

MAR 14 2005  
Place On Calendar

HOUSE FILE 740  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 243)

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

**A BILL FOR**

1 An Act relating to the duties and responsibilities of school  
2 districts, area education agencies, and the department of  
3 education by expanding school district audit requirements,  
4 requiring the department to submit an achievement gap report,  
5 changing deadlines and adding reporting requirements related  
6 to dropout and dropout prevention programs, changing testing  
7 requirements for the issuance of high school equivalency  
8 diplomas, eliminating certain requirements for school district  
9 payments and settlements, authorizing school site sale  
10 revenues to be used for physical plant and equipment levy fund  
11 expenditures, allowing school districts to establish nonprofit  
12 entities or organizations, eliminating Code provisions related  
13 to extended school programs and evening and part-time schools,  
14 providing for changes to open enrollment requirements,  
15 deadlines, and authorizations, repealing a school district  
16 lawful fence requirement, providing for the confidentiality of  
17 records regarding a child receiving competent private  
18 instruction, eliminating a requirement that school bus drivers  
19 submit a certificate of physical fitness annually, expanding  
20 the penalties for school bus drivers in violation of Code  
21 requirements, revising requirements for prior authorization  
22 and a certificate of need for local option and services tax

HF-740

1 for school infrastructure fund use, and reinstating open  
2 enrollment eligibility under a certain circumstance related to  
3 desegregation plans.

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

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1 Section 1. Section 11.6, subsection 1, paragraph a,  
2 unnumbered paragraph 1, Code 2005, is amended to read as  
3 follows:

4 The financial condition and transactions of all cities and  
5 city offices, counties, county hospitals organized under  
6 chapters 347 and 347A, memorial hospitals organized under  
7 chapter 37, entities organized under chapter 28E having gross  
8 receipts in excess of one hundred thousand dollars in a fiscal  
9 year, merged areas, area education agencies, and all school  
10 offices in school districts, shall be examined at least once  
11 each year, except that cities having a population of seven  
12 hundred or more but less than two thousand shall be examined  
13 at least once every four years, and cities having a population  
14 of less than seven hundred may be examined as otherwise  
15 provided in this section. The examination shall cover the  
16 fiscal year next preceding the year in which the audit is  
17 conducted. The examination of school offices shall include an  
18 audit of all school funds, the certified annual financial  
19 report, **and** the certified enrollment as provided in section  
20 257.6, and the revenues and expenditures of any nonprofit  
21 school organization established pursuant to section 279.60.

22 Differences in certified enrollment shall be reported to the  
23 department of management. The examination of a city that owns  
24 or operates a municipal utility providing local exchange  
25 services pursuant to chapter 476 shall include an audit of the  
26 city's compliance with section 388.10. The examination of a  
27 city that owns or operates a municipal utility providing  
28 telecommunications services pursuant to section 388.10 shall  
29 include an audit of the city's compliance with section 388.10.

30 Sec. 2. Section 256.9, Code 2005, is amended by adding the  
31 following new subsection:

32 NEW SUBSECTION. 53. Prepare and submit to the  
33 chairpersons and ranking members of the senate and house  
34 education committees a report on the state's progress toward  
35 closing the achievement gap, including student achievement for

1 minority subgroups, and a comprehensive summary of state  
2 agency and local district activities and practices taken in  
3 the past year to close the achievement gap.

4 Sec. 3. Section 257.38, unnumbered paragraph 1, Code 2005,  
5 is amended to read as follows:

6 Boards of school districts, individually or jointly with  
7 boards of other school districts, requesting to use additional  
8 allowable growth for programs for returning dropouts and  
9 dropout prevention pursuant to section 257.40, shall annually  
10 submit comprehensive program plans for the programs and budget  
11 costs, including requests for additional allowable growth for  
12 funding the programs, to the department of education as  
13 ~~provided-in-this-chapter~~ a component of the comprehensive  
14 school improvement plan submitted to the department pursuant  
15 to section 256.7, subsection 21. The program plans shall  
16 include:

17 Sec. 4. Section 257.38, unnumbered paragraph 2, Code 2005,  
18 is amended to read as follows:

19 Program plans shall identify the parts of the plan that  
20 will be implemented first upon approval of the application  
21 request. If a district is requesting to use additional  
22 allowable growth to finance the program, ~~it~~ the district shall  
23 not identify more than five percent of its budget enrollment  
24 for the budget year as returning dropouts and potential  
25 dropouts.

26 Sec. 5. Section 257.40, Code 2005, is amended to read as  
27 follows:

28 257.40 PLANS FOR RETURNING DROPOUTS AND DROPOUT  
29 PREVENTION.

30 1. The board of directors of a school district requesting  
31 to use additional allowable growth for programs for returning  
32 dropouts and dropout prevention shall submit applications a  
33 request for approval-for-the-programs additional allowable  
34 growth, including budget costs, to the department not later  
35 than ~~November-1~~ December 15 preceding the budget year during

1 which the program will be offered. The department shall  
2 review the program-plans request and shall prior to January 15  
3 either grant approval for the program request or return the  
4 request for approval with comments of the department included.  
5 An unapproved request for a program may be resubmitted with  
6 modifications to the department not later than February 1.  
7 Not later than February 15, the department shall notify the  
8 department of management and the school budget review  
9 committee of the names of the school districts for which  
10 programs using additional allowable growth for funding have  
11 been approved and the approved budget of each program listed  
12 separately for each school district having an approved program  
13 request.

14 2. Beginning January 15, 2006, the department shall submit  
15 an annual report to the chairpersons and ranking members of  
16 the senate and house education committees that includes the  
17 ways school districts are using additional allowable growth  
18 approved under subsection 1; identifies, by grade level, age,  
19 and district size, the students in the dropout and dropout  
20 prevention programs for which the department approves a  
21 request; describes school district progress toward increasing  
22 student achievement and attendance for the students in the  
23 programs; and describes how the school districts are using the  
24 revenues from the additional allowable growth to improve  
25 student achievement among minority subgroups.

26 Sec. 6. Section 259A.1, Code 2005, is amended to read as  
27 follows:

28 259A.1 TESTS.

29 The department of education shall cause to be made  
30 available for qualified individuals a high school equivalency  
31 diploma. The diploma shall be issued on the basis of  
32 satisfactory competence as shown by tests covering: ~~The~~  
33 ~~correctness-and-effectiveness-of-expression;-the~~  
34 ~~interpretation-of-reading-materials-in-the-social-studies;~~  
35 ~~interpretation-of-reading-material-in-the-natural-sciences;~~

1 ~~interpretation of literary materials, and general mathematical~~  
2 ~~ability language arts, reading; language arts, writing;~~  
3 ~~mathematics; science; and social studies.~~

4 Sec. 7. Section 279.30, Code 2005, is amended to read as  
5 follows:

6 279.30 EXCEPTIONS.

7 Each warrant payment must be made payable to the person  
8 entitled to receive the money. The board of directors of a  
9 school district or an area education agency may by resolution  
10 authorize the secretary or administrator, in the case of an  
11 area education agency, to issue warrants payments when the  
12 board of directors is not in session in payment of ~~freight,~~  
13 ~~drayage, express, postage, printing, water, light, and~~  
14 ~~telephone-rents~~ reasonable and necessary expenses, but only  
15 upon verified bills filed with the secretary or administrator,  
16 and for the payment of salaries or wages pursuant to the terms  
17 of ~~a written contract, and the secretary or administrator~~  
18 ~~shall either deliver in person or mail the warrants to the~~  
19 ~~payees. In addition, the board of directors may by resolution~~  
20 ~~authorize the secretary or administrator, upon approval of the~~  
21 ~~president of the board, to issue warrants when the board of~~  
22 ~~directors is not in session, but only upon verified bills~~  
23 ~~filed with the secretary or administrator, and the secretary~~  
24 ~~or administrator shall either deliver in person or mail the~~  
25 ~~warrants to the payees~~ employment. Each warrant payment must  
26 be made payable only to the person performing the service or  
27 presenting the verified bill, and must state the purpose for  
28 which the warrant payment is issued. All bills and salaries  
29 for which warrants payments are issued prior to audit and  
30 allowance by the board must be passed upon by the board of  
31 directors at the next meeting and be entered in the regular  
32 minutes of the secretary.

33 Sec. 8. Section 279.33, Code 2005, is amended to read as  
34 follows:

35 279.33 ANNUAL SETTLEMENTS.

1 At a regular or special meeting held on or after August 31  
2 and prior to the organizational meeting held after the regular  
3 school election, the board of each school corporation shall  
4 meet, examine the books of, and settle with the secretary and  
5 treasurer for the year ending on the preceding June 30, and  
6 transact other business as necessary. ~~The treasurer at the~~  
7 ~~time of settlement shall furnish the board with a sworn~~  
8 ~~statement from each depository showing the balance then on~~  
9 ~~deposit in the depository. If the secretary or treasurer~~  
10 ~~fails to make proper reports for the settlement, the board~~  
11 ~~shall take action to obtain the balance information.~~

12 Sec. 9. Section 279.41, Code 2005, is amended to read as  
13 follows:

14 279.41 SCHOOLHOUSES AND SITES SOLD -- FUNDS.

15 Moneys received from the condemnation, sale, or other  
16 disposition for public purposes of schoolhouses, school sites,  
17 or both schoolhouses and school sites, shall be deposited in  
18 the physical plant and equipment levy fund and may without a  
19 vote of the electorate be used for ~~the purchase of school~~  
20 ~~sites or the erection or repair of schoolhouses, or both~~  
21 purposes authorized under section 298.3, as ordered by the  
22 board of directors of the school district.

23 Sec. 10. NEW SECTION. 279.60 NONPROFIT SCHOOL  
24 ORGANIZATIONS.

25 The board of directors of a school district may take action  
26 to adopt a resolution to establish, and authorize expenditures  
27 for the operational support of, an entity or organization for  
28 the sole benefit of the school district and its students that  
29 is exempt from federal income taxation under section 501(c)(3)  
30 of the Internal Revenue Code. Prior to establishing such an  
31 entity or organization, the board of directors shall hold a  
32 public hearing on the proposal to establish such an entity or  
33 organization. Such an entity or organization shall maintain  
34 its records in accordance with chapter 22. The board of  
35 directors of a school district shall annually report to the

1 department of education and to the local community the  
2 administrative expenditures, revenues, and activities of the  
3 entity or organization established by the school district  
4 pursuant to this section. The department shall include in its  
5 annual condition of education report a statewide summary of  
6 the expenditures and revenues submitted in accordance with  
7 this section.

8 Sec. 11. Section 282.1, unnumbered paragraph 1, Code 2005,  
9 is amended to read as follows:

10 Persons between five and twenty-one years of age are of  
11 school age. ~~A board may establish and maintain evening~~  
12 ~~schools or an educational program under section 282.1A for~~  
13 ~~residents of the corporation regardless of age and for which~~  
14 ~~no tuition need be charged.~~ Nonresident children shall be  
15 charged the maximum tuition rate as determined in section  
16 282.24, subsection 1, with the exception that those residing  
17 temporarily in a school corporation may attend school in the  
18 corporation upon terms prescribed by the board, and boards  
19 discontinuing grades under section 282.7, subsection 1 or  
20 subsections 1 and 3, shall be charged tuition as provided in  
21 section 282.24, subsection 2.

22 Sec. 12. Section 282.18, subsection 2, Code 2005, is  
23 amended to read as follows:

24 2. By ~~January~~ April 1 of the preceding school year for  
25 students entering grades one through twelve, or by September 1  
26 of the current school year for students entering kindergarten,  
27 the parent or guardian shall send notification to the district  
28 of residence and the receiving district, on forms prescribed  
29 by the department of education, that the parent or guardian  
30 intends to enroll the parent's or guardian's child in a public  
31 school in another school district. If a parent or guardian  
32 fails to file a notification that the parent intends to enroll  
33 the parent's or guardian's child in a public school in another  
34 district by the deadline ~~of January 1 of the previous year~~  
35 specified in this subsection, and one of the criteria defined

1 ~~in procedures of subsection 4 exists-for-the-failure-to-meet~~  
2 ~~the-deadline-or-if-the-request-is-to-enroll-a-child-in~~  
3 ~~kindergarten-in-a-public-school-in-another-district, the~~  
4 ~~parent-or-guardian-shall-be-permitted-to-enroll-the-child-in~~  
5 ~~the-other-district-in-the-same-manner-as-if-the-deadline-had~~  
6 ~~been-met~~ apply.

7 The board of the receiving district shall enroll the pupil  
8 in a school in the receiving district for the following school  
9 year unless the receiving district does not have classroom  
10 space for the pupil. The board of directors of a receiving  
11 district may adopt a policy granting the superintendent of the  
12 school district authority to approve open enrollment  
13 applications. If the request is granted, the board shall  
14 transmit a copy of the form to the parent or guardian and the  
15 school district of residence within five days after board  
16 action, but not later than March June 1 of the preceding  
17 school year. The parent or guardian may withdraw the request  
18 at any time prior to the start of the school year. A denial  
19 of a request by the board of a receiving district is not  
20 subject to appeal.

21 Sec. 13. Section 282.18, subsection 4, paragraphs a and b,  
22 Code 2005, are amended to read as follows:

23 a. After ~~January~~ April 1 of the preceding school year and  
24 until the third Friday in September of that calendar year, the  
25 parent or guardian shall send notification to the district of  
26 residence and the receiving district, on forms prescribed by  
27 the department of education, that good cause, as defined in  
28 paragraph "b", exists for failure to meet the ~~January~~ April 1  
29 deadline. The board of directors of a school district may  
30 adopt a policy granting the superintendent of the school  
31 district authority to approve open enrollment applications  
32 submitted after the April 1 deadline if good cause exists.  
33 Upon approval of the resident district, the board of the  
34 receiving district shall take action to approve the request if  
35 good cause exists. If the request is granted, the board in

1 the resident district shall transmit a copy of the form to the  
2 parent or guardian and the school receiving district of  
3 residence within five days after board action. A denial of a  
4 request by the board of a receiving resident district is not  
5 subject to appeal to the director of the department of  
6 education.

