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SENATE FILE 2129  
BY DVORSKY

(COMPANION TO LSB 6310HH  
BY MASCHER)

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

**A BILL FOR**

1 An Act relating to the permissible use of moneys distributed to  
2 school districts and area education agencies under phase III  
3 of the educational excellence program for purposes of teacher  
4 career development.

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

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SF 2129  
EDUCATION

1 Section 1. Section 256.18, subsection 2, Code 2001, is  
2 amended by striking the subsection.

3 Sec. 2. Section 258.17, subsection 4, Code 2001, is  
4 amended to read as follows:

5 4. Each workstart program shall include a written  
6 agreement by the school or school district with one or more  
7 businesses from the surrounding community to provide  
8 workplace-specific training and learning programs which are  
9 related to the skills needed to succeed in those occupational  
10 areas. The proposed plan for implementation of the workstart  
11 program shall include a copy of the written agreement between  
12 the school or school district and the business or businesses  
13 and a business support component, which shall consist of  
14 financial or in-kind support, or both financial and in-kind  
15 support, from the businesses that have entered into the  
16 agreement with the school or school district. The plan may  
17 provide for the utilization of ~~phase-III-and-other~~ available  
18 school funds in the establishment of the program. ~~A-workstart~~  
19 ~~program-is-a-comprehensive-school-transformation-program-under~~  
20 ~~section-294A.14.~~

21 Sec. 3. Section 294A.1, subsection 3, Code 2001, is  
22 amended to read as follows:

23 3. Phase III -- The enhancement of the quality and  
24 effectiveness of teachers through ~~the-utilization-of~~  
25 performance-pay career development.

26 Sec. 4. Section 294A.12, Code 2001, is amended to read as  
27 follows:

28 294A.12 GOAL.

29 1. The goal of phase III is to enhance the quality,  
30 effectiveness, and performance of Iowa's teachers by promoting  
31 teacher excellence. This will be accomplished through the  
32 development and implementation of performance-based-pay-plans  
33 and-supplemental-pay teacher career development plans  
34 ~~requiring-additional-instructional-work-assignments-which-may~~  
35 ~~include-specialized-training-or-differential-training,7-or-both~~

1 that align with student learning and teacher development needs  
2 in order to achieve attendance center and district-wide  
3 student achievement goals outlined in the district  
4 comprehensive school improvement plan submitted in accordance  
5 with section 256.7, subsection 21; with the individual teacher  
6 career development plan developed in accordance with section  
7 284.6 if the district is participating in the student  
8 achievement and teacher quality program; and with area  
9 education agency achievement goals outlined in plans submitted  
10 as provided in section 294A.16.

11 2. It is the intent of the general assembly that school  
12 districts and area education agencies incorporate into their  
13 ~~planning for-performance-based-pay-plans-and-supplemental-pay~~  
14 ~~plans~~, implementation of recommendations from recently issued  
15 national and state reports relating to the requirements of the  
16 educational system for meeting future educational needs,  
17 especially as they relate to the preparation, working  
18 conditions, and responsibilities of teachers, including but  
19 not limited to assistance to new teachers, development of  
20 teachers as instructional leaders in their schools and school  
21 districts, using teachers for evaluation and diagnosis of  
22 other teachers' techniques, and the implementation of  
23 ~~sabbatical leaves. It-is-also-the-intent-of-the-general~~  
24 ~~assembly-that-a-performance-based-pay-plan-and-supplemental~~  
25 ~~pay-plan-submitted-by-a-district-include-a-parent-involvement~~  
26 ~~policy-designed-to-increase-student-achievement-and-self-~~  
27 ~~esteem-by-bringing-home-and-school-into-closer-relationship~~  
28 ~~and-that-provides-methods-by-which-parents-and-teachers-may~~  
29 ~~cooperate-intelligently-in-the-education-of-children.~~ It is  
30 further the intent of the general assembly that real and  
31 fundamental change in the educational system must emerge from  
32 the school site if the education system is to remain relevant  
33 and that plans funded in this program must be an integral part  
34 of a comprehensive school district or area education agency  
35 effort toward meeting identified district or agency goals or

1 needs, and meeting teachers' career development goals if  
2 developed in accordance with section 284.6.

3 Sec. 5. Section 294A.13, Code 2001, is amended to read as  
4 follows:

5 294A.13 PHASE III PROGRAM.

