

# Senate File 447 - Introduced

SENATE FILE \_\_\_\_\_  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 1117)

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

## A BILL FOR

1 An Act relating to incentives for school district reorganizations  
2 and shared operational functions, and making an appropriation.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1228SV 82  
5 ak/je/5

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1 1 Section 1. Section 257.3, subsection 2, paragraph d, Code  
1 2 2007, is amended to read as follows:  
1 3 d. For purposes of this section, a reorganized school  
1 4 district is one which absorbs at least thirty percent of the  
1 5 enrollment of the school district affected by a reorganization  
1 6 or dissolved during a dissolution and in which action to bring  
1 7 about a reorganization or dissolution is initiated by a vote  
1 8 of the board of directors or jointly by the affected boards of  
1 9 directors to take effect on or after July 1, ~~2002~~ 2007, and on  
1 10 or before July 1, ~~2006~~ 2014. Each district which initiated,  
1 11 by a vote of the board of directors or jointly by the affected  
1 12 boards, action to bring about a reorganization or dissolution  
1 13 to take effect on or after July 1, ~~2002~~ 2007, and on or before  
1 14 July 1, ~~2006~~ 2014, shall certify the date and the nature of  
1 15 the action taken to the department of education by January 1  
1 16 of the year in which the reorganization or dissolution takes  
1 17 effect. For a reorganization or dissolution that took effect  
1 18 on or after July 1, 2002, and on or before July 1, 2006, the  
1 19 reorganized school district shall continue to receive the  
1 20 benefits of paragraphs "a" and "b" of this subsection for the  
1 21 time specified in those paragraphs.

1 22 Sec. 2. Section 257.11, subsection 2, paragraph c, Code  
1 23 2007, is amended by striking the paragraph and inserting in  
1 24 lieu thereof the following:  
1 25 c. Pupils attending class for all or a substantial portion  
1 26 of a school day pursuant to a whole grade sharing agreement  
1 27 executed under sections 282.10 through 282.12 shall be  
1 28 eligible for supplementary weighting pursuant to this  
1 29 subsection. A school district which executes a whole grade  
1 30 sharing agreement and which adopts a resolution jointly with  
1 31 other affected boards to study the question of undergoing a  
1 32 reorganization or dissolution to take effect on or before July  
1 33 1, 2014, shall receive a weighting of one-tenth of the  
1 34 percentage of the pupil's school day during which the pupil  
1 35 attends classes in another district, attends classes taught by  
2 1 a teacher who is jointly employed under section 280.15, or  
2 2 attends classes taught by a teacher who is employed by another  
2 3 school district. A district shall be eligible for  
2 4 supplementary weighting pursuant to this paragraph for a  
2 5 maximum of three years. Receipt of supplementary weighting  
2 6 for a second and third year shall be conditioned upon  
2 7 submission of information resulting from the study to the  
2 8 school budget review committee indicating progress toward the  
2 9 objective of reorganization on or before July 1, 2014.

2 10 Sec. 3. Section 257.11, subsection 5, paragraph a, Code  
2 11 2007, is amended to read as follows:  
2 12 a. For the school budget year beginning July 1, 2002, ~~and~~  
2 13 ~~succeeding budget years through the school budget year~~  
2 14 ~~beginning July 1, 2007~~, in order to provide additional funds  
2 15 for school districts in which a regional academy is located, a  
2 16 supplementary weighting plan for determining enrollment is  
2 17 adopted.  
2 18 Sec. 4. Section 257.11, Code 2007, is amended by adding

2 19 the following new subsection:

2 20 NEW SUBSECTION. 5A. SHARED OPERATIONAL FUNCTIONS ==  
2 21 INCREASED STUDENT OPPORTUNITIES.