7     b. For purposes of this section, "good cause" means a  
8 change in a child's residence due to a change in family  
9 residence, a change in the state in which the family residence  
10 is located, a change in a child's parents' marital status, a  
11 guardianship or custody proceeding, placement in foster care,  
12 adoption, participation in a foreign exchange program, or  
13 participation in a substance abuse or mental health treatment  
14 program, or a similar set of circumstances consistent with the  
15 definition of "good cause"; or a change in the status of a  
16 child's resident district such as removal of accreditation by  
17 the state board, surrender of accreditation, or permanent  
18 closure of a nonpublic school, revocation of a charter school  
19 contract as provided in section 256F.8, the failure of  
20 negotiations for a whole-grade sharing, reorganization,  
21 dissolution agreement or the rejection of a current whole-  
22 grade sharing agreement, or reorganization plan, or a similar  
23 set of circumstances consistent with the definition of "good  
24 cause". If the good cause relates to a change in status of a  
25 child's school district of residence, however, action by a  
26 parent or guardian must be taken to file the notification  
27 within forty-five days of the last board action or within  
28 thirty days of the certification of the election, whichever is  
29 applicable to the circumstances.

30     Sec. 14. Section 282.18, subsections 5 and 6, Code 2005,  
31 are amended to read as follows:

32     5. Open enrollment applications filed after January April  
33 1 of the preceding school year that do not qualify for good  
34 cause as provided in subsection 4 shall be subject to the  
35 approval of the board of the resident district and the board

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

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

34 Sec. 15. Section 285.11, subsection 9, Code 2005, is  
35 amended by striking the subsection.

1 Sec. 16. Section 297.14, Code 2005, is amended to read as  
2 follows:

3 297.14 BARBED WIRE.

4 No fence ~~provided-for-in-section-297-13~~ built where the  
5 school grounds adjoin cultivated or improved lands shall be  
6 constructed of barbed wire, nor shall any barbed wire fence be  
7 placed within ten feet of any school grounds. Any person  
8 violating the provisions of this section shall be guilty of a  
9 simple misdemeanor.

10 Sec. 17. NEW SECTION. 299A.11 STUDENT RECORDS  
11 CONFIDENTIAL.

12 Notwithstanding any provision of law or rule to the  
13 contrary, personal information in records regarding a child  
14 receiving competent private instruction pursuant to this  
15 chapter, which are maintained, created, collected, or  
16 assembled by or for a state agency shall be kept confidential  
17 in the same manner as personal information in student records  
18 maintained, created, collected, or assembled by or for a  
19 school corporation or educational institution in accordance  
20 with section 22.7, subsection 1.

21 Sec. 18. Section 321.376, subsection 1, Code 2005, is  
22 amended to read as follows:

23 1. The driver of a school bus shall hold a driver's  
24 license issued by the department of transportation valid for  
25 the operation of the school bus and a certificate of  
26 qualification for operation of a commercial motor vehicle  
27 issued by a physician licensed pursuant to chapter 148 or  
28 150A, physician's assistant, advanced registered nurse  
29 practitioner, or chiropractor or any other person identified  
30 by federal and state law as authorized to perform physical  
31 examinations, and shall successfully complete an approved  
32 course of instruction in accordance with subsection 2. A  
33 person holding a temporary restricted license issued under  
34 chapter 321J shall be prohibited from operating a school bus.  
35 The department of education shall ~~revoke-or~~ refuse to issue an

1 authorization to operate a school bus to any person who, after  
2 notice and opportunity for hearing, is determined to have  
3 committed any of the acts proscribed under section 321.375,  
4 subsection 2. The department of education shall take adverse  
5 action against any person who, after notice and opportunity  
6 for hearing, is determined to have committed any of the acts  
7 proscribed under section 321.375, subsection 2, paragraphs "a"  
8 through "d", or is determined not to be physically or mentally  
9 competent under section 321.375, subsection 2, paragraph "e",  
10 unless the person was qualified to operate a school bus as  
11 provided in section 321.375, subsection 3. Notwithstanding  
12 section 321.375, subsection 2, such action may include a  
13 reprimand or warning to the person or the suspension or  
14 revocation of the person's authorization to operate a school  
15 bus. The department of education shall recommend, and the  
16 state board of education shall adopt under chapter 17A, rules  
17 and procedures for issuing, suspending, and revoking  
18 authorization to operate a school bus in this state. Rules  
19 and procedures adopted shall include, but are not limited to,  
20 provisions for the suspension or revocation of, or refusal to  
21 issue, authorization to persons who are determined to have  
22 committed any of the acts proscribed under section 321.375,  
23 subsection 2.

24 Sec. 19. Section 423E.4, subsection 6, unnumbered  
25 paragraph 1, Code 2005, is amended to read as follows:

26 A school district with a certified enrollment of fewer than  
27 two hundred fifty pupils in the entire district or certified  
28 enrollment of fewer than one hundred pupils in high school  
29 shall not expend the supplemental school infrastructure amount  
30 received for new construction or for payments for bonds issued  
31 for new construction against the supplemental school  
32 infrastructure amount without prior application to the  
33 department of education and receipt of a certificate of need  
34 pursuant to this subsection. However, a certificate of need  
35 is not required for the payment of outstanding bonds issued



1 the school district's secretary and treasurer, the purposes  
2 for which moneys deposited in the physical plant and equipment  
3 levy fund may be used, authorizing school boards to establish  
4 entities or organizations for the support of the school  
5 district, open enrollment applications, deadlines, and  
6 appeals, expanding the department of education's options when  
7 a school bus driver is found to have violated certain Code  
8 provisions, and providing that a restriction on local option  
9 sales tax revenues for school infrastructure purposes applies  
10 only to districts with fewer than 250 students in the  
11 elementary and secondary schools or fewer than 100 students in  
12 a high school.

13 SCHOOL DISTRICT AUDITS. The bill requires that an  
14 examination of school offices shall include the revenues and  
15 expenditures of any organized nonprofit school organization  
16 that exists for the sole benefit of the school district.

17 CONFIDENTIAL STUDENT RECORDS. The bill makes confidential  
18 the personal information in records regarding a child  
19 receiving competent private instruction that are maintained,  
20 created, collected, or assembled by or for a state agency  
21 maintaining such records.

22 DEPARTMENT OF EDUCATION ACHIEVEMENT GAP REPORT. The  
23 department is directed to prepare and submit to the  
24 chairpersons and ranking members of the senate and house  
25 education committees a report on the state's progress toward  
26 closing the achievement gap.

27 DROPOUT AND DROPOUT PREVENTION PROGRAMS. The bill provides  
28 that plans and budgets for dropout and dropout prevention  
29 programs, for which school districts are seeking additional  
30 allowable growth authority from the school budget review  
31 committee, must be submitted to the department of education as  
32 a component of the comprehensive school improvement plan that  
33 school districts must annually submit to the department. The  
34 bill also delays the date by which requests for additional  
35 allowable growth for those programs must be submitted from

1 November 1 to December 15. Beginning January 15, 2006, the  
2 department must submit an annual report to the chairpersons  
3 and ranking members of the senate and house education  
4 committees that includes the ways school districts are using  
5 such additional allowable growth approved; identifies, by  
6 grade level, age, and district size, the students in the  
7 dropout and dropout prevention programs; describes school  
8 district progress toward increasing student achievement and  
9 attendance for those students; and describes how the school  
10 districts are using the revenues from the additional allowable  
11 growth to improve student achievement among minority  
12 subgroups.

13 HIGH SCHOOL EQUIVALENCY DIPLOMA. The bill changes the  
14 criteria for evidence of satisfactory competence necessary for  
15 issuance of a high school equivalency diploma. The bill  
16 requires that a diploma be issued on the basis of satisfactory  
17 competence as shown by tests covering language arts, including  
18 reading and writing, mathematics, science, and social studies.

19 SCHOOL DISTRICT PAYMENTS AND SETTLEMENTS. Currently, the  
20 Code lists the purposes for which a secretary or administrator  
21 of a school district may make payments while the school board  
22 is not in session. This bill replaces the list with general  
23 permission to issue payments for reasonable and necessary  
24 expenses.

25 The bill also strikes language that requires the school  
26 district's treasurer to furnish the board with a sworn  
27 statement showing each depository balance and providing that  
28 if the secretary or treasurer fails to make proper reports for  
29 a settlement, the board must take action to obtain balance  
30 information.

31 AUTHORIZED PPEL EXPENDITURES. The bill permits moneys  
32 received from the sale of school sites that are deposited in  
33 the physical plant and equipment levy (PPEL) fund to be used  
34 for the same purposes for which revenues from the PPEL levies  
35 may be used.

1       NONPROFIT SCHOOL ORGANIZATIONS. The bill allows school  
2 boards to establish and authorize expenditures for the  
3 operational support of a nonprofit entity or organization for  
4 the sole benefit of the school district and its students after  
5 holding a public hearing on the proposal. Such an entity or  
6 organization shall maintain its records in accordance with  
7 Code chapter 22. The school district must annually report to  
8 the department of education and the local community the  
9 administrative expenditures, revenues, and activities of the  
10 entity or organization. The department must include a  
11 statewide summary of the expenditures and revenues in its  
12 annual condition of education report.

13       EXTENDED SCHOOL PROGRAMS -- EVENING AND PART-TIME SCHOOLS  
14 REPEAL. The bill repeals a provision related to extended  
15 school programs, which are identified in the Code as programs  
16 school districts may voluntarily establish for residents of  
17 the school district who are over 21 years of age, do not  
18 possess a high school diploma or a high school equivalency  
19 diploma under Code chapter 259A, and are enrolled in an  
20 education program in the district. Residents attending such a  
21 program are counted in the district's basic enrollment and  
22 attend on a tuition-free basis. The bill also repeals two  
23 Code chapters that authorize evening and part-time schools.  
24 The Code chapters require school districts to establish an  
25 evening school when 10 or more persons over age 16 express a  
26 desire for instruction at an evening school for not less than  
27 two hours each evening for at least two evenings each week for  
28 not less than three months of each school year; and, in cities  
29 of 12,000 or more, to establish and maintain part-time schools  
30 when 15 or more children residing in the district who are  
31 between 14 and 16 years of age cease to attend the full-time  
32 day school. The bill includes a conforming amendment.

33       OPEN ENROLLMENT. The bill moves the application deadline  
34 for open enrollment from January 1 to April 1 of the preceding  
35 school year for students entering grades 1 through 12, and to

1 September 1 of the current school year for students entering  
2 kindergarten. The bill expands the exception that allows  
3 parents to miss the deadline, by allowing "good cause" to  
4 include a similar set of circumstances consistent with the  
5 definition of "good cause". The bill also allows a school  
6 board to grant a superintendent the authority to approve "good  
7 cause" applications and allows a receiving district to grant a  
8 superintendent the authority to approve a timely filed  
9 application. The bill requires the resident district to  
10 approve a good cause application before the receiving district  
11 takes action on the request, and permits a denial by the  
12 resident district to be appealed to the department of  
13 education.

14 FENCING NEAR SCHOOL GROUNDS. The bill repeals a provision  
15 that requires school boards to maintain a lawful fence between  
16 school grounds and adjoining cultivated or improved lands.  
17 However, the bill maintains language that prohibits such land  
18 to be fenced using barbed wire.

19 SCHOOL BUS DRIVER FITNESS CERTIFICATION AND GROUNDS FOR  
20 SUSPENSION. The bill eliminates a provision that requires  
21 school bus drivers to present a certificate of physical  
22 fitness each year before being permitted to operate any  
23 vehicles transporting children to and from school. The bill  
24 expands the department of education's options when a school  
25 bus driver is found to have violated certain Code provisions,  
26 by allowing the department to take adverse action, which may  
27 include a reprimand or warning, rather than an immediate  
28 suspension.

29 LOCAL OPTION AND SERVICES TAX FOR SCHOOL INFRASTRUCTURE  
30 PURPOSES -- FUND USE PROHIBITION. Revenues collected under  
31 the local sales and services tax for school infrastructure are  
32 deposited in the secure an advanced vision for education fund  
33 for school infrastructure purposes or property tax relief.  
34 The Code requires that a school district receive prior  
35 authorization and a certificate of need from the department of

1 education before expending the supplemental school  
2 infrastructure amount received for new construction or for  
3 payments for bonds issued for new construction against the  
4 amount. Under the bill, only a school district with a  
5 certified enrollment of fewer than 250 pupils in the entire  
6 school district, or fewer than 100 high school pupils, need  
7 meet these requirements.

8 REINSTATEMENT OF OPEN ENROLLMENT ELIGIBILITY --

9 DESEGREGATION PLAN. The bill provides that under a very  
10 limited circumstance, a student who once participated in open  
11 enrollment prior to 1997, from a school district that on  
12 December 10, 2001, adopted a voluntary desegregation plan, may  
13 have their open enrollment status reinstated to allow the  
14 student to open enroll to a district other than their district  
15 of residence.

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HOUSE FILE 740

H-1133

- 1 Amend House File 740 as follows:
- 2 1. Page 5, line 34, by inserting after the figure
- 3 "22" the following: ", except that the entity or
- 4 organization shall provide for the anonymity of a
- 5 donor at the written request of the donor".
- 6 2. Page 6, line 24, by striking the word "April"
- 7 and inserting the following: "March".
- 8 3. Page 7, line 23, by striking the word "April"
- 9 and inserting the following: "March".
- 10 4. Page 7, line 28, by striking the word "April"
- 11 and inserting the following: "March".
- 12 5. Page 7, line 32, by striking the word "April"
- 13 and inserting the following: "March".
- 14 6. Page 8, line 32, by striking the word "April"
- 15 and inserting the following: "March".
- 16 7. Page 9, line 16, by striking the word "April"
- 17 and inserting the following: "March".
- 18 8. Page 12, by striking lines 10 through 22.
- 19 9. Page 12, by inserting after line 25 the
- 20 following:
- 21 "Sec. \_\_\_\_ . RETROACTIVE APPLICABILITY FOR NONPROFIT
- 22 SCHOOL ORGANIZATIONS. The provisions of section
- 23 279.60, as enacted by this Act, authorizing the board
- 24 of directors of a school district to establish and
- 25 authorize expenditures for the operational support of
- 26 an entity or organization for the sole benefit of the
- 27 school district and its students, apply to entities or
- 28 organizations established by the board of directors of
- 29 a school district before, on, or after July 1, 2005."
- 30 10. Title page 1, line 21, by inserting before
- 31 the word "revising" the following: "and".
- 32 11. Title page 2, by striking lines 1 through 3
- 33 and inserting the following: "for school
- 34 infrastructure fund use, and including a retroactive
- 35 applicability provision."
- 36 12. By renumbering as necessary.

By KAUFMANN of Cedar

H-1133 FILED MARCH 22, 2005

ADOPTED

HOUSE FILE 740

H-1147

1 Amend the amendment, H-1133, to House File 740 as  
2 follows:

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

5 "\_\_\_\_. Page 5, line 30, by inserting after the  
6 word "Code." the following: "The entity or  
7 organization shall reimburse the school district for  
8 expenditures made by the school district on behalf of  
9 the entity or organization.""

10 2. By renumbering as necessary.