6 For the school year beginning July 1, ~~1987~~ 2002, and  
7 succeeding school years, each school district and area  
8 education agency that meets the requirements of this division  
9 is eligible to receive moneys for the implementation under  
10 phase III of ~~a performance-based-pay-plan-or-supplemental-pay~~  
11 ~~plan, or a combination of the two~~ teacher career development  
12 plans as provided in section 294A.12, subsection 1, and  
13 section 294A.16.

14 Sec. 6. Section 294A.14, Code Supplement 2001, is amended  
15 to read as follows:

16 294A.14 PHASE III PAYMENTS.

17 1. For each fiscal year, the department shall allocate the  
18 remainder of the moneys appropriated by the general assembly  
19 to the fund for phase III, subject to section ~~294A.18~~ 294A.25,  
20 subsection 7. If fifty million dollars is allocated for phase  
21 III, the payments for an approved plan for a school district  
22 shall be equal to the product of a district's certified  
23 enrollment and ninety-eight dollars and sixty-three cents, and  
24 for an area education agency shall be equal to the product of  
25 an area education agency's enrollment served and four dollars  
26 and sixty cents. If the moneys allocated for phase III are  
27 either greater than or less than fifty million dollars, the  
28 department of education shall adjust the amount for each  
29 student in certified enrollment and each student in enrollment  
30 served based upon the amount allocated for phase III.

31 2. If a school district has discontinued grades under  
32 section 282.7, subsection 1, or students attend school in  
33 another school district, under an agreement with the board of  
34 the other school district, the board of directors of the  
35 district of residence either shall transmit the phase III

1 moneys allocated to the district for those students based upon  
2 the full-time equivalent attendance of those students to the  
3 board of the school district of attendance of the students or  
4 shall transmit to the board of the school district of  
5 attendance of the students a portion of the phase III moneys  
6 allocated to the district of residence based upon an agreement  
7 between the board of the resident district and the board of  
8 the district of attendance.

9 3. A teacher career development plan shall be developed  
10 ~~using the procedure specified under~~ in accordance with section  
11 ~~294A.15. The plan shall provide for the establishment of a~~  
12 ~~performance-based pay plan, a supplemental pay plan, a~~  
13 ~~combination of the two pay plans, or comprehensive school~~  
14 ~~transformation programs, and~~ 294A.12, subsection 1, or section  
15 294A.16 shall include a budget for the cost of implementing  
16 the plan. In addition to the costs of providing additional  
17 salary for teachers and the amount required to pay the  
18 employers' share of the federal social security and Iowa  
19 public employees' retirement system, or a pension and annuity  
20 retirement system established under chapter 294, and payments  
21 on the additional salary, the budget may include costs  
22 associated with providing specialized or general training.  
23 Moneys received under phase III shall not be used to employ  
24 additional employees of a school district, except that phase  
25 III moneys may be used to employ substitute teachers, part-  
26 time teachers, and other employees needed to implement plans  
27 that provide innovative staffing patterns, or require that a  
28 teacher employed on a full-time basis be absent from the  
29 classroom for specified periods for fulfilling other  
30 instructional duties or to participate on a peer review team  
31 or in peer coaching efforts. However, all teachers employed  
32 are eligible to receive additional salary under an approved  
33 plan.

34 ~~For the purpose of this section, a performance-based pay~~  
35 ~~plan shall provide for salary increases for teachers who~~

1 demonstrate superior performance in completing assigned  
2 duties.---The plan shall include the method used to determine  
3 superior performance of a teacher.---For school districts, the  
4 plan may include assessments of teaching performance,  
5 assessments of student performance, assessments of other  
6 characteristics associated with effective teaching, or a  
7 combination of these criteria.

8 For school districts, a performance-based pay plan may  
9 provide for additional salary for individual teachers, for  
10 teachers assigned to a specific discipline, or for all  
11 teachers assigned to an attendance center.---For area education  
12 agencies, a performance-based pay plan may provide for  
13 additional salary for individual teachers, for additional  
14 salary for all teachers assigned to a specific discipline  
15 within an area education agency, or for additional salary for  
16 individual teachers assigned to a multidisciplinary team  
17 within an area education agency.---If the plan provides  
18 additional salary for all teachers assigned to an attendance  
19 center, specific discipline, or multidisciplinary team, the  
20 receipt of additional salary by those teachers shall be  
21 determined on the basis of whether that attendance center,  
22 specific discipline, or multidisciplinary team meets specific  
23 objectives adopted for that attendance center, specific  
24 discipline, or multidisciplinary team.---For school districts,  
25 the objectives may include, but are not limited to, decreasing  
26 the dropout rate, increasing the attendance rate, or  
27 accelerating the achievement growth of students enrolled in  
28 that attendance center through the use of learning techniques  
29 that may include, but are not limited to, reading instruction  
30 in phonics or whole language techniques.

