tuition collected in the preceding twelve-month period.
 4 The director secretary shall determine the sufficiency of the
 5 statement and the amount of the bond. Tuition information
 6 submitted pursuant to this paragraph shall be kept
 7 confidential.

8 If the school has filed a performance bond with an agency
 9 of the United States government pursuant to federal law, the
 10 director-of-the-department-of-education secretary of state
 11 shall reduce the bond required by this paragraph by an amount
 12 equal to the amount of the federal bond.

13 The aggregate liability of the surety for all breaches of
 14 the conditions of the bond shall not exceed the sum of the
 15 bond. The surety on the bond may cancel the bond upon giving
 16 thirty days' written notice to the director-of-the-department
 17 of-education secretary of state and thereafter shall be
 18 relieved of liability for any breach of condition occurring
 19 after the effective date of the cancellation.

20 The director-of-the-department-of-education secretary of
 21 state may accept a letter of credit from a bank in lieu of the
 22 corporate surety bond required by this paragraph.

23 b. The statement required in subsection 2.

24 c. The materials required in subsection 3.

25 Sec. 33. Section 714.22, subsection 1, Code 2001, is
 26 amended to read as follows:

27 1. File a bond or a bond is filed on their behalf by a
 28 parent corporation with the director-of-the-department-of
 29 education secretary of state as required by section 714.18.

30 Sec. 34. Section 256.34, Code 2001, is repealed.

31 Sec. 35. FUTURE EFFECTIVE DATE. The section of this Act
 32 amending section 321.375, subsection 1, paragraph "d", Code
 33 2001, takes effect July 1, 2003.

34 EXPLANATION

35 This bill amends Code sections relating to the duties and

1 operation of the department of education. The bill amends the
2 following Code provisions as follows:

3 Code section 256.9, new subsection 51: Requires the
4 director of the department of education to utilize electronic
5 transfer of the funds whenever possible when disbursing,
6 transferring, or receiving funds.

7 Code section 256.11, subsection 10, unnumbered paragraph 3:
8 Strikes a requirement that the department visit all accredited
9 schools and school districts at least once every five years
10 and replaces it with a requirement that the department visit
11 the schools and school districts as needed.

12 Code section 256.10: Permits the director of the
13 department of education to employ professional staff for less
14 than 12 months, but requires the director to employ such staff
15 for at least nine months and to pay salaries comparable to
16 other professional staff, adjusted for the time worked. The
17 director must also provide comparable health and dental
18 insurance benefits for these staffers for 12 months each year.

19 Code section 256.11, subsection 13: Makes schools
20 appearing on the department's special accredited list of
21 college preparatory schools in effect on July 1, 2002,
22 eligible to receive state transportation, textbook, and
23 technology assistance as if the schools were accredited
24 nonpublic schools. Schools that are not accredited and do not
25 appear on the list effective July 1, 2002, are ineligible for
26 the state assistance.

27 Code section 256.34; Code section 455A.19, subsection 1,
28 unnumbered paragraph 1; and new Code section 455A.21: Repeal
29 and transfer language creating a conservation education
30 program board from a Code chapter administered by the
31 department of education to a Code chapter administered by the
32 department of natural resources.

33 Code section 257.11, subsection 2, paragraph "c",
34 subparagraph (2): Doubles the amount of time during which a
35 school district may begin receiving a whole grade sharing

1 incentive by providing that a school district that executes a
 2 whole grade sharing agreement beginning July 1, 2002, and
 3 adopts a resolution jointly with the other affected boards to
 4 study the question of undergoing a reorganization or
 5 dissolution to take effect on or before July 1, 2006, shall
 6 receive a weighting of 1/10 of the percentage of the pupil's
 7 school day during which the pupil attends classes in another
 8 district, attends classes taught by a teacher who is jointly
 9 employed under Code section 280.15, or attends classes taught
 10 by a teacher who is employed by another school district.
 11 Current Code provides for the incentive to begin for schools
 12 executing agreements beginning July 1, 2003.

13 Code section 257.42, unnumbered paragraph 3: Strikes a
 14 provision requiring the department to employ a consultant for
 15 gifted and talented children programs.

16 Code section 260C.14, subsection 1, and Code section
 17 260C.47, subsection 1, unnumbered paragraph 1: Makes the
 18 director of the department of education, rather than the state
 19 board of education, responsible for the approval of curriculum
 20 to be offered in a community college and for ensuring that all
 21 of the courses and programs are needed and that the curriculum
 22 does not duplicate programs provided by existing public or
 23 private facilities in the area. The director must also
 24 ascertain that the courses and programs are necessary and do
 25 not duplicate programs offered in the area by existing public
 26 and private facilities in the area.

27 Code section 260C.70: Transfers approval authority for
 28 community college 10-year building programs from the state
 29 board for community colleges to the director of the department
 30 of education.

31 Code section 260C.71, subsection 2: Replaces the state
 32 board for community colleges with the director of the
 33 department of education as an entity the Iowa finance
 34 authority must cooperate with in acting with community
 35 colleges to finance the building of dormitories.

1 Code section 282.18, subsection 3, unnumbered paragraph 2,
2 and Code section 282.18, subsections 4, 6, 14, and 18:
3 Eliminate from the open enrollment law provisions related to
4 the authority granted by the current Code to appeal the denial
5 of a request to open enroll to the state board of education.
6 The bill also strikes a requirement that the state board
7 exercise broad discretion in hearing such appeals to achieve
8 results that are in the best interests of children. Under the
9 bill, a board of directors' action can be appealed only to the
10 district court, and if the person appealing the decision
11 prevails, the school district must pay the costs and attorney
12 fees.

13 Code section 283A.2, subsection 2, paragraphs "a" through
14 "c": Strikes language that requires school districts to
15 provide a school breakfast program and strikes related
16 language requiring a school district that wishes to provide
17 school breakfasts at an alternative site to notify parents of
18 the intent to develop an alternative site plan and to certify
19 the plan to the department.

20 Code section 285.3: Provides for a specific reimbursement
21 rate of 13 percent to school districts for transportation of
22 accredited nonpublic school students by their parents or
23 guardians when transportation by school bus is impracticable
24 or unavailable. The bill requires parents and guardians to
25 submit a notice of nonpublic school attendance to the school
26 district not later than December 1 for the first semester
27 claim and May 1 for the second semester claim each year. The
28 bill specifies the information the notice must contain.
29 Currently, the amount determined for the payment of school
30 district claims to reimburse parents or guardians of nonpublic
31 school pupils for furnishing transportation is equal to \$80
32 plus 75 percent of the difference between \$80 and the previous
33 school year's statewide average per pupil transportation cost
34 multiplied by the total number of nonpublic school pupils for
35 which the parent or guardian furnishes transportation, except

1 that all elementary pupils and two members of a family who
2 attend a nonpublic high school shall be included in the total
3 number.

4 Code section 285.8: Establishes a fee for conducting
5 school bus inspections in accordance with subsection 4 and
6 issuing school bus driver authorizations in accordance with
7 Code section 321.376, which shall not exceed the budgeted cost
8 for conducting inspections and administering authorizations.

9 Code section 285.12: Includes changes considered
10 nonsubstantive and noncontroversial.

11 Code section 290.1: Amends current Code to permit only an
12 affected pupil, or the pupil's parent or guardian if the pupil
13 is a minor, to appeal the decision or order of the board of
14 directors of a school corporation to the state board of
15 education. Currently, any person aggrieved by a decision or
16 order of the board of directors of a school corporation can
17 appeal the decision or order to the state board.

18 Code section 297.7, subsection 1: Eliminates a provision
19 requiring a school board to send a copy of school building
20 construction plans to the building consultant in the
21 department of education for review and which also requires the
22 building consultant to return the plans with any
23 recommendations within 30 days.

24 Code section 321.178, subsection 1: Transfers the
25 responsibilities for programming an approved driver education
26 course from the department of education to the department of
27 transportation.

28 Code section 321.375, subsection 1, paragraph "d":
29 Replaces a requirement that a school bus driver have an annual
30 physical exam and meet established physical fitness
31 requirements with a requirement that the school bus driver
32 possess a current certificate of qualification for operation
33 of a commercial motor vehicle issued by a person authorized
34 under federal and state law to perform physical examinations.
35 This provision takes effect July 1, 2003.

1 Code section 321.375, subsection 2, paragraph "c", and Code
 2 section 321.376: Replace language relating to a school bus
 3 driver's permit to an authorization to operate a school bus.
 4 The bill strikes language authorizing the department to charge
 5 a fee for a permit, but transfers similar language to Code
 6 chapter 285. The bill also strikes language requiring the
 7 department of education to submit an annual budget request in
 8 the amount of the fees collected for the issuance of permits,
 9 with the funds designated for establishing and conducting
 10 school bus driver instruction programs.

11 Code section 321J.22, subsection 2, paragraph "d": Permits
 12 the department of education to establish reasonable fees for
 13 administrative expenses incurred in collecting, maintaining,
 14 and forwarding to the court drinking driver course-related
 15 data as required by the Code.

16 Code sections 714.18 and 714.22: Transfer duties, from the
 17 director of the department of education to the secretary of
 18 state, relating to examining and monitoring the financial
 19 stability of every person, firm, association, or corporation
 20 maintaining or conducting in Iowa any course of classroom or
 21 correspondence instruction, or soliciting in Iowa the sale of
 22 such a course, including maintaining on file a continuous
 23 corporate surety bond to the state of Iowa in the sum of
 24 \$50,000 conditioned for the faithful performance of all
 25 contracts and agreements with students made by such person,
 26 firm, association, or corporation, or their salespersons.

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FEB 25 2002
Place On Calendar

REPRINTED

HOUSE FILE 2515
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 689)

Passed House, Date ^(p.789) 3-13-02 Passed Senate, Date ^(p.1134) 4-11-02
Vote: Ayes 95 Nays 0 Vote: Ayes 48 Nays 0
Approved April 30, 2002

(p.1408) *Re-passed 4-11-02*
Vote 93-0

A BILL FOR

1 An Act relating to the duties and operation of the department of
2 education and providing an effective date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HF 2515

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1 Section 1. Section 256.9, Code Supplement 2001, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 51. Disburse, transfer, or receive funds
4 as authorized or required under federal or state law or
5 regulation in a manner that utilizes electronic transfer of
6 the funds whenever possible.

7 Sec. 2. Section 256.10, Code 2001, is amended to read as
8 follows:

9 256.10 EMPLOYMENT OF PROFESSIONAL STAFF.

10 1. The salary of the director shall be fixed by the
11 governor within a range established by the general assembly.

12 2. Appointments to the professional staff of the
13 department shall be without reference to political party
14 affiliation, religious affiliation, sex, or marital status,
15 but shall be based solely upon fitness, ability, and proper
16 qualifications for the particular position. The professional
17 staff shall serve at the discretion of the director. A member
18 of the professional staff shall not be dismissed for cause
19 without appropriate due process procedures including a
20 hearing.

21 3. The director may employ full-time professional staff
22 for less than twelve months each year, but such staff shall be
23 employed by the director for at least nine months of each
24 year. Salaries for full-time professional staff employed as
25 provided in this subsection shall be comparable to other
26 professional staff, adjusting for time worked. Salaries for
27 professional staff employed for periods of less than twelve
28 months shall be paid during each month of the year in which
29 they are employed on the same schedule as full-time permanent
30 professional staff. The director shall provide for and the
31 department shall pay for health and dental insurance benefits
32 for twelve months each year for the full-time professional
33 staff employed as provided in this subsection, and the health
34 and dental insurance benefits provided shall be comparable to
35 the benefits provided to all other professional staff employed

1 by the director.

2 Sec. 3. Section 256.11, subsection 10, unnumbered
3 paragraph 3, Code Supplement 2001, is amended to read as
4 follows:

5 The department shall conduct site visits to schools and
6 school districts to address accreditation issues identified in
7 the desk audit. Such a visit may be conducted by an
8 individual departmental consultant or may be a comprehensive
9 site visit by a team of departmental consultants and other
10 educational professionals. The purpose of a comprehensive
11 site visit is to determine that a district is in compliance
12 with minimum standards and to provide a general assessment of
13 educational practices in a school or school district and make
14 recommendations with regard to the visit findings for the
15 purposes of improving educational practices above the level of
16 minimum compliance. The department shall establish a long-
17 term schedule of site visits that includes visits of all
18 accredited schools and school districts ~~at-least-once-every~~
19 five-years as needed.

20 Sec. 4. Section 256.11, subsection 13, Code Supplement
21 2001, is amended by adding the following new paragraph:

22 NEW PARAGRAPH. d. Schools appearing on the special
23 accredited list of college preparatory schools, prepared by
24 the department in accordance with this subsection, which is in
25 effect on July 1, 2002, shall be considered an accredited
26 nonpublic school for purposes of receiving state assistance in
27 accordance with chapters 285 and 301 and moneys from any
28 appropriation made by the general assembly for purposes of
29 providing technology to school districts and accredited
30 nonpublic school students. Schools not appearing on the list
31 on July 1, 2002, are ineligible for state assistance under
32 chapters 285 and 301 or state assistance for technology.

33 Sec. 5. Section 257.11, subsection 2, paragraph c,
34 subparagraph (2), Code Supplement 2001, is amended to read as
35 follows:

1 (2) A school district which was not participating in a
2 whole grade sharing arrangement during the budget year
3 beginning July 1, ~~2001~~ 2000, which executes a whole grade
4 sharing agreement pursuant to sections 282.10 through 282.12
5 for the budget year beginning July 1, 2002, or July 1, 2003,
6 and which adopts a resolution jointly with the other affected
7 boards to study the question of undergoing a reorganization or
8 dissolution to take effect on or before July 1, 2006, shall
9 receive a weighting of one-tenth of the percentage of the
10 pupil's school day during which the pupil attends classes in
11 another district, attends classes taught by a teacher who is
12 jointly employed under section 280.15, or attends classes
13 taught by a teacher who is employed by another school
14 district. A district shall be eligible for supplementary
15 weighting pursuant to this subparagraph for a maximum of three
16 years. Receipt of supplementary weighting for a second and
17 third year shall be conditioned upon submission of information
18 resulting from the study to the school budget review committee
19 indicating progress toward the objective of reorganization on
20 or before July 1, 2006.

21 Sec. 6. Section 257.42, unnumbered paragraph 3, Code 2001,
22 is amended by striking the unnumbered paragraph.

23 Sec. 7. Section 260C.14, subsection 1, Code Supplement
24 2001, is amended to read as follows:

25 1. Determine the curriculum to be offered in such school
26 or college subject to approval of the ~~state-board~~ director and
27 ensure that all vocational offerings are competency-based,
28 provide any minimum competencies required by the department of
29 education, comply with any applicable requirements in chapter
30 258, and are articulated with local school district vocational
31 education programs. If an existing private educational or
32 vocational institution within the merged area has facilities
33 and curriculum of adequate size and quality which would
34 duplicate the functions of the area school, the board of
35 directors shall discuss with the institution the possibility

1 of entering into contracts to have the existing institution
2 offer facilities and curriculum to students of the merged
3 area. The board of directors shall consider any proposals
4 submitted by the private institution for providing such
5 facilities and curriculum. The board of directors may enter
6 into such contracts. In approving curriculum, the ~~state-board~~
7 director shall ascertain that all courses and programs
8 submitted for approval are needed and that the curriculum
9 being offered by an area school does not duplicate programs
10 provided by existing public or private facilities in the area.
11 In determining whether duplication would actually exist, the
12 state board shall consider the needs of the area and consider
13 whether the proposed programs are competitive as to size,
14 quality, tuition, purposes, and area coverage with existing
15 public and private educational or vocational institutions
16 within the merged area. If the board of directors of the
17 merged area chooses not to enter into contracts with private
18 institutions under this subsection, the board shall submit a
19 list of reasons why contracts to avoid duplication were not
20 entered into and an economic impact statement relating to the
21 board's decision.

22 Sec. 8. Section 260C.70, Code 2001, is amended to read as
23 follows:

24 260C.70 TEN-YEAR PROGRAM AND TWO-YEAR BONDING ESTIMATE
25 SUBMITTED EACH YEAR.

26 The board of directors of each community college shall
27 prepare and submit to the general assembly, the governor, and
28 the department of education a proposed ten-year building
29 program for each institution under the board's control,
30 including an estimate of the maximum amount of bonds which the
31 board expects to issue under the provisions of this chapter
32 during each year of the ensuing biennium. The program and
33 estimate shall be submitted no later than seven days after the
34 convening of each regular annual session of the general
35 assembly. Before a board of directors can proceed with a

1 project in the building program, the project must be approved
2 by the ~~state-board-for-community-colleges~~ director of the
3 department of education, and be a project designed for special
4 programs, special needs of special students, and to meet needs
5 for which privately owned housing is not available. The
6 building program shall contain a list of the buildings and
7 facilities which are designed to meet the special needs of
8 students attending special programs. The list shall be
9 revised annually, but no project shall be eliminated from the
10 list when bonds have previously been issued by the board to
11 pay the cost of the project. Each list shall contain an
12 estimate of the cost of each of the buildings and facilities
13 referred to on the list.

14 Sec. 9. Section 260C.71, subsection 2, Code 2001, is
15 amended to read as follows:

16 2. The authority shall cooperate with the ~~state-board-for~~
17 ~~community-colleges~~ director of the department of education,
18 individual community colleges, and private developers, acting
19 in conjunction with a community college to build housing
20 facilities in connection with the community college, in the
21 creation, administration, and funding of a community college
22 dormitory bond program to finance housing facilities, such as
23 dormitories, in connection with a community college.

24 Sec. 10. Section 282.18, subsection 3, unnumbered
25 paragraph 2, Code 2001, is amended to read as follows:

26 A parent or guardian, whose request has been denied because
27 of a desegregation order or plan, may appeal the decision of
28 the superintendent to the board of the district in which the
29 request was denied. The board may either uphold or overturn
30 the superintendent's decision. A decision of the board to
31 uphold the denial of the request ~~is-subject-to-appeal-under~~
32 section-290-1 may be appealed to the district court of the
33 county in which the administrative office of the school
34 district which denied the request is located.

35 Sec. 11. Section 282.18, subsection 4, Code 2001, is

1 amended by striking the subsection.

2 Sec. 12. Section 282.18, subsection 6, Code 2001, is
3 amended to read as follows:

4 6. A request under this section is for a period of not
5 less than one year. If the request is for more than one year
6 and the parent or guardian desires to have the pupil enroll in
7 a different district, the parent or guardian may petition the
8 current receiving district by January 1 of the previous school
9 year for permission to enroll the pupil in a different
10 district for a period of not less than one year. Upon receipt
11 of such a request, the current receiving district board may
12 act on the request to transfer to the other school district at
13 the next regularly scheduled board meeting after the receipt
14 of the request. The new receiving district shall enroll the
15 pupil in a school in the district unless there is insufficient
16 classroom space in the district or unless enrollment of the
17 pupil would adversely affect the court-ordered or voluntary
18 desegregation plan of the district. A denial of a request to
19 change district enrollment within the approved period is
20 subject to appeal ~~under section 290-1~~ to the district court of
21 the county in which the administrative office of the school
22 district which denied the request is located. However, a
23 pupil who has been in attendance in another district under
24 this section may return to the district of residence and
25 enroll at any time, once the parent or guardian has notified
26 the district of residence and the receiving district in
27 writing of the decision to enroll the pupil in the district of
28 residence.

29 Sec. 13. Section 282.18, subsection 14, Code 2001, is
30 amended to read as follows:

31 14. If a pupil, for whom a request to transfer has been
32 filed with a district, has been suspended or expelled in the
33 district, the pupil shall not be permitted to transfer until
34 the pupil has been reinstated in the sending district. Once
35 the pupil has been reinstated, however, the pupil shall be

1 permitted to transfer in the same manner as if the pupil had
2 not been suspended or expelled by the sending district. If a
3 pupil, for whom a request to transfer has been filed with a
4 district, is expelled in the district, the pupil shall be
5 permitted to transfer to a receiving district under this
6 section if the pupil applies for and is reinstated in the
7 sending district. However, if the pupil applies for
8 reinstatement but is not reinstated in the sending district,
9 the receiving district may deny the request to transfer. The
10 parent or guardian of the pupil shall be permitted to appeal
11 the decision of the receiving district to the ~~director-of-the~~
12 ~~department-of-education.--if-the-director-rules-in-favor-of~~
13 ~~permitting-the-transfer,-the-pupil-shall-be-permitted-to~~
14 ~~transfer,-but-the-transfer-shall-be-conditioned-upon-the~~
15 ~~expiration-of-the-expulsion-period-without-the-pupil-incurring~~
16 ~~a-new-violation~~ district court of the county in which the
17 administrative office of the receiving district is located.

18 Sec. 14. Section 282.18, subsection 18, Code 2001, is
19 amended by striking the subsection and inserting in lieu
20 thereof the following:

21 18. If a board decision is appealed to district court in
22 accordance with this section, the person appealing the board's
23 decision shall be allowed costs and reasonable attorney fees
24 as determined by the court if the person prevails in the
25 action.

26 Sec. 15. Section 283A.2, subsection 2, paragraph a, Code
27 2001, is amended to read as follows:

28 a. A school district shall operate or provide for the
29 operation of ~~school-breakfast-and~~ lunch programs at all
30 attendance centers in the district. ~~However,-with-the~~
31 ~~approval-of-the-department-of-education-as-provided-in~~
32 paragraph-"b"-a A school district may operate or provide for
33 the operation of school breakfast programs at all attendance
34 centers in the district, or provide access to a school
35 breakfast program at an alternative site to students who wish

1 to participate in a school breakfast program. The programs
2 shall provide students with nutritionally adequate meals and
3 shall be operated in compliance with the rules of the state
4 board of education and pertinent federal law and regulation⁷.
5 The school lunch program shall be provided for all students in
6 each district who attend public school four or more hours each
7 school day and wish to participate in a school ~~breakfast-or~~
8 lunch program. School districts may provide school breakfast
9 and lunch programs for other students.

10 Sec. 16. Section 283A.2, subsection 2, paragraphs b and c,
11 Code 2001, are amended by striking the paragraphs.

12 Sec. 17. Section 285.3, Code 2001, is amended by striking
13 the section and inserting in lieu thereof the following:

14 285.3 PARENTAL REIMBURSEMENT FOR NONPUBLIC SCHOOL PUPIL
15 TRANSPORTATION.

16 1. A parent or legal guardian of a student attending an
17 accredited nonpublic school, who furnishes transportation for
18 the student pursuant to section 285.1, subsection 17,
19 paragraph "c", and who meets the requirements of subsection 2
20 of this section, is entitled to reimbursement equal to an
21 amount calculated under the provisions of section 285.1,
22 subsection 3. In addition, a parent or guardian who
23 transports one or more family members more than four miles to
24 their nonpublic school of attendance shall be entitled to one
25 supplemental mileage payment per family, per claim period,
26 equal to thirteen percent of the parental reimbursement for
27 the claim period rounded to the nearest whole dollar.

28 2. To qualify for parental reimbursement under subsection
29 1, a parent or guardian of a student attending an accredited
30 nonpublic school who furnishes transportation for the student
31 in accordance with this section, shall submit a notice of
32 nonpublic school attendance to the resident public school
33 district, notifying the district that the student is enrolled
34 in and will attend an accredited nonpublic school during the
35 period for which parental reimbursement is being requested.

1 The notice shall be filed with the resident public school
2 district not later than December 1 for the first semester
3 claim and May 1 for the second semester claim each year. The
4 notice shall include the parent's name and address, the name,
5 age, and grade level of the student, and the name of the
6 nonpublic school and its location. The resident public school
7 district shall submit claims for reimbursement to the
8 department of education on behalf of the parent or guardian if
9 the parent or guardian meets the requirements of this section.

10 Sec. 18. Section 285.8, Code 2001, is amended by adding
11 the following new subsection:

12 NEW SUBSECTION. 9. Establish a fee for conducting school
13 bus inspections in accordance with subsection 4 and issuing
14 school bus driver authorizations in accordance with section
15 321.376, which shall not exceed the budgeted cost for
16 conducting inspections and administering authorizations.

17 Sec. 19. Section 285.12, Code 2001, is amended to read as
18 follows:

19 285.12 DISPUTES -- HEARINGS AND APPEALS.

20 In the event of a disagreement between a school patron and
21 the board of the school district, the patron if dissatisfied
22 with the decision of the district board, may appeal ~~the-same~~
23 to the area education agency board, notifying the secretary of
24 the district in writing within ten days of the decision of the
25 board and by filing an affidavit of appeal with the agency
26 board within the ten-day period. The affidavit of appeal
27 shall include the reasons for the appeal and points at issue.
28 The secretary of the local board on receiving notice of appeal
29 shall certify all papers to the agency board which shall hear
30 the appeal within ten days of the receipt of the papers and
31 decide it within three days of the conclusion of the hearing
32 and shall immediately notify all parties of its decision.
33 Either party may appeal the decision of the agency board to
34 the director of the department of education by notifying the
35 opposite party and the agency administrator in writing within

1 five days after receipt of notice of the decision of the
2 agency board and by filing with the director of the department
3 of education an affidavit of appeal, reasons for appeal, and
4 the facts involved in the disagreement within five days after
5 receipt of notice of the decision of the agency board. The
6 agency administrator shall, within ten days of said receipt of
7 the notice, file with the director all records and papers
8 pertaining to the case, including action of the agency board.
9 The director shall hear the appeal within fifteen days of the
10 filing of the records in the director's office, notifying all
11 parties and the agency administrator of the date and time of
12 hearing. The director shall ~~forthwith-decide-the-same-and~~
13 notify all parties of the decision and return all papers with
14 a copy of the decision to the agency administrator. The
15 decision of the director shall be subject to judicial review
16 in accordance with ~~the-terms-of-the-Iowa-administrative~~
17 ~~procedure-Act~~ chapter 17A. Pending final order made by the
18 director, upon any appeal prosecuted to such director, the
19 order of the agency board from which the appeal is taken shall
20 be operative and be in full force and effect.

21 Sec. 20. Section 290.1, Code 2001, is amended to read as
22 follows:

23 290.1 APPEAL TO STATE BOARD.

24 A-person An affected pupil, or the parent or guardian of an
25 affected pupil who is a minor, who is aggrieved by a decision
26 or order of the board of directors of a school corporation in
27 a matter of law or fact, ~~or-a-decision-or-order-of-a-board-of~~
28 ~~directors-under-section-282-18~~ may, within thirty days after
29 the rendition of the decision or the making of the order,
30 appeal the decision or order to the state board of education;
31 the basis of the proceedings shall be an affidavit filed with
32 the state board by the party aggrieved within the time for
33 taking the appeal, which affidavit shall set forth any error
34 complained of in a plain and concise manner.

35 ~~For-purposes-of-section-282-11, a-"person-aggrieved"-or~~

1 "~~party-aggrieved~~" means the "~~parent or guardian of an affected~~
2 ~~pupil~~";

3 Sec. 21. Section 297.7, subsection 1, Code 2001, is
4 amended to read as follows:

5 1. Sections 73A.2 and 73A.18 are applicable to the
6 construction and repair of school buildings. Before
7 ~~construction of a school building for which the cost of~~
8 ~~construction exceeds twenty-five thousand dollars, the board~~
9 ~~of directors of a school district shall send a copy of the~~
10 ~~plans to the building consultant in the department of~~
11 ~~education for review. The board of directors may submit for~~
12 ~~review a copy of the plans for repair or renovation of a~~
13 ~~school building. The building consultant shall return the~~
14 ~~plans together with any recommendations to the board of~~
15 ~~directors within thirty days following the receipt of the~~
16 ~~plans.~~

17 Sec. 22. Section 321.178, subsection 1, unnumbered
18 paragraph 1, Code Supplement 2001, is amended to read as
19 follows:

20 An approved driver education course as programmed by the
21 department of education shall consist of at least thirty clock
22 hours of classroom instruction, of which no more than one
23 hundred eighty minutes shall be provided to a student in a
24 single day, and six or more clock hours of laboratory
25 instruction of which at least three clock hours shall consist
26 of street or highway driving. Classroom instruction shall
27 include all of the following:

28 Sec. 23. Section 321.178, subsection 1, unnumbered
29 paragraphs 3, 4, and 5, Code Supplement 2001, are amended to
30 read as follows:

31 Every public school district in Iowa shall offer or make
32 available to all students residing in the school district or
33 Iowa students attending a nonpublic school in the district an
34 approved course in driver education. The courses may be
35 offered at sites other than at the public school, including

1 nonpublic school facilities within the public school
2 districts. An approved course offered during the summer
3 months, on Saturdays, after regular school hours during the
4 regular terms or partly in one term or summer vacation period
5 and partly in the succeeding term or summer vacation period,
6 as the case may be, shall satisfy the requirements of this
7 section to the same extent as an approved course offered
8 during the regular school hours of the school term. A student
9 who successfully completes and obtains certification in an
10 approved course in driver education or an approved course in
11 motorcycle education may, upon proof of such fact, be excused
12 from any field test which the student would otherwise be
13 required to take in demonstrating the student's ability to
14 operate a motor vehicle. A student shall not be excused from
15 any field test if a parent, guardian, or instructor requests
16 that a test be administered. Street or highway driving
17 instruction may be provided by a person qualified as a
18 classroom driver education instructor or a person certified by
19 the department ~~of-transportation~~ and authorized by the board
20 of educational examiners. A person shall not be required to
21 hold a current Iowa teacher or administrator license at the
22 elementary or secondary level or to have satisfied the
23 educational requirements for an Iowa teacher license at the
24 elementary or secondary level in order to be certified by the
25 department ~~of-transportation~~ or authorized by the board of
26 educational examiners to provide street or highway driving
27 instruction. A final field test prior to a student's
28 completion of an approved course shall be administered by a
29 person qualified as a classroom driver education instructor.
30 The department ~~of-transportation~~ shall adopt rules pursuant to
31 chapter 17A to provide for certification of persons qualified
32 to provide street or highway driving instruction. The board
33 of educational examiners shall adopt rules pursuant to chapter
34 17A to provide for authorization of persons certified by the
35 department ~~of-transportation~~ to provide street or highway

1 driving instruction.

2 "Student", for purposes of this section, means a person
3 between the ages of fourteen years and twenty-one years who
4 ~~resides in the public school district and who~~ satisfies the
5 preliminary licensing requirements of the department of
6 transportation.

7 Any person who successfully completes an approved driver
8 education course at a private or commercial driver education
9 school licensed by the department of transportation, shall
10 likewise be eligible for a driver's license as provided in
11 section 321.180B or 321.194.

12 Sec. 24. Section 321.375, subsection 1, paragraph d, Code
13 2001, is amended by striking the paragraph and inserting in
14 lieu thereof the following:

15 d. Possess a current certificate of qualification for
16 operation of a commercial motor vehicle issued by a physician
17 licensed pursuant to chapter 148 or 150A, physician's
18 assistant, advanced registered nurse practitioner, or
19 chiropractor or any other person identified by federal and
20 state law as authorized to perform physical examinations.

21 Sec. 25. Section 321.375, subsection 2, paragraph c, Code
22 2001, is amended to read as follows:

23 c. Fraud in the procurement or renewal of a school bus
24 driver's permit authorization to operate a school bus.

25 Sec. 26. Section 321.376, Code 2001, is amended to read as
26 follows:

27 321.376 LICENSE -- PERMIT AUTHORIZATION -- INSTRUCTION
28 REQUIREMENT.

29 1. The driver of a school bus shall hold a driver's
30 license issued by the department of transportation valid for
31 the operation of the school bus and ~~shall hold a school bus
32 driver's permit issued by the department of education when
33 transporting student or adult passengers to or from school
34 activities. -- The department of education shall charge a fee
35 for the issuance of a school bus driver's permit in the amount~~

1 ~~of five dollars, which shall be deposited in the general fund~~
2 ~~of the state~~ a certificate of qualification for operation of a
3 commercial motor vehicle issued by a physician licensed
4 pursuant to chapter 148 or 150A, physician's assistant,
5 advanced registered nurse practitioner, or chiropractor or any
6 other person identified by federal and state law as authorized
7 to perform physical examinations, and shall successfully
8 complete an approved course of instruction in accordance with
9 subsection 2. A person holding a temporary restricted license
10 issued under chapter 321J shall be prohibited from operating a
11 school bus. The department of education shall revoke or
12 refuse to issue ~~a permit~~ an authorization to operate a school
13 bus to any person who, after notice and opportunity for
14 hearing, is determined to have committed any of the acts
15 proscribed under section 321.375, subsection 2. The
16 department of education shall recommend, and the state board
17 of education shall adopt under chapter 17A, rules and
18 ~~procedures for the revocation and issuance of permits to~~
19 ~~persons~~ issuing and revoking authorization to operate a school
20 bus in this state. Rules and procedures adopted shall
21 include, but are not limited to, provisions for the revocation
22 of, or refusal to issue, ~~permits~~ authorization to persons who
23 are determined to have committed any of the acts proscribed
24 under section 321.375, subsection 2.

25 2. A person applying for employment or employed as a
26 school bus driver shall successfully complete a department of
27 education approved course of instruction for school bus
28 drivers before or within the first six months of employment
29 and at least every twenty-four months thereafter. If an
30 employee fails to provide an employer with a certificate of
31 completion of the required school bus driver's course, the
32 driver's employer shall report the failure to the department
33 of education and the employee's authorization to operate a
34 ~~school bus driver's permit~~ shall be revoked. The department
35 of education shall send notice of the revocation ~~of the~~

1 employee's-permit to both the employee and the employer. A
2 person whose school bus driver's-permit authorization has been
3 revoked under this section shall not be issued another school
4 bus-driver's-permit authorization until certification of the
5 completion of an approved school bus driver's course is
6 received by the department of education.

