

Senate File 2241 - Introduced

SENATE FILE 2241

BY ZAUN, CHELGREN, BOETTGER,
and MCKINLEY

A BILL FOR

1 An Act relating to education and school district funding
2 by abolishing the department of education and the state
3 board of education, modifying the duties and authority of
4 certain state and local governmental entities, establishing
5 an education savings grant program and fund, making
6 appropriations, modifying the school district funding
7 formula, providing penalties, and including effective date
8 and applicability provisions.

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

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DIVISION I
REPEAL OF DEPARTMENT OF EDUCATION AND
STATE BOARD OF EDUCATION

Section 1. Section 256A.2, subsection 1, paragraph b, Code 2011, is amended by striking the paragraph.

Sec. 2. Section 256A.2, subsection 2, Code 2011, is amended to read as follows:

2. Staff assistance for the council shall be provided by the department of ~~education~~ human services. Members of the council shall be reimbursed for actual and necessary expenses incurred while engaged in their official duties and shall receive per diem compensation at the level authorized under section 7E.6, subsection 1, paragraph "a".

Sec. 3. Section 256A.3, subsection 4, Code 2011, is amended to read as follows:

4. Make recommendations to the department of ~~education~~ human services and the general assembly regarding appropriate curricula and staff qualifications and training for early elementary education, coordination of the curricula with child development programs, and the development of an at-risk children definition for use in school-district-sponsored early elementary and before and after school child care programs.

Sec. 4. Section 256A.4, subsection 2, unnumbered paragraph 1, Code 2011, is amended to read as follows:

The department of ~~education~~ human services shall develop guidelines for family support programs. Program components may include, but are not limited to, all of the following:

Sec. 5. NEW SECTION. **256B.16 Transfer of authority and duties.**

1. Beginning July 1, 2013, the authority and duties of the department of education, the state board of education, and the director of the department of education under this chapter shall be transferred to the department of human services and the director of human services. Accordingly, beginning July 1, 2013, all references to the department of education under

1 this chapter and references to the department of education
2 under other provisions of law relating to this chapter shall
3 mean the department of human services and all references to
4 the state board of education or the director of the department
5 of education under this chapter or other provisions of law
6 relating to this chapter shall mean the director of human
7 services.

8 2. Beginning July 1, 2013, the division of special education
9 created within the department of education under section 256B.1
10 shall be transferred to the department of human services.

11 3. Any moneys remaining in any account or fund under the
12 control of the department of education at the conclusion
13 of the fiscal year beginning July 1, 2012, relative to
14 the provisions of this chapter shall be transferred to the
15 control of the department of human services for such purposes.
16 Notwithstanding section 8.33, the moneys transferred in
17 accordance with this subsection shall not revert to the account
18 or fund from which appropriated or transferred.

19 4. Any contract entered into by the department of education
20 relating to the provisions of this chapter in effect at the
21 conclusion of the fiscal year beginning July 1, 2012, shall
22 continue in full force and effect pending transfer of such
23 contracts to the department of human services.

24 5. Any rule, regulation, form, order, or directive
25 promulgated by the department of education relative to the
26 provisions of this chapter in existence at the conclusion of
27 the fiscal year beginning July 1, 2012, shall continue in full
28 force and effect until amended, repealed, or supplemented by
29 affirmative action of the department of human services under
30 the duties and powers established in this chapter and under the
31 procedure established in subsection 6.

32 6. In regard to updating references and format in the Iowa
33 administrative code in order to correspond to the transferring
34 of duties of this chapter, the administrative rules coordinator
35 and the administrative rules review committee, in consultation

1 with the administrative code editor, shall jointly develop a
2 schedule for the necessary updating of the Iowa administrative
3 code.

4 Sec. 6. Section 256C.1, Code 2011, is amended to read as
5 follows:

6 **256C.1 Definitions.**

7 As used in this chapter:

8 1. *"Approved local program"* means a school district's
9 program for four-year-old children ~~approved by the department~~
10 ~~of education to provide high quality preschool instruction.~~

11 2. ~~"Department" means the department of education.~~

12 3. ~~"Director" means the director of the department of~~
13 ~~education.~~

14 4. 2. *"Preschool program"* means the statewide preschool
15 program for four-year-old children created in accordance with
16 this chapter.

17 5. 3. *"School district approved to participate in the*
18 *preschool program"* means a school district that meets the
19 school district requirements under section 256C.3 ~~and has been~~
20 ~~approved by the department to participate in the preschool~~
21 ~~program.~~

22 6. ~~"State board" means the state board of education.~~

23 Sec. 7. Section 256C.2, subsection 2, Code 2011, is amended
24 by striking the subsection.

25 Sec. 8. Section 256C.3, subsection 2, paragraph a,
26 subparagraph (3), Code 2011, is amended to read as follows:

27 (3) The individual possesses a bachelor's or graduate
28 degree from an accredited college or university with a major
29 in early childhood education or other appropriate major
30 ~~identified in rule by the department as determined by the~~
31 school district's board of directors.

32 Sec. 9. Section 256C.3, subsection 3, unnumbered paragraph
33 1, Code 2011, is amended to read as follows:

34 ~~The state board shall adopt rules to further define the~~
35 ~~following preschool program requirements which shall be used to~~

1 ~~determine whether or not a~~ Each local program implemented by
2 a school district approved to implement the preschool program
3 ~~qualifies as an approved local program~~ shall address or conform
4 with all of the following:

5 Sec. 10. Section 256C.3, subsection 4, Code 2011, is amended
6 by striking the subsection and inserting in lieu thereof the
7 following:

8 4. *School district requirements.*

9 a. Subject to implementation of chapter 28E agreements
10 between a school district and community-based providers of
11 services to four-year-old children, a four-year-old child who
12 is enrolled in a child care center or child development home
13 licensed or registered under chapter 237A, or in an existing
14 public or private preschool program, shall be eligible for
15 services provided by the school district's local preschool
16 program.

17 b. Professional development for school district preschool
18 teachers shall be addressed in the school district's
19 professional development plan implemented in accordance with
20 section 284.6.

21 Sec. 11. Section 256C.3, subsection 5, Code 2011, is amended
22 by striking the subsection.

23 Sec. 12. Section 256C.4, subsection 1, paragraph d, Code
24 2011, is amended to read as follows:

25 d. Preschool foundation aid funding shall not be commingled
26 with the other state aid payments made under section 257.16
27 to a school district and shall be accounted for by the local
28 school district separately from the other state aid payments.
29 Preschool foundation aid payments made to school districts
30 are miscellaneous income for purposes of chapter 257. A
31 school district shall maintain a separate listing within its
32 budget for preschool foundation aid payments received and
33 expenditures made. ~~A school district shall certify to the~~
34 ~~department of education that preschool~~ Preschool foundation aid
35 funding received by the school district ~~was~~ shall be used to

1 supplement, not supplant, moneys otherwise received and used by
2 the school district for preschool programming.

3 Sec. 13. Section 256C.5, subsection 1, paragraph a, Code
4 Supplement 2011, is amended to read as follows:

5 a. "*Base year*", "*budget year*", "~~*regular program state cost*~~
6 ~~*per pupil*~~", and "*school district*" mean the same as defined or
7 described in chapter 257.

8 Sec. 14. Section 256C.5, subsection 1, Code Supplement
9 2011, is amended by adding the following new paragraph:

10 NEW PARAGRAPH. e. "*Regular program state cost per pupil*"
11 means five thousand eight hundred eighty-three dollars.

12 Sec. 15. Section 256C.5, subsection 2, Code Supplement
13 2011, is amended to read as follows:

14 2. *Preschool foundation aid district amount.*

15 a. For the initial school year for which a school district
16 approved to participate in the preschool program ~~receives that~~
17 ~~approval and~~ implements the preschool program, the funding for
18 the preschool foundation aid payable to that school district
19 shall be paid from the appropriation made for that school
20 year in section 256C.6 or in another appropriation made for
21 purposes of this chapter. For that school year, the preschool
22 foundation aid payable to the school district is the product of
23 the regular program state cost per pupil for the school year
24 multiplied by sixty percent of the school district's eligible
25 student enrollment on the date in the school year ~~determined~~
26 ~~by rule.~~

27 b. For budget years subsequent to the initial school year
28 for which a school district approved to participate in the
29 preschool program ~~receives that initial approval and~~ implements
30 the preschool program, the funding for the preschool foundation
31 aid payable to that school district shall be paid from the
32 appropriation made in section 257.16. ~~Continuation of a~~
33 ~~school district's participation in the preschool program for~~
34 ~~a second or subsequent budget year is subject to the approval~~
35 ~~of the department based upon the school district's compliance~~

1 ~~with accountability provisions and the department's on-site~~
2 ~~review of the school district's implementation of the preschool~~
3 ~~program.~~

4 Sec. 16. Section 256C.5, subsection 4, Code Supplement
5 2011, is amended by striking the subsection.

6 Sec. 17. NEW SECTION. **256F.12 Transfer of authority and**
7 **duties.**

8 1. Beginning July 1, 2013, the authority and duties of the
9 department of education, the state board, and the director of
10 the department of education under this chapter, to the extent
11 feasible, shall be transferred to the board of directors of
12 the community college serving the merged area in which the
13 charter school or innovation zone school, or such proposed
14 school, is located. Accordingly, beginning July 1, 2013, all
15 references to the department of education, the state board of
16 education, and the director of the department of education
17 under this chapter or other provisions of law relating to this
18 chapter shall mean the board of directors of the community
19 college serving the merged area in which the charter school or
20 innovation zone school, or such proposed school, is located.

21 2. Any contract entered into by the department of education
22 relating to the provisions of this chapter in effect at the
23 conclusion of the fiscal year beginning July 1, 2012, shall
24 continue in full force and effect pending transfer of such
25 contracts to the appropriate community college board of
26 directors.

27 3. Any rule, regulation, form, order, or directive
28 promulgated by the department of education relative to the
29 provisions of this chapter in existence at the conclusion of
30 the fiscal year beginning July 1, 2012, shall continue in full
31 force and effect.

32 Sec. 18. Section 256G.2, subsections 1 and 2, Code 2011, are
33 amended by striking the subsections.

34 Sec. 19. Section 256G.3, subsection 1, paragraph a,
35 subparagraph (2), Code 2011, is amended to read as follows:

1 (2) The policy shall include, in order of consideration,
2 the reasons for which a request to transfer to the research
3 and development school will be allowed by the school district.
4 The research and development school may deny any request for
5 transfer under the policy and ~~such denial for transfer is~~
6 ~~not subject to appeal under section 290.1.~~ The research and
7 development school shall report the transfer and enrollment
8 of a new student directly to the ~~department~~ state board of
9 regents.

10 Sec. 20. Section 256G.4, subsection 2, Code 2011, is amended
11 to read as follows:

12 2. The ~~department~~ state board of regents shall be the
13 accreditation agency and as such shall serve as the authority
14 on teacher qualification requirements and waiver provisions.

