

Senate File 336 - Introduced

SENATE FILE 336

BY ZAUN, ROZENBOOM, and
CHAPMAN

A BILL FOR

1 An Act relating to education by abolishing the department of
2 education and the state board of education, modifying the
3 duties and authority of certain state and local governmental
4 entities, establishing an education savings grant program
5 and fund, making appropriations, providing penalties, and
6 including effective date and applicability provisions.
7 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. NEW SECTION. **256B.16 Transfer of authority and duties.**

1. Beginning July 1, 2014, the authority and duties of the department of education, the division of special education created under section 256B.1, the state board of education, and the director of the department of education under this chapter shall to the extent feasible be transferred to the appropriate area education agency where such special education services are being provided. Accordingly, beginning July 1, 2014, all references to the department of education or the division of special education under this chapter and references to the department of education or the division of special education under other provisions of law relating to this chapter shall mean the applicable area education agency and all references to the state board of education or the director of the department of education under this chapter or other provisions of law relating to this chapter shall mean the board of directors of the area education agency and the administrator of the area education agency respectively.

2. Any moneys remaining in any account or fund under the control of the department of education at the conclusion of the fiscal year beginning July 1, 2013, relative to the provisions of this chapter shall be transferred to the control of the department of human services for such purposes. Notwithstanding section 8.33, the moneys transferred in accordance with this subsection shall not revert to the account or fund from which appropriated or transferred.

3. Any contract entered into by the department of education relating to the provisions of this chapter in effect at the conclusion of the fiscal year beginning July 1, 2013, shall continue in full force and effect pending transfer of such contracts to the area education agencies.

1 4. Any rule, regulation, form, order, or directive
2 promulgated by the department of education relative to the
3 provisions of this chapter in existence at the conclusion of
4 the fiscal year beginning July 1, 2013, shall continue in full
5 force and effect.

6 5. In regard to updating references and format in the Iowa
7 administrative code in order to correspond to the transferring
8 of duties of this chapter, the administrative rules coordinator
9 and the administrative rules review committee, in consultation
10 with the administrative code editor, shall jointly develop a
11 schedule for the necessary updating of the Iowa administrative
12 code.

13 Sec. 2. Section 256C.1, Code 2013, is amended to read as
14 follows:

15 **256C.1 Definitions.**

16 As used in this chapter:

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

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

21 3. ~~"Director" means the director of the department of~~
22 ~~education.~~

23 4. 2. *"Preschool program"* means the statewide preschool
24 program for four-year-old children created in accordance with
25 this chapter.

26 5. 3. *"School district approved to participate in the*
27 *preschool program"* means a school district that meets the
28 school district requirements under section 256C.3 ~~and has been~~
29 ~~approved by the department to participate in the preschool~~
30 ~~program.~~

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

32 Sec. 3. Section 256C.2, subsection 2, Code 2013, is amended
33 by striking the subsection.

34 Sec. 4. Section 256C.3, subsection 2, paragraph a,
35 subparagraph (3), Code 2013, is amended to read as follows:

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

6 Sec. 5. Section 256C.3, subsection 3, unnumbered paragraph
7 1, Code 2013, is amended to read as follows:

8 ~~The state board shall adopt rules to further define the~~
9 ~~following preschool program requirements which shall be used to~~
10 ~~determine whether or not a~~ Each local program implemented by
11 a school district approved to implement the preschool program
12 ~~qualifies as an approved local program~~ shall address or conform
13 with all of the following:

14 Sec. 6. Section 256C.3, subsection 3, paragraph e, Code
15 2013, is amended to read as follows:

16 e. Collaboration with participating families, early care
17 providers, and community partners including but not limited to
18 early childhood Iowa area boards, head start programs, shared
19 ~~visions and other programs provided under the auspices of the~~
20 ~~child development coordinating council~~, licensed child care
21 centers, registered child development homes, area education
22 agencies, child care resource and referral services provided
23 under section 237A.26, early childhood special education
24 programs, services funded by Tit. I of the federal Elementary
25 and Secondary Education Act of 1965, and family support
26 programs.

27 Sec. 7. Section 256C.3, subsection 4, Code 2013, is amended
28 by striking the subsection and inserting in lieu thereof the
29 following:

30 4. *School district requirements.*

31 a. Subject to implementation of chapter 28E agreements
32 between a school district and community-based providers of
33 services to four-year-old children, a four-year-old child who
34 is enrolled in a child care center or child development home
35 licensed or registered under chapter 237A, or in an existing

1 public or private preschool program, shall be eligible for
2 services provided by the school district's local preschool
3 program.

4 *b.* Professional development for school district preschool
5 teachers shall be addressed in the school district's
6 professional development plan implemented in accordance with
7 section 284.6.

8 Sec. 8. Section 256C.3, subsection 5, Code 2013, is amended
9 by striking the subsection.

10 Sec. 9. Section 256C.4, subsection 1, paragraph d, Code
11 2013, is amended to read as follows:

12 *d.* Preschool foundation aid funding shall not be commingled
13 with the other state aid payments made under section 257.16
14 to a school district and shall be accounted for by the local
15 school district separately from the other state aid payments.
16 Preschool foundation aid payments made to school districts
17 are miscellaneous income for purposes of chapter 257. A
18 school district shall maintain a separate listing within its
19 budget for preschool foundation aid payments received and
20 expenditures made. ~~A school district shall certify to the~~
21 ~~department of education that preschool~~ Preschool foundation aid
22 funding received by the school district ~~was~~ shall be used to
23 supplement, not supplant, moneys otherwise received and used by
24 the school district for preschool programming.

25 Sec. 10. Section 256C.4, subsection 2, paragraph b, Code
26 2013, is amended to read as follows:

27 *b.* The enrollment count of eligible students shall not
28 include a child who is included in the enrollment count
29 determined under section 257.6 or a child who is served by
30 a program already receiving state or federal funds for the
31 purpose of the provision of four-year-old preschool programming
32 while the child is being served by the program. Such preschool
33 programming includes but is not limited to ~~child development~~
34 ~~assistance programs provided under chapter 256A,~~ special
35 education programs provided under section 256B.9, school ready

1 children grant programs and other programs provided under
2 chapter 256I, and federal head start programs and the services
3 funded by Tit. I of the federal Elementary and Secondary
4 Education Act of 1965.

5 Sec. 11. Section 256C.5, subsection 2, Code 2013, is amended
6 to read as follows:

7 2. *Preschool foundation aid district amount.*

8 a. For the initial school year for which a school district
9 approved to participate in the preschool program ~~receives that~~
10 ~~approval and~~ implements the preschool program, the funding for
11 the preschool foundation aid payable to that school district
12 shall be paid from the appropriation made for that school year
13 in section 256C.6, Code 2011, or in another appropriation
14 made for purposes of this chapter. For that school year, the
15 preschool foundation aid payable to the school district is
16 the product of the regular program state cost per pupil for
17 the school year multiplied by sixty percent of the school
18 district's eligible student enrollment on the date in the
19 school year ~~determined by rule.~~

20 b. For budget years subsequent to the initial school year
21 for which a school district approved to participate in the
22 preschool program ~~receives that initial approval and~~ implements
23 the preschool program, the funding for the preschool foundation
24 aid payable to that school district shall be paid from the
25 appropriation made in section 257.16. ~~Continuation of a~~
26 ~~school district's participation in the preschool program for~~
27 ~~a second or subsequent budget year is subject to the approval~~
28 ~~of the department based upon the school district's compliance~~
29 ~~with accountability provisions and the department's on-site~~
30 ~~review of the school district's implementation of the preschool~~
31 ~~program.~~

32 Sec. 12. Section 256C.5, subsection 4, Code 2013, is amended
33 by striking the subsection.

34 Sec. 13. NEW SECTION. 256F.12 **Transfer of authority and**
35 **duties.**

1 1. Beginning July 1, 2014, the authority and duties of the
2 department of education, the state board, and the director of
3 the department of education under this chapter, to the extent
4 feasible, shall be transferred to the board of directors of
5 the community college serving the merged area in which the
6 charter school or innovation zone school, or such proposed
7 school, is located. Accordingly, beginning July 1, 2014, all
8 references to the department of education, the state board of
9 education, and the director of the department of education
10 under this chapter or other provisions of law relating to this
11 chapter shall mean the board of directors of the community
12 college serving the merged area in which the charter school or
13 innovation zone school, or such proposed school, is located.

14 2. 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, 2013, shall
17 continue in full force and effect pending transfer of such
18 contracts to the appropriate community college board of
19 directors.

20 3. 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, 2013, shall continue in full
24 force and effect.

25 Sec. 14. NEW SECTION. **256H.4 Transfer of authority and**
26 **duties.**

27 1. Beginning July 1, 2014, the authority and duties of the
28 department of education and the director of the department
29 of education under this chapter shall be transferred to the
30 adjutant general of the state. Accordingly, beginning July 1,
31 2014, all references to the department of education and the
32 director of the department of education under this chapter or
33 other provisions of law relating to this chapter shall mean
34 adjutant general of the state.