By RAECKER of Polk

H-1147 FILED MARCH 22, 2005

ADOPTED

HOUSE FILE 740  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 243)

(As Amended and Passed by the House March 22, 2005)

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

**A BILL FOR**

1 An Act relating to the duties and responsibilities of school  
2 districts, area education agencies, and the department of  
3 education by expanding school district audit requirements,  
4 requiring the department to submit an achievement gap report,  
5 changing deadlines and adding reporting requirements related  
6 to dropout and dropout prevention programs, changing testing  
7 requirements for the issuance of high school equivalency  
8 diplomas, eliminating certain requirements for school district  
9 payments and settlements, authorizing school site sale  
10 revenues to be used for physical plant and equipment levy fund  
11 expenditures, allowing school districts to establish nonprofit  
12 entities or organizations, eliminating Code provisions related  
13 to extended school programs and evening and part-time schools,  
14 providing for changes to open enrollment requirements,  
15 deadlines, and authorizations, repealing a school district  
16 lawful fence requirement, providing for the confidentiality of  
17 records regarding a child receiving competent private  
18 instruction, eliminating a requirement that school bus drivers  
19 submit a certificate of physical fitness annually, expanding  
20 the penalties for school bus drivers in violation of Code  
21 requirements, and revising requirements for prior  
22 authorization and a certificate of need for local option and

1 services tax for school infrastructure fund use, and including  
2 a retroactive applicability provision.

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

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House Amendments \_\_\_\_\_  
Deleted Language \*

1 Section 1. Section 11.6, subsection 1, paragraph a,  
2 unnumbered paragraph 1, Code 2005, is amended to read as  
3 follows:

4 The financial condition and transactions of all cities and  
5 city offices, counties, county hospitals organized under  
6 chapters 347 and 347A, memorial hospitals organized under  
7 chapter 37, entities organized under chapter 28E having gross  
8 receipts in excess of one hundred thousand dollars in a fiscal  
9 year, merged areas, area education agencies, and all school  
10 offices in school districts, shall be examined at least once  
11 each year, except that cities having a population of seven  
12 hundred or more but less than two thousand shall be examined  
13 at least once every four years, and cities having a population  
14 of less than seven hundred may be examined as otherwise  
15 provided in this section. The examination shall cover the  
16 fiscal year next preceding the year in which the audit is  
17 conducted. The examination of school offices shall include an  
18 audit of all school funds, the certified annual financial  
19 report, and the certified enrollment as provided in section  
20 257.6, and the revenues and expenditures of any nonprofit  
21 school organization established pursuant to section 279.60.

22 Differences in certified enrollment shall be reported to the  
23 department of management. The examination of a city that owns  
24 or operates a municipal utility providing local exchange  
25 services pursuant to chapter 476 shall include an audit of the  
26 city's compliance with section 388.10. The examination of a  
27 city that owns or operates a municipal utility providing  
28 telecommunications services pursuant to section 388.10 shall  
29 include an audit of the city's compliance with section 388.10.

30 Sec. 2. Section 256.9, Code 2005, is amended by adding the  
31 following new subsection:

32 NEW SUBSECTION. 53. Prepare and submit to the  
33 chairpersons and ranking members of the senate and house  
34 education committees a report on the state's progress toward  
35 closing the achievement gap, including student achievement for

1 minority subgroups, and a comprehensive summary of state  
2 agency and local district activities and practices taken in  
3 the past year to close the achievement gap.

4 Sec. 3. Section 257.38, unnumbered paragraph 1, Code 2005,  
5 is amended to read as follows:

6 Boards of school districts, individually or jointly with  
7 boards of other school districts, requesting to use additional  
8 allowable growth for programs for returning dropouts and  
9 dropout prevention pursuant to section 257.40, shall annually  
10 submit comprehensive program plans for the programs and budget  
11 costs, including requests for additional allowable growth for  
12 funding the programs, to the department of education as  
13 ~~provided-in-this-chapter~~ a component of the comprehensive  
14 school improvement plan submitted to the department pursuant  
15 to section 256.7, subsection 21. The program plans shall  
16 include:

17 Sec. 4. Section 257.38, unnumbered paragraph 2, Code 2005,  
18 is amended to read as follows:

19 Program plans shall identify the parts of the plan that  
20 will be implemented first upon approval of the ~~application~~  
21 request. If a district is requesting to use additional  
22 allowable growth to finance the program, ~~it~~ the district shall  
23 not identify more than five percent of its budget enrollment  
24 for the budget year as returning dropouts and potential  
25 dropouts.

26 Sec. 5. Section 257.40, Code 2005, is amended to read as  
27 follows:

28 257.40 PLANS FOR RETURNING DROPOUTS AND DROPOUT  
29 PREVENTION.

30 1. The board of directors of a school district requesting  
31 to use additional allowable growth for programs for returning  
32 dropouts and dropout prevention shall submit ~~applications~~ a  
33 request for approval-for-the-programs additional allowable  
34 growth, including budget costs, to the department not later  
35 than ~~November-1~~ December 15 preceding the budget year during

1 which the program will be offered. The department shall  
2 review the program-plans request and shall prior to January 15  
3 either grant approval for the program request or return the  
4 request for approval with comments of the department included.  
5 An unapproved request for a program may be resubmitted with  
6 modifications to the department not later than February 1.  
7 Not later than February 15, the department shall notify the  
8 department of management and the school budget review  
9 committee of the names of the school districts for which  
10 programs using additional allowable growth for funding have  
11 been approved and the approved budget of each program listed  
12 separately for each school district having an approved program  
13 request.

14 2. Beginning January 15, 2006, the department shall submit  
15 an annual report to the chairpersons and ranking members of  
16 the senate and house education committees that includes the  
17 ways school districts are using additional allowable growth  
18 approved under subsection 1; identifies, by grade level, age,  
19 and district size, the students in the dropout and dropout  
20 prevention programs for which the department approves a  
21 request; describes school district progress toward increasing  
22 student achievement and attendance for the students in the  
23 programs; and describes how the school districts are using the  
24 revenues from the additional allowable growth to improve  
25 student achievement among minority subgroups.

26 Sec. 6. Section 259A.1, Code 2005, is amended to read as  
27 follows:

28 259A.1 TESTS.

29 The department of education shall cause to be made  
30 available for qualified individuals a high school equivalency  
31 diploma. The diploma shall be issued on the basis of  
32 satisfactory competence as shown by tests covering: The  
33 ~~correctness-and-effectiveness-of-expression;-the~~  
34 ~~interpretation-of-reading-materials-in-the-social-studies;~~  
35 ~~interpretation-of-reading-material-in-the-natural-sciences;~~

1 ~~interpretation-of-literary-materials,-and-general-mathematical~~  
2 ~~ability language arts, reading; language arts, writing;~~  
3 ~~mathematics; science; and social studies.~~

4 Sec. 7. Section 279.30, Code 2005, is amended to read as  
5 follows:

6 279.30 EXCEPTIONS.

7 Each warrant payment must be made payable to the person  
8 entitled to receive the money. The board of directors of a  
9 school district or an area education agency may by resolution  
10 authorize the secretary or administrator, in the case of an  
11 area education agency, to issue warrants payments when the  
12 board of directors is not in session in payment of freight,  
13 drayage,-express,-postage,-printing,-water,-light,-and  
14 telephone-rents reasonable and necessary expenses, but only  
15 upon verified bills filed with the secretary or administrator,  
16 and for the payment of salaries or wages pursuant to the terms  
17 of ~~a-written-contract,-and-the-secretary-or-administrator~~  
18 ~~shall-either-deliver-in-person-or-mail-the-warrants-to-the~~  
19 ~~payees---In-addition,-the-board-of-directors-may-by-resolution~~  
20 ~~authorize-the-secretary-or-administrator,-upon-approval-of-the~~  
21 ~~president-of-the-board,-to-issue-warrants-when-the-board-of~~  
22 ~~directors-is-not-in-session,-but-only-upon-verified-bills~~  
23 ~~filed-with-the-secretary-or-administrator,-and-the-secretary~~  
24 ~~or-administrator-shall-either-deliver-in-person-or-mail-the~~  
25 ~~warrants-to-the-payees~~ employment. Each warrant payment must  
26 be made payable only to the person performing the service or  
27 presenting the verified bill, and must state the purpose for  
28 which the warrant payment is issued. All bills and salaries  
29 for which warrants payments are issued prior to audit and  
30 allowance by the board must be passed upon by the board of  
31 directors at the next meeting and be entered in the regular  
32 minutes of the secretary.

33 Sec. 8. Section 279.33, Code 2005, is amended to read as  
34 follows:

35 279.33 ANNUAL SETTLEMENTS.

1 At a regular or special meeting held on or after August 31  
2 and prior to the organizational meeting held after the regular  
3 school election, the board of each school corporation shall  
4 meet, examine the books of, and settle with the secretary and  
5 treasurer for the year ending on the preceding June 30, and  
6 transact other business as necessary. ~~The treasurer at the~~  
7 ~~time of settlement shall furnish the board with a sworn~~  
8 ~~statement from each depository showing the balance then on~~  
9 ~~deposit in the depository. If the secretary or treasurer~~  
10 ~~fails to make proper reports for the settlement, the board~~  
11 ~~shall take action to obtain the balance information.~~

12 Sec. 9. Section 279.41, Code 2005, is amended to read as  
13 follows:

14 279.41 SCHOOLHOUSES AND SITES SOLD -- FUNDS.

15 Moneys received from the condemnation, sale, or other  
16 disposition for public purposes of schoolhouses, school sites,  
17 or both schoolhouses and school sites, shall be deposited in  
18 the physical plant and equipment levy fund and may without a  
19 vote of the electorate be used for ~~the purchase of school~~  
20 ~~sites or the erection or repair of schoolhouses, or both~~  
21 purposes authorized under section 298.3, as ordered by the  
22 board of directors of the school district.

23 Sec. 10. NEW SECTION. 279.60 NONPROFIT SCHOOL  
24 ORGANIZATIONS.

25 The board of directors of a school district may take action  
26 to adopt a resolution to establish, and authorize expenditures  
27 for the operational support of, an entity or organization for  
28 the sole benefit of the school district and its students that  
29 is exempt from federal income taxation under section 501(c)(3)  
30 of the Internal Revenue Code. The entity or organization  
31 shall reimburse the school district for expenditures made by  
32 the school district on behalf of the entity or organization.  
33 Prior to establishing such an entity or organization, the  
34 board of directors shall hold a public hearing on the proposal  
35 to establish such an entity or organization. Such an entity

1 or organization shall maintain its records in accordance with  
2 chapter 22, except that the entity or organization shall  
3 provide for the anonymity of a donor at the written request of  
4 the donor. The board of directors of a school district shall  
5 annually report to the department of education and to the  
6 local community the administrative expenditures, revenues, and  
7 activities of the entity or organization established by the  
8 school district pursuant to this section. The department  
9 shall include in its annual condition of education report a  
10 statewide summary of the expenditures and revenues submitted  
11 in accordance with this section.

12 Sec. 11. Section 282.1, unnumbered paragraph 1, Code 2005,  
13 is amended to read as follows:

14 Persons between five and twenty-one years of age are of  
15 school age. ~~A board may establish and maintain evening~~  
16 ~~schools or an educational program under section 282.1A for~~  
17 ~~residents of the corporation regardless of age and for which~~  
18 ~~no tuition need be charged.~~ Nonresident children shall be  
19 charged the maximum tuition rate as determined in section  
20 282.24, subsection 1, with the exception that those residing  
21 temporarily in a school corporation may attend school in the  
22 corporation upon terms prescribed by the board, and boards  
23 discontinuing grades under section 282.7, subsection 1 or  
24 subsections 1 and 3, shall be charged tuition as provided in  
25 section 282.24, subsection 2.

26 Sec. 12. Section 282.18, subsection 2, Code 2005, is  
27 amended to read as follows:

28 2. By ~~January~~ March 1 of the preceding school year for  
29 students entering grades one through twelve, or by September 1  
30 of the current school year for students entering kindergarten,  
31 the parent or guardian shall send notification to the district  
32 of residence and the receiving district, on forms prescribed  
33 by the department of education, that the parent or guardian  
34 intends to enroll the parent's or guardian's child in a public  
35 school in another school district. If a parent or guardian

1 fails to file a notification that the parent intends to enroll  
2 the parent's or guardian's child in a public school in another  
3 district by the deadline ~~of January 1 of the previous year~~  
4 specified in this subsection, and ~~one of the criteria defined~~  
5 in procedures of subsection 4 exists for the failure to meet  
6 ~~the deadline or if the request is to enroll a child in~~  
7 ~~kindergarten in a public school in another district, the~~  
8 ~~parent or guardian shall be permitted to enroll the child in~~  
9 ~~the other district in the same manner as if the deadline had~~  
10 ~~been met~~ apply.

11 The board of the receiving district shall enroll the pupil  
12 in a school in the receiving district for the following school  
13 year unless the receiving district does not have classroom  
14 space for the pupil. The board of directors of a receiving  
15 district may adopt a policy granting the superintendent of the  
16 school district authority to approve open enrollment  
17 applications. If the request is granted, the board shall  
18 transmit a copy of the form to the parent or guardian and the  
19 school district of residence within five days after board  
20 action, but not later than March June 1 of the preceding  
21 school year. The parent or guardian may withdraw the request  
22 at any time prior to the start of the school year. A denial  
23 of a request by the board of a receiving district is not  
24 subject to appeal.

25 Sec. 13. Section 282.18, subsection 4, paragraphs a and b,  
26 Code 2005, are amended to read as follows:

27 a. After ~~January~~ March 1 of the preceding school year and  
28 until the third Friday in September of that calendar year, the  
29 parent or guardian shall send notification to the district of  
30 residence and the receiving district, on forms prescribed by  
31 the department of education, that good cause, as defined in  
32 paragraph "b", exists for failure to meet the ~~January~~ March 1  
33 deadline. The board of directors of a school district may  
34 adopt a policy granting the superintendent of the school  
35 district authority to approve open enrollment applications

1 submitted after the March 1 deadline if good cause exists.  
2 Upon approval of the resident district, the board of the  
3 receiving district shall take action to approve the request if  
4 good cause exists. If the request is granted, the board in  
5 the resident district shall transmit a copy of the form to the  
6 parent or guardian and the school receiving district of  
7 residence within five days after board action. A denial of a  
8 request by the board of a receiving resident district is not  
9 subject to appeal to the director of the department of  
10 education.