7 ~~3.--The-department-of-education-shall-submit-an-annual
8 budget-request, separately from the department's-annual
9 operating-budget-request, in-an-amount-not-to-exceed-the
10 amount-collected-by-the-department-for-the-issuance-of-annual
11 school-bus-driver-permits.--Funds-requested-shall-be
12 designated-for-purposes-of-establishing-and-conducting
13 approved-courses-of-instruction-for-school-bus-drivers-and-for
14 school-bus-passenger-safety-programs.--The-department-shall
15 recommend-rules-for-adoption-by-the-state-board-of-education
16 relating-to-the-assessment-and-collection-of-funds-from-the
17 school-bus-driver-fee-and-relating-to-distribution-of-funds
18 for-approved-courses-of-instruction.~~

19 Sec. 27. Section 321J.22, subsection 2, paragraph d, Code
20 2001, is amended to read as follows:

21 d. The department of education shall establish reasonable
22 fees to defray the expense of obtaining classroom space,
23 instructor salaries, and class materials for courses offered
24 both by community colleges and by substance abuse treatment
25 programs licensed under chapter 125, and for administrative
26 expenses incurred by the department in implementing subsection
27 5.

28 Sec. 28. Section 455A.19, subsection 1, unnumbered
29 paragraph 1, Code Supplement 2001, is amended to read as
30 follows:

31 Upon receipt of any revenue, the director shall deposit the
32 moneys in the Iowa resources enhancement and protection fund
33 created pursuant to section 455A.18. The first three hundred
34 fifty thousand dollars of the funds received for deposit in
35 the fund annually shall be allocated to the conservation

1 education program board for the purposes specified in section
2 256-34 455A.21. One percent of the revenue receipts shall be
3 deducted and transferred to the administration fund provided
4 for in section 456A.17. All of the remaining receipts shall
5 be allocated to the following accounts:

6 Sec. 29. NEW SECTION. 455A.21 CONSERVATION EDUCATION
7 PROGRAM BOARD.

8 1. A conservation education program board is created in
9 the department. The board shall have five members appointed
10 as follows:

11 a. One member appointed by the director of the department
12 of education.

13 b. One member appointed by the director of the department
14 of natural resources.

15 c. One member appointed by the president of the Iowa
16 association of county conservation boards.

17 d. One member appointed by the president of the Iowa
18 association of naturalists.

19 e. One member appointed by the president of the Iowa
20 conservation education council.

21 2. Section 69.16 does not apply to appointments made
22 pursuant to this section.

23 3. The duties of the board are to revise and produce
24 conservation education materials and to specify stipends to
25 Iowa educators who participate in innovative conservation
26 education programs approved by the board. The board shall
27 allocate the funds provided for under section 455A.19,
28 subsection 1, for the educational materials and stipends.

29 4. The department shall administer the funds allocated to
30 the conservation education program as provided in this
31 section.

32 Sec. 30. Section 714.18, unnumbered paragraph 1, Code
33 2001, is amended to read as follows:

34 Except as otherwise provided in subsection 4, every person,
35 firm, association, or corporation maintaining or conducting in

1 Iowa any such course of instruction, by classroom instruction
2 or by correspondence, or soliciting in Iowa the sale of such
3 course, shall file with the ~~director-of-the-department-of~~
4 education secretary of state:

5 Sec. 31. Section 714.18, subsections 1 and 2, Code 2001,
6 are amended to read as follows:

7 1. A continuous corporate surety bond to the state of Iowa
8 in the sum of fifty thousand dollars conditioned for the
9 faithful performance of all contracts and agreements with
10 students made by such person, firm, association, or
11 corporation, or their salespersons; but the aggregate
12 liability of the surety for all breaches of the conditions of
13 the bond shall not exceed the sum of the bond. The surety on
14 the bond may cancel the bond upon giving thirty days' written
15 notice to the ~~director-of-the-department-of-education~~
16 secretary of state and thereafter shall be relieved of
17 liability for any breach of condition occurring after the
18 effective date of the cancellation.

19 2. A statement designating a resident agent for the
20 purpose of receiving service in civil actions. In the absence
21 of such designation, service may be had upon the ~~director-of~~
22 ~~the-department-of-education~~ secretary of state if service
23 cannot otherwise be made in this state.

24 Sec. 32. Section 714.18, subsection 4, Code 2001, is
25 amended to read as follows:

26 4. A school licensed under the provisions of section 157.8
27 or 158.7 shall file with the ~~director-of-the-department-of~~
28 education secretary of state:

29 a. A continuous corporate surety bond to the state of Iowa
30 in the sum of fifty thousand dollars or ten percent of the
31 total annual tuition collected, whichever is less, conditioned
32 for the faithful performance of all contracts and agreements
33 with students made by such school. A school desiring to file
34 a surety bond based on a percentage of annual tuition shall
35 provide to the ~~director-of-the-department-of-education~~

1 secretary of state, in the form prescribed by the director
2 secretary, a notarized statement attesting to the total amount
3 of tuition collected in the preceding twelve-month period.
4 The director secretary shall determine the sufficiency of the
5 statement and the amount of the bond. Tuition information
6 submitted pursuant to this paragraph shall be kept
7 confidential.

8 If the school has filed a performance bond with an agency
9 of the United States government pursuant to federal law, the
10 ~~director-of-the-department-of-education~~ secretary of state
11 shall reduce the bond required by this paragraph by an amount
12 equal to the amount of the federal bond.

13 The aggregate liability of the surety for all breaches of
14 the conditions of the bond shall not exceed the sum of the
15 bond. The surety on the bond may cancel the bond upon giving
16 thirty days' written notice to the ~~director-of-the-department~~
17 ~~of-education~~ secretary of state and thereafter shall be
18 relieved of liability for any breach of condition occurring
19 after the effective date of the cancellation.

20 The ~~director-of-the-department-of-education~~ secretary of
21 state may accept a letter of credit from a bank in lieu of the
22 corporate surety bond required by this paragraph.

23 b. The statement required in subsection 2.

24 c. The materials required in subsection 3.

25 Sec. 33. Section 714.22, subsection 1, Code 2001, is
26 amended to read as follows:

27 1. File a bond or a bond is filed on their behalf by a
28 parent corporation with the ~~director-of-the-department-of~~
29 ~~education~~ secretary of state as required by section 714.18.

30 Sec. 34. Section 256.34, Code 2001, is repealed.

31 Sec. 35. FUTURE EFFECTIVE DATE. The section of this Act
32 amending section 321.375, subsection 1, paragraph "d", Code
33 2001, takes effect July 1, 2003.

34 EXPLANATION

35 This bill amends Code sections relating to the duties and

1 operation of the department of education. The bill amends the
2 following Code provisions as follows:

3 Code section 256.9, new subsection 51: Requires the
4 director of the department of education to utilize electronic
5 transfer of the funds whenever possible when disbursing,
6 transferring, or receiving funds.

7 Code section 256.10: Permits the director of the
8 department of education to employ professional staff for less
9 than 12 months, but requires the director to employ such staff
10 for at least nine months and to pay salaries comparable to
11 other professional staff, adjusted for the time worked. The
12 director must also provide comparable health and dental
13 insurance benefits for these staffers for 12 months each year.

14 Code section 256.11, subsection 10, unnumbered paragraph 3:
15 Strikes a requirement that the department visit all accredited
16 schools and school districts at least once every five years
17 and replaces it with a requirement that the department visit
18 the schools and school districts as needed.

19 Code section 256.11, subsection 13: Makes schools
20 appearing on the department's special accredited list of
21 college preparatory schools in effect on July 1, 2002,
22 eligible to receive state transportation, textbook, and
23 technology assistance as if the schools were accredited
24 nonpublic schools. Schools that are not accredited and do not
25 appear on the list effective July 1, 2002, are ineligible for
26 the state assistance.

27 Code section 256.34; Code section 455A.19, subsection 1,
28 unnumbered paragraph 1; and new Code section 455A.21: Repeal
29 and transfer language creating a conservation education
30 program board from a Code chapter administered by the
31 department of education to a Code chapter administered by the
32 department of natural resources.

33 Code section 257.11, subsection 2, paragraph "c",
34 subparagraph (2): Doubles the amount of time during which a
35 school district, that was not participating in a whole grade

1 sharing arrangement during the 2000-2001 budget year, may
2 begin receiving a whole grade sharing incentive by providing
3 that a school district that executes a whole grade sharing
4 agreement beginning July 1, 2002, and adopts a resolution
5 jointly with the other affected boards to study the question
6 of undergoing a reorganization or dissolution to take effect
7 on or before July 1, 2006, shall receive a weighting of 1/10
8 of the percentage of the pupil's school day during which the
9 pupil attends classes in another district, attends classes
10 taught by a teacher who is jointly employed under Code section
11 280.15, or attends classes taught by a teacher who is employed
12 by another school district. Current Code provides for the
13 incentive to begin for schools executing agreements beginning
14 July 1, 2003.

15 Code section 257.42, unnumbered paragraph 3: Strikes a
16 provision requiring the department to employ a consultant for
17 gifted and talented children programs.

18 Code section 260C.14, subsection 1, and Code section
19 260C.47, subsection 1, unnumbered paragraph 1: Makes the
20 director of the department of education, rather than the state
21 board of education, responsible for the approval of curriculum
22 to be offered in a community college and for ensuring that all
23 of the courses and programs are needed and that the curriculum
24 does not duplicate programs provided by existing public or
25 private facilities in the area. The director must also
26 ascertain that the courses and programs are necessary and do
27 not duplicate programs offered in the area by existing public
28 and private facilities in the area.

29 Code section 260C.70: Transfers approval authority for
30 community college 10-year building programs from the state
31 board for community colleges to the director of the department
32 of education.

33 Code section 260C.71, subsection 2: Replaces the state
34 board for community colleges with the director of the
35 department of education as an entity the Iowa finance

1 authority must cooperate with in acting with community
2 colleges to finance the building of dormitories.

3 Code section 282.18, subsection 3, unnumbered paragraph 2,
4 and Code section 282.18, subsections 4, 6, 14, and 18:

5 Eliminate from the open enrollment law provisions related to
6 the authority granted by the current Code to appeal the denial
7 of a request to open enroll to the state board of education.
8 The bill also strikes a requirement that the state board
9 exercise broad discretion in hearing such appeals to achieve
10 results that are in the best interests of children. Under the
11 bill, a board of directors' action can be appealed only to the
12 district court, and if the person appealing the decision
13 prevails, the school district must pay the costs and attorney
14 fees.

15 Code section 283A.2, subsection 2, paragraphs "a" through
16 "c": Strikes language that requires school districts to
17 provide a school breakfast program and strikes related
18 language requiring a school district that wishes to provide
19 school breakfasts at an alternative site to notify parents of
20 the intent to develop an alternative site plan and to certify
21 the plan to the department.

22 Code section 285.3: Provides for a specific reimbursement
23 rate of 13 percent to school districts for transportation of
24 accredited nonpublic school students by their parents or
25 guardians when transportation by school bus is impracticable
26 or unavailable. The bill requires parents and guardians to
27 submit a notice of nonpublic school attendance to the school
28 district not later than December 1 for the first semester
29 claim and May 1 for the second semester claim each year. The
30 bill specifies the information the notice must contain.
31 Currently, the amount determined for the payment of school
32 district claims to reimburse parents or guardians of nonpublic
33 school pupils for furnishing transportation is equal to \$80
34 plus 75 percent of the difference between \$80 and the previous
35 school year's statewide average per pupil transportation cost

1 multiplied by the total number of nonpublic school pupils for
2 which the parent or guardian furnishes transportation, except
3 that all elementary pupils and two members of a family who
4 attend a nonpublic high school shall be included in the total
5 number.

6 Code section 285.8: Establishes a fee for conducting
7 school bus inspections in accordance with subsection 4 and
8 issuing school bus driver authorizations in accordance with
9 Code section 321.376, which shall not exceed the budgeted cost
10 for conducting inspections and administering authorizations.

11 Code section 285.12: Includes changes considered
12 nonsubstantive and noncontroversial.

13 Code section 290.1: Amends current Code to permit only an
14 affected pupil, or the pupil's parent or guardian if the pupil
15 is a minor, to appeal the decision or order of the board of
16 directors of a school corporation to the state board of
17 education. Currently, any person aggrieved by a decision or
18 order of the board of directors of a school corporation can
19 appeal the decision or order to the state board.

20 Code section 297.7, subsection 1: Eliminates a provision
21 requiring a school board to send a copy of school building
22 construction plans to the building consultant in the
23 department of education for review and which also requires the
24 building consultant to return the plans with any
25 recommendations within 30 days.

26 Code section 321.178, subsection 1: Transfers the
27 responsibilities for programming an approved driver education
28 course from the department of education to the department of
29 transportation. The bill also strikes from the definition of
30 "student" language relating to a requirement that the student
31 reside in the school district, which is already required
32 elsewhere in the Code section.

33 Code section 321.375, subsection 1, paragraph "d":
34 Replaces a requirement that a school bus driver have an annual
35 physical exam and meet established physical fitness

1 requirements with a requirement that the school bus driver
2 possess a current certificate of qualification for operation
3 of a commercial motor vehicle issued by a person authorized
4 under federal and state law to perform physical examinations.
5 This provision takes effect July 1, 2003.

6 Code section 321.375, subsection 2, paragraph "c", and Code
7 section 321.376: Replace language relating to a school bus
8 driver's permit to an authorization to operate a school bus.
9 The bill strikes language authorizing the department to charge
10 a fee for a permit, but transfers similar language to Code
11 chapter 285. The bill also strikes language requiring the
12 department of education to submit an annual budget request in
13 the amount of the fees collected for the issuance of permits,
14 with the funds designated for establishing and conducting
15 school bus driver instruction programs.

16 Code section 321J.22, subsection 2, paragraph "d": Permits
17 the department of education to establish reasonable fees for
18 administrative expenses incurred in collecting, maintaining,
19 and forwarding to the court drinking driver course-related
20 data as required by the Code.

21 Code sections 714.18 and 714.22: Transfer duties, from the
22 director of the department of education to the secretary of
23 state, relating to examining and monitoring the financial
24 stability of every person, firm, association, or corporation
25 maintaining or conducting in Iowa any course of classroom or
26 correspondence instruction, or soliciting in Iowa the sale of
27 such a course, including maintaining on file a continuous
28 corporate surety bond to the state of Iowa in the sum of
29 \$50,000 conditioned for the faithful performance of all
30 contracts and agreements with students made by such person,
31 firm, association, or corporation, or their salespersons.

32
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HOUSE FILE 2515

H-8126

1 Amend House File 2515 as follows:

2 1. Page 11, line 16, by inserting after the word
3 "~~plans.~~" the following: "Moneys received from the
4 school district sales and use tax fund may be used for
5 the construction and repair of school buildings as
6 provided in chapter 297A.

7 Sec. ____ . NEW SECTION. 297A.1 SCHOOL DISTRICT
8 SALES AND USE TAX FUND.

9 1. A school district sales and use tax fund is
10 created as a separate and distinct fund in the state
11 treasury under the control of the department of
12 revenue and finance. Moneys in the fund include
13 revenues credited to the fund pursuant to section
14 422.69, subsection 2, and section 423.24, subsection
15 2A, appropriations made to the fund and other moneys
16 deposited into the fund. The moneys credited in a
17 fiscal year to the fund shall be distributed as
18 follows:

19 a. (1) A school district located in whole or in
20 part in a county that had in effect on March 31, 2002,
21 the local sales and services tax for school
22 infrastructure purposes under chapter 422E shall
23 receive an amount equal to its guaranteed school
24 infrastructure amount as calculated under subsection 2
25 if the board of directors notifies the director of
26 revenue and finance that the school district wants to
27 receive its guaranteed school infrastructure amount.
28 The notification shall be provided by July 1, 2002.
29 If notification is not received by July 1, 2002, the
30 school district shall receive moneys pursuant to
31 paragraph "b". Nothing in this chapter shall prevent
32 a school district from using its guaranteed school
33 infrastructure amount to pay principal and interest on
34 obligations issued pursuant to section 422E.4.

35 (2) A school district receiving moneys pursuant to
36 subparagraph (1) shall cease to receive its guaranteed
37 school infrastructure amount and shall receive moneys
38 pursuant to paragraph "b" starting with the fiscal
39 year immediately following the fiscal year in which
40 occurs the end of the original ten-year period or the
41 date listed on the original ballot proposition,
42 whichever is the earlier, as provided in chapter 422E.
43 A school district may adopt a plan, as provided in
44 section 297A.2, subsection 2, to anticipate moneys it
45 will receive pursuant to paragraph "b". A school
46 district receiving moneys pursuant to subparagraph (1)
47 may elect to receive moneys pursuant to paragraph "b"
48 by providing notification to receive moneys pursuant
49 to paragraph "b" to the director of revenue and
50 finance and the director of the department of

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1 management by February 15 preceding the fiscal year
2 for which the election will apply. Once a school
3 district makes this election it is irrevocable.

4 b. (1) Moneys remaining after computations made
5 pursuant to paragraph "a" shall be distributed to
6 school districts not receiving moneys under paragraph
7 "a" on a per student basis calculated by the director
8 of revenue and finance by dividing the moneys
9 available during the fiscal year by the combined
10 actual enrollment for all school districts receiving
11 distributions under this paragraph.

12 (2) The combined actual enrollment for school
13 districts, for purposes of subparagraph (1), shall be
14 calculated by adding together the actual enrollment
15 for each school district receiving distributions under
16 this paragraph as determined by the department of
17 management based on the actual enrollment figures
18 reported by October 1 to the department of management
19 by the department of education pursuant to section
20 257.6, subsection 1. The combined actual enrollment
21 count shall be forwarded to the director of revenue
22 and finance by March 1, annually, for purposes of
23 supplying estimated tax payment figures and making
24 estimated tax payments pursuant to subsection 3 for
25 the following fiscal year.

26 2. a. For purposes of distributions under
27 subsection 1, paragraph "a", the school district's
28 guaranteed school infrastructure amount shall be
29 calculated according to the following formula:

30 The district's guaranteed school infrastructure
31 amount equals the product of the county guaranteed
32 school infrastructure amount times the district's
33 county actual enrollment divided by the county
34 combined actual enrollment.

35 b. For purposes of the formula in paragraph "a":

36 (1) "Base year" means the fiscal year beginning
37 July 1, 2001.

38 (2) "Base year county taxable sales percentage"
39 means the percentage that the taxable sales in the
40 county during the base year is of the total state
41 taxable sales during the base year.

42 (3) "County combined actual enrollment" means the
43 actual enrollment figures determined by the department
44 of management for the county based on the actual
45 enrollment figures reported by October 1 to the
46 department of management by the department of
47 education pursuant to section 257.6, subsection 1.

48 (4) "County guaranteed school infrastructure
49 amount" means an amount equal to the product of the
50 county's chapter 422E proportionate share times the

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1 amount deposited in the school district sales and use
2 tax fund for the current year times the current year
3 county taxable sales percentage divided by the base
4 year county taxable sales percentage.

5 (5) "County's chapter 422E proportionate share"
6 means the percentage that the annualized revenues
7 received in the county under chapter 422E for the base
8 year is of one-fifth of the total state sales and use
9 tax revenues collected for deposit into the general
10 fund of the state for the base year.

11 (6) "Current year" means the fiscal year for which
12 distributions under this section are being made.

13 (7) "Current year county taxable sales percentage"
14 means the percentage that the taxable sales in the
15 county during the current fiscal year is of the total
16 state taxable sales during the current fiscal year.

17 (8) "District's county actual enrollment" means the
18 actual enrollment of the school district that attends
19 school in the county for which the county combined
20 actual enrollment is determined.

21 (9) "Taxable sales" means sales subject to the
22 state sales and services tax under chapter 422,
23 division IV.

24 3. a. The director of revenue and finance within
25 fifteen days of the beginning of each fiscal year
26 shall send to each school district an estimate of the
27 amount of tax moneys each school district will receive
28 for the year and for each quarter of the year. At the
29 end of each quarter, the director may revise the
30 estimates for the year and remaining quarters.

31 b. The director shall remit ninety-five percent of
32 the estimated tax receipts for the school district to
33 the school district on or before September 30 of the
34 fiscal year and on or before the last day of each
35 following quarter.

36 c. The director shall remit a final payment of the
37 remainder of tax moneys due for the fiscal year before
38 November 10 of the next fiscal year. If an
39 overpayment has resulted during the previous fiscal
40 year, the November payment shall be adjusted to
41 reflect any overpayment.

42 d. If the distributions are to school districts
43 described in subsection 1, paragraph "a", the payments
44 to these school districts shall be done on a monthly
45 basis beginning with the month of August.

46 4. Moneys received by a school district from the
47 fund may be applied by the school district for the
48 purposes of section 76.4.

49 Sec. ____ . NEW SECTION. 297A.2 USE OF SCHOOL
50 DISTRICT SALES AND USE TAX FUND MONEYS.

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1 1. A school district receiving moneys from the
2 school district sales and use tax fund under section
3 297A.1, subsection 1, paragraph "a", shall use the
4 moneys as provided on the original ballot proposition
5 pursuant to chapter 422E, for the payment of principal
6 and interest on general obligation bonds issued
7 pursuant to chapter 296, or section 298.20 or loan
8 agreements under section 297.36, for carrying on
9 public educational and recreational activities
10 pursuant to chapter 300, for payments made pursuant to
11 lease or lease-purchase agreements, or for payment of
12 principal and interest on bonds issued under sections
13 297A.3 and 422E.4.

14 2. a. Moneys received by a school district from
15 the school district sales and use tax fund under
16 section 297A.1, subsection 1, paragraph "b", shall be
17 spent for infrastructure purposes only according to a
18 plan developed by the board of directors. The plan
19 may apply to more than one fiscal year. Prior to
20 adoption of the plan, the board of directors shall
21 hold a public hearing on the question of approval of
22 the proposed plan. The board shall set forth its
23 proposal and shall publish the notice of the time and
24 place of a public hearing on the proposed plan.
25 Notice of the time and place of the public hearing
26 shall be published not less than ten nor more than
27 twenty days before the public hearing in a newspaper
28 which is a newspaper of general circulation in the
29 school district. At the hearing, or no later than
30 thirty days after the date of the hearing, the board
31 shall take action to adopt the proposed plan.

32 b. If the board adopts the plan, moneys received
33 shall be used according to the plan unless within
34 twenty-eight days following the action of the board,
35 the secretary of the board receives a petition
36 containing signatures of registered voters equal in
37 number to five percent of the voters in the school
38 district who voted at the last general election,
39 asking that an election be called to approve or
40 disapprove the action of the board. The board shall
41 either rescind its action or direct the county
42 commissioner of elections to submit the question to
43 the registered voters of the school district at the
44 next following regular school election or a special
45 election. If a majority of those voting on the
46 question at the election favors disapproval of the
47 action of the board, the district shall use the moneys
48 received as provided in paragraph "c" for the fiscal
49 year.

50 At the expiration of the twenty-eight day period,

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1 if no petition is filed, the board shall use the
2 moneys received according to the plan for the duration
3 of the plan. However, the board may, at anytime,
4 expend a greater share of moneys received for property
5 tax relief than otherwise specified in the plan.

6 c. If an election is held and the plan is
7 disapproved, as provided in paragraph "b", or if a
8 plan is not approved by the board, moneys received by
9 a school district shall be used for the fiscal year to
10 reduce the following levies in the following order:

11 (1) Bond levies under sections 298.18 and 298.18A
12 and other debt levies until the moneys received or the
13 levies are reduced to zero.

14 (2) The physical plant and equipment levy under
15 section 298.2, until the moneys received or the levy
16 is reduced to zero.

17 (3) The public educational and recreational
18 activities levy under section 300.2, until the moneys
19 received or the levy is reduced to zero.

20 (4) The schoolhouse tax levy under section 278.1,
21 subsection 7, Code 1989, until the moneys received or
22 the levy is reduced to zero.

23 Any money remaining after the reduction of the
24 levies specified in this paragraph "c" may be used for
25 any lawful infrastructure purpose of the school
26 district.

27 d. For purposes of this subsection,
28 "infrastructure purposes" means those purposes for
29 which a school district is authorized to contract
30 indebtedness and issue general obligation bonds under
31 chapter 296 or to expend tax revenues under section
32 298.3, the payment of principal and interest on
33 general obligation bonds issued under chapter 296 or
34 section 298.20 or loan agreements under section
35 297.36, for carrying on public educational and
36 recreational activities pursuant to chapter 300,
37 payments made pursuant to a lease or lease-purchase
38 agreement, or the payment of principal and interest on
39 bonds issued under section 297A.3 or 422E.4.

40 Sec. ____ . NEW SECTION. 297A.3 BONDING.

41 A school district may issue bonds as provided in
42 this section if it complies with all of the following
43 procedures:

44 1. A school district may institute proceedings for
45 the issuance of bonds by causing a notice of the
46 proposal to issue the bonds, including a statement of
47 the amount and purpose of the bonds, and the right of
48 voters to petition for an election, to be published at
49 least once in a newspaper of general circulation
50 within the school district at least ten days prior to

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1 the meeting at which it is proposed to take action for
2 the issuance of the bonds.

3 If at any time before the date fixed for taking
4 action for the issuance of the bonds, a petition is
5 filed signed by five percent of the registered voters
6 of the school district, asking that the question of
7 issuing the bonds be submitted to the registered
8 voters, the board of directors shall either by
9 resolution declare the proposal to issue the bonds to
10 be abandoned or shall direct the county commissioner
11 of elections to call a special election upon the
12 question of issuing the bonds. The proposition of
13 issuing bonds under this section is not approved
14 unless the vote in favor of the proposition is equal
15 to at least sixty percent of the vote cast. If a
16 petition is not filed, or if a petition is filed and
17 the proposition of issuing the bonds is approved at an
18 election, the board of directors may proceed with the
19 authorization and issuance of the bonds. Bonds may be
20 issued for the purpose of refunding outstanding and
21 previously issued bonds under this section without
22 otherwise complying with the provisions of this
23 section.

24 2. The provisions of chapter 76 apply to the bonds
25 payable as provided in this subsection, except that
26 the mandatory levy to be assessed pursuant to section
27 76.2 shall be at a rate to generate an amount which
28 together with the receipts from the pledged designated
29 portion of the school district's amount received from
30 the school district sales and use tax fund under
31 section 297A.1 is sufficient to pay the interest and
32 principal on the bonds. All amounts collected as a
33 result of the levy assessed pursuant to section 76.2
34 and paid out for bond principal and interest shall be
35 repaid to the school district from the first available
36 designated portion of the school district's amount
37 received from the school district sales and use tax
38 fund under section 297A.1 received in excess of the
39 requirement for the payment of the principal and
40 interest of the bonds and when repaid shall be applied
41 in reduction of property taxes. The amount of bonds
42 which may be issued under section 76.3 shall be the
43 amount which could be retired from the actual
44 collections of the designated portions of the school
45 district's amount received from the school district
46 sales and use tax fund under section 297A.1 for the
47 last four calendar quarters, as certified by the
48 director of revenue and finance. The amount of tax
49 revenues pledged jointly by other cities or counties
50 may be considered for the purpose of determining the

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1 amount of bonds which may be issued.

2 3. The provisions of this section constitute
3 separate authorization for the issuance of bonds and
4 shall prevail in the event of conflict with any other
5 provisions of state law limiting the amount of bonds
6 which may be issued or the source of payment of the
7 bonds. Bonds issued under this section shall not
8 limit or restrict the authority of the school district
9 to issue bonds under other provisions of state law.

10 Sec. ____ . NEW SECTION. 297A.4 REPEAL.

11 This chapter is repealed July 1, 2022, for fiscal
12 years beginning on or after that date.

13 Sec. ____ . Section 298.18, unnumbered paragraph 4,
14 Code Supplement 2001, is amended by striking the
15 unnumbered paragraph and inserting in lieu thereof the
16 following:

17 If the school corporation's amount received from
18 the school district sales and use tax fund under
19 section 297A.1 does not equal or exceed the amount
20 which would be produced by a levy of one dollar
21 thirty-five cents per thousand dollars of the assessed
22 value of the taxable property of the school
23 corporation, the amount estimated and certified to
24 apply on principal and interest for any one year may
25 exceed two dollars and seventy cents per thousand
26 dollars of assessed value by the amount approved by
27 the voters of the school corporation, but not
28 exceeding four dollars and five cents per thousand of
29 the assessed value of the taxable property within any
30 school corporation, provided that the qualified voters
31 of such school corporation have first approved such
32 increased amount at a special election, which may be
33 held at the same time as the regular school election,
34 and provided further that the school corporation's
35 amount received from the school district sales and use
36 tax fund under section 297A.1 shall be used to abate
37 an additional levy amount authorized after July 1,
38 2002. A levy approved prior to July 1, 2002, shall
39 continue to be authorized. The proposition submitted
40 to the voters at such special election shall be in
41 substantially the following form:

42 Sec. ____ . Section 298.18, unnumbered paragraph 5,
43 Code Supplement 2001, is amended to read as follows:

44 Shall the board of directors of the (insert
45 name of school corporation) in the County of,
46 State of Iowa, be authorized to levy annually a tax
47 exceeding two dollars and seventy cents per thousand
48 dollars, but not exceeding .. dollars and ... cents
49 per thousand dollars of the assessed value of the
50 taxable property within said school corporation to pay

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1 the principal of and interest on bonded indebtedness
2 of said school corporation, it being understood that
3 the approval of this proposition shall not limit the
4 source of payment of the bonds and interest but shall
5 only operate to restrict the amount of bonds which may
6 be issued and that the additional levy shall be
7 reduced and abated in any year by the amount of money
8 received from the school district sales and use tax
9 fund under section 297A.1?"

10 2. Page 15, by inserting after line 27 the
11 following:

12 "Sec. ____ . Section 422.43, subsections 1, 2, 4, 5,
13 6, 7, 10, and 12, Code Supplement 2001, are amended to
14 read as follows:

15 1. There is imposed a tax of five six percent upon
16 the gross receipts from all sales of tangible personal
17 property, consisting of goods, wares, or merchandise,
18 except as otherwise provided in this division, sold at
19 retail in the state to consumers or users; a like rate
20 of tax upon the gross receipts from the sales,
21 furnishing, or service of gas, electricity, water,
22 heat, pay television service, and communication
23 service, including the gross receipts from such sales
24 by any municipal corporation or joint water utility
25 furnishing gas, electricity, water, heat, pay
26 television service, and communication service to the
27 public in its proprietary capacity, except as
28 otherwise provided in this division, when sold at
29 retail in the state to consumers or users; a like rate
30 of tax upon the gross receipts from all sales of
31 tickets or admissions to places of amusement, fairs,
32 and athletic events except those of elementary and
33 secondary educational institutions; a like rate of tax
34 on the gross receipts from an entry fee or like charge
35 imposed solely for the privilege of participating in
36 an activity at a place of amusement, fair, or athletic
37 event unless the gross receipts from the sales of
38 tickets or admissions charges for observing the same
39 activity are taxable under this division; and a like
40 rate of tax upon that part of private club membership
41 fees or charges paid for the privilege of
42 participating in any athletic sports provided club
43 members.

44 2. There is imposed a tax of five six percent upon
45 the gross receipts derived from the operation of all
46 forms of amusement devices and games of skill, games
47 of chance, raffles, and bingo games as defined in
48 chapter 99B, operated or conducted within the state,
49 the tax to be collected from the operator in the same
50 manner as for the collection of taxes upon the gross

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1 receipts of tickets or admission as provided in this
2 section. The tax shall also be imposed upon the gross
3 receipts derived from the sale of lottery tickets or
4 shares pursuant to chapter 99E. The tax on the
5 lottery tickets or shares shall be included in the
6 sales price and distributed to the general fund as
7 provided in section 99E.10.

8 4. There is imposed a tax of ~~five~~ six percent upon
9 the gross receipts from the sales of engraving,
10 photography, retouching, printing, and binding
11 services. For the purpose of this division, the sales
12 of engraving, photography, retouching, printing, and
13 binding services are sales of tangible property.

14 5. There is imposed a tax of ~~five~~ six percent upon
15 the gross receipts from the sales of vulcanizing,
16 recapping, and retreading services. For the purpose
17 of this division, the sales of vulcanizing, recapping,
18 and retreading services are sales of tangible
19 property.

20 6. There is imposed a tax of ~~five~~ six percent upon
21 the gross receipts from the sales of optional service
22 or warranty contracts, except residential service
23 contracts regulated under chapter 523C, which provide
24 for the furnishing of labor and materials and require
25 the furnishing of any taxable service enumerated under
26 this section. The gross receipts are subject to tax
27 even if some of the services furnished are not
28 enumerated under this section. For the purpose of
29 this division, the sale of an optional service or
30 warranty contract, other than a residential service
31 contract regulated under chapter 523C, is a sale of
32 tangible personal property. Additional sales,
33 services, or use taxes shall not be levied on
34 services, parts, or labor provided under optional
35 service or warranty contracts which are subject to tax
36 under this section.

37 If the optional service or warranty contract is a
38 computer software maintenance or support service
39 contract and there is no separately stated fee for the
40 taxable personal property or for the nontaxable
41 service, the tax of ~~five~~ six percent imposed by this
42 subsection shall be imposed on fifty percent of the
43 gross receipts from the sale of such contract. If the
44 contract provides for technical support services only,
45 no tax shall be imposed under this subsection. The
46 provisions of this subsection also apply to the tax
47 imposed by chapter 423.