15 Sec. 21. Section 256G.4, subsection 3, paragraph a,
16 unnumbered paragraph 1, Code 2011, is amended to read as
17 follows:

18 A ~~seventeen-member~~ sixteen-member advisory council is
19 created, composed of the following members:

20 Sec. 22. Section 256G.4, subsection 3, paragraph a,
21 subparagraph (1), subparagraph division (a), Code 2011, is
22 amended by striking the subparagraph division.

23 Sec. 23. Section 256G.4, subsection 3, paragraph a,
24 subparagraph (2), unnumbered paragraph 1, Code 2011, is amended
25 to read as follows:

26 Ten members, as follows, who shall be ~~jointly~~ recommended
27 for membership by the president and ~~the director~~, shall be
28 ~~jointly~~ approved by the state board of regents and ~~the state~~
29 ~~board of education~~, shall serve three-year staggered terms, and
30 shall be eligible to serve for two consecutive three-year terms
31 on the council in addition to any partial, initial term:

32 Sec. 24. Section 256G.4, subsection 3, paragraph c,
33 subparagraph (2), Code 2011, is amended to read as follows:

34 (2) The advisory council shall provide an annual report to
35 the president, ~~the director~~, the state board of regents, the

1 ~~state board of education,~~ and the general assembly.

2 Sec. 25. Section 256G.4, subsection 4, paragraph a,
3 unnumbered paragraph 1, Code 2011, is amended to read as
4 follows:

5 ~~An eleven-member~~ A ten-member standing institutional
6 research committee, appointed by the president ~~and the~~
7 ~~director,~~ is created, composed of the following members:

8 Sec. 26. Section 256G.4, subsection 4, paragraph a,
9 subparagraph (10), Code 2011, is amended by striking the
10 subparagraph.

11 Sec. 27. NEW SECTION. **256H.4 Transfer of authority and**
12 **duties.**

13 1. Beginning July 1, 2013, the authority and duties of the
14 department of education and the director of the department
15 of education under this chapter shall be transferred to the
16 adjutant general of the state. Accordingly, beginning July 1,
17 2013, all references to the department of education and the
18 director of the department of education under this chapter or
19 other provisions of law relating to this chapter shall mean
20 adjutant general of the state.

21 2. Any contract entered into by the department of education
22 relating to the provisions of this chapter in effect at the
23 conclusion of the fiscal year beginning July 1, 2012, shall
24 continue in full force and effect pending transfer of such
25 contracts to the adjutant general of the state.

26 3. Any rule, regulation, form, order, or directive
27 promulgated by the department of education relative to the
28 provisions of this chapter in existence upon conclusion of the
29 fiscal year beginning July 1, 2012, shall continue in full
30 force and effect.

31 Sec. 28. NEW SECTION. **256I.13 Transfer of authority and**
32 **duties.**

33 1. Beginning July 1, 2013, the authority and duties
34 of the department of education and the director of the
35 department of education under this chapter shall be transferred

1 to the department of human services and the director of
2 human services. Accordingly, beginning July 1, 2013, all
3 references to the department of education or the director
4 of the department of education under this chapter or under
5 other provisions of law relating to this chapter shall mean
6 the department of human services and the director of human
7 services.

8 2. Any moneys remaining in any account or fund under the
9 control of the department of education at the conclusion
10 of the fiscal year beginning July 1, 2012, relative to
11 the provisions of this chapter shall be transferred to the
12 control of the department of human services for such purposes.
13 Notwithstanding section 8.33, the moneys transferred in
14 accordance with this subsection shall not revert to the account
15 or fund from which appropriated or transferred.

16 3. Any contract entered into by the department of education
17 relating to the provisions of this chapter in effect at the
18 conclusion of the fiscal year beginning July 1, 2012, shall
19 continue in full force and effect pending transfer of such
20 contracts to the department of human services.

21 4. Any rule, regulation, form, order, or directive
22 promulgated by the department of education relative to the
23 provisions of this chapter in existence at the conclusion of
24 the fiscal year beginning July 1, 2012, shall continue in full
25 force and effect until amended, repealed, or supplemented by
26 affirmative action of the department of human services under
27 the duties and powers established in this chapter and under the
28 procedure established in subsection 5.

29 5. In regard to updating references and format in the Iowa
30 administrative code in order to correspond to the transferring
31 of duties of this chapter, the administrative rules coordinator
32 and the administrative rules review committee, in consultation
33 with the administrative code editor, shall jointly develop a
34 schedule for the necessary updating of the Iowa administrative
35 code.

1 Sec. 29. Section 257C.5, subsection 1, Code 2011, is amended
2 to read as follows:

3 1. The powers of the authority are vested in and exercised
4 by a board consisting of five members, including the treasurer
5 of state, ~~the director of the department of education,~~ and the
6 director of the department of management, and ~~two~~ three members
7 appointed by the governor, subject to confirmation by the
8 senate. The state officials may designate representatives to
9 serve on the board for them. As far as possible, the governor
10 shall appoint members who are knowledgeable or experienced in
11 the school systems of this state or in finance.

12 Sec. 30. NEW SECTION. **258.18 Transfer of authority and**
13 **duties.**

14 1. Beginning July 1, 2013, the authority and duties of the
15 department of education, the state board of education, and the
16 director of the department of education under this chapter
17 shall be transferred to the department of workforce development
18 and the director of the department of workforce development.
19 Accordingly, beginning July 1, 2013, all references to the
20 department of education under this chapter and references
21 to the department of education under other provisions of
22 law relating to this chapter shall mean the department of
23 workforce development and all references to the state board
24 of education or the director of the department of education
25 under this chapter or other provisions of law relating to this
26 chapter shall mean the director of the department of workforce
27 development.

28 2. Any moneys remaining in any account or fund under the
29 control of the department of education at the conclusion
30 of the fiscal year beginning July 1, 2012, relative to the
31 provisions of this chapter shall be transferred to the control
32 of the department of workforce development for such purposes.
33 Notwithstanding section 8.33, the moneys transferred in
34 accordance with this subsection shall not revert to the account
35 or fund from which appropriated or transferred.

1 3. Any contract entered into by the department of education
2 relating to the provisions of this chapter in effect at the
3 conclusion of the fiscal year beginning July 1, 2012, shall
4 continue in full force and effect pending transfer of such
5 contracts to the department of workforce development.

6 4. Any rule, regulation, form, order, or directive
7 promulgated by the department of education relative to the
8 provisions of this chapter in existence at the conclusion of
9 the fiscal year beginning July 1, 2012, shall continue in full
10 force and effect until amended, repealed, or supplemented by
11 affirmative action of the department of workforce development
12 under the duties and powers established in this chapter and
13 under the procedure established in subsection 5.

14 5. In regard to updating references and format in the Iowa
15 administrative code in order to correspond to the transferring
16 of duties of this chapter, the administrative rules coordinator
17 and the administrative rules review committee, in consultation
18 with the administrative code editor, shall jointly develop a
19 schedule for the necessary updating of the Iowa administrative
20 code.

21 Sec. 31. NEW SECTION. **259.1A Transfer of authority and**
22 **duties.**

23 1. Beginning July 1, 2013, the authority and duties of the
24 department of education, the state board of education, and the
25 director of the department of education under this chapter
26 shall be transferred to the department of workforce development
27 and the director of the department of workforce development.
28 Accordingly, beginning July 1, 2013, all references to the
29 department of education under this chapter and references
30 to the department of education under other provisions of
31 law relating to this chapter shall mean the department of
32 workforce development and all references to the state board
33 of education or the director of the department of education
34 under this chapter or other provisions of law relating to this
35 chapter shall mean the director of the department of workforce

1 development.

2 2. Beginning July 1, 2013, the division of vocational
3 rehabilitation services created within the department of
4 education under section 259.3 shall be transferred to the
5 department of workforce development.

6 3. Any moneys remaining in any account or fund under the
7 control of the department of education at the conclusion
8 of the fiscal year beginning July 1, 2012, relative to the
9 provisions of this chapter shall be transferred to the control
10 of the department of workforce development for such purposes.
11 Notwithstanding section 8.33, the moneys transferred in
12 accordance with this subsection shall not revert to the account
13 or fund from which appropriated or transferred.

14 4. Any contract entered into by the department of education
15 relating to the provisions of this chapter in effect at the
16 conclusion of the fiscal year beginning July 1, 2012, shall
17 continue in full force and effect pending transfer of such
18 contracts to the department of workforce development.

19 5. Any rule, regulation, form, order, or directive
20 promulgated by the department of education relative to the
21 provisions of this chapter in existence at the conclusion of
22 the fiscal year beginning July 1, 2012, shall continue in full
23 force and effect until amended, repealed, or supplemented by
24 affirmative action of the department of workforce development
25 under the duties and powers established in this chapter and
26 under the procedure established in subsection 6.

27 6. In regard to updating references and format in the Iowa
28 administrative code in order to correspond to the transferring
29 of duties of this chapter, the administrative rules coordinator
30 and the administrative rules review committee, in consultation
31 with the administrative code editor, shall jointly develop a
32 schedule for the necessary updating of the Iowa administrative
33 code.

34 Sec. 32. Section 259A.1, Code 2011, is amended to read as
35 follows:

1 **259A.1 Tests.**

2 ~~The department of education~~ Each board of directors of
3 the community college serving the merged area shall cause to
4 be made available for qualified individuals a high school
5 equivalency diploma. The diploma shall be issued on the basis
6 of satisfactory competence as shown by tests covering all
7 of the following: reading, arts, language arts, writing,
8 mathematics, science, and social studies.

9 Sec. 33. Section 259A.2, unnumbered paragraph 2, Code 2011,
10 is amended to read as follows:

11 Application shall be made to a testing center approved
12 by the ~~department of education~~ board of directors of the
13 community college serving the merged area, accompanied by an
14 application fee in an amount prescribed by the ~~department~~ board
15 of directors of the community college. The test scores shall
16 be forwarded by the testing center to the ~~department~~ board of
17 directors of the community college.

18 Sec. 34. Section 259A.3, Code Supplement 2011, is amended
19 to read as follows:

20 **259A.3 Notice and fee.**

21 Any applicant who has achieved the minimum passing standards
22 as established by the ~~department, and approved by the state~~
23 ~~board,~~ board of directors of the community college shall be
24 issued a high school equivalency diploma ~~by the department~~ upon
25 payment of an additional amount determined ~~in rules adopted by~~
26 ~~the state board of education~~ by the board to cover the actual
27 costs of the production and distribution of the diploma. The
28 ~~state board of education may also by rule establish a fee for~~
29 ~~the issuance or verification of a transcript which shall be~~
30 ~~based on the actual costs of the production or verification of~~
31 ~~a transcript.~~

32 Sec. 35. Section 259A.4, Code 2011, is amended to read as
33 follows:

34 **259A.4 Use of fees.**

35 The fees collected under the provisions of this chapter

1 shall be used for the expenses incurred in administering,
2 providing test materials, scoring of examinations and issuance
3 of high school equivalency diplomas, and shall be disbursed
4 on the authorization of the ~~director of the department of~~
5 education board of directors of the community college. The
6 treasurer of state shall be custodian of the funds paid to the
7 ~~department~~ community college and shall disburse the same on
8 vouchers audited as provided by law. The unobligated balance
9 in such funds at the close of each biennium shall be placed in
10 the general fund of the state.

