

**Senate File 29 - Introduced**

SENATE FILE 29

BY ZAUN

**A BILL FOR**

1 An Act relating to education by modifying the duties and  
2 authority of certain state and local governmental entities,  
3 establishing an education savings grant program and fund,  
4 making appropriations, providing penalties, and including  
5 effective date and applicability provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

Section 1. NEW SECTION. **256B.16 Transfer of authority and duties.**

1. Beginning July 1, 2018, the authority and duties of the department of education, the division of special education created under section 256B.1, the state board of education, and the director of the department of education under this chapter shall to the extent feasible be transferred to the appropriate area education agency where such special education services are being provided. Accordingly, beginning July 1, 2018, all references to the department of education or the division of special education under this chapter and references to the department of education or the division of special education under other provisions of law relating to this chapter shall mean the applicable area education agency and all references to the state board of education or the director of the department of education under this chapter or other provisions of law relating to this chapter shall mean the board of directors of the area education agency and the administrator of the area education agency respectively.

2. Any moneys remaining in any account or fund under the control of the department of education at the conclusion of the fiscal year beginning July 1, 2017, relative to the provisions of this chapter shall be transferred to the control of the department of human services for such purposes. Notwithstanding section 8.33, the moneys transferred in accordance with this subsection shall not revert to the account or fund from which appropriated or transferred.

3. Any contract entered into by the department of education relating to the provisions of this chapter in effect at the conclusion of the fiscal year beginning July 1, 2017, shall continue in full force and effect pending transfer of such contracts to the area education agencies.

1 4. Any rule, regulation, form, order, or directive  
2 promulgated by the department of education relative to the  
3 provisions of this chapter in existence at the conclusion of  
4 the fiscal year beginning July 1, 2017, shall continue in full  
5 force and effect.

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

13 Sec. 2. Section 256C.1, Code 2017, is amended to read as  
14 follows:

15 **256C.1 Definitions.**

16 As used in [this chapter](#):

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

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

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

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

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

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

32 Sec. 3. Section 256C.2, subsection 2, Code 2017, is amended  
33 by striking the subsection.

34 Sec. 4. Section 256C.3, subsection 2, paragraph a,  
35 subparagraph (3), Code 2017, is amended to read as follows:

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

6 Sec. 5. Section 256C.3, subsection 3, unnumbered paragraph  
7 1, Code 2017, is amended to read as follows:

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

14 Sec. 6. Section 256C.3, subsection 3, paragraph e, Code  
15 2017, is amended to read as follows:

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

27 Sec. 7. Section 256C.3, subsection 4, Code 2017, is amended  
28 by striking the subsection and inserting in lieu thereof the  
29 following:

30 4. *School district requirements.*

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

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

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

8 Sec. 8. Section 256C.3, subsection 5, Code 2017, is amended  
9 by striking the subsection.

10 Sec. 9. Section 256C.4, subsection 1, paragraph d, Code  
11 2017, is amended to read as follows:

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

25 Sec. 10. Section 256C.4, subsection 2, paragraph b, Code  
26 2017, is amended to read as follows:

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

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

5 Sec. 11. Section 256C.5, subsection 2, Code 2017, is amended  
6 to read as follows:

7 2. *Preschool foundation aid district amount.*

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

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

32 Sec. 12. Section 256C.5, subsection 4, Code 2017, is amended  
33 by striking the subsection.

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

1 1. Beginning July 1, 2018, the authority and duties of the  
2 department of education, the state board, and the director of  
3 the department of education under this chapter, to the extent  
4 feasible, shall be transferred to the board of directors of  
5 the community college serving the merged area in which the  
6 charter school or innovation zone school, or such proposed  
7 school, is located. Accordingly, beginning July 1, 2018, all  
8 references to the department of education, the state board of  
9 education, and the director of the department of education  
10 under this chapter or other provisions of law relating to this  
11 chapter shall mean the board of directors of the community  
12 college serving the merged area in which the charter school or  
13 innovation zone school, or such proposed school, is located.

14 2. Any contract entered into by the department of education  
15 relating to the provisions of this chapter in effect at the  
16 conclusion of the fiscal year beginning July 1, 2017, shall  
17 continue in full force and effect pending transfer of such  
18 contracts to the appropriate community college board of  
19 directors.

