

Connolly, Boettger, Rehberg

SSB 3149
Education

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

Red By
S.D.H. 2260

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

A BILL FOR

1 An Act relating to the reorganization or dissolution of area
2 education agencies and providing an effective date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 273.21, subsection 3, paragraph g, Code
2 Supplement 2001, is amended to read as follows:

3 g. Transmit the completed plan to the state board by
4 November 1. Plans received by the state board after November
5 1 shall be considered for area education agency reorganization
6 taking effect no sooner than July 1 after the next succeeding
7 fiscal year.

8 Sec. 2. Section 273.21, subsection 4, Code Supplement
9 2001, is amended to read as follows:

10 4. The state board shall review the reorganization plan
11 and shall, prior to February 1, either approve the plan or
12 return the plan with the state board's recommendations. An
13 unapproved plan may be resubmitted with modifications to the
14 department not later than February 10. An approved plan shall
15 take effect on July 1 of the fiscal year following the date of
16 approval by the state board, except that plans submitted to
17 the state board after November 1 shall take effect no sooner
18 than July 1 after the next succeeding fiscal year.

19 Sec. 3. Section 273.22, subsections 1, 2, 5, and 6, Code
20 Supplement 2001, are amended to read as follows:

21 1. The terms of employment of the administrator and staff
22 of affected area education agencies for the school year
23 beginning with the effective date of the formation of the new
24 area education agency shall not be affected by the formation
25 of the new area education agency, except in accordance with
26 the provisions of sections 279.15 through 279.18, and 279.24,
27 and the authority and responsibility to offer new contracts or
28 to continue, modify, or terminate existing contracts pursuant
29 to sections 279.12, 279.13, 279.15 through 279.21, 279.23, and
30 279.24 for the school year beginning with the effective date
31 of the reorganization shall be transferred from the boards of
32 the existing area education agencies to the board of the new
33 area education agency ~~on-the-third-Tuesday-of-January-prior-to~~
34 ~~the-school-year-the-reorganization-is-effective~~ following
35 approval of the reorganization plan by the state board as

1 provided in section 273.21, subsection 4.

2 2. The collective bargaining agreement of the area
3 education agency with the largest basic enrollment, as defined
4 in section 257.6, for the year prior to the year the
5 reorganization is effective, shall serve as the base agreement
6 in the new area education agency and the employees of the
7 other area education agencies involved in the formation of the
8 new area education agency shall automatically be accreted to
9 the bargaining unit of that collective bargaining agreement
10 for purposes of negotiating the contracts for the following
11 years without further action by the public employment
12 relations board. If only one collective bargaining agreement
13 is in effect among the area education agencies that are party
14 to the reorganization, that agreement shall serve as the base
15 agreement, and the employees of the other agencies involved in
16 the formation of the new area education agency shall
17 automatically be accreted to the bargaining unit of that
18 collective bargaining agreement for purposes of negotiating
19 the contracts for the following years without further action
20 by the public employment relations board. The board of the
21 newly formed area education agency, using the base agreement
22 as its existing contract, shall bargain with the combined
23 employees of the affected agencies for the school year
24 beginning-with that begins on the effective date of the
25 reorganization. The bargaining shall be completed by the
26 dates specified in section 20.17 prior to the school year in
27 which the reorganization becomes effective or within one
28 hundred eighty days after the organization of the new board,
29 whichever is later. If a bargaining agreement was already
30 concluded by the board and employees of the affected agency
31 with the contract serving as the base agreement for the school
32 year beginning with the effective date of the reorganization,
33 that agreement shall be void. However, if the base agreement
34 contains multiyear provisions affecting school years
35 subsequent to the effective year of the reorganization, the

1 base agreement shall remain in effect as specified in the
2 agreement.

3 The provisions of the base agreement shall apply to the
4 offering of new contracts or continuation, modification, or
5 termination of existing contracts as provided in subsection 1.

6 5. The board of directors of a school district that is
7 contiguous to a newly reorganized area education agency may
8 petition the board of directors of their current area
9 education agency and the newly reorganized area education
10 agency to join the newly reorganized area education agency.
11 If both area education agency boards approve the petition, the
12 reorganization shall take effect ~~on July 1 of the school year~~
13 ~~following approval of the petition by the state board in~~
14 accordance with the dates established under section 273.21,
15 subsection 4. A school district may appeal to the state board
16 the decision of an area education agency board to deny the
17 school district's petition.