11 b. For purposes of this section, "good cause" means a  
12 change in a child's residence due to a change in family  
13 residence, a change in the state in which the family residence  
14 is located, a change in a child's parents' marital status, a  
15 guardianship or custody proceeding, placement in foster care,  
16 adoption, participation in a foreign exchange program, or  
17 participation in a substance abuse or mental health treatment  
18 program, or a similar set of circumstances consistent with the  
19 definition of "good cause"; or a change in the status of a  
20 child's resident district such as removal of accreditation by  
21 the state board, surrender of accreditation, or permanent  
22 closure of a nonpublic school, revocation of a charter school  
23 contract as provided in section 256F.8, the failure of  
24 negotiations for a whole-grade sharing, reorganization,  
25 dissolution agreement or the rejection of a current whole-  
26 grade sharing agreement, or reorganization plan, or a similar  
27 set of circumstances consistent with the definition of "good  
28 cause". If the good cause relates to a change in status of a  
29 child's school district of residence, however, action by a  
30 parent or guardian must be taken to file the notification  
31 within forty-five days of the last board action or within  
32 thirty days of the certification of the election, whichever is  
33 applicable to the circumstances.

34 Sec. 14. Section 282.18, subsections 5 and 6, Code 2005,  
35 are amended to read as follows:

1 5. Open enrollment applications filed after January March  
2 1 of the preceding school year that do not qualify for good  
3 cause as provided in subsection 4 shall be subject to the  
4 approval of the board of the resident district and the board  
5 of the receiving district. The parent or guardian shall send  
6 notification to the district of residence and the receiving  
7 district that the parent or guardian seeks to enroll the  
8 parent's or guardian's child in the receiving district. A  
9 decision of either board to deny an application filed under  
10 this subsection involving repeated acts of harassment of the  
11 student or serious health condition of the student that the  
12 resident district cannot adequately address is subject to  
13 appeal under section 290.1. The state board shall exercise  
14 broad discretion to achieve just and equitable results that  
15 are in the best interest of the affected child or children.

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

1 the receiving district in writing of the decision to enroll  
2 the pupil in the district of residence.

3 Sec. 15. Section 285.11, subsection 9, Code 2005, is  
4 amended by striking the subsection.

5 Sec. 16. Section 297.14, Code 2005, is amended to read as  
6 follows:

7 297.14 BARBED WIRE.

8 No fence ~~provided-for-in-section-297-13~~ built where the  
9 school grounds adjoin cultivated or improved lands shall be  
10 constructed of barbed wire, nor shall any barbed wire fence be  
11 placed within ten feet of any school grounds. Any person  
12 violating the provisions of this section shall be guilty of a  
13 simple misdemeanor.

14 Sec. 17. NEW SECTION. 299A.11 STUDENT RECORDS  
15 CONFIDENTIAL.

16 Notwithstanding any provision of law or rule to the  
17 contrary, personal information in records regarding a child  
18 receiving competent private instruction pursuant to this  
19 chapter, which are maintained, created, collected, or  
20 assembled by or for a state agency shall be kept confidential  
21 in the same manner as personal information in student records  
22 maintained, created, collected, or assembled by or for a  
23 school corporation or educational institution in accordance  
24 with section 22.7, subsection 1.

25 Sec. 18. Section 321.376, subsection 1, Code 2005, is  
26 amended to read as follows:

27 1. The driver of a school bus shall hold a driver's  
28 license issued by the department of transportation valid for  
29 the operation of the school bus and a certificate of  
30 qualification for operation of a commercial motor vehicle  
31 issued by a physician licensed pursuant to chapter 148 or  
32 150A, physician's assistant, advanced registered nurse  
33 practitioner, or chiropractor or any other person identified  
34 by federal and state law as authorized to perform physical  
35 examinations, and shall successfully complete an approved

1 course of instruction in accordance with subsection 2. A  
2 person holding a temporary restricted license issued under  
3 chapter 321J shall be prohibited from operating a school bus.  
4 The department of education shall ~~revoke-or~~ refuse to issue an  
5 authorization to operate a school bus to any person who, after  
6 notice and opportunity for hearing, is determined to have  
7 committed any of the acts proscribed under section 321.375,  
8 subsection 2. The department of education shall take adverse  
9 action against any person who, after notice and opportunity  
10 for hearing, is determined to have committed any of the acts  
11 proscribed under section 321.375, subsection 2, paragraphs "a"  
12 through "d", or is determined not to be physically or mentally  
13 competent under section 321.375, subsection 2, paragraph "e",  
14 unless the person was qualified to operate a school bus as  
15 provided in section 321.375, subsection 3. Notwithstanding  
16 section 321.375, subsection 2, such action may include a  
17 reprimand or warning to the person or the suspension or  
18 revocation of the person's authorization to operate a school  
19 bus. The department of education shall recommend, and the  
20 state board of education shall adopt under chapter 17A, rules  
21 and procedures for issuing, suspending, and revoking  
22 authorization to operate a school bus in this state. Rules  
23 and procedures adopted shall include, but are not limited to,  
24 provisions for the suspension or revocation of, or refusal to  
25 issue, authorization to persons who are determined to have  
26 committed any of the acts proscribed under section 321.375,  
27 subsection 2.

28 Sec. 19. Section 423E.4, subsection 6, unnumbered  
29 paragraph 1, Code 2005, is amended to read as follows:

30 A school district with a certified enrollment of fewer than  
31 two hundred fifty pupils in the entire district or certified  
32 enrollment of fewer than one hundred pupils in high school  
33 shall not expend the supplemental school infrastructure amount  
34 received for new construction or for payments for bonds issued  
35 for new construction against the supplemental school

1 infrastructure amount without prior application to the  
2 department of education and receipt of a certificate of need  
3 pursuant to this subsection. However, a certificate of need  
4 is not required for the payment of outstanding bonds issued  
5 for new construction pursuant to section 296.1, before April  
6 1, 2003. A certificate of need is also not required for  
7 repairing schoolhouses or buildings, equipment, technology, or  
8 transportation equipment for transporting students as provided  
9 in section 298.3, or for construction necessary for compliance  
10 with the federal Americans With Disabilities Act pursuant to  
11 42 U.S.C. § 12101--12117. In determining whether a  
12 certificate of need shall be issued or denied, the department  
13 shall consider all of the following:

\* 14 Sec. 20. Sections 282.1A and 297.13, Code 2005, are  
15 repealed.

16 Sec. 21. Chapters 288 and 289, Code 2005, are repealed.

17 Sec. 22. RETROACTIVE APPLICABILITY FOR NONPROFIT SCHOOL  
18 ORGANIZATIONS. The provisions of section 279.60, as enacted  
19 by this Act, authorizing the board of directors of a school  
20 district to establish and authorize expenditures for the  
21 operational support of an entity or organization for the sole  
22 benefit of the school district and its students, apply to  
23 entities or organizations established by the board of  
24 directors of a school district before, on, or after July 1,  
25 2005.

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HOUSE FILE 740

S-3102

1 Amend House File 740, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 12, by inserting after line 16 the  
4 following:

5 "Sec. \_\_\_\_ . EDUCATIONAL STANDARDS FOR PHYSICAL  
6 EDUCATION REVIEW. The department of education shall  
7 convene a task force including representatives of the  
8 Iowa association for health, physical education,  
9 recreation and dance; the American alliance for  
10 health, physical education, recreation and dance; the  
11 Iowa heart association; and the university of northern  
12 Iowa college of health, physical education, and  
13 leisure services to review the educational standards  
14 for physical education set forth in Code section  
15 256.11. In reviewing these standards, the department  
16 shall consider the current level of health and  
17 physical fitness prevalent among students, and shall  
18 develop recommendations for exposing students to the  
19 greatest variety of physical activities, to instill  
20 knowledge of the importance of good physical fitness  
21 to general health and a desire for lifelong physical  
22 activity, and to reduce the level of obesity in Iowa's  
23 student population. The department shall submit its  
24 findings and recommendations to the governor and the  
25 general assembly by December 31, 2005."

26 2. Title page 1, line 21, by inserting after the  
27 word "requirements," the following: "providing for an  
28 educational standards for physical education review,".

29 3. By renumbering as necessary.

By FRANK B. WOOD

S-3102 FILED APRIL 7, 2005

S-3136

1 Amend House File 740, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 12, by inserting after line 16 the  
4 following:

5 "Sec. \_\_\_\_ . EDUCATIONAL STANDARDS FOR PHYSICAL  
6 EDUCATION REVIEW. The department of education shall  
7 convene a task force including representatives of the  
8 Iowa association for health, physical education,  
9 recreation and dance; the Iowa heart association; the  
10 university of northern Iowa school of health, physical  
11 education, and leisure services; and Iowa state  
12 university to review the educational standards for  
13 physical education for grades one through twelve. In  
14 reviewing these standards, the task force shall  
15 consider the current level of health and physical  
16 fitness prevalent among students, and shall develop  
17 recommendations for exposing students to the greatest  
18 variety of physical activities, to instill knowledge  
19 of the importance of good physical fitness to general  
20 health and a desire for lifelong physical activity,  
21 and to reduce the level of obesity in Iowa's student  
22 population. The task force shall submit its findings  
23 and recommendations to the governor and the general  
24 assembly by December 31, 2005."

25 2. Title page 1, line 21, by inserting after the  
26 word "requirements," the following: "providing for an  
27 educational standards for physical education review,".

28 3. By renumbering as necessary.

By FRANK B. WOOD

S-3136 FILED APRIL 18, 2005

HOUSE FILE 740

S-3137

1 Amend House File 740, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, line 32, by striking the word  
4 "Prepare" and inserting the following: "By January  
5 15, 2006, and by January 15 of each succeeding fiscal  
6 year through January 15, 2011, prepare".  
7 2. Page 2, line 3, by inserting after the word  
8 "gap." the following: "The information shall include  
9 disaggregate achievement information for subgroups  
10 district-by-district, including subgroups based on  
11 migrant status, English language proficiency, gender,  
12 racial and ethnic background, and free or reduced-  
13 price lunch eligibility; and shall include the total  
14 number of minority students enrolled in each grade  
15 reported and the number of minority students who are  
16 not proficient or not performing at grade level."  
17 3. Page 8, line 28, by inserting after the word  
18 "cause" the following: "; or a situation in which  
19 the child's participation or failure to participate in  
20 open enrollment would have a positive or negative  
21 educational impact on the child".

By JEFF ANGELO

S-3137 FILED APRIL 19, 2005

HOUSE FILE 740

S-3138

1 Amend House File 740, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 2, by inserting after line 3, the  
4 following:  
5 "Sec. \_\_\_\_ . Section 256.11, Code 2005, is amended  
6 by adding the following new subsection:  
7 NEW SUBSECTION. 9. Each accredited nonpublic  
8 school or school district shall have an articulated  
9 media program for grades kindergarten through twelve."  
10 2. Title page 1, line 4, by inserting after the  
11 word "report," the following: "including articulated  
12 media programs in the educational standards,".

By MIKE CONNOLLY

S-3138 FILED APRIL 19, 2005

S-3139

1 Amend House File 740, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 10, by inserting after line 24 the  
4 following:

5 "Sec. \_\_\_\_\_. Section 301.1, subsection 2, Code 2005,  
6 is amended to read as follows:

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

50 2. Title page 1, line 21, by inserting after the

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- 1 word "requirements," the following: "establishing
- 2 that textbooks made available to accredited nonpublic
- 3 school pupils are not school district property,".
- 4 3. By renumbering as necessary.

By NANCY BOETTGER  
DAVE MULDER

S-3139 FILED APRIL 19, 2005

S-3142

1 Amend House File 740, as amended, passed, and  
2 reprinted by the House, as follows:

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

5 "Sec. \_\_\_\_\_. Section 257.17, Code 2005, is amended  
6 to read as follows:

7 257.17 AID REDUCTION FOR EARLY SCHOOL STARTS.

8 State aid payments made pursuant to section 257.16  
9 for a fiscal year shall be reduced by one one-  
10 hundred-eightieth for each day of that fiscal year for  
11 which the school district begins school before the  
12 earliest starting date specified in section 279.10,  
13 subsection 1. ~~However, this section does not apply to~~  
14 ~~a school district that has received approval from the~~  
15 ~~director of the department of education under section~~  
16 ~~279.10, subsection 4, to commence classes for~~  
17 ~~regularly established elementary and secondary schools~~  
18 ~~in advance of the starting date established in section~~  
19 ~~279.10, subsection 1."~~

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

22 "Sec. \_\_\_\_\_. Section 279.10, subsection 1, Code  
23 2005, is amended to read as follows:

24 1. The school year shall begin on the first day of  
25 July and each regularly established elementary and  
26 secondary school shall begin no sooner than a day  
27 ~~during the calendar week in which the first day of~~  
28 ~~September falls August 22~~ but no later than the first  
29 Monday in December. ~~However, if the first day of~~  
30 ~~September falls on a Sunday, school may begin on a day~~  
31 ~~during the calendar week which immediately precedes~~  
32 ~~the first day of September.~~ School shall continue for  
33 at least one hundred eighty days, except as provided  
34 in subsection 3, and may be maintained during the  
35 entire calendar year. However, if the board of  
36 directors of a district extends the school calendar  
37 because inclement weather caused the district to  
38 temporarily close school during the regular school  
39 calendar, the district may excuse a graduating senior  
40 who has met district or school requirements for  
41 graduation from attendance during the extended school  
42 calendar. A school corporation may begin employment  
43 of personnel for in-service training and development  
44 purposes before the date to begin elementary and  
45 secondary school.

46 Sec. \_\_\_\_\_. Section 279.10, subsection 4, Code 2005,  
47 is amended by striking the subsection."

48 3. Title page 1, line 4, by inserting after the  
49 word "report," the following: "providing for changes  
50 relating to the school start date,".

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Page 2

1 4. By renumbering as necessary.

By JOHN PUTNEY

S-3142 FILED APRIL 19, 2005

S-3149

1 Amend House File 740, as amended, passed, and  
2 reprinted by the House, as follows:

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

5 "Sec. \_\_\_\_ . NEW SECTION. 256.24 VALUE-ADDED  
6 ASSESSMENT SYSTEM.

7 1. A value-added assessment system shall be  
8 established by the department to provide for  
9 multivariate longitudinal analysis of annual student  
10 test scores to determine the influence of a school  
11 district's educational program on student academic  
12 growth and to guide school district improvement  
13 efforts. The department shall select a value-added  
14 assessment system provider through a request for  
15 proposals process. The system provider selected by  
16 the department shall offer a value-added assessment  
17 system to calculate annually the academic growth of  
18 each student enrolled in grade levels three through  
19 eleven and tested in accordance with this section, and  
20 shall, at a minimum, meet all of the following  
21 criteria:

22 a. Use a mixed-model statistical analysis that has  
23 the ability to use all achievement test data for each  
24 student, including the data for students with missing  
25 test scores, that does not adjust downward  
26 expectations for student progress based on race,  
27 poverty, or gender, and that will provide the best  
28 linear unbiased predictions of school or other  
29 educational entity effects to minimize the impact of  
30 fortuitous accumulation of random errors.