35 2. 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, 2013, shall
3 continue in full force and effect pending transfer of such
4 contracts to the adjutant general of the state.

5 3. Any rule, regulation, form, order, or directive
6 promulgated by the department of education relative to the
7 provisions of this chapter in existence upon conclusion of the
8 fiscal year beginning July 1, 2013, shall continue in full
9 force and effect.

10 Sec. 15. NEW SECTION. 256I.13 **Transfer of authority and**
11 **duties.**

12 1. Beginning July 1, 2014, the authority and duties of the
13 department of education and the director of the department
14 of education under this chapter shall be transferred to the
15 department of management and the director of the department
16 of management. Accordingly, beginning July 1, 2014, all
17 references to the department of education or the director of
18 the department of education under this chapter or under other
19 provisions of law relating to this chapter shall mean the
20 department of management and the director of the department of
21 management.

22 2. Any moneys remaining in any account or fund under the
23 control of the department of education at the conclusion of the
24 fiscal year beginning July 1, 2013, relative to the provisions
25 of this chapter shall be transferred to the control of the
26 department of management for such purposes. Notwithstanding
27 section 8.33, the moneys transferred in accordance with this
28 subsection shall not revert to the account or fund from which
29 appropriated or transferred.

30 3. Any contract entered into by the department of education
31 relating to the provisions of this chapter in effect at the
32 conclusion of the fiscal year beginning July 1, 2013, shall
33 continue in full force and effect pending transfer of such
34 contracts to the department of management.

35 4. Any rule, regulation, form, order, or directive

1 promulgated by the department of education relative to the
2 provisions of this chapter in existence at the conclusion of
3 the fiscal year beginning July 1, 2013, shall continue in full
4 force and effect until amended, repealed, or supplemented by
5 affirmative action of the department of management under the
6 duties and powers established in this chapter and under the
7 procedure established in subsection 5.

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

15 Sec. 16. Section 257C.5, subsection 1, Code 2013, is amended
16 to read as follows:

17 1. The powers of the authority are vested in and exercised
18 by a board consisting of five members, including the treasurer
19 of state, ~~the director of the department of education,~~ and the
20 director of the department of management, and ~~two~~ three members
21 appointed by the governor, subject to confirmation by the
22 senate. The state officials may designate representatives to
23 serve on the board for them. As far as possible, the governor
24 shall appoint members who are knowledgeable or experienced in
25 the school systems of this state or in finance.

26 Sec. 17. NEW SECTION. **258.18 Transfer of authority and**
27 **duties.**

28 1. Beginning July 1, 2014, the authority and duties of the
29 department of education, the state board of education, and the
30 director of the department of education under this chapter
31 shall be transferred to the department of workforce development
32 and the director of the department of workforce development.
33 Accordingly, beginning July 1, 2014, all references to the
34 department of education under this chapter and references
35 to the department of education under other provisions of

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

7 2. Any moneys remaining in any account or fund under the
8 control of the department of education at the conclusion
9 of the fiscal year beginning July 1, 2013, relative to the
10 provisions of this chapter shall be transferred to the control
11 of the department of workforce development for such purposes.
12 Notwithstanding section 8.33, the moneys transferred in
13 accordance with this subsection shall not revert to the account
14 or fund from which 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, 2013, shall
18 continue in full force and effect pending transfer of such
19 contracts to the department of workforce development.

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, 2013, shall continue in full
24 force and effect until amended, repealed, or supplemented by
25 affirmative action of the department of workforce development
26 under the duties and powers established in this chapter and
27 under the 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. 18. NEW SECTION. 259.1A Transfer of authority and

1 **duties.**

2 1. Beginning July 1, 2014, the authority and duties of the
3 department of education, the state board of education, and the
4 director of the department of education under this chapter
5 shall be transferred to the department of workforce development
6 and the director of the department of workforce development.
7 Accordingly, beginning July 1, 2014, all references to the
8 department of education under this chapter and references
9 to the department of education under other provisions of
10 law relating to this chapter shall mean the department of
11 workforce development and all references to the state board
12 of education or the director of the department of education
13 under this chapter or other provisions of law relating to this
14 chapter shall mean the director of the department of workforce
15 development.

16 2. Beginning July 1, 2014, the division of vocational
17 rehabilitation services created within the department of
18 education under section 259.3 shall be transferred to the
19 department of workforce development.

20 3. Any moneys remaining in any account or fund under the
21 control of the department of education at the conclusion
22 of the fiscal year beginning July 1, 2013, relative to the
23 provisions of this chapter shall be transferred to the control
24 of the department of workforce development for such purposes.
25 Notwithstanding section 8.33, the moneys transferred in
26 accordance with this subsection shall not revert to the account
27 or fund from which appropriated or transferred.

28 4. Any contract entered into by the department of education
29 relating to the provisions of this chapter in effect at the
30 conclusion of the fiscal year beginning July 1, 2013, shall
31 continue in full force and effect pending transfer of such
32 contracts to the department of workforce development.

33 5. Any rule, regulation, form, order, or directive
34 promulgated by the department of education relative to the
35 provisions of this chapter in existence at the conclusion of

1 the fiscal year beginning July 1, 2013, shall continue in full
2 force and effect until amended, repealed, or supplemented by
3 affirmative action of the department of workforce development
4 under the duties and powers established in this chapter and
5 under the procedure established in subsection 6.

6 6. In regard to updating references and format in the Iowa
7 administrative code in order to correspond to the transferring
8 of duties of this chapter, the administrative rules coordinator
9 and the administrative rules review committee, in consultation
10 with the administrative code editor, shall jointly develop a
11 schedule for the necessary updating of the Iowa administrative
12 code.

13 Sec. 19. Section 259A.1, Code 2013, is amended to read as
14 follows:

15 **259A.1 Tests.**

16 ~~The department of education~~ Each board of directors of
17 the community college serving the merged area shall cause to
18 be made available for qualified individuals a high school
19 equivalency diploma. The diploma shall be issued on the basis
20 of satisfactory competence as shown by tests covering all
21 of the following: reading, arts, language arts, writing,
22 mathematics, science, and social studies.

23 Sec. 20. Section 259A.2, unnumbered paragraph 2, Code 2013,
24 is amended to read as follows:

25 Application shall be made to a testing center approved
26 by the ~~department of education~~ board of directors of the
27 community college serving the merged area, accompanied by an
28 application fee in an amount prescribed by the ~~department~~ board
29 of directors of the community college. The test scores shall
30 be forwarded by the testing center to the ~~department~~ board of
31 directors of the community college.

32 Sec. 21. Section 259A.3, Code 2013, is amended to read as
33 follows:

34 **259A.3 Notice and fee.**

35 Any applicant who has achieved the minimum passing standards

1 as established by the ~~department, and approved by the state~~
2 ~~board,~~ board of directors of the community college shall be
3 issued a high school equivalency diploma ~~by the department~~ upon
4 payment of an additional amount determined ~~in rules adopted by~~
5 ~~the state board of education~~ by the board to cover the actual
6 costs of the production and distribution of the diploma. The
7 ~~state board of education may also by rule establish a fee for~~
8 ~~the issuance or verification of a transcript which shall be~~
9 ~~based on the actual costs of the production or verification of~~
10 ~~a transcript.~~

11 Sec. 22. Section 259A.4, Code 2013, is amended to read as
12 follows:

13 **259A.4 Use of fees.**

14 The fees collected under the provisions of this chapter
15 shall be used for the expenses incurred in administering,
16 providing test materials, scoring of examinations and issuance
17 of high school equivalency diplomas, and shall be disbursed
18 on the authorization of the ~~director of the department of~~
19 education board of directors of the community college. The
20 treasurer of state shall be custodian of the funds paid to the
21 ~~department~~ community college and shall disburse the same on
22 vouchers audited as provided by law. The unobligated balance
23 in such funds at the close of each biennium shall be placed in
24 the general fund of the state.

25 Sec. 23. Section 259A.5, Code 2013, is amended to read as
26 follows:

27 **259A.5 Rules.**

28 ~~The director of the department of education~~ Each board
29 of directors of the community college shall adopt tests,
30 definitions of terms, and forms as necessary for the
31 administration of this chapter. ~~The state board shall adopt~~
32 ~~rules under chapter 17A to carry out this chapter.~~

33 Sec. 24. NEW SECTION. **260C.1A Transfer of authority and**
34 **duties.**

35 1. Beginning July 1, 2014, the authority and duties of the

1 department of education, the state board of education, and the
2 director of the department of education under this chapter
3 shall, to the extent feasible, be transferred to the boards of
4 directors of the community colleges serving the merged areas of
5 the state. Accordingly, beginning July 1, 2014, all references
6 to the department of education, the state board of education,
7 and the director of the department of education under this
8 chapter and references to the department of education, the
9 state board of education, and the director of the department
10 of education under other provisions of law relating to this
11 chapter shall mean the applicable board of directors of a
12 community college.