18 6. The board of directors of a school district that is
19 within a newly reorganized area education agency and whose
20 school district was contiguous to another area education
21 agency prior to the reorganization, may petition the board of
22 directors of the newly reorganized area education agency and
23 the contiguous area education agency to join that area
24 education agency. If both area education agency boards
25 approve the petition, the reorganization shall take effect ~~on~~
26 ~~July 1 of the school year following approval of the petition~~
27 ~~by the state board in accordance with the dates established~~
28 under section 273.21, subsection 4. A school district may
29 appeal to the state board the decision of an area education
30 agency board to deny the school district's petition.

31 Sec. 4. Section 273.22, Code Supplement 2001, is amended
32 by adding the following new subsection:

33 NEW SUBSECTION. 7. Not later than fifteen days after the
34 state board notifies an area education agency of its approval
35 of the area education agency's reorganization plan or

1 dissolution proposal, the area education agency shall notify
2 the school districts located within the area education agency
3 boundaries, the school districts and area education agencies
4 that are contiguous to its boundaries, and any other school
5 district under contract with the area education agency, of the
6 state board's approval of the plan or proposal. A petition to
7 join an area education agency or for release from a contract
8 with an area education agency, in accordance with subsections
9 4 through 6, shall be filed not later than sixty days after
10 the state board approves a reorganization plan or dissolution
11 proposal in accordance with this chapter.

12 Sec. 5. Section 273.23, subsection 2, Code Supplement
13 2001, is amended to read as follows:

14 2. Prior to the organization meeting of the board of
15 directors of the newly formed area education agency, the
16 boards of the former area education agencies shall designate
17 directors to be retained as members to serve on the initial
18 board of the newly formed area education agency. A vacancy
19 occurs if an insufficient number of former board members
20 reside ~~in~~ within the newly formed area education agency's
21 boundaries or if an insufficient number of former board
22 members are willing to serve on the board of the newly formed
23 area education agency. Vacancies, as defined in section
24 277.29, in the membership of the newly formed area education
25 agency board shall be filled for the unexpired portion of the
26 term at a special director district convention called and
27 conducted in the manner provided in section 273.8 for regular
28 director district conventions.

29 Sec. 6. Section 273.23, subsection 8, Code Supplement
30 2001, is amended to read as follows:

31 8. For the school year beginning on the effective date of
32 an area education agency reorganization as provided in this
33 subchapter, the special education support services cost per
34 pupil shall be based upon the combined base year budgets for
35 special education support services of the area education

1 agencies that reorganized to form the newly formed area
2 education agency, divided by the total of the weighted
3 enrollment for special education support services in the
4 reorganized area education agency for the base year plus the
5 allowable growth amount per pupil for special education
6 support services for the budget year as calculated in section
7 257.8.

8 9. Within one year of the effective date of the
9 reorganization, a newly formed area education agency shall
10 meet the accreditation requirements set forth in section
11 273.10, and the standards set forth in section 273.11. The
12 newly formed area education agency shall be considered
13 accredited for purposes of budget approval by the state board
14 pursuant to section 273.3. The state board shall inform the
15 newly formed area education agency of the accreditation on-
16 site visit schedule.

17 Sec. 7. Section 273.23, Code Supplement 2001, is amended
18 by adding the following new subsections:

19 NEW SUBSECTION. 10. The special education support cost
20 per pupil, the media cost per pupil, and the educational
21 services cost per pupil for a school district petitioning into
22 an area education agency shall be the special education
23 support cost per pupil, media cost per pupil, and educational
24 services cost per pupil of the area education agency into
25 which it petitions if the petition is approved.

26 NEW SUBSECTION. 11. Unless the reorganization of an area
27 education agency takes effect less than two years before the
28 taking of the next federal decennial census, a newly formed
29 area education agency shall, within one year of the effective
30 date of the reorganization, redraw the boundary lines of
31 director districts in the area education agency if a petition
32 filed by a school district to join the newly formed area
33 education agency, or for release from the newly formed area
34 education agency, in accordance with section 273.22,
35 subsections 4 through 6, was approved. Until the boundaries

1 are redrawn, the boundaries for the newly formed area
2 education agency shall be as provided in the reorganization
3 plan approved by the state board in accordance with section
4 273.21.