48 7. There is imposed a tax of ~~five~~ six percent upon
49 the gross receipts from the renting of rooms,
50 apartments, or sleeping quarters in a hotel, motel,

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1 inn, public lodging house, rooming house, manufactured
2 or mobile home which is tangible personal property, or
3 tourist court, or in any place where sleeping
4 accommodations are furnished to transient guests for
5 rent, whether with or without meals. "Renting" and
6 "rent" include any kind of direct or indirect charge
7 for such rooms, apartments, or sleeping quarters, or
8 their use. For the purposes of this division, such
9 renting is regarded as a sale of tangible personal
10 property at retail. However, this tax does not apply
11 to the gross receipts from the renting of a room,
12 apartment, or sleeping quarters while rented by the
13 same person for a period of more than thirty-one
14 consecutive days.

15 10. There is imposed a tax of ~~five~~ six percent
16 upon the gross receipts from the rendering,
17 furnishing, or performing of services as defined in
18 section 422.42.

19 12. A tax of ~~five~~ six percent is imposed upon the
20 gross receipts from the sales of prepaid telephone
21 calling cards and prepaid authorization numbers. For
22 the purpose of this division, the sales of prepaid
23 telephone calling cards and prepaid authorization
24 numbers are sales of tangible personal property.

25 Sec. _____. Section 422.43, subsection 13, paragraph
26 a, unnumbered paragraph 1, Code Supplement 2001, is
27 amended to read as follows:

28 A tax of ~~five~~ six percent is imposed upon the gross
29 receipts from the sales, furnishing, or service of
30 solid waste collection and disposal service.

31 Sec. _____. Section 422.43, subsections 16 and 17,
32 Code Supplement 2001, are amended to read as follows:

33 16. a. A tax of ~~five~~ six percent is imposed upon
34 the gross receipts from sales of bundled services
35 contracts. For purposes of this subsection, a
36 "bundled services contract" means an agreement
37 providing for a retailer's performance of services,
38 one or more of which is a taxable service enumerated
39 in this section and one or more of which is not, in
40 return for a consumer's or user's single payment for
41 the performance of the services, with no separate
42 statement to the consumer or user of what portion of
43 that payment is attributable to any one service which
44 is a part of the contract.

45 b. For purposes of the administration of the tax
46 on bundled services contracts, the director may enter
47 into agreements of limited duration with individual
48 retailers, groups of retailers, or organizations
49 representing retailers of bundled services contracts.
50 Such an agreement shall impose the tax rate only upon

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1 that portion of the gross receipts from a bundled
2 services contract which is attributable to taxable
3 services provided under the contract.

4 17. A tax of ~~five~~ six percent is imposed upon the
5 gross receipts from any mobile telecommunication
6 service which this state is allowed to tax by the
7 provisions of the federal Mobile Telecommunications
8 Sourcing Act, Pub. L. No. 106-252, 4 U.S.C. § 116 et
9 seq. For purposes of this subsection, taxes on mobile
10 telecommunications service, as defined under the
11 federal Mobile Telecommunications Sourcing Act, that
12 are deemed to be provided by the customer's home
13 service provider shall be paid to the taxing
14 jurisdiction whose territorial limits encompass the
15 customer's place of primary use, regardless of where
16 the mobile telecommunication service originates,
17 terminates, or passes through and shall in all other
18 respects be taxed in conformity with the federal
19 Mobile Telecommunications Sourcing Act. All other
20 provisions of the federal Mobile Telecommunications
21 Sourcing Act are adopted by the state of Iowa and
22 incorporated into this subsection by reference. With
23 respect to mobile telecommunications service under the
24 federal Mobile Telecommunications Sourcing Act the
25 director shall, if requested, enter into agreements
26 consistent with the provisions of the federal Act.

27 Sec. _____. Section 422.43, Code Supplement 2001, is
28 amended by adding the following new subsection:

29 NEW SUBSECTION. 18. The sales tax rate of six
30 percent is reduced to five percent on July 1, 2022.

31 Sec. _____. Section 422.47, Code Supplement 2001, is
32 amended by adding the following new subsection:

33 NEW SUBSECTION. 2. Construction contractors may
34 make application to the department for a refund of the
35 additional one percent tax paid under this division or
36 the additional one percent tax paid under chapter 423
37 by reason of the increase in the tax from five to six
38 percent for taxes paid on goods, wares, or merchandise
39 under the following conditions:

40 a. The goods, wares, or merchandise are
41 incorporated into an improvement to real estate in
42 fulfillment of a written contract fully executed prior
43 to July 1, 2002. The refund shall not apply to
44 equipment transferred in fulfillment of a mixed
45 construction contract.

46 b. The contractor has paid to the department or to
47 a retailer the full six percent tax.

48 c. The claim is filed on forms provided by the
49 department and is filed within one year of the date
50 the tax is paid.

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1 A contractor who makes an erroneous application for
 2 refund shall be liable for payment of the excess
 3 refund paid plus interest at the rate in effect under
 4 section 421.7. In addition, a contractor who
 5 willfully makes a false application for refund is
 6 guilty of a simple misdemeanor and is liable for a
 7 penalty equal to fifty percent of the excess refund
 8 claimed. Excess refunds, penalties, and interest due
 9 under this subsection may be enforced and collected in
 10 the same manner as the tax imposed by this division.

11 Sec. _____. Section 422.69, subsection 2, Code 2001,
 12 is amended to read as follows:

13 2. a. Unless Except as provided in paragraph "b",
 14 or as otherwise provided, the fees, taxes, interest,
 15 and penalties collected under this chapter shall be
 16 credited to the general fund.

17 b. One-sixth of the fees, taxes, interest, and
 18 penalties collected pursuant to division IV shall be
 19 credited to the school district sales and use tax fund
 20 created in section 297A.1. This paragraph is stricken
 21 July 1, 2022.

22 Sec. _____. Section 422E.1, Code 2001, is amended by
 23 adding the following new subsections:

24 NEW SUBSECTION. 4. a. This chapter does not
 25 apply to any county for the period beginning after the
 26 effective date of this Act and ending January 1, 2022.

27 b. In the case of a county that has in effect on
 28 March 31, 2002, a local sales and services tax for
 29 school infrastructure purposes, the increase in the
 30 state sales and services tax under chapter 422,
 31 division IV, from five percent to six percent shall
 32 replace the county's local sales and services tax for
 33 school infrastructure purposes and to this extent the
 34 local sales and services tax for school infrastructure
 35 purposes is repealed.

36 NEW SUBSECTION. 5. Local sales and services tax
 37 receipts collected prior to July 1, 2002, pursuant to
 38 this chapter, may be applied by a school district for
 39 the purposes of section 76.4.

40 Sec. _____. Section 423.2, Code 2001, is amended to
 41 read as follows:

42 423.2 IMPOSITION OF TAX.

43 An excise tax is imposed on the use in this state
 44 of tangible personal property, including aircraft
 45 subject to registration under section 328.20,
 46 purchased for use in this state, at the rate of ~~five~~
 47 six percent of the purchase price of the property. An
 48 excise tax is imposed on the use of manufactured
 49 housing in this state at the rate of ~~five~~ six percent
 50 of the purchase price if the manufactured housing is

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1 sold in the form of tangible personal property and at
2 the rate of ~~five~~ six percent of the installed purchase
3 price if the manufactured housing is sold in the form
4 of realty. An excise tax is imposed on the use in
5 this state of vehicles subject to registration or
6 subject only to the issuance of a certificate of title
7 at the rate of five percent. An excise tax is imposed
8 on the use of leased vehicles at the rate of five
9 percent of the amount otherwise subject to tax as
10 calculated pursuant to section 423.7A. The excise tax
11 is imposed upon every person using the property within
12 this state until the tax has been paid directly to the
13 county treasurer or the state department of
14 transportation, to a retailer, or to the department.
15 An excise tax is imposed on the use in this state of
16 services enumerated in section 422.43 at the rate of
17 ~~five~~ six percent. This tax is applicable where
18 services are rendered, furnished, or performed in this
19 state or where the product or result of the service is
20 used in this state. This tax is imposed on every
21 person using the services or the product of the
22 services in this state until the user has paid the tax
23 either to an Iowa use tax permit holder or to the
24 department. The rate of use tax of six percent shall
25 be reduced to five percent beginning July 1, 2022.

26 Sec. _____. Section 423.24, Code 2001, is amended by
27 adding the following new subsection:

28 NEW SUBSECTION. 2A. One-sixth of all other
29 revenue arising under the operation of this chapter
30 shall be credited to the school district sales and use
31 tax fund created in section 297A.1. This subsection
32 is stricken July 1, 2022.

33 Sec. _____. Section 423.24, subsection 3, Code 2001,
34 is amended to read as follows:

35 3. All other revenue arising under the operation
36 of this chapter not credited as specified in
37 subsections 1, 2, and 2A shall be credited to the
38 general fund of the state."

39 3. Page 18, by inserting after line 30 the
40 following:

41 "Sec. _____. APPLICABILITY. This section applies in
42 regard to the increase in the state sales and use
43 taxes from five to six percent. The six percent rate
44 applies to all sales of taxable personal property,
45 consisting of goods, wares, or merchandise if delivery
46 occurs on or after July 1, 2002. The six percent use
47 tax rate applies to the use of property when the first
48 taxable use in this state occurs on or after July 1,
49 2002. The six percent rate applies to the gross
50 receipts from the sale, furnishing, or service of gas,

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1 electricity, water, heat, pay television service, and
 2 communication service if the date of billing the
 3 customer is on or after July 1, 2002. In the case of
 4 a service contract entered into prior to July 1, 2002,
 5 which contract calls for periodic payments, the six
 6 percent rate applies to those payments made or due on
 7 or after July 1, 2002. This periodic payment applies,
 8 but is not limited to, tickets or admissions, private
 9 club membership fees, sources of amusement, equipment
 10 rental, dry cleaning, reducing salons, dance schools,
 11 and all other services subject to tax, except the
 12 aforementioned utility services which are subject to a
 13 special transitional rule. Unlike periodic payments
 14 under service contracts, installment sales of goods,
 15 wares, and merchandise are subject to the full amount
 16 of sales or use tax when the sales contract is entered
 17 into or the property is first used in Iowa.

18 Sec. ____ . IMMEDIATE EFFECTIVE DATE. The sections
 19 of this Act, enacting sections 297A.1 and 297A.2,
 20 being deemed of immediate importance, take effect upon
 21 enactment."

22 4. Title page, by striking line 2, and inserting
 23 the following: "education, increasing the state sales
 24 and use taxes for educational infrastructure purposes,
 25 and providing effective dates".

By RICHARDSON of Warren	HOFFMAN of Crawford
REYNOLDS of Van Buren	KETTERING of Sac
MERTZ of Kossuth	JOHNSON of Osceola
KREIMAN of Davis	

H-8126 FILED FEBRUARY 27, 2002

W/D
3/13/02
(p.788)

HOUSE FILE 2515

H-8197

1 Amend House File 2515 as follows:

2 1. Page 11, line 16, by inserting after the word
3 "~~plans~~" the following: "Moneys received from the
4 school district sales and use tax fund may be used for
5 the construction and repair of school buildings as
6 provided in chapter 297A.

7 Sec. ____ . NEW SECTION. 297A.1 SCHOOL DISTRICT
8 SALES AND USE TAX FUND.

9 1. A school district sales and use tax fund is
10 created as a separate and distinct fund in the state
11 treasury under the control of the department of
12 revenue and finance. Moneys in the fund include
13 revenues credited to the fund pursuant to section
14 422.69, subsection 2, and section 423.24, subsection
15 2A, appropriations made to the fund and other moneys
16 deposited into the fund. The moneys credited in a
17 fiscal year to the fund shall be distributed as
18 follows:

19 a. (1) A school district located in whole or in
20 part in a county that had in effect on March 31, 2002,
21 the local sales and services tax for school
22 infrastructure purposes under chapter 422E shall
23 receive an amount equal to its guaranteed school
24 infrastructure amount as calculated under subsection 2
25 if the board of directors notifies the director of
26 revenue and finance that the school district wants to
27 receive its guaranteed school infrastructure amount.
28 The notification shall be provided by July 1, 2002.
29 If notification is not received by July 1, 2002, the
30 school district shall receive moneys pursuant to
31 paragraph "b". Nothing in this chapter shall prevent
32 a school district from using its guaranteed school
33 infrastructure amount to pay principal and interest on
34 obligations issued pursuant to section 422E.4.

35 (2) A school district receiving moneys pursuant to
36 subparagraph (1) shall cease to receive its guaranteed
37 school infrastructure amount and shall receive moneys
38 pursuant to paragraph "b" starting with the fiscal
39 year immediately following the fiscal year in which
40 occurs the end of the original ten-year period or the
41 date listed on the original ballot proposition,
42 whichever is the earlier, as provided in chapter 422E.
43 A school district may adopt a plan, as provided in
44 section 297A.2, subsection 2, to anticipate moneys it
45 will receive pursuant to paragraph "b". A school
46 district receiving moneys pursuant to subparagraph (1)
47 may elect to receive moneys pursuant to paragraph "b"
48 by providing notification to receive moneys pursuant
49 to paragraph "b" to the director of revenue and
50 finance and the director of the department of

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1 management by February 15 preceding the fiscal year
2 for which the election will apply. Once a school
3 district makes this election it is irrevocable.

4 b. (1) Moneys remaining after computations made
5 pursuant to paragraph "a" shall be distributed to
6 school districts not receiving moneys under paragraph
7 "a" on a per student basis calculated by the director
8 of revenue and finance by dividing the moneys
9 available during the fiscal year by the combined
10 actual enrollment for all school districts receiving
11 distributions under this paragraph.

12 (2) The combined actual enrollment for school
13 districts, for purposes of subparagraph (1), shall be
14 calculated by adding together the actual enrollment
15 for each school district receiving distributions under
16 this paragraph as determined by the department of
17 management based on the actual enrollment figures
18 reported by October 1 to the department of management
19 by the department of education pursuant to section
20 257.6, subsection 1. The combined actual enrollment
21 count shall be forwarded to the director of revenue
22 and finance by March 1, annually, for purposes of
23 supplying estimated tax payment figures and making
24 estimated tax payments pursuant to subsection 3 for
25 the following fiscal year.

26 2. a. For purposes of distributions under
27 subsection 1, paragraph "a", the school district's
28 guaranteed school infrastructure amount shall be
29 calculated according to the following formula:

30 The district's guaranteed school infrastructure
31 amount equals the product of the county guaranteed
32 school infrastructure amount times the district's
33 county actual enrollment divided by the county
34 combined actual enrollment.

35 b. For purposes of the formula in paragraph "a":

36 (1) "Base year" means the fiscal year beginning
37 July 1, 2001.

38 (2) "Base year county taxable sales percentage"
39 means the percentage that the taxable sales in the
40 county during the base year is of the total state
41 taxable sales during the base year.

42 (3) "County combined actual enrollment" means the
43 actual enrollment figures determined by the department
44 of management for the county based on the actual
45 enrollment figures reported by October 1 to the
46 department of management by the department of
47 education pursuant to section 257.6, subsection 1.

48 (4) "County guaranteed school infrastructure
49 amount" means an amount equal to the product of the
50 county's chapter 422E proportionate share times the

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1 amount deposited in the school district sales and use
2 tax fund for the current year times the current year
3 county taxable sales percentage divided by the base
4 year county taxable sales percentage.

5 (5) "County's chapter 422E proportionate share"
6 means the percentage that the annualized revenues
7 received in the county under chapter 422E for the base
8 year is of one-fifth of the total state sales and use
9 tax revenues collected for deposit into the general
10 fund of the state for the base year.

11 (6) "Current year" means the fiscal year for which
12 distributions under this section are being made.

13 (7) "Current year county taxable sales percentage"
14 means the percentage that the taxable sales in the
15 county during the current fiscal year is of the total
16 state taxable sales during the current fiscal year.

17 (8) "District's county actual enrollment" means the
18 actual enrollment of the school district that attends
19 school in the county for which the county combined
20 actual enrollment is determined.

21 (9) "Taxable sales" means sales subject to the
22 state sales and services tax under chapter 422,
23 division IV.

24 3. a. The director of revenue and finance within
25 fifteen days of the beginning of each fiscal year
26 shall send to each school district an estimate of the
27 amount of tax moneys each school district will receive
28 for the year and for each quarter of the year. At the
29 end of each quarter, the director may revise the
30 estimates for the year and remaining quarters.

31 b. The director shall remit ninety-five percent of
32 the estimated tax receipts for the school district to
33 the school district on or before September 30 of the
34 fiscal year and on or before the last day of each
35 following quarter.

36 c. The director shall remit a final payment of the
37 remainder of tax moneys due for the fiscal year before
38 November 10 of the next fiscal year. If an
39 overpayment has resulted during the previous fiscal
40 year, the November payment shall be adjusted to
41 reflect any overpayment.

42 d. If the distributions are to school districts
43 described in subsection 1, paragraph "a", the payments
44 to these school districts shall be done on a monthly
45 basis beginning with the month of August.

46 4. Moneys received by a school district from the
47 fund may be applied by the school district for the
48 purposes of section 76.4.

49 5. The department of revenue and finance shall
50 adopt rules for the purpose of carrying out its

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1 responsibilities under this chapter.

2 Sec. ____ . NEW SECTION. 297A.2 USE OF SCHOOL

3 DISTRICT SALES AND USE TAX FUND MONEYS.

4 1. A school district receiving moneys from the
5 school district sales and use tax fund under section
6 297A.1, subsection 1, paragraph "a", shall use the
7 moneys as provided on the original ballot proposition
8 pursuant to chapter 422E, for the payment of principal
9 and interest on general obligation bonds issued
10 pursuant to chapter 296, or section 298.20 or loan
11 agreements under section 297.36, for carrying on
12 public educational and recreational activities
13 pursuant to chapter 300, for payments made pursuant to
14 lease or lease-purchase agreements, or for payment of
15 principal and interest on bonds issued under sections
16 297A.3 and 422E.4.

17 2. a. Moneys received by a school district from
18 the school district sales and use tax fund under
19 section 297A.1, subsection 1, paragraph "b", shall be
20 spent for infrastructure purposes only according to a
21 plan developed by the board of directors and approved
22 by the voters. The plan may apply to more than one
23 fiscal year. Prior to adoption of the plan, the board
24 of directors shall hold a public hearing on the
25 question of approval of the proposed plan. The board
26 shall set forth its proposal and shall publish the
27 notice of the time and place of a public hearing on
28 the proposed plan. Notice of the time and place of
29 the public hearing shall be published not less than
30 ten nor more than twenty days before the public
31 hearing in a newspaper which is a newspaper of general
32 circulation in the school district. At the hearing,
33 or no later than thirty days after the date of the
34 hearing, the board shall take action to adopt the
35 proposed plan.

36 b. If the board adopts the plan, the board shall
37 direct the county commissioner of elections to submit
38 the question of the approval or disapproval of the
39 infrastructure plan to the registered voters of the
40 school district at the next following regular school
41 election or a special election. If a majority of
42 those voting on the question favors the plan of the
43 board, the moneys received shall be used according to
44 the plan beginning with the first fiscal year
45 following that election until a change in the plan is
46 approved at a subsequent election by a majority of
47 those voting on the question. If a majority of those
48 voting on the question at the election does not favor
49 the plan of the board, the district shall use the
50 moneys received as provided in paragraph "c" for the

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1 fiscal year.

2 c. If the plan is not approved at an election, as
3 provided in paragraph "b", or if a plan is not
4 approved by the board, moneys received by a school
5 district shall be used for the fiscal year to reduce
6 the following levies in the following order:

7 (1) Bond levies under sections 298.18 and 298.18A
8 and other debt levies until the moneys received or the
9 levies are reduced to zero.

10 (2) The physical plant and equipment levy under
11 section 298.2, until the moneys received or the levy
12 is reduced to zero.

13 (3) The public educational and recreational
14 activities levy under section 300.2, until the moneys
15 received or the levy is reduced to zero.

16 (4) The schoolhouse tax levy under section 278.1,
17 subsection 7, Code 1989, until the moneys received or
18 the levy is reduced to zero.

19 Any money remaining after the reduction of the
20 levies specified in this paragraph "c" may be used for
21 any lawful infrastructure purpose of the school
22 district.

23 d. For purposes of this subsection,
24 "infrastructure purposes" means those purposes for
25 which a school district is authorized to contract
26 indebtedness and issue general obligation bonds under
27 chapter 296 or to expend tax revenues under section
28 298.3, the payment of principal and interest on
29 general obligation bonds issued under chapter 296 or
30 section 298.20 or loan agreements under section
31 297.36, for carrying on public educational and
32 recreational activities pursuant to chapter 300,
33 payments made pursuant to a lease or lease-purchase
34 agreement, or the payment of principal and interest on
35 bonds issued under section 297A.3 or 422E.4.

36 Sec. ____ . NEW SECTION. 297A.3 BONDING.

37 A school district where the voters have approved a
38 plan at an election, as provided in section 297A.2,
39 subsection 2, paragraph "b", may issue bonds as
40 provided in this section if it complies with all of
41 the following procedures:

42 1. A school district may institute proceedings for
43 the issuance of bonds by causing a notice of the
44 proposal to issue the bonds, including a statement of
45 the amount and purpose of the bonds, and the right of
46 voters to petition for an election, to be published at
47 least once in a newspaper of general circulation
48 within the school district at least ten days prior to
49 the meeting at which it is proposed to take action for
50 the issuance of the bonds.

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1 If at any time before the date fixed for taking
2 action for the issuance of the bonds, a petition is
3 filed signed by five percent of the registered voters
4 of the school district, asking that the question of
5 issuing the bonds be submitted to the registered
6 voters, the board of directors shall either by
7 resolution declare the proposal to issue the bonds to
8 be abandoned or shall direct the county commissioner
9 of elections to call a special election upon the
10 question of issuing the bonds. The proposition of
11 issuing bonds under this section is not approved
12 unless the vote in favor of the proposition is equal
13 to at least sixty percent of the vote cast. If a
14 petition is not filed, or if a petition is filed and
15 the proposition of issuing the bonds is approved at an
16 election, the board of directors may proceed with the
17 authorization and issuance of the bonds. Bonds may be
18 issued for the purpose of refunding outstanding and
19 previously issued bonds under this section without
20 otherwise complying with the provisions of this
21 section.

22 2. The provisions of chapter 76 apply to the bonds
23 payable as provided in this subsection, except that
24 the mandatory levy to be assessed pursuant to section
25 76.2 shall be at a rate to generate an amount which
26 together with the receipts from the pledged designated
27 portion of the school district's amount received from
28 the school district sales and use tax fund under
29 section 297A.1 is sufficient to pay the interest and
30 principal on the bonds. All amounts collected as a
31 result of the levy assessed pursuant to section 76.2
32 and paid out for bond principal and interest shall be
33 repaid to the school district from the first available
34 designated portion of the school district's amount
35 received from the school district sales and use tax
36 fund under section 297A.1 received in excess of the
37 requirement for the payment of the principal and
38 interest of the bonds and when repaid shall be applied
39 in reduction of property taxes. The amount of bonds
40 which may be issued under section 76.3 shall be the
41 amount which could be retired from the actual
42 collections of the designated portions of the school
43 district's amount received from the school district
44 sales and use tax fund under section 297A.1 for the
45 last four calendar quarters, as certified by the
46 director of revenue and finance. The amount of tax
47 revenues pledged jointly by other cities or counties
48 may be considered for the purpose of determining the
49 amount of bonds which may be issued.

50 3. The provisions of this section constitute

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1 separate authorization for the issuance of bonds and
2 shall prevail in the event of conflict with any other
3 provisions of state law limiting the amount of bonds
4 which may be issued or the source of payment of the
5 bonds. Bonds issued under this section shall not
6 limit or restrict the authority of the school district
7 to issue bonds under other provisions of state law.

8 Sec. ____ . NEW SECTION. 297A.4 REPEAL.

9 This chapter is repealed July 1, 2022, for fiscal
10 years beginning on or after that date.

11 Sec. ____ . Section 298.18, unnumbered paragraph 4,
12 Code Supplement 2001, is amended by striking the
13 unnumbered paragraph and inserting in lieu thereof the
14 following:

15 If the school corporation's amount received from
16 the school district sales and use tax fund under
17 section 297A.1 does not equal or exceed the amount
18 which would be produced by a levy of one dollar
19 thirty-five cents per thousand dollars of the assessed
20 value of the taxable property of the school
21 corporation, the amount estimated and certified to
22 apply on principal and interest for any one year may
23 exceed two dollars and seventy cents per thousand
24 dollars of assessed value by the amount approved by
25 the voters of the school corporation, but not
26 exceeding four dollars and five cents per thousand of
27 the assessed value of the taxable property within any
28 school corporation, provided that the qualified voters
29 of such school corporation have first approved such
30 increased amount at a special election, which may be
31 held at the same time as the regular school election,
32 and provided further that the school corporation's
33 amount received from the school district sales and use
34 tax fund under section 297A.1 shall be used to abate
35 an additional levy amount authorized after July 1,
36 2002. A levy approved prior to July 1, 2002, shall
37 continue to be authorized. The proposition submitted
38 to the voters at such special election shall be in
39 substantially the following form:

40 Sec. ____ . Section 298.18, unnumbered paragraph 5,
41 Code Supplement 2001, is amended to read as follows:

42 Shall the board of directors of the (insert
43 name of school corporation) in the County of,
44 State of Iowa, be authorized to levy annually a tax
45 exceeding two dollars and seventy cents per thousand
46 dollars, but not exceeding .. dollars and ... cents
47 per thousand dollars of the assessed value of the
48 taxable property within said school corporation to pay
49 the principal of and interest on bonded indebtedness
50 of said school corporation, it being understood that

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1 the approval of this proposition shall not limit the
2 source of payment of the bonds and interest but shall
3 only operate to restrict the amount of bonds which may
4 be issued and that the additional levy shall be
5 reduced and abated in any year by the amount of money
6 received from the school district sales and use tax
7 fund under section 297A.1?"

8 2. Page 15, by inserting after line 27 the
9 following:

10 "Sec. ____ . Section 422.43, subsections 1, 2, 4, 5,
11 6, 7, 10, and 12, Code Supplement 2001, are amended to
12 read as follows:

13 1. There is imposed a tax of ~~five~~ six percent upon
14 the gross receipts from all sales of tangible personal
15 property, consisting of goods, wares, or merchandise,
16 except as otherwise provided in this division, sold at
17 retail in the state to consumers or users; a like rate
18 of tax upon the gross receipts from the sales,
19 furnishing, or service of gas, electricity, water,
20 heat, pay television service, and communication
21 service, including the gross receipts from such sales
22 by any municipal corporation or joint water utility
23 furnishing gas, electricity, water, heat, pay
24 television service, and communication service to the
25 public in its proprietary capacity, except as
26 otherwise provided in this division, when sold at
27 retail in the state to consumers or users; a like rate
28 of tax upon the gross receipts from all sales of
29 tickets or admissions to places of amusement, fairs,
30 and athletic events except those of elementary and
31 secondary educational institutions; a like rate of tax
32 on the gross receipts from an entry fee or like charge
33 imposed solely for the privilege of participating in
34 an activity at a place of amusement, fair, or athletic
35 event unless the gross receipts from the sales of
36 tickets or admissions charges for observing the same
37 activity are taxable under this division; and a like
38 rate of tax upon that part of private club membership
39 fees or charges paid for the privilege of
40 participating in any athletic sports provided club
41 members.

42 2. There is imposed a tax of ~~five~~ six percent upon
43 the gross receipts derived from the operation of all
44 forms of amusement devices and games of skill, games
45 of chance, raffles, and bingo games as defined in
46 chapter 99B, operated or conducted within the state,
47 the tax to be collected from the operator in the same
48 manner as for the collection of taxes upon the gross
49 receipts of tickets or admission as provided in this
50 section. The tax shall also be imposed upon the gross

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1 receipts derived from the sale of lottery tickets or
2 shares pursuant to chapter 99E. The tax on the
3 lottery tickets or shares shall be included in the
4 sales price and distributed to the general fund as
5 provided in section 99E.10.

6 4. There is imposed a tax of ~~five~~ six percent upon
7 the gross receipts from the sales of engraving,
8 photography, retouching, printing, and binding
9 services. For the purpose of this division, the sales
10 of engraving, photography, retouching, printing, and
11 binding services are sales of tangible property.

12 5. There is imposed a tax of ~~five~~ six percent upon
13 the gross receipts from the sales of vulcanizing,
14 recapping, and retreading services. For the purpose
15 of this division, the sales of vulcanizing, recapping,
16 and retreading services are sales of tangible
17 property.

18 6. There is imposed a tax of ~~five~~ six percent upon
19 the gross receipts from the sales of optional service
20 or warranty contracts, except residential service
21 contracts regulated under chapter 523C, which provide
22 for the furnishing of labor and materials and require
23 the furnishing of any taxable service enumerated under
24 this section. The gross receipts are subject to tax
25 even if some of the services furnished are not
26 enumerated under this section. For the purpose of
27 this division, the sale of an optional service or
28 warranty contract, other than a residential service
29 contract regulated under chapter 523C, is a sale of
30 tangible personal property. Additional sales,
31 services, or use taxes shall not be levied on
32 services, parts, or labor provided under optional
33 service or warranty contracts which are subject to tax
34 under this section.

35 If the optional service or warranty contract is a
36 computer software maintenance or support service
37 contract and there is no separately stated fee for the
38 taxable personal property or for the nontaxable
39 service, the tax of ~~five~~ six percent imposed by this
40 subsection shall be imposed on fifty percent of the
41 gross receipts from the sale of such contract. If the
42 contract provides for technical support services only,
43 no tax shall be imposed under this subsection. The
44 provisions of this subsection also apply to the tax
45 imposed by chapter 423.

46 7. There is imposed a tax of ~~five~~ six percent upon
47 the gross receipts from the renting of rooms,
48 apartments, or sleeping quarters in a hotel, motel,
49 inn, public lodging house, rooming house, manufactured
50 or mobile home which is tangible personal property, or

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1 tourist court, or in any place where sleeping
2 accommodations are furnished to transient guests for
3 rent, whether with or without meals. "Renting" and
4 "rent" include any kind of direct or indirect charge
5 for such rooms, apartments, or sleeping quarters, or
6 their use. For the purposes of this division, such
7 renting is regarded as a sale of tangible personal
8 property at retail. However, this tax does not apply
9 to the gross receipts from the renting of a room,
10 apartment, or sleeping quarters while rented by the
11 same person for a period of more than thirty-one
12 consecutive days.

13 10. There is imposed a tax of five six percent
14 upon the gross receipts from the rendering,
15 furnishing, or performing of services as defined in
16 section 422.42.

17 12. A tax of five six percent is imposed upon the
18 gross receipts from the sales of prepaid telephone
19 calling cards and prepaid authorization numbers. For
20 the purpose of this division, the sales of prepaid
21 telephone calling cards and prepaid authorization
22 numbers are sales of tangible personal property.

23 Sec. _____. Section 422.43, subsection 13, paragraph
24 a, unnumbered paragraph 1, Code Supplement 2001, is
25 amended to read as follows:

26 A tax of five six percent is imposed upon the gross
27 receipts from the sales, furnishing, or service of
28 solid waste collection and disposal service.

29 Sec. _____. Section 422.43, subsections 16 and 17,
30 Code Supplement 2001, are amended to read as follows:

31 16. a. A tax of five six percent is imposed upon
32 the gross receipts from sales of bundled services
33 contracts. For purposes of this subsection, a
34 "bundled services contract" means an agreement
35 providing for a retailer's performance of services,
36 one or more of which is a taxable service enumerated
37 in this section and one or more of which is not, in
38 return for a consumer's or user's single payment for
39 the performance of the services, with no separate
40 statement to the consumer or user of what portion of
41 that payment is attributable to any one service which
42 is a part of the contract.

43 b. For purposes of the administration of the tax
44 on bundled services contracts, the director may enter
45 into agreements of limited duration with individual
46 retailers, groups of retailers, or organizations
47 representing retailers of bundled services contracts.
48 Such an agreement shall impose the tax rate only upon
49 that portion of the gross receipts from a bundled
50 services contract which is attributable to taxable

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1 services provided under the contract.

2 17. A tax of ~~five~~ six percent is imposed upon the
3 gross receipts from any mobile telecommunication
4 service which this state is allowed to tax by the
5 provisions of the federal Mobile Telecommunications
6 Sourcing Act, Pub. L. No. 106-252, 4 U.S.C. § 116 et
7 seq. For purposes of this subsection, taxes on mobile
8 telecommunications service, as defined under the
9 federal Mobile Telecommunications Sourcing Act, that
10 are deemed to be provided by the customer's home
11 service provider shall be paid to the taxing
12 jurisdiction whose territorial limits encompass the
13 customer's place of primary use, regardless of where
14 the mobile telecommunication service originates,
15 terminates, or passes through and shall in all other
16 respects be taxed in conformity with the federal
17 Mobile Telecommunications Sourcing Act. All other
18 provisions of the federal Mobile Telecommunications
19 Sourcing Act are adopted by the state of Iowa and
20 incorporated into this subsection by reference. With
21 respect to mobile telecommunications service under the
22 federal Mobile Telecommunications Sourcing Act the
23 director shall, if requested, enter into agreements
24 consistent with the provisions of the federal Act.