11 Sec. 36. Section 259A.5, Code 2011, is amended to read as
12 follows:

13 **259A.5 Rules.**

14 ~~The director of the department of education~~ Each board
15 of directors of the community college shall adopt tests,
16 definitions of terms, and forms as necessary for the
17 administration of this chapter. ~~The state board shall adopt~~
18 ~~rules under chapter 17A to carry out this chapter.~~

19 Sec. 37. NEW SECTION. 260C.1A **Transfer of authority and**
20 **duties.**

21 1. Beginning July 1, 2013, the authority and duties of the
22 department of education, the state board of education, and the
23 director of the department of education under this chapter
24 shall, to the extent feasible, be transferred to the boards of
25 directors of the community colleges serving the merged areas of
26 the state. Accordingly, beginning July 1, 2013, all references
27 to the department of education, the state board of education,
28 and the director of the department of education under this
29 chapter and references to the department of education, the
30 state board of education, and the director of the department
31 of education under other provisions of law relating to this
32 chapter shall mean the applicable board of directors of a
33 community college.

34 2. Beginning July 1, 2013, transfer of the duties and
35 authority of the department shall also include all duties and

1 authority of the community colleges division created within the
2 department of education under section 260C.6.

3 3. Any moneys remaining in any account or fund under the
4 control of the department of education at the conclusion of the
5 fiscal year beginning July 1, 2012, relative to the provisions
6 of this chapter shall be transferred to the control of the
7 applicable board of directors of a community college for such
8 purposes. Notwithstanding section 8.33, the moneys transferred
9 in accordance with this subsection shall not revert to the
10 account or fund from which appropriated or transferred.

11 4. Any contract entered into by the department of education
12 relating to the provisions of this chapter in effect at the
13 conclusion of the fiscal year beginning July 1, 2012, shall
14 continue in full force and effect pending transfer of such
15 contracts to the boards of directors of the community colleges.

16 5. Any rule, regulation, form, order, or directive
17 promulgated by the department of education relative to the
18 provisions of this chapter in existence at the conclusion of
19 the fiscal year beginning July 1, 2012, shall continue in full
20 force and effect.

21 Sec. 38. Section 260E.7, subsection 1, Code Supplement
22 2011, is amended to read as follows:

23 1. The economic development authority, in consultation with
24 the ~~department of education, the department of revenue,~~ and
25 the department of workforce development, shall coordinate and
26 review the new jobs training program. The economic development
27 authority shall adopt, amend, and repeal rules under chapter
28 17A that the community college will use in developing projects
29 with new and expanding industrial new jobs training proposals
30 and that the economic development authority shall use to review
31 and report on the new jobs training program as required in this
32 section.

33 Sec. 39. Section 260F.6B, Code Supplement 2011, is amended
34 to read as follows:

35 **260F.6B High technology apprenticeship program.**

1 The community colleges and the economic development
2 authority are authorized to fund high technology apprenticeship
3 programs which comply with the requirements specified in
4 section 260C.44 and which may include both new and statewide
5 apprenticeship programs. Notwithstanding the provisions
6 of section 260F.6, subsection 2, relating to maximum award
7 amounts, moneys allocated to the community colleges with high
8 technology apprenticeship programs shall be distributed to the
9 community colleges based upon contact hours under the programs
10 administered during the prior fiscal year as determined by the
11 ~~department of education~~ economic development authority. The
12 economic development authority shall adopt rules governing this
13 section's operation and participant eligibility.

14 Sec. 40. Section 260F.7, Code Supplement 2011, is amended
15 to read as follows:

16 **260F.7 Economic development authority to coordinate.**

17 The economic development authority, in consultation with
18 ~~the department of education and~~ the department of workforce
19 development, shall coordinate the jobs training program. A
20 project shall not be funded under this chapter unless the
21 economic development authority approves the project. The
22 authority shall adopt rules pursuant to chapter 17A governing
23 the program's operation and eligibility for participation in
24 the program. The authority shall establish by rule criteria
25 for determining what constitutes an eligible business.

26 Sec. 41. Section 260H.2, Code Supplement 2011, is amended
27 to read as follows:

28 **260H.2 Pathways for academic career and employment program.**

29 A pathways for academic career and employment program is
30 established to provide funding to community colleges for the
31 development of projects in coordination with the economic
32 development authority, the department of ~~education, Iowa~~
33 workforce development, regional advisory boards established
34 pursuant to section 84A.4, and community partners to implement
35 a simplified, streamlined, and comprehensive process,

1 along with customized support services, to enable eligible
2 participants to acquire effective academic and employment
3 training to secure gainful, quality, in-state employment.

4 Sec. 42. Section 260H.8, Code Supplement 2011, is amended
5 to read as follows:

6 **260H.8 Rules.**

7 The ~~department of education~~ economic development authority,
8 in consultation with the community colleges, ~~the economic~~
9 ~~development authority~~, and Iowa the department of workforce
10 development, shall adopt rules pursuant to chapter 17A and this
11 chapter to implement the provisions of this chapter. Regional
12 advisory boards established pursuant to section 84A.4 shall be
13 consulted in the development and implementation of rules to be
14 adopted pursuant to this chapter.

15 Sec. 43. Section 260I.3, subsection 1, Code Supplement
16 2011, is amended to read as follows:

17 1. The ~~department of education~~, ~~in consultation with the~~
18 economic development authority, shall adopt rules pursuant to
19 this chapter defining eligibility criteria for persons applying
20 to receive tuition assistance under this chapter.

21 Sec. 44. Section 260I.10, Code Supplement 2011, is amended
22 to read as follows:

23 **260I.10 Oversight.**

24 1. The ~~department of education~~ economic development
25 authority, in coordination with the community colleges, shall
26 establish a steering committee. The steering committee shall
27 determine if the performance measures of the gap tuition
28 assistance program are being met and shall take necessary steps
29 to correct any deficiencies. The steering committee shall meet
30 at least quarterly to evaluate and monitor the performance of
31 the gap tuition assistance program.

32 2. The ~~department of education~~ economic development
33 authority, in coordination with the community colleges,
34 shall develop a common intake tracking system that shall be
35 implemented consistently by each participating community

1 college.

2 3. The ~~department of education~~ economic development
3 authority shall coordinate statewide oversight, evaluation, and
4 reporting efforts for the gap tuition assistance program.

5 Sec. 45. Section 260I.11, Code Supplement 2011, is amended
6 to read as follows:

7 **260I.11 Rules.**

8 The ~~department of education~~ economic development authority,
9 in consultation with the ~~economic development authority and the~~
10 community colleges, shall adopt rules pursuant to chapter 17A
11 and this chapter to implement the provisions of this chapter.

12 Sec. 46. Section 261.1, subsection 2, paragraph b, Code
13 2011, is amended by striking the paragraph.

14 Sec. 47. NEW SECTION. **261.8 Transfer of authority and**
15 **duties.**

16 1. Beginning July 1, 2013, the authority and duties of the
17 department of education, the state board of education, and the
18 director of the department of education under this chapter
19 shall be transferred to the college student aid commission.
20 Accordingly, beginning July 1, 2013, all references to the
21 department of education or the director of the department of
22 education under this chapter and references to the department
23 of education or the director of the department of education
24 under other provisions of law relating to this chapter shall
25 mean the college student aid commission.

26 2. Any moneys remaining in any account or fund under the
27 control of the department of education at the conclusion
28 of the fiscal year beginning July 1, 2012, relative to the
29 provisions of this chapter shall be transferred to the control
30 of the college student aid commission for such purposes.
31 Notwithstanding section 8.33, the moneys transferred in
32 accordance with this subsection shall not revert to the account
33 or fund from which appropriated or transferred.

34 3. Any contract entered into by the department of education
35 relating to the provisions of this chapter in effect at the

1 conclusion of the fiscal year beginning July 1, 2012, shall
2 continue in full force and effect pending transfer of such
3 contracts to the college student aid commission.

4 4. Any rule, regulation, form, order, or directive
5 promulgated by the department of education relative to the
6 provisions of this chapter in existence at the conclusion of
7 the fiscal year beginning July 1, 2012, shall continue in full
8 force and effect until amended, repealed, or supplemented by
9 affirmative action of the college student aid commission under
10 the duties and powers established in this chapter and under the
11 procedure established in subsection 5.

12 5. In regard to updating references and format in the Iowa
13 administrative code in order to correspond to the transferring
14 of duties of this chapter, the administrative rules coordinator
15 and the administrative rules review committee, in consultation
16 with the administrative code editor, shall jointly develop a
17 schedule for the necessary updating of the Iowa administrative
18 code.

19 Sec. 48. Section 261B.3A, subsection 2, Code 2011, is
20 amended to read as follows:

21 2. A practitioner preparation program operated by a school
22 that applies to register the program in accordance with this
23 chapter shall, in order to register, be accredited by an agency
24 or organization approved or recognized by the United States
25 department of education or a successor agency, ~~be approved~~
26 ~~by the state board of education pursuant to section 256.7,~~
27 ~~subsection 3,~~ and, subsequently, be approved for operation by
28 the commission.

29 Sec. 49. NEW SECTION. **261E.1A Transfer of authority and**
30 **duties.**

31 1. Beginning July 1, 2013, the authority and duties of
32 the department of education, the state board of education,
33 and the director of the department of education under this
34 chapter shall be transferred to the state board of regents.
35 Accordingly, beginning July 1, 2013, all references to the

1 department of education, the state board of education, or the
2 director of the department of education under this chapter
3 and references to the department of education, state board of
4 education, or director of the department of education under
5 other provisions of law relating to this chapter shall mean the
6 state board of regents.

7 2. Any moneys remaining in any account or fund under the
8 control of the department of education at the conclusion of the
9 fiscal year beginning July 1, 2012, relative to the provisions
10 of this chapter shall be transferred to the control of the
11 state board of regents for such purposes. Notwithstanding
12 section 8.33, the moneys transferred in accordance with this
13 subsection shall not revert to the account or fund from which
14 appropriated or transferred.

15 3. Any contract entered into by the department of education
16 relating to the provisions of this chapter in effect at the
17 conclusion of the fiscal year beginning July 1, 2012, shall
18 continue in full force and effect pending transfer of such
19 contracts to the state board of regents.

20 4. Any rule, regulation, form, order, or directive
21 promulgated by the department of education relative to the
22 provisions of this chapter in existence at the conclusion of
23 the fiscal year beginning July 1, 2012, shall continue in full
24 force and effect until amended, repealed, or supplemented by
25 affirmative action of the state board of regents under the
26 duties and powers established in this chapter and under the
27 procedure established in subsection 5.

28 5. In regard to updating references and format in the Iowa
29 administrative code in order to correspond to the transferring
30 of duties of this chapter, the administrative rules coordinator
31 and the administrative rules review committee, in consultation
32 with the administrative code editor, shall jointly develop a
33 schedule for the necessary updating of the Iowa administrative
34 code.