20 3. Any rule, regulation, form, order, or directive  
21 promulgated by the department of education relative to the  
22 provisions of this chapter in existence at the conclusion of  
23 the fiscal year beginning July 1, 2017, shall continue in full  
24 force and effect.

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

27 1. Beginning July 1, 2018, the authority and duties of the  
28 department of education and the director of the department  
29 of education under this chapter shall be transferred to the  
30 adjutant general of the state. Accordingly, beginning July 1,  
31 2018, all references to the department of education and the  
32 director of the department of education under this chapter or  
33 other provisions of law relating to this chapter shall mean  
34 adjutant general of the state.

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

1 relating to the provisions of this chapter in effect at the  
2 conclusion of the fiscal year beginning July 1, 2017, shall  
3 continue in full force and effect pending transfer of such  
4 contracts to the adjutant general of the state.

5 3. Any rule, regulation, form, order, or directive  
6 promulgated by the department of education relative to the  
7 provisions of this chapter in existence upon conclusion of the  
8 fiscal year beginning July 1, 2017, shall continue in full  
9 force and effect.

10 Sec. 15. NEW SECTION. **256I.14 Transfer of authority and**  
11 **duties.**

12 1. Beginning July 1, 2018, the authority and duties of the  
13 department of education and the director of the department  
14 of education under this chapter shall be transferred to the  
15 department of management and the director of the department  
16 of management. Accordingly, beginning July 1, 2018, all  
17 references to the department of education or the director of  
18 the department of education under this chapter or under other  
19 provisions of law relating to this chapter shall mean the  
20 department of management and the director of the department of  
21 management.

22 2. Any moneys remaining in any account or fund under the  
23 control of the department of education at the conclusion of the  
24 fiscal year beginning July 1, 2017, relative to the provisions  
25 of this chapter shall be transferred to the control of the  
26 department of management for such purposes. Notwithstanding  
27 section 8.33, the moneys transferred in accordance with this  
28 subsection shall not revert to the account or fund from which  
29 appropriated or transferred.

30 3. Any contract entered into by the department of education  
31 relating to the provisions of this chapter in effect at the  
32 conclusion of the fiscal year beginning July 1, 2017, shall  
33 continue in full force and effect pending transfer of such  
34 contracts to the department of management.

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



1 promulgated by the department of education relative to the  
2 provisions of this chapter in existence at the conclusion of  
3 the fiscal year beginning July 1, 2017, shall continue in full  
4 force and effect until amended, repealed, or supplemented by  
5 affirmative action of the department of management under the  
6 duties and powers established in this chapter and under the  
7 procedure established in subsection 5.

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

15 Sec. 16. Section 257C.5, subsection 1, Code 2017, is amended  
16 to read as follows:

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

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

28 1. Beginning July 1, 2018, the authority and duties of the  
29 department of education, the state board of education, and the  
30 director of the department of education under this chapter  
31 shall be transferred to the department of workforce development  
32 and the director of the department of workforce development.  
33 Accordingly, beginning July 1, 2018, all references to the  
34 department of education under this chapter and references  
35 to the department of education under other provisions of

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

7 2. Any moneys remaining in any account or fund under the  
8 control of the department of education at the conclusion  
9 of the fiscal year beginning July 1, 2017, relative to the  
10 provisions of this chapter shall be transferred to the control  
11 of the department of workforce development for such purposes.  
12 Notwithstanding section 8.33, the moneys transferred in  
13 accordance with this subsection shall not revert to the account  
14 or fund from which appropriated or transferred.

15 3. Any contract entered into by the department of education  
16 relating to the provisions of this chapter in effect at the  
17 conclusion of the fiscal year beginning July 1, 2017, shall  
18 continue in full force and effect pending transfer of such  
19 contracts to the department of workforce development.

20 4. Any rule, regulation, form, order, or directive  
21 promulgated by the department of education relative to the  
22 provisions of this chapter in existence at the conclusion of  
23 the fiscal year beginning July 1, 2017, shall continue in full  
24 force and effect until amended, repealed, or supplemented by  
25 affirmative action of the department of workforce development  
26 under the duties and powers established in this chapter and  
27 under the procedure established in subsection 5.