13 2. Beginning July 1, 2014, transfer of the duties and
14 authority of the department shall also include all duties and
15 authority of the community colleges division created within the
16 department of education under section 260C.6.

17 3. Any moneys remaining in any account or fund under the
18 control of the department of education at the conclusion of the
19 fiscal year beginning July 1, 2013, relative to the provisions
20 of this chapter shall be transferred to the control of the
21 applicable board of directors of a community college for such
22 purposes. Notwithstanding section 8.33, the moneys transferred
23 in accordance with this subsection shall not revert to the
24 account or fund from which appropriated or transferred.

25 4. Any contract entered into by the department of education
26 relating to the provisions of this chapter in effect at the
27 conclusion of the fiscal year beginning July 1, 2013, shall
28 continue in full force and effect pending transfer of such
29 contracts to the boards of directors of the community colleges.

30 5. Any rule, regulation, form, order, or directive
31 promulgated by the department of education relative to the
32 provisions of this chapter in existence at the conclusion of
33 the fiscal year beginning July 1, 2013, shall continue in full
34 force and effect.

35 Sec. 25. Section 260E.7, subsection 1, Code 2013, is amended

1 to read as follows:

2 1. The economic development authority, in consultation with
3 the ~~department of education,~~ the department of revenue, and
4 the department of workforce development, shall coordinate and
5 review the new jobs training program. The economic development
6 authority shall adopt, amend, and repeal rules under chapter
7 17A that the community college will use in developing projects
8 with new and expanding industrial new jobs training proposals
9 and that the economic development authority shall use to review
10 and report on the new jobs training program as required in this
11 section.

12 Sec. 26. Section 260F.6B, Code 2013, is amended to read as
13 follows:

14 **260F.6B High technology apprenticeship program.**

15 The community colleges and the economic development
16 authority are authorized to fund high technology apprenticeship
17 programs which comply with the requirements specified in
18 section 260C.44 and which may include both new and statewide
19 apprenticeship programs. Notwithstanding the provisions
20 of section 260F.6, subsection 2, relating to maximum award
21 amounts, moneys allocated to the community colleges with high
22 technology apprenticeship programs shall be distributed to the
23 community colleges based upon contact hours under the programs
24 administered during the prior fiscal year as determined by the
25 ~~department of education~~ economic development authority. The
26 economic development authority shall adopt rules governing this
27 section's operation and participant eligibility.

28 Sec. 27. Section 260F.7, Code 2013, is amended to read as
29 follows:

30 **260F.7 Economic development authority to coordinate.**

31 The economic development authority, in consultation with
32 the ~~department of education~~ and the department of workforce
33 development, shall coordinate the jobs training program. A
34 project shall not be funded under this chapter unless the
35 economic development authority approves the project. The

1 authority shall adopt rules pursuant to chapter 17A governing
2 the program's operation and eligibility for participation in
3 the program. The authority shall establish by rule criteria
4 for determining what constitutes an eligible business.

5 Sec. 28. Section 260H.2, Code 2013, is amended to read as
6 follows:

7 **260H.2 Pathways for academic career and employment program.**

8 A pathways for academic career and employment program is
9 established to provide funding to community colleges for the
10 development of projects in coordination with the economic
11 development authority, ~~the department of education,~~ the
12 department of workforce development, regional advisory boards
13 established pursuant to section 84A.4, and community partners
14 to implement a simplified, streamlined, and comprehensive
15 process, along with customized support services, to enable
16 eligible participants to acquire effective academic and
17 employment training to secure gainful, quality, in-state
18 employment.

19 Sec. 29. Section 260H.8, Code 2013, is amended to read as
20 follows:

21 **260H.8 Rules.**

22 The ~~department of education~~ economic development authority,
23 in consultation with the community colleges, ~~the economic~~
24 ~~development authority,~~ and the department of workforce
25 development, shall adopt rules pursuant to chapter 17A and this
26 chapter to implement the provisions of this chapter. Regional
27 advisory boards established pursuant to section 84A.4 shall be
28 consulted in the development and implementation of rules to be
29 adopted pursuant to this chapter.

30 Sec. 30. Section 260I.2, subsection 2, paragraph a, Code
31 2013, is amended to read as follows:

32 a. There is established for the community colleges
33 a gap tuition assistance fund in the state treasury to
34 be administered by the ~~department of education~~ economic
35 development authority. The funds in the gap tuition assistance

1 fund are appropriated to the ~~department of education~~ economic
2 development authority for the gap tuition assistance program.

3 Sec. 31. Section 260I.3, subsection 1, Code 2013, is amended
4 to read as follows:

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

9 Sec. 32. Section 260I.10, Code 2013, is amended to read as
10 follows:

11 **260I.10 Oversight.**

12 1. The ~~department of education~~ economic development
13 authority, in coordination with the community colleges, shall
14 establish a steering committee. The steering committee shall
15 determine if the performance measures of the gap tuition
16 assistance program are being met and shall take necessary steps
17 to correct any deficiencies. The steering committee shall meet
18 at least quarterly to evaluate and monitor the performance of
19 the gap tuition assistance program.

20 2. The ~~department of education~~ economic development
21 authority, in coordination with the community colleges,
22 shall develop a common intake tracking system that shall be
23 implemented consistently by each participating community
24 college.

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

28 Sec. 33. Section 260I.11, Code 2013, is amended to read as
29 follows:

30 **260I.11 Rules.**

31 The ~~department of education~~ economic development authority,
32 in consultation with the ~~economic development authority and the~~
33 community colleges, shall adopt rules pursuant to chapter 17A
34 and this chapter to implement the provisions of this chapter.

35 Sec. 34. Section 261.1, subsection 2, paragraph b, Code

1 2013, is amended by striking the paragraph.

2 Sec. 35. NEW SECTION. **261.8 Transfer of authority and**
3 **duties.**

4 1. Beginning July 1, 2014, the authority and duties of the
5 department of education, the state board of education, and the
6 director of the department of education under this chapter
7 shall be transferred to the college student aid commission.
8 Accordingly, beginning July 1, 2014, all references to the
9 department of education or the director of the department of
10 education under this chapter and references to the department
11 of education or the director of the department of education
12 under other provisions of law relating to this chapter shall
13 mean the college student aid commission.

14 2. Any moneys remaining in any account or fund under the
15 control of the department of education at the conclusion
16 of the fiscal year beginning July 1, 2013, relative to the
17 provisions of this chapter shall be transferred to the control
18 of the college student aid commission for such purposes.
19 Notwithstanding section 8.33, the moneys transferred in
20 accordance with this subsection shall not revert to the account
21 or fund from which appropriated or transferred.

22 3. Any contract entered into by the department of education
23 relating to the provisions of this chapter in effect at the
24 conclusion of the fiscal year beginning July 1, 2013, shall
25 continue in full force and effect pending transfer of such
26 contracts to the college student aid commission.

27 4. 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, 2013, shall continue in full
31 force and effect until amended, repealed, or supplemented by
32 affirmative action of the college student aid commission under
33 the duties and powers established in this chapter and under the
34 procedure established in subsection 5.

35 5. In regard to updating references and format in the Iowa

1 administrative code in order to correspond to the transferring
2 of duties of this chapter, the administrative rules coordinator
3 and the administrative rules review committee, in consultation
4 with the administrative code editor, shall jointly develop a
5 schedule for the necessary updating of the Iowa administrative
6 code.

7 Sec. 36. NEW SECTION. **261E.1A Transfer of authority and**
8 **duties.**

9 1. Beginning July 1, 2014, 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 shall be transferred to the state board of regents.
13 Accordingly, beginning July 1, 2014, all references to the
14 department of education, the state board of education, or the
15 director of the department of education under this chapter
16 and references to the department of education, state board of
17 education, or director of the department of education under
18 other provisions of law relating to this chapter shall mean the
19 state board of regents.

20 2. Any moneys remaining in any account or fund under the
21 control of the department of education at the conclusion of the
22 fiscal year beginning July 1, 2013, relative to the provisions
23 of this chapter shall be transferred to the control of the
24 state board of regents for such purposes. Notwithstanding
25 section 8.33, the moneys transferred in accordance with this
26 subsection shall not revert to the account or fund from which
27 appropriated or transferred.

28 3. Any contract entered into by the department of education
29 relating to the provisions of this chapter in effect at the
30 conclusion of the fiscal year beginning July 1, 2013, shall
31 continue in full force and effect pending transfer of such
32 contracts to the state board of regents.

33 4. Any rule, regulation, form, order, or directive
34 promulgated by the department of education relative to the
35 provisions of this chapter in existence at the conclusion of

1 the fiscal year beginning July 1, 2013, shall continue in full
2 force and effect until amended, repealed, or supplemented by
3 affirmative action of the state board of regents under the
4 duties and powers established in this chapter and under the
5 procedure established in subsection 5.