35 Sec. 50. Section 262.9, subsection 27, Code Supplement

1 2011, is amended to read as follows:

2 27. Explore, ~~in conjunction with the department~~
3 ~~of education,~~ the need for coordination between school
4 districts, area education agencies, state board of regents
5 institutions, and community colleges for purposes of delivery
6 of courses, use of telecommunications, transportation, and
7 other similar issues. Coordination may include but is not
8 limited to coordination of calendars, programs, schedules, or
9 telecommunications emissions. The state board shall develop
10 recommendations as necessary, which shall be submitted in a
11 report to the general assembly on a timely basis.

12 Sec. 51. Section 262.9, subsection 33, unnumbered paragraph
13 1, Code Supplement 2011, is amended to read as follows:

14 ~~In consultation with the state board of education, establish~~
15 Establish and enter into a collective statewide articulation
16 agreement with the community colleges established pursuant to
17 chapter 260C, which shall provide for the seamless transfer
18 of academic credits from a completed associate of arts or
19 associate of science degree program offered by a community
20 college to a baccalaureate degree program offered by an
21 institution of higher education governed by the board. The
22 board shall also do the following:

23 Sec. 52. Section 262.9, subsection 33, paragraph i, Code
24 Supplement 2011, is amended to read as follows:

25 *i.* Prepare, jointly with ~~the department of education and~~
26 the liaison advisory committee on transfer students, and submit
27 by January 15 annually to the general assembly, an update on
28 the articulation efforts and activities implemented by the
29 community colleges and the institutions of higher education
30 governed by the board.

31 Sec. 53. Section 262.71, subsection 9, Code 2011, is amended
32 by striking the subsection.

33 Sec. 54. Section 266.39C, subsection 2, paragraph a,
34 subparagraph (5), Code Supplement 2011, is amended to read as
35 follows:

1 (5) One representative of community colleges, appointed by
2 the ~~state board of education~~ governor.

3 Sec. 55. Section 266.39C, subsection 6, Code Supplement
4 2011, is amended to read as follows:

5 6. The Iowa energy center shall ~~cooperate with the state~~
6 ~~board of education in developing~~ develop a curriculum which
7 promotes energy efficiency and conservation.

8 Sec. 56. Section 272.1, subsection 4, Code 2011, is amended
9 by striking the subsection.

10 Sec. 57. NEW SECTION. **272.1A Transfer of authority and**
11 **duties.**

12 1. Beginning July 1, 2013, the authority and duties of the
13 department of education, the state board of education, and the
14 director of the department of education under this chapter
15 shall be transferred to the board of educational examiners.
16 Accordingly, beginning July 1, 2013, all references to the
17 department of education, the state board of education, or the
18 director of the department of education under this chapter
19 and references to the department of education, state board of
20 education, or director of the department of education under
21 other provisions of law relating to this chapter shall mean the
22 board of educational examiners.

23 2. Any moneys remaining in any account or fund under the
24 control of the department of education at the conclusion
25 of the fiscal year beginning July 1, 2012, relative to the
26 provisions of this chapter shall be transferred to the control
27 of the board of educational examiners for such purposes.
28 Notwithstanding section 8.33, the moneys transferred in
29 accordance with this subsection shall not revert to the account
30 or fund from which appropriated or transferred.

31 3. Any contract entered into by the department of education
32 relating to the provisions of this chapter in effect at the
33 conclusion of the fiscal year beginning July 1, 2012, shall
34 continue in full force and effect pending transfer of such
35 contracts to the board of educational examiners.

1 Sec. 58. Section 272.3, Code 2011, is amended to read as
2 follows:

3 **272.3 Membership.**

4 1. The board of educational examiners consists of twelve
5 members. Two must be members of the general public, ~~one~~
6 ~~must be the director of the department of education or the~~
7 ~~director's designee,~~ and the remaining ~~nine~~ ten members must be
8 licensed practitioners. One of the public members shall have
9 served on a school board. The public members shall never have
10 held a practitioner's license, but shall have a demonstrated
11 interest in education. The ~~nine~~ ten practitioners shall be
12 selected from the following areas and specialties of the
13 teaching profession:

- 14 *a.* Elementary teachers.
- 15 *b.* Secondary teachers.
- 16 *c.* Special education or other similar teachers.
- 17 *d.* Counselors or other special purpose practitioners.
- 18 *e.* Administrators.
- 19 *f.* School service personnel.

20 2. A majority of the licensed practitioner members shall
21 be nonadministrative practitioners. Four of the members shall
22 be administrators. Membership of the board shall comply with
23 the requirements of sections 69.16 and 69.16A. A quorum of the
24 board shall consist of six members. Members shall elect a
25 chairperson of the board. Members, ~~except for the director of~~
26 ~~the department of education or the director's designee,~~ shall
27 be appointed by the governor subject to confirmation by the
28 senate.

29 Sec. 59. Section 272.4, subsection 1, unnumbered paragraph
30 1, Code 2011, is amended to read as follows:

31 Members, ~~except for the director of the department of~~
32 ~~education or the director's designee,~~ shall be appointed to
33 serve staggered terms of four years. A member shall not serve
34 more than two consecutive terms, ~~except for the director of the~~
35 ~~department of education or the director's designee, who shall~~

1 ~~serve until the director's term of office expires.~~ A member of
2 the board, except for the two public members ~~and the director~~
3 ~~of the department of education or the director's designee,~~
4 shall hold a valid practitioner's license during the member's
5 term of office. A vacancy exists when any of the following
6 occur:

7 Sec. 60. Section 272.25, subsections 3, 4, and 8, Code 2011,
8 are amended to read as follows:

9 3. A requirement that the program include instruction
10 in skills and strategies to be used in classroom management
11 of individuals, and of small and large groups, under
12 varying conditions; and skills for communicating and working
13 constructively with pupils, teachers, administrators, and
14 parents; ~~and skills for understanding the role of the board of~~
15 ~~education and the functions of other education agencies in the~~
16 ~~state. The requirement shall be based upon recommendations of~~
17 ~~the department of education after consultation with teacher~~
18 ~~education faculty members in colleges and universities.~~

19 4. A requirement that prescribes minimum experiences and
20 responsibilities to be accomplished during the student teaching
21 experience by the student teacher and by the cooperating
22 teacher ~~based upon recommendations of the department of~~
23 ~~education after consultation with teacher education faculty~~
24 ~~members in colleges and universities.~~ The student teaching
25 experience shall include opportunities for the student
26 teacher to become knowledgeable about the Iowa teaching
27 standards, including a mock evaluation performed by the
28 cooperating teacher. The mock evaluation shall not be used as
29 an assessment tool by the practitioner preparation program.
30 The student teaching experience shall consist of interactive
31 experiences involving the college or university personnel, the
32 student teacher, the cooperating teacher, and administrative
33 personnel from the cooperating teacher's school district.

34 8. A requirement that an approved practitioner preparation
35 institution submit evidence that the college ~~or department of~~

1 ~~education~~ is communicating with other colleges or departments
2 in the institution so that practitioner preparation students
3 may integrate teaching methodology with subject matter areas
4 of specialization.

5 Sec. 61. NEW SECTION. **273.1A Transfer of authority and**
6 **duties.**

7 1. Beginning July 1, 2013, the authority and duties of
8 the department of education, the state board of education,
9 and the director of the department of education under this
10 chapter shall, to the extent feasible, be transferred to the
11 area education agency boards of directors in this state.
12 Accordingly, beginning July 1, 2013, all references to the
13 department of education, the state board of education, and the
14 director of the department of education under this chapter and
15 references to the department of education, the state board of
16 education, and the director of the department of education
17 under other provisions of law relating to this chapter shall
18 mean the applicable area education agency board of directors.

19 2. Any rule, regulation, form, order, or directive
20 promulgated by the department of education relative to the
21 provisions of this chapter in existence at the conclusion of
22 the fiscal year beginning July 1, 2012, shall continue in full
23 force and effect.

24 Sec. 62. NEW SECTION. **274.1A Transfer of authority and**
25 **duties.**

26 1. Beginning July 1, 2013, the authority and duties of the
27 department of education and the director of the department of
28 education under this chapter shall, to the extent feasible, be
29 transferred to the area education agency boards of directors
30 in this state. Accordingly, beginning July 1, 2013, all
31 references to the department of education and the director of
32 the department of education under this chapter and references
33 to the department of education and the director of the
34 department of education under other provisions of law relating
35 to this chapter shall mean the applicable area education agency

1 board of directors.

2 2. Any rule, regulation, form, order, or directive
3 promulgated by the department of education or the director
4 of the department of education relative to the provisions of
5 this chapter in existence at the conclusion of the fiscal
6 year beginning July 1, 2012, shall continue in full force and
7 effect.

8 Sec. 63. NEW SECTION. **275.1A Transfer of authority and**
9 **duties.**

10 1. Beginning July 1, 2013, the authority and duties of
11 the department of education, the state board of education,
12 and the director of the department of education under this
13 chapter shall, to the extent feasible, be transferred to the
14 area education agency boards of directors in this state.
15 Accordingly, beginning July 1, 2013, all references to the
16 department of education, the state board of education, and the
17 director of the department of education under this chapter and
18 references to the department of education, the state board of
19 education, and the director of the department of education
20 under other provisions of law relating to this chapter shall
21 mean the applicable area education agency board of directors.

22 2. Any rule, regulation, form, order, or directive
23 promulgated by the department of education, the state board
24 of education, or the director of the department of education
25 relative to the provisions of this chapter in existence at the
26 conclusion of the fiscal year beginning July 1, 2012, shall
27 continue in full force and effect.

28 Sec. 64. Section 276.3, subsections 5 and 9, Code 2011, are
29 amended by striking the subsections.

30 Sec. 65. Section 279.51, subsection 1, unnumbered paragraph
31 1, Code Supplement 2011, is amended to read as follows:

32 There is appropriated from the general fund of the state
33 to the department of ~~education~~ management for the fiscal year
34 beginning July 1, 2007, and each succeeding fiscal year, the
35 sum of twelve million six hundred six thousand one hundred

1 ninety-six dollars. The moneys shall be allocated as follows:

2 Sec. 66. NEW SECTION. **279.68 Transfer of authority and**
3 **duties.**

4 1. Beginning July 1, 2013, the authority and duties of
5 the department of education, the state board of education,
6 and the director of the department of education under this
7 chapter, to the extent feasible, shall be transferred to the
8 boards of directors for the respective school districts in the
9 state. Accordingly, beginning July 1, 2013, all references to
10 the department of education, the state board of education, and
11 the director of the department of education under this chapter
12 and references to the department of education, the state board
13 of education, and the director of the department of education
14 under other provisions of law relating to this chapter shall
15 mean the applicable board of directors of the school district.

16 2. Any rule, regulation, form, order, or directive
17 promulgated by the department of education, the state board
18 of education, or the director of the department of education
19 relative to the provisions of this chapter in existence at the
20 conclusion of the fiscal year beginning July 1, 2012, shall
21 continue in full force and effect.