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

35 Sec. 18. NEW SECTION. **259.1A Transfer of authority and**

1 **duties.**

2 1. Beginning July 1, 2018, the authority and duties of the  
3 department of education, the state board of education, and the  
4 director of the department of education under this chapter  
5 shall be transferred to the department of workforce development  
6 and the director of the department of workforce development.  
7 Accordingly, beginning July 1, 2018, all references to the  
8 department of education under this chapter and references  
9 to the department of education under other provisions of  
10 law relating to this chapter shall mean the department of  
11 workforce development and all references to the state board  
12 of education or the director of the department of education  
13 under this chapter or other provisions of law relating to this  
14 chapter shall mean the director of the department of workforce  
15 development.

16 2. Beginning July 1, 2018, the division of vocational  
17 rehabilitation services created within the department of  
18 education under section 259.3 shall be transferred to the  
19 department of workforce development.

20 3. Any moneys remaining in any account or fund under the  
21 control of the department of education at the conclusion  
22 of the fiscal year beginning July 1, 2017, relative to the  
23 provisions of this chapter shall be transferred to the control  
24 of the department of workforce development for such purposes.  
25 Notwithstanding section 8.33, the moneys transferred in  
26 accordance with this subsection shall not revert to the account  
27 or fund from which appropriated or transferred.

28 4. Any contract entered into by the department of education  
29 relating to the provisions of this chapter in effect at the  
30 conclusion of the fiscal year beginning July 1, 2017, shall  
31 continue in full force and effect pending transfer of such  
32 contracts to the department of workforce development.

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

1 the fiscal year beginning July 1, 2017, shall continue in full  
2 force and effect until amended, repealed, or supplemented by  
3 affirmative action of the department of workforce development  
4 under the duties and powers established in this chapter and  
5 under the procedure established in subsection 6.

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

13 Sec. 19. Section 259A.1, Code 2017, is amended to read as  
14 follows:

15 **259A.1 Tests.**

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

23 Sec. 20. Section 259A.2, unnumbered paragraph 2, Code 2017,  
24 is amended to read as follows:

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

32 Sec. 21. Section 259A.3, Code 2017, is amended to read as  
33 follows:

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

35 Any applicant who has achieved the minimum passing standards

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

11 Sec. 22. Section 259A.4, Code 2017, is amended to read as  
12 follows:

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

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

25 Sec. 23. Section 259A.5, Code 2017, is amended to read as  
26 follows:

27 **259A.5 Rules.**

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

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

35 1. Beginning July 1, 2018, the authority and duties of the

1 department of education, the state board of education, and the  
2 director of the department of education under this chapter  
3 shall, to the extent feasible, be transferred to the boards of  
4 directors of the community colleges serving the merged areas of  
5 the state. Accordingly, beginning July 1, 2018, all references  
6 to the department of education, the state board of education,  
7 and the director of the department of education under this  
8 chapter and references to the department of education, the  
9 state board of education, and the director of the department  
10 of education under other provisions of law relating to this  
11 chapter shall mean the applicable board of directors of a  
12 community college.

13 2. Beginning July 1, 2018, transfer of the duties and  
14 authority of the department shall also include all duties and  
15 authority of the community colleges division created within the  
16 department of education under section 260C.6.

17 3. Any moneys remaining in any account or fund under the  
18 control of the department of education at the conclusion of the  
19 fiscal year beginning July 1, 2017, relative to the provisions  
20 of this chapter shall be transferred to the control of the  
21 applicable board of directors of a community college for such  
22 purposes. Notwithstanding section 8.33, the moneys transferred  
23 in accordance with this subsection shall not revert to the  
24 account or fund from which appropriated or transferred.

25 4. Any contract entered into by the department of education  
26 relating to the provisions of this chapter in effect at the  
27 conclusion of the fiscal year beginning July 1, 2017, shall  
28 continue in full force and effect pending transfer of such  
29 contracts to the boards of directors of the community colleges.

30 5. Any rule, regulation, form, order, or directive  
31 promulgated by the department of education relative to the  
32 provisions of this chapter in existence at the conclusion of  
33 the fiscal year beginning July 1, 2017, shall continue in full  
34 force and effect.