25 Sec. ____ . Section 422.43, Code Supplement 2001, is
26 amended by adding the following new subsection:

27 NEW SUBSECTION. 18. The sales tax rate of six
28 percent is reduced to five percent on July 1, 2022.

29 Sec. ____ . Section 422.47, Code Supplement 2001, is
30 amended by adding the following new subsection:

31 NEW SUBSECTION. 2. Construction contractors may
32 make application to the department for a refund of the
33 additional one percent tax paid under this division or
34 the additional one percent tax paid under chapter 423
35 by reason of the increase in the tax from five to six
36 percent for taxes paid on goods, wares, or merchandise
37 under the following conditions:

38 a. The goods, wares, or merchandise are
39 incorporated into an improvement to real estate in
40 fulfillment of a written contract fully executed prior
41 to July 1, 2002. The refund shall not apply to
42 equipment transferred in fulfillment of a mixed
43 construction contract.

44 b. The contractor has paid to the department or to
45 a retailer the full six percent tax.

46 c. The claim is filed on forms provided by the
47 department and is filed within one year of the date
48 the tax is paid.

49 A contractor who makes an erroneous application for
50 refund shall be liable for payment of the excess

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1 refund paid plus interest at the rate in effect under
2 section 421.7. In addition, a contractor who
3 willfully makes a false application for refund is
4 guilty of a simple misdemeanor and is liable for a
5 penalty equal to fifty percent of the excess refund
6 claimed. Excess refunds, penalties, and interest due
7 under this subsection may be enforced and collected in
8 the same manner as the tax imposed by this division.

9 Sec. _____. Section 422.69, subsection 2, Code 2001,
10 is amended to read as follows:

11 2. a. ~~Unless~~ Except as provided in paragraph "b",
12 or as otherwise provided, the fees, taxes, interest,
13 and penalties collected under this chapter shall be
14 credited to the general fund.

15 b. One-sixth of the fees, taxes, interest, and
16 penalties collected pursuant to division IV shall be
17 credited to the school district sales and use tax fund
18 created in section 297A.1. This paragraph is stricken
19 July 1, 2022.

20 Sec. _____. Section 422E.1, Code 2001, is amended by
21 adding the following new subsections:

22 NEW SUBSECTION. 4. a. This chapter does not
23 apply to any county for the period beginning after the
24 effective date of this Act and ending January 1, 2022.

25 b. In the case of a county that has in effect on
26 March 31, 2002, a local sales and services tax for
27 school infrastructure purposes, the increase in the
28 state sales and services tax under chapter 422,
29 division IV, from five percent to six percent shall
30 replace the county's local sales and services tax for
31 school infrastructure purposes and to this extent the
32 local sales and services tax for school infrastructure
33 purposes is repealed.

34 NEW SUBSECTION. 5. Local sales and services tax
35 receipts collected prior to July 1, 2002, pursuant to
36 this chapter, may be applied by a school district for
37 the purposes of section 76.4.

38 Sec. _____. Section 423.2, Code 2001, is amended to
39 read as follows:

40 423.2 IMPOSITION OF TAX.

41 An excise tax is imposed on the use in this state
42 of tangible personal property, including aircraft
43 subject to registration under section 328.20,
44 purchased for use in this state, at the rate of ~~five~~
45 six percent of the purchase price of the property. An
46 excise tax is imposed on the use of manufactured
47 housing in this state at the rate of ~~five~~ six percent
48 of the purchase price if the manufactured housing is
49 sold in the form of tangible personal property and at
50 the rate of ~~five~~ six percent of the installed purchase

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1 price if the manufactured housing is sold in the form
2 of realty. An excise tax is imposed on the use in
3 this state of vehicles subject to registration or
4 subject only to the issuance of a certificate of title
5 at the rate of five percent. An excise tax is imposed
6 on the use of leased vehicles at the rate of five
7 percent of the amount otherwise subject to tax as
8 calculated pursuant to section 423.7A. The excise tax
9 is imposed upon every person using the property within
10 this state until the tax has been paid directly to the
11 county treasurer or the state department of
12 transportation, to a retailer, or to the department.
13 An excise tax is imposed on the use in this state of
14 services enumerated in section 422.43 at the rate of
15 ~~five~~ six percent. This tax is applicable where
16 services are rendered, furnished, or performed in this
17 state or where the product or result of the service is
18 used in this state. This tax is imposed on every
19 person using the services or the product of the
20 services in this state until the user has paid the tax
21 either to an Iowa use tax permit holder or to the
22 department. The rate of use tax of six percent shall
23 be reduced to five percent beginning July 1, 2022.

24 Sec. _____. Section 423.24, Code 2001, is amended by
25 adding the following new subsection:

26 NEW SUBSECTION. 2A. One-sixth of all other
27 revenue arising under the operation of this chapter
28 shall be credited to the school district sales and use
29 tax fund created in section 297A.1. This subsection
30 is stricken July 1, 2022.

31 Sec. _____. Section 423.24, subsection 3, Code 2001,
32 is amended to read as follows:

33 3. All other revenue arising under the operation
34 of this chapter not credited as specified in
35 subsections 1, 2, and 2A shall be credited to the
36 general fund of the state."

37 3. Page 18, by inserting after line 30 the
38 following:

39 "Sec. _____. APPLICABILITY. This section applies in
40 regard to the increase in the state sales and use
41 taxes from five to six percent. The six percent rate
42 applies to all sales of taxable personal property,
43 consisting of goods, wares, or merchandise if delivery
44 occurs on or after July 1, 2002. The six percent use
45 tax rate applies to the use of property when the first
46 taxable use in this state occurs on or after July 1,
47 2002. The six percent rate applies to the gross
48 receipts from the sale, furnishing, or service of gas,
49 electricity, water, heat, pay television service, and
50 communication service if the date of billing the

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1 customer is on or after July 1, 2002. In the case of
2 a service contract entered into prior to July 1, 2002,
3 which contract calls for periodic payments, the six
4 percent rate applies to those payments made or due on
5 or after July 1, 2002. This periodic payment applies,
6 but is not limited to, tickets or admissions, private
7 club membership fees, sources of amusement, equipment
8 rental, dry cleaning, reducing salons, dance schools,
9 and all other services subject to tax, except the
10 aforementioned utility services which are subject to a
11 special transitional rule. Unlike periodic payments
12 under service contracts, installment sales of goods,
13 wares, and merchandise are subject to the full amount
14 of sales or use tax when the sales contract is entered
15 into or the property is first used in Iowa.

16 Sec. ____ . IMMEDIATE EFFECTIVE DATE. The sections
17 of this Act, enacting sections 297A.1 and 297A.2,
18 being deemed of immediate importance, take effect upon
19 enactment."

20 4. Title page, by striking line 2, and inserting
21 the following: "education, increasing the state sales
22 and use taxes for educational infrastructure purposes,
23 and providing effective dates."

By RICHARDSON of Warren
REYNOLDS of Van Buren
MERTZ of Kossuth
KREIMAN of Davis

HOFFMAN of Crawford
KETTERING of Sac
JOHNSON of Osceola

H-8197 FILED MARCH 5, 2002

W/D
3-13-02

(P.88)

HOUSE FILE 2515

H-8211

- 1 Amend House File 2515 as follows:
- 2 1. Page 3, by striking lines 21 and 22.
- 3 2. By renumbering as necessary.

By COHOON of Des Moines

H-8211 FILED MARCH 7, 2002

o/b

3-13-02 (p. 788) HOUSE FILE 2515

H-8213

- 1 Amend House File 2515 as follows:
- 2 1. By striking page 7, line 26, through page 8,
- 3 line 11.
- 4 2. By renumbering as necessary.

By COHOON of Des Moines

H-8213 FILED MARCH 7, 2002

w/d

*3-13-02
(p. 788)*

HOUSE FILE 2515

H-8215

1 Amend House File 2515 as follows:

2 1. Page 3, by striking lines 21 and 22 and
3 inserting the following:

4 "Sec. ____ . Section 260C.5, subsection 6, Code 2001
5 is amended by striking the subsection."

6 2. By striking page 4, line 22 through page 7,
7 line 25 and inserting the following:

8 "Sec. ____ . Section 260C.38, unnumbered paragraphs
9 1 and 3, Code 2001, are amended to read as follows:

10 The board of directors may, ~~with the approval of~~
11 ~~the director of the department of education,~~ enter
12 into lease agreements, with or without purchase
13 options, not to exceed twenty years in duration, for
14 the leasing or rental of buildings for use basically
15 as classrooms, laboratories, shops, libraries, and
16 study halls for community college purposes, and pay
17 for the leasing or rental with funds acquired pursuant
18 to section 260C.17, section 260C.18, and section
19 260C.22. ~~However, lease agreements extending for less~~
20 ~~than ten years and for less than twenty five thousand~~
21 ~~dollars per year need not be submitted to the director~~
22 ~~of the department of education for approval.~~

23 Before entering into a lease agreement with a
24 purchase option for a building to be constructed, or
25 placed, upon real estate owned by the community
26 college, the board shall first adopt plans and
27 specifications for the proposed building which it
28 considers suitable for the intended use, and the board
29 shall also adopt the proposed terms of the lease
30 agreement and purchase option. ~~Upon obtaining the~~
31 ~~approval of the director of the department of~~
32 ~~education, if approval of the director is required,~~
33 ~~the~~ The board shall invite bids, by advertisement
34 published once each week for two consecutive weeks in
35 the county where the building is to be located. The
36 lease agreement shall be awarded to the lowest
37 responsible bidder, or the board may reject all bids
38 and readvertise for new bids.

39 Sec. ____ . Section 282.18, subsection 2, Code 2001,
40 is amended to read as follows:

41 2. By January 1 of the preceding school year, the
42 parent or guardian shall send notification to the
43 district of residence and the receiving district, on
44 forms prescribed by the department of education, that
45 the parent or guardian intends to enroll the parent's
46 or guardian's child in a public school in another
47 school district. If a parent or guardian fails to
48 file a notification that the parent intends to enroll
49 the parent's or guardian's child in a public school in
50 another district by the deadline of January 1 of the

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1 previous year, and one of the criteria defined in
2 subsection ~~16~~ 4 exists for the failure to meet the
3 deadline or if the request is to enroll a child in
4 kindergarten in a public school in another district,
5 the parent or guardian shall be permitted to enroll
6 the child in the other district in the same manner as
7 if the deadline had been met.

8 ~~The board of directors of a school district may~~
9 ~~adopt a policy granting the superintendent of the~~
10 ~~district authority to approve open enrollment~~
11 ~~applications that are timely filed. However, the~~
12 ~~board of directors shall not grant the superintendent~~
13 ~~authority to deny open enrollment applications, except~~
14 ~~as provided in subsection 3. The board of the~~
15 ~~district of residence, or the superintendent with the~~
16 ~~board's authority to only approve applications, shall~~
17 ~~take action on the request no later than February 1 of~~
18 ~~the preceding school year and shall transmit any~~
19 ~~approved request within five days after board action~~
20 ~~on the request. The parent or guardian may withdraw~~
21 ~~the request at any time prior to the start of the~~
22 ~~school year. The board of the receiving district, or~~
23 ~~the superintendent with the board's authority to~~
24 ~~approve applications only, shall take action to~~
25 ~~approve or disapprove the request no later than March~~
26 ~~1 of the preceding school year. The board of the~~
27 ~~receiving district shall enroll the pupil in a school~~
28 ~~in the receiving district for the following school~~
29 ~~year unless the receiving district does not have~~
30 ~~classroom space for the pupil. If the request is~~
31 ~~granted, the board shall transmit a copy of the form~~
32 ~~to the parent or guardian and the school district of~~
33 ~~residence within five days after board action, but not~~
34 ~~later than March 1 of the preceding school year. The~~
35 ~~parent or guardian may withdraw the request at any~~
36 ~~time prior to the start of the school year. A denial~~
37 ~~of a request by the board of a receiving district is~~
38 ~~not subject to appeal.~~

39 Sec. ____ . Section 282.18, subsection 3, unnumbered
40 paragraph 2, Code 2001, is amended to read as follows:

41 A parent or guardian, whose request has been denied
42 because of a desegregation order or plan, may appeal
43 the decision of the superintendent to the board of the
44 district in which the request was denied. The board
45 may either uphold or overturn the superintendent's
46 decision. A decision of the board to uphold the
47 denial of the request is subject to appeal ~~under~~
48 section 290.1 to the district court in the county in
49 which the primary business office of the district is
50 located.

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1 Sec. ____ . Section 282.18, subsections 4 and 5,
2 Code 2001, are amended by striking the subsections and
3 inserting in lieu thereof the following:

4 4. a. After January 1 of the preceding school
5 year and until the third Friday in September of that
6 calendar year, the parent or guardian shall send
7 notification to the district of residence and the
8 receiving district, on forms prescribed by the
9 department of education, that good cause, as defined
10 in paragraph "b", exists for failure to meet the
11 January 1 deadline. The board of the receiving
12 district shall take action to approve the request if
13 good cause exists. If the request is granted, the
14 board shall transmit a copy of the form to the parent
15 or guardian and the school district of residence
16 within five days after board action. A denial of a
17 request by the board of a receiving district is not
18 subject to appeal.

19 b. For purposes of this section, "good cause"
20 means a change in a child's residence due to a change
21 in family residence, a change in the state in which
22 the family residence is located, a change in a child's
23 parents' marital status, a guardianship or custody
24 proceeding, placement in foster care, adoption,
25 participation in a foreign exchange program, or
26 participation in a substance abuse or mental health
27 treatment program, a change in the status of a child's
28 resident district such as removal of accreditation by
29 the state board, surrender of accreditation, or
30 permanent closure of a nonpublic school, the failure
31 of negotiations for a whole-grade sharing,
32 reorganization, dissolution agreement or the rejection
33 of a current whole-grade sharing agreement, or
34 reorganization plan. If the good cause relates to a
35 change in status of a child's school district of
36 residence, however, action by a parent or guardian
37 must be taken to file the notification within forty-
38 five days of the last board action or within thirty
39 days of the certification of the election, whichever
40 is applicable to the circumstances.

41 c. If a resident district believes that a
42 receiving district is unreasonable in approving
43 applications submitted in accordance with this
44 subsection, the resident district may request that the
45 department review and take appropriate action.

46 5. Open enrollment applications filed after
47 January 1 of the preceding school year that do not
48 qualify for good cause as provided in subsection 4
49 shall be subject to the approval of the board of the
50 resident district and the board of the receiving

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1 district. The parent or guardian shall send
2 notification to the district of residence and the
3 receiving district that the parent or guardian seeks
4 to enroll the parent's or guardian's child in the
5 receiving district. A decision of either board to
6 deny an application filed under this subsection
7 involving repeated acts of harassment of the student
8 or serious health condition of the student that the
9 resident district cannot adequately address is subject
10 to appeal under section 290.1. The state board shall
11 exercise broad discretion to achieve just and
12 equitable results that are in the best interest of the
13 affected child or children.

14 Sec. _____. Section 282.18, subsection 6, Code 2001,
15 is amended to read as follows:

16 6. A request under this section is for a period of
17 not less than one year. If the request is for more
18 than one year and the parent or guardian desires to
19 have the pupil enroll in a different district, the
20 parent or guardian may petition the current receiving
21 district by January 1 of the previous school year for
22 permission to enroll the pupil in a different district
23 for a period of not less than one year. Upon receipt
24 of such a request, the current receiving district
25 board may act on the request to transfer to the other
26 school district at the next regularly scheduled board
27 meeting after the receipt of the request. The new
28 receiving district shall enroll the pupil in a school
29 in the district unless there is insufficient classroom
30 space in the district or unless enrollment of the
31 pupil would adversely affect the court-ordered or
32 voluntary desegregation plan of the district. A
33 denial of a request to change district enrollment
34 within the approved period is not subject to appeal
35 under section 290.1. However, a pupil who has been in
36 attendance in another district under this section may
37 return to the district of residence and enroll at any
38 time, once the parent or guardian has notified the
39 district of residence and the receiving district in
40 writing of the decision to enroll the pupil in the
41 district of residence.

42 Sec. _____. Section 282.18, subsection 14, Code
43 2001, is amended to read as follows:

44 14. If a pupil, for whom a request to transfer has
45 been filed with a district, has been suspended or
46 expelled in the district, the pupil shall not be
47 permitted to transfer until the pupil has been
48 reinstated in the sending district. Once the pupil
49 has been reinstated, however, the pupil shall be
50 permitted to transfer in the same manner as if the

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1 pupil had not been suspended or expelled by the
2 sending district. If a pupil, for whom a request to
3 transfer has been filed with a district, is expelled
4 in the district, the pupil shall be permitted to
5 transfer to a receiving district under this section if
6 the pupil applies for and is reinstated in the sending
7 district. However, if the pupil applies for
8 reinstatement but is not reinstated in the sending
9 district, the receiving district may deny the request
10 to transfer. ~~The parent or guardian of the pupil~~
11 ~~shall be permitted to appeal the decision of the~~
12 ~~receiving district to the director of the department~~
13 ~~of education. If the director rules in favor of~~
14 ~~permitting the transfer, the pupil shall be permitted~~
15 ~~to transfer, but the transfer shall be conditioned~~
16 ~~upon the expiration of the expulsion period without~~
17 ~~the pupil incurring a new violation~~ is not subject to
18 appeal.

19 Sec. _____. Section 282.18, subsection 16, Code
20 2001, is amended by striking the subsection and
21 inserting in lieu thereof the following:

22 16. An application for open enrollment may be
23 granted at any time with approval of the resident and
24 receiving districts.

25 Sec. _____. Section 282.18, subsection 18, Code
26 2001, is amended by striking the subsection."

27 3. Page 18, by striking line 30 and inserting the
28 following:

29 "Sec. _____. Sections 256.34 and 260C.70, Code 2001,
30 are repealed."

31 4. Page 18, by inserting after line 30 the
32 following:

33 "Sec. 101. WHOLE-GRADE SHARING AGREEMENT DEADLINE
34 WAIVER. Notwithstanding sections 282.10 and 282.11,
35 the department of education may, at the department's
36 discretion, waive any of the deadline requirements of
37 sections 282.10 and 282.11, relating to the signing of
38 a whole-grade sharing agreement by the boards of two
39 or more school districts involved in the agreement and
40 the public notice and hearing requirements, if one of
41 the districts involved in the agreement has an
42 enrollment of less than two hundred. This section is
43 repealed July 1, 2002.

44 Sec. _____. EFFECTIVE DATE -- APPLICABILITY.
45 Section 101 of this Act, relating to a waiver for
46 whole-grade sharing agreement deadlines, being deemed
47 of immediate importance, takes effect upon enactment
48 and applies from the date of enactment to June 30,
49 2002."

50 5. Title page, line 2, by striking the words "an

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- 1 effective date" and inserting the following:
- 2 "effective and applicability dates".

By BRUNKHORST of Bremer
COHOON of Des Moines

H-8215 FILED MARCH 8, 2002

adopted

3-13-02

(p. 788)

HOUSE FILE 2515

H-8224

1 Amend the amendment, H-8215, to House File 2515 as
2 follows:

3 1. Page 4, line 35, by striking the words and
4 figure "under section 290.1" and inserting the
5 following: "~~under section 290.1~~".

6 2. Page 5, by inserting after line 26 the
7 following:

8 "____. Page 10, by striking lines 27 and 28 and
9 inserting the following: "a matter of law or fact, or
10 a decision or order of a board of directors under
11 section 282.18, subsection 5, may, within thirty days
12 after"."

13 3. By renumbering as necessary.

By BRUNKHORST of Bremer

H-8224 FILED MARCH 11, 2002

Adopted
3-13-02 (p. 788)

HOUSE FILE 2515

H-8225

1 Amend the amendment, H-8215, to House File 2515 as
2 follows:

3 1. Page 2, lines 39 and 40, by striking the words
4 and figure: "unnumbered paragraph 2,".

5 2. Page 2, by inserting after line 40 the
6 following:

7 "3. In all districts involved with voluntary or
8 court-ordered desegregation, minority and nonminority
9 pupil ratios shall be maintained according to the
10 desegregation plan or order. The superintendent of a
11 district subject to voluntary or court-ordered
12 desegregation may deny a request for transfer under
13 this section if the superintendent finds that
14 enrollment or release of a pupil will adversely affect
15 the district's implementation of the desegregation
16 order or plan, unless the transfer is requested by a
17 pupil whose sibling is already participating in open
18 enrollment to another district. If, ~~however,~~ a
19 transfer request would facilitate a voluntary or
20 court-ordered desegregation plan, the district shall
21 give priority to granting the request over other
22 requests."

By GIPP of Winneshiek

H-8225 FILED MARCH 11, 2002

Adopted 3-13-02 (p. 788)

Legislative Fiscal Bureau

Fiscal Note

HF 2515 - Education Department Duties (LSB 5361 HV)

Analyst: Robin Madison (Phone: (515) 281-5270) (robin.madison@legis.state.ia.us)

Fiscal Note Version - New

Description

House File 2515 makes changes to statutes related to the duties and operation of the Department of Education. The changes are as follows:

- Authorizes the Director to use electronic funds transfer whenever possible in disbursing funds to local school districts.
- Permits the Director to employ full-time professional staff for periods of at least 9 but less than 12 months per year.
- Permits the Department to perform site visits at all accredited schools and school districts as needed. Currently, the Department must visit each school at least once every five years.
- Designates those college preparatory schools that appear on the Department's special accredited list as of July 1, 2002, as accredited nonpublic schools for purposes of receiving State funds for textbooks, transportation, and technology. Prohibits such funding to other college preparatory schools not on the list at that date.
- Makes a technical correction regarding whole grade sharing for purposes of reorganization.
- Eliminates a requirement that the Department employ a consultant for gifted and talented programs.
- Shifts responsibility for approving vocational technical programs and community college building plans from the Board of Education to the Director.
- Eliminates the Board of Education's role in appeals of local open enrollment decisions. Appeals of local school board decisions would go directly to district court. Parents who prevail in district court would be reimbursed by the school district for attorney fees and court costs.
- Eliminates the requirement that local school districts provide a school breakfast program.
- Changes the method of calculating the supplemental mileage payment for parents transporting nonpublic school students.
- Authorizes the Department to establish fees for school bus inspections and for issuing school bus driver authorizations. The fees may not exceed the Department's budgeted costs for these services.
- Makes a Code editor's correction to the process for appealing Area Education Agency transportation decisions.
- Restricts appeals of local school board decisions to the Board of Education to those brought by a student and/or parent or guardian of a student.
- Eliminates the requirement that the Department receive and approve school building construction plans.
- Shifts responsibility for providing technical assistance to schools in regard to driver education programming from the Department of Education to the Department of Transportation.
- Changes the physical examination requirements for school bus drivers from every year to every two years, while allowing the examining physician to require more frequent examinations when warranted.
- Changes the application process for school bus driver licensing to enable the Department to issue authorizations via a web-based system.
- Authorizes the Department to charge a fee to participants in drinking driver courses provided by the community colleges to recover administrative expenses related to required data collection. The Department is currently authorized to charge fees to these participants to recover expenses related to classroom space, instructor salaries, and class materials.
- Shifts responsibility for the Conservation Education Program from the Department of Education to the Department of Natural Resources (DNR). The Program awards from the Resource Enhancement and Preservation (REAP) Fund to school districts and teachers for

environmental education. The Department of Education is currently responsible for providing support to the Program board and for administering the funds.

- Shifts responsibility for surety bonding requirements for proprietary schools from the Department of Education to the Secretary of State. The Secretary of State is currently performing these functions via a 28E agreement with the Department.

Assumptions

1. The Department of Education's implementation of electronic funds transfer capability in all school districts would not require additional funding. Significant cost savings related to electronic funds transfer would not be realized before FY 2005.
2. The potential reduction in frequency of K-12 accreditation site visits would not result in a significant reduction in costs due to earlier staffing reductions and the potential need for more intensive or more frequent site visits in some districts.
3. The Gifted and Talented Consultant position is funded 50.0% with State General Fund monies and 50.0% with federal funds. The Department anticipates that the federal dollars will be eliminated in the next few years, making it difficult to maintain this position. In the meantime, the Department anticipates reassigning the position to other responsibilities.
4. Permitting the Director to approve vocational technical programs and community college building plans would not result in significant cost savings.
5. The Board of Education receives approximately 100 open enrollment appeals per year, 23.0% of which are dismissed prior to hearing. Each appeal that goes to hearing requires approximately nine hours of an administrative law judge's time, at an annual cost of \$37,000.
6. The average cost per case in the district courts is \$104 per hour plus \$11 per case for the Clerk of Court's time. At nine hours per case, each case would cost \$947. Assuming 77 open enrollment appeals go to hearing in the district courts each year, the cost to the courts would be \$73,000.
7. Eliminating the requirement that local school districts provide a breakfast program would not result in significant cost savings for the Department. School districts that choose to eliminate existing breakfast programs would realize savings. The extent of breakfast programs varies greatly between school districts. Because school districts report total food service program costs to the Department, rather than separate costs for lunch and breakfast, it is not possible to accurately estimate the savings to local school districts.
8. Changing the method of calculating the supplemental mileage payment for nonpublic school parents would not result in significant cost savings to the Department, though payments may be processed more quickly.
9. The Department's estimated FY 2003 expense for school bus inspections is \$261,000. Under the Bill, the Department would charge school districts a fee of \$15 per bus, for additional revenue totaling \$245,000. It is assumed the fee revenue would be retained by the Department to offset expenses related to the inspections.
10. The Department is currently collecting fees for school bus driver permits totaling approximately \$45,000. This is based on a fee of \$5 per permit. The fee for driver authorization would remain the same. Moving the driver application process to a web-based system would save Department staff time but would not result in significant cost savings.
11. The number of physical examinations required for school bus drivers and paid for by local school districts would be reduced by 50.0%, for an annual savings to school districts statewide of \$275,000.
12. Limiting appeals to the Board of Education to those brought by a student or parent/guardian of a student would not result in a significant reduction in the Department's expenses. The Department has indicated that the current language permitting appeals to the Board by any person may result in increased appeals in the future by, for example, vendors or contractors whose bids are rejected in a competitive bidding process. It is not possible to estimate this potential cost savings in future years.
13. Eliminating the requirement that the Department approve school building construction plans would not result in significant cost savings. The staff member responsible for this function has assumed additional responsibilities related to several State and federal infrastructure grant programs.
14. The Department of Education is not currently providing significant support to local school districts in regard to driver education. The Department of Transportation currently has field

- staff working with local school districts. The shift in responsibility for driver education would not result in significant changes in costs for either department.
15. The Department is currently charging a fee of \$5 per participant to recover authorized costs related to drinking driver courses provided by the community colleges. Approximately 10,000 persons participate in these courses annually, resulting in annual revenue of \$50,000. Under the Bill, the Department intends to increase the fee to \$10 to recover data collection costs. The increased fee would result in additional revenue of \$50,000. It is assumed the fee revenue would be retained by the Department to offset expenses related to data collection.
 16. The Department of Education has 1.0 FTE currently assigned to provide support for environmental education, including the Conservation Education Program. No REAP funding is provided for administration of the Program. The position is funded 50.0% with State General Fund monies and 50.0% with federal Title I funds that would not transfer to the DNR. The FY 2002 General Fund expenditure for salary and benefits is \$35,520. The Department of Education anticipates reassigning this position to other responsibilities. Assuming the Program utilizes half of the current staff member's time, the DNR would require an additional 0.5 FTE and \$35,520 to staff this function.

Fiscal Impact

It is estimated that House File 2515 would result in additional fee revenue for the Department of Education of \$295,000 per year in FY 2003 and FY 2004. The Bill would result in additional costs for the Department of Natural Resources and the district courts, totaling \$109,000 per year in FY 2003 and FY 2004.

It is estimated that local school districts would experience a statewide net savings of \$30,000 per year as a result of HF 2515. This amount represents a reduction in costs related to physical examinations for school bus drivers, offset by fees to be paid for school bus inspections. The estimate does not reflect cost savings realized by eliminating school breakfast programs. Due to lack of data from local school districts, this savings cannot be determined.

Sources

Department of Education
Department of Natural Resources
Department of Transportation
Judicial Branch
Secretary of State

/s/ Dennis C Prouty

March 6, 2002

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

S. 3/14/02 Education
S. 3/14/02 amend/ Do Pass
W/5170

HOUSE FILE 2515
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 689)

(As Amended and Passed by the House March 13, 2002)

Passed House, Date ^(P.1789) 3-13-02 Passed Senate, Date ^(P.1135) 4-11-02
Vote: Ayes 95 - Nays 0 Vote: Ayes 48 Nays 0
Approved 4/30/02

re passed 4-11-02
vote 93-0

re passed 4/12/02
vote 46-0 (P.1174)

A BILL FOR

1 An Act relating to the duties and operation of the department of
2 education and providing effective and applicability dates.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

House Amendments _____

- 4
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1 Section 1. Section 256.9, Code Supplement 2001, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 51. Disburse, transfer, or receive funds
4 as authorized or required under federal or state law or
5 regulation in a manner that utilizes electronic transfer of
6 the funds whenever possible.

7 Sec. 2. Section 256.10, Code 2001, is amended to read as
8 follows:

9 256.10 EMPLOYMENT OF PROFESSIONAL STAFF.

10 1. The salary of the director shall be fixed by the
11 governor within a range established by the general assembly.

12 2. Appointments to the professional staff of the
13 department shall be without reference to political party
14 affiliation, religious affiliation, sex, or marital status,
15 but shall be based solely upon fitness, ability, and proper
16 qualifications for the particular position. The professional
17 staff shall serve at the discretion of the director. A member
18 of the professional staff shall not be dismissed for cause
19 without appropriate due process procedures including a
20 hearing.

21 3. The director may employ full-time professional staff
22 for less than twelve months each year, but such staff shall be
23 employed by the director for at least nine months of each
24 year. Salaries for full-time professional staff employed as
25 provided in this subsection shall be comparable to other
26 professional staff, adjusting for time worked. Salaries for
27 professional staff employed for periods of less than twelve
28 months shall be paid during each month of the year in which
29 they are employed on the same schedule as full-time permanent
30 professional staff. The director shall provide for and the
31 department shall pay for health and dental insurance benefits
32 for twelve months each year for the full-time professional
33 staff employed as provided in this subsection, and the health
34 and dental insurance benefits provided shall be comparable to
35 the benefits provided to all other professional staff employed

1 by the director.

2 Sec. 3. Section 256.11, subsection 10, unnumbered
3 paragraph 3, Code Supplement 2001, is amended to read as
4 follows:

5 The department shall conduct site visits to schools and
6 school districts to address accreditation issues identified in
7 the desk audit. Such a visit may be conducted by an
8 individual departmental consultant or may be a comprehensive
9 site visit by a team of departmental consultants and other
10 educational professionals. The purpose of a comprehensive
11 site visit is to determine that a district is in compliance
12 with minimum standards and to provide a general assessment of
13 educational practices in a school or school district and make
14 recommendations with regard to the visit findings for the
15 purposes of improving educational practices above the level of
16 minimum compliance. The department shall establish a long-
17 term schedule of site visits that includes visits of all
18 accredited schools and school districts ~~at-least-once-every~~
19 five-years as needed.

20 Sec. 4. Section 256.11, subsection 13, Code Supplement
21 2001, is amended by adding the following new paragraph:

22 NEW PARAGRAPH. d. Schools appearing on the special
23 accredited list of college preparatory schools, prepared by
24 the department in accordance with this subsection, which is in
25 effect on July 1, 2002, shall be considered an accredited
26 nonpublic school for purposes of receiving state assistance in
27 accordance with chapters 285 and 301 and moneys from any
28 appropriation made by the general assembly for purposes of
29 providing technology to school districts and accredited
30 nonpublic school students. Schools not appearing on the list
31 on July 1, 2002, are ineligible for state assistance under
32 chapters 285 and 301 or state assistance for technology.

33 Sec. 5. Section 257.11, subsection 2, paragraph c,
34 subparagraph (2), Code Supplement 2001, is amended to read as
35 follows:

1 (2) A school district which was not participating in a
2 whole grade sharing arrangement during the budget year
3 beginning July 1, ~~2001~~ 2000, which executes a whole grade
4 sharing agreement pursuant to sections 282.10 through 282.12
5 for the budget year beginning July 1, 2002, or July 1, 2003,
6 and which adopts a resolution jointly with the other affected
7 boards to study the question of undergoing a reorganization or
8 dissolution to take effect on or before July 1, 2006, shall
9 receive a weighting of one-tenth of the percentage of the
10 pupil's school day during which the pupil attends classes in
11 another district, attends classes taught by a teacher who is
12 jointly employed under section 280.15, or attends classes
13 taught by a teacher who is employed by another school
14 district. A district shall be eligible for supplementary
15 weighting pursuant to this subparagraph for a maximum of three
16 years. Receipt of supplementary weighting for a second and
17 third year shall be conditioned upon submission of information
18 resulting from the study to the school budget review committee
19 indicating progress toward the objective of reorganization on
20 or before July 1, 2006.