22 Sec. 67. NEW SECTION. **280.1A Transfer of authority and**
23 **duties.**

24 1. Beginning July 1, 2013, the authority and duties of
25 the department of education, the state board of education,
26 and the director of the department of education under this
27 chapter, to the extent feasible, shall be transferred to the
28 boards of directors for the respective school districts in the
29 state. Accordingly, beginning July 1, 2013, all references to
30 the department of education, the state board of education, and
31 the director of the department of education under this chapter
32 and references to the department of education, the state board
33 of education, and the director of the department of education
34 under other provisions of law relating to this chapter shall
35 mean the applicable board of directors of the school district.

1 2. Any rule, regulation, form, order, or directive
2 promulgated by the department of education, the state board
3 of education, or the director of the department of education
4 relative to the provisions of this chapter in existence at the
5 conclusion of the fiscal year beginning July 1, 2012, shall
6 continue in full force and effect.

7 Sec. 68. NEW SECTION. **282.1A Transfer of authority and**
8 **duties.**

9 1. Beginning July 1, 2013, the authority and duties of
10 the department of education, the state board of education,
11 and the director of the department of education under this
12 chapter, to the extent feasible, shall be transferred to the
13 boards of directors for the respective school districts in the
14 state. Accordingly, beginning July 1, 2013, all references to
15 the department of education, the state board of education, and
16 the director of the department of education under this chapter
17 and references to the department of education, the state board
18 of education, and the director of the department of education
19 under other provisions of law relating to this chapter shall
20 mean the applicable board of directors of the school district.

21 2. Any rule, regulation, form, order, or directive
22 promulgated by the department of education, the state board
23 of education, or the director of the department of education
24 relative to the provisions of this chapter in existence at the
25 conclusion of the fiscal year beginning July 1, 2012, shall
26 continue in full force and effect.

27 Sec. 69. Section 282.18, subsections 5 and 13, Code 2011,
28 are amended to read as follows:

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

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

9 13. If a request under this section is for transfer to a
10 laboratory school, as described in chapter 265, the student,
11 who is the subject of the request, shall not be included in
12 the basic enrollment of the student's district of residence,
13 and the laboratory school shall report the enrollment of the
14 student directly to the department of education management,
15 unless the number of students from the district attending the
16 laboratory school during the current school year, as a result
17 of open enrollment under this section, exceeds the number of
18 students enrolled in the laboratory school from that district
19 during the 1989-1990 school year. If the number of students
20 enrolled in the laboratory school from a district during the
21 current year exceeds the number of students enrolled from that
22 district during the 1989-1990 school year, those students who
23 represent the difference between the current and the 1988-1989
24 school year enrollment figures shall be included in the basic
25 enrollment of the students' districts of residence and the
26 districts shall retain any moneys received as a result of the
27 inclusion of the student in the district enrollment. The total
28 number of students enrolled at a laboratory school during a
29 school year shall not exceed six hundred seventy students. The
30 regents institution operating the laboratory school and the
31 board of directors of the school district in the community
32 in which the regents institution is located shall develop
33 a student transfer policy designed to protect and promote
34 the quality and integrity of the teacher education program
35 at the laboratory school, the viability of the education

1 program of the local school district in which the regents
2 institution is located, and to indicate the order in which and
3 reasons why requests to transfer to a laboratory school shall
4 be considered. A laboratory school may deny a request for
5 transfer under the policy. ~~A denial of a request to transfer~~
6 ~~under this subsection is not subject to appeal under section~~
7 ~~290.1.~~

8 Sec. 70. Section 283.1, Code 2011, is amended to read as
9 follows:

10 **283.1 Federal funds accepted.**

11 The director of the department of education management
12 is the "*state educational authority*" for the purpose of
13 accepting and administering funds appropriated by Congress for
14 educational purposes and the funds shall be deposited with the
15 treasurer of state and disbursed through the department of
16 administrative services on vouchers audited as provided by law.
17 When state matching funds are required as a condition to the
18 acceptance of federal funds, the director of the department
19 of education management may make expenditures for matching
20 only from funds provided by the legislature for that purpose.
21 However, when federal funds may be matched with expenditures
22 from funds appropriated for the general operation of the
23 department of education management, this may be done with the
24 approval of the legislative council.

25 Sec. 71. NEW SECTION. **283A.1A Transfer of authority and**
26 **duties.**

27 1. Beginning July 1, 2013, the authority and duties of
28 the department of education, the state board of education,
29 and the director of the department of education under this
30 chapter, to the extent feasible, shall be transferred to the
31 boards of directors for the respective school districts in the
32 state. Accordingly, beginning July 1, 2013, all references to
33 the department of education, the state board of education, and
34 the director of the department of education under this chapter
35 and references to the department of education, the state board

1 of education, and the director of the department of education
2 under other provisions of law relating to this chapter shall
3 mean the applicable board of directors of the school district.

4 2. Any rule, regulation, form, order, or directive
5 promulgated by the department of education, the state board
6 of education, or the director of the department of education
7 relative to the provisions of this chapter in existence at the
8 conclusion of the fiscal year beginning July 1, 2012, shall
9 continue in full force and effect.

10 Sec. 72. Section 283A.3, Code 2011, is amended to read as
11 follows:

12 **283A.3 Expenditure of federal funds.**

13 The director of the department of ~~education~~ management shall
14 accept and direct the disbursement of funds appropriated by any
15 Act of Congress and appropriated to the state of Iowa for use
16 in connection with school breakfast or lunch programs. The
17 director shall deposit the funds with the treasurer of the
18 state of Iowa, who shall make disbursements upon the direction
19 of the director.

20 Sec. 73. NEW SECTION. **284.1A Transfer of authority and**
21 **duties.**

22 1. Beginning July 1, 2013, the authority and duties of
23 the department of education, the state board of education,
24 and the director of the department of education under this
25 chapter, to the extent feasible, shall be transferred to the
26 boards of directors for the respective school districts in the
27 state. Accordingly, beginning July 1, 2013, all references to
28 the department of education, the state board of education, and
29 the director of the department of education under this chapter
30 and references to the department of education, the state board
31 of education, and the director of the department of education
32 under other provisions of law relating to this chapter shall
33 mean the applicable board of directors of the school district.

34 2. Any rule, regulation, form, order, or directive
35 promulgated by the department of education, the state board

1 of education, or the director of the department of education
2 relative to the provisions of this chapter in existence at the
3 conclusion of the fiscal year beginning July 1, 2012, shall
4 continue in full force and effect.

5 Sec. 74. NEW SECTION. **284A.1A Transfer of authority and**
6 **duties.**

7 1. Beginning July 1, 2013, the authority and duties of
8 the department of education, the state board of education,
9 and the director of the department of education under this
10 chapter, to the extent feasible, shall be transferred to the
11 boards of directors for the respective school districts in the
12 state. Accordingly, beginning July 1, 2013, all references to
13 the department of education, the state board of education, and
14 the director of the department of education under this chapter
15 and references to the department of education, the state board
16 of education, and the director of the department of education
17 under other provisions of law relating to this chapter shall
18 mean the applicable board of directors of the school district.

19 2. Any rule, regulation, form, order, or directive
20 promulgated by the department of education, the state board
21 of education, or the director of the department of education
22 relative to the provisions of this chapter in existence at the
23 conclusion of the fiscal year beginning July 1, 2012, shall
24 continue in full force and effect.

25 Sec. 75. NEW SECTION. **285.7 Transfer of authority and**
26 **duties.**

27 1. Beginning July 1, 2013, the authority and duties of
28 the department of education, the state board of education,
29 and the director of the department of education under this
30 chapter, to the extent feasible, shall be transferred to the
31 boards of directors for the respective school districts in the
32 state. Accordingly, beginning July 1, 2013, all references to
33 the department of education, the state board of education, and
34 the director of the department of education under this chapter
35 and references to the department of education, the state board

1 of education, and the director of the department of education
2 under other provisions of law relating to this chapter shall
3 mean the applicable board of directors of the school district.

4 2. Any rule, regulation, form, order, or directive
5 promulgated by the department of education, the state board
6 of education, or the director of the department of education
7 relative to the provisions of this chapter in existence at the
8 conclusion of the fiscal year beginning July 1, 2012, shall
9 continue in full force and effect.

10 Sec. 76. Section 291.11, Code 2011, is amended to read as
11 follows:

12 **291.11 Officers reported.**

13 The secretary shall report to the director of the department
14 of ~~education~~ management, the county auditor, and county
15 treasurer the name and post office address of the president,
16 treasurer and secretary of the board as soon as practicable
17 after the qualification of each.

18 Sec. 77. NEW SECTION. **292.1A Transfer of authority and**
19 **duties.**

20 1. Beginning July 1, 2013, the authority and duties of the
21 department of education under this chapter shall be transferred
22 to the department of revenue. Accordingly, beginning July 1,
23 2013, all references to the department of education under this
24 chapter and references to the department of education under
25 other provisions of law relating to this chapter shall mean the
26 department of revenue.

27 2. Any moneys remaining in any account or fund under the
28 control of the department of education at the conclusion of the
29 fiscal year beginning July 1, 2012, relative to the provisions
30 of this chapter shall be transferred to the control of the
31 department of revenue for such purposes. Notwithstanding
32 section 8.33, the moneys transferred in accordance with this
33 subsection shall not revert to the account or fund from which
34 appropriated or transferred.

35 3. Any contract entered into by the department of education

1 relating to the provisions of this chapter in effect at the
2 conclusion of the fiscal year beginning July 1, 2012, shall
3 continue in full force and effect pending transfer of such
4 contracts to the department of revenue.

5 4. Any rule, regulation, form, order, or directive
6 promulgated by the department of education relative to the
7 provisions of this chapter in existence at the conclusion of
8 the fiscal year beginning July 1, 2012, shall continue in full
9 force and effect until amended, repealed, or supplemented by
10 affirmative action of the department of revenue under the
11 duties and powers established in this chapter and under the
12 procedure established in subsection 5.

13 5. In regard to updating references and format in the Iowa
14 administrative code in order to correspond to the transferring
15 of duties of this chapter, the administrative rules coordinator
16 and the administrative rules review committee, in consultation
17 with the administrative code editor, shall jointly develop a
18 schedule for the necessary updating of the Iowa administrative
19 code.

20 Sec. 78. Section 294.5, Code 2011, is amended to read as
21 follows:

22 **294.5 Reports.**

23 The teacher shall file with the school superintendent ~~and~~
24 ~~the director of the department of education~~ such reports and in
25 such manner as may be required.