6 5. In regard to updating references and format in the Iowa
7 administrative code in order to correspond to the transferring
8 of duties of this chapter, the administrative rules coordinator
9 and the administrative rules review committee, in consultation
10 with the administrative code editor, shall jointly develop a
11 schedule for the necessary updating of the Iowa administrative
12 code.

13 Sec. 37. Section 262.9, subsection 27, Code 2013, is amended
14 to read as follows:

15 27. ~~Explore, in conjunction with the department~~
16 ~~of education,~~ the need for coordination between school
17 districts, area education agencies, state board of regents
18 institutions, and community colleges for purposes of delivery
19 of courses, use of telecommunications, transportation, and
20 other similar issues. Coordination may include but is not
21 limited to coordination of calendars, programs, schedules, or
22 telecommunications emissions. The state board shall develop
23 recommendations as necessary, which shall be submitted in a
24 report to the general assembly on a timely basis.

25 Sec. 38. Section 262.9, subsection 33, unnumbered paragraph
26 1, Code 2013, is amended to read as follows:

27 ~~In consultation with the state board of education, establish~~
28 Establish and enter into a collective statewide articulation
29 agreement with the community colleges established pursuant to
30 chapter 260C, which shall provide for the seamless transfer
31 of academic credits from a completed associate of arts or
32 associate of science degree program offered by a community
33 college to a baccalaureate degree program offered by an
34 institution of higher education governed by the board. The
35 board shall also do the following:

1 Sec. 39. Section 262.9, subsection 33, paragraph i, Code
2 2013, is amended to read as follows:

3 *i.* Prepare, jointly with ~~the department of education and~~
4 the liaison advisory committee on transfer students, and submit
5 by January 15 annually to the general assembly, an update on
6 the articulation efforts and activities implemented by the
7 community colleges and the institutions of higher education
8 governed by the board.

9 Sec. 40. Section 262.71, subsection 9, Code 2013, is amended
10 by striking the subsection.

11 Sec. 41. Section 266.39C, subsection 2, paragraph a,
12 subparagraph (5), Code 2013, is amended to read as follows:

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

15 Sec. 42. Section 266.39C, subsection 6, Code 2013, is
16 amended to read as follows:

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

20 Sec. 43. Section 272.1, subsection 4, Code 2013, is amended
21 by striking the subsection.

22 Sec. 44. NEW SECTION. **272.1A Transfer of authority and**
23 **duties.**

24 1. Beginning July 1, 2014, the authority and duties of the
25 department of education, the state board of education, and the
26 director of the department of education under this chapter
27 shall be transferred to the board of educational examiners.
28 Accordingly, beginning July 1, 2014, all references to the
29 department of education, the state board of education, or the
30 director of the department of education under this chapter
31 and references to the department of education, state board of
32 education, or director of the department of education under
33 other provisions of law relating to this chapter shall mean the
34 board of educational examiners.

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

1 control of the department of education at the conclusion
2 of the fiscal year beginning July 1, 2013, relative to the
3 provisions of this chapter shall be transferred to the control
4 of the board of educational examiners for such purposes.
5 Notwithstanding section 8.33, the moneys transferred in
6 accordance with this subsection shall not revert to the account
7 or fund from which 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, 2013, shall
11 continue in full force and effect pending transfer of such
12 contracts to the board of educational examiners.

13 Sec. 45. Section 272.3, subsection 1, unnumbered paragraph
14 1, Code 2013, is amended to read as follows:

15 The board of educational examiners consists of twelve
16 members. Two must be members of the general public, ~~one~~
17 ~~must be the director of the department of education or the~~
18 ~~director's designee,~~ and the remaining ~~nine~~ ten members must be
19 licensed practitioners. One of the public members shall have
20 served on a school board. The public members shall never have
21 held a practitioner's license, but shall have a demonstrated
22 interest in education. The ~~nine~~ ten practitioners shall be
23 selected from the following areas and specialties of the
24 teaching profession:

25 Sec. 46. Section 272.3, subsection 2, Code 2013, is amended
26 to read as follows:

27 2. A majority of the licensed practitioner members shall
28 be nonadministrative practitioners. Four of the members shall
29 be administrators. Membership of the board shall comply with
30 the requirements of sections 69.16 and 69.16A. A quorum of
31 the board shall consist of six members. Members shall elect a
32 chairperson of the board. Members, ~~except for the director of~~
33 ~~the department of education or the director's designee,~~ shall
34 be appointed by the governor subject to confirmation by the
35 senate.

1 Sec. 47. Section 272.4, subsection 1, unnumbered paragraph
2 1, Code 2013, is amended to read as follows:

3 ~~Members, except for the director of the department of~~
4 ~~education or the director's designee,~~ shall be appointed to
5 serve staggered terms of four years. A member shall not serve
6 more than two consecutive terms, ~~except for the director of the~~
7 ~~department of education or the director's designee, who shall~~
8 ~~serve until the director's term of office expires.~~ A member of
9 the board, except for the two public members ~~and the director~~
10 ~~of the department of education or the director's designee,~~
11 shall hold a valid practitioner's license during the member's
12 term of office. A vacancy exists when any of the following
13 occur:

14 Sec. 48. Section 272.25, subsections 3, 4, and 8, Code 2013,
15 are amended to read as follows:

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

26 4. A requirement that prescribes minimum experiences and
27 responsibilities to be accomplished during the student teaching
28 experience by the student teacher and by the cooperating
29 teacher ~~based upon recommendations of the department of~~
30 ~~education after consultation with teacher education faculty~~
31 ~~members in colleges and universities.~~ The student teaching
32 experience shall include opportunities for the student
33 teacher to become knowledgeable about the Iowa teaching
34 standards, including a mock evaluation performed by the
35 cooperating teacher. The mock evaluation shall not be used as

1 an assessment tool by the practitioner preparation program.
2 The student teaching experience shall consist of interactive
3 experiences involving the college or university personnel, the
4 student teacher, the cooperating teacher, and administrative
5 personnel from the cooperating teacher's school district.

6 8. A requirement that an approved practitioner preparation
7 institution submit evidence that the college ~~or department of~~
8 ~~education~~ is communicating with other colleges or departments
9 in the institution so that practitioner preparation students
10 may integrate teaching methodology with subject matter areas
11 of specialization.

12 Sec. 49. NEW SECTION. 273.1A **Transfer of authority and**
13 **duties.**

14 1. Beginning July 1, 2014, the authority and duties of
15 the department of education, the state board of education,
16 and the director of the department of education under this
17 chapter shall, to the extent feasible, be transferred to the
18 area education agency boards of directors in this state.
19 Accordingly, beginning July 1, 2014, all references to the
20 department of education, the state board of education, and the
21 director of the department of education under this chapter and
22 references to the department of education, the state board of
23 education, and the director of the department of education
24 under other provisions of law relating to this chapter shall
25 mean the applicable area education agency board of directors.

26 2. Any rule, regulation, form, order, or directive
27 promulgated by the department of education relative to the
28 provisions of this chapter in existence at the conclusion of
29 the fiscal year beginning July 1, 2013, shall continue in full
30 force and effect.

31 Sec. 50. Section 273.2, subsection 5, unnumbered paragraph
32 1, Code 2013, is amended to read as follows:

33 The area education agency board may provide for the
34 following programs and services to local school districts, ~~and~~
35 ~~at the request of local school districts to providers of child~~

1 ~~development services who have received grants under chapter~~
2 ~~256A from the child development coordinating council,~~ within
3 the limits of funds available:

4 Sec. 51. NEW SECTION. **274.1A Transfer of authority and**
5 **duties.**

6 1. Beginning July 1, 2014, the authority and duties of the
7 department of education and the director of the department of
8 education under this chapter shall, to the extent feasible, be
9 transferred to the area education agency boards of directors
10 in this state. Accordingly, beginning July 1, 2014, all
11 references to the department of education and the director of
12 the department of education under this chapter and references
13 to the department of education and the director of the
14 department of education under other provisions of law relating
15 to this chapter shall mean the applicable area education agency
16 board of directors.

17 2. Any rule, regulation, form, order, or directive
18 promulgated by the department of education or the director
19 of the department of education relative to the provisions of
20 this chapter in existence at the conclusion of the fiscal
21 year beginning July 1, 2013, shall continue in full force and
22 effect.

23 Sec. 52. NEW SECTION. **275.1A Transfer of authority and**
24 **duties.**

25 1. Beginning July 1, 2014, the authority and duties of
26 the department of education, the state board of education,
27 and the director of the department of education under this
28 chapter shall, to the extent feasible, be transferred to the
29 area education agency boards of directors in this state.
30 Accordingly, beginning July 1, 2014, all references to the
31 department of education, the state board of education, and the
32 director of the department of education under this chapter and
33 references to the department of education, the state board of
34 education, and the director of the department of education
35 under other provisions of law relating to this chapter shall

1 mean the applicable area education agency board of directors.

