

**House File 2198 - Introduced**

HOUSE FILE 2198

BY WILLS

**A BILL FOR**

1 An Act relating to persistently lowest-achieving schools  
2 by authorizing parents or guardians to petition for the  
3 closure of an attendance center, for implementation of an  
4 education voucher program, or for establishment of a charter  
5 school, establishing an education voucher fund, making  
6 appropriations, and providing penalties.

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

1 Section 1. Section 256.7, Code 2016, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 33. Adopt rules relating to applications  
4 for an education voucher pursuant to section 256E.4, including  
5 application processing timelines and information required to be  
6 submitted by a parent or guardian.

7 Sec. 2. NEW SECTION. **256E.1 Definitions.**

8 1. "*Attendance center*" means a public school building  
9 that contains classrooms used for instructional purposes for  
10 elementary, middle, or secondary school students.

11 2. "*School board*" means a board of directors regularly  
12 elected by the registered voters of a school district.

13 3. "*State board*" means the state board of education.

14 Sec. 3. NEW SECTION. **256E.2 Alternatives for persistently**  
15 **lowest-achieving schools — parent petition.**

16 1. If an attendance center is identified by the department  
17 of education as a persistently lowest-achieving school within  
18 the meaning of section 256.9, subsection 61, the parents or  
19 guardians of students enrolled at the attendance center may  
20 submit a petition to the school board to either close the  
21 attendance center pursuant to section 256E.3 or authorize  
22 education vouchers for students of the attendance center under  
23 section 256E.4.

24 2. A valid petition under this section must state whether  
25 the petition is requesting the closure of an attendance center  
26 pursuant to section 256E.3 or the authorization of education  
27 vouchers under section 256E.4, and must contain the signatures  
28 of at least fifty percent of the parents or guardians whose  
29 children are enrolled at the attendance center. A valid  
30 petition under this section must be received by the school  
31 board not later than December 1 of the school year preceding  
32 the school year during which the requested action will be  
33 implemented. A petition received after that deadline will be  
34 considered a petition for the next applicable school year.

35 3. Unless rulemaking is authorized for another state

1 agency, the state board shall, after consulting with the  
2 department of education and the department of management, adopt  
3 rules to implement and administer this chapter.

4 Sec. 4. NEW SECTION. **256E.3 Closure of attendance center —**  
5 **reallocation of students.**

6 1. If a valid petition for closure of an attendance center  
7 is received by a school board under section 256E.2, the school  
8 board shall formulate and implement a plan for the closure  
9 of the attendance center and a plan for the reallocation of  
10 students currently enrolled at the attendance center and those  
11 students who would, but for the closure, be enrolled at the  
12 attendance center during the next school year.

13 2. The plan for the reallocation of students to other  
14 attendance centers in the school district shall include  
15 objective criteria and standards and criteria for prioritizing  
16 requests that do not have an adverse impact on the plan.

17 3. *a.* If other attendance centers in the school district  
18 have insufficient classroom space to accommodate the students  
19 from the closing attendance center, the school board shall  
20 instead implement the education voucher program under section  
21 256E.4.

22 *b.* Every school district shall adopt a policy that defines  
23 the term "*insufficient classroom space*" for each attendance  
24 center in that district.

25 Sec. 5. NEW SECTION. **256E.4 Education voucher program.**

26 1. *a.* If a valid petition authorizing education vouchers  
27 is received by a school board under section 256E.2, or if  
28 section 256E.3, subsection 3, is applicable, students eligible  
29 to enroll in kindergarten through grade twelve and who are  
30 enrolled at the attendance center at the time the applicable  
31 petition is filed are eligible to receive education vouchers.

32 *b.* Education vouchers shall be made available to parents  
33 and guardians in the manner authorized under subsection  
34 4, paragraph "*c*", for the payment of qualified educational  
35 expenses as provided in this section.

1     2. *a.* (1) By January 31 preceding the school year for  
2 which the education voucher is requested, the parent or  
3 guardian of the student requesting to receive an education  
4 voucher shall submit an application to the department of  
5 education, on application forms developed by the department,  
6 indicating that the parent or guardian intends to enroll the  
7 student in a nonpublic school.

8     (2) In addition to other information deemed appropriate  
9 by the department of education, the application shall require  
10 certification from the nonpublic school of the student's  
11 enrollment for the following school year.