26 Sec. 79. Section 296.3, Code 2011, is amended to read as
27 follows:

28 **296.3 Election called.**

29 Within ten days of receipt of a petition filed under section
30 296.2, the president of the board of directors shall call a
31 meeting of the board. The meeting shall be held within thirty
32 days after the petition was received. At the meeting, the
33 board shall call the election, fixing the time of the election,
34 which may be at the time and place of holding the regular
35 school election. However, if the board determines by unanimous

1 vote that the proposition or propositions requested by a
2 petition to be submitted at an election are grossly unrealistic
3 or contrary to the needs of the school district, no election
4 shall be called. If more than one petition has been received
5 by the time the board meets to consider the petition triggering
6 the meeting, the board shall act upon the petitions in the
7 order they were received at the meeting called to consider the
8 initial petition. ~~The decision of the board may be appealed to~~
9 ~~the state board of education as provided in chapter 290.~~ The
10 president shall notify the county commissioner of elections of
11 the time of the election.

12 Sec. 80. NEW SECTION. **297.37 Transfer of authority and**
13 **duties.**

14 1. Beginning July 1, 2013, the authority and duties of the
15 department of education and the director of the department
16 of education under this chapter shall be transferred to the
17 department of administrative services and the director of the
18 department of administrative services. Accordingly, beginning
19 July 1, 2013, all references to the department of education
20 and the director of the department of education under this
21 chapter and references to the department of education and the
22 director of the department of education under other provisions
23 of law relating to this chapter shall mean the department of
24 administrative services or the director of the department of
25 administrative services.

26 2. Any rule, regulation, form, order, or directive
27 promulgated by the department of education or the director
28 of the department of education relative to the provisions of
29 this chapter in existence at the conclusion of the fiscal
30 year beginning July 1, 2012, shall continue in full force and
31 effect.

32 Sec. 81. Section 298A.8, Code 2011, is amended to read as
33 follows:

34 **298A.8 Student activity fund.**

35 The student activity fund is a special revenue fund. A

1 student activity fund must be established in any school
2 corporation receiving money from student-related activities
3 such as admissions, activity fees, student dues, student
4 fund-raising events, or other student-related cocurricular or
5 extracurricular activities. Moneys in this fund shall be used
6 to support only the cocurricular program ~~defined in department~~
7 ~~of education administrative rules.~~

8 Sec. 82. NEW SECTION. **299.25 Transfer of authority and**
9 **duties.**

10 1. Beginning July 1, 2013, the authority and duties of
11 the department of education, the state board of education,
12 and the director of the department of education under this
13 chapter, to the extent feasible, shall be transferred to the
14 boards of directors for the respective school districts in the
15 state. Accordingly, beginning July 1, 2013, all references to
16 the department of education, the state board of education, and
17 the director of the department of education under this chapter
18 and references to the department of education, the state board
19 of education, and the director of the department of education
20 under other provisions of law relating to this chapter shall
21 mean the applicable board of directors of the school district.

22 2. Any rule, regulation, form, order, or directive
23 promulgated by the department of education, the state board
24 of education, or the director of the department of education
25 relative to the provisions of this chapter in existence at the
26 conclusion of the fiscal year beginning July 1, 2012, shall
27 continue in full force and effect.

28 Sec. 83. NEW SECTION. **299A.1A Transfer of authority and**
29 **duties.**

30 1. Beginning July 1, 2013, the authority and duties of
31 the department of education, the state board of education,
32 and the director of the department of education under this
33 chapter, to the extent feasible, shall be transferred to the
34 boards of directors for the respective school districts in the
35 state. Accordingly, beginning July 1, 2013, all references to

1 the department of education, the state board of education, and
2 the director of the department of education under this chapter
3 and references to the department of education, the state board
4 of education, and the director of the department of education
5 under other provisions of law relating to this chapter shall
6 mean the applicable board of directors of the school district.

7 2. Any rule, regulation, form, order, or directive
8 promulgated by the department of education, the state board
9 of education, or the director of the department of education
10 relative to the provisions of this chapter in existence at the
11 conclusion of the fiscal year beginning July 1, 2012, shall
12 continue in full force and effect.

13 **Sec. 84. NEW SECTION. 301.1A Transfer of authority and**
14 **duties.**

15 1. Beginning July 1, 2013, the authority and duties of
16 the department of education, the state board of education,
17 and the director of the department of education under this
18 chapter, to the extent feasible, shall be transferred to the
19 boards of directors for the respective school districts in the
20 state. Accordingly, beginning July 1, 2013, all references to
21 the department of education, the state board of education, and
22 the director of the department of education under this chapter
23 and references to the department of education, the state board
24 of education, and the director of the department of education
25 under other provisions of law relating to this chapter shall
26 mean the applicable board of directors of the school district.

27 2. Any rule, regulation, form, order, or directive
28 promulgated by the department of education, the state board
29 of education, or the director of the department of education
30 relative to the provisions of this chapter in existence at the
31 conclusion of the fiscal year beginning July 1, 2012, shall
32 continue in full force and effect.

33 **Sec. 85. REPEAL.** Sections 260C.6, 276.4, and 291.10, Code
34 2011, are repealed.

35 **Sec. 86. REPEAL.** Chapters 256 and 290, Code and Code

1 Supplement 2011, are repealed.

2 Sec. 87. EFFECTIVE DATE. This division of this Act takes
3 effect July 1, 2013.

4 DIVISION II

5 CORRESPONDING AMENDMENT LEGISLATION

6 Sec. 88. CORRESPONDING AMENDMENTS LEGISLATION. Additional
7 legislation is required to fully implement division I of this
8 Act. The director of the department of education shall, in
9 compliance with section 2.16, prepare draft legislation for
10 submission to the legislative services agency, as necessary,
11 to implement the transition and elimination of authority and
12 duties under division I of this Act and to implement the
13 transition and elimination of authority and duties under other
14 provisions of law including but not limited to the duties and
15 authority of the department of education, the state board of
16 education, the director of the department of education, and any
17 division, commission, or subunit of such entities or offices
18 under chapters 7A, 7E, 8A, 8D, 8F, 11, 12, 15, 15H, 16, 19B,
19 22, 48A, 68B, 73, 80E, 84A, 85, 96, 99B, 125, 135, 139A, 141A,
20 142A, 154B, 154F, 161A, 190A, 216A, 218, 220A, 225B, 225C, 232,
21 234, 237, 237A, 237B, 239B, 241, 249A, 257, 307A, 321, 321J,
22 322, 350, 423E, 423F, 455A, 455E, 473, 514I, 714, and 904.

23 DIVISION III

24 EDUCATION FINANCE AND

25 EDUCATION SAVINGS GRANTS

26 Sec. 89. Section 8.6, Code Supplement 2011, is amended by
27 adding the following new subsection:

28 NEW SUBSECTION. 18. *Education savings grant*
29 *applications.* Adopt rules relating to applications for an
30 education savings grant pursuant to section 257.3B, including
31 application processing timelines, and required information for
32 submission by a parent or guardian.

33 Sec. 90. Section 12D.3, subsection 1, paragraph a, Code
34 2011, is amended to read as follows:

35 a. Each participation agreement may require a participant

1 to agree to invest a specific amount of money in the trust
2 for a specific period of time for the benefit of a specific
3 beneficiary. A participant shall not be required to make an
4 annual contribution on behalf of a beneficiary. The maximum
5 contribution that may be deducted for Iowa income tax purposes
6 shall not exceed two thousand dollars per beneficiary per year
7 adjusted annually to reflect increases in the consumer price
8 index. A contribution to an account that is the result of a
9 transfer from an account in the education savings grant fund
10 under section 257.3B shall not be considered a contribution
11 that may be deducted for Iowa income tax purposes. The
12 treasurer of state shall set an account balance limit to
13 maintain compliance with section 529 of the Internal Revenue
14 Code. A contribution shall not be permitted to the extent it
15 causes the aggregate balance of all accounts established for
16 the same beneficiary to exceed the applicable account balance
17 limit.

18 Sec. 91. Section 257.1, subsection 2, Code 2011, is amended
19 by striking the subsection.

20 Sec. 92. NEW SECTION. **257.1A Transfer of authority and**
21 **duties.**

22 1. Beginning July 1, 2013, the authority and duties of
23 the department of education, the state board of education,
24 and the director of the department of education under this
25 chapter shall be transferred to the department of management
26 and the director of the department of management. Accordingly,
27 beginning July 1, 2013, all references to the department of
28 education under this chapter and references to the department
29 of education under other provisions of law relating to this
30 chapter shall mean the department of management and all
31 references to the state board of education or the director
32 of the department of education under this chapter or other
33 provisions of law relating to this chapter shall mean the
34 director of the department of management.

35 2. Any moneys remaining in any account or fund under the

1 control of the department of education at the conclusion of the
2 fiscal year beginning July 1, 2012, relative to the provisions
3 of this chapter shall be transferred to the control of the
4 department of management for such purposes. Notwithstanding
5 section 8.33, the moneys transferred in accordance with this
6 subsection shall not revert to the account or fund from which
7 appropriated or transferred.

8 3. Any contract entered into by the department of education
9 relating to the provisions of this chapter in effect at the
10 conclusion of the fiscal year beginning July 1, 2012, shall
11 continue in full force and effect pending transfer of such
12 contracts to the department of management.

13 4. Any rule, regulation, form, order, or directive
14 promulgated by the department of education relative to the
15 provisions of this chapter in existence at the conclusion of
16 the fiscal year beginning July 1, 2012, shall continue in full
17 force and effect until amended, repealed, or supplemented by
18 affirmative action of the department of management under the
19 duties and powers established in this chapter and under the
20 procedure established in subsection 5.

21 5. In regard to updating references and format in the Iowa
22 administrative code in order to correspond to the transferring
23 of duties of this chapter, the administrative rules coordinator
24 and the administrative rules review committee, in consultation
25 with the administrative code editor, shall jointly develop a
26 schedule for the necessary updating of the Iowa administrative
27 code.

28 Sec. 93. Section 257.2, subsections 3, 5, 6, and 10, Code
29 2011, are amended by striking the subsections.

30 Sec. 94. Section 257.2, subsection 9, paragraph a, Code
31 2011, is amended to read as follows:

32 a. Foundation aid Tuition collected by the school district
33 pursuant to section 257.3A.

34 Sec. 95. Section 257.3, subsection 1, paragraph b, Code
35 2011, is amended by striking the paragraph.

1 Sec. 96. NEW SECTION. 257.3A Education savings grant —
2 tuition.

3 A school district may collect as tuition from each pupil
4 enrolled in the school district an amount not to exceed the
5 education savings grant received by the pupil for that school
6 year under section 257.3B.

7 Sec. 97. NEW SECTION. 257.3B Education savings grant
8 program.

9 1. Pupils residing in this state eligible to enroll in
10 grades kindergarten through twelve, and enrolled in a public
11 school, attending an accredited nonpublic school, or receiving
12 competent private instruction under chapter 299A shall be
13 eligible to receive an education savings grant in the manner
14 provided in this section for school years beginning on or after
15 July 1, 2013. Education savings grants shall be available
16 for disbursement to parents and guardians for the payment of
17 qualified education expenses as provided in this section.

18 2. a. (1) By January 31 preceding the school year for
19 which the education savings grant is requested, the parent
20 or guardian of the pupil requesting to receive an education
21 savings grant shall submit an application to the department of
22 management, on application forms developed by the department,
23 indicating that the parent or guardian intends to enroll the
24 pupil in either a public school or an accredited nonpublic
25 school, or provide competent private instruction for the pupil
26 under chapter 299A.