5 Sec. 8. EFFECTIVE DATE. This Act, begin deemed of
6 immediate importance, takes effect upon enactment.

7 EXPLANATION

8 This bill makes a number of changes to Code provisions
9 relating to the reorganization or dissolution of area
10 education agencies.

11 The bill provides that reorganization plans submitted to
12 the state board of education after the deadline of November 1
13 must be considered by the state board, but cannot take effect
14 prior to July 1 after the next succeeding fiscal year.

15 The bill also provides that the transfer to the board of
16 the new area education agency of the authority and
17 responsibility to offer new contracts or to continue, modify,
18 or terminate existing contract terms of employment of
19 administrators and staff shall take place following state
20 board approval of the reorganization plan. Current law
21 transfers the authority on the third Tuesday of January prior
22 to the school year in which the reorganization takes effect.

23 Under the bill, an area education agency must notify the
24 school districts within its boundaries, school districts and
25 area education agencies contiguous to its boundaries, and any
26 other school district under contract with the area education
27 agency, of the state board's approval of its reorganization
28 plan or dissolution proposal. Within 60 days of state board
29 approval of a reorganization plan or dissolution proposal, a
30 school district that wishes to join an area education agency
31 or wishes to be released from a contract with an area
32 education agency must file a petition with the area education
33 agency to that effect.

34 The bill also provides that, for the school year beginning
35 on the effective date of an area education agency

1 reorganization, the special education support services cost
2 per pupil shall be based upon the combined base year budgets
3 for special education support services of the area education
4 agencies that reorganized to form the newly formed area
5 education agency, divided by the total of the weighted
6 enrollment for special education support services in the
7 reorganized area education agency for the base year plus the
8 allowable growth amount per pupil for special education
9 support services for the budget year.

10 Under the bill, the special education support cost per
11 pupil, the media cost per pupil, and the educational services
12 cost per pupil for a school district petitioning into an area
13 education agency shall be that of the area education agency
14 into which it petitions if the petition is approved.

15 Finally, the bill requires that, unless an area education
16 agency reorganization takes effect less than two years before
17 the taking of the next federal decennial census, the newly
18 formed area education agency must redraw its director district
19 boundaries within one year of reorganizing if a petition filed
20 by a school district to join or be released from a newly
21 formed area education agency, was approved. Until the
22 boundaries are redrawn, the newly formed area education agency
23 shall use the boundaries set forth in the approved
24 reorganization plan.

25 The bill takes effect upon enactment.

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Substitutes for HF 2411
3-18-02
(p. 823)

FILED FEB 20 2002

SENATE FILE 2260
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 3149)

Passed Senate, ^(p. 385) Date 2/25/02 Passed House, ^(p. 823) Date 3-18-02
Vote: Ayes 48 Nays 0 Vote: Ayes 91 Nays 0
Approved March 28, 2002

A BILL FOR

1 An Act relating to the reorganization or dissolution of area
2 education agencies and providing an effective date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2260

1 Section 1. Section 273.21, subsection 3, paragraph g, Code
2 Supplement 2001, is amended to read as follows:

3 g. Transmit the completed plan to the state board by
4 November 1. Plans received by the state board after November
5 1 shall be considered for area education agency reorganization
6 taking effect no sooner than July 1 after the next succeeding
7 fiscal year.

8 Sec. 2. Section 273.21, subsection 4, Code Supplement
9 2001, is amended to read as follows:

10 4. The state board shall review the reorganization plan
11 and shall, prior to February 1, either approve the plan or
12 return the plan with the state board's recommendations. An
13 unapproved plan may be resubmitted with modifications to the
14 department not later than February 10. An approved plan shall
15 take effect on July 1 of the fiscal year following the date of
16 approval by the state board, except that plans submitted to
17 the state board after November 1 shall take effect no sooner
18 than July 1 after the next succeeding fiscal year.