31 If a performance-based pay plan provides additional salary  
32 for individual teachers:

33 1.---The plan may provide for salary moneys in addition to  
34 the existing salary schedule of the school district or area  
35 education agency and may require the participation by the

1 teacher-in-specialized-training-requirements-

2 2:--The-plan-may-provide-for-salary-moneys-by-replacing-the  
3 existing-salary-schedule-or-as-an-option-to-the-existing  
4 salary-schedule-and-may-include-specialized-training  
5 requirements,-general-training-requirements,-and-experience  
6 requirements-

7 A-supplemental-pay-plan-may-provide-for-supplementing-the  
8 costs-of-vocational-agriculture-programs-as-provided-in  
9 section-294A.17-

10 For-the-purpose-of-this-section,-a-supplemental-pay-plan-in  
11 a-school-district-shall-provide-for-the-payment-of-additional  
12 salary-to-teachers-who-participate-in-either-additional  
13 instructional-work-assignments-or-specialized-training-during  
14 the-regular-school-day-or-during-an-extended-school-day,  
15 school-week,-or-school-year.--A-supplemental-pay-plan-in-an  
16 area-education-agency-shall-provide-for-the-payment-of  
17 additional-salary-to-teachers-who-participate-in-either  
18 additional-work-assignments-or-improvement-of-instruction  
19 activities-with-school-districts-during-the-regular-school-day  
20 or-during-an-extended-school-day,-school-week,-or-school-year-

21 For-school-districts,-additional-instructional-work  
22 assignments-may-include-but-are-not-limited-to-general  
23 curriculum-planning-and-development,-vertical-articulation-of  
24 curriculum,-horizontal-curriculum-coordination,-development-of  
25 educational-measurement-practices-for-the-school-district,  
26 participation-in-assessment-activities-leading-to  
27 certification-by-the-national-board-for-professional-teaching  
28 standards,-attendance-at-workshops-and-other-programs-for  
29 service-as-cooperating-teachers-for-student-teachers,  
30 development-of-plans-for-assisting-beginning-teachers-during  
31 their-first-year-of-teaching,-attendance-at-summer-staff  
32 development-programs,-development-of-staff-development  
33 programs-for-other-teachers-to-be-presented-during-the-school  
34 year,-participation-in-family-support-programs,-development-of  
35 programs-which-provide-instruction-in-conflict-resolution-and

1 mediation-techniques-for-staff-and-students, development-of  
2 anger-management-instructional-programs-for-students, and  
3 other-plans-locally-determined-in-the-manner-specified-in  
4 section-294A.15-and-approved-by-the-department-of-education  
5 under-section-294A.16-that-are-of-equal-importance-or-more  
6 appropriately-meet-the-educational-needs-of-the-school  
7 district.

8 For-area-education-agencies, additional-instructional-work  
9 assignments-may-include-but-are-not-limited-to-providing  
10 assistance-and-support-to-school-districts-in-general  
11 curriculum-planning-and-development, providing-assistance-to  
12 school-districts-in-vertical-articulation-of-curriculum-and  
13 horizontal-curriculum-coordination, development-of-educational  
14 measurement-practices-for-school-districts-in-the-area  
15 education-agency, development-of-plans-for-assisting-beginning  
16 teachers-during-their-first-year-of-teaching, attendance-or  
17 instruction-at-summer-staff-development-programs, development  
18 of-staff-development-programs-for-school-district-teachers-to  
19 be-presented-during-the-school-year, participation-in-family  
20 support-programs, development-of-staff-development-programs  
21 which-provide-instruction-in-conflict-resolution-and-mediation  
22 techniques, assisting-school-district-teachers-in-the  
23 development-of-anger-management-instructional-programs-for  
24 students, and-other-plans-determined-in-the-manner-specified  
25 in-section-294A.15-and-approved-by-the-department-of-education  
26 under-section-294A.16-that-are-of-equal-importance-or-more  
27 appropriately-meet-the-educational-needs-of-the-area-education  
28 agency.