27 (2) In addition to such information deemed appropriate by
28 the department of management, the application shall require the
29 following information:

30 (a) Certification from the public school or the accredited
31 nonpublic school of the pupil's enrollment for the following
32 school year, or a statement indicating the parent or guardian's
33 intent to provide or arrange for competent private instruction
34 for the pupil for the following school year.

35 (b) Certification from the parent or guardian of the pupil

1 that an account has been established in the pupil's name in the
2 Iowa education savings plan trust pursuant to chapter 12D.

3 *b.* By March 1 preceding the school year for which the
4 education savings grant is requested, the department of
5 management shall certify the number of pupils in each school
6 district designated for the following school year to receive an
7 education savings grant. The department of management shall
8 also notify the parent or guardian of such pupils who are
9 approved to receive an education savings grant.

10 *c.* Education savings grants shall only be approved for one
11 school year and applications must be submitted under paragraph
12 "a" for education savings grants in subsequent school years.

13 3. *a.* The department of management shall assign each pupil
14 an education savings grant of three thousand seven hundred
15 dollars.

16 *b.* The department of management shall on July 1 transfer
17 such amounts to the pupil's account in the Iowa education
18 savings grant fund established under subsection 4. Such amount
19 shall be available for disbursement to the pupil's parent or
20 guardian for the payment of qualified educational expenses
21 incurred by such persons for the pupil during that school year.

22 4. An Iowa education savings grant fund is created in
23 the state treasury under the control of the department of
24 management consisting of moneys appropriated to the department
25 for the purpose of providing education savings grants under
26 this section. For the fiscal year commencing July 1, 2013, and
27 each succeeding fiscal year, there is appropriated from the
28 general fund of the state to the department of management the
29 amount necessary to pay all education savings grants approved
30 for that fiscal year. The director of the department of
31 management has all powers necessary to carry out and effectuate
32 the purposes, objectives, and provisions of this section
33 pertaining to the fund, including the power to do all of the
34 following:

35 *a.* Make and enter into contracts necessary for the

1 administration of the fund.

2 **b.** Procure insurance against any loss in connection with the
3 assets of the fund.

4 **c.** Make disbursements from a pupil's account within the
5 fund to the pupil's parents or guardians for the payment of
6 qualified educational expenses.

7 **d.** Make transfers to pupils' Iowa education savings plan
8 trust accounts established under chapter 12D.

9 **e.** Adopt rules pursuant to chapter 17A for the
10 administration of the fund and accounts within the fund.

11 5. **a.** For each pupil approved for an education savings
12 grant, the department shall establish an account for that
13 pupil in the education savings grant fund. The amount of the
14 pupil's education savings grant shall be deposited into the
15 pupil's account on July 1 and such amount shall be immediately
16 available for disbursement to parents and guardians upon filing
17 and approval of claims from the pupil's account for qualified
18 education expenses incurred by the parent or guardian for the
19 pupil during that fiscal year.

20 **b.** A parent or guardian of a pupil may on forms prescribed
21 by the department of management submit claims for disbursements
22 of moneys within the account. The department may by rule
23 designate the appropriate supporting documentation necessary
24 for the disbursement of moneys in an account including but not
25 limited to invoices of amounts due and receipts of amounts paid
26 for qualified education expenses.

27 **c.** The department of management shall upon conclusion of
28 the fiscal year and disbursement of all claims submitted by
29 a parent or guardian before conclusion of the fiscal year
30 transfer any remaining amounts in the pupil's account within
31 the education savings grant fund to the pupil's Iowa education
32 savings plan trust account pursuant to chapter 12D.

33 6. For purposes of this section, "*qualified educational*
34 *expense*" includes tuition at a public school collected under
35 section 257.3A, tuition and fees at an accredited nonpublic

1 school, textbooks, payment to a licensed or accredited tutor,
2 curriculum materials, tuition or fees for nonpublic online
3 education programs, education materials and services for pupils
4 with disabilities, standardized test fees, and other expenses
5 incurred by the parent or guardian that are directly related to
6 the education of the pupil at a public school or an accredited
7 nonpublic school or directly related to providing competent
8 private instruction for the pupil under chapter 299A.

9 7. A person who makes a false claim for the purpose of
10 obtaining an education savings grant provided for in this
11 section or who knowingly receives the grant without being
12 legally entitled to it is guilty of a fraudulent practice. The
13 false claim for an education savings grant shall be disallowed
14 and if amounts from the grant have been disbursed from the
15 applicable account in the education savings grant fund or
16 transferred to an Iowa education savings plan trust account
17 under chapter 12D, the department of management shall initiate
18 legal proceedings to recover such amounts.

19 Sec. 98. Section 257.4, subsection 1, paragraph a, Code
20 2011, is amended to read as follows:

21 a. A school district shall cause an additional property tax
22 to be levied each year. The rate of the additional property
23 tax levy in a school district shall be determined by the
24 department of management and shall be calculated to raise the
25 difference between the ~~combined district cost~~ school district's
26 total certified budget for the budget year and the sum of the
27 following:

28 (1) ~~The product of the regular program foundation base per~~
29 ~~pupil times the weighted enrollment in the district~~ The amount
30 raised by the foundation property tax for the budget year in
31 the school district.

32 (2) ~~The product of special education support services~~
33 ~~foundation base per pupil times the special education support~~
34 ~~services weighted enrollment in the district~~ The total amount
35 of tuition collected from pupils within the district for the

1 budget year pursuant to section 257.3A.

2 (3) The total teacher salary supplement district cost.

3 (4) The total professional development supplement district
4 cost.

5 (5) The total early intervention supplement district cost.

6 (6) The total area education agency teacher salary
7 supplement district cost.

8 (7) The total area education agency professional
9 development supplement district cost.

10 Sec. 99. Section 257.4, subsection 1, paragraph b, Code
11 2011, is amended by striking the paragraph.

12 Sec. 100. Section 257.4, subsection 2, Code 2011, is amended
13 by striking the subsection.

14 Sec. 101. Section 257.6, subsection 1, paragraph a, Code
15 2011, is amended by adding the following new subparagraph:

16 NEW SUBPARAGRAPH. (8) Resident pupils receiving an
17 education savings grant pursuant to section 257.3B and not
18 included in the actual enrollment under another provision of
19 this paragraph.

20 Sec. 102. Section 257.6, subsections 3 and 5, Code 2011, are
21 amended by striking the subsections.

22 Sec. 103. Section 257.7, subsection 1, Code 2011, is amended
23 to read as follows:

24 1. *Budgets.* School districts are subject to chapter 24.
25 The authorized expenditures of a school district ~~during a base~~
26 ~~year shall not exceed the lesser of the budget for that year~~
27 ~~certified under section 24.17 plus any allowable amendments~~
28 ~~permitted in this section, or the authorized certified budget,~~
29 ~~which is the sum of the combined district cost for that year,~~
30 including the actual miscellaneous income received for that
31 year, and the actual unspent balance from the preceding year.

32 Sec. 104. Section 257.8, subsections 1, 3, 4, 5, 6, and 7,
33 Code Supplement 2011, are amended by striking the subsections.

34 Sec. 105. Section 257.9, subsections 1 through 5, Code 2011,
35 are amended by striking the subsections.

1 Sec. 106. Section 257.10, subsections 1 through 8, Code
2 2011, are amended by striking the subsections.

3 Sec. 107. Section 257.16, subsections 1 and 4, Code 2011,
4 are amended to read as follows:

5 1. There is appropriated each year from the general fund
6 of the state an amount necessary to pay the foundation aid and
7 education savings grants under this chapter, and the preschool
8 foundation aid under chapter 256C, supplementary aid under
9 section 257.4, subsection 2, and adjusted additional property
10 tax levy aid under section 257.15, subsection 4.

11 4. Notwithstanding any provision to the contrary, if
12 the governor orders budget reductions in accordance with
13 section 8.31, the teacher salary supplement district cost,
14 the professional development supplement district cost, and
15 the early intervention supplement district cost as calculated
16 under section 257.10, subsections 9, 10, and 11, and the area
17 education agency teacher salary supplement district cost and
18 the area education agency professional development supplement
19 district cost as calculated under section 257.37A, subsections
20 1 and 2, shall be paid in full as calculated and the reductions
21 in the appropriations provided in accordance with this section
22 shall be reduced from the remaining moneys appropriated
23 pursuant to this section and shall be distributed on a per
24 pupil basis ~~calculated with the weighted enrollment determined~~
25 ~~in accordance with section 257.6, subsection 5.~~

26 Sec. 108. Section 257.30, Code 2011, is amended to read as
27 follows:

28 **257.30 School budget review committee.**

29 1. A school budget review committee is established in
30 the department of ~~education~~ management and consists of the
31 director of the department of ~~education~~ management in an ex
32 officio, nonvoting capacity, ~~the director of the department~~
33 ~~of management~~, and four members who are knowledgeable in the
34 areas of Iowa school finance or public finance issues appointed
35 by the governor to represent the public. At least one of the

1 public members shall possess a master's or doctoral degree in
2 which areas of school finance, economics, or statistics are
3 an integral component, or shall have equivalent experience in
4 an executive administrative or senior research position in
5 the education or public administration field. The members
6 appointed by the governor shall serve staggered three-year
7 terms beginning and ending as provided in section 69.19 and are
8 subject to senate confirmation as provided in section 2.32.
9 The committee shall meet and hold hearings each year and shall
10 continue in session until it has reviewed budgets of school
11 districts, as provided in section 257.31. The committee may
12 call in school board members and employees as necessary for
13 the hearings. The committee's scheduled hearing agendas and
14 the minutes of such hearings shall be posted on the department
15 of education's internet site. Legislators shall be notified
16 of hearings concerning school districts in their legislative
17 districts.

18 2. The committee shall adopt its own rules of procedure
19 under chapter 17A. The director of the department of ~~education~~
20 management shall serve as chairperson, and ~~the~~ a public member
21 designated by the director of the department of management
22 shall serve as secretary. The committee members representing
23 the public are entitled to receive their necessary expenses
24 while engaged in their official duties. Members shall be paid
25 a per diem at the rate specified in section 7E.6. Per diem
26 and expense payments shall be made from appropriations to the
27 department of ~~education~~ management.

28 3. The department of ~~education~~ management shall employ a
29 staff member to assist the school budget review committee.

30 Sec. 109. Section 257.34, Code 2011, is amended to read as
31 follows:

32 **257.34 Cash reserve information.**

33 If a school district receives less state ~~school foundation~~
34 ~~aid under section 257.1~~ than is due under ~~that section~~ this
35 chapter for a base year and the school district uses funds

1 from its cash reserve during the base year to make up for
2 the amount of state aid not paid, the board of directors of
3 the school district shall include in its general fund budget
4 document information about the amount of the cash reserve used
5 to replace state ~~school foundation~~ aid not paid.