2 2. Any rule, regulation, form, order, or directive
3 promulgated by the department of education, the state board
4 of education, or the director of the department of education
5 relative to the provisions of this chapter in existence at the
6 conclusion of the fiscal year beginning July 1, 2013, shall
7 continue in full force and effect.

8 Sec. 53. Section 276.3, subsections 5 and 9, Code 2013, are
9 amended by striking the subsections.

10 Sec. 54. Section 279.51, subsection 1, unnumbered paragraph
11 1, Code 2013, is amended to read as follows:

12 There is appropriated from the general fund of the state
13 to the department of ~~education~~ management for the fiscal year
14 beginning July 1, 2007, and each succeeding fiscal year, the
15 sum of twelve million six hundred six thousand one hundred
16 ninety-six dollars. The moneys shall be allocated as follows:

17 Sec. 55. Section 279.51, subsection 1, paragraphs b and d,
18 Code 2013, are amended by striking the paragraphs.

19 Sec. 56. Section 279.51, subsection 2, Code 2013, is amended
20 by striking the subsection.

21 Sec. 57. NEW SECTION. **279.69 Transfer of authority and**
22 **duties.**

23 1. Beginning July 1, 2014, the authority and duties of
24 the department of education, the state board of education,
25 and the director of the department of education under this
26 chapter, to the extent feasible, shall be transferred to the
27 boards of directors for the respective school districts in the
28 state. Accordingly, beginning July 1, 2014, all references to
29 the department of education, the state board of education, and
30 the director of the department of education under this chapter
31 and references to the department of education, the state board
32 of education, and the director of the department of education
33 under other provisions of law relating to this chapter shall
34 mean the applicable board of directors of the school district.

35 2. Any rule, regulation, form, order, or directive

1 promulgated by the department of education, the state board
2 of education, or the director of the department of education
3 relative to the provisions of this chapter in existence at the
4 conclusion of the fiscal year beginning July 1, 2013, shall
5 continue in full force and effect.

6 Sec. 58. NEW SECTION. **280.1A Transfer of authority and**
7 **duties.**

8 1. Beginning July 1, 2014, the authority and duties of
9 the department of education, the state board of education,
10 and the director of the department of education under this
11 chapter, to the extent feasible, shall be transferred to the
12 boards of directors for the respective school districts in the
13 state. Accordingly, beginning July 1, 2014, all references to
14 the department of education, the state board of education, and
15 the director of the department of education under this chapter
16 and references to the department of education, the state board
17 of education, and the director of the department of education
18 under other provisions of law relating to this chapter shall
19 mean the applicable board of directors of the school district.

20 2. Any rule, regulation, form, order, or directive
21 promulgated by the department of education, the state board
22 of education, or the director of the department of education
23 relative to the provisions of this chapter in existence at the
24 conclusion of the fiscal year beginning July 1, 2013, shall
25 continue in full force and effect.

26 Sec. 59. NEW SECTION. **282.1A Transfer of authority and**
27 **duties.**

28 1. Beginning July 1, 2014, the authority and duties of
29 the department of education, the state board of education,
30 and the director of the department of education under this
31 chapter, to the extent feasible, shall be transferred to the
32 boards of directors for the respective school districts in the
33 state. Accordingly, beginning July 1, 2014, all references to
34 the department of education, the state board of education, and
35 the director of the department of education under this chapter

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

5 2. Any rule, regulation, form, order, or directive
6 promulgated by the department of education, the state board
7 of education, or the director of the department of education
8 relative to the provisions of this chapter in existence at the
9 conclusion of the fiscal year beginning July 1, 2013, shall
10 continue in full force and effect.

11 Sec. 60. Section 282.18, subsections 5 and 13, Code 2013,
12 are amended to read as follows:

13 5. Open enrollment applications filed after March 1
14 of the preceding school year that do not qualify for good
15 cause as provided in subsection 4 shall be subject to the
16 approval of the board of the resident district and the board
17 of the receiving district. The parent or guardian shall send
18 notification to the district of residence and the receiving
19 district that the parent or guardian seeks to enroll the
20 parent's or guardian's child in the receiving district. A
21 ~~decision of either board to deny an application filed under~~
22 ~~this subsection involving repeated acts of harassment of the~~
23 ~~student or serious health condition of the student that the~~
24 ~~resident district cannot adequately address is subject to~~
25 ~~appeal under section 290.1. The state board shall exercise~~
26 ~~broad discretion to achieve just and equitable results that are~~
27 ~~in the best interest of the affected child or children.~~

28 13. If a request under this section is for transfer to a
29 laboratory school, as described in chapter 265, the student,
30 who is the subject of the request, shall not be included in
31 the basic enrollment of the student's district of residence,
32 and the laboratory school shall report the enrollment of the
33 student directly to the department of education management,
34 unless the number of students from the district attending the
35 laboratory school during the current school year, as a result

1 of open enrollment under this section, exceeds the number of
 2 students enrolled in the laboratory school from that district
 3 during the 1989-1990 school year. If the number of students
 4 enrolled in the laboratory school from a district during the
 5 current year exceeds the number of students enrolled from that
 6 district during the 1989-1990 school year, those students who
 7 represent the difference between the current and the 1988-1989
 8 school year enrollment figures shall be included in the basic
 9 enrollment of the students' districts of residence and the
 10 districts shall retain any moneys received as a result of the
 11 inclusion of the student in the district enrollment. The total
 12 number of students enrolled at a laboratory school during a
 13 school year shall not exceed six hundred seventy students. The
 14 regents institution operating the laboratory school and the
 15 board of directors of the school district in the community
 16 in which the regents institution is located shall develop
 17 a student transfer policy designed to protect and promote
 18 the quality and integrity of the teacher education program
 19 at the laboratory school, the viability of the education
 20 program of the local school district in which the regents
 21 institution is located, and to indicate the order in which and
 22 reasons why requests to transfer to a laboratory school shall
 23 be considered. A laboratory school may deny a request for
 24 transfer under the policy. ~~A denial of a request to transfer~~
 25 ~~under this subsection is not subject to appeal under section~~
 26 ~~290.1.~~

27 Sec. 61. Section 282.18, subsection 15, Code 2013, is
 28 amended by striking the subsection.

29 Sec. 62. Section 283.1, Code 2013, is amended to read as
 30 follows:

31 **283.1 Federal funds accepted.**

32 The director of the department of education management
 33 is the "*state educational authority*" for the purpose of
 34 accepting and administering funds appropriated by Congress for
 35 educational purposes and the funds shall be deposited with the

1 treasurer of state and disbursed through the department of
2 administrative services on vouchers audited as provided by law.
3 When state matching funds are required as a condition to the
4 acceptance of federal funds, the director of the department
5 of ~~education~~ management may make expenditures for matching
6 only from funds provided by the legislature for that purpose.
7 However, when federal funds may be matched with expenditures
8 from funds appropriated for the general operation of the
9 department of ~~education~~ management, this may be done with the
10 approval of the legislative council.

11 Sec. 63. NEW SECTION. **283A.1A Transfer of authority and**
12 **duties.**

13 1. Beginning July 1, 2014, the authority and duties of
14 the department of education, the state board of education,
15 and the director of the department of education under this
16 chapter, to the extent feasible, shall be transferred to the
17 boards of directors for the respective school districts in the
18 state. Accordingly, beginning July 1, 2014, all references to
19 the department of education, the state board of education, and
20 the director of the department of education under this chapter
21 and references to the department of education, the state board
22 of education, and the director of the department of education
23 under other provisions of law relating to this chapter shall
24 mean the applicable board of directors of the school district.

25 2. Any rule, regulation, form, order, or directive
26 promulgated by the department of education, the state board
27 of education, or the director of the department of education
28 relative to the provisions of this chapter in existence at the
29 conclusion of the fiscal year beginning July 1, 2013, shall
30 continue in full force and effect.

31 Sec. 64. Section 283A.3, Code 2013, is amended to read as
32 follows:

33 **283A.3 Expenditure of federal funds.**

34 The director of the department of ~~education~~ management shall
35 accept and direct the disbursement of funds appropriated by any

1 Act of Congress and appropriated to the state of Iowa for use
2 in connection with school breakfast or lunch programs. The
3 director shall deposit the funds with the treasurer of the
4 state of Iowa, who shall make disbursements upon the direction
5 of the director.

6 Sec. 65. NEW SECTION. **284.1A Transfer of authority and**
7 **duties.**

8 1. Beginning July 1, 2014, the authority and duties of
9 the department of education, the state board of education,
10 and the director of the department of education under this
11 chapter, to the extent feasible, shall be transferred to the
12 boards of directors for the respective school districts in the
13 state. Accordingly, beginning July 1, 2014, all references to
14 the department of education, the state board of education, and
15 the director of the department of education under this chapter
16 and references to the department of education, the state board
17 of education, and the director of the department of education
18 under other provisions of law relating to this chapter shall
19 mean the applicable board of directors of the school district.

