

# House Study Bill 651 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON EDUCATION BILL BY  
CHAIRPERSON ROGERS)

## A BILL FOR

1 An Act establishing an education savings grant program for  
2 pupils attending a nonpublic school, establishing an  
3 education savings grant fund, providing an income tax  
4 exemption, modifying and establishing charter school  
5 programs, making appropriations, providing penalties, and  
6 including applicability provisions.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

DIVISION I  
SHORT TITLE

Section 1. SHORT TITLE. This Act shall be known and may be cited as the "Iowa Student Opportunity Act".

DIVISION II  
EDUCATION SAVINGS GRANTS

Sec. 2. Section 8.6, Code 2018, is amended by adding the following new subsection:

NEW SUBSECTION. 16. To adopt rules relating to applications for an education savings grant pursuant to section 257.11B, including application processing timelines and information required to be submitted by a parent or guardian.

Sec. 3. NEW SECTION. **257.11B Education savings grant program.**

1. *a.* For the school budget year beginning July 1, 2019, and each succeeding school budget year, the following resident pupils who are attending a nonpublic school, as defined in section 285.16, shall be eligible to receive an education savings grant in the manner provided in this section:

- (1) A pupil eligible to enroll in kindergarten.
- (2) A pupil eligible to enroll in grade one through grade twelve if the pupil has attended a public school for the equivalent of the two immediately preceding semesters for which the educational savings grant is requested and if the pupil is not otherwise ineligible under this section.
- (3) A pupil who received an education savings grant for the immediately preceding school budget year, who is eligible to enroll in grade one through grade twelve, and who is not otherwise ineligible under this section.

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

*c.* For purposes of this subsection, "resident" means the same as defined in section 282.1.

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

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

12    *b.* By March 1 preceding the school year for which the  
13 education savings grant is requested, the department of  
14 management shall notify the parent or guardian of each pupil  
15 approved for the following school year to receive an education  
16 savings grant and the amount of the education savings grant for  
17 the pupil.

18    *c.* Education savings grants shall only be approved for one  
19 school year and applications must be submitted annually for  
20 education savings grants in subsequent school years.

21    3. The department of management shall assign each pupil an  
22 education savings grant in an amount equal to ninety percent of  
23 the sum of all the following for the same school budget year:

24    *a.* The product of the pupil's weighted enrollment that  
25 would otherwise be assigned to the pupil under this chapter if  
26 the pupil was enrolled in the pupil's district of residence  
27 multiplied by the difference between eighty-seven and  
28 five-tenths percent of the regular program state cost per pupil  
29 and the statewide average foundation property tax per pupil.

30    *b.* The total teacher salary supplement district cost per  
31 pupil for the pupil's district of residence.

32    *c.* The total professional development supplement district  
33 cost per pupil for the pupil's district of residence.

34    *d.* The total early intervention supplement district cost per  
35 pupil for the pupil's district of residence.

1 e. The total area education agency teacher salary supplement  
2 district cost per pupil for the pupil's district of residence.

3 f. The total area education agency professional development  
4 supplement district cost per pupil for the pupil's district of  
5 residence.

6 g. The total teacher leadership supplement district cost per  
7 pupil for the pupil's district of residence.

8 4. An education savings grant fund is created in the state  
9 treasury under the control of the department of management  
10 consisting of moneys appropriated to the department of  
11 management for the purpose of providing education savings  
12 grants under this section. For the fiscal year commencing July  
13 1, 2019, and each succeeding fiscal year, there is appropriated  
14 from the general fund of the state to the department of  
15 management to be credited to the fund the amount necessary  
16 to pay all education savings grants approved for that fiscal  
17 year. The director of the department of management has all  
18 powers necessary to carry out and effectuate the purposes,  
19 objectives, and provisions of this section pertaining to the  
20 fund, including the power to do all of the following:

21 a. Make and enter into contracts necessary for the  
22 administration of the fund.

23 b. Procure insurance against any loss in connection with the  
24 assets of the fund or require a surety bond.

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

30 d. Conduct audits or other review necessary to properly  
31 administer the program.

32 e. Adopt rules for the administration of the fund and  
33 accounts within the fund.

34 5. a. For each pupil approved for an education savings  
35 grant, the department of management shall establish an account

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

8     **b.** A nonpublic school that accepts payment from a parent or  
9 guardian using funds from a pupil's account in the education  
10 savings grant fund shall not refund, rebate, or share any  
11 portion of such payment with the parent, guardian, or pupil.

12     **c.** Moneys remaining in a pupil's account upon conclusion  
13 of the fiscal year shall remain in the pupil's account in the  
14 education savings grant fund for the payment of qualified  
15 educational expenses in future fiscal years during which the  
16 pupil participates in the program or for the payment of higher  
17 education costs as provided under subsection 8.

18     **6. a.** For purposes of this section, "*qualified educational*  
19 *expenses*" includes tuition and fees at a nonpublic school,  
20 textbooks, fees or payments for educational therapies,  
21 including tutoring or cognitive skills training, curriculum  
22 fees and materials for a course of study for a specific subject  
23 matter or grade level, tuition or fees for nonpublic online  
24 education programs, education materials and services for pupils  
25 with disabilities, including the cost of paraprofessionals  
26 and assistants who are trained in accordance with state law,  
27 standardized test fees, higher education costs, as defined in  
28 section 12D.1, excluding room and board expenses, and other  
29 expenses incurred by the parent or guardian that are directly  
30 related to the education of the pupil at a nonpublic school,  
31 including a nonpublic school accredited by an independent  
32 accrediting agency approved by the department of education.

33     **b.** "*Qualified educational expenses*" does not include  
34 transportation costs for the pupil, the cost of food or  
35 refreshments consumed by the pupil, the cost of clothing for

1 the pupil, or the cost of disposable materials, including  
2 but not limited to paper, notebooks, pencils, pens, and art  
3 supplies.

4 7. A person who makes a false claim for the purpose  
5 of obtaining an education savings grant provided for in  
6 this section or who knowingly receives the grant or makes a  
7 payment from an account within the education savings grant  
8 fund without being legally entitled to do so is guilty of a  
9 fraudulent practice under chapter 714. The false claim for an  
10 education savings grant or a payment from an account shall be  
11 disallowed. If amounts from the grant have been disbursed from  
12 the applicable account in the education savings grant fund, the  
13 department of management shall initiate legal proceedings to  
14 recover such amounts. A parent or guardian, or a pupil for  
15 purposes of subsection 8, who commits a fraudulent practice  
16 under this section is prohibited from participating in the  
17 education savings grant program in the future.

18 8. *a.* For each pupil with a positive balance in the pupil's  
19 account in the education savings grant fund upon graduation  
20 from high school, the department of management shall maintain  
21 the account in the fund until the pupil is twenty-three years  
22 of age. Following graduation from high school until the pupil  
23 is twenty-three years of age, moneys in the pupil's account  
24 may be used for higher education costs, as defined in section  
25 12D.1, incurred by the pupil while attending an institution  
26 of higher education under the control of the state board of  
27 regents, a community college located in this state, or a  
28 private college or university located in this state. Payments  
29 from a pupil's account for higher education costs shall be  
30 made in the same manner as payments for qualified educational  
31 expenses under subsection 5. Moneys in a pupil's account when  
32 the pupil turns twenty-three years of age shall be transferred  
33 by the department of management for deposit in the general fund  
34 of the state.

35 *b.* Notwithstanding the age limitation in paragraph "a",

1 if the pupil with a positive balance in the pupil's account  
2 in the education savings grant fund upon graduation from high  
3 school serves on federal active duty, other than training, and  
4 is discharged under honorable conditions, the limitation date  
5 otherwise applicable under paragraph "a" shall be extended  
6 by one year for each year of federal active duty service by  
7 the pupil, but not to a date after the pupil's twenty-seventh  
8 birthday.

9 9. This section shall not be construed to authorize the  
10 state or any political subdivision of the state to exercise  
11 authority over any nonpublic school or construed to require a  
12 nonpublic school to modify its academic standards for admission  
13 or educational program in order to receive payment from a  
14 parent or guardian using funds from a pupil's account in the  
15 education savings grant fund. A nonpublic school that accepts  
16 payment from a parent or guardian using funds from a pupil's  
17 account in the education savings grant fund is not an agent of  
18 this state or of a political subdivision of this state. Rules  
19 adopted by the department to implement this section that impose  
20 an undue burden on a nonpublic school are invalid.

21 Sec. 4. Section 422.7, Code 2018, is amended by adding the  
22 following new subsection:

23 NEW SUBSECTION. 51. Subtract, to the extent included, the  
24 amount of an education savings grant under section 257.11B  
25 received by the taxpayer for payment of qualified educational  
26 expenses.