19 Sec. 3. Section 273.22, subsections 1, 2, 5, and 6, Code
20 Supplement 2001, are amended to read as follows:

21 1. The terms of employment of the administrator and staff
22 of affected area education agencies for the school year
23 beginning with the effective date of the formation of the new
24 area education agency shall not be affected by the formation
25 of the new area education agency, except in accordance with
26 the provisions of sections 279.15 through 279.18, and 279.24,
27 and the authority and responsibility to offer new contracts or
28 to continue, modify, or terminate existing contracts pursuant
29 to sections 279.12, 279.13, 279.15 through 279.21, 279.23, and
30 279.24 for the school year beginning with the effective date
31 of the reorganization shall be transferred from the boards of
32 the existing area education agencies to the board of the new
33 area education agency ~~on the third Tuesday of January prior to~~
34 ~~the school year the reorganization is effective~~ following
35 approval of the reorganization plan by the state board as

1 provided in section 273.21, subsection 4.

2 2. The collective bargaining agreement of the area
3 education agency with the largest basic enrollment, as defined
4 in section 257.6, for the year prior to the year the
5 reorganization is effective, shall serve as the base agreement
6 in the new area education agency and the employees of the
7 other area education agencies involved in the formation of the
8 new area education agency shall automatically be accreted to
9 the bargaining unit of that collective bargaining agreement
10 for purposes of negotiating the contracts for the following
11 years without further action by the public employment
12 relations board. If only one collective bargaining agreement
13 is in effect among the area education agencies that are party
14 to the reorganization, that agreement shall serve as the base
15 agreement, and the employees of the other agencies involved in
16 the formation of the new area education agency shall
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18 collective bargaining agreement for purposes of negotiating
19 the contracts for the following years without further action
20 by the public employment relations board. The board of the
21 newly formed area education agency, using the base agreement
22 as its existing contract, shall bargain with the combined
23 employees of the affected agencies for the school year
24 ~~beginning-with~~ that begins on the effective date of the
25 reorganization. The bargaining shall be completed by the
26 dates specified in section 20.17 prior to the school year in
27 which the reorganization becomes effective or within one
28 hundred eighty days after the organization of the new board,
29 whichever is later. If a bargaining agreement was already
30 concluded by the board and employees of the affected agency
31 with the contract serving as the base agreement for the school
32 year beginning with the effective date of the reorganization,
33 that agreement shall be void. However, if the base agreement
34 contains multiyear provisions affecting school years
35 subsequent to the effective year of the reorganization, the

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2 agreement.

3 The provisions of the base agreement shall apply to the
4 offering of new contracts or continuation, modification, or
5 termination of existing contracts as provided in subsection 1.

6 5. The board of directors of a school district that is
7 contiguous to a newly reorganized area education agency may
8 petition the board of directors of their current area
9 education agency and the newly reorganized area education
10 agency to join the newly reorganized area education agency.
11 If both area education agency boards approve the petition, the
12 reorganization shall take effect ~~on July 1 of the school year~~
13 ~~following approval of the petition by the state board in~~
14 accordance with the dates established under section 273.21,
15 subsection 4. A school district may appeal to the state board
16 the decision of an area education agency board to deny the
17 school district's petition.

18 6. The board of directors of a school district that is
19 within a newly reorganized area education agency and whose
20 school district was contiguous to another area education
21 agency prior to the reorganization, may petition the board of
22 directors of the newly reorganized area education agency and
23 the contiguous area education agency to join that area
24 education agency. If both area education agency boards
25 approve the petition, the reorganization shall take effect ~~on~~
26 ~~July 1 of the school year following approval of the petition~~
27 ~~by the state board in accordance with the dates established~~
28 under section 273.21, subsection 4. A school district may
29 appeal to the state board the decision of an area education
30 agency board to deny the school district's petition.

31 Sec. 4. Section 273.22, Code Supplement 2001, is amended
32 by adding the following new subsection:

33 NEW SUBSECTION. 7. Not later than fifteen days after the
34 state board notifies an area education agency of its approval
35 of the area education agency's reorganization plan or

1 dissolution proposal, the area education agency shall notify
2 the school districts located within the area education agency
3 boundaries, the school districts and area education agencies
4 that are contiguous to its boundaries, and any other school
5 district under contract with the area education agency, of the
6 state board's approval of the plan or proposal. A petition to
7 join an area education agency or for release from a contract
8 with an area education agency, in accordance with subsections
9 4 through 6, shall be filed not later than sixty days after
10 the state board approves a reorganization plan or dissolution
11 proposal in accordance with this chapter.