2 22 a. In order to provide additional funding to increase  
2 23 student opportunities and redirect more resources to student  
2 24 programming for school districts that share operational  
2 25 functions, a supplementary weighting of two hundredths per  
2 26 pupil shall be assigned to pupils enrolled in a district that  
2 27 shares with a political subdivision one or more operational  
2 28 functions in the areas of superintendent management, business  
2 29 management, human resources, transportation, or operation and  
2 30 maintenance for at least twenty percent of the school year.  
2 31 The additional weighting shall be assigned for each discrete  
2 32 operational function shared. For the purposes of this  
2 33 section, "political subdivision" means a city, township,  
2 34 county, school corporation, merged area, area education  
2 35 agency, institution governed by the state board of regents, or  
3 1 any other governmental subdivision.

3 2 b. Supplementary weighting pursuant to this subsection  
3 3 shall be available to a school district for a maximum of five  
3 4 years during the period commencing with the budget year  
3 5 beginning July 1, 2008, through the budget year beginning July  
3 6 1, 2013. The minimum amount of additional weighting for which  
3 7 a school district shall be eligible is an amount equivalent to  
3 8 ten additional pupils, and the maximum amount of additional  
3 9 weighting for which a school district shall be eligible is an  
3 10 amount equivalent to forty additional pupils. Receipt of  
3 11 supplementary weighting by a school district pursuant to this  
3 12 subsection for more than one year shall be contingent upon the  
3 13 annual submission of information by the district to the  
3 14 department documenting cost savings directly attributable to  
3 15 the shared operational functions. Criteria for determining  
3 16 the number of years for which supplementary weighting shall be  
3 17 received pursuant to this subsection, subject to the five-year  
3 18 maximum, and for determining qualification of operational  
3 19 functions for supplementary weighting shall be determined by  
3 20 the department by rule, through consideration of long-term  
3 21 savings by the school district or increased student  
3 22 opportunities.

3 23 c. Supplementary weighting pursuant to this subsection  
3 24 shall be available to an area education agency for a maximum  
3 25 of five years during the period commencing with the budget  
3 26 year beginning July 1, 2008. The minimum amount of additional  
3 27 funding for which an area education agency shall be eligible  
3 28 is fifty thousand dollars, and the maximum amount of  
3 29 additional funding for which an area education agency shall be  
3 30 eligible is two hundred thousand dollars. The department of  
3 31 management shall annually set a weighting for each area  
3 32 education agency to generate the approved operational sharing  
3 33 expense using the area education agency's special education  
3 34 cost per pupil amount and foundation level. Receipt of  
3 35 supplementary weighting by an area education agency for more  
4 1 than one year shall be contingent upon the annual submission  
4 2 of information by the district to the department documenting  
4 3 cost savings directly attributable to the shared operational  
4 4 functions. Criteria for determining the number of years for  
4 5 which supplementary weighting shall be received pursuant to  
4 6 this subsection, subject to the five-year maximum, and the  
4 7 amount generated by the supplementary weighting, and for  
4 8 determining qualification of operational functions for  
4 9 supplementary weighting shall be determined by the department  
4 10 by rule, through consideration of long-term savings by the  
4 11 area educational agency or increased student opportunities.

4 12 d. The amount of any supplementary weighting originally  
4 13 received under this subsection shall be reduced by an  
4 14 additional twenty percent from the original amount for each  
4 15 subsequent budget year that supplementary weighting may be  
4 16 received.

4 17 e. This subsection is repealed effective July 1, 2014.

4 18 Sec. 5. Section 257.11A, Code 2007, is amended to read as  
4 19 follows:

4 20 257.11A SUPPLEMENTARY WEIGHTING AND SCHOOL REORGANIZATION.