20 2. Any rule, regulation, form, order, or directive
21 promulgated by the department of education, the state board
22 of education, or the director of the department of education
23 relative to the provisions of this chapter in existence at the
24 conclusion of the fiscal year beginning July 1, 2013, shall
25 continue in full force and effect.

26 Sec. 66. NEW SECTION. **284A.1A Transfer of authority and**
27 **duties.**

28 1. Beginning July 1, 2014, the authority and duties of
29 the department of education, the state board of education,
30 and the director of the department of education under this
31 chapter, to the extent feasible, shall be transferred to the
32 boards of directors for the respective school districts in the
33 state. Accordingly, beginning July 1, 2014, all references to
34 the department of education, the state board of education, and
35 the director of the department of education under this chapter

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

5 2. Any rule, regulation, form, order, or directive
6 promulgated by the department of education, the state board
7 of education, or the director of the department of education
8 relative to the provisions of this chapter in existence at the
9 conclusion of the fiscal year beginning July 1, 2013, shall
10 continue in full force and effect.

11 **Sec. 67. NEW SECTION. 285.7 Transfer of authority and**
12 **duties.**

13 1. Beginning July 1, 2014, the authority and duties of
14 the department of education, the state board of education,
15 and the director of the department of education under this
16 chapter, to the extent feasible, shall be transferred to the
17 boards of directors for the respective school districts in the
18 state. Accordingly, beginning July 1, 2014, all references to
19 the department of education, the state board of education, and
20 the director of the department of education under this chapter
21 and references to the department of education, the state board
22 of education, and the director of the department of education
23 under other provisions of law relating to this chapter shall
24 mean the applicable board of directors of the school district.

25 2. Any rule, regulation, form, order, or directive
26 promulgated by the department of education, the state board
27 of education, or the director of the department of education
28 relative to the provisions of this chapter in existence at the
29 conclusion of the fiscal year beginning July 1, 2013, shall
30 continue in full force and effect.

31 **Sec. 68. Section 291.11, Code 2013, is amended to read as**
32 **follows:**

33 **291.11 Officers reported.**

34 The secretary shall report to the director of the department
35 of ~~education~~ management, the county auditor, and county

1 treasurer the name and post office address of the president,
2 treasurer and secretary of the board as soon as practicable
3 after the qualification of each.

4 Sec. 69. NEW SECTION. **292.1A Transfer of authority and**
5 **duties.**

6 1. Beginning July 1, 2014, the authority and duties of the
7 department of education under this chapter shall be transferred
8 to the department of revenue. Accordingly, beginning July 1,
9 2014, all references to the department of education under this
10 chapter and references to the department of education under
11 other provisions of law relating to this chapter shall mean the
12 department of revenue.

13 2. Any moneys remaining in any account or fund under the
14 control of the department of education at the conclusion of the
15 fiscal year beginning July 1, 2013, relative to the provisions
16 of this chapter shall be transferred to the control of the
17 department of revenue for such purposes. Notwithstanding
18 section 8.33, the moneys transferred in accordance with this
19 subsection shall not revert to the account or fund from which
20 appropriated or transferred.

21 3. 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, 2013, shall
24 continue in full force and effect pending transfer of such
25 contracts to the department of revenue.

26 4. Any rule, regulation, form, order, or directive
27 promulgated by the department of education relative to the
28 provisions of this chapter in existence at the conclusion of
29 the fiscal year beginning July 1, 2013, shall continue in full
30 force and effect until amended, repealed, or supplemented by
31 affirmative action of the department of revenue under the
32 duties and powers established in this chapter and under the
33 procedure established in subsection 5.

34 5. In regard to updating references and format in the Iowa
35 administrative code in order to correspond to the transferring

1 of duties of this chapter, the administrative rules coordinator
2 and the administrative rules review committee, in consultation
3 with the administrative code editor, shall jointly develop a
4 schedule for the necessary updating of the Iowa administrative
5 code.

6 Sec. 70. Section 294.5, Code 2013, is amended to read as
7 follows:

8 **294.5 Reports.**

9 The teacher shall file with the school superintendent and
10 ~~the director of the department of education~~ such reports and in
11 such manner as may be required.

12 Sec. 71. Section 296.3, Code 2013, is amended to read as
13 follows:

14 **296.3 Election called.**

15 Within ten days of receipt of a petition filed under section
16 296.2, the president of the board of directors shall call a
17 meeting of the board. The meeting shall be held within thirty
18 days after the petition was received. At the meeting, the
19 board shall call the election, fixing the time of the election,
20 which may be at the time and place of holding the regular
21 school election. However, if the board determines by unanimous
22 vote that the proposition or propositions requested by a
23 petition to be submitted at an election are grossly unrealistic
24 or contrary to the needs of the school district, no election
25 shall be called. If more than one petition has been received
26 by the time the board meets to consider the petition triggering
27 the meeting, the board shall act upon the petitions in the
28 order they were received at the meeting called to consider the
29 initial petition. ~~The decision of the board may be appealed to~~
30 ~~the state board of education as provided in chapter 290.~~ The
31 president shall notify the county commissioner of elections of
32 the time of the election.

33 Sec. 72. NEW SECTION. **297.37 Transfer of authority and**
34 **duties.**

35 1. Beginning July 1, 2014, the authority and duties of the

1 department of education and the director of the department
 2 of education under this chapter shall be transferred to the
 3 department of administrative services and the director of the
 4 department of administrative services. Accordingly, beginning
 5 July 1, 2014, all references to the department of education
 6 and the director of the department of education under this
 7 chapter and references to the department of education and the
 8 director of the department of education under other provisions
 9 of law relating to this chapter shall mean the department of
 10 administrative services or the director of the department of
 11 administrative services.

12 2. Any rule, regulation, form, order, or directive
 13 promulgated by the department of education or the director
 14 of the department of education relative to the provisions of
 15 this chapter in existence at the conclusion of the fiscal
 16 year beginning July 1, 2013, shall continue in full force and
 17 effect.

18 Sec. 73. Section 298A.8, Code 2013, is amended to read as
 19 follows:

20 **298A.8 Student activity fund.**

21 The student activity fund is a special revenue fund. A
 22 student activity fund must be established in any school
 23 corporation receiving money from student-related activities
 24 such as admissions, activity fees, student dues, student
 25 fund-raising events, or other student-related cocurricular or
 26 extracurricular activities. Moneys in this fund shall be used
 27 to support only the cocurricular program ~~defined in department~~
 28 ~~of education administrative rules.~~

29 Sec. 74. NEW SECTION. **299.25 Transfer of authority and**
 30 **duties.**

31 1. Beginning July 1, 2014, 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, to the extent feasible, shall be transferred to the
 35 boards of directors for the respective school districts in the

1 state. Accordingly, beginning July 1, 2014, all references to
2 the department of education, the state board of education, and
3 the director of the department of education under this chapter
4 and references to the department of education, the state board
5 of education, and the director of the department of education
6 under other provisions of law relating to this chapter shall
7 mean the applicable board of directors of the school district.

8 2. Any rule, regulation, form, order, or directive
9 promulgated by the department of education, the state board
10 of education, or the director of the department of education
11 relative to the provisions of this chapter in existence at the
12 conclusion of the fiscal year beginning July 1, 2013, shall
13 continue in full force and effect.

14 Sec. 75. NEW SECTION. **299A.1A Transfer of authority and**
15 **duties.**

16 1. Beginning July 1, 2014, the authority and duties of
17 the department of education, the state board of education,
18 and the director of the department of education under this
19 chapter, to the extent feasible, shall be transferred to the
20 boards of directors for the respective school districts in the
21 state. Accordingly, beginning July 1, 2014, all references to
22 the department of education, the state board of education, and
23 the director of the department of education under this chapter
24 and references to the department of education, the state board
25 of education, and the director of the department of education
26 under other provisions of law relating to this chapter shall
27 mean the applicable board of directors of the school district.

28 2. Any rule, regulation, form, order, or directive
29 promulgated by the department of education, the state board
30 of education, or the director of the department of education
31 relative to the provisions of this chapter in existence at the
32 conclusion of the fiscal year beginning July 1, 2013, shall
33 continue in full force and effect.

34 Sec. 76. NEW SECTION. **301.1A Transfer of authority and**
35 **duties.**

1 1. Beginning July 1, 2014, the authority and duties of
2 the department of education, the state board of education,
3 and the director of the department of education under this
4 chapter, to the extent feasible, shall be transferred to the
5 boards of directors for the respective school districts in the
6 state. Accordingly, beginning July 1, 2014, all references to
7 the department of education, the state board of education, and
8 the director of the department of education under this chapter
9 and references to the department of education, the state board
10 of education, and the director of the department of education
11 under other provisions of law relating to this chapter shall
12 mean the applicable board of directors of the school district.

