A BILL FOR

An Act relating to the state preschool program for four-year-old children by establishing a preschool expansion incentive, authorizing state aid for the incentive, and addressing program costs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
Section 1. Section 256C.3, subsection 3, paragraph h, Code 2015, is amended to read as follows:

h. Provision for ensuring that children receiving care from other child care arrangements can participate in the preschool program with minimal disruption due to transportation and movement from one site to another. The children participating in the preschool program may be transported by the school district to and from activities associated with the program along with other children.

Sec. 2. Section 256C.3, subsection 4, Code 2015, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. Development and implementation of a plan for the school district's preschool program to have sufficient capacity to operate without a waiting list for school budget years beginning on or after July 1, 2018.

Sec. 3. Section 256C.4, subsection 1, paragraphs g and h, Code 2015, are amended to read as follows:

g. For the fiscal year beginning July 1, 2012 2015, and each succeeding fiscal year, of the amount of preschool foundation aid received by a school district for a fiscal year in accordance with section 257.16, not more than five percent may be used by the school district for administering the district's approved local program. Outreach activities and rent for facilities not owned by the school district are permissive uses of the administrative funds.

h. For the fiscal year beginning July 1, 2012 2015, and each succeeding fiscal year, of the amount of preschool foundation aid received by a school district for a fiscal year in accordance with section 257.16, not less than ninety percent of the per pupil amount shall be passed through to a community-based provider for each pupil enrolled in the district's approved local program. For the fiscal year beginning July 1, 2012 2015, and each succeeding fiscal year, not more than five percent of the amount of preschool foundation aid passed through to a community-based provider
may be used by the community-based provider for administrative
costs. The costs of outreach activities and rent for
facilities not owned by the school district are permissive
administrative costs. The costs of transportation involving
children participating in the preschool program and other
children may be prorated.

Sec. 4. Section 256C.4, subsection 2, paragraph b, Code
2015, is amended to read as follows:
b. The enrollment count of eligible students shall not
include a child who is included in the enrollment count
determined under section 257.6 or a child who is served by
an existing preschool program already receiving state or
federal funds for the purpose of the provision of providing
four-year-old preschool programming while the child is being
served by the existing program. Such preschool programming
However, the enrollment count of eligible students may include
a child being served by an existing preschool program if
the preschool programming in the existing program has been
enhanced as a result of preschool program expansion incentive
state aid provided under section 256C.7. For the purposes
of this chapter, an "existing preschool program" includes but
is not limited to shared visions and other child development
assistance programs provided under chapter 256A and section
279.51, special education programs provided under section
256B.9, school ready children grant programs and other programs
provided under chapter 256I, and federal head start programs
and the services funded by Tit. I of the federal Elementary and

Sec. 5. Section 256C.5, subsection 1, unnumbered paragraph
1, Code 2015, is amended to read as follows:
For the purposes of this section and section 256C.4 chapter,
unless the context otherwise requires:

Sec. 6. NEW SECTION. 256C.7 Preschool program expansion
incentive.

1. For the purposes of this section, unless the context
1 otherwise requires:
2   a. "Base incentive enrollment" means the average of the actual enrollments of eligible students in the preschool programming provided by a school district on October 1, 2012, October 1, 2013, and October 1, 2014.
3   b. "Incentive enrollment" means the amount by which the actual enrollment of eligible students in the preschool programming provided by a school district on October 1 of the base year exceeds the school district’s base incentive enrollment.
4   c. "Incentive period" means the budget years beginning July 1, 2016, July 1, 2017, and July 1, 2018.
5   d. "Incentive state aid" means the product of twenty percent of the regular program state cost per pupil for the budget year multiplied by the school district’s incentive enrollment in the base year.