27 Sec. 5. APPLICABILITY. The following applies to school  
28 budget years and fiscal years beginning on or after July 1,  
29 2019:

30 The section of this division of this Act enacting section  
31 257.11B.

32 Sec. 6. APPLICABILITY. The following applies to tax years  
33 beginning on or after January 1, 2019:

34 The section of this division of this Act enacting section  
35 422.7, subsection 51.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

DIVISION III  
CHARTER SCHOOLS

Sec. 7. NEW SECTION. 256E.1 Purpose.

The purpose of a charter school established pursuant to this chapter shall be to accomplish the following:

1. Improve student learning.
2. Increase learning opportunities for students.
3. Encourage the use of different and innovative methods of teaching.
4. Require the measurement of learning outcomes and create different and innovative forms of measuring outcomes.
5. Establish new forms of accountability for schools.
6. Create new professional opportunities for teachers and other educators, including the opportunity to be responsible for the learning program at the school site.
7. Create different organizational structures for continuous learner progress.
8. Allow greater flexibility to meet the education needs of a diverse and constantly changing student population.
9. Allow for the allocation of resources in innovative ways through implementation of specialized school budgets for the benefit of the schools served.

Sec. 8. NEW SECTION. 256E.2 Definitions.

As used in this chapter, unless the context otherwise requires:

1. "*Attendance center*" means a school building that contains classrooms used for instructional purposes for elementary, middle, or secondary school students.
2. "*Authorizing board*" means the school board or the state board, as applicable, that approved the charter school application and that is a party to the charter school contract.
3. "*Charter school*" means a charter school established in accordance with this chapter.
4. "*Department*" means the department of education.
5. "*Education service provider*" means an education



1 management organization, charter school management  
2 organization, or other person with whom a charter school  
3 contracts for educational program implementation or  
4 comprehensive management.

5 6. "*Founding group*" means a person or group of persons that  
6 develops and submits an application for a charter school to an  
7 authorizing board under this chapter.

8 7. "*Governing board*" means the independent board of a  
9 charter school whose members are elected or selected pursuant  
10 to the charter school application and charter school contract.

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

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

14 Sec. 9. NEW SECTION. **256E.3 Federal grant application.**

15 Unless satisfied by and within the scope of the application  
16 filed pursuant to section 256F.3, subsection 1, the state board  
17 shall apply for a federal grant under Pub. L. No. 107-110,  
18 cited as the federal No Child Left Behind Act of 2001, Tit. V,  
19 pt. B, subpt. 1, for purposes of providing financial assistance  
20 for the planning, program design, and initial implementation  
21 of charter schools. The department shall monitor the  
22 effectiveness of charter schools and shall implement the  
23 applicable provisions of this chapter.

24 Sec. 10. NEW SECTION. **256E.4 Founding group-school board**  
25 **model.**

26 1. *a.* A school board that intends to authorize a charter  
27 school within the school district may solicit charter school  
28 applications.

29 *b.* A founding group may apply to a school board for approval  
30 to establish and operate a charter school within and as a part  
31 of the school district either by establishing a new attendance  
32 center or converting an existing attendance center. The  
33 application shall demonstrate the applicant's academic and  
34 operational vision and plans for the proposed charter school,  
35 demonstrate the applicant's capacity to execute the vision and

1 plans, and provide the school board a clear basis for assessing  
2 the applicant's plans and capacity.

3 2. The state board shall adopt rules to establish  
4 appropriate application timelines and deadlines for the  
5 submission of charter school applications under this section.

6 3. The instructions for completing an application shall  
7 include or otherwise inform applicants of all of the following:

8 a. The performance framework adopted by the school board  
9 for charter school oversight and evaluation requirements in  
10 accordance with sections 256E.10 and 256E.11.

11 b. The criteria the school board will use in evaluating  
12 applications.

13 c. The requirements concerning the format and content  
14 essential for applicants to demonstrate the capacities  
15 necessary to establish and operate a successful charter school.

16 4. An application submitted under this section shall also  
17 include all of the following items related to the proposed  
18 charter school:

19 a. An executive summary.

20 b. The mission and vision of the proposed charter school,  
21 including identification of the targeted student population and  
22 the community the school intends to serve.

23 c. The location of the proposed charter school or the  
24 proposed geographic area within the school district where the  
25 school is proposed to locate.

26 d. Identification of the grades to be served each school  
27 year during the duration of the charter school contract.

28 e. Minimum, planned, and maximum enrollment per grade for  
29 each school year during the duration of the charter school  
30 contract.

31 f. Evidence of need and community support for the proposed  
32 charter school.

33 g. Background information on the members of the founding  
34 group and background information on the governing board  
35 members, administration, and management personnel of the

- 1 proposed charter school, if available.
- 2 *h.* The charter school's proposed operations calendar and  
3 sample daily schedule.
- 4 *i.* A description of the academic program and identification  
5 of ways the program aligns with state academic standards.
- 6 *j.* A description of the charter school's instructional  
7 model, including the type of learning environment, class size  
8 and structure, curriculum overview, and teaching methods.
- 9 *k.* The charter school's plan for using internal and external  
10 assessments to measure and report student progress on the  
11 performance framework in accordance with section 256E.10.
- 12 *l.* Plans for identifying and serving students with  
13 disabilities, students who are limited English proficient,  
14 students who are academically failing or below grade level, and  
15 gifted students, including but not limited to compliance with  
16 applicable laws and regulations.
- 17 *m.* A description of cocurricular and extracurricular  
18 programs and how the programs will be funded and delivered.
- 19 *n.* Plans and timelines for student recruitment, enrollment,  
20 and transfers, including enrollment preferences and procedures  
21 for conducting transparent admissions selections, including  
22 admissions lotteries.
- 23 *o.* The proposed code of student conduct, including  
24 applicable procedures and disciplinary sanctions for both  
25 general students and special education students.
- 26 *p.* A chart or description of the charter school's  
27 organizational structure and the duties and powers of each  
28 position or group, including the delineation of authority and  
29 reporting between the governing board, staff, and any related  
30 bodies or external organizations that have a role in managing  
31 the charter school.
- 32 *q.* A staffing chart for the charter school's first year  
33 and a staffing plan for the duration of the charter school  
34 contract.
- 35 *r.* Plans for recruiting and developing school

1 administrators, staff, and governing board members and the  
2 charter school's employment policies, including performance  
3 evaluation plans.

4 *s.* Proposed governing bylaws for the charter school.

5 *t.* Identification and explanation of any partnerships or  
6 contractual relationships with an education service provider  
7 that are related to the charter school's operations or mission.

8 *u.* The charter school's plans for providing transportation  
9 services, food service, and all other operational or ancillary  
10 services.

11 *v.* Proposed opportunities and expectations for parent  
12 involvement.

13 *w.* A detailed school start-up plan and a five-year plan,  
14 including all relevant assumptions used, identifying timelines  
15 for charter school finances, budget, and insurance coverage,  
16 facility construction, preparation, and contingencies, and the  
17 identification of persons or positions responsible for each  
18 such item.

19 *x.* Evidence of anticipated fundraising contributions, if  
20 any.

21 *y.* If the application includes a proposal that the governing  
22 board contracts with an education service provider, evidence  
23 of the education service provider's success in serving  
24 student populations similar to that which is proposed in the  
25 application and if the education service provider operates  
26 other charter schools, evidence of past performance of such  
27 other charter schools and evidence of the education service  
28 provider's capacity for growth.

29 *z.* A proposed duration and outline of the charter school  
30 contract, including designation of roles, authority, and duties  
31 of the governing board and the charter school's staff.

32 *aa.* If the application includes a proposal that the  
33 governing board contracts with an education service provider,  
34 a description of the education service provider's performance  
35 evaluation measures, compensation structure, methods of

1 contract oversight and dispute resolution, investment  
2 disclosures, and conflicts of interest.

3 5. If the applicant proposes to establish a charter school  
4 within the school district by converting an existing attendance  
5 center of the school district, the school board shall not  
6 approve the application unless the applicant submits evidence  
7 that the attendance center's teachers and parents or guardians  
8 of students enrolled at the existing attendance center voted in  
9 favor of the conversion. A vote in favor of conversion under  
10 this subsection requires the support of at least fifty percent  
11 of the teachers employed at the school on the date of the vote  
12 and fifty percent of the parents or guardians voting whose  
13 children are enrolled at the school, provided that a majority  
14 of the parents or guardians eligible to vote participate in the  
15 ballot process. The state board shall establish procedures by  
16 rule for voting under this subsection. A parent or guardian  
17 voting in accordance with this subsection must be a resident  
18 of this state.