12    *b.* By March 1 preceding the school year for which the  
13 education voucher is requested, the department of education  
14 shall notify the department of management of the number of  
15 students in each school district designated for the following  
16 school year to receive an education voucher. The department  
17 of education shall also notify the parent or guardian of such  
18 students who are approved to receive an education voucher.

19    *c.* Education vouchers shall only be approved for one school  
20 year per application, and applications must be submitted under  
21 paragraph "a" for education vouchers in subsequent school  
22 years.

23    3. The department of management shall assign each student an  
24 education voucher in an amount equal to seventy-five percent of  
25 the district of residence's regular program district cost per  
26 pupil in the same school year.

27    4. An education voucher fund is created in the state  
28 treasury under the control of the department of management  
29 consisting of moneys appropriated to the department for  
30 the purpose of providing education vouchers under this  
31 section. For the fiscal year commencing July 1, 2017, and  
32 each succeeding fiscal year, there is appropriated from the  
33 general fund of the state to the department of management to be  
34 credited to the fund the amount necessary to pay all education  
35 vouchers approved for that fiscal year. The director of the

1 department of management has all powers necessary to carry out  
2 and effectuate the purposes, objectives, and provisions of this  
3 section pertaining to the fund, including the power to do all  
4 of the following:

5     *a.* Make and enter into contracts necessary for the  
6 administration of the fund.

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

9     *c.* Contract with a private financial management firm to  
10 manage the fund, in collaboration with the treasurer of state,  
11 including providing for the disbursement of education vouchers  
12 in the form of an electronic debit card or checks that are  
13 payable directly from the student's account in the fund.

14     *d.* Conduct audits or other review necessary to properly  
15 administer the program.

16     *e.* Adopt rules pursuant to chapter 17A for the  
17 administration of the fund and accounts in the fund.

18     5. *a.* For each student approved for an education voucher,  
19 the department shall establish an account for that student  
20 in the education voucher fund. The student's education  
21 voucher shall be deposited into the student's account on July  
22 1 and funds shall be immediately available for the payment  
23 of qualified educational expenses incurred by the parent or  
24 guardian for the student during that fiscal year using the  
25 payment method authorized under subsection 4, paragraph "c".

26     *b.* A nonpublic school or other entity that accepts payment  
27 from a parent or guardian using funds from a student's account  
28 in the education voucher fund shall not refund, rebate, or  
29 share any portion of such payment with the parent, guardian,  
30 or student.

31     *c.* Moneys remaining in a student's account upon conclusion  
32 of the fiscal year shall remain in the student's account in the  
33 education voucher fund for the payment of qualified educational  
34 expenses in future fiscal years, unless subject to the transfer  
35 required under subsection 8.

1 6. a. For purposes of this section, "*qualified educational*  
2 *expenses*" includes tuition and fees at a nonpublic school,  
3 textbooks, fees, or payments for educational therapies  
4 including tutoring or cognitive skills training, curriculum  
5 fees and materials for a course of study for a specific  
6 subject matter or grade level, tuition or fees for nonpublic  
7 online education programs, education materials and services  
8 for students with disabilities including the cost of  
9 paraprofessionals and assistants who are trained in accordance  
10 with state law, and other expenses incurred by the parent or  
11 guardian that are directly related to the education of the  
12 student at a nonpublic school, including a nonpublic school  
13 accredited by an independent accrediting agency approved by  
14 the department of education. "*Qualified educational expenses*"  
15 does not include transportation costs for the student, the cost  
16 of food or refreshments consumed by the student, the cost of  
17 clothing for the student, or the cost of disposable materials,  
18 including but not limited to paper, notebooks, pencils, pens,  
19 and art supplies.

20 b. For purposes of this section, "*nonpublic school*" means  
21 the same as defined in section 285.16.

22 7. A person who makes a false claim for the purpose of  
23 obtaining an education voucher provided for in this section or  
24 who knowingly receives the voucher or makes a payment from an  
25 account in the education voucher fund without being legally  
26 entitled to it is guilty of a fraudulent practice. The false  
27 claim for an education voucher or a payment from an account  
28 shall be disallowed and if amounts from the voucher have  
29 been disbursed from the applicable account in the education  
30 voucher fund, the department of management shall initiate legal  
31 proceedings to recover such amounts. A parent or guardian who  
32 violates this subsection is prohibited from participating in  
33 the education voucher program in the future.