12 Sec. 5. Section 273.23, subsection 2, Code Supplement
13 2001, is amended to read as follows:

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15 directors of the newly formed area education agency, the
16 boards of the former area education agencies shall designate
17 directors to be retained as members to serve on the initial
18 board of the newly formed area education agency. A vacancy
19 occurs if an insufficient number of former board members
20 reside ~~in~~ within the newly formed area education agency's
21 boundaries or if an insufficient number of former board
22 members are willing to serve on the board of the newly formed
23 area education agency. Vacancies, as defined in section
24 277.29, in the membership of the newly formed area education
25 agency board shall be filled for the unexpired portion of the
26 term at a special director district convention called and
27 conducted in the manner provided in section 273.8 for regular
28 director district conventions.

29 Sec. 6. Section 273.23, subsection 8, Code Supplement
30 2001, is amended to read as follows:

31 8. For the school year beginning on the effective date of
32 an area education agency reorganization as provided in this
33 subchapter, the special education support services cost per
34 pupil shall be based upon the combined base year budgets for
35 special education support services of the area education

1 agencies that reorganized to form the newly formed area
2 education agency, divided by the total of the weighted
3 enrollment for special education support services in the
4 reorganized area education agency for the base year plus the
5 allowable growth amount per pupil for special education
6 support services for the budget year as calculated in section
7 257.8.

8 9. Within one year of the effective date of the
9 reorganization, a newly formed area education agency shall
10 meet the accreditation requirements set forth in section
11 273.10, and the standards set forth in section 273.11. The
12 newly formed area education agency shall be considered
13 accredited for purposes of budget approval by the state board
14 pursuant to section 273.3. The state board shall inform the
15 newly formed area education agency of the accreditation on-
16 site visit schedule.

17 Sec. 7. Section 273.23, Code Supplement 2001, is amended
18 by adding the following new subsections:

19 NEW SUBSECTION. 10. The special education support cost
20 per pupil, the media cost per pupil, and the educational
21 services cost per pupil for a school district petitioning into
22 an area education agency shall be the special education
23 support cost per pupil, media cost per pupil, and educational
24 services cost per pupil of the area education agency into
25 which it petitions if the petition is approved.

26 NEW SUBSECTION. 11. Unless the reorganization of an area
27 education agency takes effect less than two years before the
28 taking of the next federal decennial census, a newly formed
29 area education agency shall, within one year of the effective
30 date of the reorganization, redraw the boundary lines of
31 director districts in the area education agency if a petition
32 filed by a school district to join the newly formed area
33 education agency, or for release from the newly formed area
34 education agency, in accordance with section 273.22,
35 subsections 4 through 6, was approved. Until the boundaries

1 are redrawn, the boundaries for the newly formed area
2 education agency shall be as provided in the reorganization
3 plan approved by the state board in accordance with section
4 273.21.

5 Sec. 8. EFFECTIVE DATE. This Act, begin deemed of
6 immediate importance, takes effect upon enactment.

7 EXPLANATION

8 This bill makes a number of changes to Code provisions
9 relating to the reorganization or dissolution of area
10 education agencies.

11 The bill provides that reorganization plans submitted to
12 the state board of education after the deadline of November 1
13 must be considered by the state board, but cannot take effect
14 prior to July 1 after the next succeeding fiscal year.

15 The bill also provides that the transfer to the board of
16 the new area education agency of the authority and

17 responsibility to offer new contracts or to continue, modify,
18 or terminate existing contract terms of employment of
19 administrators and staff shall take place following state
20 board approval of the reorganization plan. Current law
21 transfers the authority on the third Tuesday of January prior
22 to the school year in which the reorganization takes effect.

23 Under the bill, an area education agency must notify the
24 school districts within its boundaries, school districts and
25 area education agencies contiguous to its boundaries, and any
26 other school district under contract with the area education
27 agency, of the state board's approval of its reorganization
28 plan or dissolution proposal. Within 60 days of state board
29 approval of a reorganization plan or dissolution proposal, a
30 school district that wishes to join an area education agency
31 or wishes to be released from a contract with an area
32 education agency must file a petition with the area education
33 agency to that effect.

