

**Senate Study Bill 3137 - Introduced**

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

**A BILL FOR**

1 An Act relating to deaccreditation of a school district by the  
2 state board of education.

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

1 Section 1. Section 256.11, subsection 11, paragraphs c and  
2 d, Code Supplement 2009, are amended to read as follows:

3 c. If the deficiencies have not been corrected, and the  
4 conditional accreditation alternatives contained in the report  
5 are not mutually acceptable to the state board and the local  
6 board, the state board shall deaccredit the school district  
7 and merge the territory of the school district with one or more  
8 contiguous school districts at the end of the school year. The  
9 state board may place a district under receivership for the  
10 remainder of the school year. The receivership shall be under  
11 the direct supervision and authority of the area education  
12 agency in which the district is located. The decision of  
13 whether to merge deaccredit the school district ~~and require~~  
14 ~~payment of tuition for the district's students~~ or to place the  
15 district under receivership shall be based upon a determination  
16 by the state board of the best interests of the students,  
17 parents, residents of the community, teachers, administrators,  
18 and school district board members and upon the recommendations  
19 of the accreditation committee and the director.

20 d. In the case of a nonpublic school, if the deficiencies  
21 have not been corrected, the state board may ~~declare~~  
22 a deaccredit the nonpublic school to be nonaccredited.  
23 The ~~removal of accreditation~~ deaccreditation shall take  
24 effect on the date established by the resolution of the  
25 state board, which shall be no later than the end of the  
26 school year in which the nonpublic school is ~~declared to be~~  
27 ~~nonaccredited~~ deaccredited.

28 Sec. 2. Section 256.11, subsection 12, Code Supplement  
29 2009, is amended to read as follows:

30 12. If the state board ~~removes accreditation from~~  
31 deaccredits a school district and merges the territory  
32 of the school district with one or more contiguous school  
33 districts, the deaccredited school district ~~whose accreditation~~  
34 ~~is removed~~ ceases to exist as a school corporation on  
35 the effective date set by the state board for ~~removal of~~

1 ~~accreditation~~ deaccreditation. Notwithstanding any other  
2 provision of law, the contiguous school districts receiving  
3 territory of the ~~former~~ deaccredited school district whose  
4 ~~accreditation was removed~~ are not considered successor school  
5 corporations of the ~~former~~ deaccredited school district.

6 a. Division of assets and liabilities of the  
7 deaccredited school district ~~whose accreditation was~~  
8 ~~removed~~ shall be as provided in this paragraph "a" and  
9 in sections 275.29 through 275.31.

10 (1) If one or more of the contiguous school districts  
11 receiving assets and liabilities of the deaccredited school  
12 district ~~whose accreditation was removed~~ utilizes the  
13 equalization levy, only that territory in the school district  
14 imposing the equalization levy that comprises territory of the  
15 ~~former~~ deaccredited school district shall be taxed.

16 (2) Income surtax revenue and revenues generated by  
17 property taxes shall be distributed proportionately based on  
18 taxable value of the territory received by one or more school  
19 districts contiguous to the ~~former~~ deaccredited school district  
20 ~~whose accreditation was removed~~.

21 (3) Revenues that are based on student enrollment shall  
22 be distributed based on percentages of students ~~of the~~ who  
23 were enrolled in the deaccredited school district ~~whose~~  
24 ~~accreditation was removed~~ in the school year immediately  
25 prior to deaccreditation and who now reside in territory  
26 received by one or more school districts contiguous to the  
27 deaccredited school district ~~whose accreditation was removed~~.

28 (4) If the deaccredited school district has a negative fund  
29 balance in its general fund at the time it is deaccredited  
30 by the state board, the director may order that the positive  
31 balance from one or more other funds of the deaccredited school  
32 district be transferred to the deaccredited school district's  
33 general fund.

34 b. Prior to the effective date set by the state board for  
35 ~~removal of accreditation~~ deaccreditation, the school district

1 ~~whose accreditation is to be removed~~ shall remain responsible  
2 for, and may retain such authority as is necessary to complete,  
3 all of the following:

4 (1) Execution of one or more quitclaim deeds, in fulfillment  
5 of the merger of territory received by one or more contiguous  
6 school districts from the ~~former~~ deaccredited school district  
7 ~~whose accreditation was removed.~~

8 (2) Preparation of and payment for a final audit of all the  
9 district's financial accounts.

10 (3) Preparation and certification of a final certified  
11 annual report to the department.

12 c. The provisions of section 275.57 apply when ~~removal~~  
13 deaccreditation of ~~accreditation from~~ a school district and  
14 merger of ~~its~~ the territory of such school district with a  
15 contiguous school district that is currently divided into  
16 director districts leads to the formation of new director  
17 districts.

18 EXPLANATION

19 This bill amends Code language relating to the accreditation  
20 process for school districts and nonpublic schools. The bill  
21 allows the director of the department of education to order the  
22 positive fund balances held by a deaccredited school district  
23 to be transferred to the school's general fund if the school's  
24 general fund has a negative fund balance. The bill also  
25 eliminates language that permitted the state board of education  
26 to decide whether or not to require payment of tuition for a  
27 deaccredited school district's students.

28 The bill eliminates references to "nonaccredited",  
29 "merge", and "removal of accreditation" and refers instead to  
30 "deaccreditation" of a school district or nonpublic school.