21 Sec. 6. Section 260C.5, subsection 6, Code 2001 is amended
22 by striking the subsection.

23 Sec. 7. Section 260C.14, subsection 1, Code Supplement
24 2001, is amended to read as follows:

25 1. Determine the curriculum to be offered in such school
26 or college subject to approval of the ~~state-board~~ director and
27 ensure that all vocational offerings are competency-based,
28 provide any minimum competencies required by the department of
29 education, comply with any applicable requirements in chapter
30 258, and are articulated with local school district vocational
31 education programs. If an existing private educational or
32 vocational institution within the merged area has facilities
33 and curriculum of adequate size and quality which would
34 duplicate the functions of the area school, the board of
35 directors shall discuss with the institution the possibility

1 of entering into contracts to have the existing institution
2 offer facilities and curriculum to students of the merged
3 area. The board of directors shall consider any proposals
4 submitted by the private institution for providing such
5 facilities and curriculum. The board of directors may enter
6 into such contracts. In approving curriculum, the **state-board**
7 director shall ascertain that all courses and programs
8 submitted for approval are needed and that the curriculum
9 being offered by an area school does not duplicate programs
10 provided by existing public or private facilities in the area.
11 In determining whether duplication would actually exist, the
12 state board shall consider the needs of the area and consider
13 whether the proposed programs are competitive as to size,
14 quality, tuition, purposes, and area coverage with existing
15 public and private educational or vocational institutions
16 within the merged area. If the board of directors of the
17 merged area chooses not to enter into contracts with private
18 institutions under this subsection, the board shall submit a
19 list of reasons why contracts to avoid duplication were not
20 entered into and an economic impact statement relating to the
21 board's decision.

22 Sec. 8. Section 260C.38, unnumbered paragraphs 1 and 3,
23 Code 2001, are amended to read as follows:

24 The board of directors may~~with the approval of the~~
25 director of the department of education~~7~~ enter into lease
26 agreements, with or without purchase options, not to exceed
27 twenty years in duration, for the leasing or rental of
28 buildings for use basically as classrooms, laboratories,
29 shops, libraries, and study halls for community college
30 purposes, and pay for the leasing or rental with funds
31 acquired pursuant to section 260C.17, section 260C.18, and
32 section 260C.22. However~~7~~ lease agreements extending for less
33 than ten years and for less than twenty-five thousand dollars
34 per year need not be submitted to the director of the
35 department of education for approval.

1 Before entering into a lease agreement with a purchase
2 option for a building to be constructed, or placed, upon real
3 estate owned by the community college, the board shall first
4 adopt plans and specifications for the proposed building which
5 it considers suitable for the intended use, and the board
6 shall also adopt the proposed terms of the lease agreement and
7 purchase option. Upon-obtaining-the-approval-of-the-director
8 of-the-department-of-education, if approval of the director is
9 required, the The board shall invite bids, by advertisement
10 published once each week for two consecutive weeks in the
11 county where the building is to be located. The lease
12 agreement shall be awarded to the lowest responsible bidder,
13 or the board may reject all bids and readvertise for new bids.

14 Sec. 9. Section 282.18, subsection 2, Code 2001, is
15 amended to read as follows:

16 2. By January 1 of the preceding school year, the parent
17 or guardian shall send notification to the district of
18 residence and the receiving district, on forms prescribed by
19 the department of education, that the parent or guardian
20 intends to enroll the parent's or guardian's child in a public
21 school in another school district. If a parent or guardian
22 fails to file a notification that the parent intends to enroll
23 the parent's or guardian's child in a public school in another
24 district by the deadline of January 1 of the previous year,
25 and one of the criteria defined in subsection 16 4 exists for
26 the failure to meet the deadline or if the request is to
27 enroll a child in kindergarten in a public school in another
28 district, the parent or guardian shall be permitted to enroll
29 the child in the other district in the same manner as if the
30 deadline had been met.

31 The-board-of-directors-of-a-school-district-may-adopt-a
32 policy-granting-the-superintendent-of-the-district-authority
33 to-approve-open-enrollment-applications-that-are-timely-filed.
34 However, the-board-of-directors-shall-not-grant-the
35 superintendent-authority-to-deny-open-enrollment-applications,

1 ~~except as provided in subsection 3. The board of the district~~
2 ~~of residence, or the superintendent with the board's authority~~
3 ~~to only approve applications, shall take action on the request~~
4 ~~no later than February 1 of the preceding school year and~~
5 ~~shall transmit any approved request within five days after~~
6 ~~board action on the request. The parent or guardian may~~
7 ~~withdraw the request at any time prior to the start of the~~
8 ~~school year. The board of the receiving district, or the~~
9 ~~superintendent with the board's authority to approve~~
10 ~~applications only, shall take action to approve or disapprove~~
11 ~~the request no later than March 1 of the preceding school~~
12 ~~year. The board of the receiving district shall enroll the~~
13 ~~pupil in a school in the receiving district for the following~~
14 ~~school year unless the receiving district does not have~~
15 ~~classroom space for the pupil. If the request is granted, the~~
16 ~~board shall transmit a copy of the form to the parent or~~
17 ~~guardian and the school district of residence within five days~~
18 ~~after board action, but not later than March 1 of the~~
19 ~~preceding school year. The parent or guardian may withdraw~~
20 ~~the request at any time prior to the start of the school year.~~
21 ~~A denial of a request by the board of a receiving district is~~
22 ~~not subject to appeal.~~

23 Sec. 10. Section 282.18, subsection 3, Code 2001, is
24 amended to read as follows:

25 3. In all districts involved with voluntary or court-
26 ordered desegregation, minority and nonminority pupil ratios
27 shall be maintained according to the desegregation plan or
28 order. The superintendent of a district subject to voluntary
29 or court-ordered desegregation may deny a request for transfer
30 under this section if the superintendent finds that enrollment
31 or release of a pupil will adversely affect the district's
32 implementation of the desegregation order or plan, unless the
33 transfer is requested by a pupil whose sibling is already
34 participating in open enrollment to another district. If,
35 however, a transfer request would facilitate a voluntary or

1 court-ordered desegregation plan, the district shall give
2 priority to granting the request over other requests.

3 A parent or guardian, whose request has been denied because
4 of a desegregation order or plan, may appeal the decision of
5 the superintendent to the board of the district in which the
6 request was denied. The board may either uphold or overturn
7 the superintendent's decision. A decision of the board to
8 uphold the denial of the request is subject to appeal under
9 section-290-1 to the district court in the county in which the
10 primary business office of the district is located.

11 Sec. 11. Section 282.18, subsections 4 and 5, Code 2001,
12 are amended by striking the subsections and inserting in lieu
13 thereof the following:

14 4. a. After January 1 of the preceding school year and
15 until the third Friday in September of that calendar year, the
16 parent or guardian shall send notification to the district of
17 residence and the receiving district, on forms prescribed by
18 the department of education, that good cause, as defined in
19 paragraph "b", exists for failure to meet the January 1
20 deadline. The board of the receiving district shall take
21 action to approve the request if good cause exists. If the
22 request is granted, the board shall transmit a copy of the
23 form to the parent or guardian and the school district of
24 residence within five days after board action. A denial of a
25 request by the board of a receiving district is not subject to
26 appeal.

27 b. For purposes of this section, "good cause" means a
28 change in a child's residence due to a change in family
29 residence, a change in the state in which the family residence
30 is located, a change in a child's parents' marital status, a
31 guardianship or custody proceeding, placement in foster care,
32 adoption, participation in a foreign exchange program, or
33 participation in a substance abuse or mental health treatment
34 program, a change in the status of a child's resident district
35 such as removal of accreditation by the state board, surrender

1 of accreditation, or permanent closure of a nonpublic school,
2 the failure of negotiations for a whole-grade sharing,
3 reorganization, dissolution agreement or the rejection of a
4 current whole-grade sharing agreement, or reorganization plan.
5 If the good cause relates to a change in status of a child's
6 school district of residence, however, action by a parent or
7 guardian must be taken to file the notification within forty-
8 five days of the last board action or within thirty days of
9 the certification of the election, whichever is applicable to
10 the circumstances.

11 c. If a resident district believes that a receiving
12 district is unreasonable in approving applications submitted
13 in accordance with this subsection, the resident district may
14 request that the department review and take appropriate
15 action.

16 5. Open enrollment applications filed after January 1 of
17 the preceding school year that do not qualify for good cause
18 as provided in subsection 4 shall be subject to the approval
19 of the board of the resident district and the board of the
20 receiving district. The parent or guardian shall send
21 notification to the district of residence and the receiving
22 district that the parent or guardian seeks to enroll the
23 parent's or guardian's child in the receiving district. A
24 decision of either board to deny an application filed under
25 this subsection involving repeated acts of harassment of the
26 student or serious health condition of the student that the
27 resident district cannot adequately address is subject to
28 appeal under section 290.1. The state board shall exercise
29 broad discretion to achieve just and equitable results that
30 are in the best interest of the affected child or children.

31 Sec. 12. Section 282.18, subsection 6, Code 2001, is
32 amended to read as follows:

33 6. A request under this section is for a period of not
34 less than one year. If the request is for more than one year
35 and the parent or guardian desires to have the pupil enroll in

1 a different district, the parent or guardian may petition the
2 current receiving district by January 1 of the previous school
3 year for permission to enroll the pupil in a different
4 district for a period of not less than one year. Upon receipt
5 of such a request, the current receiving district board may
6 act on the request to transfer to the other school district at
7 the next regularly scheduled board meeting after the receipt
8 of the request. The new receiving district shall enroll the
9 pupil in a school in the district unless there is insufficient
10 classroom space in the district or unless enrollment of the
11 pupil would adversely affect the court-ordered or voluntary
12 desegregation plan of the district. A denial of a request to
13 change district enrollment within the approved period is not
14 subject to appeal under-section-290-1. However, a pupil who
15 has been in attendance in another district under this section
16 may return to the district of residence and enroll at any
17 time, once the parent or guardian has notified the district of
18 residence and the receiving district in writing of the
19 decision to enroll the pupil in the district of residence.

20 Sec. 13. Section 282.18, subsection 14, Code 2001, is
21 amended to read as follows:

22 14. If a pupil, for whom a request to transfer has been
23 filed with a district, has been suspended or expelled in the
24 district, the pupil shall not be permitted to transfer until
25 the pupil has been reinstated in the sending district. Once
26 the pupil has been reinstated, however, the pupil shall be
27 permitted to transfer in the same manner as if the pupil had
28 not been suspended or expelled by the sending district. If a
29 pupil, for whom a request to transfer has been filed with a
30 district, is expelled in the district, the pupil shall be
31 permitted to transfer to a receiving district under this
32 section if the pupil applies for and is reinstated in the
33 sending district. However, if the pupil applies for
34 reinstatement but is not reinstated in the sending district,
35 the receiving district may deny the request to transfer. The

1 parent or guardian of the pupil shall be permitted to appeal
2 the decision of the receiving district to the director of the
3 department of education. If the director rules in favor of
4 permitting the transfer, the pupil shall be permitted to
5 transfer, but the transfer shall be conditioned upon the
6 expiration of the expulsion period without the pupil incurring
7 a new violation is not subject to appeal.

8 Sec. 14. Section 282.18, subsection 16, Code 2001, is
9 amended by striking the subsection and inserting in lieu
10 thereof the following:

11 16. An application for open enrollment may be granted at
12 any time with approval of the resident and receiving
13 districts.

14 Sec. 15. Section 282.18, subsection 18, Code 2001, is
15 amended by striking the subsection.

16 Sec. 16. Section 283A.2, subsection 2, paragraph a, Code
17 2001, is amended to read as follows:

18 a. A school district shall operate or provide for the
19 operation of ~~school breakfast and~~ lunch programs at all
20 attendance centers in the district. ~~However, with the~~
21 ~~approval of the department of education as provided in~~
22 paragraph "b", a school district may operate or provide for
23 the operation of school breakfast programs at all attendance
24 centers in the district, or provide access to a school
25 breakfast program at an alternative site to students who wish
26 to participate in a school breakfast program. The programs
27 shall provide students with nutritionally adequate meals and
28 shall be operated in compliance with the rules of the state
29 board of education and pertinent federal law and regulation.
30 The school lunch program shall be provided for all students in
31 each district who attend public school four or more hours each
32 school day and wish to participate in a school breakfast or
33 lunch program. School districts may provide school breakfast
34 and lunch programs for other students.

35 Sec. 17. Section 283A.2, subsection 2, paragraphs b and c,

1 Code 2001, are amended by striking the paragraphs.

2 Sec. 18. Section 285.3, Code 2001, is amended by striking
3 the section and inserting in lieu thereof the following:

4 285.3 PARENTAL REIMBURSEMENT FOR NONPUBLIC SCHOOL PUPIL
5 TRANSPORTATION.

6 1. A parent or legal guardian of a student attending an
7 accredited nonpublic school, who furnishes transportation for
8 the student pursuant to section 285.1, subsection 17,
9 paragraph "c", and who meets the requirements of subsection 2
10 of this section, is entitled to reimbursement equal to an
11 amount calculated under the provisions of section 285.1,
12 subsection 3. In addition, a parent or guardian who
13 transports one or more family members more than four miles to
14 their nonpublic school of attendance shall be entitled to one
15 supplemental mileage payment per family, per claim period,
16 equal to thirteen percent of the parental reimbursement for
17 the claim period rounded to the nearest whole dollar.

18 2. To qualify for parental reimbursement under subsection
19 1, a parent or guardian of a student attending an accredited
20 nonpublic school who furnishes transportation for the student
21 in accordance with this section, shall submit a notice of
22 nonpublic school attendance to the resident public school
23 district, notifying the district that the student is enrolled
24 in and will attend an accredited nonpublic school during the
25 period for which parental reimbursement is being requested.
26 The notice shall be filed with the resident public school
27 district not later than December 1 for the first semester
28 claim and May 1 for the second semester claim each year. The
29 notice shall include the parent's name and address, the name,
30 age, and grade level of the student, and the name of the
31 nonpublic school and its location. The resident public school
32 district shall submit claims for reimbursement to the
33 department of education on behalf of the parent or guardian if
34 the parent or guardian meets the requirements of this section.
35 Sec. 19. Section 285.8, Code 2001, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 9. Establish a fee for conducting school
3 bus inspections in accordance with subsection 4 and issuing
4 school bus driver authorizations in accordance with section
5 321.376, which shall not exceed the budgeted cost for
6 conducting inspections and administering authorizations.

7 Sec. 20. Section 285.12, Code 2001, is amended to read as
8 follows:

9 285.12 DISPUTES -- HEARINGS AND APPEALS.

10 In the event of a disagreement between a school patron and
11 the board of the school district, the patron if dissatisfied
12 with the decision of the district board, may appeal ~~the same~~
13 to the area education agency board, notifying the secretary of
14 the district in writing within ten days of the decision of the
15 board and by filing an affidavit of appeal with the agency
16 board within the ten-day period. The affidavit of appeal
17 shall include the reasons for the appeal and points at issue.
18 The secretary of the local board on receiving notice of appeal
19 shall certify all papers to the agency board which shall hear
20 the appeal within ten days of the receipt of the papers and
21 decide it within three days of the conclusion of the hearing
22 and shall immediately notify all parties of its decision.
23 Either party may appeal the decision of the agency board to
24 the director of the department of education by notifying the
25 opposite party and the agency administrator in writing within
26 five days after receipt of notice of the decision of the
27 agency board and by filing with the director of the department
28 of education an affidavit of appeal, reasons for appeal, and
29 the facts involved in the disagreement within five days after
30 receipt of notice of the decision of the agency board. The
31 agency administrator shall, within ten days of ~~said~~ receipt of
32 the notice, file with the director all records and papers
33 pertaining to the case, including action of the agency board.
34 The director shall hear the appeal within fifteen days of the
35 filing of the records in the director's office, notifying all

1 parties and the agency administrator of the date and time of
2 hearing. The director shall ~~forthwith-decide-the-same-and~~
3 notify all parties of the decision and return all papers with
4 a copy of the decision to the agency administrator. The
5 decision of the director shall be subject to judicial review
6 in accordance with ~~the-terms-of-the-Iowa-administrative~~
7 ~~procedure-Act~~ chapter 17A. Pending final order made by the
8 director, upon any appeal prosecuted to such director, the
9 order of the agency board from which the appeal is taken shall
10 be operative and be in full force and effect.

11 Sec. 21. Section 290.1, Code 2001, is amended to read as
12 follows:

13 290.1 APPEAL TO STATE BOARD.

14 A-person An affected pupil, or the parent or guardian of an
15 affected pupil who is a minor, who is aggrieved by a decision
16 or order of the board of directors of a school corporation in
17 a matter of law or fact, or a decision or order of a board of
18 directors under section 282.18, subsection 5, may, within
19 thirty days after the rendition of the decision or the making
20 of the order, appeal the decision or order to the state board
21 of education; the basis of the proceedings shall be an
22 affidavit filed with the state board by the party aggrieved
23 within the time for taking the appeal, which affidavit shall
24 set forth any error complained of in a plain and concise
25 manner.

26 ~~For-purposes-of-section-282-117,-a-"person-aggrieved"-or~~
27 ~~"party-aggrieved"-means-the-"parent-or-guardian-of-an-affected~~
28 ~~pupil"-~~

29 Sec. 22. Section 297.7, subsection 1, Code 2001, is
30 amended to read as follows:

31 1. Sections 73A.2 and 73A.18 are applicable to the
32 construction and repair of school buildings. Before
33 ~~construction-of-a-school-building-for-which-the-cost-of~~
34 ~~construction-exceeds-twenty-five-thousand-dollars,-the-board~~
35 ~~of-directors-of-a-school-district-shall-send-a-copy-of-the~~

1 ~~plans to the building consultant in the department of~~
2 ~~education for review. The board of directors may submit for~~
3 ~~review a copy of the plans for repair or renovation of a~~
4 ~~school building. The building consultant shall return the~~
5 ~~plans together with any recommendations to the board of~~
6 ~~directors within thirty days following the receipt of the~~
7 ~~plans.~~

8 Sec. 23. Section 321.178, subsection 1, unnumbered
9 paragraph 1, Code Supplement 2001, is amended to read as
10 follows:

11 An approved driver education course as programmed by the
12 department of education shall consist of at least thirty clock
13 hours of classroom instruction, of which no more than one
14 hundred eighty minutes shall be provided to a student in a
15 single day, and six or more clock hours of laboratory
16 instruction of which at least three clock hours shall consist
17 of street or highway driving. Classroom instruction shall
18 include all of the following:

19 Sec. 24. Section 321.178, subsection 1, unnumbered
20 paragraphs 3, 4, and 5, Code Supplement 2001, are amended to
21 read as follows:

22 Every public school district in Iowa shall offer or make
23 available to all students residing in the school district or
24 Iowa students attending a nonpublic school in the district an
25 approved course in driver education. The courses may be
26 offered at sites other than at the public school, including
27 nonpublic school facilities within the public school
28 districts. An approved course offered during the summer
29 months, on Saturdays, after regular school hours during the
30 regular terms or partly in one term or summer vacation period
31 and partly in the succeeding term or summer vacation period,
32 as the case may be, shall satisfy the requirements of this
33 section to the same extent as an approved course offered
34 during the regular school hours of the school term. A student
35 who successfully completes and obtains certification in an

1 approved course in driver education or an approved course in
2 motorcycle education may, upon proof of such fact, be excused
3 from any field test which the student would otherwise be
4 required to take in demonstrating the student's ability to
5 operate a motor vehicle. A student shall not be excused from
6 any field test if a parent, guardian, or instructor requests
7 that a test be administered. Street or highway driving
8 instruction may be provided by a person qualified as a
9 classroom driver education instructor or a person certified by
10 the department ~~of-transportation~~ and authorized by the board
11 of educational examiners. A person shall not be required to
12 hold a current Iowa teacher or administrator license at the
13 elementary or secondary level or to have satisfied the
14 educational requirements for an Iowa teacher license at the
15 elementary or secondary level in order to be certified by the
16 department ~~of-transportation~~ or authorized by the board of
17 educational examiners to provide street or highway driving
18 instruction. A final field test prior to a student's
19 completion of an approved course shall be administered by a
20 person qualified as a classroom driver education instructor.
21 The department ~~of-transportation~~ shall adopt rules pursuant to
22 chapter 17A to provide for certification of persons qualified
23 to provide street or highway driving instruction. The board
24 of educational examiners shall adopt rules pursuant to chapter
25 17A to provide for authorization of persons certified by the
26 department ~~of-transportation~~ to provide street or highway
27 driving instruction.

28 "Student", for purposes of this section, means a person
29 between the ages of fourteen years and twenty-one years who
30 ~~resides-in-the-public-school-district-and-who~~ satisfies the
31 preliminary licensing requirements of the department of
32 transportation.

33 Any person who successfully completes an approved driver
34 education course at a private or commercial driver education
35 school licensed by the department ~~of-transportation~~, shall

1 likewise be eligible for a driver's license as provided in
2 section 321.180B or 321.194.

3 Sec. 25. Section 321.375, subsection 1, paragraph d, Code
4 2001, is amended by striking the paragraph and inserting in
5 lieu thereof the following:

6 d. Possess a current certificate of qualification for
7 operation of a commercial motor vehicle issued by a physician
8 licensed pursuant to chapter 148 or 150A, physician's
9 assistant, advanced registered nurse practitioner, or
10 chiropractor or any other person identified by federal and
11 state law as authorized to perform physical examinations.

12 Sec. 26. Section 321.375, subsection 2, paragraph c, Code
13 2001, is amended to read as follows:

14 c. Fraud in the procurement or renewal of a school bus
15 driver's permit authorization to operate a school bus.

16 Sec. 27. Section 321.376, Code 2001, is amended to read as
17 follows:

18 321.376 LICENSE -- PERMIT AUTHORIZATION -- INSTRUCTION
19 REQUIREMENT.

20 1. The driver of a school bus shall hold a driver's
21 license issued by the department of transportation valid for
22 the operation of the school bus and ~~shall hold a school bus~~
23 ~~driver's permit issued by the department of education when~~
24 ~~transporting student or adult passengers to or from school~~
25 ~~activities. -- The department of education shall charge a fee~~
26 ~~for the issuance of a school bus driver's permit in the amount~~
27 ~~of five dollars, which shall be deposited in the general fund~~
28 ~~of the state~~ a certificate of qualification for operation of a
29 commercial motor vehicle issued by a physician licensed
30 pursuant to chapter 148 or 150A, physician's assistant,
31 advanced registered nurse practitioner, or chiropractor or any
32 other person identified by federal and state law as authorized
33 to perform physical examinations, and shall successfully
34 complete an approved course of instruction in accordance with
35 subsection 2. A person holding a temporary restricted license

1 issued under chapter 321J shall be prohibited from operating a
2 school bus. The department of education shall revoke or
3 refuse to issue ~~a-permit~~ an authorization to operate a school
4 bus to any person who, after notice and opportunity for
5 hearing, is determined to have committed any of the acts
6 proscribed under section 321.375, subsection 2. The
7 department of education shall recommend, and the state board
8 of education shall adopt under chapter 17A, rules and
9 procedures for ~~the-revocation-and-issuance-of-permits-to~~
10 persons issuing and revoking authorization to operate a school
11 bus in this state. Rules and procedures adopted shall
12 include, but are not limited to, provisions for the revocation
13 of, or refusal to issue, ~~permits~~ authorization to persons who
14 are determined to have committed any of the acts proscribed
15 under section 321.375, subsection 2.

16 2. A person applying for employment or employed as a
17 school bus driver shall successfully complete a department of
18 education approved course of instruction for school bus
19 drivers before or within the first six months of employment
20 and at least every twenty-four months thereafter. If an
21 employee fails to provide an employer with a certificate of
22 completion of the required school bus driver's course, the
23 driver's employer shall report the failure to the department
24 of education and the employee's authorization to operate a
25 school bus driver's-permit shall be revoked. The department
26 of education shall send notice of the revocation ~~of-the~~
27 ~~employee's-permit~~ to both the employee and the employer. A
28 person whose school bus ~~driver's-permit~~ authorization has been
29 revoked under this section shall not be issued another ~~school~~
30 ~~bus-driver's-permit~~ authorization until certification of the
31 completion of an approved school bus driver's course is
32 received by the department of education.

33 ~~3.--The-department-of-education-shall-submit-an-annual~~
34 ~~budget-request, separately from the department's annual~~
35 ~~operating-budget-request, in an amount not to exceed the~~

1 amount-collected-by-the-department-for-the-issuance-of-annual
2 school-bus-driver-permits---Funds-requested-shall-be
3 designated-for-purposes-of-establishing-and-conducting
4 approved-courses-of-instruction-for-school-bus-drivers-and-for
5 school-bus-passenger-safety-programs---The-department-shall
6 recommend-rules-for-adoption-by-the-state-board-of-education
7 relating-to-the-assessment-and-collection-of-funds-from-the
8 school-bus-driver-fee-and-relating-to-distribution-of-funds
9 for-approved-courses-of-instruction:

10 Sec. 28. Section 321J.22, subsection 2, paragraph d, Code
11 2001, is amended to read as follows:

12 d. The department of education shall establish reasonable
13 fees to defray the expense of obtaining classroom space,
14 instructor salaries, and class materials for courses offered
15 both by community colleges and by substance abuse treatment
16 programs licensed under chapter 125, and for administrative
17 expenses incurred by the department in implementing subsection
18 5.

19 Sec. 29. Section 455A.19, subsection 1, unnumbered
20 paragraph 1, Code Supplement 2001, is amended to read as
21 follows:

22 Upon receipt of any revenue, the director shall deposit the
23 moneys in the Iowa resources enhancement and protection fund
24 created pursuant to section 455A.18. The first three hundred
25 fifty thousand dollars of the funds received for deposit in
26 the fund annually shall be allocated to the conservation
27 education program board for the purposes specified in section
28 ~~256-34~~ 455A.21. One percent of the revenue receipts shall be
29 deducted and transferred to the administration fund provided
30 for in section 456A.17. All of the remaining receipts shall
31 be allocated to the following accounts:

32 Sec. 30. NEW SECTION. 455A.21 CONSERVATION EDUCATION
33 PROGRAM BOARD.

34 1. A conservation education program board is created in
35 the department. The board shall have five members appointed

1 as follows:

2 a. One member appointed by the director of the department
3 of education.

4 b. One member appointed by the director of the department
5 of natural resources.

6 c. One member appointed by the president of the Iowa
7 association of county conservation boards.

8 d. One member appointed by the president of the Iowa
9 association of naturalists.

10 e. One member appointed by the president of the Iowa
11 conservation education council.

12 2. Section 69.16 does not apply to appointments made
13 pursuant to this section.

14 3. The duties of the board are to revise and produce
15 conservation education materials and to specify stipends to
16 Iowa educators who participate in innovative conservation
17 education programs approved by the board. The board shall
18 allocate the funds provided for under section 455A.19,
19 subsection 1, for the educational materials and stipends.

20 4. The department shall administer the funds allocated to
21 the conservation education program as provided in this
22 section.

23 Sec. 31. Section 714.18, unnumbered paragraph 1, Code
24 2001, is amended to read as follows:

25 Except as otherwise provided in subsection 4, every person,
26 firm, association, or corporation maintaining or conducting in
27 Iowa any such course of instruction, by classroom instruction
28 or by correspondence, or soliciting in Iowa the sale of such
29 course, shall file with the ~~director-of-the-department-of~~
30 education secretary of state:

31 Sec. 32. Section 714.18, subsections 1 and 2, Code 2001,
32 are amended to read as follows:

33 1. A continuous corporate surety bond to the state of Iowa
34 in the sum of fifty thousand dollars conditioned for the
35 faithful performance of all contracts and agreements with

1 students made by such person, firm, association, or
2 corporation, or their salespersons; but the aggregate
3 liability of the surety for all breaches of the conditions of
4 the bond shall not exceed the sum of the bond. The surety on
5 the bond may cancel the bond upon giving thirty days' written
6 notice to the ~~director-of-the-department-of-education~~
7 secretary of state and thereafter shall be relieved of
8 liability for any breach of condition occurring after the
9 effective date of the cancellation.

10 2. A statement designating a resident agent for the
11 purpose of receiving service in civil actions. In the absence
12 of such designation, service may be had upon the ~~director-of~~
13 ~~the-department-of-education~~ secretary of state if service
14 cannot otherwise be made in this state.

15 Sec. 33. Section 714.18, subsection 4, Code 2001, is
16 amended to read as follows:

17 4. A school licensed under the provisions of section 157.8
18 or 158.7 shall file with the ~~director-of-the-department-of~~
19 ~~education~~ secretary of state:

20 a. A continuous corporate surety bond to the state of Iowa
21 in the sum of fifty thousand dollars or ten percent of the
22 total annual tuition collected, whichever is less, conditioned
23 for the faithful performance of all contracts and agreements
24 with students made by such school. A school desiring to file
25 a surety bond based on a percentage of annual tuition shall
26 provide to the ~~director-of-the-department-of-education~~
27 secretary of state, in the form prescribed by the ~~director~~
28 secretary, a notarized statement attesting to the total amount
29 of tuition collected in the preceding twelve-month period.
30 The ~~director~~ secretary shall determine the sufficiency of the
31 statement and the amount of the bond. Tuition information
32 submitted pursuant to this paragraph shall be kept
33 confidential.

34 If the school has filed a performance bond with an agency
35 of the United States government pursuant to federal law, the

1 ~~director-of-the-department-of-education~~ secretary of state
2 shall reduce the bond required by this paragraph by an amount
3 equal to the amount of the federal bond.

4 The aggregate liability of the surety for all breaches of
5 the conditions of the bond shall not exceed the sum of the
6 bond. The surety on the bond may cancel the bond upon giving
7 thirty days' written notice to the ~~director-of-the-department~~
8 ~~of-education~~ secretary of state and thereafter shall be
9 relieved of liability for any breach of condition occurring
10 after the effective date of the cancellation.

11 The ~~director-of-the-department-of-education~~ secretary of
12 state may accept a letter of credit from a bank in lieu of the
13 corporate surety bond required by this paragraph.

14 b. The statement required in subsection 2.

15 c. The materials required in subsection 3.

16 Sec. 34. Section 714.22, subsection 1, Code 2001, is
17 amended to read as follows:

18 1. File a bond or a bond is filed on their behalf by a
19 parent corporation with the ~~director-of-the-department-of~~
20 ~~education~~ secretary of state as required by section 714.18.

21 Sec. 35. Sections 256.34 and 260C.70, Code 2001, are
22 repealed.

23 Sec. 36. WHOLE-GRADE SHARING AGREEMENT DEADLINE WAIVER.
24 Notwithstanding sections 282.10 and 282.11, the department of
25 education may, at the department's discretion, waive any of
26 the deadline requirements of sections 282.10 and 282.11,
27 relating to the signing of a whole-grade sharing agreement by
28 the boards of two or more school districts involved in the
29 agreement and the public notice and hearing requirements, if
30 one of the districts involved in the agreement has an
31 enrollment of less than two hundred. This section is repealed
32 July 1, 2002.

33 Sec. 37. EFFECTIVE DATE -- APPLICABILITY. Section 36 of
34 this Act, relating to a waiver for whole-grade sharing
35 agreement deadlines, being deemed of immediate importance,

1 takes effect upon enactment and applies from the date of
2 enactment to June 30, 2002.

3 Sec. 38. FUTURE EFFECTIVE DATE. The section of this Act
4 amending section 321.375, subsection 1, paragraph "d", Code
5 2001, takes effect July 1, 2003.

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HOUSE FILE 2515

S-5170

- 1 Amend House File 2515, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 2, by striking lines 20 through 32.
- 4 2. By renumbering as necessary.

By COMMITTEE ON EDUCATION
NANCY BOETTGER, Chairperson

S-5170 FILED MARCH 14, 2002

Adopted
4-8-02 (p100)

HOUSE FILE 2515

S-5202

- 1 Amend House File 2515, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 2, by inserting before line 33, the
- 4 following:
- 5 "Sec. ____ . Section 257.6, subsection 3, unnumbered
- 6 paragraph 1, Code Supplement 2001, is amended to read
- 7 as follows:
- 8 A school district shall determine its additional
- 9 enrollment because of special education, as defined in
- 10 this section, by ~~November~~ December 1 of each year and
- 11 shall certify its additional enrollment because of
- 12 special education to the department of education by
- 13 ~~November~~ December 15 of each year, and the department
- 14 shall promptly forward the information to the
- 15 department of management.
- 16 Sec. ____ . Section 257.6, subsection 5, unnumbered
- 17 paragraph 1, Code Supplement 2001, is amended to read
- 18 as follows:
- 19 Weighted enrollment is the budget enrollment plus
- 20 the district's additional enrollment because of
- 21 special education calculated by ~~November~~ December 1 of
- 22 the base year plus additional pupils added due to the
- 23 application of the supplementary weighting."
- 24 2. Title page, line 2, by inserting after the
- 25 word "education" the following: ", providing for
- 26 related matters,".
- 27 3. By renumbering as necessary.