13 2. Any rule, regulation, form, order, or directive
14 promulgated by the department of education, the state board
15 of education, or the director of the department of education
16 relative to the provisions of this chapter in existence at the
17 conclusion of the fiscal year beginning July 1, 2013, shall
18 continue in full force and effect.

19 Sec. 77. REPEAL. Sections 260C.6, 276.4, and 291.10, Code
20 2013, are repealed.

21 Sec. 78. REPEAL. Chapters 256, 256A, 256G, and 290, Code
22 2013, are repealed.

23 Sec. 79. EFFECTIVE DATE. This division of this Act takes
24 effect July 1, 2014.

25 DIVISION II

26 CORRESPONDING AMENDMENT LEGISLATION

27 Sec. 80. CORRESPONDING AMENDMENTS LEGISLATION. Additional
28 legislation is required to fully implement division I of this
29 Act. The director of the department of education shall, in
30 compliance with section 2.16, prepare draft legislation for
31 submission to the legislative services agency, as necessary,
32 to implement the transition and elimination of authority and
33 duties under division I of this Act and to implement the
34 transition and elimination of authority and duties under other
35 provisions of law including but not limited to the duties and

1 authority of the department of education, the state board of
2 education, the director of the department of education, and any
3 division, commission, or subunit of such entities or offices
4 under chapters 7A, 7E, 8A, 8D, 8F, 11, 12, 15, 15H, 16, 19B,
5 22, 48A, 68B, 73, 80E, 84A, 85, 96, 99B, 125, 135, 139A, 141A,
6 142A, 154B, 154F, 161A, 190A, 216A, 218, 220A, 225B, 225C, 232,
7 234, 237, 237A, 237B, 239B, 241, 249A, 257, 261B, 307A, 321,
8 321J, 322, 350, 423E, 423F, 455A, 455E, 473, 514I, 714, and
9 904.

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DIVISION III
EDUCATION FINANCE AND
EDUCATION SAVINGS GRANTS

13 Sec. 81. Section 8.6, Code 2013, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 18. *Education savings grant*
16 *applications.* Adopt rules relating to applications for an
17 education savings grant pursuant to section 257.11B, including
18 application processing timelines, and required information for
19 submission by a parent or guardian.

20 Sec. 82. NEW SECTION. 257.1A **Transfer of authority and**
21 **duties.**

22 1. Beginning July 1, 2014, 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, 2014, 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, 2013, 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, 2013, 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, 2013, 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. 83. NEW SECTION. 257.11B Education savings grant
29 program.

30 1. Pupils eligible to enroll in grades kindergarten through
31 twelve or eligible to participate in a preschool program under
32 chapter 256C and attending a nonpublic school, receiving
33 competent private instruction under chapter 299A, or receiving
34 private preschool instruction shall be eligible to receive an
35 education savings grant in the manner provided in this section

1 for school years beginning on or after July 1, 2014. Education
2 savings grants shall be made available to parents and guardians
3 in the manner authorized under subsection 4, paragraph "c", for
4 the payment of qualified education expenses as provided in this
5 section.

6 2. a. (1) By January 31 preceding the school year for
7 which the education savings grant is requested, the parent
8 or guardian of the pupil requesting to receive an education
9 savings grant shall submit an application to the department of
10 management, on application forms developed by the department
11 of management, indicating that the parent or guardian intends
12 to enroll the pupil in a nonpublic school, provide competent
13 private instruction for the pupil under chapter 299A, or
14 provide private preschool instruction.

15 (2) In addition to such information deemed appropriate by
16 the department of management, the application shall require
17 certification from the nonpublic school of the pupil's
18 enrollment for the following school year or a statement
19 indicating the parent or guardian's intent to provide or
20 arrange for competent private instruction or private preschool
21 instruction for the pupil for the following school year.

22 b. By March 1 preceding the school year for which the
23 education savings grant is requested, the department of
24 management shall notify the parent or guardian of each pupil
25 who is approved to receive an education savings grant and the
26 amount of the grant.

27 c. Education savings grants shall only be approved for one
28 school year and applications must be submitted under paragraph
29 "a" for education savings grants in subsequent school years.

30 3. a. The department of management shall assign each pupil
31 an education savings grant in an amount equal to the statewide
32 average state foundation aid per pupil in the same school
33 year. However, for a pupil that is eligible to participate
34 in a preschool program under chapter 256C, the amount of the
35 grant shall be an amount equal to fifty percent of the regular

1 program state cost per pupil for the same school year.

2 *b.* The department of management shall on July 1 following
3 the determination of the amount of the education savings grant
4 for each approved pupil transfer such amounts to the pupil's
5 account in the education savings grant fund established under
6 subsection 4. Such amount shall be available to the pupil's
7 parent or guardian in the manner authorized under subsection
8 4, paragraph "c", for the payment of qualified educational
9 expenses incurred by such persons for the pupil during that
10 school year.

11 4. An education savings grant fund is created in the state
12 treasury under the control of the department of management
13 consisting of moneys appropriated to the department for the
14 purpose of providing education savings grants under this
15 section. For the fiscal year commencing July 1, 2014, and
16 each succeeding fiscal year, there is appropriated from the
17 general fund of the state to the department of management to be
18 credited to the fund the amount necessary to pay all education
19 savings grants approved for that fiscal year. The director of
20 the department of management has all powers necessary to carry
21 out and effectuate the purposes, objectives, and provisions of
22 this section pertaining to the fund, including the power to do
23 all of the following:

24 *a.* Make and enter into contracts necessary for the
25 administration of the fund.

26 *b.* Procure insurance against any loss in connection with the
27 assets of the fund or require a surety bond.

28 *c.* Contract with a private financial management firm to
29 manage the fund, in collaboration with the treasurer of state,
30 including providing for the disbursement of education savings
31 grants in the form of an electronic debit card or checks that
32 are payable directly from the pupil's account within the fund.

33 *d.* Conduct audits or other review necessary to properly
34 administer the program.

35 *e.* Adopt rules pursuant to chapter 17A for the

1 administration of the fund and accounts within the fund.

2 5. a. For each pupil approved for an education savings
3 grant, the department of management shall establish an account
4 for that pupil in the education savings grant fund. The
5 amount of the pupil's education savings grant determined under
6 subsection 3 shall be deposited into the pupil's account on
7 July 1 and such amount shall be immediately available for the
8 payment of qualified education expenses incurred by the parent
9 or guardian for the pupil during that fiscal year using the
10 payment method authorized under subsection 4, paragraph "c".

11 b. A nonpublic school or other entity that accepts payment
12 from a parent or guardian using funds from a pupil's account in
13 the education savings grant fund shall not refund, rebate, or
14 share any portion of such payment with the parent, guardian, or
15 pupil.

16 c. Moneys remaining in a pupil's account upon conclusion
17 of the fiscal year shall remain in the pupil's account within
18 the education savings grant fund for the payment of qualified
19 educational expenses in future fiscal years or for the payment
20 of higher education costs under subsection 8.

21 6. For purposes of this section, "*qualified educational*
22 *expense*" includes tuition and fees at a nonpublic school
23 or nonpublic preschool, textbooks, fees or payments for
24 tutoring or cognitive skills training, curriculum materials,
25 tuition or fees for nonpublic online education programs,
26 education materials and services for pupils with disabilities,
27 standardized test fees, fees required by the department not to
28 exceed for each grant recipient five percent of the total grant
29 amount in any fiscal year, and other expenses incurred by the
30 parent or guardian that are directly related to the education
31 of the pupil at a nonpublic preschool or a nonpublic school,
32 including a nonpublic school accredited by an independent
33 accrediting agency approved by the department of management, or
34 directly related to providing competent private instruction for
35 the pupil under chapter 299A or private preschool instruction.

1 The cost of one computer or other portable computing device
2 shall be allowed as a qualified educational expense for
3 a pupil if such a purchase has not been made using funds
4 from that pupil's account in either of the two immediately
5 preceding fiscal years. "*Qualified educational expenses*" do not
6 include transportation costs for the pupil, the cost of food
7 or refreshments consumed by the pupil, the cost of clothing
8 for the pupil, or the cost of disposable materials including
9 but not limited to paper, notebooks, pencils, pens, and art
10 supplies.

11 7. A person who makes a false claim for the purpose of
12 obtaining an education savings grant provided for in this
13 section or who knowingly receives the grant or makes a payment
14 from an account within the education savings grant fund
15 without being legally entitled to it is guilty of a fraudulent
16 practice. The false claim for an education savings grant or a
17 payment from an account shall be disallowed and if amounts from
18 the grant have been disbursed from the applicable account in
19 the education savings grant fund, the department of management
20 shall initiate legal proceedings to recover such amounts. A
21 parent or guardian, or a pupil for purposes of subsection 8,
22 who violates this subsection is prohibited from participating
23 in the education savings grant program in the future.