19 6. In reviewing and evaluating charter school applications,  
20 the school board shall employ procedures, practices, and  
21 criteria consistent with nationally recognized principles and  
22 standards for reviewing charter school applications. Each  
23 application review shall include thorough evaluation of the  
24 written application, an in-person interview with the applicant,  
25 and an opportunity in a public forum for local residents to  
26 learn about and provide input on each application.

27 7. The school board shall make public the name of any person  
28 that assists the school board in conducting a review of a  
29 charter school application.

30 8. Following review of a charter school application and  
31 completion of the process required under subsection 6, the  
32 school board shall:

33 a. Approve a charter school application only if the  
34 applicant has demonstrated competence in each element of the  
35 school board's approval criteria and the applicant is likely to

1 open and operate a successful charter school.

2     *b.* Make application decisions on documented evidence  
3 collected through the application review process.

4     *c.* Adhere to the policies and criteria that are transparent,  
5 based on merit, and avoid conflicts of interest or any  
6 appearance thereof.

7     9. A charter school application under this section shall  
8 not be approved if the founding group has a pending application  
9 with another school district under this section or a pending  
10 application with the state board under section 256E.6.

11     10. A school board shall by a majority vote approve or  
12 deny a charter school application no later than seventy-five  
13 calendar days after the application is received. A school  
14 board that denies an application shall provide notice of  
15 denial to the applicant in writing within thirty days after  
16 board action. The notice shall specify the exact reasons for  
17 denial and provide documentation supporting those reasons.  
18 An approval decision may include, if appropriate, reasonable  
19 conditions that the applicant must meet before a charter  
20 school contract may be executed pursuant to section 256E.7.  
21 An approved charter school application shall not serve as a  
22 charter school contract.

23     11. An unsuccessful charter school applicant may  
24 subsequently reapply to the school board, apply to any other  
25 school board in the state under this section, or apply to the  
26 state board under section 256E.6.

27     12. A decision of the school board relating to an  
28 application under this section is not appealable; however, the  
29 school board shall report any application denial to the state  
30 board within thirty days of the board action.

31     Sec. 11. NEW SECTION. **256E.5 School board-state board**  
32 **model.**

33     1. A school board may create a founding group to apply  
34 to the state board for approval to establish and operate a  
35 charter school within and as a part of the school district by

1 establishing a new attendance center, creating a new school  
2 within an existing attendance center, or by converting an  
3 existing attendance center. The application shall demonstrate  
4 the founding group's academic and operational vision and plans  
5 for the proposed charter school, demonstrate the founding  
6 group's capacity to execute the vision and plans, and provide  
7 the state board a clear basis for assessing the founding  
8 group's plans and capacity.

9     2. The state board shall adopt rules to establish  
10 appropriate application timelines and deadlines for the  
11 submission of charter school applications under this section.

12     3. The instructions for completing an application shall  
13 include or otherwise inform applicants of all of the following:

14     *a.* The performance framework adopted by the state board  
15 for charter school oversight and evaluation requirements in  
16 accordance with sections 256E.10 and 256E.11.

17     *b.* The criteria the state board will use in evaluating  
18 applications.

19     *c.* The requirements concerning the format and content  
20 essential for applicants to demonstrate the capacities  
21 necessary to establish and operate a successful charter school.

22     4. An application submitted under this section shall also  
23 include all of the following items related to the proposed  
24 charter school:

25     *a.* An executive summary.

26     *b.* The mission and vision of the proposed charter school,  
27 including identification of the targeted student population and  
28 the community the charter school intends to serve.

29     *c.* The location of the proposed charter school or the  
30 proposed geographic area within the school district where the  
31 school is proposed to locate.

32     *d.* Identification of the grades to be served each school  
33 year during the duration of the charter school contract.

34     *e.* Minimum, planned, and maximum enrollment per grade for  
35 each school year during the duration of the charter school

1 contract.

2 *f.* Evidence of need and community support for the proposed  
3 charter school.

4 *g.* Background information on the members of the founding  
5 group and background information on the governing board,  
6 administration, and management personnel of the proposed  
7 charter school, if available.

8 *h.* The charter school's proposed operations calendar and  
9 sample daily schedule.

10 *i.* A description of the academic program and identification  
11 of ways the program aligns with state academic standards.

12 *j.* A description of the charter school's instructional  
13 model, including the type of learning environment, class size  
14 and structure, curriculum overview, and teaching methods.

15 *k.* The charter school's plan for using internal and external  
16 assessments to measure and report student progress on the  
17 performance framework in accordance with section 256E.10.

18 *l.* Plans for identifying and serving students with  
19 disabilities, students who are limited English proficient,  
20 students who are academically failing or below grade level, and  
21 gifted students, including but not limited to compliance with  
22 applicable laws and regulations.

23 *m.* A description of cocurricular and extracurricular  
24 programs and how the programs will be funded and delivered.

25 *n.* Plans and timelines for student recruitment, enrollment,  
26 and transfers, including enrollment preferences and procedures  
27 for conducting transparent admissions selections, including  
28 admissions lotteries.

29 *o.* The proposed code of student conduct, including  
30 applicable procedures and disciplinary sanctions for both  
31 general students and special education students.

32 *p.* A chart or description of the charter school's  
33 organizational structure and the duties and powers of each  
34 position or group, including the delineation of authority and  
35 reporting between the governing board, administration, staff,



1 and any related bodies or external organizations that have a  
2 role in managing the charter school.

3 *g.* A staffing chart for the charter school's first year  
4 and a staffing plan for the duration of the charter school  
5 contract.

6 *r.* Plans for recruiting and developing school  
7 administrators, staff, and governing board members and the  
8 charter school's employment policies, including performance  
9 evaluation plans.

10 *s.* Proposed governing bylaws for the charter school.

11 *t.* Identification and explanation of any partnerships or  
12 contractual relationships with the founding group or any of the  
13 founding group or school board's members that are related to  
14 the charter school's operations or mission.

15 *u.* The charter school's plans for providing transportation  
16 services, food service, and all other operational or ancillary  
17 services.

18 *v.* Proposed opportunities and expectations for parent  
19 involvement.

20 *w.* A detailed school start-up plan and five-year plan,  
21 including all relevant assumptions used, identifying timelines  
22 for charter school finances, budget, and insurance coverage,  
23 facility construction, preparation, and contingencies, and the  
24 identification of persons or positions responsible for each  
25 such item.

26 *x.* Evidence of anticipated fundraising contributions, if  
27 any.

28 *y.* Evidence of the founding group's success in serving  
29 student populations similar to that which is proposed in the  
30 application and if the founding group operates other charter  
31 schools, evidence of past performance of such other charter  
32 schools and evidence of the founding group's capacity for an  
33 additional charter school.

34 *z.* A proposed duration and outline of the charter school  
35 contract, including designation of roles, authority, and duties

1 of the governing board and the charter school's staff.

2 *aa.* A description of the charter school governing board's  
3 performance evaluation measures, compensation structure,  
4 methods of contract oversight and dispute resolution,  
5 investment disclosures and conflicts of interest.

6 5. If the founding group proposes to establish a charter  
7 school by converting an existing attendance center of the  
8 school district, the state board shall not approve the  
9 application unless the founding group submits evidence that  
10 the attendance center's teachers and parents or guardians of  
11 students enrolled at the existing attendance center voted in  
12 favor of the conversion. A vote in favor of conversion under  
13 this subsection requires the support of at least fifty percent  
14 of the teachers employed at the school on the date of the vote  
15 and fifty percent of the parents or guardians voting whose  
16 children are enrolled at the school, provided that a majority  
17 of the parents or guardians eligible to vote participate in the  
18 ballot process. The state board shall establish procedures by  
19 rule for voting under this subsection. A parent or guardian  
20 voting in accordance with this subsection must be a resident  
21 of this state.

22 6. In reviewing and evaluating charter school applications,  
23 the state board shall employ procedures, practices, and  
24 criteria consistent with nationally recognized principles and  
25 standards for reviewing charter school applications. Each  
26 application review shall include thorough evaluation of the  
27 written application, an in-person interview with the founding  
28 group, and an opportunity in a public forum for local residents  
29 to learn about and provide input on each application.

30 7. Following review of a charter school application and  
31 completion of the process required under subsection 6, the  
32 state board shall:

33 *a.* Approve a charter school application only if the founding  
34 group has demonstrated competence in each element of the  
35 approval criteria and if the founding group is likely to open

1 and operate a successful charter school.

2     *b.* Make application decisions on documented evidence  
3 collected through the application review process.