4 21 1. In determining weighted enrollment under section 257.6,  
4 22 if the board of directors of a school district has approved a  
4 23 contract for sharing pursuant to section 257.11 and the school  
4 24 district has approved an action to bring about a  
4 25 reorganization to take effect on and after July 1, ~~2002~~ 2007,  
4 26 and on or before July 1, ~~2006~~ 2014, the reorganized school  
4 27 district shall include, for a period of three years following  
4 28 the effective date of the reorganization, additional pupils  
4 29 added by the application of the supplementary weighting plan,

4 30 equal to the pupils added by the application of the  
4 31 supplementary weighting plan in the year preceding the  
4 32 reorganization. For the purposes of this subsection, the  
4 33 weighted enrollment for the period of three years following  
4 34 the effective date of reorganization shall include the  
4 35 supplementary weighting in the base year used for determining  
5 1 the combined district cost for the first year of the  
5 2 reorganization. However, the weighting shall be reduced by  
5 3 the supplementary weighting added for a pupil whose residency  
5 4 is not within the reorganized district.

5 5 2. For purposes of this section, a reorganized district is  
5 6 one in which the reorganization was approved in an election  
5 7 pursuant to sections 275.18 and 275.20 and takes effect on or  
5 8 after July 1, ~~2002~~ 2007, and on or before July 1, ~~2006~~ 2014.  
5 9 Each district which initiates, by a vote of the board of  
5 10 directors or jointly by the affected boards, action to bring  
5 11 about a reorganization or dissolution to take effect on or  
5 12 after July 1, ~~2002~~ 2007, and on or before July 1, ~~2006~~ 2014,  
5 13 shall certify the date and the nature of the action taken to  
5 14 the department of education by January 1 of the year in which  
5 15 the reorganization or dissolution takes effect.

~~5 16 3. Notwithstanding subsection 1, a school district which  
5 17 was participating in a whole grade sharing arrangement during  
5 18 the budget year beginning July 1, 2001, and which received a  
5 19 maximum of two years of supplementary weighting pursuant to  
5 20 section 257.11, subsection 2, paragraph "c", shall include  
5 21 additional pupils added by the application of the  
5 22 supplementary weighting plan, equal to the pupils added by the  
5 23 application of the supplementary weighting plan in the year  
5 24 preceding the reorganization, for a period of four years  
5 25 following the effective date of the reorganization.~~

~~5 26 4- 3. A school district shall be eligible for a combined  
5 27 maximum total of six years of supplementary weighting under  
5 28 the provisions of this section and section 257.11, subsection  
5 29 2, paragraph "c". A school district participating in a whole  
5 30 grade sharing arrangement during the budget year beginning  
5 31 July 1, 2001, that adopted a resolution jointly with other  
5 32 affected boards to study the question of undergoing a  
5 33 reorganization or dissolution to take effect on or after July  
5 34 1, 2002, and on or before July 1, 2006, shall continue to  
5 35 receive the supplementary weighting to which it was entitled  
6 1 pursuant to the provisions of this section and section 257.11,  
6 2 subsection 2, paragraph "c".~~

6 3 Sec. 6. SCHOOL DISTRICT SHARING AND EFFICIENCIES ==  
6 4 APPROPRIATION. For the fiscal year beginning July 1, 2007,  
6 5 and ending June 30, 2008, there is appropriated from the  
6 6 general fund of the state to the department of education the  
6 7 following amount, or so much thereof as is necessary, to be  
6 8 used for the purposes designated in this section:

6 9 ..... \$ 400,000  
6 10 The amount appropriated shall be utilized by the department  
6 11 for development of a uniform process to facilitate discussions  
6 12 to promote reductions in the costs of operations and create  
6 13 additional resource availability as provided in subsections 1  
6 14 through 5.

6 15 1. Not later than September 15, 2007, the department of  
6 16 education shall, in consultation with the boards of directors  
6 17 of the area education agencies and other appropriate education  
6 18 stakeholders as necessary, develop a uniform process to  
6 19 facilitate discussion between school district leaders in order  
6 20 to support rigorous and relevant student programming and  
6 21 efforts to increase student achievement through identification  
6 22 and realization of sharing and efficiency of operations  
6 23 efforts with other school districts, educational partners, and  
6 24 governmental subdivisions. The process is intended to promote  
6 25 reductions in the costs of operations and create additional  
6 26 resource availability. The process shall provide a framework  
6 27 for a consistent regional plan for use by area education  
6 28 agencies pursuant to subsection 3.