By ROBERT E. DVORSKY

Lost 4/11/02 (p1128)
S-5202 FILED MARCH 19, 2002

HOUSE FILE 2515

S-5252

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 18, by inserting after line 18 the
4 following:
5 "Sec. ____ Section 403.19, subsections 2 and 7,
6 Code Supplement 2001, are amended to read as follows:
7 2. That portion of the taxes each year in excess
8 of such amount shall be allocated to and when
9 collected be paid into a special fund of the
10 municipality to pay the principal of and interest on
11 loans, moneys advanced to, or indebtedness, whether
12 funded, refunded, assumed, or otherwise, including
13 bonds issued under the authority of section 403.9,
14 subsection 1, incurred by the municipality to finance
15 or refinance, in whole or in part, an urban renewal
16 project within the area, and to provide assistance for
17 low and moderate income family housing as provided in
18 section 403.22, except that taxes for the regular and
19 voter-approved physical plant and equipment levy of a
20 school district imposed pursuant to section 298.2,
21 taxes for the instructional support levy of a school
22 district imposed pursuant to section 257.21, and taxes
23 for the payment of bonds and interest of each taxing
24 district must be collected against all taxable
25 property within the taxing district without limitation
26 by the provisions of this subsection. However, all or
27 a portion of the taxes for the physical plant and
28 equipment levy and for the instructional support levy
29 shall be paid by the school district to the
30 municipality if the auditor certifies to the school
31 district by July 1 the amount of such levy that is
32 necessary to pay the principal and interest on bonds
33 issued by the municipality to finance an urban renewal
34 project, which bonds were issued before July 1, 2001.
35 Indebtedness incurred to refund bonds issued prior to
36 July 1, 2001, shall not be included in the
37 certification. Such school district shall pay over
38 the amount certified by November 1 and May 1 of the
39 fiscal year following certification to the school
40 district as provided in subsection 7. Unless and
41 until the total assessed valuation of the taxable
42 property in an urban renewal area exceeds the total
43 assessed value of the taxable property in such area as
44 shown by the last equalized assessment roll referred
45 to in subsection 1, all of the taxes levied and
46 collected upon the taxable property in the urban
47 renewal area shall be paid into the funds for the
48 respective taxing districts as taxes by or for the
49 taxing districts in the same manner as all other
50 property taxes. When such loans, advances,

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1 indebtedness, and bonds, if any, and interest thereon,
2 have been paid, all moneys thereafter received from
3 taxes upon the taxable property in such urban renewal
4 area shall be paid into the funds for the respective
5 taxing districts in the same manner as taxes on all
6 other property.

7 7. a. All or a portion of the taxes for the
8 physical plant and equipment levy shall be paid by the
9 school district to the municipality if the auditor
10 certifies to the school district by July 1 the amount
11 of such levy that is necessary to pay the principal
12 and interest on bonds issued by the municipality to
13 finance an urban renewal project, which bonds were
14 issued before July 1, 2001. Indebtedness incurred to
15 refund bonds issued prior to July 1, 2001, shall not
16 be included in the certification. Such school district
17 shall pay over the amount certified by November 1 and
18 May 1 of the fiscal year following certification to
19 the school district. For any fiscal year, a
20 municipality may certify to the county auditor for
21 physical plant and equipment revenue necessary for
22 payment of principal and interest on bonds issued
23 prior to July 1, 2001, only if the municipality
24 certified for such revenue for the fiscal year
25 beginning July 1, 2000. A municipality shall not
26 certify to the county auditor for a school district
27 more than the amount the municipality certified for
28 the fiscal year beginning July 1, 2000. If for any
29 fiscal year a municipality fails to certify to the
30 county auditor for a school district by July 1 the
31 amount of physical plant and equipment revenue
32 necessary for payment of principal and interest on
33 such bonds, as provided in subsection 2, the school
34 district is not required to pay over the revenue to
35 the municipality. If a school district and a
36 municipality are unable to agree on the amount of
37 physical plant and equipment revenue certified by the
38 municipality for the fiscal year beginning July 1,
39 2001, either party may request that the state appeal
40 board review and finally pass upon the amount that may
41 be certified. Such appeals must be presented in
42 writing to the state appeal board no later than July
43 31 following certification. The burden shall be on
44 the municipality to prove that the physical plant and
45 equipment levy revenue is necessary to pay principal
46 and interest on bonds issued prior to July 1, 2001. A
47 final decision must be issued by the state appeal
48 board no later than the following October 1.

49 b. All or a portion of the taxes for the
50 instructional support levy shall be paid by the school

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1 district to the municipality if the auditor certifies
2 to the school district by July 1 the amount of such
3 levy that is necessary to pay the principal and
4 interest on bonds issued by the municipality to
5 finance an urban renewal project, which bonds were
6 issued before July 1, 2002. Indebtedness incurred to
7 refund bonds issued prior to July 1, 2002, shall not
8 be included in the certification. Such school district
9 shall pay over the amount certified by November 1 and
10 May 1 of the fiscal year following certification to
11 the school district. For any fiscal year, a
12 municipality shall not certify to the county auditor
13 for a school district more than the amount the
14 municipality certified for the fiscal year beginning
15 July 1, 2002. If for any fiscal year a municipality
16 fails to certify to the county auditor for a school
17 district by July 1 the amount of instructional support
18 property tax revenue necessary for payment of
19 principal and interest on such bonds, as provided in
20 subsection 2, the school district is not required to
21 pay over the revenue to the municipality. If a school
22 district and a municipality are unable to agree on the
23 amount of instructional support property tax revenue
24 certified by the municipality for the fiscal year
25 beginning July 1, 2002, either party may request that
26 the state appeal board review and finally pass upon
27 the amount that may be certified. Such appeals must
28 be presented in writing to the state appeal board no
29 later than July 31 following certification. The
30 burden shall be on the municipality to prove that the
31 instructional support property tax revenue is
32 necessary to pay principal and interest on bonds
33 issued prior to July 1, 2002. A final decision must
34 be issued by the state appeal board no later than the
35 following October 1."

36 2. Page 22, by inserting after line 5 the
37 following:

38 "Sec. ____ . EFFECTIVE DATE. The section of this
39 Act, amending section 403.19, being deemed of
40 immediate importance, takes effect upon enactment."

By MIKE CONNOLLY

S-5252 FILED MARCH 26, 2002

Adapted
4-11-02
P. 1134

HOUSE FILE 2515

S-5334

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 5, by inserting after line 13 the
4 following:
5 "Sec. ____ Section 279.59, Code Supplement 2001,
6 is amended to read as follows:
7 279.59 ACCESS BY ASSOCIATIONS.
8 The board of directors of a school district shall
9 provide not-for-profit, professional education
10 associations that offer membership to teachers or
11 administrators equal access to teacher or
12 administrator mailboxes for distribution of
13 professional literature. Notwithstanding section
14 20.9, a school district may collect voluntary
15 membership fees for such an association through
16 payroll deduction upon the member's written
17 authorization and the member may terminate the payroll
18 deduction authorization at any time by giving thirty
19 days' written notice."
20 2. Title page, line 2, by inserting after the
21 word "education" the following: "and school
22 districts".

By KITTY REHBERG

S-5334 FILED APRIL 2, 2002

W/D

3/11/02

P.1129

HOUSE FILE 2515

S-5238

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 10, line 18, by striking the letter "~~a~~"
4 and inserting the following: "a."
5 2. Page 10, line 26, by inserting after the word
6 "program." the following: "However, a school district
7 shall operate or provide for the operation of a school
8 breakfast program at any attendance center in the
9 district, or provide access to a school breakfast
10 program at an alternative site, if twenty-six percent
11 or more of the students in attendance at the
12 attendance center are eligible for free or reduced
13 price meals under the federal National School Lunch
14 Act and the federal Child Nutrition Act of 1966, 42
15 U.S.C. § 1751-1785."
16 3. By striking page 10, line 35 through page 11,
17 line 1.
18 4. By renumbering as necessary.

Last 4/11/02 (P.1134)

By ROBERT E. DVORSKY

S-5238 FILED MARCH 21, 2002

HOUSE FILE 2515

S-5337

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 3, by inserting after line 20 the
4 following:

5 "Sec. 201. Section 257.14, subsection 2, Code
6 Supplement 2001, is amended to read as follows:

7 2. For the budget years commencing July 1, 2002,
8 and July 1, 2003, if the department of management
9 determines that the regular program district cost of a
10 school district for a budget year is less than the
11 total of the regular program district cost plus any
12 adjustment added under this section for the base year
13 for that school district, the school district shall be
14 eligible to receive a budget adjustment for that
15 district for that budget year up to an amount equal to
16 the difference. The board of directors of a school
17 district that wishes to receive a budget adjustment
18 pursuant to this subsection shall adopt a resolution
19 to receive the budget adjustment ~~and shall~~, by April
20 ~~17~~ 15, annually, and shall notify the department of
21 management of the adoption of the resolution and the
22 amount of the budget adjustment to be received.

23 Sec. 202. Section 257.14, subsection 3, unnumbered
24 paragraph 3, Code Supplement 2001, is amended to read
25 as follows:

26 The board of directors of a school district that
27 wishes to receive a budget adjustment pursuant to this
28 subsection shall adopt a resolution to receive the
29 budget adjustment ~~and shall~~, by April ~~17~~ 15, annually,
30 and shall notify the department of management of the
31 adoption of the resolution and the amount of the
32 budget adjustment to be received."

33 2. Page 21, by striking line 33 and inserting the
34 following:

35 "Sec. ____ . EFFECTIVE DATES -- APPLICABILITY.

36 1. Sections 201 and 202 of this Act, relating to
37 the date of adoption of a budget adjustment resolution
38 and notification of that adoption, being deemed of
39 immediate importance, take effect upon enactment and
40 apply retroactively for budget adjustment notification
41 for the school budget year beginning July 1, 2002.

42 2. Section 36 of".

43 3. Title page, line 1, by inserting after the
44 word "duties" the following: "of school boards and
45 related duties".

46 4. By renumbering as necessary.

By KITTY REHBERG

S-5337 FILED APRIL 2, 2002

w/D

3/11/02

(P. 1129)

HOUSE FILE 2515

S-5338

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:

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

5 "Section 1. Section 256.3, Code 2001, is amended
6 to read as follows:

7 256.3 STATE BOARD ESTABLISHED.

8 The state board of education is established for the
9 department. The state board consists of ~~nine~~ ten
10 members, nine voting members and one nonvoting student
11 member. The voting members shall be appointed by the
12 governor subject to senate confirmation. The
13 nonvoting student members shall be appointed as
14 provided in section 256.5A. The voting members shall
15 be registered voters of the state and hold no other
16 elective or appointive state office. A voting member
17 shall not be engaged in professional education for a
18 major portion of the member's time nor shall the
19 member derive a major portion of income from any
20 business or activity connected with education. Not
21 more than five voting members shall be of the same
22 political party.

23 The terms of office for voting members are for six
24 years beginning and ending as provided in section
25 69.19.

26 Three of the ~~state board~~ voting members shall have
27 substantial knowledge related to the community college
28 system. The remaining six voting members shall be
29 members of the general public.

30 Sec. 2. Section 256.4, Code 2001, is amended to
31 read as follows:

32 256.4 OATH -- VACANCIES.

33 The members of the state board shall qualify by
34 taking the regular oath of office as prescribed by law
35 for state officers. Vacancies in the voting
36 membership shall be filled in the same manner in which
37 regular appointments are required to be made.

38 Sec. 3. NEW SECTION. 256.5A NONVOTING MEMBER.

39 The governor shall appoint one nonvoting student
40 member of the state board for a term of one year
41 beginning and ending as provided in section 69.19.
42 The nonvoting student member shall be appointed from a
43 list of names submitted by the state board of
44 education. Students enrolled in either grade ten or
45 eleven in a public school may apply to the state board
46 to serve as a nonvoting student member. The
47 department shall develop an application process that
48 requires the consent of the student's parent or
49 guardian if the student is a minor, initial
50 application approval by the school district in which

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1 the student applicant is enrolled, and submission of
2 approved applications by a school district to the
3 department. The nonvoting student member's school
4 district of enrollment shall notify the student's
5 parents if the student's grade point average falls
6 during the period in which the student is a member of
7 the state board. The state board shall adopt rules
8 under chapter 17A specifying criteria for the
9 selection of applicants whose names shall be submitted
10 to the governor. Criteria shall include, but is not
11 limited to, academic excellence, participation in
12 extracurricular and community activities, and interest
13 in serving on the board. Rules adopted by the state
14 board shall also require, if the student is a minor,
15 supervision of the student by the student's parent or
16 guardian while the student is engaged in authorized
17 state board business at a location other than the
18 community in which the student resides, unless the
19 student's parent or guardian submits to the state
20 board a signed release indicating the parent or
21 guardian has determined that supervision of the
22 student by the parent or guardian is unnecessary. The
23 nonvoting student member shall be appointed without
24 regard to political affiliation. The nonvoting
25 student member shall have been enrolled in a public
26 school in Iowa for at least one year prior to the
27 member's appointment. A nonvoting student member who
28 will not graduate from high school prior to the end of
29 a second term may apply to the state board for
30 submission of candidacy to the governor for a second
31 one-year term. A nonvoting student member shall be
32 paid a per diem as provided in section 7E.6 and the
33 student and the student's parent or guardian shall be
34 reimbursed for actual and necessary expenses incurred
35 in the performance of the student's duties as a
36 nonvoting member of the state board. A vacancy in the
37 membership of the nonvoting student member shall not
38 be filled until the expiration of the term."
39 2. By renumbering as necessary.

By KITTY REHBERG

S-5338 FILED APRIL 2, 2002

Adapted
4-8-02
(P.1001)

HOUSE FILE 2515

S-5376

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 14, by inserting after line 7 the
4 following:

5 "Sec. ____ . Section 301.1, Code 2001, is amended to
6 read as follows:

7 301.1 ADOPTION -- PURCHASE AND SALE -- ACCREDITED
8 NONPUBLIC SCHOOL PUPIL TEXTBOOK SERVICES.

9 1. The board of directors of each and every school
10 district is hereby authorized and empowered to adopt
11 textbooks for the teaching of all branches that are
12 now or may hereafter be authorized to be taught in the
13 public schools of the state, and to contract for and
14 buy said books and any and all other necessary school
15 supplies at said contract prices, and to sell the same
16 to the pupils of their respective districts at cost,
17 loan such textbooks to such pupils free, or rent them
18 to such pupils at such reasonable fee as the board
19 shall fix, and said money so received shall be
20 returned to the general fund.

21 2. Textbooks adopted and purchased by a school
22 district ~~may, and shall,~~ to the extent funds are
23 appropriated by the general assembly, be made
24 available to pupils attending accredited nonpublic
25 schools upon request of the pupil or the pupil's
26 parent under comparable terms as made available to
27 pupils attending public schools. If the general
28 assembly appropriates moneys for purposes of making
29 textbooks available to accredited nonpublic school
30 pupils, the department of education shall ascertain
31 the amount available to a school district for the
32 purchase of nonsectarian, nonreligious textbooks for
33 pupils attending accredited nonpublic schools. The
34 amount shall be in the proportion that the basic
35 enrollment of a participating accredited nonpublic
36 school bears to the sum of the basic enrollments of
37 all participating accredited nonpublic schools in the
38 state for the budget year. For purposes of this
39 section, a "participating accredited nonpublic school"
40 means an accredited nonpublic school that submits a
41 written request on behalf of the school's pupils in
42 accordance with this subsection, and that certifies
43 its actual enrollment to the department of education
44 by October 1, annually. By October 15, annually, the
45 department of education shall certify to the director
46 of revenue and finance the annual amount to be paid to
47 each school district, and the director of revenue and
48 finance shall draw warrants payable to school
49 districts in accordance with this subsection. For
50 purposes of this subsection, an accredited nonpublic

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1 school's enrollment count shall include only students
 2 who are residents of Iowa. The costs of providing
 3 textbooks to accredited nonpublic school pupils as
 4 provided in this subsection shall not be included in
 5 the computation of district cost under chapter 257,
 6 but shall be shown in the budget as an expense from
 7 miscellaneous income. Textbook expenditures made in
 8 accordance with this subsection shall be kept on file
 9 in the school district.

10 3. As used in ~~this paragraph~~ subsection 2,
 11 "textbooks" means books and loose-leaf or bound
 12 manuals, systems of reusable instructional materials
 13 or combinations of books and supplementary
 14 instructional materials which convey information to
 15 the student or otherwise contribute to the learning
 16 process, or electronic textbooks, including but not
 17 limited to computer software, applications using
 18 computer-assisted instruction, interactive videodisc,
 19 and other computer courseware and magnetic media."

20 2. Page 21, by striking line 21 and inserting the
 21 following:

22 "Sec. ____ . Sections 256.34, 260C.70, 301.29, and
 23 301.30, Code 2001, are".

24 3. By renumbering as necessary.

By KITTY REHBERG
 PAUL MCKINLEY
 MARK ZIEMAN
 JERRY BEHN
 LARRY MCKIBBEN
 DAVID MILLER
 KEN VEENSTRA
 JEFF ANGELO
 NANCY BOETTGER
 STEVE KING
 JEFF LAMBERTI

DAVID LORD
 JOHN W. JENSEN
 HUBERT M. HOUSER
 JOHN REDWINE
 ANDY MCKEAN
 MIKE CONNOLLY
 MARY A. LUNDBY
 NEAL SCHUERER
 THOMAS FIEGEN
 TOM FLYNN
 DONALD B. REDFERN

S-5376 FILED APRIL 3, 2002

Adopted
4-11-02
P. 1134

HOUSE FILE 2515

S-5384

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:

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

5 "Sec. _____. Section 256.11, unnumbered paragraph 1,
6 Code Supplement 2001, is amended to read as follows:

7 The state board shall adopt rules under chapter 17A
8 and a procedure for accrediting all public and
9 nonpublic schools in Iowa offering instruction at any
10 or all levels from the prekindergarten level through
11 grade twelve. The rules of the state board shall
12 require that ~~a multicultural, gender fair approach is~~
13 ~~used by schools and school districts. The emphasize~~
14 throughout the educational program shall be taught
15 from a multicultural, gender fair approach that the
16 constitutional republic of the United States, of which
17 Iowa is a vital constituent part, was founded upon the
18 guarantees of freedom of religion, the rule of law,
19 and equal justice for all, is the unchallenged,
20 greatest nation in the world, and has derived its
21 strength from biblical values and the forces and
22 philosophies of free enterprise capitalism and western
23 civilization. Global perspectives shall be
24 ~~incorporated into all levels of the educational~~
25 ~~program."~~

26 2. Page 2, by inserting before line 33 the
27 following:

28 "Sec. _____. Section 256A.4, subsection 1,
29 unnumbered paragraph 2, Code Supplement 2001, is
30 amended to read as follows:

31 A family support program ~~shall meet multicultural~~
32 ~~gender fair guidelines. The program shall encourage~~
33 parents to be aware of practices that may affect
34 equitable development of children. The program shall
35 include parents in the planning, implementation, and
36 evaluation of the program. A program shall be
37 designed to meet the needs of the residents of the
38 participating district and may use unique approaches
39 to provide for those needs. The goals of a family
40 support program shall include, but are not limited to,
41 the following:"

42 3. Page 5, by inserting after line 13 the
43 following:

44 "Sec. _____. Section 262.81, Code 2001, is amended
45 to read as follows:

46 262.81 LEGISLATIVE INTENT.

47 The general assembly recognizes that educational
48 programs designed to enhance the interrelation and
49 cooperation among cultural, racial, and ethnic groups
50 in society require the contribution and active

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1 participation of all ethnic and racial groups. The
2 general assembly also recognizes that failure to
3 include minority representation at the faculty level
4 at the state universities contributes to cultural,
5 racial, and ethnic isolation of minority students and
6 does not reflect the realities of ~~a multicultural and~~
7 ~~diverse~~ Iowa society. Therefore, the "Regents'
8 Minority and Women Educators Enhancement" program is
9 established to assist in the recruitment and retention
10 of faculty that more adequately represents the diverse
11 cultural, racial, and ethnic makeup of ~~society~~ Iowa
12 and to improve the education of all students."
13 4. Title page, lines 1 and 2, by striking the
14 words "operation of the department of education" and
15 inserting the following: "operations of certain state
16 education agencies or offices".

By STEVE KING
KITTY REHBERG
NEAL SCHUERER

S-5384 FILED APRIL 3, 2002

0/0

4-8-02

(p.1001)

HOUSE FILE 2515

S-5406

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:

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

5 "Sec. ____ . Section 256.11, unnumbered paragraph 1,
6 Code Supplement 2001, is amended to read as follows:

7 The state board shall adopt rules under chapter 17A
8 and a procedure for accrediting all public and
9 nonpublic schools in Iowa offering instruction at any
10 or all levels from the prekindergarten level through
11 grade twelve. ~~The rules of the state board shall~~
12 ~~require that a multicultural, gender fair approach is~~
13 ~~used by schools and school districts. The educational~~
14 ~~program shall be taught from a multicultural, gender~~
15 ~~fair approach. Global perspectives shall be~~
16 ~~incorporated into all levels of the educational~~
17 ~~program."~~

18 2. Page 2, by inserting before line 33 the
19 following:

20 "Sec. ____ . Section 256A.4, subsection 1,
21 unnumbered paragraph 2, Code Supplement 2001, is
22 amended to read as follows:

23 A family support program ~~shall meet multicultural~~
24 ~~gender fair guidelines. The program shall encourage~~
25 parents to be aware of practices that may affect
26 equitable development of children. The program shall
27 include parents in the planning, implementation, and
28 evaluation of the program. A program shall be
29 designed to meet the needs of the residents of the
30 participating district and may use unique approaches
31 to provide for those needs. The goals of a family
32 support program shall include, but are not limited to,
33 the following:"

34 3. Page 5, by inserting after line 13 the
35 following:

36 "Sec. ____ . Section 262.81, Code 2001, is amended
37 to read as follows:

38 262.81 LEGISLATIVE INTENT.

39 The general assembly recognizes that educational
40 programs designed to enhance the interrelation and
41 cooperation among cultural, racial, and ethnic groups
42 in society require the contribution and active
43 participation of all ethnic and racial groups. The
44 general assembly also recognizes that failure to
45 include minority representation at the faculty level
46 at the state universities contributes to cultural,
47 racial, and ethnic isolation of minority students and
48 does not reflect the realities of ~~a multicultural and~~
49 ~~diverse Iowa~~ society. Therefore, the "Regents'
50 Minority and Women Educators Enhancement" program is

S-5406

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Page 2

B 1 established to assist in the recruitment and retention
2 of faculty that more adequately represents the diverse
3 cultural, racial, and ethnic makeup of ~~society~~ Iowa
4 and to improve the education of all students."

5 4. Title page, line 2, by inserting after the
6 word "education" the following: "and the state board
7 of regents, the educational program approaches and the
8 daily operations of school classrooms,".

A 9 5. By renumbering as necessary.

By STEVE KING

KITTY REHBERG

NEAL SCHUERER

KEN VEENSTRA

JERRY BEHN

MIKE SEXTON

JEFF ANGELO

DAVID G. LORD

HUBERT M. HOUSER

LARRY MCKIBBEN

S-5406 FILED APRIL 8, 2002

A. *Just 3-11-02 (p. 1128)*B. *W/D 3/11/02 p. 1127*

HOUSE FILE 2515

S-5423

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:

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

5 "Sec. ____ Section 256.11, unnumbered paragraph 1,
6 Code Supplement 2001, is amended to read as follows:

7 The state board shall adopt rules under chapter 17A
8 and a procedure for accrediting all public and
9 nonpublic schools in Iowa offering instruction at any
10 or all levels from the prekindergarten level through
11 grade twelve. The rules of the state board shall
12 require that ~~a multicultural, gender fair approach is~~
13 ~~used by schools and school districts. The emphasize~~
14 ~~throughout the educational program shall be taught~~
15 from a multicultural, gender fair approach that the
16 constitutional republic of the United States, of which
17 Iowa is a vital constituent part, was founded upon the
18 guarantees of freedom of religion, the rule of law,
19 and equal justice for all, is the unchallenged,
20 greatest nation in the world, and has derived its
21 strength from biblical values and the forces and
22 philosophies of free enterprise capitalism and western
23 civilization. Global perspectives shall be
24 ~~incorporated into all levels of the educational~~
25 ~~program."~~

26 2. By renumbering as necessary.

By STEVE KING

JERRY BEHN

NEAL SCHUERER

KEN VEENSTRA

KITTY REHBERG

DAVID G. LORD

S-5423 FILED APRIL 9, 2002

Just 4/11/02 (p. 1126)

Legislative Fiscal Bureau

Fiscal Note

HF 2515 - Education Department Duties (LSB 5361 HV)

Analyst: Robin Madison (Phone: (515) 281-5270) (robin.madison@legis.state.ia.us)

Fiscal Note Version – As Passed by the House

Description

House File 2515 as passed by the House makes changes to statutes related to the duties and operation of the Department of Education. The changes are as follows:

- Authorizes the Director to use electronic funds transfer whenever possible in disbursing funds to local school districts.
- Permits the Director to employ full-time professional staff for periods of at least 9 but less than 12 months per year.
- Permits the Department to perform site visits at all accredited schools and school districts as needed. Currently, the Department must visit each school at least once every five years.
- Designates those college preparatory schools that appear on the Department's special accredited list as of July 1, 2002, as accredited nonpublic schools for purposes of receiving State funds for textbooks, transportation, and technology. Prohibits such funding to other college preparatory schools not on the list at that date.
- Makes a technical correction regarding whole-grade sharing for purposes of reorganization.
- Shifts responsibility for approving vocational technical programs and community college building plans from the Board of Education to the Director.
- Eliminates the appeal of local open enrollment decisions to the State Board, except in the case of special education students. Local open enrollment decisions involving regular education students would no longer be subject to appeal, except in cases where the denial was based upon a desegregation order or plan. Such decisions could be appealed to district court. The Bill also specifies that an open enrollment transfer requested by a pupil whose sibling is already participating in open enrollment to another district cannot be denied on the basis of a desegregation order or plan.
- Eliminates the requirement that local school districts provide a school breakfast program.
- Changes the method of calculating the supplemental mileage payment for parents transporting nonpublic school students.
- Authorizes the Department to establish fees for school bus inspections and for issuing school bus driver authorizations. The fees may not exceed the Department's budgeted costs for these services.
- Makes a Code editor's correction to the process for appealing Area Education Agency transportation decisions.
- Restricts appeals of local school board decisions to the Board of Education to those brought by a student and/or parent or guardian of a student.
- Eliminates the requirement that the Department receive and approve school building construction plans.
- Shifts responsibility for providing technical assistance to schools in regard to driver education programming from the Department of Education to the Department of Transportation.
- Changes the physical examination requirements for school bus drivers from every year to every two years, while allowing the examining physician to require more frequent examinations when warranted.
- Changes the application process for school bus driver licensing to enable the Department to issue authorizations via a web-based system.
- Authorizes the Department to charge a fee to participants in drinking driver courses provided by the community colleges to recover administrative expenses related to required data collection. The Department is currently authorized to charge fees to these participants to recover expenses related to classroom space, instructor salaries, and class materials.
- Shifts responsibility for the Conservation Education Program from the Department of Education to the Department of Natural Resources (DNR). The Program awards from the Resource Enhancement and Preservation (REAP) Fund to school districts and teachers for environmental education. The Department of Education is currently responsible for providing support to the Program board and for administering the funds.

- Shifts responsibility for surety bonding requirements for proprietary schools from the Department of Education to the Secretary of State. The Secretary of State is currently performing these functions via a 2005 agreement with the Department.
- Authorizes the Department of Education to waive any of the deadline requirements relating to the signing of a whole-grade sharing agreement by the boards of the school districts involved and the public notice and hearing requirements if one of the districts involved has an enrollment of less than 200 students.

Assumptions

1. The Department of Education's implementation of electronic funds transfer capability in all school districts would not require additional funding. Significant cost savings related to electronic funds transfer would not be realized before FY 2005.
2. The potential reduction in frequency of K-12 accreditation site visits would not result in a significant reduction in costs due to earlier staffing reductions and the potential need for more intensive or more frequent site visits in some districts.
3. Permitting the Director to approve vocational technical programs and community college building plans would not result in significant cost savings.
4. The Board of Education receives approximately 100 open enrollment appeals per year, 23.0% of which are dismissed prior to hearing. Each appeal that goes to hearing requires approximately nine hours of an administrative law judge's time, at an annual cost of \$37,000. Appeals involving special education students result in two to three written opinions each year. The Bill would reduce the Department's costs for the administrative law judge. The Department would reallocate the savings to other purposes.
5. The average cost per case in the district courts is \$104 per hour plus \$11 per case for the Clerk of Court's time. At nine hours per case, each case would cost \$947. The Board of Education currently receives approximately 30 open enrollment appeals in cases involving desegregation orders or plans and writes five consolidated opinions annually. The cost to the district courts for these appeals would be \$5,000.
6. Eliminating the requirement that local school districts provide a breakfast program would not result in significant cost savings for the Department. School districts that choose to eliminate existing breakfast programs would realize savings. The extent of breakfast programs varies greatly between school districts. Because school districts report total food service program costs to the Department, rather than separate costs for lunch and breakfast, it is not possible to accurately estimate the savings to local school districts.
7. Changing the method of calculating the supplemental mileage payment for nonpublic school parents would not result in significant cost savings to the Department, though payments may be processed more quickly.
8. The Department's estimated FY 2003 expense for school bus inspections is \$261,000. Under the Bill as passed by the House, the Department would charge school districts a fee of \$15 per bus, for additional revenue totaling \$245,000. It is assumed the fee revenue would be retained by the Department to offset expenses related to the inspections.
9. The Department is currently collecting fees for school bus driver permits totaling approximately \$45,000. This is based on a fee of \$5 per permit. The fee for driver authorization would remain the same. Moving the driver application process to a web-based system would save Department staff time but would not result in significant cost savings.
10. The number of physical examinations required for school bus drivers and paid for by local school districts would be reduced by 50.0%, for an annual savings to school districts statewide of \$275,000.
11. Limiting appeals to the Board of Education to those brought by a student or parent/guardian of a student would not result in a significant reduction in the Department's expenses. The Department has indicated that the current language permitting appeals to the Board by any person may result in increased appeals in the future by, for example, vendors or contractors whose bids are rejected in a competitive bidding process. It is not possible to estimate this potential cost savings in future years.
12. Eliminating the requirement that the Department approve school building construction plans would not result in significant cost savings. The staff member responsible for this function has assumed additional responsibilities related to several State and federal infrastructure grant programs.
13. The Department of Education is not currently providing significant support to local school districts in regard to driver education. The Department of Transportation currently has field staff working with local school districts. The shift in responsibility for driver education would not result in significant changes in costs for either department.
14. The Department is currently charging a fee of \$5 per participant to recover authorized costs related to drinking driver courses provided by the community colleges. Approximately 10,000 persons participate in these courses annually, resulting in annual revenue of \$50,000. Under the Bill as passed by the House, the Department intends to increase the fee to \$10 to recover data collection costs. The increased fee would

result in additional revenue of \$50,000. It is assumed the fee revenue would be retained by the Department to offset expenses related to data collection.

15. The Department of Education has 1.0 FTE currently assigned to provide support for environmental education, including the Conservation Education Program. No REAP funding is provided for administration of the Program. The position is funded 50.0% with State General Fund monies and 50.0% with federal Title I funds that would not transfer to the DNR. The FY 2002 General Fund expenditure for salary and benefits is \$35,520. The Department of Education anticipates reassigning this position to other responsibilities. Assuming the Program utilizes half of the current staff member's time, the DNR would require an additional 0.5 FTE and \$35,520 to staff this function.

Fiscal Impact

It is estimated that House File 2515 as passed by the House would result in additional fee revenue for the Department of Education of \$295,000 per year in FY 2003 and FY 2004. The Bill as passed by the House would result in additional costs for the Department of Natural Resources and the district courts, totaling ~~\$41,000~~ per year in FY 2003 and FY 2004.

It is estimated that local school districts would experience a statewide net savings of \$30,000 per year as a result of HF 2515. This amount represents a reduction in costs related to physical examinations for school bus drivers, offset by fees to be paid for school bus inspections. The estimate does not reflect cost savings realized by eliminating school breakfast programs. Due to lack of data from local school districts, this savings cannot be determined.

Sources

Department of Education
Department of Natural Resources
Department of Transportation
Judicial Branch
Secretary of State

/s/ Dennis C Prouty

March 14, 2002

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

S-5462

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 5, by inserting after line 13, the
4 following:
5 "Sec. 301. Section 275.23A, subsection 2, Code
6 2001, is amended to read as follows:
7 2. Following each federal decennial census the
8 school board shall determine whether the existing
9 director district boundaries meet the standards in
10 subsection 1 according to the most recent federal
11 decennial census. If necessary, the board of
12 directors shall redraw the director district
13 boundaries. The director district boundaries shall be
14 described in a resolution adopted by the school board.
15 The resolution shall be adopted no earlier than
16 November 15 of the year immediately following the year
17 in which the federal decennial census is taken nor
18 later than ~~April 30~~ May 15 of the second year
19 immediately following the year in which the federal
20 decennial census is taken. A copy of the plan shall
21 be filed with the area education agency administrator
22 of the area education agency in which the school's
23 electors reside."
24 2. Page 21, by inserting after line 32, the
25 following:
26 "Sec. ____ . EFFECTIVE DATE. Section 301 of this
27 Act, amending section 275.23A, subsection 2, being
28 deemed of immediate importance, takes effect upon
29 enactment."
30 3. Title page, line 2, by inserting after the
31 word "education" the following: "and the duties of a
32 school board,".
33 4. By renumbering as necessary.

By KITTY REHBERG

S-5462 FILED APRIL 10, 2002

*W/D**4/11/02**(p. 1129)*

HOUSE FILE 2515

S-5467

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 3, by inserting after line 20 the
4 following:

5 "Sec. 201. Section 257.14, subsection 2, Code
6 Supplement 2001, is amended to read as follows:

7 2. For the budget years commencing July 1, 2002,
8 and July 1, 2003, if the department of management
9 determines that the regular program district cost of a
10 school district for a budget year is less than the
11 total of the regular program district cost plus any
12 adjustment added under this section for the base year
13 for that school district, the school district shall be
14 eligible to receive a budget adjustment for that
15 district for that budget year up to an amount equal to
16 the difference. The board of directors of a school
17 district that wishes to receive a budget adjustment
18 pursuant to this subsection shall adopt a resolution
19 to receive the budget adjustment ~~and shall~~, by April
20 ~~4~~ 15, annually, and shall notify the department of
21 management of the adoption of the resolution and the
22 amount of the budget adjustment to be received.