34 The bill also provides that, for the school year beginning
35 on the effective date of an area education agency

1 reorganization, the special education support services cost
2 per pupil shall be based upon the combined base year budgets
3 for special education support services of the area education
4 agencies that reorganized to form the newly formed area
5 education agency, divided by the total of the weighted
6 enrollment for special education support services in the
7 reorganized area education agency for the base year plus the
8 allowable growth amount per pupil for special education
9 support services for the budget year.

10 Under the bill, the special education support cost per
11 pupil, the media cost per pupil, and the educational services
12 cost per pupil for a school district petitioning into an area
13 education agency shall be that of the area education agency
14 into which it petitions if the petition is approved.

15 Finally, the bill requires that, unless an area education
16 agency reorganization takes effect less than two years before
17 the taking of the next federal decennial census, the newly
18 formed area education agency must redraw its director district
19 boundaries within one year of reorganizing if a petition filed
20 by a school district to join or be released from a newly
21 formed area education agency, was approved. Until the
22 boundaries are redrawn, the newly formed area education agency
23 shall use the boundaries set forth in the approved
24 reorganization plan.

25 The bill takes effect upon enactment.

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SENATE FILE 2260

AN ACT

RELATING TO THE REORGANIZATION OR DISSOLUTION OF AREA
EDUCATION AGENCIES AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 273.21, subsection 3, paragraph g, Code Supplement 2001, is amended to read as follows:

g. Transmit the completed plan to the state board by November 1. Plans received by the state board after November 1 shall be considered for area education agency reorganization taking effect no sooner than July 1 after the next succeeding fiscal year.

Sec. 2. Section 273.21, subsection 4, Code Supplement 2001, is amended to read as follows:

4. The state board shall review the reorganization plan and shall, prior to February 1, either approve the plan or return the plan with the state board's recommendations. An unapproved plan may be resubmitted with modifications to the department not later than February 10. An approved plan shall take effect on July 1 of the fiscal year following the date of approval by the state board, except that plans submitted to the state board after November 1 shall take effect no sooner than July 1 after the next succeeding fiscal year.

Sec. 3. Section 273.22, subsections 1, 2, 5, and 6, Code Supplement 2001, are amended to read as follows:

1. The terms of employment of the administrator and staff of affected area education agencies for the school year beginning with the effective date of the formation of the new area education agency shall not be affected by the formation of the new area education agency, except in accordance with the provisions of sections 279.15 through 279.18, and 279.24, and the authority and responsibility to offer new contracts or

to continue, modify, or terminate existing contracts pursuant to sections 279.12, 279.13, 279.15 through 279.21, 279.23, and 279.24 for the school year beginning with the effective date of the reorganization shall be transferred from the boards of the existing area education agencies to the board of the new area education agency ~~on the third Tuesday of January prior to the school year the reorganization is effective~~ following approval of the reorganization plan by the state board as provided in section 273.21, subsection 4.

2. The collective bargaining agreement of the area education agency with the largest basic enrollment, as defined in section 257.6, for the year prior to the year the reorganization is effective, shall serve as the base agreement in the new area education agency and the employees of the other area education agencies involved in the formation of the new area education agency shall automatically be accreted to the bargaining unit of that collective bargaining agreement for purposes of negotiating the contracts for the following years without further action by the public employment relations board. If only one collective bargaining agreement is in effect among the area education agencies that are party to the reorganization, that agreement shall serve as the base agreement, and the employees of the other agencies involved in the formation of the new area education agency shall automatically be accreted to the bargaining unit of that collective bargaining agreement for purposes of negotiating the contracts for the following years without further action by the public employment relations board. The board of the newly formed area education agency, using the base agreement as its existing contract, shall bargain with the combined employees of the affected agencies for the school year beginning with that begins on the effective date of the reorganization. The bargaining shall be completed by the dates specified in section 20.17 prior to the school year in which the reorganization becomes effective or within one hundred eighty days after the organization of the new board, whichever is later. If a bargaining agreement was already

concluded by the board and employees of the affected agency with the contract serving as the base agreement for the school year beginning with the effective date of the reorganization, that agreement shall be void. However, if the base agreement contains multiyear provisions affecting school years subsequent to the effective year of the reorganization, the base agreement shall remain in effect as specified in the agreement.