34 8. For each student with a positive balance in the student's  
35 account in the education voucher fund upon graduation from

1 high school or upon termination of the student's enrollment in  
2 the nonpublic school, moneys in the student's account shall be  
3 transferred by the department for deposit in the general fund  
4 of the state.

5 9. A nonpublic school that accepts payment from a parent or  
6 guardian using funds from a student's account in the education  
7 voucher fund is not an agent of this state or other political  
8 subdivision of this state.

9 Sec. 6. Section 256F.3, subsection 2, paragraph a, Code  
10 2016, is amended to read as follows:

11 a. (1) To receive approval to establish a charter school  
12 in accordance with [this chapter](#), the principal, teachers, or  
13 parents or guardians of students at an existing public school  
14 shall submit an application to the school board to convert an  
15 existing attendance center to a charter school. An attendance  
16 center shall not enter into a charter school contract with a  
17 school district under [this chapter](#) unless the attendance center  
18 is located within the school district.

19 (2) (a) The Except as otherwise provided in subparagraph  
20 division (b), the application shall demonstrate the support  
21 of at least fifty percent of the teachers employed at the  
22 school on the date of the submission of the application and  
23 fifty percent of the parents or guardians voting whose children  
24 are enrolled at the school, provided that a majority of the  
25 parents or guardians eligible to vote participate in the ballot  
26 process, according to procedures established by rules of the  
27 state board.

28 (b) If the attendance center at which the charter school  
29 is to be established is identified by the department of  
30 education as a persistently lowest-achieving school within  
31 the meaning of section 256.9, subsection 61, the application  
32 shall demonstrate the support of at least fifty percent of the  
33 parents or guardians voting whose children are enrolled at the  
34 school, provided that a majority of the parents or guardians  
35 eligible to vote participate in the ballot process, according

1 to procedures established by rules of the state board.

2 Sec. 7. Section 422.7, Code 2016, is amended by adding the  
3 following new subsection:

4 NEW SUBSECTION. 51. Subtract, to the extent included, the  
5 amount of any education voucher under section 256E.4 received  
6 during the tax year by a taxpayer authorized to spend such  
7 voucher amounts for qualified educational expenses.

8 EXPLANATION

9 The inclusion of this explanation does not constitute agreement with  
10 the explanation's substance by the members of the general assembly.

11 This bill relates to persistently lowest-achieving schools  
12 by authorizing parents or guardians to petition for the closure  
13 of an attendance center, for implementation of an education  
14 voucher program, or for establishment of a charter school.

15 Under the bill, if an attendance center is identified by  
16 the department of education as a persistently lowest-achieving  
17 school, the parents or guardians of students enrolled at  
18 the attendance center may submit a petition to the school  
19 board to either close the attendance center or authorize  
20 education vouchers for students of the attendance center. A  
21 valid petition must state whether the petition is requesting  
22 the closure of an attendance center or the authorization of  
23 education vouchers, and must contain the signatures at least 50  
24 percent of the parents or guardians whose children are enrolled  
25 at the attendance center. A valid petition must be received by  
26 the school board not later than December 1 of the school year  
27 preceding the school year during which the requested action  
28 will be implemented. A petition received after that deadline  
29 will be considered a petition for the next applicable school  
30 year.

31 If a valid petition for closure of an attendance center  
32 is received, the school board shall formulate and implement  
33 a plan for the closure of the attendance center and a plan  
34 for the reallocation of students currently enrolled at the  
35 attendance center and those students who would, but for the



1 closure, be enrolled at the attendance center during the next  
2 school year. The bill requires the plan for the reallocation  
3 of students to other attendance centers in the school district  
4 to include objective criteria and standards and criteria for  
5 prioritizing requests that do not have an adverse impact on the  
6 plan. If other attendance centers in the school district have  
7 insufficient classroom space to accommodate the students from  
8 the closing attendance center, the school board shall instead  
9 implement the education voucher program established in the  
10 bill.

11 Under the bill, the following students shall be eligible  
12 to receive an education voucher: (1) students eligible to  
13 enroll in kindergarten through grade 12 who are enrolled at an  
14 attendance center at the time a petition authorizing education  
15 vouchers is filed with the school board and (2) students  
16 eligible to enroll in kindergarten through grade 12 who are  
17 enrolled at an attendance center that is to be closed under  
18 the bill and for whom there is insufficient classroom space at  
19 other attendance centers in the school district.