31 b. Have the ability to work with test data from a  
32 variety of sources, including data that are not  
33 vertically scaled, and to provide support for school  
34 districts utilizing the system.

35 c. Have the capacity to receive and report results  
36 electronically and provide support for districts  
37 utilizing the system.

38 d. Have the ability to create for each school  
39 district a chart that reports grade-equivalent scores  
40 for grades three through eight and gains between  
41 consecutive pairs of grades for each attendance center  
42 and that provides for a district-wide study of grade-  
43 equivalent scores.

44 2. Annually, each school district that administers  
45 the Iowa test of basic skills or the Iowa test of  
46 educational development shall, within thirty days of  
47 receiving the test scores from the American college  
48 testing program, inc., submit the test scores for each  
49 attendance center within the school district and each  
50 grade level tested, from grades three through eleven,

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1 to the system provider selected pursuant to subsection  
2 1. School districts may submit additional assessment  
3 data for analysis and inclusion in reports provided to  
4 school districts pursuant to subsection 3, to the  
5 extent that the assessment meets the criteria for  
6 valid academic progress interpretation specified by  
7 the system provider.

8 3. The system provider shall provide analysis to  
9 school districts submitting test scores pursuant to  
10 subsection 2, and to the department of education. The  
11 analysis shall include, but not be limited to,  
12 attendance-center-level test results for the Iowa test  
13 of basic skills in the areas of reading and  
14 mathematics and other core academic areas when  
15 possible. The analysis shall also include, but not be  
16 limited to, the number of students tested, the number  
17 of test results used to compute the averages, the  
18 average standard score, the corresponding grade  
19 equivalent score, the average stanine score for the  
20 group, the normal curve equivalent of average standard  
21 scores, and percentile ranks based on student norms,  
22 as well as measures of student progress. The system  
23 provider shall create a chart for each school district  
24 in accordance with the criteria set forth in  
25 subsection 1, paragraphs "a" through "d".

26 4. Each school district shall have complete access  
27 to and full utilization of its own value-added  
28 assessment reports and charts generated by the system  
29 provider at the student level for the purpose of  
30 measuring student achievement at different educational  
31 entity levels.

32 5. Student academic growth determined pursuant to  
33 this section shall not be used in teacher evaluation  
34 and shall not be published if individual teacher  
35 effects can be surmised.

36 6. Information about student academic growth may  
37 be used by the school district, including school board  
38 members, administration, and staff, for defining  
39 student and district learning goals and professional  
40 development related to student learning goals across  
41 the school district. A school district may submit its  
42 academic growth measures in the annual report  
43 submitted pursuant to section 256.7, subsection 21,  
44 and may reference in the report state level norms for  
45 purposes of demonstrating school district performance.  
46 However, unless a school district chooses to submit  
47 its academic measures in the annual report submitted  
48 pursuant to section 256.7, such measures are not  
49 public records for the purposes of chapter 22.

50 7. The department may use student academic

1 progress data to determine school improvement and  
2 technical assistance needs of school districts, and to  
3 identify school districts achieving exceptional gains.  
4 Beginning January 15, 2006, and by January 15 of each  
5 succeeding year, the department shall submit an annual  
6 progress report regarding the use of student academic  
7 growth information in the school improvement processes  
8 to the house and senate education committees and shall  
9 publish the progress report on its internet web site.

10 8. The department is encouraged to advocate that  
11 the United States department of education allow  
12 reporting of student academic progress as an  
13 additional valid measure of school performance, as an  
14 alternative for meeting federal safe harbor  
15 provisions, and for establishing statewide progress  
16 under the federal No Child Left Behind Act of 2001,  
17 Pub. L. No. 107-110, and any federal regulations  
18 adopted pursuant to the federal Act.

19 2. Title page 1, line 4, by inserting after the  
20 word "report," the following: "establishing a value-  
21 added assessment system,".

22 3. By renumbering as necessary.

By PAUL MCKINLEY

S-3149 FILED APRIL 20, 2005

HOUSE FILE 740

S-3152

1 Amend House File 740, as amended, passed, and  
2 reprinted by the House, as follows:

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

5 "Sec. \_\_\_\_ . Section 256.11, Code 2005, is amended  
6 by adding the following new subsection:

7 NEW SUBSECTION. 9. Each accredited nonpublic  
8 school and school district attendance center shall  
9 have an articulated media program for the grades  
10 offered by the school or attendance center. Each  
11 program shall have a media services specialist  
12 licensed under chapter 272 who shall be responsible  
13 for supervision of the program."

14 2. Title page 1, line 4, by inserting after the  
15 word "report," the following: "including articulated  
16 media programs and media specialists in the  
17 educational standards,".

By MIKE CONNOLLY

S-3152 FILED APRIL 20, 2005

S-3155

1 Amend House File 740, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 1, by inserting after line 29 the  
4 following:

5 "Sec. \_\_\_\_\_. Section 12B.10C, Code 2005, is amended  
6 by adding the following new subsection:

7 NEW SUBSECTION. 10. The state board of regents  
8 governed by chapter 262.

9 Sec. \_\_\_\_\_. Section 73A.1, subsection 2, Code 2005,  
10 is amended to read as follows:

11 2. "Municipality" as used in this chapter means  
12 township, school corporation, and state fair board,  
13 ~~and state board of regents."~~

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

16 "Sec. \_\_\_\_\_. Section 262.9, subsection 7, Code 2005,  
17 is amended to read as follows:

18 7. ~~With the approval of the executive council,~~  
19 acquire ~~Acquire~~ real estate for the proper uses of  
20 ~~said~~ institutions under its control, and dispose of  
21 real estate belonging to ~~said~~ the institutions when  
22 not necessary for their purposes. ~~A~~ The disposal of  
23 ~~such~~ real estate shall be made upon such terms,  
24 conditions, and consideration as the board may  
25 recommend ~~and subject to the approval of the executive~~  
26 ~~council.~~ If real estate subject to sale ~~hereunder~~ has  
27 been purchased or acquired from appropriated funds,  
28 the proceeds of such sale shall be deposited with the  
29 treasurer of state and credited to the general fund of  
30 the state. There is hereby appropriated from the  
31 general fund of the state a sum equal to the proceeds  
32 so deposited and credited to the general fund of the  
33 state to the state board of regents, which, ~~with the~~  
34 ~~prior approval of the executive council,~~ may be used  
35 to purchase other real estate and buildings, ~~and for~~  
36 the construction and alteration of buildings and other  
37 capital improvements. All transfers shall be by state  
38 patent in the manner provided by law. The board is  
39 also authorized to grant easements for rights-of-way  
40 over, across, and under the surface of public lands  
41 under its jurisdiction when in the board's judgment  
42 such easements are desirable and will benefit the  
43 state of Iowa.

44 Sec. \_\_\_\_\_. Section 262.9, subsection 15, unnumbered  
45 paragraph 2, Code 2005, is amended by striking the  
46 unnumbered paragraph.

47 Sec. \_\_\_\_\_. Section 262.10, unnumbered paragraph 1,  
48 Code 2005, is amended to read as follows:

49 No sale or purchase of real estate shall be made  
50 save upon the order of the board, made at a regular

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1 meeting, or one called for that purpose, and then in  
2 such manner and under such terms as the board may  
3 prescribe ~~and only with the approval of the executive~~  
4 ~~council~~. No member of the board or any of its  
5 committees, offices or agencies nor any officer of any  
6 institution, shall be directly or indirectly  
7 interested in such purchase or sale.

8 Sec. \_\_\_\_\_. Section 262.33A, Code 2005, is amended  
9 to read as follows:

10 262.33A FIRE AND ENVIRONMENTAL SAFETY -- REPORT --  
11 EXPENDITURES.

12 It is the intent of the general assembly that each  
13 institution of higher education under the control of  
14 the state board of regents shall, in consultation with  
15 the state fire marshal, identify and correct all  
16 critical fire and environmental safety deficiencies.  
17 ~~The state fire marshal shall report annually to the~~  
18 ~~joint subcommittee on education appropriations. The~~  
19 ~~report shall include, but is not limited to, the~~  
20 ~~identified deficiencies in fire and environmental~~  
21 ~~safety at the institutions, and plans for correction~~  
22 ~~of the deficiencies and for compliance with this~~  
23 ~~section.~~ Commencing July 1, 1993, each institution  
24 under the control of the state board of regents shall  
25 expend annually for fire safety and deferred  
26 maintenance at least the amount budgeted for these  
27 purposes for the fiscal year beginning July 1, 1992,  
28 in addition to any moneys appropriated from the  
29 general fund for these purposes in succeeding years.

30 Sec. \_\_\_\_\_. Section 262.34, Code 2005, is amended to  
31 read as follows:

32 262.34 IMPROVEMENTS -- ADVERTISEMENT FOR BIDS --  
33 DISCLOSURES -- PAYMENTS.

34 1. When the estimated cost of construction,  
35 repairs, or improvement of buildings or grounds under  
36 charge of the state board of regents exceeds ~~twenty-~~  
37 ~~five~~ one hundred thousand dollars, the board shall  
38 advertise for bids for the contemplated improvement or  
39 construction and shall let the work to the lowest  
40 responsible bidder. However, if in the judgment of  
41 the board bids received are not acceptable, the board  
42 may reject all bids and proceed with the construction,  
43 repair, or improvement by a method as the board may  
44 determine. All plans and specifications for repairs  
45 or construction, together with bids on the plans or  
46 specifications, shall be filed by the board and be  
47 open for public inspection. All bids submitted under  
48 this section shall be accompanied by a deposit of  
49 money, a certified check, or a credit union certified  
50 share draft in an amount as the board may prescribe.

1     2. A bidder awarded a contract shall disclose the  
2 names of all subcontractors, who will work on the  
3 project being bid, within forty-eight hours after the  
4 award of the contract. If a subcontractor named by a  
5 bidder awarded a contract is replaced, or if the cost  
6 of work to be done by a subcontractor is reduced, the  
7 bidder shall disclose the name of the new  
8 subcontractor or the amount of the reduced cost.

9     3. Payments made by the board for the construction  
10 of public improvements shall be made in accordance  
11 with the provisions of chapter 573 except that:

12     a. Payments may be made without retention until  
13 ninety-five percent of the contract amount has been  
14 paid. The remaining five percent of the contract  
15 amount shall be paid as provided in section 573.14,  
16 except that:

17     (1) At any time after all or any part of the work  
18 is substantially completed in accordance with  
19 paragraph "c", the contractor may request the release  
20 of all or part of the retainage owed. Such request  
21 shall be accompanied by a waiver of claim rights under  
22 the provisions of chapter 573 from any person, firm,  
23 or corporation who has, under contract with the  
24 principal contractor or with subcontractors performed  
25 labor, or furnished materials, service, or  
26 transportation in the construction of that portion of  
27 the work for which release of the retainage is  
28 requested.

29     (2) Upon receipt of the request, the board shall  
30 release all or part of the unpaid funds. Retainage  
31 that is approved as payable shall be paid at the time  
32 of the next monthly payment or within thirty days,  
33 whichever is sooner. If partial retainage is released  
34 pursuant to a contractor's request, no retainage shall  
35 be subsequently held based on that portion of the  
36 work. If within thirty days of when payment becomes  
37 due the board does not release the retainage due,  
38 interest shall accrue on the retainage amount due as  
39 provided in section 573.14 until that amount is paid.

40     (3) If at the time of the request for the  
41 retainage there are remaining or incomplete minor  
42 items, an amount equal to two hundred percent of the  
43 value of each remaining or incomplete item, as  
44 determined by the board's authorized contract  
45 representative, may be withheld until such item or  
46 items are completed.

47     (4) An itemization of the remaining or incomplete  
48 items, or the reason that the request for release of  
49 the retainage was denied, shall be provided to the  
50 contractor in writing within thirty calendar days of

1 the receipt of the request for release of retainage.

2 b. For purposes of this section, "authorized  
3 contract representative" means the architect or  
4 engineer who is in charge of the project and chosen by  
5 the board to represent its interests, or if there is  
6 no architect or engineer, then such other contract  
7 representative or officer as designated in the  
8 contract documents as the party representing the  
9 board's interest regarding administration and  
10 oversight of the project.

11 c. For purposes of this section, "substantially  
12 completed" means the first date on which any of the  
13 following occurs:

14 (1) Completion of the project or when the work has  
15 been substantially completed in general accordance  
16 with the terms and provisions of the contract.

17 (2) The work or the portion designated is  
18 sufficiently complete in accordance with the  
19 requirements of the contract so the board can occupy  
20 or utilize the work for its intended purpose.

21 (3) The project is certified as having been  
22 substantially completed by either of the following:

23 (a) The architect or engineer authorized to make  
24 such certification.

25 (b) The contracting authority representing the  
26 board.

27 4. Each contractor or subcontractor shall withhold  
28 retainage, if at all, in the same manner as retainage  
29 is withheld from the contractor or subcontractor; and  
30 each subcontractor shall pass through all retainage  
31 payments to lower tier subcontractors in accordance  
32 with the provisions of chapter 573.