23 Sec. 202. Section 257.14, subsection 3, unnumbered
24 paragraph 3, Code Supplement 2001, is amended to read
25 as follows:

26 The board of directors of a school district that
27 wishes to receive a budget adjustment pursuant to this
28 subsection shall adopt a resolution to receive the
29 budget adjustment ~~and shall~~, by April ~~4~~ 15, annually,
30 and shall notify the department of management of the
31 adoption of the resolution and the amount of the
32 budget adjustment to be received."

33 2. Page 21, by striking line 33 and inserting the
34 following:

35 "Sec. ____ . EFFECTIVE DATES -- APPLICABILITY.

36 1. Sections 201 and 202 of this Act, relating to
37 the date of adoption of a budget adjustment resolution
38 and notification of that adoption, being deemed of
39 immediate importance, take effect upon enactment and
40 apply retroactively for budget adjustment notification
41 for the school budget year beginning July 1, 2002.

42 2. Section 36 of".

43 3. Title page, line 2, by inserting after the
44 word "education" the following: "and school boards".

45 4. By renumbering as necessary.

By KITTY REHBERG.

S-5467 FILED APRIL 10, 2002

*Adopted
4-11-02
(P 1129)*

HOUSE FILE 2515

S-5468

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 5, by inserting after line 13 the
4 following:
5 "Sec. ____ . Section 279.59, Code Supplement 2001,
6 is amended to read as follows:
7 279.59 ACCESS BY ASSOCIATIONS.
8 The board of directors of a school district shall
9 provide not-for-profit, professional education
10 associations that offer membership to teachers or
11 administrators equal access to teacher or
12 administrator mailboxes for distribution of
13 professional literature. Notwithstanding section
14 20.9, a school district may collect voluntary
15 membership fees for such an association through
16 payroll deduction upon the member's written
17 authorization and the member may terminate the payroll
18 deduction authorization at any time by giving thirty
19 days' written notice."
20 2. Title page, line 2, by inserting after the
21 word "education" the following: "and school boards".

By KITTY REHBERG

S-5468 FILED APRIL 10, 2002

W/D

4/11/02

(P 1133)

HOUSE FILE 2515

S-5469

- 1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:
- 3 1. Page 5, by inserting after line 13, the
4 following:
5 "Sec. 301. Section 275.23A, subsection 2, Code
6 2001, is amended to read as follows:
7 2. Following each federal decennial census the
8 school board shall determine whether the existing
9 director district boundaries meet the standards in
10 subsection 1 according to the most recent federal
11 decennial census. If necessary, the board of
12 directors shall redraw the director district
13 boundaries. The director district boundaries shall be
14 described in a resolution adopted by the school board.
15 The resolution shall be adopted no earlier than
16 November 15 of the year immediately following the year
17 in which the federal decennial census is taken nor
18 later than ~~April 30~~ May 15 of the second year
19 immediately following the year in which the federal
20 decennial census is taken. A copy of the plan shall
21 be filed with the area education agency administrator
22 of the area education agency in which the school's
23 electors reside."
- 24 2. Page 21, by inserting after line 32, the
25 following:
26 "Sec. ____ . EFFECTIVE DATE. Section 301 of this
27 Act, amending section 275.23A, subsection 2, being
28 deemed of immediate importance, takes effect upon
29 enactment."
- 30 3. Title page, line 2, by inserting after the
31 word "education" the following: "and school boards".
- 32 4. By renumbering as necessary.

By KITTY REHBERG

S-5469 FILED APRIL 10, 2002

Adopted
4-11-02
(P.1133)

HOUSE FILE 2515

S-5472

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 3, by inserting after line 20 the
4 following:
5 "Sec. ____ . NEW SECTION. 257.50 FEDERAL
6 ASSISTANCE -- SCHOOL DISTRICT RESPONSIBILITIES.
7 The director of the department of education, in
8 accepting and administering federal funds in
9 accordance with section 256.9, subsection 7, shall
10 upon receiving federal grant moneys under the federal
11 21st Century Community Learning Center Grant, Title
12 IV, Part B of the federal No Child Left Behind Act of
13 2001, Pub.L. No. 107-110, designate that a school
14 district be the fiscal agent for an eligible local
15 grant. Whenever possible, the grant applicant school
16 district shall collaborate with a community-based
17 organization, a public or private entity, or a
18 consortium of two or more of such organizations or
19 entities in establishing a community learning center.
20 The department shall give priority to applications for
21 programs serving students determined through research-
22 based methods to be in the greatest need of eligible
23 services."
24 2. By renumbering as necessary.

By NANCY BOETTGER

S-5472 FILED APRIL 10, 2002

*w/d**4/11/02**(p.1129)*

HOUSE FILE 2515

S-5497

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 3, by inserting after line 20 the
4 following:

5 "Sec. ____ . NEW SECTION. 257.50 FEDERAL
6 ASSISTANCE -- SCHOOL DISTRICT RESPONSIBILITIES.

7 The director of the department of education, in
8 accepting and administering federal funds in
9 accordance with section 256.9, subsection 7, shall
10 upon receiving federal grant moneys under the federal
11 21st Century Community Learning Center Grant, Title
12 IV, Part B of the federal No Child Left Behind Act of
13 2001, Pub. L. No. 107-110, designate that a school
14 district be the fiscal agent for an eligible local
15 grant. Whenever possible, the grant applicant school
16 district shall collaborate with a community-based
17 organization, a public or private entity, or a
18 consortium of two or more of such organizations or
19 entities in establishing a community learning center.
20 The department shall give priority to applications for
21 programs serving students determined through research-
22 based methods to be in the greatest need of eligible
23 services. Notwithstanding the provisions of this
24 section, if federal rules or regulations relating to
25 the 21st Century Community Learning Center Grant are
26 adopted that are inconsistent with the provisions of
27 this section, the department of education shall comply
28 with the requirements of the federal rules or
29 regulations."

30 2. By renumbering as necessary.

By NANCY BOETTGER

S-5497 FILED APRIL 11, 2002
ADOPTED

(p. 1129)

HOUSE FILE 2515

S-5501

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 3, by inserting after line 20 the
4 following:
5 "Sec. ____ . Section 257.16, Code 2001, is amended
6 to read as follows:
7 1. There is appropriated each year from the
8 general fund of the state an amount necessary to pay
9 the foundation aid and supplementary aid under section
10 257.4, subsection 2.
11 2. All state aids paid under this chapter, unless
12 otherwise stated, shall be paid in monthly
13 installments beginning on September 15 of a budget
14 year and ending on or about June 15 of the budget year
15 as determined by the department of management, taking
16 into consideration the relative budget and cash
17 position of the state resources.
18 3. All moneys received by a school district from
19 the state under this chapter shall be deposited in the
20 general fund of the school district, and may be used
21 for any school general fund purpose.
22 4. Notwithstanding any provision to the contrary,
23 if the governor orders budget reductions in accordance
24 with section 8.31, reductions in the appropriations
25 provided in accordance with this section shall be
26 distributed on a per pupil basis calculated with the
27 weighted enrollment determined in accordance with
28 section 257.6, subsection 5."
29 2. By renumbering as necessary.

By NANCY BOETTGER

S-5501 FILED APRIL 11, 2002

ADOPTED

(P.1134)

HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 2515

S-5503

- 1 Amend the Senate amendment, H-8681, to House File
2 2515, as amended, passed, and reprinted by the House,
3 as follows:
4 1. Page 2, by inserting after line 38 the
5 following:
6 "Sec. ____ . Section 256.7, subsection 21, paragraph
7 c, Code Supplement 2001, is amended to read as
8 follows:
9 c. A requirement that all school districts and
10 accredited nonpublic schools annually report to the
11 department and the local community the district-wide
12 progress made in attaining student achievement goals
13 on the academic and other core indicators and the
14 district-wide progress made in attaining locally
15 established student learning goals. The school
16 districts and accredited nonpublic schools shall
17 demonstrate the use of multiple assessment measures in
18 determining student achievement levels. The school
19 districts and accredited nonpublic schools shall also
20 report the number of students who enter ninth grade
21 but do not graduate from the school or school
22 district; and the number of students who are tested
23 and the percentage of students who are so tested
24 annually. The board shall develop and adopt uniform
25 definitions consistent with the federal No Child Left
26 Behind Act of 2001, Pub. L. No. 107-110 and any
27 federal regulations adopted pursuant to the federal
28 Act. The school districts and accredited nonpublic
29 schools may report on other locally determined factors
30 influencing student achievement. The school districts
31 and accredited nonpublic schools shall also report to
32 the local community their results by individual
33 attendance center.""
34 2. By striking page 6, line 11, through page 8,
35 line 43.
36 3. Page 9, by striking lines 14 through 18.
37 4. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-5503 FILED APRIL 12, 2002
CONCURRED

4/12/02
(P. 1174)

SENATE AMENDMENT TO HOUSE FILE 2515

H-8681

1 Amend House File 2515, as amended, passed, and
2 reprinted by the House, as follows:

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

5 "Section 1. Section 256.3, Code 2001, is amended
6 to read as follows:

7 256.3 STATE BOARD ESTABLISHED.

8 The state board of education is established for the
9 department. The state board consists of ~~nine~~ ten
10 members, nine voting members and one nonvoting student
11 member. The voting members shall be appointed by the
12 governor subject to senate confirmation. The
13 nonvoting student members shall be appointed as
14 provided in section 256.5A. The voting members shall
15 be registered voters of the state and hold no other
16 elective or appointive state office. A voting member
17 shall not be engaged in professional education for a
18 major portion of the member's time nor shall the
19 member derive a major portion of income from any
20 business or activity connected with education. Not
21 more than five voting members shall be of the same
22 political party.

23 The terms of office for voting members are for six
24 years beginning and ending as provided in section
25 69.19.

26 Three of the ~~state board~~ voting members shall have
27 substantial knowledge related to the community college
28 system. The remaining six voting members shall be
29 members of the general public.

30 Sec. 2. Section 256.4, Code 2001, is amended to
31 read as follows:

32 256.4 OATH -- VACANCIES.

33 The members of the state board shall qualify by
34 taking the regular oath of office as prescribed by law
35 for state officers. Vacancies in the voting
36 membership shall be filled in the same manner in which
37 regular appointments are required to be made.

38 Sec. 3. NEW SECTION. 256.5A NONVOTING MEMBER.

39 The governor shall appoint one nonvoting student
40 member of the state board for a term of one year
41 beginning and ending as provided in section 69.19.
42 The nonvoting student member shall be appointed from a
43 list of names submitted by the state board of
44 education. Students enrolled in either grade ten or
45 eleven in a public school may apply to the state board
46 to serve as a nonvoting student member. The
47 department shall develop an application process that
48 requires the consent of the student's parent or
49 guardian if the student is a minor, initial
50 application approval by the school district in which

H-8681

-1-

H-8681

Page 2

1 the student applicant is enrolled, and submission of
2 approved applications by a school district to the
3 department. The nonvoting student member's school
4 district of enrollment shall notify the student's
5 parents if the student's grade point average falls
6 during the period in which the student is a member of
7 the state board. The state board shall adopt rules
8 under chapter 17A specifying criteria for the
9 selection of applicants whose names shall be submitted
10 to the governor. Criteria shall include, but is not
11 limited to, academic excellence, participation in
12 extracurricular and community activities, and interest
13 in serving on the board. Rules adopted by the state
14 board shall also require, if the student is a minor,
15 supervision of the student by the student's parent or
16 guardian while the student is engaged in authorized
17 state board business at a location other than the
18 community in which the student resides, unless the
19 student's parent or guardian submits to the state
20 board a signed release indicating the parent or
21 guardian has determined that supervision of the
22 student by the parent or guardian is unnecessary. The
23 nonvoting student member shall be appointed without
24 regard to political affiliation. The nonvoting
25 student member shall have been enrolled in a public
26 school in Iowa for at least one year prior to the
27 member's appointment. A nonvoting student member who
28 will not graduate from high school prior to the end of
29 a second term may apply to the state board for
30 submission of candidacy to the governor for a second
31 one-year term. A nonvoting student member shall be
32 paid a per diem as provided in section 7E.6 and the
33 student and the student's parent or guardian shall be
34 reimbursed for actual and necessary expenses incurred
35 in the performance of the student's duties as a
36 nonvoting member of the state board. A vacancy in the
37 membership of the nonvoting student member shall not
38 be filled until the expiration of the term."

39 2. Page 2, by striking lines 20 through 32.

40 3. Page 3, by inserting after line 20 the
41 following:

42 "Sec. 201. Section 257.14, subsection 2, Code
43 Supplement 2001, is amended to read as follows:

44 2. For the budget years commencing July 1, 2002,
45 and July 1, 2003, if the department of management
46 determines that the regular program district cost of a
47 school district for a budget year is less than the
48 total of the regular program district cost plus any
49 adjustment added under this section for the base year
50 for that school district, the school district shall be

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1 eligible to receive a budget adjustment for that
2 district for that budget year up to an amount equal to
3 the difference. The board of directors of a school
4 district that wishes to receive a budget adjustment
5 pursuant to this subsection shall adopt a resolution
6 to receive the budget adjustment ~~and shall~~, by April
7 ~~17~~ 15, annually, and shall notify the department of
8 management of the adoption of the resolution and the
9 amount of the budget adjustment to be received.

10 Sec. 202. Section 257.14, subsection 3, unnumbered
11 paragraph 3, Code Supplement 2001, is amended to read
12 as follows:

13 The board of directors of a school district that
14 wishes to receive a budget adjustment pursuant to this
15 subsection shall adopt a resolution to receive the
16 budget adjustment ~~and shall~~, by April ~~17~~ 15, annually,
17 and shall notify the department of management of the
18 adoption of the resolution and the amount of the
19 budget adjustment to be received."

20 4. Page 3, by inserting after line 20 the
21 following:

22 "Sec. ____ . Section 257.16, Code 2001, is amended
23 to read as follows:

24 1. There is appropriated each year from the
25 general fund of the state an amount necessary to pay
26 the foundation aid and supplementary aid under section
27 257.4, subsection 2.

28 2. All state aids paid under this chapter, unless
29 otherwise stated, shall be paid in monthly
30 installments beginning on September 15 of a budget
31 year and ending on or about June 15 of the budget year
32 as determined by the department of management, taking
33 into consideration the relative budget and cash
34 position of the state resources.

35 3. All moneys received by a school district from
36 the state under this chapter shall be deposited in the
37 general fund of the school district, and may be used
38 for any school general fund purpose.

39 4. Notwithstanding any provision to the contrary,
40 if the governor orders budget reductions in accordance
41 with section 8.31, reductions in the appropriations
42 provided in accordance with this section shall be
43 distributed on a per pupil basis calculated with the
44 weighted enrollment determined in accordance with
45 section 257.6, subsection 5."

46 5. Page 3, by inserting after line 20 the
47 following:

48 "Sec. ____ . NEW SECTION. 257.50 FEDERAL
49 ASSISTANCE -- SCHOOL DISTRICT RESPONSIBILITIES.

50 The director of the department of education, in

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1 accepting and administering federal funds in
2 accordance with section 256.9, subsection 7, shall
3 upon receiving federal grant moneys under the federal
4 21st Century Community Learning Center Grant, Title
5 IV, Part B of the federal No Child Left Behind Act of
6 2001, Pub. L. No. 107-110, designate that a school
7 district be the fiscal agent for an eligible local
8 grant. Whenever possible, the grant applicant school
9 district shall collaborate with a community-based
10 organization, a public or private entity, or a
11 consortium of two or more of such organizations or
12 entities in establishing a community learning center.
13 The department shall give priority to applications for
14 programs serving students determined through research-
15 based methods to be in the greatest need of eligible
16 services. Notwithstanding the provisions of this
17 section, if federal rules or regulations relating to
18 the 21st Century Community Learning Center Grant are
19 adopted that are inconsistent with the provisions of
20 this section, the department of education shall comply
21 with the requirements of the federal rules or
22 regulations."

23 6. Page 5, by inserting after line 13, the
24 following:

25 "Sec. 301. Section 275.23A, subsection 2, Code
26 2001, is amended to read as follows:

27 2. Following each federal decennial census the
28 school board shall determine whether the existing
29 director district boundaries meet the standards in
30 subsection 1 according to the most recent federal
31 decennial census. If necessary, the board of
32 directors shall redraw the director district
33 boundaries. The director district boundaries shall be
34 described in a resolution adopted by the school board.
35 The resolution shall be adopted no earlier than
36 November 15 of the year immediately following the year
37 in which the federal decennial census is taken nor
38 later than ~~April 30~~ May 15 of the second year
39 immediately following the year in which the federal
40 decennial census is taken. A copy of the plan shall
41 be filed with the area education agency administrator
42 of the area education agency in which the school's
43 electors reside."

44 7. Page 14, by inserting after line 7 the
45 following:

46 "Sec. ____ . Section 301.1, Code 2001, is amended to
47 read as follows:

48 301.1 ADOPTION -- PURCHASE AND SALE -- ACCREDITED
49 NONPUBLIC SCHOOL PUPIL TEXTBOOK SERVICES.

50 1. The board of directors of each and every school

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1 district is hereby authorized and empowered to adopt
2 textbooks for the teaching of all branches that are
3 now or may hereafter be authorized to be taught in the
4 public schools of the state, and to contract for and
5 buy said books and any and all other necessary school
6 supplies at said contract prices, and to sell the same
7 to the pupils of their respective districts at cost,
8 loan such textbooks to such pupils free, or rent them
9 to such pupils at such reasonable fee as the board
10 shall fix, and said money so received shall be
11 returned to the general fund.

12 2. Textbooks adopted and purchased by a school
13 district may, and shall, to the extent funds are
14 appropriated by the general assembly, be made
15 available to pupils attending accredited nonpublic
16 schools upon request of the pupil or the pupil's
17 parent under comparable terms as made available to
18 pupils attending public schools. If the general
19 assembly appropriates moneys for purposes of making
20 textbooks available to accredited nonpublic school
21 pupils, the department of education shall ascertain
22 the amount available to a school district for the
23 purchase of nonsectarian, nonreligious textbooks for
24 pupils attending accredited nonpublic schools. The
25 amount shall be in the proportion that the basic
26 enrollment of a participating accredited nonpublic
27 school bears to the sum of the basic enrollments of
28 all participating accredited nonpublic schools in the
29 state for the budget year. For purposes of this
30 section, a "participating accredited nonpublic school"
31 means an accredited nonpublic school that submits a
32 written request on behalf of the school's pupils in
33 accordance with this subsection, and that certifies
34 its actual enrollment to the department of education
35 by October 1, annually. By October 15, annually, the
36 department of education shall certify to the director
37 of revenue and finance the annual amount to be paid to
38 each school district, and the director of revenue and
39 finance shall draw warrants payable to school
40 districts in accordance with this subsection. For
41 purposes of this subsection, an accredited nonpublic
42 school's enrollment count shall include only students
43 who are residents of Iowa. The costs of providing
44 textbooks to accredited nonpublic school pupils as
45 provided in this subsection shall not be included in
46 the computation of district cost under chapter 257,
47 but shall be shown in the budget as an expense from
48 miscellaneous income. Textbook expenditures made in
49 accordance with this subsection shall be kept on file
50 in the school district.

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1 3. As used in ~~this paragraph~~ subsection 2,
2 "textbooks" means books and loose-leaf or bound
3 manuals, systems of reusable instructional materials
4 or combinations of books and supplementary
5 instructional materials which convey information to
6 the student or otherwise contribute to the learning
7 process, or electronic textbooks, including but not
8 limited to computer software, applications using
9 computer-assisted instruction, interactive videodisc,
10 and other computer courseware and magnetic media."

11 8. Page 18, by inserting after line 18 the
12 following:

13 "Sec. ____ . Section 403.19, subsections 2 and 7,
14 Code Supplement 2001, are amended to read as follows:

15 2. That portion of the taxes each year in excess
16 of such amount shall be allocated to and when
17 collected be paid into a special fund of the
18 municipality to pay the principal of and interest on
19 loans, moneys advanced to, or indebtedness, whether
20 funded, refunded, assumed, or otherwise, including
21 bonds issued under the authority of section 403.9,
22 subsection 1, incurred by the municipality to finance
23 or refinance, in whole or in part, an urban renewal
24 project within the area, and to provide assistance for
25 low and moderate income family housing as provided in
26 section 403.22, except that taxes for the regular and
27 voter-approved physical plant and equipment levy of a
28 school district imposed pursuant to section 298.2,
29 taxes for the instructional support levy of a school
30 district imposed pursuant to section 257.21, and taxes
31 for the payment of bonds and interest of each taxing
32 district must be collected against all taxable
33 property within the taxing district without limitation
34 by the provisions of this subsection. However, all or
35 a portion of the taxes for the physical plant and
36 equipment levy and for the instructional support levy
37 shall be paid by the school district to the
38 municipality if the auditor certifies to the school
39 district by July 1 the amount of such levy that is
40 necessary to pay the principal and interest on bonds
41 issued by the municipality to finance an urban renewal
42 project, which bonds were issued before July 1, 2001.
43 Indebtedness incurred to refund bonds issued prior to
44 July 1, 2001, shall not be included in the
45 certification. Such school district shall pay over
46 the amount certified by November 1 and May 1 of the
47 fiscal year following certification to the school
48 district as provided in subsection 7. Unless and
49 until the total assessed valuation of the taxable
50 property in an urban renewal area exceeds the total

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1 assessed value of the taxable property in such area as
2 shown by the last equalized assessment roll referred
3 to in subsection 1, all of the taxes levied and
4 collected upon the taxable property in the urban
5 renewal area shall be paid into the funds for the
6 respective taxing districts as taxes by or for the
7 taxing districts in the same manner as all other
8 property taxes. When such loans, advances,
9 indebtedness, and bonds, if any, and interest thereon,
10 have been paid, all moneys thereafter received from
11 taxes upon the taxable property in such urban renewal
12 area shall be paid into the funds for the respective
13 taxing districts in the same manner as taxes on all
14 other property.

15 7. a. All or a portion of the taxes for the
16 physical plant and equipment levy shall be paid by the
17 school district to the municipality if the auditor
18 certifies to the school district by July 1 the amount
19 of such levy that is necessary to pay the principal
20 and interest on bonds issued by the municipality to
21 finance an urban renewal project, which bonds were
22 issued before July 1, 2001. Indebtedness incurred to
23 refund bonds issued prior to July 1, 2001, shall not
24 be included in the certification. Such school district
25 shall pay over the amount certified by November 1 and
26 May 1 of the fiscal year following certification to
27 the school district. For any fiscal year, a
28 municipality may certify to the county auditor for
29 physical plant and equipment revenue necessary for
30 payment of principal and interest on bonds issued
31 prior to July 1, 2001, only if the municipality
32 certified for such revenue for the fiscal year
33 beginning July 1, 2000. A municipality shall not
34 certify to the county auditor for a school district
35 more than the amount the municipality certified for
36 the fiscal year beginning July 1, 2000. If for any
37 fiscal year a municipality fails to certify to the
38 county auditor for a school district by July 1 the
39 amount of physical plant and equipment revenue
40 necessary for payment of principal and interest on
41 such bonds, as provided in subsection 2, the school
42 district is not required to pay over the revenue to
43 the municipality. If a school district and a
44 municipality are unable to agree on the amount of
45 physical plant and equipment revenue certified by the
46 municipality for the fiscal year beginning July 1,
47 2001, either party may request that the state appeal
48 board review and finally pass upon the amount that may
49 be certified. Such appeals must be presented in
50 writing to the state appeal board no later than July

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1 31 following certification. The burden shall be on
2 the municipality to prove that the physical plant and
3 equipment levy revenue is necessary to pay principal
4 and interest on bonds issued prior to July 1, 2001. A
5 final decision must be issued by the state appeal
6 board no later than the following October 1.

7 b. All or a portion of the taxes for the
8 instructional support levy shall be paid by the school
9 district to the municipality if the auditor certifies
10 to the school district by July 1 the amount of such
11 levy that is necessary to pay the principal and
12 interest on bonds issued by the municipality to
13 finance an urban renewal project, which bonds were
14 issued before July 1, 2002. Indebtedness incurred to
15 refund bonds issued prior to July 1, 2002, shall not
16 be included in the certification. Such school district
17 shall pay over the amount certified by November 1 and
18 May 1 of the fiscal year following certification to
19 the school district. For any fiscal year, a
20 municipality shall not certify to the county auditor
21 for a school district more than the amount the
22 municipality certified for the fiscal year beginning
23 July 1, 2002. If for any fiscal year a municipality
24 fails to certify to the county auditor for a school
25 district by July 1 the amount of instructional support
26 property tax revenue necessary for payment of
27 principal and interest on such bonds, as provided in
28 subsection 2, the school district is not required to
29 pay over the revenue to the municipality. If a school
30 district and a municipality are unable to agree on the
31 amount of instructional support property tax revenue
32 certified by the municipality for the fiscal year
33 beginning July 1, 2002, either party may request that
34 the state appeal board review and finally pass upon
35 the amount that may be certified. Such appeals must
36 be presented in writing to the state appeal board no
37 later than July 31 following certification. The
38 burden shall be on the municipality to prove that the
39 instructional support property tax revenue is
40 necessary to pay principal and interest on bonds
41 issued prior to July 1, 2002. A final decision must
42 be issued by the state appeal board no later than the
43 following October 1."

44 9. Page 21, by striking line 21 and inserting the
45 following:

46 "Sec. ____ . Sections 256.34, 260C.70, 301.29, and
47 301.30, Code 2001, are".

48 10. Page 21, by inserting after line 32, the
49 following:

50 "Sec. ____ . EFFECTIVE DATE. Section 301 of this

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1 Act, amending section 275.23A, subsection 2, being
2 deemed of immediate importance, takes effect upon
3 enactment."

4 11. Page 21, by striking line 33 and inserting
5 the following:

6 "Sec. ____ . EFFECTIVE DATES -- APPLICABILITY.

7 1. Sections 201 and 202 of this Act, relating to
8 the date of adoption of a budget adjustment resolution
9 and notification of that adoption, being deemed of
10 immediate importance, take effect upon enactment and
11 apply retroactively for budget adjustment notification
12 for the school budget year beginning July 1, 2002.

13 2. Section 36 of".

14 12. Page 22, by inserting after line 5 the
15 following:

16 "Sec. ____ . EFFECTIVE DATE. The section of this
17 Act, amending section 403.19, being deemed of
18 immediate importance, takes effect upon enactment."

19 13. Title page, line 2, by inserting after the
20 word "education" the following: "and school boards".

21 14. By renumbering, relettering, or redesignating
22 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-8681 FILED APRIL 11, 2002

*House Concurred**4-11-02**(P. 1407)*

HOUSE FILE 2515

H-8688

- 1 Amend the Senate amendment, H-8681, to House File
2 2515, as amended, passed, and reprinted by the House,
3 as follows:
- 4 1. Page 2, by inserting after line 38 the
5 following:
6 "Sec. ____ . Section 256.7, subsection 21, paragraph
7 c, Code Supplement 2001, is amended to read as
8 follows:
- 9 c. A requirement that all school districts and
10 accredited nonpublic schools annually report to the
11 department and the local community the district-wide
12 progress made in attaining student achievement goals
13 on the academic and other core indicators and the
14 district-wide progress made in attaining locally
15 established student learning goals. The school
16 districts and accredited nonpublic schools shall
17 demonstrate the use of multiple assessment measures in
18 determining student achievement levels. The school
19 districts and accredited nonpublic schools shall also
20 report the number of students who enter ninth grade
21 but do not graduate from the school or school
22 district; and the number of students who are tested
23 and the percentage of students who are so tested
24 annually. The board shall develop and adopt uniform
25 definitions consistent with the federal No Child Left
26 Behind Act of 2001, Pub. L. No. 107-110 and any
27 federal regulations adopted pursuant to the federal
28 Act. The school districts and accredited nonpublic
29 schools may report on other locally determined factors
30 influencing student achievement. The school districts
31 and accredited nonpublic schools shall also report to
32 the local community their results by individual
33 attendance center.""
- 34 2. By striking page 6, line 11, through page 8,
35 line 43.
- 36 3. Page 9, by striking lines 14 through 18.
- 37 4. By renumbering as necessary.

By BRUNKHORST of Bremer

H-8688 FILED APRIL 11, 2002

Adapted
4-11-02
(P. 1407)

HOUSE FILE 2515

AN ACT

RELATING TO THE DUTIES AND OPERATION OF THE DEPARTMENT OF
EDUCATION AND SCHOOL BOARDS AND PROVIDING EFFECTIVE AND
APPLICABILITY DATES.

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

Section 1. Section 256.3, Code 2001, is amended to read as follows:

256.3 STATE BOARD ESTABLISHED.

The state board of education is established for the department. The state board consists of nine ten members, nine voting members and one nonvoting student member. The voting members shall be appointed by the governor subject to senate confirmation. The nonvoting student members shall be appointed as provided in section 256.5A. The voting members shall be registered voters of the state and hold no other elective or appointive state office. A voting member shall not be engaged in professional education for a major portion of the member's time nor shall the member derive a major portion of income from any business or activity connected with education. Not more than five voting members shall be of the same political party.

The terms of office for voting members are for six years beginning and ending as provided in section 69.19.

Three of the state-board voting members shall have substantial knowledge related to the community college system. The remaining six voting members shall be members of the general public.

Sec. 2. Section 256.4, Code 2001, is amended to read as follows:

256.4 OATH -- VACANCIES.

The members of the state board shall qualify by taking the regular oath of office as prescribed by law for state officers. Vacancies in the voting membership shall be filled in the same manner in which regular appointments are required to be made.

Sec. 3. NEW SECTION. 256.5A NONVOTING MEMBER.

The governor shall appoint one nonvoting student member of the state board for a term of one year beginning and ending as provided in section 69.19. The nonvoting student member shall be appointed from a list of names submitted by the state board of education. Students enrolled in either grade ten or eleven in a public school may apply to the state board to serve as a nonvoting student member. The department shall develop an application process that requires the consent of the student's parent or guardian if the student is a minor, initial application approval by the school district in which the student applicant is enrolled, and submission of approved applications by a school district to the department. The nonvoting student member's school district of enrollment shall notify the student's parents if the student's grade point average falls during the period in which the student is a member of the state board. The state board shall adopt rules under chapter 17A specifying criteria for the selection of applicants whose names shall be submitted to the governor. Criteria shall include, but is not limited to, academic excellence, participation in extracurricular and community activities, and interest in serving on the board. Rules adopted by the state board shall also require, if the student is a minor, supervision of the student by the student's parent or guardian while the student is engaged in authorized state board business at a location other than the community in which the student resides, unless the student's parent or guardian submits to the state board a signed release indicating the parent or guardian has determined that supervision of the student by the parent or guardian is unnecessary. The

nonvoting student member shall be appointed without regard to political affiliation. The nonvoting student member shall have been enrolled in a public school in Iowa for at least one year prior to the member's appointment. A nonvoting student member who will not graduate from high school prior to the end of a second term may apply to the state board for submission of candidacy to the governor for a second one-year term. A nonvoting student member shall be paid a per diem as provided in section 7E.6 and the student and the student's parent or guardian shall be reimbursed for actual and necessary expenses incurred in the performance of the student's duties as a nonvoting member of the state board. A vacancy in the membership of the nonvoting student member shall not be filled until the expiration of the term.

Sec. 4. Section 256.7, subsection 21, paragraph c, Code Supplement 2001, is amended to read as follows:

c. A requirement that all school districts and accredited nonpublic schools annually report to the department and the local community the district-wide progress made in attaining student achievement goals on the academic and other core indicators and the district-wide progress made in attaining locally established student learning goals. The school districts and accredited nonpublic schools shall demonstrate the use of multiple assessment measures in determining student achievement levels. The school districts and accredited nonpublic schools shall also report the number of students who enter ninth grade but do not graduate from the school or school district; and the number of students who are tested and the percentage of students who are so tested annually. The board shall develop and adopt uniform definitions consistent with the federal No Child Left Behind Act of 2001, Pub. L. No. 107-110 and any federal regulations adopted pursuant to the federal Act. The school districts and accredited nonpublic schools may report on other locally determined factors influencing student achievement. The school districts

and accredited nonpublic schools shall also report to the local community their results by individual attendance center.

Sec. 5. Section 256.9, Code Supplement 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 51. Disburse, transfer, or receive funds as authorized or required under federal or state law or regulation in a manner that utilizes electronic transfer of the funds whenever possible.

Sec. 6. Section 256.10, Code 2001, is amended to read as follows:

256.10 EMPLOYMENT OF PROFESSIONAL STAFF.

1. The salary of the director shall be fixed by the governor within a range established by the general assembly.
2. Appointments to the professional staff of the department shall be without reference to political party affiliation, religious affiliation, sex, or marital status, but shall be based solely upon fitness, ability, and proper qualifications for the particular position. The professional staff shall serve at the discretion of the director. A member of the professional staff shall not be dismissed for cause without appropriate due process procedures including a hearing.
3. The director may employ full-time professional staff for less than twelve months each year, but such staff shall be employed by the director for at least nine months of each year. Salaries for full-time professional staff employed as provided in this subsection shall be comparable to other professional staff, adjusting for time worked. Salaries for professional staff employed for periods of less than twelve months shall be paid during each month of the year in which they are employed on the same schedule as full-time permanent professional staff. The director shall provide for and the department shall pay for health and dental insurance benefits for twelve months each year for the full-time professional staff employed as provided in this subsection, and the health

and dental insurance benefits provided shall be comparable to the benefits provided to all other professional staff employed by the director.