The provisions of the base agreement shall apply to the offering of new contracts or continuation, modification, or termination of existing contracts as provided in subsection 1.

5. The board of directors of a school district that is contiguous to a newly reorganized area education agency may petition the board of directors of their current area education agency and the newly reorganized area education agency to join the newly reorganized area education agency. If both area education agency boards approve the petition, the reorganization shall take effect ~~on July 1 of the school year following approval of the petition by the state board in accordance with the dates established under section 273.21, subsection 4.~~ A school district may appeal to the state board the decision of an area education agency board to deny the school district's petition.

6. The board of directors of a school district that is within a newly reorganized area education agency and whose school district was contiguous to another area education agency prior to the reorganization, may petition the board of directors of the newly reorganized area education agency and the contiguous area education agency to join that area education agency. If both area education agency boards approve the petition, the reorganization shall take effect ~~on July 1 of the school year following approval of the petition by the state board in accordance with the dates established under section 273.21, subsection 4.~~ A school district may appeal to the state board the decision of an area education agency board to deny the school district's petition.

Sec. 4. Section 273.22, Code Supplement 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 7. Not later than fifteen days after the state board notifies an area education agency of its approval of the area education agency's reorganization plan or dissolution proposal, the area education agency shall notify the school districts located within the area education agency boundaries, the school districts and area education agencies that are contiguous to its boundaries, and any other school district under contract with the area education agency, of the state board's approval of the plan or proposal. A petition to join an area education agency or for release from a contract with an area education agency, in accordance with subsections 4 through 6, shall be filed not later than sixty days after the state board approves a reorganization plan or dissolution proposal in accordance with this chapter.

Sec. 5. Section 273.23, subsection 2, Code Supplement 2001, is amended to read as follows:

2. Prior to the organization meeting of the board of directors of the newly formed area education agency, the boards of the former area education agencies shall designate directors to be retained as members to serve on the initial board of the newly formed area education agency. A vacancy occurs if an insufficient number of former board members reside in within the newly formed area education agency's boundaries or if an insufficient number of former board members are willing to serve on the board of the newly formed area education agency. Vacancies, as defined in section 277.29, in the membership of the newly formed area education agency board shall be filled for the unexpired portion of the term at a special director district convention called and conducted in the manner provided in section 273.8 for regular director district conventions.

Sec. 6. Section 273.23, subsection 8, Code Supplement 2001, is amended to read as follows:

8. For the school year beginning on the effective date of an area education agency reorganization as provided in this

subchapter, the special education support services cost per pupil shall be based upon the combined base year budgets for special education support services of the area education agencies that reorganized to form the newly formed area education agency, divided by the total of the weighted enrollment for special education support services in the reorganized area education agency for the base year plus the allowable growth amount per pupil for special education support services for the budget year as calculated in section 257.8.

9. Within one year of the effective date of the reorganization, a newly formed area education agency shall meet the accreditation requirements set forth in section 273.10, and the standards set forth in section 273.11. The newly formed area education agency shall be considered accredited for purposes of budget approval by the state board pursuant to section 273.3. The state board shall inform the newly formed area education agency of the accreditation on-site visit schedule.

Sec. 7. Section 273.23, Code Supplement 2001, is amended by adding the following new subsections:

NEW SUBSECTION. 10. The special education support cost per pupil, the media cost per pupil, and the educational services cost per pupil for a school district petitioning into an area education agency shall be the special education support cost per pupil, media cost per pupil, and educational services cost per pupil of the area education agency into which it petitions if the petition is approved.

NEW SUBSECTION. 11. Unless the reorganization of an area education agency takes effect less than two years before the taking of the next federal decennial census, a newly formed area education agency shall, within one year of the effective date of the reorganization, redraw the boundary lines of director districts in the area education agency if a petition filed by a school district to join the newly formed area education agency, or for release from the newly formed area education agency, in accordance with section 273.22,

subsections 4 through 6, was approved. Until the boundaries are redrawn, the boundaries for the newly formed area education agency shall be as provided in the reorganization plan approved by the state board in accordance with section 273.21.

Sec. 8. EFFECTIVE DATE. This Act, begin deemed of immediate importance, takes effect upon enactment.

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2260, Seventy-ninth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved March 28, 2002

THOMAS J. VILSACK
Governor