29 Any-summer-school-program, for-which-the-teacher's-salary  
30 is-paid-or-supplemented-under-a-supplemental-pay-plan, shall  
31 be-open-to-nonpublic-school-students-in-the-manner-provided-in  
32 section-256.12.

33 For-purposes-of-this-section, "comprehensive-school  
34 transformation" means-activities-which-focus-on-the  
35 improvement-of-student-achievement-and-the-attainment-of



1 student-achievement-goals-under-section-288.12.--A  
2 comprehensive-school-transformation-plan-submitted-by-a-school  
3 district-shall-demonstrate-the-manner-in-which-the-components  
4 of-the-plan-are-integrated-with-a-school's-student-achievement  
5 goals.--Components-of-the-plan-may-include,-but-are-not  
6 limited-to,-providing-salary-increases-to-teachers-who  
7 implement-site-based-shared-decision-making,-building-based  
8 goal-oriented-compensation-mechanism,-or-approved-innovative  
9 educational-programs,-who-focus-on-student-outcomes,-who  
10 direct-accountability-for-student-achievement-or  
11 accountability-for-organizational-success,-and-who-work-to  
12 foster-relationships-between-a-school-and-businesses-or-public  
13 agencies-which-provide-health-and-social-services-

14 Sec. 7. Section 294A.16, Code 2001, is amended to read as  
15 follows:

16 294A.16 PLAN -- MONEYS.

17 1. A plan adopted by the board of directors of a school  
18 district or area education agency shall be submitted to the  
19 department of education not later than May 31 of a school year  
20 for that school year for a school district, and not later than  
21 June 15 of a school year for that school year for an area  
22 education agency.--Amendments to multiple-year plans may be  
23 submitted annually. Each area education agency shall annually  
24 develop a plan, or amend an existing plan as needed, to assist  
25 in meeting their teacher career development needs as set forth  
26 in comprehensive school improvement plans submitted by the  
27 districts in accordance with section 256.7, subsection 21.  
28 The plan shall describe how the area education agency intends  
29 to support school districts with staff development and  
30 training. The department shall approve each plan or plan  
31 modification prior to the disbursement of funds.

32 2. If a school district uses teachers under a contract  
33 between the district and the area education agency in which  
34 the district is located and both the school district and the  
35 area education agency have approved phase III plans, the

1 school district shall transmit to the employing area education  
2 agency a portion of its phase III moneys based upon the  
3 portion that the salaries of teachers employed by the area  
4 education agency and assigned to the school district for the  
5 school year bears to the total teacher salaries paid in the  
6 district for that school year, including the salaries of the  
7 teachers employed by the area education agency. If the area  
8 education agency has an approved phase III plan and the school  
9 district does not, the department of management shall transmit  
10 phase III moneys to the area education agency for those  
11 teachers from the phase III money that would have been paid to  
12 the school district if the school district had had an approved  
13 phase III plan using the formula that would have been used if  
14 the school district had had an approved phase III plan.

15 3. The department of education shall review each plan and  
16 its budget and notify the department of management of the  
17 names of school districts and area education agencies with  
18 approved plans. ~~In-considering-the-approval-of-a-plan~~  
19 ~~submitted-by-a-school-district, the department shall give~~  
20 ~~emphasis-to-plans-which-include-a-comprehensive-school~~  
21 ~~transformation-plan-or-which-include-a-component-which-is-part~~  
22 ~~of-a-statewide-systemic-school-transformation-initiative.--In~~  
23 ~~considering-the-approval-of-a-plan-submitted-by-an-area~~  
24 ~~education-agency, the department shall give emphasis-to-plans~~  
25 ~~which-are-integrated-with-and-supportive-of-the-comprehensive~~  
26 ~~school-transformation-plans-submitted-by-the-school-districts~~  
27 ~~within-the-area-education-agency.~~

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

1 ~~in-section-8-33-~~

2 Any moneys allocated or retained for an approved phase III  
3 plan, and any interest accrued on the moneys, shall not be  
4 commingled with state aid payments made, under sections 257-16  
5 and 257-35, to a school district or area education agency and  
6 shall be accounted for by the school district or area  
7 education agency separately from state aid payment accounts. A  
8 school district or area education agency shall maintain a  
9 separate listing within its budget for payments received and  
10 expenditures made pursuant to this division.

11 Sec. 8. Section 294A.19, Code 2001, is amended to read as  
12 follows:

13 294A.19 REPORTS -- LIMIT ON CHARGING.