4     *c.* Adhere to the policies and criteria that are transparent,  
5 based on merit, and avoid conflicts of interest or any  
6 appearance thereof.

7     8. The state board shall by a majority vote approve or  
8 deny a charter school application no later than seventy-five  
9 calendar days after the application is received. If the state  
10 board denies an application, the state board shall provide  
11 notice of denial to the founding group in writing within  
12 thirty days after the state board's action. The notice shall  
13 specify the exact reasons for denial and provide documentation  
14 supporting those reasons. An approval decision may include, if  
15 appropriate, reasonable conditions that the founding group must  
16 meet before a charter school contract may be executed pursuant  
17 to section 256E.7. An approved charter application shall not  
18 serve as a charter school contract.

19     9. A decision of the state board relating to an application  
20 under this section is not appealable.

21     10. An unsuccessful applicant under this section may  
22 subsequently reapply to the state board.

23     Sec. 12. NEW SECTION. **256E.6 Founding group-state board**  
24 **model.**

25     1. A founding group may apply to the state board for  
26 approval to establish and operate a charter school within the  
27 boundaries of the state that operates as a new attendance  
28 center independently from a public school district. The  
29 application shall demonstrate the founding group's academic  
30 and operational vision and plans for the proposed charter  
31 school, demonstrate the founding group's capacity to execute  
32 the vision and plans, and provide the state board a clear basis  
33 for assessing the founding group's plans and capacity.

34     2. The state board shall adopt rules to establish  
35 appropriate application timelines and deadlines for the

1 submission of charter school applications under this section.

2 3. The instructions for completing an application shall  
3 include or otherwise inform applicants of all of the following:

4 a. The performance framework adopted by the state board  
5 for charter school oversight and evaluation requirements in  
6 accordance with sections 256E.10 and 256E.11.

7 b. The criteria the state board will use in evaluating  
8 applications.

9 c. The requirements concerning the format and content  
10 essential for applicants to demonstrate the capacities  
11 necessary to establish and operate a successful charter school.

12 4. The applications submitted under this section shall also  
13 include all of the following items related to the proposed  
14 charter school:

15 a. An executive summary.

16 b. The mission and vision of the proposed charter school,  
17 including identification of the targeted student population and  
18 the community the school intends to serve.

19 c. The location of the proposed charter school or the  
20 proposed geographic area within the state where the school is  
21 proposed to locate.

22 d. Identification of the grades to be served each school  
23 year during the duration of the charter school contract.

24 e. Minimum, planned, and maximum enrollment per grade for  
25 each school year during the duration of the charter school  
26 contract.

27 f. Evidence of need and community support for the proposed  
28 charter school.

29 g. Background information on the members of the founding  
30 group and background information on the governing board,  
31 administration, and management personnel of the proposed  
32 charter school, if available.

33 h. The charter school's proposed operations calendar and  
34 sample daily schedule.

35 i. A description of the academic program and identification

1 of ways the program aligns with state academic standards.

2 *j.* A description of the charter school's instructional  
3 model, including the type of learning environment, class size  
4 and structure, curriculum overview, and teaching methods.

5 *k.* The charter school's plan for using internal and external  
6 assessments to measure and report student progress on the  
7 performance framework in accordance with section 256E.10.

8 *l.* Plans for identifying and serving students with  
9 disabilities, students who are limited English proficient,  
10 students who are academically failing or below grade level, and  
11 gifted students, including but not limited to compliance with  
12 applicable laws and regulations.

13 *m.* A description of cocurricular and extracurricular  
14 programs and how the programs will be funded and delivered.

15 *n.* Plans and timelines for student recruitment, enrollment,  
16 and transfers, including enrollment preferences and procedures  
17 for conducting transparent admissions selections, including  
18 admissions lotteries.

19 *o.* The proposed code of student conduct, including  
20 applicable procedures and disciplinary sanctions for both  
21 general students and special education students.

22 *p.* A chart or description of the charter school's  
23 organizational structure and the duties and powers of each  
24 position or group, including the delineation of authority and  
25 reporting between the governing board, staff, and any related  
26 bodies or external organizations that have a role in managing  
27 the charter school.

28 *q.* A staffing chart for the charter school's first year  
29 and a staffing plan for the duration of the charter school  
30 contract.

31 *r.* Plans for recruiting and developing school  
32 administrators, staff, and governing board members and the  
33 charter school's employment policies, including performance  
34 evaluation plans.

35 *s.* Proposed governing bylaws for the charter school.

1     *t.* Identification and explanation of any partnerships or  
2 contractual relationships with an education service provider  
3 that are related to the charter school's operations or mission.

4     *u.* The charter school's plans for providing transportation  
5 services, food service, and all other operational or ancillary  
6 services.

7     *v.* Proposed opportunities and expectations for parent  
8 involvement.

9     *w.* A detailed school start-up plan and five-year plan,  
10 including all relevant assumptions used, identifying timelines  
11 for charter school finances, budget, and insurance coverage,  
12 facility construction, preparation, and contingencies, and the  
13 identification of persons or positions responsible for each  
14 such item.

15     *x.* Evidence of anticipated fundraising contributions, if  
16 any.

17     *y.* If the application includes a proposal that the governing  
18 board contracts with an education service provider, evidence  
19 of the education service provider's success in serving  
20 student populations similar to that which is proposed in the  
21 application and if the education service provider operates  
22 other charter schools, evidence of past performance of such  
23 other charter schools and evidence of the education service  
24 provider's capacity for growth.

25     *z.* A proposed duration and outline of the charter school  
26 contract, including designation of roles, authority, and duties  
27 of the governing board and the charter school's staff.

28     *aa.* If the application includes a proposal that the  
29 governing board contracts with an education service provider,  
30 a description of the education service provider's performance  
31 evaluation measures, compensation structure, methods of  
32 contract oversight and dispute resolution, investment  
33 disclosures and conflicts of interest.

34     5. In reviewing and evaluating charter school applications,  
35 the state board shall employ procedures, practices, and

1 criteria consistent with nationally recognized principles and  
2 standards for reviewing charter school applications. Each  
3 application review shall include thorough evaluation of the  
4 written application, an in-person interview with the applicant,  
5 and an opportunity in a public forum for local residents of the  
6 public school district within which the applicant proposes to  
7 locate the charter school to learn about and provide input on  
8 each application.

9 6. Following review of a charter school application and  
10 completion of the process required under subsection 5, the  
11 state board shall:

12 a. Approve a charter school application only if the  
13 applicant has demonstrated competence in each element of the  
14 state board's published approval criteria and the applicant is  
15 likely to open and operate a successful charter school.

16 b. Make application decisions on documented evidence  
17 collected through the application review process.

18 c. Adhere to the policies and criteria that are transparent,  
19 based on merit, and avoid conflicts of interest or any  
20 appearance thereof.

21 7. A charter school application under this section shall  
22 not be approved if the founding group has another pending  
23 application under this section or a pending application with a  
24 school district under section 256E.4.

25 8. The state board shall by a majority vote approve or  
26 deny a charter school application no later than seventy-five  
27 calendar days after the application is received. If the state  
28 board denies an application, the state board shall provide  
29 notice of denial to the applicant in writing within thirty  
30 days after board action. The notice shall specify the exact  
31 reasons for denial and provide documentation supporting those  
32 reasons. An approval decision may include, if appropriate,  
33 reasonable conditions that the applicant must meet before a  
34 charter school contract may be executed pursuant to section  
35 256E.7. An approved charter application shall not serve as a

1 charter school contract.

2 9. An unsuccessful charter school applicant may  
3 subsequently reapply to the state board or apply to a school  
4 board in the state under section 256E.4.

5 10. A decision of the state board relating to an application  
6 under this section is not appealable.

7 Sec. 13. NEW SECTION. **256E.7 Charter school contract.**

8 1. Within the later of thirty days following approval  
9 of a charter school application or upon the satisfaction of  
10 all reasonable conditions imposed on the applicant in the  
11 charter school approval, if any, an enforceable and renewable  
12 charter school contract shall be executed between the following  
13 parties setting forth the academic and operational performance  
14 expectations and measures by which the charter school will be  
15 evaluated pursuant to sections 256E.10 and 256E.11 and the  
16 other rights and duties of the parties:

17 a. For an application approved under section 256E.4, the  
18 founding group and the school board.

19 b. For an application approved under section 256E.5, the  
20 founding group and the state board.

21 c. For an application approved under section 256E.6, the  
22 founding group and the state board.

23 2. An initial charter school contract shall be granted for a  
24 term of five school budget years. The charter school contract  
25 shall include the beginning and ending dates of the charter  
26 school contract term. An approved charter school may delay its  
27 opening for a period of time not to exceed one school year in  
28 order to plan and prepare for the charter school's opening. If  
29 the charter school requires an opening delay of more than one  
30 school year, the charter school may request an extension from  
31 the authorizing board.