2. a. A preschool program expansion incentive is established in accordance with this section. In order to be eligible for the incentive, a school district must develop and implement a preschool program expansion plan, approved by the department, to expand enrollment of eligible students in the school district’s preschool programming. In addition, the school district shall work with existing preschool program providers to expand hours and otherwise enhance the preschool programming available to the children participating in the programs. The plan’s goal shall be that by the end of the incentive period the district’s preschool programming will be available without a waiting list to each child wanting to enroll in the programming. After completion of the incentive period, the department shall analyze the growth in access to the preschool program and enhancements made in preschool programming as a result of the incentive, including in the programs provided directly by school districts and in those offered in partnership with community providers. The department shall submit a report to the general assembly that
1 shall include identification of progress made toward the
2 incentive program's goals and documentation of collaboration
3 efforts made with input from participating families, early care
4 providers, and community partners.
5 b. The elements addressed in the preschool program expansion
6 plan shall include but are not limited to the following:
7 (1) How the school district will work in collaboration with
8 participating families, early care providers, and community
9 partners, as described in section 256C.3, subsection 3,
10 to provide the preschool programming in as convenient and
11 cost-effective a manner as possible for the families of the
12 four-year-old children who are eligible for the programming.
13 (2) A specification of the roles of the early care providers
14 and community partners in support of the expansion plan.
15 (3) A delineation of the specific steps for expanding hours
16 and otherwise enhancing the preschool programming available to
17 the children participating in the existing preschool programs
18 located in the school district.
19 (4) Identification of specific outcomes and progress
20 measures for the expansion plan.
21 (5) Detailed plans for contacting and soliciting enrollment
22 of eligible students, particularly from low-income families,
23 non-English speaking families, and families from ethnic and
24 racial groups underrepresented in the district's preschool
25 program enrollment.
26 3. The department of education shall provide required
27 elements and recommend best practices for outreach and program
28 expansion under the incentive, including expansion plan models
29 that school districts may consider in developing their local
30 expansion plans, and including but not limited to submission
31 provisions, annual updates, and documentation of collaboration
32 efforts with and input from participating families, early care
33 providers, and community partners.
34 4. During the incentive period, in addition to the
35 regular preschool foundation aid based on the preschool
1 budget enrollment, the school district implementing a
2 preschool expansion plan approved by the department shall
3 receive incentive state aid based on the district's incentive
4 enrollment. The incentive state aid shall be paid as
5 part of the state aid payments made to school districts in
6 accordance with section 257.16 and shall be subject to the
7 same requirements applicable to preschool foundation aid under
8 section 256C.4, subsection 1, paragraph "d".
9 5. A school district shall utilize its incentive state aid
10 to defray increases in costs in connection with the school
11 district's preschool program expansion plan. Such costs shall
12 include but are not limited to renovation and other facility
13 costs connected with expansion, outreach, one-time expenses,
14 and other costs identified as eligible by the department.
15 Sec. 7. Section 257.16, Code 2015, is amended by adding the
16 following new subsection:
17 NEW SUBSECTION. 1A. For the fiscal years in which the
18 preschool program expansion incentive applies in accordance
19 with section 256C.7, the appropriation made in subsection 1
20 shall include the amount necessary to pay incentive state aid
21 in accordance with section 256C.7. This subsection is repealed
22 on July 1, 2019.
23 Sec. 8. STATE MANDATE FUNDING SPECIFIED. In accordance
24 with section 25B.2, subsection 3, the state cost of requiring
25 compliance with any state mandate included in this Act shall
26 be paid by a school district from state school foundation aid
27 received by the school district under section 257.16. This
28 specification of the payment of the state cost shall be deemed
29 to meet all of the state funding-related requirements of
30 section 25B.2, subsection 3, and no additional state funding
31 shall be necessary for the full implementation of this Act
32 by and enforcement of this Act against all affected school
33 districts.
34 EXPLANATION
35 The inclusion of this explanation does not constitute agreement with
the explanation's substance by the members of the general assembly.

This bill relates to the statewide preschool program for four-year-old children by establishing a preschool program expansion incentive and authorizing state aid for the incentive. The bill also addresses costs allowed under the program.

Code section 256C.3, relating to preschool program requirements, is amended to require each school district to implement a plan for the school district's preschool program to have sufficient capacity to operate without a waiting list for school budget years beginning on or after July 1, 2018.

To be eligible for the preschool expansion incentive, a school district must develop and implement a preschool expansion plan, approved by the department, in order to expand enrollment of eligible students in the school district's preschool programming. Requirements for the plan are provided in the bill, including how the school district will collaborate with participating families, early care providers, and community partners to expand the district's preschool enrollment. The department of education is to specify other requirements for the plan and for approval of plans by the department. The bill requires the department of education to analyze the enhancements to the preschool program following the incentives period and submit a report to the general assembly.

Current law in Code section 256C.4 prohibits inclusion in the preschool program of children already included in a school's enrollment count for purposes of the school aid foundation formula or children who are served by an existing preschool program already receiving state or federal funds for the purpose of providing four-year-old preschool programming while the child is being served by the existing program. The bill allows inclusion of children participating in an existing program if the preschool programming in the existing program has been enhanced as part of the expansion incentive.

The incentive program will operate for the three school
budget years beginning July 1, 2016, July 1, 2017, and July 1, 2018. For those three budget years, a school district is eligible to receive incentive state aid for the increase in the actual enrollment of eligible students in the preschool programming provided by a school district in the immediately preceding school year over the base incentive enrollment. The base incentive enrollment is the average of the actual enrollments of eligible students in the school district’s preschool programming on October 1, 2012, October 1, 2013, and October 1, 2014. The amount of incentive state aid is equal to 20 percent of the regular program state cost per pupil multiplied by the school district’s incentive enrollment in the base year.

The incentive state aid is required to be used to defray increases in costs in connection with the school district’s preschool expansion plan. Such costs may include renovation and other facility costs connected with expansion, outreach, one-time expenses, and other costs identified as eligible by the department.

The bill also addresses administration and other costs under the preschool program in amendments to Code sections 256C.3 and 256C.4. Authorization is provided for a school district to transport the children participating in the preschool program to and from activities associated with the program along with other children. The bill authorizes community-based providers to prorate the costs of transporting children participating in the preschool program. The allowable administrative costs for school districts are increased from 5 to 10 percent. Also, the costs of outreach activities and facility rent are permitted as administrative costs.

The bill may include a state mandate as defined in Code section 25B.3. The bill requires that the state cost of any state mandate included in the bill be paid by a school district from state school foundation aid received by the school district under Code section 257.16. The specification
1 is deemed to constitute state compliance with any state mandate
2 funding-related requirements of Code section 25B.2. The
3 inclusion of this specification is intended to reinstate the
4 requirement of political subdivisions to comply with any state
5 mandates included in the bill.