6 29 2. The department of education shall employ staff members  
6 30 to be placed in the area education agencies to coordinate and  
6 31 facilitate the processes developed pursuant to subsection 1,  
6 32 between area education agency personnel, community college  
6 33 representatives, postsecondary institutions, and school  
6 34 district leaders from every school district located within  
6 35 each area education agency. Processes to be developed shall  
7 1 include but shall not be limited to school district and area  
7 2 education agency services available to improve efficiencies,  
7 3 areas of potential sharing, and efficiency of operations.  
7 4 Other governmental subdivisions and private entities may be  
7 5 consulted for efficiency proposals. Districts involved in the

7 6 processes shall consider operational efficiencies, shared  
7 7 programming, transportation sharing, expansion of area  
7 8 education agency cooperatives, common schedules for school  
7 9 districts and community colleges, energy and insurance  
7 10 efficiencies, effective structure and delivery models that  
7 11 promote optimum student achievement, graduation requirements,  
7 12 and a rigorous, relevant curriculum.  
7 13 3. By January 15, 2008, each area education agency shall  
7 14 submit a plan to the department which identifies the existing,  
7 15 new, or expanded opportunities for school district sharing or  
7 16 efficiency of operations determined as a result of completing  
7 17 the process. The plan shall provide for long-term measures  
7 18 that identify money or time saved as a result of the sharing  
7 19 or efficiency of operations efforts, list the cooperative  
7 20 partners in specific sharing or efficiency of operations  
7 21 efforts, describe effective structure and delivery models that  
7 22 promote optimum student achievement, and include provisions  
7 23 for making educational stakeholders aware of the sharing and  
7 24 efficiency in operations opportunities available in each area.  
7 25 4. The department of education shall compile and review  
7 26 the plans submitted pursuant to subsection 3, identify  
7 27 barriers to potential sharing and efficiency in operations  
7 28 efforts, recommend a timeline for implementation of sharing  
7 29 and efficiency of operations efforts and a reduction in  
7 30 funding related to penalties for noncompliance with the  
7 31 implementation of sharing and efficiency of operations  
7 32 efforts, and shall submit its findings and recommendations to  
7 33 the general assembly by March 15, 2008.  
7 34 5. For purposes of subsection 1, "school district leaders"  
7 35 includes superintendents, administrators, central office  
8 1 staff, educators, and school board members, although a school  
8 2 district may designate one school district leader to represent  
8 3 the school district regularly at the meetings held pursuant to  
8 4 subsection 2.

#### 8 5 EXPLANATION

8 6 This bill makes changes related to incentives for school  
8 7 district reorganization and dissolution and shared operational  
8 8 functions between school districts and political subdivisions.  
8 9 The bill leaves intact the reduced uniform levy for schools  
8 10 that reorganized prior to July 1, 2006, allowing school  
8 11 districts to utilize the incentive if they reorganize until on  
8 12 or before July 1, 2014.  
8 13 The bill strikes the current whole grade sharing  
8 14 arrangement, and replaces it with a modified and simplified  
8 15 version. The new provision allows school districts that  
8 16 execute a whole grade sharing agreement and adopt a resolution  
8 17 to study the effect of undergoing a reorganization or  
8 18 dissolution to take effect on or before July 1, 2014, to  
8 19 weight one-tenth of a percentage of a student's school day  
8 20 during which the student attends classes in another district,  
8 21 is taught by a teacher jointly employed, or attends classes  
8 22 taught by a teacher employed by another district. This  
8 23 supplementary weighting is available for a total of three  
8 24 years. However, the second and third year of supplementary  
8 25 weighting funding is dependent upon the school district's  
8 26 progress toward reorganization.  
8 27 The bill provides an additional funding for regional  
8 28 academies through the school budget year beginning July 1,  
8 29 2007.  
8 30 The bill enacts section 257.11, new subsection 5A which  
8 31 offers financial and operational support to help school  
8 32 districts reorganize, consolidate, or dissolve efficiently  
8 33 without allowing fiscal barriers to get in the way. A  
8 34 supplementary weighting of two hundredths per pupil will be  
8 35 given to a district that shares with a political subdivision  
9 1 one or more of its administrative management, business  
9 2 management, human resources, transportation, or operational  
9 3 and maintenance functions for at least 20 percent of the year.  
9 4 A political subdivision means a city, township, county, school  
9 5 corporation, merged area, area education agency, board of  
9 6 regents institution, or any other government subdivision.  
9 7 This supplementary weighting is available for five years, with  
9 8 a minimum equivalent weighting of 10 pupils and a maximum  
9 9 equivalent weighting of 40 pupils. After the first year of  
9 10 supplementary weighting, the school district must submit  
9 11 evidence of cost savings attributable to the shared  
9 12 operational functions.  
9 13 The new subsection also provides that area education  
9 14 agencies (AEAs) shall have supplementary weighting for shared  
9 15 operational functions available for a maximum of five years  
9 16 beginning July 1, 2008. The minimum amount of additional