32 3. Each charter school contract shall be signed by the  
33 president of the authorizing board and the president of the  
34 governing body of the founding group.

35 4. a. If the charter school is approved under section



1 256E.4, the school board, within thirty days of executing  
2 a charter school contract, shall submit to the state board  
3 written notice of the charter school contract execution,  
4 including a copy of the executed charter school contract and  
5 any attachments or appendices.

6 *b.* Within fifteen days of receipt of the charter school  
7 contract or within fifteen days of the execution of a charter  
8 school contract entered into by the state board, the state  
9 board shall notify the department of education and the  
10 department of management of the name of the charter school  
11 and any applicable education service provider, the proposed  
12 location of the charter school, and the charter school's first  
13 year projected enrollment.

14 5. A charter school approved under this chapter shall not  
15 commence operations without a valid charter school contract  
16 executed in accordance with this section and approved in an  
17 open session of the authorizing board.

18 6. The contract may provide for requirements or conditions  
19 to govern and monitor the start-up progress of an approved  
20 charter school prior to the opening of the charter school  
21 including but not limited to conditions to ensure that the  
22 charter school meets all building, health, safety, insurance,  
23 and other legal requirements.

24 7. A charter school contract may be amended to govern  
25 multiple charter schools operated by the same applicant and  
26 approved by the same authorizing board. However, each charter  
27 school that is part of a charter school contract shall be  
28 separate and distinct from any other charter school governed by  
29 the contract.

30 8. *a.* For a charter school established under section  
31 256E.4, if the school board that approved the application  
32 wishes to transfer the charter school contract and all contract  
33 requirements to the school board of another public school  
34 district, a request for such a transfer must be filed jointly  
35 by both school boards with the state board. The state board

1 shall not approve such a transfer except upon the finding of  
2 special circumstances and that such a transfer would serve the  
3 best interests of the charter school's students.

4 *b.* For a charter school established under section 256E.4,  
5 if the school board wishes to transfer its authorization and  
6 oversight duties to the state board, the charter school's  
7 governing board, the school board, and the state board must all  
8 approve the transfer.

9 *c.* For a charter school established under section 256E.5 or  
10 256E.6, if the state board wishes to transfer its authorization  
11 and oversight duties to a school board, the charter school's  
12 governing board, the school board, and the state board must all  
13 approve the transfer.

14 **Sec. 14. NEW SECTION. 256E.8 General operating powers and**  
15 **duties.**

16 1. In order to fulfill the charter school's public purpose,  
17 a charter school established under this chapter shall be  
18 organized as a nonprofit education organization and shall  
19 have all the powers necessary for carrying out the terms of  
20 the charter school contract including but not limited to the  
21 following, as applicable:

22 *a.* Receive and expend funds for charter school purposes.

23 *b.* Secure appropriate insurance and enter into contracts and  
24 leases.

25 *c.* Contract with an education service provider for the  
26 management and operation of the charter school so long as the  
27 governing board retains oversight authority over the charter  
28 school.

29 *d.* Incur debt in anticipation of the receipt of public or  
30 private funds.

31 *e.* Pledge, assign, or encumber the charter school's assets  
32 to be used as collateral for loans or extensions of credit.

33 *f.* Solicit and accept gifts or grants for charter school  
34 purposes unless otherwise prohibited by law or by the terms of  
35 its charter school contract.

1     *g.* Acquire from public or private sources real property for  
2 use as a charter school or a facility directly related to the  
3 operations of the charter school.

4     *h.* Sue and be sued in the charter school's own name.

5     *i.* Operate an education program that may be offered by any  
6 noncharter public school or school district.

7     2. A charter school established under this chapter is  
8 exempt from all state statutes and rules and any local rule,  
9 regulation, or policy, applicable to a noncharter school,  
10 except that the charter school shall do all of the following:

11     *a.* Meet all applicable federal, state, and local health and  
12 safety requirements and laws prohibiting discrimination on the  
13 basis of race, creed, color, sex, sexual orientation, gender  
14 identity, national origin, religion, ancestry, or disability.  
15 If approved under section 256E.4 or 256E.5, the charter school  
16 shall be subject to any court-ordered desegregation plan in  
17 effect for the school district at the time the charter school  
18 application is approved.

19     *b.* Operate as a nonsectarian, nonreligious school.

20     *c.* Be free of tuition and application fees to Iowa resident  
21 students between the ages of five and twenty-one years.

22     *d.* Be subject to and comply with chapters 216 and 216A  
23 relating to civil and human rights.

24     *e.* Provide special education services in accordance with  
25 chapter 256B.

26     *f.* Be subject to the same financial audits, audit  
27 procedures, and audit requirements as a school district. The  
28 audit shall be consistent with the requirements of sections  
29 11.6, 11.14, 11.19, and 279.29, and section 256.9, subsection  
30 20, except to the extent deviations are necessary because  
31 of the program at the school. The department, the auditor  
32 of state, or the legislative services agency may conduct  
33 financial, program, or compliance audits.

34     *g.* Be subject to and comply with the provisions of chapter  
35 285 relating to the transportation of students.

1     *h.* Be subject to and comply with the requirements of section  
2 256.7, subsection 21, and the educational standards of section  
3 256.11.

4     *i.* Provide instruction for at least the number of days or  
5 hours required by section 279.10, subsection 1.

6     *j.* Be subject to the construction bidding requirements of  
7 chapter 26.

8     *k.* Comply with the requirements of this chapter.

9     3. A charter school shall employ or contract with teachers  
10 as defined in section 272.1, who hold valid licenses with an  
11 endorsement for the type of instruction or service for which  
12 the teachers are employed or under contract.

13     4. A charter school shall not discriminate in its student  
14 admissions policies or practices on the basis of intellectual  
15 or athletic ability, measures of achievement or aptitude, or  
16 status as a person with a disability. However, a charter  
17 school may limit admission to students who are within a  
18 particular range of ages or grade levels or on any other  
19 basis that would be legal if initiated by a school district.  
20 Enrollment priority shall be given to the siblings of students  
21 enrolled in a charter school.

22     5. A charter school shall enroll an eligible student who  
23 submits a timely application unless the number of applications  
24 exceeds the capacity of a program, class, grade level, or  
25 building. In this case, students must be accepted by lot.  
26 Upon enrollment of an eligible student, the charter school  
27 shall notify the public school district of residence not later  
28 than March 1 of the preceding school year.

29     6. Each charter school governing board shall be required to  
30 adopt a conflict of interest policy and a code of ethics for  
31 all board members and employees.

32     7. Each charter school governing board shall adopt a policy  
33 regarding the hiring of family members to avoid nepotism in  
34 hiring and supervision. The policy shall include but is not  
35 limited to a disclosure to the governing board of potential

1 nepotism in hiring and supervision. Any person subject to the  
2 policy with a conflict shall not be involved in the hiring  
3 decision or supervision of a potential employee.

4 8. Individuals compensated by an education service provider  
5 are prohibited from serving as a voting member on the governing  
6 board of any charter school unless the school board or state  
7 board that approved the charter school waives such prohibition.

8 9. If the charter school is operated by an education service  
9 provider, the governing board of the charter school shall have  
10 access to all records of the education service provider that  
11 are necessary to evaluate any provision of the contract or  
12 evaluate the education service provider's performance under the  
13 contract.

14 Sec. 15. NEW SECTION. 256E.9 Funding.

15 1. Each student enrolled in a charter school established  
16 under this chapter shall be counted, for state school  
17 foundation purposes, in the student's district of residence  
18 pursuant to section 257.6, subsection 1, paragraph "a",  
19 subparagraph (8). For purposes of this section, residence  
20 means a residence under section 282.1.

21 2. a. The school district of residence shall pay to the  
22 charter school in which the student is enrolled in the manner  
23 required under section 282.18, subsection 7, and pursuant to  
24 the timeline in section 282.20, subsection 3, an amount equal  
25 to the sum of the following:

26 (1) The regular program state cost per pupil for the  
27 previous school year.

28 (2) The teacher salary supplement state cost per pupil for  
29 the previous fiscal year.

30 (3) The professional development supplement state cost per  
31 pupil for the previous fiscal year.

32 (4) The early intervention supplement state cost per pupil  
33 for the previous fiscal year.

34 (5) The area education agency teacher salary supplement  
35 state cost per pupil for the previous fiscal year.

1 (6) The area education agency professional development  
2 supplement state cost per pupil for the previous fiscal year.