14 1. Each school district, as a component of its  
15 comprehensive school improvement plan, and each area education  
16 agency receiving moneys for phase III during a school year  
17 shall file a report with the department of education. School  
18 ~~district reports shall be filed by July 1 of the next~~  
19 ~~following school year, and area~~ Area education agency reports  
20 shall be filed by September 1 of the next following school  
21 year. The report shall describe the plan, its objectives, its  
22 implementation, the expenditures made under the plan including  
23 the salary increases paid to each eligible employee, and the  
24 extent to which its objectives were attained. The report may  
25 include any proposed amendments to the plan for the next  
26 following school year.

27 Annually, by November 1, the department shall summarize the  
28 information contained in the phase III reports filed by the  
29 school districts and area education agencies. ~~The summary~~  
30 ~~shall contain information including the numbers of districts~~  
31 ~~and area education agencies that have implemented a~~  
32 ~~performance-based pay plan, a supplemental pay plan, a~~  
33 ~~combination of a performance-based and supplemental pay plan,~~  
34 ~~and the number of districts and area education agencies that~~  
35 ~~have established comprehensive school transformation programs.~~

1 The summary shall highlight and briefly describe innovative  
2 and successful uses of phase III funds that have had a  
3 positive effect on student achievement within the district as  
4 measured by means of a widely recognized educational  
5 assessment tool or test. The department, in conjunction with  
6 the legislative fiscal bureau, shall identify additional items  
7 to be reported. Copies of the annual summary shall be  
8 submitted to each school district, the general assembly, and  
9 the legislative fiscal bureau by December 1.

10 ~~School-districts-and-area-education-agencies-shall-not~~  
11 ~~charge-other-school-districts-or-area-education-agencies-for~~  
12 ~~plans-or-information-about-innovative-phase-III-plans-that~~  
13 ~~they-have-developed.~~

14 Sec. 9. Section 294A.22, unnumbered paragraph 3, Code  
15 2001, is amended to read as follows:

16 Payments made to a teacher by a school district or area  
17 education agency under this chapter are wages for the purposes  
18 of chapter 91A ~~except-for-payments-made-under-an-approved~~  
19 ~~phase-III-plan-where-a-modified-payment-plan-has-either-been~~  
20 ~~mutually-agreed-upon-by-the-board-of-directors-and-the~~  
21 ~~certified-bargaining-representative-for-certificated-employees~~  
22 ~~or-for-a-district-that-is-not-organized-for-collective~~  
23 ~~bargaining-purposes-where-a-modified-payment-plan-is-adopted~~  
24 ~~by-the-board.~~

25 Sec. 10. Sections 294A.15, 294A.17, 294A.18, and 294A.20,  
26 Code 2001, are repealed.

27 EXPLANATION

28 This bill strikes Code language that establishes phase III  
29 of the educational excellence program as a performance-based  
30 or supplemental pay plan for teachers and provides that phase  
31 III be used instead for teacher career development purposes.  
32 Language struck from the Code includes provisions permitting  
33 the use of phase III funds in the establishment of the  
34 character education pilot program, workstart programs, and for  
35 comprehensive school transformation programs.

1 Under the bill, the phase III goal of enhancing the  
2 quality, effectiveness, and performance of Iowa's teachers by  
3 promoting teacher excellence will be accomplished through the  
4 development and implementation of teacher career development  
5 plans that align with student learning and teacher development  
6 needs outlined in the district's comprehensive school  
7 improvement plan and with the individual teacher career  
8 development plan a teacher must develop if employed by a  
9 district that is participating in the student achievement and  
10 teacher quality program.

11 The bill requires each area education agency to develop a  
12 plan to assist school districts in meeting their career  
13 development needs. Each area education agency must describe  
14 how the agency intends to support school districts with staff  
15 development and training. The department shall approve each  
16 plan prior to the disbursement of phase III funds to the  
17 agency.

18 The bill requires that each school district include in its  
19 comprehensive school improvement plan a report that describes  
20 the plan, its objectives and implementation, the expenditures  
21 made under the plan, and the extent to which its objectives  
22 were maintained. Area education agencies must also file a  
23 report describing their plans to the department annually by  
24 September 1 of the next following school year.

25 The bill repeals Code sections related to the establishment  
26 of a committee to develop phase III plans, a supplemental pay  
27 plan for supplementing the costs of vocational agriculture  
28 programs, determination of phase III allocations, and the  
29 reversion of phase III moneys to the general fund.

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