20 By January 31 preceding the school year for which the  
21 education voucher is requested, the parent or guardian of  
22 the student requesting to receive an education voucher shall  
23 submit an application to the department of education, on  
24 application forms developed by the department, indicating  
25 that the parent or guardian intends to enroll the student in  
26 a nonpublic school. In addition to such information deemed  
27 appropriate by the department of education, the application  
28 shall require certification from the nonpublic school of the  
29 student's enrollment for the following school year. By March  
30 1 preceding the school year for which the education voucher  
31 is requested, the department of education shall notify the  
32 department of management of the number of students in each  
33 school district designated for the following school year to  
34 receive an education voucher. The department of education  
35 shall also notify the parent or guardian of such students who

1 are approved to receive an education voucher.

2 The bill authorizes education vouchers to be approved for  
3 one school year per application, and additional applications  
4 must be submitted for education vouchers in subsequent school  
5 years. The education voucher is in an amount equal to 75  
6 percent of the district of residence's regular program district  
7 cost per pupil in the same school year.

8 For the fiscal year commencing July 1, 2017, and each  
9 succeeding fiscal year, the bill appropriates from the general  
10 fund of the state to the department of management to be  
11 credited to the education voucher fund an amount necessary to  
12 pay all education vouchers approved for that fiscal year. For  
13 each student approved for an education voucher, the department  
14 is required to establish an account for that student in the  
15 education voucher fund. The amount of the student's education  
16 voucher shall be deposited into the student's account on July 1  
17 and such amount shall be immediately available for the payment  
18 of qualified educational expenses, as defined in the bill,  
19 incurred by the parent or guardian for the student during that  
20 fiscal year.

21 The bill specifies that a nonpublic school or other entity  
22 that accepts payment from a parent or guardian using funds from  
23 a student's account in the education voucher fund shall not  
24 refund, rebate, or share any portion of such payment with the  
25 parent, guardian, or student.

26 Moneys remaining in a student's account upon conclusion  
27 of the fiscal year shall remain in the student's account  
28 in the education voucher fund for the payment of qualified  
29 educational expenses in future fiscal years. However, for  
30 each student with a positive balance in the student's account  
31 in the education voucher fund upon graduation from high  
32 school or upon termination of the student's enrollment in the  
33 nonpublic school, those moneys in the student's account shall  
34 be transferred for deposit in the general fund of the state.

35 The bill provides that a person who makes a false claim for

1 the purpose of obtaining an education voucher or who knowingly  
2 receives the voucher or makes a payment from an account within  
3 the education voucher fund without being legally entitled to  
4 it is guilty of a fraudulent practice and is subject to a  
5 criminal penalty. The bill allows the department of management  
6 to initiate legal proceedings to recover vouchers and amounts  
7 improperly awarded or paid from accounts under the bill.

8 The bill provides that a nonpublic school that accepts  
9 payment from a parent or guardian using funds from a student's  
10 account in the education voucher fund is not an agent of this  
11 state or other political subdivision of this state.

12 The bill provides that moneys from an education voucher  
13 under the bill are not taxable income under Code chapter 422.

14 Code chapter 256F establishes a process by which the  
15 principal, teachers, or parents and guardians of students at an  
16 existing public school may apply to the school board to convert  
17 an existing attendance center to a charter school. Current  
18 law requires the application to demonstrate the support of at  
19 least 50 percent of the teachers employed at the school on the  
20 date of the submission of the application and 50 percent of the  
21 parents or guardians voting whose children are enrolled at the  
22 school, provided that a majority of the parents or guardians  
23 eligible to vote participate in the ballot process, according  
24 to procedures established by rules of the state board.

25 The bill modifies the application requirements for  
26 converting an existing attendance center to a charter school  
27 if the attendance center is a persistently lowest-achieving  
28 school. Under those circumstances, the application does not  
29 need to demonstrate teacher support and shall only be required  
30 to demonstrate the support of at least 50 percent of the  
31 parents or guardians voting whose children are enrolled at the  
32 school, provided that a majority of the parents or guardians  
33 eligible to vote participate in the ballot process, according  
34 to procedures established by rules of the state board.