3 (7) The state media services cost per pupil for the previous  
4 fiscal year.

5 (8) The special education support services state cost per  
6 pupil for the previous fiscal year.

7 (9) The state educational services cost per pupil for the  
8 previous fiscal year.

9 (10) Any moneys the school district receives as a result  
10 of the student's non-English speaking weighting under section  
11 280.4, subsection 3, for the previous school year.

12 (11) Any moneys the school district receives as a result of  
13 the student's enrollment in special education programs.

14 *b.* In addition to moneys received from the school district  
15 of residence, charter schools with teachers and students  
16 eligible for federal funding shall receive the proportionate  
17 share of such funding. If a charter school receives such  
18 funding, the charter school shall comply with all reporting or  
19 other requirements to receive the funding.

20 3. If necessary, and pursuant to rules adopted by the state  
21 board of education, funding amounts required under this section  
22 for the first school year of a new charter school shall be  
23 based on enrollment estimates for the charter school included  
24 in the charter school contract. Initial amounts paid using  
25 estimated enrollments shall be reconciled during the subsequent  
26 payment based on actual enrollment of the charter school during  
27 the first school year.

28 4. The department shall disburse state transportation  
29 funding to a charter public school on the same basis and in the  
30 same manner as such funding is paid to school districts.

31 **Sec. 16. NEW SECTION. 256E.10 Performance framework.**

32 1. The performance provisions within the charter school  
33 contract shall be based on a performance framework adopted by  
34 the authorizing board that clearly sets forth the academic  
35 and operational performance indicators, measures, and metrics

1 that will guide the evaluation of the charter school by the  
2 authorizing board, without compromising individual student  
3 privacy. The performance framework shall include but is not  
4 limited to indicators, measures, and metrics for all of the  
5 following:

- 6     *a.* Student academic proficiency.
- 7     *b.* Student academic growth.
- 8     *c.* Achievement gaps in both proficiency and growth between  
9 specified populations or groups of students, including groups  
10 based on gender, race, poverty, special education status,  
11 limited English proficiency, and gifted status.
- 12     *d.* Attendance.
- 13     *e.* Enrollment attrition.
- 14     *f.* Postsecondary readiness for students in grades nine  
15 through twelve.
- 16     *g.* Goals specified in the charter school's mission.
- 17     *h.* Financial performance and sustainability.
- 18     *i.* Governing board performance and stewardship, including  
19 compliance with all applicable laws, regulations, and terms of  
20 the charter contract.

21     2. Annual performance targets shall be agreed upon  
22 between each charter school and the authorizing board. Such  
23 performance targets shall be contained in the charter school  
24 contract and shall be designed to help each charter school  
25 meet applicable federal, state, and local standards. The  
26 performance targets contained in the charter school contract  
27 may be amended by mutual agreement after the charter school is  
28 operating and has collected initial achievement data for the  
29 charter school's students.

30     3. The authorizing board is responsible for collecting,  
31 analyzing, and reporting all data from state assessments and  
32 other state data sources in accordance with the performance  
33 framework. However, all efforts shall be made by all  
34 parties to the charter school contract to eliminate or reduce  
35 duplicative data reporting requirements.

1 4. Multiple charter schools operating under a single  
2 charter school contract shall be required to report their  
3 performance data as separate, individual schools, with each  
4 charter school held independently accountable for performance.

5 5. Each charter school established under this chapter  
6 shall be evaluated and graded by the department pursuant to  
7 the attendance center performance rankings developed pursuant  
8 to 2013 Iowa Acts, ch. 121, §73, or any succeeding evaluation  
9 system the department adopts.

10 Sec. 17. NEW SECTION. 256E.11 Oversight — corrective  
11 action — contract renewal — revocation.

12 1. The authorizing board shall monitor the performance  
13 and compliance of each charter school the authorizing board  
14 approves, including collecting and analyzing data according to  
15 the charter school contract in order to meet the requirements  
16 of this chapter. Such oversight may include inquiries and  
17 investigation of the charter school so long as the activities  
18 are consistent with the intent of this chapter, adhere to the  
19 terms of the charter school contract, and do not unduly inhibit  
20 the autonomy granted to the charter school. Any performance  
21 report resulting from an inquiry or investigation under this  
22 section shall, upon conclusion of such action, be included in  
23 the annual report required under section 256E.13.

24 2. As part of the charter school contract, the charter  
25 school may be required to submit an annual report to assist  
26 the authorizing board in evaluating the charter school's  
27 performance and compliance with the performance framework.

28 3. In the event that a charter school's performance under  
29 the charter school contract or compliance with applicable  
30 laws or rules is unsatisfactory, the authorizing board shall  
31 notify the charter school of the perceived problem and provide  
32 reasonable opportunity for the school to remedy the problem,  
33 unless the problem warrants revocation, in which case the  
34 revocation provisions of this section apply.

35 4. The authorizing board shall have the authority to take



1 appropriate corrective actions or impose sanctions, other than  
2 revocation, in response to deficiencies in the charter school's  
3 performance or compliance with applicable laws and rules.  
4 Such actions or sanctions may include requiring the charter  
5 school to develop and execute a corrective action plan within a  
6 specified time period.

7 5. A charter school contract may be renewed for periods of  
8 time not to exceed an additional five years.

9 6. Annually, by June 30, the authorizing board shall  
10 issue a charter school performance report and charter school  
11 contract renewal application guidance to each charter school  
12 whose charter school contract will expire during the following  
13 school budget year. The performance report shall summarize the  
14 charter school's performance record to date based on the data  
15 required by the charter school contract and by this chapter  
16 and shall identify concerns that may jeopardize renewal of the  
17 charter school contract if not remedied. The charter school  
18 shall have sixty days to respond to the performance report and  
19 submit any corrections or clarifications for the report.

20 7. The renewal application guidance shall, at a minimum,  
21 include the criteria that will be used when making renewal  
22 decisions and provide an opportunity for the charter school to:

23 a. Present additional evidence, beyond the data contained in  
24 the performance report.

25 b. Describe improvements undertaken or planned for the  
26 charter school.

27 c. Describe the charter school's plans, including any  
28 proposed modifications, for the next charter school contract  
29 term.

30 8. No later than October 1, the governing board of a charter  
31 school seeking renewal shall submit a renewal application to  
32 the authorizing board pursuant to the renewal application  
33 guidance. A renewal or denial shall be approved by resolution  
34 of the authorizing board within sixty days following the filing  
35 of the renewal application.

1 9. Unless eligible for expedited renewal under subsection  
2 14, when reviewing a charter school contract renewal  
3 application, the authorizing board shall:

4 a. Use evidence of the school's performance over the term of  
5 the charter school contract in accordance with the applicable  
6 performance framework.

7 b. Ensure that data used in making renewal decisions is  
8 available to the charter school and the public.

9 c. Provide a report summarizing the evidence that served as  
10 a basis for the decision.

11 10. A charter school contract may be revoked at any time  
12 or not renewed if the authorizing board determines that the  
13 charter school did any of the following:

14 a. Committed a material violation of any of the terms,  
15 conditions, standards, or procedures required under the charter  
16 school contract or this chapter.

17 b. Failed to meet or make sufficient progress toward the  
18 performance expectations set forth in the charter school  
19 contract.

20 c. Failed to meet generally accepted standards of fiscal  
21 management.

22 d. Violated a provision of law from which the charter school  
23 was not exempted.

24 11. Each authorizing board shall develop charter school  
25 contract revocation and nonrenewal standards and procedures  
26 that do all of the following:

27 a. Provide the charter school with a timely notice of the  
28 possibility of revocation or nonrenewal and of the reasons  
29 therefor.

30 b. Allow the charter school a reasonable period of time in  
31 which to prepare a response to any notice received.

32 c. Provide the charter school an opportunity to submit  
33 documents and give testimony challenging the decision to revoke  
34 the charter school contract or the decision to not renew the  
35 contract.

1     *d.* Allow the charter school the opportunity to hire legal  
2 representation and to call witnesses.

3     *e.* Permit the audio or video recording of such proceedings.

4     *f.* Require a final decision to be conveyed in writing to the  
5 charter school.

6     12. A decision to revoke or to not renew a charter school  
7 contract shall be by resolution of the authorizing board  
8 and shall clearly state the reasons for the revocation or  
9 nonrenewal.

10    13. For charter schools established under section 256E.4,  
11 within thirty days of adopting a resolution to renew, not  
12 renew, or revoke a charter school contract, the school board  
13 shall report to the state board the action taken and shall  
14 provide a copy of the resolution to the charter school at the  
15 same time that the resolution is submitted to the state board.