6 Sec. 110. Section 257.37A, subsection 1, paragraph c,
7 subparagraph (1), Code 2011, is amended to read as follows:

8 (1) The unadjusted area education agency teacher salary
9 supplement district cost is the area education agency teacher
10 salary supplement district cost per pupil for each area
11 education agency for a budget year multiplied by the special
12 education support services ~~weighted~~ enrollment for that area
13 education agency.

14 Sec. 111. Section 257.37A, subsection 2, paragraph c,
15 subparagraph (1), Code 2011, is amended to read as follows:

16 (1) The unadjusted area education agency professional
17 development supplement district cost is the area education
18 agency professional development supplement district cost
19 per pupil for each area education agency for a budget year
20 multiplied by the special education support services ~~weighted~~
21 enrollment for that area education agency.

22 Sec. 112. REPEAL. Sections 257.5, 257.11, 257.11A, 257.12,
23 257.13, 257.14, 257.15, 257.16A, 257.18, 257.19, 257.20,
24 257.21, 257.22, 257.23, 257.24, 257.25, 257.26, 257.27, 257.28,
25 257.29, 257.38, 257.39, 257.40, 257.41, 257.42, 257.43, 257.44,
26 257.45, 257.46, 257.47, 257.48, and 257.49, Code 2011, are
27 repealed.

28 Sec. 113. APPLICABILITY. This division of this Act applies
29 to school budget years and fiscal years beginning on or after
30 July 1, 2013.

31 Sec. 114. EFFECTIVE DATE. This division of this Act takes
32 effect July 1, 2013.

33 DIVISION IV

34 CORRESPONDING AMENDMENTS LEGISLATION

35 Sec. 115. CORRESPONDING AMENDMENTS LEGISLATION. Additional

1 legislation is required to fully implement division III of this
2 Act. The director of the department of education shall, in
3 compliance with section 2.16, prepare draft legislation for
4 submission to the legislative services agency, as necessary,
5 to implement the transition and elimination of authority and
6 duties of the department of education, the state board of
7 education, and director of the department of education under
8 division III of this Act, to implement the school finance
9 modifications under division III of this Act, to implement the
10 education savings grant program created in division III of
11 this Act, and to implement the transition and elimination of
12 authority and duties under other provisions of law including
13 but not limited to the duties and authority of the department
14 of education, the state board of education, the director of
15 the department of education, and any division, commission, or
16 subunit of such entities or offices under chapters 11, 24,
17 256B, 256C, 256D, 256F, 257, 260C, 261E, 273, 275, 279, 280,
18 282, 284, 284A, 285, 298, 299A, 301, 321, 331, 422, 423E, and
19 423F.

20 EXPLANATION

21 This bill relates to education and school district funding
22 by repealing the department of education, modifying the duties
23 and authority of certain state and local governmental entities,
24 establishing an education savings grant program, and modifying
25 the school district funding formula.

26 Division I of the bill repeals Code chapter 256, which
27 establishes the department of education, establishes the office
28 of the director of the department of education, establishes
29 the state board of education, specifies certain educational
30 standards, establishes various education programs, establishes
31 certain councils and entities within the department of
32 education, includes provisions relating to the participation in
33 extracurricular activities, establishes the division of library
34 services, includes the library compact, and establishes the
35 public broadcasting division.

1 Division I of the bill also amends and repeals other chapters
2 of the Code relating to education to transition the duties and
3 authority of the department of education, the director of the
4 department of education, and the state board of education to
5 other specified local and state governmental entities beginning
6 July 1, 2013.

7 Division I of the bill takes effect July 1, 2013.

8 Division II of the bill provides that additional legislation
9 is required to fully implement division I of the bill and
10 requires the director of the department of education to prepare
11 draft legislation in compliance with Code section 2.16 for
12 submission to the legislative services agency, as necessary,
13 to implement the transition and elimination of authority and
14 duties under division I of the bill and to implement the
15 transition and elimination of authority and duties under other
16 provisions of law including but not limited to the duties and
17 authority of the department of education, the state board of
18 education, the director of the department of education, and any
19 division, commission, or subunit of such entities or offices
20 under Code chapters 7A, 7E, 8A, 8D, 8F, 11, 12, 15, 15H, 16,
21 19B, 22, 48A, 68B, 73, 80E, 84A, 85, 96, 99B, 125, 135, 139A,
22 141A, 142A, 154B, 154F, 161A, 190A, 216A, 218, 220A, 225B,
23 225C, 232, 234, 237, 237A, 237B, 239B, 241, 249A, 257, 307A,
24 321, 321J, 322, 350, 423E, 423F, 455A, 455E, 473, 514I, 714,
25 and 904.

26 Division III of the bill modifies the funding methodology
27 for school districts and establishes an education savings grant
28 program for all public school and nonpublic school students.

29 Division III of the bill provides that beginning July
30 1, 2013, the authority and duties of the department of
31 education, the state board of education, and the director
32 of the department of education under Code chapter 257 are
33 transferred to the department of management and the director
34 of the department of management. The bill also provides that
35 moneys remaining in any account or fund under the control of

1 the department of education at the conclusion of the fiscal
2 year beginning July 1, 2012, relative to the provisions of Code
3 chapter 257 are transferred to the control of the department
4 of management for such purposes. The bill provides that
5 any contract entered into by the department of education
6 relating to the provisions of Code chapter 257 in effect at
7 the conclusion of the fiscal year beginning July 1, 2012,
8 shall continue in full force and effect pending transfer of
9 such contracts to the department of management. The bill also
10 provides for the continuation of any rule, regulation, form,
11 order, or directive promulgated by the department of education
12 until amended, repealed, or supplemented by affirmative action
13 of the department of management.

14 Division III of the bill provides education savings grants
15 for certain pupils enrolled in a public school, attending an
16 accredited nonpublic school, or receiving competent private
17 instruction and establishes an education savings grant fund.

18 Under division III of the bill, pupils residing in the
19 state, eligible to enroll in grades kindergarten through 12,
20 and enrolled in a public school, attending an accredited
21 nonpublic school, or receiving competent private instruction
22 under Code chapter 299A are eligible to receive an education
23 savings grant for school years beginning on or after July 1,
24 2013. By January 31 preceding the school year for which the
25 education savings grant is requested, the parent or guardian of
26 the pupil requesting to receive an education savings grant must
27 submit an application to the department of education indicating
28 that the parent or guardian intends to enroll the pupil in
29 either a public school or an accredited nonpublic school, or
30 provide competent private instruction for the pupil. As part
31 of the application, the parent or guardian must also certify
32 that an account for the pupil has been established in the Iowa
33 education savings plan trust pursuant to Code chapter 12D
34 (college savings Iowa 529 plan).

35 Division III of the bill requires that by March 1 preceding

1 the school year for which the education savings grant is
2 requested, the department of management must certify the number
3 of pupils in each school district designated for the following
4 school year to receive an education savings grant. Education
5 savings grants may only be approved for one school year and
6 applications must be submitted for education savings grants in
7 subsequent school years.

8 The amount of each education savings grant is \$3,700 per
9 pupil.

10 Division III of the bill creates an Iowa educational savings
11 grant fund in the state treasury under the control of the
12 department of management consisting of moneys appropriated to
13 the department for the purpose of providing education savings
14 grants. For the fiscal year commencing July 1, 2013, and each
15 succeeding fiscal year, there is appropriated from the general
16 fund of the state to the department of management the amount
17 necessary to pay all education savings grants approved for that
18 fiscal year. For each pupil approved for an education savings
19 grant, the department of management must establish an account
20 for that pupil in the educational savings grant fund. The
21 amount of the pupil's education savings grant is deposited into
22 the pupil's account on July 1 and such amount is available for
23 disbursement to parents and guardians upon filing and approval
24 of claims from the pupil's account for qualified education
25 expenses, as defined in the bill, incurred by the parent or
26 guardian for the pupil during that fiscal year.

27 Division III of the bill requires the department of
28 management to, upon conclusion of the fiscal year and
29 disbursement of all claims submitted by a parent or guardian
30 before conclusion of the fiscal year, transfer any remaining
31 amounts in the pupil's education savings grant account to the
32 pupil's Iowa education savings plan trust account. However,
33 such contributions to a pupil's Iowa education savings plan
34 trust account are not considered contributions that may be
35 deducted for Iowa income tax purposes under Code section 12D.3.

1 Division III of the bill provides that a person who makes a
2 false claim for the purpose of obtaining an education savings
3 grant or who knowingly receives the grant without being legally
4 entitled to it is guilty of a fraudulent practice and is
5 subject to a criminal penalty. The bill allows the department
6 of management to initiate legal proceedings to recover grants
7 improperly awarded under the bill.

8 Pupils receiving an education savings grant under division
9 III of the bill are counted in the actual enrollment for the
10 pupil's school district of residence, however, the amount of
11 the grant for each such student is subtracted from the amount
12 of state aid otherwise paid to the school district for that
13 budget year.

14 Division III of the bill provides that in lieu of state
15 aid funding through the school aid formula, a school district
16 may collect as tuition from each pupil enrolled in the school
17 district an amount not to exceed the education savings grant
18 received by the pupil for that school year under new Code
19 section 257.3B. Accordingly, a school district's additional
20 levy is determined by the department of management to raise
21 the difference between the school district's total certified
22 budget for the budget year and the sum of the amount raised by
23 the \$5.40 foundation property tax levy in the school district,
24 the total amount of tuition collected from pupils within
25 the district for the budget year, the total teacher salary
26 supplement district cost, the total professional development
27 supplement district cost, the total early intervention
28 supplement district cost, the total area education agency
29 teacher salary supplement district cost, the total area
30 education agency professional development supplement district
31 cost.

32 Division III of the bill modifies provisions relating to
33 the budgeting and expenditure limitations of school districts
34 and repeals sections of Code chapter 257 that establish
35 supplementary weighting programs, weighted enrollments for

1 certain school funding programs, certain budget and state aid
2 adjustments, the property tax equity and relief fund, the
3 instructional support program, the educational improvement
4 program, and the gifted and talented program.

5 Division III of the bill takes effect July 1, 2013, and
6 applies to school budget years and fiscal years beginning on
7 or after July 1, 2013.

8 Division IV of the bill provides that additional legislation
9 is required to fully implement division III of the bill and
10 requires the director of the department of education to prepare
11 draft legislation in compliance with Code section 2.16 for
12 submission to the legislative services agency, as necessary,
13 to implement the transition and elimination of authority
14 and duties of the department of education, the state board
15 of education, and director of the department of education,
16 to implement the school finance modifications, to implement
17 the education savings grant program, and to implement the
18 transition and elimination of authority and duties under other
19 provisions of law including but not limited to the duties and
20 authority of the department of education, the state board of
21 education, the director of the department of education, and any
22 division, commission, or subunit of such entities or offices
23 under Code chapters 11, 24, 256B, 256C, 256D, 256F, 257, 260C,
24 261E, 273, 275, 279, 280, 282, 284, 285, 298, 299A, 301, 321,
25 331, 422, 423E, and 423F.