33 Sec. \_\_\_\_ . Section 262.57, unnumbered paragraph 1,  
34 Code 2005, is amended to read as follows:

35 To pay all or any part of the cost of carrying out  
36 any project at any institution the board is authorized  
37 to borrow money and to issue and sell negotiable bonds  
38 or notes and to refund and refinance bonds or notes  
39 heretofore issued or as may be hereafter issued for  
40 any project or for refunding purposes at a lower rate,  
41 the same rate or a higher rate or rates of interest  
42 and from time to time as often as the board shall find  
43 it to be advisable and necessary so to do. Such bonds  
44 or notes may be sold by said board at public sale in  
45 the manner prescribed by chapter 75 but if the board  
46 shall find it to be advantageous and in the public  
47 interest to do so, such bonds or notes may be sold by  
48 the board at private sale without published notice of  
49 any kind and without regard to the requirements of  
50 chapter 75 in such manner and upon such terms as may

1 be prescribed by the resolution authorizing the same,  
2 ~~but such bonds or notes shall in any event be sold~~  
3 ~~upon terms of not less than par plus accrued interest.~~  
4 Bonds or notes issued to refund other bonds or notes  
5 heretofore or hereafter issued by the board for  
6 residence hall or dormitory purposes at any  
7 institution, including dining or other facilities and  
8 additions, or heretofore or hereafter issued for  
9 refunding purposes, may either be sold in the manner  
10 hereinbefore specified and the proceeds thereof  
11 applied to the payment of the obligations being  
12 refunded, or the refunding bonds or notes may be  
13 exchanged for and in payment and discharge of the  
14 obligations being refunded, and a finding by the board  
15 in the resolution authorizing the issuance of such  
16 refunding bonds or notes that the bonds or notes being  
17 refunded were issued for a purpose specified in this  
18 division and constitute binding obligations of the  
19 board shall be conclusive and may be relied upon by  
20 any holder of any refunding bond or note issued under  
21 the provisions of this division. The refunding bonds  
22 or notes may be sold or exchanged in installments at  
23 different times or an entire issue or series may be  
24 sold or exchanged at one time. Any issue or series of  
25 refunding bonds or notes may be exchanged in part or  
26 sold in parts in installments at different times or at  
27 one time. The refunding bonds or notes may be sold or  
28 exchanged at any time on, before, or after the  
29 maturity of any of the outstanding notes, bonds or  
30 other obligations to be refinanced thereby and may be  
31 issued for the purpose of refunding a like or greater  
32 principal amount of bonds or notes, except that the  
33 principal amount of the refunding bonds or notes may  
34 exceed the principal amount of the bonds or notes to  
35 be refunded to the extent necessary to pay any premium  
36 due on the call of the bonds or notes to be refunded  
37 or to fund interest in arrears or about to become due.

38 Sec. \_\_\_\_\_. Section 262.78, subsection 6, Code 2005,  
39 is amended by striking the subsection.

40 Sec. \_\_\_\_\_. Section 262A.5, unnumbered paragraph 1,  
41 Code 2005, is amended to read as follows:

42 The board is authorized to borrow money under this  
43 chapter, and the board may issue and sell negotiable  
44 bonds to pay all or any part of the cost of carrying  
45 out any project at any institution and may refund and  
46 refinance bonds issued for any project or for  
47 refunding purposes at the same rate or at a higher or  
48 lower rate or rates of interest. Bonds issued under  
49 the provisions of this chapter shall be sold by said  
50 board at public sale on the basis of sealed proposals

1 received pursuant to a notice specifying the time and  
2 place of sale and the amount of bonds to be sold which  
3 shall be published at least once not less than seven  
4 days prior to the date of sale in a newspaper  
5 published in the state of Iowa and having a general  
6 circulation in said state. The provisions of chapter  
7 75 shall ~~not~~ apply to bonds issued under authority  
8 contained in this chapter, ~~but such bonds shall be~~  
9 ~~sold upon terms of not less than par plus accrued~~  
10 ~~interest to the extent not in conflict with this~~  
11 chapter. Bonds issued to refund other bonds issued  
12 under the provisions of this chapter may either be  
13 sold in the manner hereinbefore specified and the  
14 proceeds thereof applied to the payment of the  
15 obligations being refunded, or the refunding bonds may  
16 be exchanged for and in payment and discharge of the  
17 obligations being refunded. The refunding bonds may  
18 be sold or exchanged in installments at different  
19 times or an entire issue or series may be sold or  
20 exchanged at one time. Any issue or series of  
21 refunding bonds may be exchanged in part or sold in  
22 parts in installments at different times or at one  
23 time. The refunding bonds may be sold or exchanged at  
24 any time on, before, or after the maturity of any of  
25 the outstanding bonds or other obligations to be  
26 refinanced thereby and may be issued for the purpose  
27 of refunding a like or greater principal amount of  
28 bonds, except that the principal amount of the  
29 refunding bonds may exceed the principal amount of the  
30 bonds to be refunded to the extent necessary to pay  
31 any premium due on the call of the bonds to be  
32 refunded or to fund interest in arrears or which is to  
33 become due.

34 Sec. \_\_\_\_ . Section 266.39F, subsection 2,  
35 unnumbered paragraph 2, Code 2005, is amended to read  
36 as follows:

37 The provisions of section 262.9, subsection 7, ~~and~~  
38 ~~section 262.10,~~ shall not apply to the sale of any  
39 portion of land to be sold in accordance with this  
40 section or to the use of the proceeds from the sale of  
41 the land."

42 3. Page 12, by inserting after line 13 the  
43 following:

44 "Sec. \_\_\_\_ . Section 573.12, subsection 1,  
45 unnumbered paragraph 1, Code 2005, is amended to read  
46 as follows:

47 Payments made under contracts for the construction  
48 of public improvements, unless provided otherwise by  
49 law, shall be made on the basis of monthly estimates  
50 of labor performed and material delivered, as

1 determined by the project architect or engineer. The  
2 public corporation shall retain from each monthly  
3 payment not more than five percent of that amount  
4 which is determined to be due according to the  
5 estimate of the architect or engineer. ~~However,~~  
6 ~~institutions governed pursuant to chapter 262 may, on~~  
7 ~~contracts where a bond is required under section~~  
8 ~~573.2, make payments under this section without~~  
9 ~~retention until ninety-five percent of the contract~~  
10 ~~amount has been paid and the remaining five percent of~~  
11 ~~the contract amount shall be paid as provided under~~  
12 ~~section 573.14.~~

13 Sec. \_\_\_\_ . Section 573.14, unnumbered paragraph 2,  
14 Code 2005, is amended to read as follows:

15 The public corporation shall order payment of any  
16 amount due the contractor to be made in accordance  
17 with the terms of the contract. Except as provided in  
18 section 573.12 for progress payments, failure to make  
19 payment pursuant to this section, of any amount due  
20 the contractor, within forty days, unless a greater  
21 time period not to exceed fifty days is specified in  
22 the contract documents, after the work under the  
23 contract has been completed and if the work has been  
24 accepted and all required materials, certifications,  
25 and other documentations required to be submitted by  
26 the contractor and specified by the contract have been  
27 furnished the awarding public corporation by the  
28 contractor, shall cause interest to accrue on the  
29 amount unpaid to the benefit of the unpaid party.  
30 Interest shall accrue during the period commencing the  
31 thirty-first day following the completion of work and  
32 satisfaction of the other requirements of this  
33 paragraph and ending on the date of payment. The rate  
34 of interest shall be determined by the period of time  
35 during which interest accrues, and shall be the same  
36 as the rate of interest that is in effect under  
37 section 12C.6, as of the day interest begins to  
38 accrue, for a deposit of public funds for a comparable  
39 period of time. However, for institutions governed  
40 pursuant to chapter 262, the rate of interest shall be  
41 determined by the period of time during which interest  
42 accrues, and shall be calculated as the prime rate  
43 plus one percent per year as of the day interest  
44 begins to accrue. This paragraph does not abridge any  
45 of the rights set forth in section 573.16. Except as  
46 provided in sections 573.12 and 573.16, interest shall  
47 not accrue on funds retained by the public corporation  
48 to satisfy the provisions of this section regarding  
49 claims on file. This chapter does not apply if the  
50 public corporation has entered into a contract with

1 the federal government or accepted a federal grant  
2 which is governed by federal law or rules that are  
3 contrary to the provisions of this chapter. For  
4 purposes of this unnumbered paragraph, "prime rate"  
5 means the prime rate charged by banks on short-term  
6 business loans, as determined by the board of  
7 governors of the federal reserve system and published  
8 in the federal reserve bulletin."

9 4. Page 12, by striking line 14, and inserting  
10 the following:

11 "Sec. \_\_\_\_ . Sections 262.64A, 262.67, 262A.3,  
12 262A.6A, 263A.11, 265.6, 282.1A, 297.13, and 473.12,  
13 Code 2005, are".

14 5. By renumbering as necessary.

By JEFF DANIELSON

S-3155 FILED APRIL 21, 2005

HOUSE FILE 740

S-3164

1 Amend the amendment, S-3155, to House File 740, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 2, line 37, by striking the words "one  
5 hundred" and inserting the following: "fifty".

By HERMAN C. QUIRMBACH

S-3164 FILED APRIL 25, 2005

S-3163

1 Amend House File 740, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 10, by inserting after line 24 the  
4 following:

5 "Sec. \_\_\_\_ . NEW SECTION. 321.179 DRIVER EDUCATION  
6 -- TEACHING PARENT.

7 1. TEACHING PARENT. As an alternative to the  
8 driver education requirements under section 321.178, a  
9 teaching parent may instruct a student in a driver  
10 education course that meets the requirements of this  
11 section and provide evidence that the requirements  
12 under this section have been met.

13 2. DEFINITIONS. For purposes of this section:

14 a. "Approved course" means driver education  
15 curriculum approved by the department pursuant to  
16 rules adopted under chapter 17A. An approved course  
17 shall, at a minimum, meet the requirements of  
18 subsection 3 and be appropriate for teaching-parent-  
19 directed driver education and related street or  
20 highway instruction. Driver education materials that  
21 meet or exceed standards established by the department  
22 for an approved course in driver education for a  
23 public or private school shall be approved unless  
24 otherwise determined by the department. The list of  
25 approved courses shall be posted on the department's  
26 website.

27 b. "Student" means a person who is at least  
28 fourteen but not yet eighteen years of age who is  
29 within the custody and control of the teaching parent  
30 and who satisfies preliminary licensing requirements  
31 of the department.

32 c. "Teaching parent" means a parent, guardian, or  
33 legal custodian of a student who is currently  
34 providing competent private instruction to the student  
35 pursuant to section 299A.2 or 299A.3 and who provided  
36 such instruction to the student during the previous  
37 year; who has a valid driver's license, other than a  
38 motorized bicycle license or a temporary restricted  
39 license, that permits unaccompanied driving; and who  
40 has maintained a clear driving record for the previous  
41 two years. For purposes of this paragraph, "clear  
42 driving record" means the individual has not been  
43 identified as a candidate for suspension of a driver's  
44 license under the habitual offender provisions of this  
45 chapter; is not subject to a driver's license  
46 suspension, revocation, denial, cancellation,  
47 disqualification, or bar; and has no record of a  
48 conviction for a moving traffic violation determined  
49 to be the cause of a motor vehicle accident.

50 3. COURSE OF INSTRUCTION. An approved course

S-3163

1 administered by a teaching parent shall consist of,  
2 but not be limited to, the following:

- 3 a. Thirty clock hours of classroom instruction.
- 4 b. Forty hours of street or highway driving while  
5 accompanied by the teaching parent, including four  
6 hours of driving after sunset and before sunrise.
- 7 c. Four hours of classroom instruction concerning  
8 substance abuse.
- 9 d. A minimum of twenty minutes of instruction  
10 concerning railroad crossing safety.
- 11 e. Instruction relating to becoming an organ donor  
12 under the uniform anatomical gift Act.

13 The content of the course of instruction required  
14 under this subsection shall be equivalent to that  
15 required under section 321.178. However, reference  
16 and study materials, physical classroom requirements,  
17 and extra vehicle safety equipment required for  
18 instruction under section 321.178 shall not be  
19 required for the course of instruction provided under  
20 this section.

21 4. COURSE COMPLETION AND CERTIFICATION. Upon  
22 application by a student for an intermediate license,  
23 the teaching parent shall provide evidence showing the  
24 student's completion of an approved course and  
25 substantial compliance with the requirements of  
26 subsection 3 by affidavit signed by the teaching  
27 parent on a form to be provided by the department.  
28 The evidence shall include all of the following:

- 29 a. Documentation that the instructor is a teaching  
30 parent as defined in subsection 2.
- 31 b. Documentation that the student is receiving  
32 competent private instruction under section 299A.2 or  
33 the name of the school district within which the  
34 student is receiving instruction under section 299A.3.
- 35 c. The name of the approved course completed by  
36 the student.
- 37 d. An affidavit attesting to satisfactory  
38 completion of course work and street or highway  
39 driving instruction.
- 40 e. Copies of written tests completed by the  
41 student.
- 42 f. A statement of the number of classroom hours of  
43 instruction.
- 44 g. A log of completed street or highway driving  
45 instruction including the dates when the lessons were  
46 conducted, the student's and the teaching parent's  
47 name and initials noted next to each entry, notes on  
48 driving activities including a list of driving  
49 deficiencies and improvements, and the duration of the  
50 driving time for each session.

1 5. INTERMEDIATE LICENSE. Any student who  
2 successfully completes an approved course as provided  
3 in this section, passes a driving test to be  
4 administered by the department, and is otherwise  
5 qualified under section 321.180B, subsection 2, shall  
6 be eligible for an intermediate license pursuant to  
7 section 321.180B. Twenty of the forty hours of street  
8 or highway driving instruction required under  
9 subsection 3, paragraph "b", may be utilized to  
10 satisfy the requirement of section 321.180B,  
11 subsection 2.

12 6. FULL LICENSE. A student must comply with  
13 section 321.180B, subsection 4, to be eligible for a  
14 full driver's license pursuant to section 321.180B.

15 Sec. 2. Section 321.180B, subsection 2, unnumbered  
16 paragraph 1, Code 2005, is amended to read as follows:

17 The department may issue an intermediate driver's  
18 license to a person sixteen or seventeen years of age  
19 who possesses an instruction permit issued under  
20 subsection 1 or a comparable instruction permit issued  
21 by another state for a minimum of six months  
22 immediately preceding application, and who presents an  
23 affidavit signed by a parent or guardian on a form to  
24 be provided by the department that the permittee has  
25 accumulated a total of twenty hours of street or  
26 highway driving of which two hours were conducted  
27 after sunset and before sunrise and the street or  
28 highway driving was with the permittee's parent,  
29 guardian, instructor, a person certified by the  
30 department, or a person at least twenty-five years of  
31 age who had written permission from a parent or  
32 guardian to accompany the permittee, and whose driving  
33 privileges have not been suspended, revoked, or barred  
34 under this chapter or chapter 321J during, and who has  
35 been accident and conviction free continuously for,  
36 the six-month period immediately preceding the  
37 application for an intermediate license. An applicant  
38 for an intermediate license must meet the requirements  
39 of section 321.186, including satisfactory completion  
40 of driver education as required in section 321.178 or  
41 321.179, and payment of the required license fee  
42 before an intermediate license will be issued. A  
43 person issued an intermediate license must limit the  
44 number of passengers in the motor vehicle when the  
45 intermediate licensee is operating the motor vehicle  
46 to the number of passenger safety belts.