16    14. If a charter school has been evaluated and graded to  
17 be in the exceptional category, or the highest rated category  
18 under a succeeding evaluation system, under the evaluation and  
19 grading required under section 256E.10, subsection 5, for the  
20 immediately preceding two school years, and the charter school  
21 is in compliance with the current charter school contract  
22 and all provisions of this chapter, the charter school's  
23 application renewal under subsection 8 shall be renewed  
24 for an additional period of time equal to the length of the  
25 original charter school contract or the most recent renewal  
26 of the contract, whichever is longer, unless the authorizing  
27 board provides written notice to the charter school of the  
28 authorizing board's rejection of the expedited renewal within  
29 sixty days of the filing of the application. An authorizing  
30 board shall not reject an expedited renewal application unless  
31 the authorizing board finds exceptional circumstances for the  
32 rejection or seeks material changes to the charter school  
33 contract.

34    Sec. 18. NEW SECTION. **256E.12 Procedures for charter school**  
35 **closure — student enrollment.**

1 1. Prior to any charter school closure decision, the  
2 authorizing board shall develop a charter school closure  
3 protocol to ensure timely notice to parents and guardians,  
4 provide for the orderly transition of students and student  
5 records to new schools, and to provide proper disposition of  
6 school funds, property, and assets in accordance with the  
7 requirements of this chapter. The protocol shall specify  
8 required actions and timelines and identify responsible parties  
9 for each such action.

10 2. In the event of a charter school closure, the assets of  
11 the charter school shall be used first to satisfy outstanding  
12 payroll obligations for employees of the school, then to  
13 creditors of the school, then to the public school district in  
14 which the charter school operated, if applicable, and then to  
15 the state general fund. If the assets of the charter school  
16 are insufficient to pay all obligations of the charter school,  
17 the prioritization of the distribution of assets shall be  
18 determined by the district court.

19 Sec. 19. NEW SECTION. 256E.13 Reports.

20 1. Each charter school shall prepare and file an annual  
21 report with the department. The department shall prescribe  
22 by rule the required contents of the report, but each such  
23 report shall include information regarding student achievement,  
24 including annual academic growth and proficiency, graduation  
25 rates, and financial performance and sustainability. The  
26 reports are public records and the examination, publication,  
27 and dissemination of the reports are governed by the provisions  
28 of chapter 22.

29 2. The state board shall prepare and file with the general  
30 assembly by December 1, annually, a comprehensive report with  
31 findings and recommendations relating to the charter school  
32 program in the state and whether the charter school program  
33 under this chapter is meeting the goals and purposes of the  
34 program. The report also shall contain, for each charter  
35 school, a copy of the charter school's mission statement,

1 attendance statistics and dropout rate, aggregate assessment  
2 test scores, projections of financial stability, and the number  
3 and qualifications of teachers and administrators.

4 Sec. 20. Section 256F.3, Code 2018, is amended by adding the  
5 following new subsection:

6 NEW SUBSECTION. 8A. The state board shall not approve a new  
7 charter school under this chapter on or after July 1, 2018.

8 Sec. 21. NEW SECTION. **256F.12 Operation of existing charter**  
9 **schools.**

10 Charter schools established under this chapter prior to July  
11 1, 2018, shall continue to operate under and be subject to the  
12 requirements of this chapter.

13 Sec. 22. Section 257.6, subsection 1, paragraph a, Code  
14 2018, is amended by adding the following new subparagraph:

15 NEW SUBPARAGRAPH. (8) Resident pupils enrolled in a charter  
16 school under chapter 256E or 256F.

17 Sec. 23. Section 257.31, subsection 5, paragraph d, Code  
18 2018, is amended to read as follows:

19 *d.* The closing of a nonpublic school, wholly or in part, or  
20 the opening or closing of a ~~pilot~~ charter school.

21 Sec. 24. Section 282.9, subsection 1, Code 2018, is amended  
22 to read as follows:

23 1. Notwithstanding [sections 275.55A](#), [256E.8](#), [256F.4](#), and  
24 [282.18](#), or any other provision to the contrary, prior to  
25 knowingly enrolling an individual who is required to register  
26 as a sex offender under [chapter 692A](#), but who is otherwise  
27 eligible to enroll in a public school, the board of directors  
28 of a school district shall determine the educational placement  
29 of the individual. Upon receipt of notice that a student who  
30 is enrolled in the district is required to register as a sex  
31 offender under [chapter 692A](#), the board shall determine the  
32 educational placement of the student. The tentative agenda  
33 for the meeting of the board of directors at which the board  
34 will consider such enrollment or educational placement shall  
35 specifically state that the board is considering the enrollment

1 or educational placement of an individual who is required  
2 to register as a sex offender under [chapter 692A](#). If the  
3 individual is denied enrollment in a school district under this  
4 section, the school district of residence shall provide the  
5 individual with educational services in an alternative setting.

6 Sec. 25. Section 282.18, subsection 4, paragraph b, Code  
7 2018, is amended to read as follows:

8 *b.* For purposes of [this section](#), “good cause” means a change  
9 in a child’s residence due to a change in family residence, a  
10 change in the state in which the family residence is located,  
11 a change in a child’s parents’ marital status, a guardianship  
12 or custody proceeding, placement in foster care, adoption,  
13 participation in a foreign exchange program, or participation  
14 in a substance abuse or mental health treatment program, a  
15 change in the status of a child’s resident district such as  
16 removal of accreditation by the state board, surrender of  
17 accreditation, or permanent closure of a nonpublic school,  
18 revocation of a charter school contract as provided in section  
19 [256E.11](#) or [256F.8](#), the failure of negotiations for a whole  
20 grade sharing, reorganization, dissolution agreement or the  
21 rejection of a current whole grade sharing agreement, or  
22 reorganization plan. If the good cause relates to a change  
23 in status of a child’s school district of residence, however,  
24 action by a parent or guardian must be taken to file the  
25 notification within forty-five days of the last board action  
26 or within thirty days of the certification of the election,  
27 whichever is applicable to the circumstances.

28 EXPLANATION

29 The inclusion of this explanation does not constitute agreement with  
30 the explanation’s substance by the members of the general assembly.

31 This bill relates to the funding and operation of  
32 educational offerings in the state by establishing an education  
33 savings grant program for certain pupils attending a nonpublic  
34 school and creating a new charter school program.

35 Division I of the bill provides that the Act shall be known

1 and may be cited as the "Iowa Student Opportunity Act".

2 Under division II of the bill, the following pupils who  
3 attend a nonpublic school are eligible to receive an education  
4 savings grant: (1) a pupil eligible to enroll in kindergarten;  
5 (2) a pupil eligible to enroll in grade 1 through grade 12  
6 if the pupil has attended a public school for the equivalent  
7 of the two immediately preceding semesters; and (3) a pupil  
8 who received an education savings grant for the immediately  
9 preceding school budget year and who is eligible to enroll  
10 in grade 1 through grade 12. By January 31 preceding the  
11 school year for which the education savings grant is requested,  
12 the parent or guardian of the pupil requesting to receive an  
13 education savings grant must submit an application to the  
14 department of management indicating that the parent or guardian  
15 intends to enroll the pupil in a nonpublic school.

16 The bill requires that by March 1 preceding the school  
17 year for which the education savings grant is requested, the  
18 department of management must notify the parent or guardian of  
19 each pupil approved for the following school year to receive an  
20 education savings grant and the amount of the education savings  
21 grant for the pupil, as specified in the bill. Education  
22 savings grants must be approved for each school year and  
23 applications must be submitted each year.

24 The bill creates an education savings grant fund in  
25 the state treasury under the control of the department of  
26 management consisting of moneys appropriated to the department  
27 of management for the purpose of providing education savings  
28 grants. For the fiscal year commencing July 1, 2019, and each  
29 succeeding fiscal year, there is appropriated from the general  
30 fund of the state to the department of management for deposit  
31 in the fund the amount necessary to pay all education savings  
32 grants approved for that fiscal year. For each pupil approved  
33 for an education savings grant, the department of management  
34 must establish an account for that pupil in the education  
35 savings grant fund. The amount of the pupil's education

1 savings grant is deposited into the pupil's account on July 1  
2 and such amount is available for use by parents and guardians  
3 for the payment of qualified educational expenses, as defined  
4 in the bill, incurred by the parent or guardian for the pupil  
5 during that fiscal year.

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

13 The bill provides that moneys remaining in a pupil's account  
14 upon the conclusion of the fiscal year shall remain in the  
15 pupil's account in the education savings grant fund for the  
16 payment of qualified educational expenses in future fiscal  
17 years during which the pupil participates in the program or for  
18 higher education costs as authorized in the bill.