Sec. 7. Section 256.11, subsection 10, unnumbered paragraph 3, Code Supplement 2001, is amended to read as follows:

The department shall conduct site visits to schools and school districts to address accreditation issues identified in the desk audit. Such a visit may be conducted by an individual departmental consultant or may be a comprehensive site visit by a team of departmental consultants and other educational professionals. The purpose of a comprehensive site visit is to determine that a district is in compliance with minimum standards and to provide a general assessment of educational practices in a school or school district and make recommendations with regard to the visit findings for the purposes of improving educational practices above the level of minimum compliance. The department shall establish a long-term schedule of site visits that includes visits of all accredited schools and school districts at least once every five years as needed.

Sec. 8. Section 257.11, subsection 2, paragraph c, subparagraph (2), Code Supplement 2001, is amended to read as follows:

(2) A school district which was not participating in a whole grade sharing arrangement during the budget year beginning July 1, ~~2001~~ 2000, which executes a whole grade sharing agreement pursuant to sections 282.10 through 282.12 for the budget year beginning July 1, 2002, or July 1, 2003, and which adopts a resolution jointly with the other affected boards to study the question of undergoing a reorganization or dissolution to take effect on or before July 1, 2006, shall receive a weighting of one-tenth of the percentage of the pupil's school day during which the pupil attends classes in another district, attends classes taught by a teacher who is

jointly employed under section 280.15, or attends classes taught by a teacher who is employed by another school district. A district shall be eligible for supplementary weighting pursuant to this subparagraph for a maximum of three years. Receipt of supplementary weighting for a second and third year shall be conditioned upon submission of information resulting from the study to the school budget review committee indicating progress toward the objective of reorganization on or before July 1, 2006.

Sec. 9. Section 257.14, subsection 2, Code Supplement 2001, is amended to read as follows:

2. For the budget years commencing July 1, 2002, and July 1, 2003, if the department of management determines that the regular program district cost of a school district for a budget year is less than the total of the regular program district cost plus any adjustment added under this section for the base year for that school district, the school district shall be eligible to receive a budget adjustment for that district for that budget year up to an amount equal to the difference. The board of directors of a school district that wishes to receive a budget adjustment pursuant to this subsection shall adopt a resolution to receive the budget adjustment ~~and shall~~ by April ~~17~~ 15, annually, and shall notify the department of management of the adoption of the resolution and the amount of the budget adjustment to be received.

Sec. 10. Section 257.14, subsection 3, unnumbered paragraph 3, Code Supplement 2001, is amended to read as follows:

The board of directors of a school district that wishes to receive a budget adjustment pursuant to this subsection shall adopt a resolution to receive the budget adjustment ~~and shall~~ by April ~~17~~ 15, annually, and shall notify the department of management of the adoption of the resolution and the amount of the budget adjustment to be received.

Sec. 11. Section 257.16, Code 2001, is amended to read as follows:

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

2. All state aids paid under this chapter, unless otherwise stated, shall be paid in monthly installments beginning on September 15 of a budget year and ending on or about June 15 of the budget year as determined by the department of management, taking into consideration the relative budget and cash position of the state resources.

3. All moneys received by a school district from the state under this chapter shall be deposited in the general fund of the school district, and may be used for any school general fund purpose.

4. Notwithstanding any provision to the contrary, if the governor orders budget reductions in accordance with section 8.31, reductions in the appropriations provided in accordance with this section shall be distributed on a per pupil basis calculated with the weighted enrollment determined in accordance with section 257.6, subsection 5.

Sec. 12. NEW SECTION. 257.50 FEDERAL ASSISTANCE -- SCHOOL DISTRICT RESPONSIBILITIES.

The director of the department of education, in accepting and administering federal funds in accordance with section 256.9, subsection 7, shall upon receiving federal grant moneys under the federal 21st Century Community Learning Center Grant, Title IV, Part B of the federal No Child Left Behind Act of 2001, Pub. L. No. 107-110, designate that a school district be the fiscal agent for an eligible local grant. Whenever possible, the grant applicant school district shall collaborate with a community-based organization, a public or private entity, or a consortium of two or more of such organizations or entities in establishing a community learning center. The department shall give priority to applications

for programs serving students determined through research-based methods to be in the greatest need of eligible services. Notwithstanding the provisions of this section, if federal rules or regulations relating to the 21st Century Community Learning Center Grant are adopted that are inconsistent with the provisions of this section, the department of education shall comply with the requirements of the federal rules or regulations.

Sec. 13. Section 260C.5, subsection 6, Code 2001, is amended by striking the subsection.

Sec. 14. Section 260C.14, subsection 1, Code Supplement 2001, is amended to read as follows:

1. Determine the curriculum to be offered in such school or college subject to approval of the state-board director and ensure that all vocational offerings are competency-based, provide any minimum competencies required by the department of education, comply with any applicable requirements in chapter 258, and are articulated with local school district vocational education programs. If an existing private educational or vocational institution within the merged area has facilities and curriculum of adequate size and quality which would duplicate the functions of the area school, the board of directors shall discuss with the institution the possibility of entering into contracts to have the existing institution offer facilities and curriculum to students of the merged area. The board of directors shall consider any proposals submitted by the private institution for providing such facilities and curriculum. The board of directors may enter into such contracts. In approving curriculum, the state-board director shall ascertain that all courses and programs submitted for approval are needed and that the curriculum being offered by an area school does not duplicate programs provided by existing public or private facilities in the area. In determining whether duplication would actually exist, the state board shall consider the needs of the area and consider

whether the proposed programs are competitive as to size, quality, tuition, purposes, and area coverage with existing public and private educational or vocational institutions within the merged area. If the board of directors of the merged area chooses not to enter into contracts with private institutions under this subsection, the board shall submit a list of reasons why contracts to avoid duplication were not entered into and an economic impact statement relating to the board's decision.

Sec. 15. Section 260C.38, unnumbered paragraphs 1 and 3, Code 2001, are amended to read as follows:

~~The board of directors may, with the approval of the director of the department of education, enter into lease agreements, with or without purchase options, not to exceed twenty years in duration, for the leasing or rental of buildings for use basically as classrooms, laboratories, shops, libraries, and study halls for community college purposes, and pay for the leasing or rental with funds acquired pursuant to section 260C.17, section 260C.18, and section 260C.22. However, lease agreements extending for less than ten years and for less than twenty-five thousand dollars per year need not be submitted to the director of the department of education for approval.~~

Before entering into a lease agreement with a purchase option for a building to be constructed, or placed, upon real estate owned by the community college, the board shall first adopt plans and specifications for the proposed building which it considers suitable for the intended use, and the board shall also adopt the proposed terms of the lease agreement and purchase option. ~~Upon obtaining the approval of the director of the department of education, if approval of the director is required, the~~ The board shall invite bids, by advertisement published once each week for two consecutive weeks in the county where the building is to be located. The lease agreement shall be awarded to the lowest responsible bidder, or the board may reject all bids and readvertise for new bids.

Sec. 16. Section 275.23A, subsection 2, Code 2001, is amended to read as follows:

2. Following each federal decennial census the school board shall determine whether the existing director district boundaries meet the standards in subsection 1 according to the most recent federal decennial census. If necessary, the board of directors shall redraw the director district boundaries. The director district boundaries shall be described in a resolution adopted by the school board. The resolution shall be adopted no earlier than November 15 of the year immediately following the year in which the federal decennial census is taken nor later than ~~April 30~~ May 15 of the second year immediately following the year in which the federal decennial census is taken. A copy of the plan shall be filed with the area education agency administrator of the area education agency in which the school's electors reside.

Sec. 17. Section 282.18, subsection 2, Code 2001, is amended to read as follows:

2. By January 1 of the preceding school year, the parent or guardian shall send notification to the district of residence and the receiving district, on forms prescribed by the department of education, that the parent or guardian intends to enroll the parent's or guardian's child in a public school in another school district. If a parent or guardian fails to file a notification that the parent intends to enroll the parent's or guardian's child in a public school in another district by the deadline of January 1 of the previous year, and one of the criteria defined in subsection ~~16~~ 4 exists for the failure to meet the deadline or if the request is to enroll a child in kindergarten in a public school in another district, the parent or guardian shall be permitted to enroll the child in the other district in the same manner as if the deadline had been met.

~~The board of directors of a school district may adopt a policy granting the superintendent of the district authority~~

~~to approve open enrollment applications that are timely filed. However, the board of directors shall not grant the superintendent authority to deny open enrollment applications, except as provided in subsection 3. The board of the district of residence, or the superintendent with the board's authority to only approve applications, shall take action on the request no later than February 1 of the preceding school year and shall transmit any approved request within five days after board action on the request. The parent or guardian may withdraw the request at any time prior to the start of the school year. The board of the receiving district, or the superintendent with the board's authority to approve applications only, shall take action to approve or disapprove the request no later than March 1 of the preceding school year. The board of the receiving district shall enroll the pupil in a school in the receiving district for the following school year unless the receiving district does not have classroom space for the pupil. If the request is granted, the board shall transmit a copy of the form to the parent or guardian and the school district of residence within five days after board action, but not later than March 1 of the preceding school year. The parent or guardian may withdraw the request at any time prior to the start of the school year. A denial of a request by the board of a receiving district is not subject to appeal.~~

Sec. 18. Section 282.18, subsection 3, Code 2001, is amended to read as follows:

3. In all districts involved with voluntary or court-ordered desegregation, minority and nonminority pupil ratios shall be maintained according to the desegregation plan or order. The superintendent of a district subject to voluntary or court-ordered desegregation may deny a request for transfer under this section if the superintendent finds that enrollment or release of a pupil will adversely affect the district's implementation of the desegregation order or plan, unless the

transfer is requested by a pupil whose sibling is already participating in open enrollment to another district. If, however, a transfer request would facilitate a voluntary or court-ordered desegregation plan, the district shall give priority to granting the request over other requests.

A parent or guardian, whose request has been denied because of a desegregation order or plan, may appeal the decision of the superintendent to the board of the district in which the request was denied. The board may either uphold or overturn the superintendent's decision. A decision of the board to uphold the denial of the request is subject to appeal under section 290:1 to the district court in the county in which the primary business office of the district is located.

Sec. 19. Section 282.18, subsections 4 and 5, Code 2001, are amended by striking the subsections and inserting in lieu thereof the following:

4. a. After January 1 of the preceding school year and until the third Friday in September of that calendar year, the parent or guardian shall send notification to the district of residence and the receiving district, on forms prescribed by the department of education, that good cause, as defined in paragraph "b", exists for failure to meet the January 1 deadline. The board of the receiving district shall take action to approve the request if good cause exists. If the request is granted, the board shall transmit a copy of the form to the parent or guardian and the school district of residence within five days after board action. A denial of a request by the board of a receiving district is not subject to appeal.

b. For purposes of this section, "good cause" means a change in a child's residence due to a change in family residence, a change in the state in which the family residence is located, a change in a child's parents' marital status, a guardianship or custody proceeding, placement in foster care, adoption, participation in a foreign exchange program, or

participation in a substance abuse or mental health treatment program, a change in the status of a child's resident district such as removal of accreditation by the state board, surrender of accreditation, or permanent closure of a nonpublic school, the failure of negotiations for a whole-grade sharing, reorganization, dissolution agreement or the rejection of a current whole-grade sharing agreement, or reorganization plan. If the good cause relates to a change in status of a child's school district of residence, however, action by a parent or guardian must be taken to file the notification within forty-five days of the last board action or within thirty days of the certification of the election, whichever is applicable to the circumstances.

c. If a resident district believes that a receiving district is unreasonable in approving applications submitted in accordance with this subsection, the resident district may request that the department review and take appropriate action.

5. Open enrollment applications filed after January 1 of the preceding school year that do not qualify for good cause as provided in subsection 4 shall be subject to the approval of the board of the resident district and the board of the receiving district. The parent or guardian shall send notification to the district of residence and the receiving district that the parent or guardian seeks to enroll the parent's or guardian's child in the receiving district. A decision of either board to deny an application filed under this subsection involving repeated acts of harassment of the student or serious health condition of the student that the resident district cannot adequately address is subject to appeal under section 290.1. The state board shall exercise broad discretion to achieve just and equitable results that are in the best interest of the affected child or children.

Sec. 20. Section 282.18, subsection 6, Code 2001, is amended to read as follows:

6. A request under this section is for a period of not less than one year. If the request is for more than one year and the parent or guardian desires to have the pupil enroll in a different district, the parent or guardian may petition the current receiving district by January 1 of the previous school year for permission to enroll the pupil in a different district for a period of not less than one year. Upon receipt of such a request, the current receiving district board may act on the request to transfer to the other school district at the next regularly scheduled board meeting after the receipt of the request. The new receiving district shall enroll the pupil in a school in the district unless there is insufficient classroom space in the district or unless enrollment of the pupil would adversely affect the court-ordered or voluntary desegregation plan of the district. A denial of a request to change district enrollment within the approved period is not subject to appeal under ~~section 290.1~~. However, a pupil who has been in attendance in another district under this section may return to the district of residence and enroll at any time, once the parent or guardian has notified the district of residence and the receiving district in writing of the decision to enroll the pupil in the district of residence.

Sec. 21. Section 282.18, subsection 14, Code 2001, is amended to read as follows:

14. If a pupil, for whom a request to transfer has been filed with a district, has been suspended or expelled in the district, the pupil shall not be permitted to transfer until the pupil has been reinstated in the sending district. Once the pupil has been reinstated, however, the pupil shall be permitted to transfer in the same manner as if the pupil had not been suspended or expelled by the sending district. If a pupil, for whom a request to transfer has been filed with a district, is expelled in the district, the pupil shall be permitted to transfer to a receiving district under this section if the pupil applies for and is reinstated in the

sending district. However, if the pupil applies for reinstatement but is not reinstated in the sending district, the receiving district may deny the request to transfer. ~~The parent or guardian of the pupil shall be permitted to appeal the decision of the receiving district to the director of the department of education. If the director rules in favor of permitting the transfer, the pupil shall be permitted to transfer, but the transfer shall be conditioned upon the expiration of the expulsion period without the pupil incurring a new violation is not subject to appeal.~~

Sec. 22. Section 282.18, subsection 16, Code 2001, is amended by striking the subsection and inserting in lieu thereof the following:

16. An application for open enrollment may be granted at any time with approval of the resident and receiving districts.

Sec. 23. Section 282.18, subsection 18, Code 2001, is amended by striking the subsection.

Sec. 24. Section 283A.2, subsection 2, paragraph a, Code 2001, is amended to read as follows:

a. A school district shall operate or provide for the operation of ~~school breakfast and lunch programs at all attendance centers in the district. However, with the approval of the department of education as provided in paragraph "b",~~ a school district may operate or provide for the operation of school breakfast programs at all attendance centers in the district, or provide access to a school breakfast program at an alternative site to students who wish to participate in a school breakfast program. The programs shall provide students with nutritionally adequate meals and shall be operated in compliance with the rules of the state board of education and pertinent federal law and regulation. The school lunch program shall be provided for all students in each district who attend public school four or more hours each school day and wish to participate in a school breakfast or

lunch program. School districts may provide school breakfast and lunch programs for other students.

Sec. 25. Section 283A.2, subsection 2, paragraphs b and c, Code 2001, are amended by striking the paragraphs.

Sec. 26. Section 285.3, Code 2001, is amended by striking the section and inserting in lieu thereof the following:

285.3 PARENTAL REIMBURSEMENT FOR NONPUBLIC SCHOOL PUPIL TRANSPORTATION.

1. A parent or legal guardian of a student attending an accredited nonpublic school, who furnishes transportation for the student pursuant to section 285.1, subsection 17, paragraph "c", and who meets the requirements of subsection 2 of this section, is entitled to reimbursement equal to an amount calculated under the provisions of section 285.1, subsection 3. In addition, a parent or guardian who transports one or more family members more than four miles to their nonpublic school of attendance shall be entitled to one supplemental mileage payment per family, per claim period, equal to thirteen percent of the parental reimbursement for the claim period rounded to the nearest whole dollar.

2. To qualify for parental reimbursement under subsection 1, a parent or guardian of a student attending an accredited nonpublic school who furnishes transportation for the student in accordance with this section, shall submit a notice of nonpublic school attendance to the resident public school district, notifying the district that the student is enrolled in and will attend an accredited nonpublic school during the period for which parental reimbursement is being requested. The notice shall be filed with the resident public school district not later than December 1 for the first semester claim and May 1 for the second semester claim each year. The notice shall include the parent's name and address, the name, age, and grade level of the student, and the name of the nonpublic school and its location. The resident public school district shall submit claims for reimbursement to the

department of education on behalf of the parent or guardian if the parent or guardian meets the requirements of this section.

Sec. 27. Section 285.8, Code 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 9. Establish a fee for conducting school bus inspections in accordance with subsection 4 and issuing school bus driver authorizations in accordance with section 321.376, which shall not exceed the budgeted cost for conducting inspections and administering authorizations.

Sec. 28. Section 285.12, Code 2001, is amended to read as follows:

285.12 DISPUTES -- HEARINGS AND APPEALS.

In the event of a disagreement between a school patron and the board of the school district, the patron if dissatisfied with the decision of the district board, may appeal ~~the same~~ to the area education agency board, notifying the secretary of the district in writing within ten days of the decision of the board and by filing an affidavit of appeal with the agency board within the ten-day period. The affidavit of appeal shall include the reasons for the appeal and points at issue. The secretary of the local board on receiving notice of appeal shall certify all papers to the agency board which shall hear the appeal within ten days of the receipt of the papers and decide it within three days of the conclusion of the hearing and shall immediately notify all parties of its decision. Either party may appeal the decision of the agency board to the director of the department of education by notifying the opposite party and the agency administrator in writing within five days after receipt of notice of the decision of the agency board and by filing with the director of the department of education an affidavit of appeal, reasons for appeal, and the facts involved in the disagreement within five days after receipt of notice of the decision of the agency board. The agency administrator shall, within ten days of said receipt of the notice, file with the director all records and papers

pertaining to the case, including action of the agency board. The director shall hear the appeal within fifteen days of the filing of the records in the director's office, notifying all parties and the agency administrator of the date and time of hearing. The director shall ~~forthwith decide the same and~~ notify all parties of the decision and return all papers with a copy of the decision to the agency administrator. The decision of the director shall be subject to judicial review in accordance with ~~the terms of the Iowa administrative procedure Act~~ chapter 17A. Pending final order made by the director, upon any appeal prosecuted to such director, the order of the agency board from which the appeal is taken shall be operative and be in full force and effect.

Sec. 29. Section 290.1, Code 2001, is amended to read as follows:

290.1 APPEAL TO STATE BOARD.

A person An affected pupil, or the parent or guardian of an affected pupil who is a minor, who is aggrieved by a decision or order of the board of directors of a school corporation in a matter of law or fact, or a decision or order of a board of directors under section 282.18, subsection 5, may, within thirty days after the rendition of the decision or the making of the order, appeal the decision or order to the state board of education; the basis of the proceedings shall be an affidavit filed with the state board by the party aggrieved within the time for taking the appeal, which affidavit shall set forth any error complained of in a plain and concise manner.

For purposes of section 202.117-a "person aggrieved" or "party aggrieved" means the "parent or guardian of an affected pupil"

Sec. 30. Section 297.7, subsection 1, Code 2001, is amended to read as follows:

1. Sections 73A.2 and 73A.18 are applicable to the construction and repair of school buildings. Before

~~construction of a school building for which the cost of construction exceeds twenty-five thousand dollars, the board of directors of a school district shall send a copy of the plans to the building consultant in the department of education for review. The board of directors may submit for review a copy of the plans for repair or renovation of a school building. The building consultant shall return the plans together with any recommendations to the board of directors within thirty days following the receipt of the plans.~~

Sec. 31. Section 301.1, Code 2001, is amended to read as follows:

301.1 ADOPTION -- PURCHASE AND SALE -- ACCREDITED NONPUBLIC SCHOOL PUPIL TEXTBOOK SERVICES.

1. The board of directors of each and every school district is hereby authorized and empowered to adopt textbooks for the teaching of all branches that are now or may hereafter be authorized to be taught in the public schools of the state, and to contract for and buy said books and any and all other necessary school supplies at said contract prices, and to sell the same to the pupils of their respective districts at cost, loan such textbooks to such pupils free, or rent them to such pupils at such reasonable fee as the board shall fix, and said money so received shall be returned to the general fund.

2. Textbooks adopted and purchased by a school district may, and shall, to the extent funds are appropriated by the general assembly, be made available to pupils attending accredited nonpublic schools upon request of the pupil or the pupil's parent under comparable terms as made available to pupils attending public schools. If the general assembly appropriates moneys for purposes of making textbooks available to accredited nonpublic school pupils, the department of education shall ascertain the amount available to a school district for the purchase of nonsectarian, nonreligious textbooks for pupils attending accredited nonpublic schools.

The amount shall be in the proportion that the basic enrollment of a participating accredited nonpublic school bears to the sum of the basic enrollments of all participating accredited nonpublic schools in the state for the budget year. For purposes of this section, a "participating accredited nonpublic school" means an accredited nonpublic school that submits a written request on behalf of the school's pupils in accordance with this subsection, and that certifies its actual enrollment to the department of education by October 1, annually. By October 15, annually, the department of education shall certify to the director of revenue and finance the annual amount to be paid to each school district, and the director of revenue and finance shall draw warrants payable to school districts in accordance with this subsection. For purposes of this subsection, an accredited nonpublic school's enrollment count shall include only students who are residents of Iowa. The costs of providing textbooks to accredited nonpublic school pupils as provided in this subsection shall not be included in the computation of district cost under chapter 257, but shall be shown in the budget as an expense from miscellaneous income. Textbook expenditures made in accordance with this subsection shall be kept on file in the school district.

3. As used in this-paragraph subsection 2, "textbooks" means books and loose-leaf or bound manuals, systems of reusable instructional materials or combinations of books and supplementary instructional materials which convey information to the student or otherwise contribute to the learning process, or electronic textbooks, including but not limited to computer software, applications using computer-assisted instruction, interactive videodisc, and other computer courseware and magnetic media.

Sec. 32. Section 321.178, subsection 1, unnumbered paragraph 1, Code Supplement 2001, is amended to read as follows:

An approved driver education course as programmed by the department of-education shall consist of at least thirty clock hours of classroom instruction, of which no more than one hundred eighty minutes shall be provided to a student in a single day, and six or more clock hours of laboratory instruction of which at least three clock hours shall consist of street or highway driving. Classroom instruction shall include all of the following:

Sec. 33. Section 321.178, subsection 1, unnumbered paragraphs 3, 4, and 5, Code Supplement 2001, are amended to read as follows:

Every public school district in Iowa shall offer or make available to all students residing in the school district or Iowa students attending a nonpublic school in the district an approved course in driver education. The courses may be offered at sites other than at the public school, including nonpublic school facilities within the public school districts. An approved course offered during the summer months, on Saturdays, after regular school hours during the regular terms or partly in one term or summer vacation period and partly in the succeeding term or summer vacation period, as the case may be, shall satisfy the requirements of this section to the same extent as an approved course offered during the regular school hours of the school term. A student who successfully completes and obtains certification in an approved course in driver education or an approved course in motorcycle education may, upon proof of such fact, be excused from any field test which the student would otherwise be required to take in demonstrating the student's ability to operate a motor vehicle. A student shall not be excused from any field test if a parent, guardian, or instructor requests that a test be administered. Street or highway driving instruction may be provided by a person qualified as a classroom driver education instructor or a person certified by the department of-transportation and authorized by the board

of educational examiners. A person shall not be required to hold a current Iowa teacher or administrator license at the elementary or secondary level or to have satisfied the educational requirements for an Iowa teacher license at the elementary or secondary level in order to be certified by the department of-transportation or authorized by the board of educational examiners to provide street or highway driving instruction. A final field test prior to a student's completion of an approved course shall be administered by a person qualified as a classroom driver education instructor. The department of-transportation shall adopt rules pursuant to chapter 17A to provide for certification of persons qualified to provide street or highway driving instruction. The board of educational examiners shall adopt rules pursuant to chapter 17A to provide for authorization of persons certified by the department of-transportation to provide street or highway driving instruction.

"Student", for purposes of this section, means a person between the ages of fourteen years and twenty-one years who ~~resides in the public school district and who~~ satisfies the preliminary licensing requirements of the department of transportation.

Any person who successfully completes an approved driver education course at a private or commercial driver education school licensed by the department of-transportation, shall likewise be eligible for a driver's license as provided in section 321.180B or 321.194.

Sec. 34. Section 321.375, subsection 1, paragraph d, Code 2001, is amended by striking the paragraph and inserting in lieu thereof the following:

d. Possess a current certificate of qualification for operation of a commercial motor vehicle issued by a physician licensed pursuant to chapter 148 or 150A, physician's assistant, advanced registered nurse practitioner, or chiropractor or any other person identified by federal and state law as authorized to perform physical examinations.

Sec. 35. Section 321.375, subsection 2, paragraph c, Code 2001, is amended to read as follows:

c. Fraud in the procurement or renewal of a school bus driver's permit authorization to operate a school bus.

Sec. 36. Section 321.376, Code 2001, is amended to read as follows:

321.376 LICENSE -- PERMIT AUTHORIZATION -- INSTRUCTION REQUIREMENT.

1. The driver of a school bus shall hold a driver's license issued by the department of transportation valid for the operation of the school bus and ~~shall hold a school bus driver's permit issued by the department of education when transporting student or adult passengers to or from school activities. The department of education shall charge a fee for the issuance of a school bus driver's permit in the amount of five dollars, which shall be deposited in the general fund of the state~~ a certificate of qualification for operation of a commercial motor vehicle issued by a physician licensed pursuant to chapter 148 or 150A, physician's assistant, advanced registered nurse practitioner, or chiropractor or any other person identified by federal and state law as authorized to perform physical examinations, and shall successfully complete an approved course of instruction in accordance with subsection 2. A person holding a temporary restricted license issued under chapter 321J shall be prohibited from operating a school bus. The department of education shall revoke or refuse to issue a permit an authorization to operate a school bus to any person who, after notice and opportunity for hearing, is determined to have committed any of the acts proscribed under section 321.375, subsection 2. The department of education shall recommend, and the state board of education shall adopt under chapter 17A, rules and procedures for the revocation and issuance of permits to persons issuing and revoking authorization to operate a school bus in this state. Rules and procedures adopted shall

include, but are not limited to, provisions for the revocation of, or refusal to issue, permits authorization to persons who are determined to have committed any of the acts proscribed under section 321.375, subsection 2.

2. A person applying for employment or employed as a school bus driver shall successfully complete a department of education approved course of instruction for school bus drivers before or within the first six months of employment and at least every twenty-four months thereafter. If an employee fails to provide an employer with a certificate of completion of the required school bus driver's course, the driver's employer shall report the failure to the department of education and the employee's authorization to operate a school bus driver's permit shall be revoked. The department of education shall send notice of the revocation of the employee's permit to both the employee and the employer. A person whose school bus driver's permit authorization has been revoked under this section shall not be issued another school bus driver's permit authorization until certification of the completion of an approved school bus driver's course is received by the department of education.

~~3. The department of education shall submit an annual budget request, separately from the department's annual operating budget request, in an amount not to exceed the amount collected by the department for the issuance of annual school bus driver permits. Funds requested shall be designated for purposes of establishing and conducting approved courses of instruction for school bus drivers and for school bus passenger safety programs. The department shall recommend rules for adoption by the state board of education relating to the assessment and collection of funds from the school bus driver fee and relating to distribution of funds for approved courses of instruction.~~

Sec. 37. Section 321J.22, subsection 2, paragraph d, Code 2001, is amended to read as follows:

d. The department of education shall establish reasonable fees to defray the expense of obtaining classroom space, instructor salaries, and class materials for courses offered both by community colleges and by substance abuse treatment programs licensed under chapter 125, and for administrative expenses incurred by the department in implementing subsection 5.

Sec. 38. Section 455A.19, subsection 1, unnumbered paragraph 1, Code Supplement 2001, is amended to read as follows:

Upon receipt of any revenue, the director shall deposit the moneys in the Iowa resources enhancement and protection fund created pursuant to section 455A.18. The first three hundred fifty thousand dollars of the funds received for deposit in the fund annually shall be allocated to the conservation education program board for the purposes specified in section ~~256-34~~ 455A.21. One percent of the revenue receipts shall be deducted and transferred to the administration fund provided for in section 456A.17. All of the remaining receipts shall be allocated to the following accounts:

Sec. 39. NEW SECTION. 455A.21 CONSERVATION EDUCATION PROGRAM BOARD.

1. A conservation education program board is created in the department. The board shall have five members appointed as follows:

a. One member appointed by the director of the department of education.

b. One member appointed by the director of the department of natural resources.

c. One member appointed by the president of the Iowa association of county conservation boards.

d. One member appointed by the president of the Iowa association of naturalists.

e. One member appointed by the president of the Iowa conservation education council.

2. Section 69.16 does not apply to appointments made pursuant to this section.

3. The duties of the board are to revise and produce conservation education materials and to specify stipends to Iowa educators who participate in innovative conservation education programs approved by the board. The board shall allocate the funds provided for under section 455A.19, subsection 1, for the educational materials and stipends.

4. The department shall administer the funds allocated to the conservation education program as provided in this section.

Sec. 40. Section 714.18, unnumbered paragraph 1, Code 2001, is amended to read as follows:

Except as otherwise provided in subsection 4, every person, firm, association, or corporation maintaining or conducting in Iowa any such course of instruction, by classroom instruction or by correspondence, or soliciting in Iowa the sale of such course, shall file with the ~~director-of-the-department-of~~ education secretary of state:

Sec. 41. Section 714.18, subsections 1 and 2, Code 2001, are amended to read as follows:

1. A continuous corporate surety bond to the state of Iowa in the sum of fifty thousand dollars conditioned for the faithful performance of all contracts and agreements with students made by such person, firm, association, or corporation, or their salespersons; but the aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the sum of the bond. The surety on the bond may cancel the bond upon giving thirty days' written notice to the ~~director-of-the-department-of-education~~ secretary of state and thereafter shall be relieved of liability for any breach of condition occurring after the effective date of the cancellation.

2. A statement designating a resident agent for the purpose of receiving service in civil actions. In the absence

of such designation, service may be had upon the ~~director-of-the-department-of-education~~ secretary of state if service cannot otherwise be made in this state.

Sec. 42. Section 714.18, subsection 4, Code 2001, is amended to read as follows:

4. A school licensed under the provisions of section 157.8 or 158.7 shall file with the ~~director-of-the-department-of-education~~ secretary of state:

a. A continuous corporate surety bond to the state of Iowa in the sum of fifty thousand dollars or ten percent of the total annual tuition collected, whichever is less, conditioned for the faithful performance of all contracts and agreements with students made by such school. A school desiring to file a surety bond based on a percentage of annual tuition shall provide to the ~~director-of-the-department-of-education~~ secretary of state, in the form prescribed by the ~~director~~ secretary, a notarized statement attesting to the total amount of tuition collected in the preceding twelve-month period. The ~~director~~ secretary shall determine the sufficiency of the statement and the amount of the bond. Tuition information submitted pursuant to this paragraph shall be kept confidential.

If the school has filed a performance bond with an agency of the United States government pursuant to federal law, the ~~director-of-the-department-of-education~~ secretary of state shall reduce the bond required by this paragraph by an amount equal to the amount of the federal bond.

The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the sum of the bond. The surety on the bond may cancel the bond upon giving thirty days' written notice to the ~~director-of-the-department-of-education~~ secretary of state and thereafter shall be relieved of liability for any breach of condition occurring after the effective date of the cancellation.

The ~~director-of-the-department-of-education~~ secretary of state may accept a letter of credit from a bank in lieu of the corporate surety bond required by this paragraph.

b. The statement required in subsection 2.

c. The materials required in subsection 3.

Sec. 43. Section 714.22, subsection 1, Code 2001, is amended to read as follows:

1. File a bond or a bond is filed on their behalf by a parent corporation with the ~~director-of-the-department-of-education~~ secretary of state as required by section 714.18.

Sec. 44. Sections 256.34, 260C.70, 301.29, and 301.30, Code 2001, are repealed.

Sec. 45. WHOLE-GRADE SHARING AGREEMENT DEADLINE WAIVER. Notwithstanding sections 282.10 and 282.11, the department of education may, at the department's discretion, waive any of the deadline requirements of sections 282.10 and 282.11, relating to the signing of a whole-grade sharing agreement by the boards of two or more school districts involved in the agreement and the public notice and hearing requirements, if one of the districts involved in the agreement has an enrollment of less than two hundred. This section is repealed July 1, 2002.

Sec. 46. EFFECTIVE DATE. Section 16 of this Act, amending section 275.23A, subsection 2, being deemed of immediate importance, takes effect upon enactment.

Sec. 47. EFFECTIVE DATES -- APPLICABILITY.

1. Sections 9 and 10 of this Act, relating to the date of adoption of a budget adjustment resolution and notification of that adoption, being deemed of immediate importance, take effect upon enactment and apply retroactively for budget adjustment notification for the school budget year beginning July 1, 2002.

2. Section 45 of this Act, relating to a waiver for whole-grade sharing agreement deadlines, being deemed of immediate importance, takes effect upon enactment and applies from the date of enactment to June 30, 2002.

Sec. 48. FUTURE EFFECTIVE DATE. The section of this Act amending section 321.375, subsection 1, paragraph "d", Code 2001, takes effect July 1, 2003.

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2515, Seventy-ninth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved April 30, 2002

THOMAS J. VILSACK
Governor