24 8. For each pupil with a positive balance in the pupil's
25 account in the education savings grant fund upon graduation
26 from high school or completion of an equivalent level of
27 competent private instruction under chapter 299A, the
28 department of management shall maintain such account in the
29 fund until the pupil is twenty-five years of age. Following
30 graduation from high school until the pupil is twenty-five
31 years of age, moneys in the pupil's account may be used for
32 higher education costs, as defined in section 12D.1, subsection
33 2, incurred by the pupil while attending an institution of
34 higher education under the control of the state board of
35 regents, a community college located in this state, or a

1 private college or university located in this state. Payments
2 from a pupil's account for higher education costs shall be
3 made in the same manner as payments for qualified educational
4 expenses under subsection 5. Moneys in a pupil's account when
5 the pupil turns twenty-five years of age shall be transferred
6 by the department of management for deposit in the general fund
7 of the state.

8 9. This section shall not be construed to authorize this
9 state or any political subdivision of this state to exercise
10 authority over any nonpublic school or pupil receiving
11 competent private instruction under chapter 299A or construed
12 to require a nonpublic school to modify its admissions or
13 educational program in order to receive payment from a parent
14 or guardian using funds from a pupil's account in the education
15 savings grant fund. A nonpublic school or entity providing
16 competent private instruction under chapter 299A, that accepts
17 payment from a parent or guardian using funds from a pupil's
18 account in the education savings grant fund is not an agent
19 of this state or other political subdivision of this state.
20 Rules adopted by the department of management to implement this
21 section that impose an undue burden on a nonpublic school or
22 entity providing competent private instruction under chapter
23 299A are invalid.

24 Sec. 84. APPLICABILITY. This division of this Act applies
25 to school budget years and fiscal years beginning on or after
26 July 1, 2014.

27 Sec. 85. EFFECTIVE DATE. The section of this division of
28 this Act enacting section 257.1A takes effect July 1, 2014.

29 DIVISION IV

30 CORRESPONDING AMENDMENTS LEGISLATION

31 Sec. 86. CORRESPONDING AMENDMENTS LEGISLATION. Additional
32 legislation is required to fully implement the section of
33 division III of this Act enacting section 257.1A. The director
34 of the department of education shall, in compliance with
35 section 2.16, prepare draft legislation for submission to the

1 legislative services agency, as necessary, to implement the
2 transition and elimination of authority and duties of the
3 department of education, the state board of education, and
4 director of the department of education under the section
5 of division III of this Act enacting section 257.1A and to
6 implement the transition and elimination of authority and
7 duties under other provisions of law.

8

EXPLANATION

9 This bill relates to education and school district funding
10 by repealing the department of education, modifying the duties
11 and authority of certain state and local governmental entities,
12 establishing an education savings grant program, and modifying
13 the school district funding formula.

14 Division I of the bill repeals Code chapter 256, which
15 establishes the department of education, establishes the office
16 of the director of the department of education, establishes
17 the state board of education, specifies certain educational
18 standards, establishes various education programs, establishes
19 certain councils and entities within the department of
20 education, includes provisions relating to the participation in
21 extracurricular activities, establishes the division of library
22 services, includes the library compact, and establishes the
23 public broadcasting division.

24 Division I of the bill also amends and repeals other chapters
25 of the Code relating to education to transition the duties and
26 authority of the department of education, the director of the
27 department of education, and the state board of education to
28 other specified local and state governmental entities beginning
29 July 1, 2014.

30 Division I of the bill takes effect July 1, 2014.

31 Division II of the bill provides that additional legislation
32 is required to fully implement division I of the bill and
33 requires the director of the department of education to prepare
34 draft legislation in compliance with Code section 2.16 for
35 submission to the legislative services agency, as necessary,

1 to implement the transition and elimination of authority and
2 duties under division I of the bill and to implement the
3 transition and elimination of authority and duties under other
4 provisions of law including but not limited to the duties and
5 authority of the department of education, the state board of
6 education, the director of the department of education, and any
7 division, commission, or subunit of such entities or offices
8 under specified Code chapters.

9 Division III of the bill provides that beginning July
10 1, 2014, the authority and duties of the department of
11 education, the state board of education, and the director
12 of the department of education under Code chapter 257 are
13 transferred to the department of management and the director
14 of the department of management. The bill also provides that
15 moneys remaining in any account or fund under the control of
16 the department of education at the conclusion of the fiscal
17 year beginning July 1, 2013, relative to the provisions of Code
18 chapter 257 are transferred to the control of the department
19 of management for such purposes. The bill provides that
20 any contract entered into by the department of education
21 relating to the provisions of Code chapter 257 in effect at
22 the conclusion of the fiscal year beginning July 1, 2013,
23 shall continue in full force and effect pending transfer of
24 such contracts to the department of management. The bill also
25 provides for the continuation of any rule, regulation, form,
26 order, or directive promulgated by the department of education
27 until amended, repealed, or supplemented by affirmative action
28 of the department of management.

29 Division III of the bill provides education savings grants
30 for pupils attending a nonpublic school, receiving competent
31 private instruction, or receiving private preschool instruction
32 and establishes an education savings grant fund.

33 Under division III of the bill, pupils eligible to enroll
34 in grades kindergarten through 12 or eligible to participate
35 in a preschool program under Code chapter 256C and attending a

1 nonpublic school, receiving competent private instruction under
2 Code chapter 299A, or receiving private preschool instruction
3 are eligible to receive an education savings grant for school
4 years beginning on or after July 1, 2014. By January 31
5 preceding the school year for which the education savings grant
6 is requested, the parent or guardian of the pupil requesting to
7 receive an education savings grant must submit an application
8 to the department of management.

9 Division III of the bill requires that by March 1 preceding
10 the school year for which the education savings grant is
11 requested, the department of management must notify the parent
12 or guardian of each pupil designated to receive an education
13 savings grant and the amount of the education savings grant.
14 Education savings grants may only be approved for one school
15 year and applications must be submitted for education savings
16 grants in subsequent school years.

17 The amount of each education savings grant is equal to the
18 statewide average state foundation aid per pupil in the same
19 school year or in the case of a preschool eligible pupil an
20 amount equal to 50 percent of the regular program state cost
21 per pupil.

22 Division III of the bill creates an education savings
23 grant fund in the state treasury under the control of the
24 department of management consisting of moneys appropriated to
25 the department for the purpose of providing education savings
26 grants. For the fiscal year commencing July 1, 2014, and each
27 succeeding fiscal year, there is appropriated from the general
28 fund of the state to the department of management for deposit
29 in the fund the amount necessary to pay all education savings
30 grants approved for that fiscal year. For each pupil approved
31 for an education savings grant, the department of management
32 must establish an account for that pupil in the education
33 savings grant fund. The amount of the pupil's education
34 savings grant is deposited into the pupil's account on July 1
35 and such amount is available for use by parents and guardians

1 for the payment of qualified education expenses, as defined
2 in the bill, incurred by the parent or guardian for the pupil
3 during that fiscal year.

4 Division III of the bill authorizes the department of
5 management to contract with a private financial management firm
6 to manage the education savings grant fund, in collaboration
7 with the treasurer of state, including providing for the
8 disbursement of education savings grants in the form of an
9 electronic debit card or checks that are payable directly from
10 the pupil's account within the fund.

11 Division III of the bill provides that moneys remaining in a
12 pupil's account upon the conclusion of the fiscal year shall
13 remain in the pupil's account within the education savings
14 grant fund for the payment of qualified educational expenses in
15 future fiscal years or for higher education costs as authorized
16 in the bill.

17 Under the division, for each pupil with a positive balance in
18 the pupil's account in the education savings grant fund upon
19 graduation from high school or completion of an equivalent
20 level of competent private instruction under Code chapter
21 299A, the department of management is required to maintain the
22 account in the fund until the pupil is 25 years old. Until
23 the pupil is 25 years old, moneys in the pupil's account may
24 be used by the pupil for higher education costs, as defined
25 in Code section 12D.1. Moneys in a pupil's account when the
26 pupil turns 25 years old are transferred by the department of
27 management for deposit in the general fund of the state.

28 Division III of the bill provides that a person who makes a
29 false claim for the purpose of obtaining an education savings
30 grant or who knowingly receives the grant or makes a payment
31 from an account within the education savings grant fund without
32 being legally entitled to it is guilty of a fraudulent practice
33 and is subject to a criminal penalty. The bill allows the
34 department of management to initiate legal proceedings to
35 recover grants and amounts improperly awarded or paid from

1 accounts under the bill.

2 The section of division III of the bill enacting Code section
3 257.1A takes effect July 1, 2014. Division III of the bill
4 applies to school budget years and fiscal years beginning on
5 or after July 1, 2014.

6 Division IV of the bill provides that additional legislation
7 is required to fully implement division III of the bill and
8 requires the director of the department of education to prepare
9 draft legislation in compliance with Code section 2.16 for
10 submission to the legislative services agency, as necessary,
11 to implement the transition and elimination of authority and
12 duties of the department of education pursuant to new Code
13 section 257.1A and to implement the transition and elimination
14 of authority and duties under other provisions of law.