35 Sec. 25. Section 260E.7, subsection 1, Code 2017, is amended

1 to read as follows:

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

12 Sec. 26. Section 260F.3, subsection 5, Code 2017, is amended  
13 to read as follows:

14 5. Other criteria established by the ~~department~~ authority.

15 Sec. 27. Section 260F.6B, Code 2017, is amended to read as  
16 follows:

17 **260F.6B High technology apprenticeship program.**

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

30 Sec. 28. Section 260F.7, Code 2017, is amended to read as  
31 follows:

32 **260F.7 Authority to coordinate.**

33 The authority, in consultation with ~~the department of~~  
34 ~~education and~~ the department of workforce development, shall  
35 coordinate the jobs training program. A project shall not be

1 funded under [this chapter](#) unless the authority approves the  
2 project. The authority shall adopt rules pursuant to chapter  
3 17A governing the program's operation and eligibility for  
4 participation in the program. The authority shall establish  
5 by rule criteria for determining what constitutes an eligible  
6 business.

7 Sec. 29. Section 260H.2, subsection 1, Code 2017, is amended  
8 to read as follows:

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

20 Sec. 30. Section 260H.2, subsection 2, paragraph a, Code  
21 2017, is amended to read as follows:

22 a. A pathways for academic career and employment fund  
23 is created for the community colleges in the state treasury  
24 to be administered by the ~~department of education~~ economic  
25 development authority. The moneys in the pathways for academic  
26 career and employment fund are appropriated to the ~~department~~  
27 ~~of education~~ economic development authority for the pathways  
28 for academic career and employment program.

29 Sec. 31. Section 260H.8, Code 2017, is amended to read as  
30 follows:

31 **260H.8 Rules.**

32 The ~~department of education~~ authority, in consultation with  
33 the community colleges, ~~the economic development authority,~~  
34 and the department of workforce development, shall adopt rules  
35 pursuant to [chapter 17A](#) and [this chapter](#) to implement the



1 provisions of [this chapter](#). Local workforce development boards  
2 established pursuant to [section 84A.4](#) shall be consulted in the  
3 development and implementation of rules to be adopted pursuant  
4 to [this chapter](#).

5 Sec. 32. Section 260I.2, subsection 2, paragraph a, Code  
6 2017, is amended to read as follows:

7 a. There is established for the community colleges  
8 a gap tuition assistance fund in the state treasury to  
9 be administered by the ~~department of education~~ economic  
10 development authority. The funds in the gap tuition assistance  
11 fund are appropriated to the ~~department of education~~ economic  
12 development authority for the gap tuition assistance program.

13 Sec. 33. Section 260I.3, subsection 1, Code 2017, is amended  
14 to read as follows:

15 1. The ~~department of education, in consultation with the~~  
16 economic development authority, shall adopt rules pursuant to  
17 this chapter defining eligibility criteria for persons applying  
18 to receive tuition assistance under [this chapter](#).

19 Sec. 34. Section 260I.10, Code 2017, is amended to read as  
20 follows:

21 **260I.10 Oversight.**

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

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

35 3. The ~~department of education~~ economic development

1 authority shall coordinate statewide oversight, evaluation, and  
2 reporting efforts for the gap tuition assistance program.

3 Sec. 35. Section 260I.11, Code 2017, is amended to read as  
4 follows:

5 **260I.11 Rules.**

6 The ~~department of education~~ economic development authority,  
7 in consultation with the ~~economic development authority and the~~  
8 community colleges, shall adopt rules pursuant to [chapter 17A](#)  
9 and [this chapter](#) to implement the provisions of [this chapter](#).

10 Sec. 36. Section 261.1, subsection 2, paragraph b, Code  
11 2017, is amended by striking the paragraph.

12 Sec. 37. NEW SECTION. **261.8 Transfer of authority and**  
13 **duties.**

14 1. Beginning July 1, 2018, the authority and duties of the  
15 department of education, the state board of education, and the  
16 director of the department of education under this chapter  
17 shall be transferred to the college student aid commission.  
18 Accordingly, beginning July 1, 2018, all references to the  
19 department of education or the director of the department of  
20 education under this chapter and references to the department  
21 of education or the director of the department of education  
22 under other provisions of law relating to this chapter shall  
23 mean the college student aid commission.