47 Sec. 3. Section 321.194, subsection 1, unnumbered  
48 paragraph 1, Code 2005, is amended to read as follows:

49 Upon certification of a special need by the school  
50 board, superintendent of the applicant's school, or

**S-3163**

Page 4

1 principal, if authorized by the superintendent, the  
2 department may issue a class C or M driver's license  
3 to a person between the ages of fourteen and eighteen  
4 years whose driving privileges have not been  
5 suspended, revoked, or barred under this chapter or  
6 chapter 321J during, and who has not been convicted of  
7 a moving traffic violation or involved in a motor  
8 vehicle accident for, the six-month period immediately  
9 preceding the application for the special minor's  
10 license and who has successfully completed an approved  
11 driver education course other than a course taught  
12 pursuant to section 321.179. However, the completion  
13 of a course is not required if the applicant  
14 demonstrates to the satisfaction of the department  
15 that completion of the course would impose a hardship  
16 upon the applicant. The department shall adopt rules  
17 defining the term "hardship" and establish procedures  
18 for the demonstration and determination of when  
19 completion of the course would impose a hardship upon  
20 an applicant."

21 2. Title page 1, line 18, by inserting after the  
22 word "instruction," the following: "providing for  
23 driver education by a parent of a child receiving  
24 competent private instruction,".

25 3. By renumbering as necessary.

**By** JAMES HAHN  
LARRY McKIBBEN  
DAVID JOHNSON  
NANCY BOETTGER

JAMES SEYMOUR  
DAVE MULDER  
HUBERT M. HOUSER  
JOHN PUTNEY

**S-3163** FILED APRIL 21, 2005

**HOUSE FILE 740**

**S-3193**

1 Amend House File 740, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 8, by striking lines 2 through 10 and  
4 inserting the following: "The board of the receiving  
5 district shall take action to approve the request if  
6 good cause exists. If the request is granted, the  
7 board shall transmit a copy of the form to the parent  
8 or guardian and the school district of residence  
9 within five days after board action. A denial of a  
10 request by the board of a receiving district is not  
11 subject to appeal."

**By** NANCY BOETTGER

**S-3193** FILED APRIL 27, 2005

HSB 243

Chair: Kantmann  
Boal  
Winkler

Sub EDUCATION  
SF 740  
HOUSE FILE  
BY (PROPOSED COMMITTEE ON  
EDUCATION BILL BY  
CHAIRPERSON TYMESON)

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

**A BILL FOR**

1 An Act relating to the duties and responsibilities of school  
2 districts, area education agencies, and the department of  
3 education by expanding school district audit requirements,  
4 requiring the department to submit an achievement gap report,  
5 changing deadlines and adding reporting requirements related  
6 to dropout and dropout prevention programs, eliminating an  
7 early school start date penalty, eliminating certain  
8 requirements for school district payments and settlements,  
9 authorizing school site sale revenues to be used for physical  
10 plant and equipment levy fund expenditures, allowing school  
11 districts to establish nonprofit entities or organizations,  
12 eliminating Code provisions related to extended school  
13 programs and evening and part-time schools, providing for  
14 changes to open enrollment requirements, deadlines, and  
15 authorizations, repealing a school district lawful fence  
16 requirement, expanding the penalties for school bus drivers in  
17 violation of Code requirements, revising requirements for  
18 prior authorization and a certificate of need for local option  
19 and services tax for school infrastructure fund use, and  
20 reinstating open enrollment eligibility under a certain  
21 circumstance related to desegregation plans.

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

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TLSB 2925YC 81

kh/sh/8

1 Section 1. Section 11.6, subsection 1, paragraph a,  
2 unnumbered paragraph 1, Code 2005, is amended to read as  
3 follows:

4 The financial condition and transactions of all cities and  
5 city offices, counties, county hospitals organized under  
6 chapters 347 and 347A, memorial hospitals organized under  
7 chapter 37, entities organized under chapter 28E having gross  
8 receipts in excess of one hundred thousand dollars in a fiscal  
9 year, merged areas, area education agencies, and all school  
10 offices in school districts, shall be examined at least once  
11 each year, except that cities having a population of seven  
12 hundred or more but less than two thousand shall be examined  
13 at least once every four years, and cities having a population  
14 of less than seven hundred may be examined as otherwise  
15 provided in this section. The examination shall cover the  
16 fiscal year next preceding the year in which the audit is  
17 conducted. The examination of school offices shall include an  
18 audit of all school funds, the certified annual financial  
19 report, and the certified enrollment as provided in section  
20 257.6, and the revenues and expenditures of any nonprofit  
21 school organization established pursuant to section 279.60.

22 Differences in certified enrollment shall be reported to the  
23 department of management. The examination of a city that owns  
24 or operates a municipal utility providing local exchange  
25 services pursuant to chapter 476 shall include an audit of the  
26 city's compliance with section 388.10. The examination of a  
27 city that owns or operates a municipal utility providing  
28 telecommunications services pursuant to section 388.10 shall  
29 include an audit of the city's compliance with section 388.10.

30 Sec. 2. Section 22.7, subsection 1, Code 2005, is amended  
31 to read as follows:

32 1. Personal information in records regarding a student  
33 receiving competent private instruction pursuant to chapter  
34 299A, or a student, prospective student, or former student,  
35 maintained, created, collected or assembled by or for a school

1 corporation or educational institution maintaining such  
2 records. This subsection shall not be construed to prohibit a  
3 postsecondary education institution from disclosing to a  
4 parent or guardian information regarding a violation of a  
5 federal, state, or local law, or institutional rule or policy  
6 governing the use or possession of alcohol or a controlled  
7 substance if the child is under the age of twenty-one years  
8 and the institution determines that the student committed a  
9 disciplinary violation with respect to the use or possession  
10 of alcohol or a controlled substance regardless of whether  
11 that information is contained in the student's education  
12 records.

13 Sec. 3. Section 256.9, Code 2005, is amended by adding the  
14 following new subsection:

15 NEW SUBSECTION. 53. Prepare and submit to the  
16 chairpersons and ranking members of the senate and house  
17 education committees a report on the state's progress toward  
18 closing the achievement gap, including student achievement for  
19 minority subgroups, and state agency and local district  
20 activities and practices taken in the past year to close the  
21 achievement gap.

22 Sec. 4. Section 257.38, unnumbered paragraph 1, Code 2005,  
23 is amended to read as follows:

24 Boards of school districts, individually or jointly with  
25 boards of other school districts, requesting to use additional  
26 allowable growth for programs for returning dropouts and  
27 dropout prevention pursuant to section 257.40, shall annually  
28 submit comprehensive program plans for the programs and budget  
29 costs, including requests for additional allowable growth for  
30 funding the programs, to the department of education as  
31 provided-in-this-chapter a component of the comprehensive  
32 school improvement plan submitted to the department pursuant  
33 to section 256.7, subsection 21. The program plans shall  
34 include:

35 Sec. 5. Section 257.38, unnumbered paragraph 2, Code 2005,

1 is amended to read as follows:

2 Program plans shall identify the parts of the plan that  
3 will be implemented first upon approval of the application  
4 request. If a district is requesting to use additional  
5 allowable growth to finance the program, it the district shall  
6 not identify more than five percent of its budget enrollment  
7 for the budget year as returning dropouts and potential  
8 dropouts.

9 Sec. 6. Section 257.40, Code 2005, is amended to read as  
10 follows:

11 257.40 PLANS FOR RETURNING DROPOUTS AND DROPOUT  
12 PREVENTION.

13 1. The board of directors of a school district requesting  
14 to use additional allowable growth for programs for returning  
15 dropouts and dropout prevention shall submit applications a  
16 request for approval-for-the-programs additional allowable  
17 growth, including budget costs, to the department not later  
18 than November-± December 15 preceding the budget year during  
19 which the program will be offered. The department shall  
20 review the program-plans request and shall prior to January 15  
21 either grant approval for the program request or return the  
22 request for approval with comments of the department included.  
23 An unapproved request for a program may be resubmitted with  
24 modifications to the department not later than February 1.  
25 Not later than February 15, the department shall notify the  
26 department of management and the school budget review  
27 committee of the names of the school districts for which  
28 programs using additional allowable growth for funding have  
29 been approved and the approved budget of each program listed  
30 separately for each school district having an approved program  
31 request.

32 2. Beginning January 15, 2006, the department shall submit  
33 an annual report to the chairpersons and ranking members of  
34 the senate and house education committees that includes the  
35 ways school districts are using additional allowable growth

1 approved under subsection 1; identifies, by grade level, age,  
2 and district size, the students in the dropout and dropout  
3 prevention programs for which the department approves a  
4 request; describes school district progress toward increasing  
5 student achievement and attendance for the students in the  
6 programs; and describes how the school districts are using the  
7 revenues from the additional allowable growth to improve  
8 student achievement among minority subgroups.

9     Sec. 7. Section 279.30, Code 2005, is amended to read as  
10 follows:

11     279.30 EXCEPTIONS.

12     Each warrant payment must be made payable to the person  
13 entitled to receive the money. The board of directors of a  
14 school district or an area education agency may by resolution  
15 authorize the secretary or administrator, in the case of an  
16 area education agency, to issue warrants payments when the  
17 board of directors is not in session in payment of freight,  
18 drayage, express, postage, printing, water, light, and  
19 telephone rents reasonable and necessary expenses, but only  
20 upon verified bills filed with the secretary or administrator,  
21 and for the payment of salaries or wages pursuant to the terms  
22 of a written contract, and the secretary or administrator  
23 shall either deliver in person or mail the warrants to the  
24 payees. In addition, the board of directors may by resolution  
25 authorize the secretary or administrator, upon approval of the  
26 president of the board, to issue warrants when the board of  
27 directors is not in session, but only upon verified bills  
28 filed with the secretary or administrator, and the secretary  
29 or administrator shall either deliver in person or mail the  
30 warrants to the payees employment. Each warrant payment must  
31 be made payable only to the person performing the service or  
32 presenting the verified bill, and must state the purpose for  
33 which the warrant payment is issued. All bills and salaries  
34 for which warrants are issued prior to audit and allowance by  
35 the board must be passed upon by the board of directors at the

1 ~~next-meeting-and-be-entered-in-the-regular-minutes-of-the~~  
2 ~~secretary-~~

3 Sec. 8. Section 279.33, Code 2005, is amended to read as  
4 follows:

5 279.33 ANNUAL SETTLEMENTS.

6 At a regular or special meeting held on or after August 31  
7 and prior to the organizational meeting held after the regular  
8 school election, the board of each school corporation shall  
9 meet, examine the books of, and settle with the secretary and  
10 treasurer for the year ending on the preceding June 30, and  
11 transact other business as necessary. ~~The-treasurer-at-the~~  
12 ~~time-of-settlement-shall-furnish-the-board-with-a-sworn~~  
13 ~~statement-from-each-depository-showing-the-balance-then-on~~  
14 ~~deposit-in-the-depository---if-the-secretary-or-treasurer~~  
15 ~~fails-to-make-proper-reports-for-the-settlement,-the-board~~  
16 ~~shall-take-action-to-obtain-the-balance-information-~~

17 Sec. 9. Section 279.41, Code 2005, is amended to read as  
18 follows:

19 279.41 SCHOOLHOUSES AND SITES SOLD -- FUNDS.

20 Moneys received from the condemnation, sale, or other  
21 disposition for public purposes of schoolhouses, school sites,  
22 or both schoolhouses and school sites, shall be deposited in  
23 the physical plant and equipment levy fund and may without a  
24 vote of the electorate be used for ~~the-purchase-of-school~~  
25 ~~sites-or-the-erection-or-repair-of-schoolhouses,-or-both~~  
26 purposes authorized under section 298.3, as ordered by the  
27 board of directors of the school district.

28 Sec. 10. NEW SECTION. 279.60 NONPROFIT SCHOOL  
29 ORGANIZATIONS.

30 The board of directors of a school district may take action  
31 to adopt a resolution to establish an entity or organization  
32 for the sole benefit of the school district that is exempt  
33 from federal income taxation under section 501(c)(3) of the  
34 Internal Revenue Code. Prior to establishing such an entity  
35 or organization, the board of directors shall hold a public

1 hearing on the proposal to establish such an entity or  
2 organization. Such an entity or organization shall be  
3 considered a government body and its records public records  
4 subject to chapter 22. The board of directors of a school  
5 district shall annually report to the department of education  
6 and to the local community the administrative expenditures,  
7 revenues, and activities of the entity or organization  
8 established by the school district pursuant to this section.  
9 The department shall include in its annual condition of  
10 education report the revenues of each entity or organization  
11 submitted in accordance with this section.

12 Sec. 11. Section 282.1, unnumbered paragraph 1, Code 2005,  
13 is amended to read as follows:

14 Persons between five and twenty-one years of age are of  
15 school age. ~~A board may establish and maintain evening~~  
16 ~~schools or an educational program under section 282.1A for~~  
17 ~~residents of the corporation regardless of age and for which~~  
18 ~~no tuition need be charged.~~ Nonresident children shall be  
19 charged the maximum tuition rate as determined in section  
20 282.24, subsection 1, with the exception that those residing  
21 temporarily in a school corporation may attend school in the  
22 corporation upon terms prescribed by the board, and boards  
23 discontinuing grades under section 282.7, subsection 1 or  
24 subsections 1 and 3, shall be charged tuition as provided in  
25 section 282.24, subsection 2.

26 Sec. 12. Section 282.18, subsection 2, Code 2005, is  
27 amended to read as follows:

28 2. By ~~January~~ April 1 of the preceding school year for  
29 students entering grades one through twelve, or by September 1  
30 of the current school year for students entering kindergarten,  
31 the parent or guardian shall send notification to the district  
32 of residence and the receiving district, on forms prescribed  
33 by the department of education, that the parent or guardian  
34 intends to enroll the parent's or guardian's child in a public  
35 school in another school district. If a parent or guardian

1 fails to file a notification that the parent intends to enroll  
2 the parent's or guardian's child in a public school in another  
3 district by the deadline ~~of January 1 of the previous year~~  
4 specified in this subsection, and one of the criteria defined  
5 in subsection 4 exists for the failure to meet the deadline ~~or~~  
6 ~~if the request is to enroll a child in kindergarten in a~~  
7 ~~public school in another district~~, the parent or guardian  
8 shall be permitted to enroll the child in the other district  
9 in the same manner as if the deadline had been met.

10 The board of the receiving district shall enroll the pupil  
11 in a school in the receiving district for the following school  
12 year unless the receiving district does not have classroom  
13 space for the pupil. If the request is granted, the board  
14 shall transmit a copy of the form to the parent or guardian  
15 and the school district of residence within five days after  
16 board action, but not later than ~~March~~ June 1 of the preceding  
17 school year. The parent or guardian may withdraw the request  
18 at any time prior to the start of the school year. A denial  
19 of a request by the board of a receiving district is not  
20 subject to appeal.