9 17 funding that an AEA shall be eligible for is \$50,000 and the  
9 18 maximum amount of funding that an AEA shall be eligible for is  
9 19 \$200,000.

9 20 The bill directs the department of management to annually  
9 21 set a weighting for each AEA to generate the approved  
9 22 operational sharing expense using the AEA's special education  
9 23 cost per pupil amount and foundation level. To receive  
9 24 supplementary weighting for more than one year depends on  
9 25 annual reports by the district to the department on the cost  
9 26 savings attributable to the shared operational functions.

9 27 Criteria for determining the number of years that  
9 28 supplementary weighting shall be received, subject to the  
9 29 five-year maximum, and the amount generated by the  
9 30 supplementary weighting, and for determining qualification of  
9 31 operational functions for supplementary weighting shall be  
9 32 decided by department rule through consideration of long-term  
9 33 savings by the AEA or increased student opportunities.

9 34 Supplementary weighting funding received under section  
9 35 257.11, new subsection 5A for shared operational functions  
10 1 shall be reduced by an additional twenty percent from the  
10 2 original amount each subsequent budget year that the funding  
10 3 is received. The bill provides that section 257.11, new  
10 4 subsection 5A is repealed effective July 1, 2014.

10 5 The bill also provides for supplementary weighting funding  
10 6 for three years for a reorganized school district that is  
10 7 equal to the funding that was received in the year preceding  
10 8 the reorganization. The bill amends the definition of  
10 9 reorganized school district for purposes of receiving this  
10 10 supplementary weighting to include those districts where the  
10 11 reorganization takes effect on or before July 1, 2014.

10 12 An appropriation of \$400,000 from the general fund is  
10 13 provided to assist schools in implementing shared operational  
10 14 functions. The department of education is required by  
10 15 September 15, 2007, to develop a uniform process for school  
10 16 leaders to discuss ways to support student programs and  
10 17 achievement through shared operations. The department is  
10 18 required to hire staff for AEAs to coordinate the uniform  
10 19 process between AEAs, community colleges, postsecondary  
10 20 institutions, and school districts. These groups shall  
10 21 consider services to improve efficiencies, areas of potential  
10 22 sharing, and efficiency of operations as they relate to shared  
10 23 programming, transportation, AEA expansion, common school  
10 24 schedules, graduation requirements, and curriculum  
10 25 requirements. By January 1, 2008, each AEA shall give the  
10 26 department a plan identifying efficiencies. The department  
10 27 shall compile these reports and submit a comprehensive report,  
10 28 including barriers to sharing and efficiency, and a timeline  
10 29 for implementation to the general assembly by March 15, 2008.

10 30 LSB 1228SV 82

10 31 ak:sc/je/5