24 2. Any moneys remaining in any account or fund under the  
25 control of the department of education at the conclusion  
26 of the fiscal year beginning July 1, 2017, relative to the  
27 provisions of this chapter shall be transferred to the control  
28 of the college student aid commission for such purposes.  
29 Notwithstanding section 8.33, the moneys transferred in  
30 accordance with this subsection shall not revert to the account  
31 or fund from which appropriated or transferred.

32 3. Any contract entered into by the department of education  
33 relating to the provisions of this chapter in effect at the  
34 conclusion of the fiscal year beginning July 1, 2017, shall  
35 continue in full force and effect pending transfer of such

1 contracts to the college student aid commission.

2 4. Any rule, regulation, form, order, or directive  
3 promulgated by the department of education relative to the  
4 provisions of this chapter in existence at the conclusion of  
5 the fiscal year beginning July 1, 2017, shall continue in full  
6 force and effect until amended, repealed, or supplemented by  
7 affirmative action of the college student aid commission under  
8 the duties and powers established in this chapter and under the  
9 procedure established in subsection 5.

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

17 Sec. 38. NEW SECTION. **261E.1A Transfer of authority and**  
18 **duties.**

19 1. Beginning July 1, 2018, the authority and duties of  
20 the department of education, the state board of education,  
21 and the director of the department of education under this  
22 chapter shall be transferred to the state board of regents.  
23 Accordingly, beginning July 1, 2018, all references to the  
24 department of education, the state board of education, or the  
25 director of the department of education under this chapter  
26 and references to the department of education, state board of  
27 education, or director of the department of education under  
28 other provisions of law relating to this chapter shall mean the  
29 state board of regents.

30 2. Any moneys remaining in any account or fund under the  
31 control of the department of education at the conclusion of the  
32 fiscal year beginning July 1, 2017, relative to the provisions  
33 of this chapter shall be transferred to the control of the  
34 state board of regents for such purposes. Notwithstanding  
35 section 8.33, the moneys transferred in accordance with this

1 subsection shall not revert to the account or fund from which  
2 appropriated or transferred.

3 3. Any contract entered into by the department of education  
4 relating to the provisions of this chapter in effect at the  
5 conclusion of the fiscal year beginning July 1, 2017, shall  
6 continue in full force and effect pending transfer of such  
7 contracts to the state board of regents.

8 4. Any rule, regulation, form, order, or directive  
9 promulgated by the department of education relative to the  
10 provisions of this chapter in existence at the conclusion of  
11 the fiscal year beginning July 1, 2017, shall continue in full  
12 force and effect until amended, repealed, or supplemented by  
13 affirmative action of the state board of regents under the  
14 duties and powers established in this chapter and under the  
15 procedure established in subsection 5.

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

23 Sec. 39. Section 262.9, subsection 27, Code 2017, is amended  
24 to read as follows:

25 27. ~~Explore, in conjunction with the department~~  
26 ~~of education,~~ the need for coordination between school  
27 districts, area education agencies, state board of regents  
28 institutions, and community colleges for purposes of delivery  
29 of courses, use of telecommunications, transportation, and  
30 other similar issues. Coordination may include but is not  
31 limited to coordination of calendars, programs, schedules, or  
32 telecommunications emissions. The state board shall develop  
33 recommendations as necessary, which shall be submitted in a  
34 report to the general assembly on a timely basis.

35 Sec. 40. Section 262.9, subsection 33, unnumbered paragraph

1 1, Code 2017, is amended to read as follows:

2 ~~In consultation with the state board of education, establish~~  
3 Establish and enter into a collective statewide articulation  
4 agreement with the community colleges established pursuant to  
5 chapter 260C, which shall provide for the seamless transfer  
6 of academic credits from a completed associate of arts or  
7 associate of science degree program offered by a community  
8 college to a baccalaureate degree program offered by an  
9 institution of higher education governed by the board. The  
10 board shall also do the following:

11 Sec. 41. Section 262.9, subsection 33, paragraph i, Code  
12 2017, is amended to read as follows:

13 *i.* Prepare, jointly with the ~~department of education and~~  
14 the liaison advisory committee on transfer students, and submit  
15 by January 15 annually to the general assembly, an update on  
16 the articulation efforts and activities implemented by the  
17 community colleges and the institutions of higher education  
18 governed by the board.