21 Sec. 13. Section 282.18, subsection 4, paragraphs a and b,  
22 Code 2005, are amended to read as follows:

23 a. After ~~January~~ April 1 of the preceding school year and  
24 until the third Friday in September of that calendar year, the  
25 parent or guardian shall send notification to the district of  
26 residence and the receiving district, on forms prescribed by  
27 the department of education, that good cause, as defined in  
28 paragraph "b", exists for failure to meet the ~~January~~ April 1  
29 deadline. The board of directors of a school district may  
30 adopt a policy granting the superintendent of the school  
31 district authority to approve open enrollment applications  
32 submitted after the April 1 deadline if good cause exists.  
33 Upon approval of the resident district, the board of the  
34 receiving district shall take action to approve the request if  
35 good cause exists. If the request is granted, the board in

1 the resident district shall transmit a copy of the form to the  
2 parent or guardian and the school receiving district of  
3 residence within five days after board action. A denial of a  
4 request by the board of a receiving resident district is not  
5 subject to appeal under chapter 290.

6 b. For purposes of this section, "good cause" means a  
7 change in a child's residence due to a change in family  
8 residence, a change in the state in which the family residence  
9 is located, a change in a child's parents' marital status, a  
10 guardianship or custody proceeding, placement in foster care,  
11 adoption, participation in a foreign exchange program, or  
12 participation in a substance abuse or mental health treatment  
13 program, or a similar set of circumstances consistent with the  
14 definition of "good cause"; or a change in the status of a  
15 child's resident district such as removal of accreditation by  
16 the state board, surrender of accreditation, or permanent  
17 closure of a nonpublic school, revocation of a charter school  
18 contract as provided in section 256F.8, the failure of  
19 negotiations for a whole-grade sharing, reorganization,  
20 dissolution agreement or the rejection of a current whole-  
21 grade sharing agreement, or reorganization plan, or a similar  
22 set of circumstances consistent with the definition of "good  
23 cause". If the good cause relates to a change in status of a  
24 child's school district of residence, however, action by a  
25 parent or guardian must be taken to file the notification  
26 within forty-five days of the last board action or within  
27 thirty days of the certification of the election, whichever is  
28 applicable to the circumstances.

29 Sec. 14. Section 282.18, subsections 5 and 6, Code 2005,  
30 are amended to read as follows:

31 5. Open enrollment applications filed after January April  
32 1 of the preceding school year that do not qualify for good  
33 cause as provided in subsection 4 shall be subject to the  
34 approval of the board of the resident district and the board  
35 of the receiving district. The parent or guardian shall send

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

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

33 Sec. 15. Section 297.14, Code 2005, is amended to read as  
34 follows:

35 297.14 BARBED WIRE.

1 No fence ~~provided-for-in-section-297-13~~ built where the  
2 school grounds adjoin cultivated or improved lands shall be  
3 constructed of barbed wire, nor shall any barbed wire fence be  
4 placed within ten feet of any school grounds. Any person  
5 violating the provisions of this section shall be guilty of a  
6 simple misdemeanor.

7 Sec. 16. Section 321.376, subsection 1, Code 2005, is  
8 amended to read as follows:

9 1. The driver of a school bus shall hold a driver's  
10 license issued by the department of transportation valid for  
11 the operation of the school bus and a certificate of  
12 qualification for operation of a commercial motor vehicle  
13 issued by a physician licensed pursuant to chapter 148 or  
14 150A, physician's assistant, advanced registered nurse  
15 practitioner, or chiropractor or any other person identified  
16 by federal and state law as authorized to perform physical  
17 examinations, and shall successfully complete an approved  
18 course of instruction in accordance with subsection 2. A  
19 person holding a temporary restricted license issued under  
20 chapter 321J shall be prohibited from operating a school bus.  
21 The department of education shall ~~revoke-or~~ refuse to issue an  
22 authorization to operate a school bus to any person who, after  
23 notice and opportunity for hearing, is determined to have  
24 committed any of the acts proscribed under section 321.375,  
25 subsection 2. The department of education shall take adverse  
26 action against any person who, after notice and opportunity  
27 for hearing, is determined to have committed any of the acts  
28 proscribed under section 321.375, subsection 2, paragraphs "a"  
29 through "d", or is determined not to be physically or mentally  
30 competent under section 321.375, subsection 2, paragraph "e",  
31 unless the person was qualified to operate a school bus as  
32 provided in section 321.375, subsection 3. Notwithstanding  
33 section 321.375, subsection 2, such action may include a  
34 reprimand or warning to the person or the suspension or  
35 revocation of the person's authorization to operate a school

1 bus. The department of education shall recommend, and the  
2 state board of education shall adopt under chapter 17A, rules  
3 and procedures for issuing, suspending, and revoking  
4 authorization to operate a school bus in this state. Rules  
5 and procedures adopted shall include, but are not limited to,  
6 provisions for the suspension or revocation of, or refusal to  
7 issue, authorization to persons who are determined to have  
8 committed any of the acts proscribed under section 321.375,  
9 subsection 2.

10 Sec. 17. Section 423E.4, subsection 6, unnumbered  
11 paragraph 1, Code 2005, is amended to read as follows:

12 A school district with a certified enrollment of fewer than  
13 two hundred fifty pupils in the entire district or certified  
14 enrollment of fewer than one hundred pupils in high school  
15 shall not expend the supplemental school infrastructure amount  
16 received for new construction or for payments for bonds issued  
17 for new construction against the supplemental school  
18 infrastructure amount without prior application to the  
19 department of education and receipt of a certificate of need  
20 pursuant to this subsection. However, a certificate of need  
21 is not required for the payment of outstanding bonds issued  
22 for new construction pursuant to section 296.1, before April  
23 1, 2003. A certificate of need is also not required for  
24 repairing schoolhouses or buildings, equipment, technology, or  
25 transportation equipment for transporting students as provided  
26 in section 298.3, or for construction necessary for compliance  
27 with the federal Americans With Disabilities Act pursuant to  
28 42 U.S.C. § 12101--12117. In determining whether a  
29 certificate of need shall be issued or denied, the department  
30 shall consider all of the following:

31 Sec. 18. REINSTATEMENT OF OPEN ENROLLMENT ELIGIBILITY --  
32 DESEGREGATION PLAN. Notwithstanding section 282.18, a child  
33 who participated in open enrollment prior to 1997 and prior to  
34 the adoption of a voluntary desegregation plan on December 10,  
35 2001, by the child's school district of residence and who

1 returns to the district of residence shall be eligible to  
2 participate in open enrollment in a district other than the  
3 district of residence once the parent or guardian has notified  
4 the district of residence and the receiving district in  
5 writing of the decision to enroll the pupil in a district  
6 other than the district of residence. The request submitted  
7 shall be for at least one year, but may be for more than one  
8 year.

9 Sec. 19. Sections 257.17, 282.1A, and 297.13, Code 2005,  
10 are repealed.

11 Sec. 20. Chapters 288 and 289, Code 2005, are repealed.

12

EXPLANATION

13 This bill amends numerous Code sections relating to school  
14 districts, including the contents of school district annual  
15 audits, the confidentiality of personal information in records  
16 regarding students receiving competent private instruction,  
17 school aid reduction for early school starts, payments the  
18 board of directors of a school district or an area education  
19 agency authorizes the secretary or administrator to issue when  
20 the board of directors is not in session, the annual  
21 examination by a school board of district books, the books of  
22 the school district's secretary and treasurer, the purposes  
23 for which moneys deposited in the physical plant and equipment  
24 levy fund may be used, authorizing school boards to establish  
25 entities or organizations for the support of the school  
26 district, open enrollment applications, deadlines, and  
27 appeals, expanding the department of education's options when  
28 a school bus driver is found to have violated certain Code  
29 provisions, and providing that a restriction on local option  
30 sales tax revenues for school infrastructure purposes applies  
31 only to districts with fewer than 250 students in the  
32 elementary and secondary schools or fewer than 100 students in  
33 a high school.

34 SCHOOL DISTRICT AUDITS. The bill requires that an  
35 examination of school offices shall include the revenues and

1 expenditures of any organized nonprofit school organization  
2 that exists for the sole benefit of the school district.

3 CONFIDENTIAL STUDENT RECORDS. The bill exempts from the  
4 open records law the personal information in records regarding  
5 a student receiving competent private instruction that are  
6 maintained, created, collected, or assembled by or for a  
7 school corporation or educational institution maintaining such  
8 records.

9 DEPARTMENT OF EDUCATION ACHIEVEMENT GAP REPORT. The  
10 department is directed to prepare and submit to the  
11 chairpersons and ranking members of the senate and house  
12 education committees a report on the state's progress toward  
13 closing the achievement gap.

14 DROPOUT AND DROPOUT PREVENTION PROGRAMS. The bill provides  
15 that plans and budgets for dropout and dropout prevention  
16 programs, for which school districts are seeking additional  
17 allowable growth authority from the school budget review  
18 committee, must be submitted to the department of education as  
19 a component of the comprehensive school improvement plan that  
20 school districts must annually submit to the department. The  
21 bill also delays the date by which requests for additional  
22 allowable growth for those programs must be submitted from  
23 November 1 to December 15. Beginning January 15, 2006, the  
24 department must submit an annual report to the chairpersons  
25 and ranking members of the senate and house education  
26 committees that includes the ways school districts are using  
27 such additional allowable growth approved; identifies, by  
28 grade level, age, and district size, the students in the  
29 dropout and dropout prevention programs; describes school  
30 district progress toward increasing student achievement and  
31 attendance for those students; and describes how the school  
32 districts are using the revenues from the additional allowable  
33 growth to improve student achievement among minority  
34 subgroups.

35 ELIMINATION OF PENALTY FOR EARLY SCHOOL START. The bill

1 repeals language that requires a reduction in school aid to  
2 school districts that start their school calendar prior to the  
3 day during the calendar week in which September 1 falls.

4 SCHOOL DISTRICT PAYMENTS AND SETTLEMENTS. Currently, the  
5 Code lists the purposes for which a secretary or administrator  
6 of a school district may make payments while the school board  
7 is not in session. This bill replaces the list with general  
8 permission to issue payments for reasonable and necessary  
9 expenses. The bill strikes a requirement that the school  
10 board pass at, and enter into the minutes of, its next meeting  
11 the bills and salaries paid while the board was not in  
12 session.

13 The bill also strikes language that requires the school  
14 district's treasurer to furnish the board with a sworn  
15 statement showing each depository balance and providing that  
16 if the secretary or treasurer fails to make proper reports for  
17 a settlement, the board must take action to obtain balance  
18 information.

19 AUTHORIZED PPEL EXPENDITURES. The bill permits moneys  
20 received from the sale of school sites that are deposited in  
21 the physical plant and equipment levy (PPEL) fund to be used  
22 for the same purposes for which revenues from the PPEL levies  
23 may be used.

24 NONPROFIT SCHOOL ORGANIZATIONS. The bill allows school  
25 boards to establish a nonprofit entity or organization for the  
26 sole benefit of the school district after holding a public  
27 hearing on the proposal. Such an entity or organization shall  
28 be considered a government body and its records public records  
29 subject to Code chapter 22. The school district must annually  
30 report to the department of education and the local community  
31 the administrative expenditures, revenues, and activities of  
32 the entity or organization. The department must include the  
33 revenues in its annual condition of education report.

34 EXTENDED SCHOOL PROGRAMS -- EVENING AND PART-TIME SCHOOLS  
35 REPEAL. The bill repeals a provision related to extended

1 school programs, which are identified in the Code as programs  
2 school districts may voluntarily establish for residents of  
3 the school district who are over 21 years of age, do not  
4 possess a high school diploma or a high school equivalency  
5 diploma under Code chapter 259A, and are enrolled in an  
6 education program in the district. Residents attending such a  
7 program are counted in the district's basic enrollment and  
8 attend on a tuition-free basis. The bill also repeals two  
9 Code chapters that authorize evening and part-time schools.

10 The Code chapters require school districts to establish an  
11 evening school when 10 or more persons over age 16 express a  
12 desire for instruction at an evening school for not less than  
13 two hours each evening for at least two evenings each week for  
14 not less than three months of each school year; and, in cities  
15 of 12,000 or more, to establish and maintain part-time schools  
16 when 15 or more children residing in the district who are  
17 between 14 and 16 years of age cease to attend the full-time  
18 day school. The bill includes a conforming amendment.

19 OPEN ENROLLMENT. The bill moves the application deadline  
20 for open enrollment from January 1 to April 1 of the preceding  
21 school year for students entering grades 1 through 12, and to  
22 September 1 of the current school year for students entering  
23 kindergarten. The bill expands the exception that allows  
24 parents to miss the deadline, by allowing "good cause" to  
25 include a similar set of circumstances consistent with the  
26 definition of "good cause". The bill also allows a school  
27 board to grant a superintendent the authority to approve "good  
28 cause" applications. The bill requires the resident district  
29 to approve a good cause application before the receiving  
30 district takes action on the request, and permits a denial by  
31 the resident district to be appealed to the state board of  
32 education.

33 FENCING NEAR SCHOOL GROUNDS. The bill repeals a provision  
34 that requires school boards to maintain a lawful fence between  
35 school grounds and adjoining cultivated or improved lands.

1 However, the bill maintains language that prohibits such land  
2 to be fenced using barbed wire.

3       **GROUNDS FOR SCHOOL BUS DRIVER SUSPENSION.** The bill expands  
4 the department of education's options when a school bus driver  
5 is found to have violated certain Code provisions, by allowing  
6 the department to take adverse action, which may include a  
7 reprimand or warning, rather than an immediate suspension.

8       **LOCAL OPTION AND SERVICES TAX FOR SCHOOL INFRASTRUCTURE**  
9 **PURPOSES -- FUND USE PROHIBITION.** Revenues collected under  
10 the local sales and services tax for school infrastructure are  
11 deposited in the secure an advanced vision for education fund  
12 for school infrastructure purposes or property tax relief.  
13 The Code requires that a school district receive prior  
14 authorization and a certificate of need from the department of  
15 education before expending the supplemental school  
16 infrastructure amount received for new construction or for  
17 payments for bonds issued for new construction against the  
18 amount. Under the bill, only a school district with a  
19 certified enrollment of fewer than 250 pupils in the entire  
20 school district, or fewer than 100 high school pupils, need  
21 meet these requirements.

22       **REINSTATEMENT OF OPEN ENROLLMENT ELIGIBILITY --**  
23 **DESEGREGATION PLAN.** The bill provides that under a very  
24 limited circumstance, a student who once participated in open  
25 enrollment prior to 1997, from a school district that on  
26 December 10, 2001, adopted a voluntary desegregation plan, may  
27 have their open enrollment status reinstated to allow the  
28 student to open enroll to a district other than their district  
29 of residence.

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