19 Under the bill, for each pupil with a positive balance in  
20 the pupil's account in the education savings grant fund upon  
21 graduation from high school, the department of management is  
22 required to maintain the account in the fund until the pupil  
23 reaches an age specified in the bill. Until the pupil reaches  
24 the age limitation, moneys in the pupil's account may be used  
25 by the pupil for higher education costs, as defined in Code  
26 section 12D.1. Moneys in a pupil's account when the pupil  
27 reaches the age limitation are transferred by the department of  
28 management for deposit in the general fund of the state.

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



1 and amounts improperly awarded or paid.

2 Division II of the bill provides that an education savings  
3 grant received by a taxpayer is not taxable income for purposes  
4 of state individual income taxation. This provision of the  
5 bill applies to tax years beginning on or after January 1,  
6 2019.

7 The section of the bill enacting the education savings  
8 grant program applies to school budget years and fiscal years  
9 beginning on or after July 1, 2019.

10 Division III of the bill establishes a new charter school  
11 program within the state under new Code chapter 256E and  
12 prohibits new charter schools from being established on or  
13 after July 1, 2018, under the existing charter school program,  
14 Code chapter 256F. Charter schools established under Code  
15 chapter 256F prior to July 1, 2018, shall continue to operate  
16 under and be subject to the requirements of that Code chapter.

17 The bill creates three models by which a charter school may  
18 be established: (1) founding group-school board model, under  
19 which a founding group may apply to a school board for approval  
20 to establish and operate a charter school within and as a part  
21 of the school district either by establishing a new attendance  
22 center or converting an existing attendance center; (2) school  
23 board-state board model, under which a school board may create  
24 a founding group to apply to the state board of education for  
25 approval to establish and operate a charter school within  
26 and as a part of the school district by establishing a new  
27 attendance center, creating a new school within an existing  
28 attendance center, or converting an existing attendance  
29 center; and (3) founding group-state board model, under which  
30 a founding group may apply to the state board for approval to  
31 establish and operate a charter school within the boundaries of  
32 the state that operates independently from any public school  
33 district as a new attendance center.

34 The bill defines "founding group" to mean a person or group  
35 of persons that develops and submits an application for a

1 charter school to an authorizing board. The bill defines  
2 "governing board" to mean the independent board of a charter  
3 school whose members are elected or selected pursuant to the  
4 charter school's application and charter school contract.

5 The bill establishes requirements for charter school  
6 application contents and procedure, requires the state board of  
7 education to adopt rules to establish appropriate application  
8 timelines and deadlines for the submission of charter school  
9 applications, and establishes standards for reviewing charter  
10 school applications by the authorizing board, as specified in  
11 the bill. Each application review includes evaluation of the  
12 written application, an in-person interview with the applicant,  
13 and an opportunity in a public forum for local residents of the  
14 public school district within which the applicant proposes to  
15 locate the charter school to learn about and provide input on  
16 each application.

17 The bill establishes provisions governing the approval  
18 or denial of a charter school application and the timing of  
19 such a decision, including the prohibition on approving an  
20 application if the applicant has another pending charter school  
21 application. The decision of the school board or the state  
22 board as to a charter school application is not appealable.

23 After approval of the charter school application, the  
24 applicant and the authorizing board must execute a charter  
25 school contract setting forth the operational performance  
26 expectations and measures by which the charter school will  
27 be evaluated. An initial charter school contract shall be  
28 granted for a term of five school budget years. The contract  
29 may provide for requirements or conditions to govern and  
30 monitor the start-up progress of an approved charter school  
31 prior to the opening of the charter school including but not  
32 limited to conditions to ensure that the charter school meets  
33 all building, health, safety, insurance, and other legal  
34 requirements.

35 A charter school established under the bill has all the

1 powers necessary for carrying out the terms of the charter  
2 school contract including those powers specified in the bill.  
3 A charter school established under the bill is exempt from  
4 all state statutes and rules and any local rule, regulation,  
5 or policy applicable to a noncharter school, except that  
6 the charter school shall do all of the following: (1) meet  
7 all applicable federal, state, and local health and safety  
8 requirements and laws prohibiting discrimination on the  
9 basis of race, creed, color, sex, sexual orientation, gender  
10 identity, national origin, religion, ancestry, or disability;  
11 (2) operate as a nonsectarian, nonreligious school; (3) be  
12 free of tuition and application fees to Iowa resident students  
13 between the ages of 5 and 21 years; (4) be subject to and  
14 comply with Code chapters 216 and 216A relating to civil  
15 and human rights; (5) provide special education services in  
16 accordance with Code chapter 256B; (6) be subject to the same  
17 financial audits, audit procedures, and audit requirements  
18 as a school district; (7) be subject to and comply with the  
19 provisions of Code chapter 285 relating to the transportation  
20 of students; (8) be subject to and comply with the education  
21 program and testing requirements of Code section 256.7(21) and  
22 the educational standards of Code section 256.11; (9) provide  
23 instruction for at least the number of days or hours required  
24 by Code section 279.10, subsection 1; and (10) be subject to  
25 the construction bidding requirements of Code chapter 26.

26 The bill requires a charter school to employ or contract  
27 with teachers who hold a valid license with an endorsement for  
28 the type of instruction or service for which the teacher is  
29 employed or under contract and establishes requirements for  
30 charter schools relating to enrollment and admissions policies.  
31 Upon enrollment of an eligible student, the charter school is  
32 required to notify the public school district of residence.

33 Each student enrolled in a charter school established  
34 under the bill shall be counted, for state school foundation  
35 purposes, in the student's district of residence. The school

1 district of residence is then required to pay to the charter  
2 school in which the student is enrolled an amount equal to the  
3 sum of the following: (1) the regular program state cost per  
4 pupil for the previous school year; (2) the teacher salary  
5 supplement state cost per pupil for the previous fiscal year;  
6 (3) the professional development supplement state cost per  
7 pupil for the previous fiscal year; (4) the early intervention  
8 supplement state cost per pupil for the previous fiscal year;  
9 (5) the area education agency teacher salary supplement state  
10 cost per pupil for the previous fiscal year; (6) the area  
11 education agency professional development supplement state cost  
12 per pupil for the previous fiscal year; (7) the state media  
13 services cost per pupil for the previous fiscal year; (8) the  
14 special education support services state cost per pupil for  
15 the previous fiscal year; (9) the state educational services  
16 cost per pupil for the previous fiscal year; (10) any moneys  
17 the school district receives as a result of the student's  
18 non-English speaking weighting for the previous fiscal year;  
19 and (11) any moneys the school district receives as a result of  
20 the student's enrollment in special education programs. The  
21 bill establishes provisions relating to the distribution of  
22 eligible federal funds and disbursement of state transportation  
23 funding to charter schools. The bill also establishes  
24 provisions governing the payments to charter schools in the  
25 first year of operation.

26 The bill establishes requirements for the performance  
27 provisions within the charter school contract that will guide  
28 the evaluation of the charter school by the authorizing board.  
29 The authorizing board is required to monitor the performance  
30 and compliance of each charter school it approves, including  
31 collecting and analyzing data according to the charter school  
32 contract in order to meet the requirements of the charter  
33 school contract and the bill. As part of the charter school  
34 contract, the charter school may be required to submit an  
35 annual report to assist the authorizing board in evaluating

1 the charter school's performance and compliance with the  
2 performance framework.

3 The bill also establishes provisions to govern situations  
4 where a charter school's performance under the charter school  
5 contract or compliance with applicable laws or rules is  
6 unsatisfactory, including the authority to take appropriate  
7 corrective actions, impose sanctions, or revoke the contract.  
8 A charter school contract may be renewed for periods of  
9 time not to exceed an additional five years. The bill also  
10 establishes provisions that govern the renewal process for a  
11 charter school contract, including standards under which the  
12 authorizing board must operate when reviewing a charter school  
13 contract renewal application.

14 The bill requires that, prior to any charter school closure  
15 decision, the authorizing board must develop a charter school  
16 closure protocol to ensure timely notice to parents, provide  
17 for the orderly transition of students and student records to  
18 new schools, and to provide proper disposition of school funds,  
19 property, and assets. The bill also specifies the priority to  
20 be used when satisfying obligations of a charter school after  
21 its closure.

22 Under the bill, each charter school is required to prepare  
23 and file an annual report with the department of education,  
24 the contents of which shall be determined by the department  
25 by rule. The state board of education is required to prepare  
26 and file with the general assembly by December 1, annually, a  
27 comprehensive report including items specified in the bill,  
28 along with findings and recommendations relating to the charter  
29 school program in the state and whether the charter school  
30 program is meeting the goals and purposes of the program.