19 Sec. 42. Section 262.71, subsection 9, Code 2017, is amended  
20 by striking the subsection.

21 Sec. 43. Section 266.39C, subsection 2, paragraph a,  
22 subparagraph (5), Code 2017, is amended to read as follows:

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

25 Sec. 44. Section 266.39C, subsection 6, Code 2017, is  
26 amended to read as follows:

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

30 Sec. 45. Section 272.1, subsection 4, Code 2017, is amended  
31 by striking the subsection.

32 Sec. 46. NEW SECTION. **272.1A Transfer of authority and**  
33 **duties.**

34 1. Beginning July 1, 2018, the authority and duties of the  
35 department of education, the state board of education, and the

1 director of the department of education under this chapter  
2 shall be transferred to the board of educational examiners.  
3 Accordingly, beginning July 1, 2018, all references to the  
4 department of education, the state board of education, or the  
5 director of the department of education under this chapter  
6 and references to the department of education, state board of  
7 education, or director of the department of education under  
8 other provisions of law relating to this chapter shall mean the  
9 board of educational examiners.

10 2. Any moneys remaining in any account or fund under the  
11 control of the department of education at the conclusion  
12 of the fiscal year beginning July 1, 2017, relative to the  
13 provisions of this chapter shall be transferred to the control  
14 of the board of educational examiners for such purposes.  
15 Notwithstanding section 8.33, the moneys transferred in  
16 accordance with this subsection shall not revert to the account  
17 or fund from which appropriated or transferred.

18 3. Any contract entered into by the department of education  
19 relating to the provisions of this chapter in effect at the  
20 conclusion of the fiscal year beginning July 1, 2017, shall  
21 continue in full force and effect pending transfer of such  
22 contracts to the board of educational examiners.

23 Sec. 47. Section 272.3, subsection 1, unnumbered paragraph  
24 1, Code 2017, is amended to read as follows:

25 The board of educational examiners consists of twelve  
26 members. Two must be members of the general public, ~~one~~  
27 ~~must be the director of the department of education or the~~  
28 ~~director's designee,~~ and the remaining ~~nine~~ ten members must be  
29 licensed practitioners. One of the public members shall have  
30 served on a school board. The public members shall never have  
31 held a practitioner's license, but shall have a demonstrated  
32 interest in education. The ~~nine~~ ten practitioners shall be  
33 selected from the following areas and specialties of the  
34 teaching profession:

35 Sec. 48. Section 272.3, subsection 2, Code 2017, is amended

1 to read as follows:

2 2. A majority of the licensed practitioner members shall  
3 be nonadministrative practitioners. Four of the members shall  
4 be administrators. Membership of the board shall comply with  
5 the requirements of [sections 69.16](#) and [69.16A](#). A quorum of the  
6 board shall consist of six members. Members shall elect a  
7 chairperson of the board. Members, ~~except for the director of~~  
8 ~~the department of education or the director's designee,~~ shall  
9 be appointed by the governor subject to confirmation by the  
10 senate.

11 Sec. 49. Section 272.4, subsection 1, unnumbered paragraph  
12 1, Code 2017, is amended to read as follows:

13 ~~Members, except for the director of the department of~~  
14 ~~education or the director's designee,~~ shall be appointed to  
15 serve staggered terms of four years. A member shall not serve  
16 more than two consecutive terms, ~~except for the director of the~~  
17 ~~department of education or the director's designee, who shall~~  
18 ~~serve until the director's term of office expires.~~ A member of  
19 the board, except for the two public members ~~and the director~~  
20 ~~of the department of education or the director's designee,~~  
21 shall hold a valid practitioner's license during the member's  
22 term of office. A vacancy exists when any of the following  
23 occur:

24 Sec. 50. Section 272.25, subsections 3, 4, and 8, Code 2017,  
25 are amended to read as follows:

26 3. A requirement that the program include instruction  
27 in skills and strategies to be used in classroom management  
28 of individuals, and of small and large groups, under  
29 varying conditions, ~~and~~ skills for communicating and working  
30 constructively with pupils, teachers, administrators, and  
31 parents, ~~and~~ preparation in reading theory, knowledge, strategies,  
32 and approaches, and for integrating literacy instruction  
33 into content areas in accordance with [section 256.16](#); ~~and~~  
34 ~~skills for understanding the role of the board of education~~  
35 ~~and the functions of other education agencies in the state.~~

~~1 The requirement shall be based upon recommendations of the  
2 department of education after consultation with teacher  
3 education faculty members in colleges and universities.~~

4 4. A requirement that prescribes minimum experiences and  
5 responsibilities to be accomplished during the student teaching  
6 experience by the student teacher and by the cooperating  
7 teacher ~~based upon recommendations of the department of  
8 education after consultation with teacher education faculty  
9 members in colleges and universities.~~ The student teaching  
10 experience shall include opportunities for the student  
11 teacher to become knowledgeable about the Iowa teaching  
12 standards, including a mock evaluation performed by the  
13 cooperating teacher. The mock evaluation shall not be used as  
14 an assessment tool by the practitioner preparation program.  
15 The student teaching experience shall consist of interactive  
16 experiences involving the college or university personnel, the  
17 student teacher, the cooperating teacher, and administrative  
18 personnel from the cooperating teacher's school district.

19 8. A requirement that an approved practitioner preparation  
20 institution submit evidence that the college ~~or department of  
21 education~~ is communicating with other colleges or departments  
22 in the institution so that practitioner preparation students  
23 may integrate teaching methodology with subject matter areas  
24 of specialization.

25 Sec. 51. NEW SECTION. 273.1A **Transfer of authority and**  
26 **duties.**

27 1. Beginning July 1, 2018, the authority and duties of  
28 the department of education, the state board of education,  
29 and the director of the department of education under this  
30 chapter shall, to the extent feasible, be transferred to the  
31 area education agency boards of directors in this state.  
32 Accordingly, beginning July 1, 2018, all references to the  
33 department of education, the state board of education, and the  
34 director of the department of education under this chapter and  
35 references to the department of education, the state board of



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

4 2. Any rule, regulation, form, order, or directive  
5 promulgated by the department of education relative to the  
6 provisions of this chapter in existence at the conclusion of  
7 the fiscal year beginning July 1, 2017, shall continue in full  
8 force and effect.

9 Sec. 52. Section 273.2, subsection 5, unnumbered paragraph  
10 1, Code 2017, is amended to read as follows:

11 The area education agency board may provide for the  
12 following programs and services to local school districts, ~~and~~  
13 ~~at the request of local school districts to providers of child~~  
14 ~~development services who have received grants under chapter~~  
15 ~~256A from the child development coordinating council,~~ within  
16 the limits of funds available:

17 Sec. 53. NEW SECTION. **274.1A Transfer of authority and**  
18 **duties.**

19 1. Beginning July 1, 2018, the authority and duties of the  
20 department of education and the director of the department of  
21 education under this chapter shall, to the extent feasible, be  
22 transferred to the area education agency boards of directors  
23 in this state. Accordingly, beginning July 1, 2018, all  
24 references to the department of education and the director of  
25 the department of education under this chapter and references  
26 to the department of education and the director of the  
27 department of education under other provisions of law relating  
28 to this chapter shall mean the applicable area education agency  
29 board of directors.

30 2. Any rule, regulation, form, order, or directive  
31 promulgated by the department of education or the director  
32 of the department of education relative to the provisions of  
33 this chapter in existence at the conclusion of the fiscal  
34 year beginning July 1, 2017, shall continue in full force and  
35 effect.

1     Sec. 54. NEW SECTION.   **275.1A Transfer of authority and**  
2 **duties.**

3     1. Beginning July 1, 2018, the authority and duties of  
4 the department of education, the state board of education,  
5 and the director of the department of education under this  
6 chapter shall, to the extent feasible, be transferred to the  
7 area education agency boards of directors in this state.  
8 Accordingly, beginning July 1, 2018, all references to the  
9 department of education, the state board of education, and the  
10 director of the department of education under this chapter and  
11 references to the department of education, the state board of  
12 education, and the director of the department of education  
13 under other provisions of law relating to this chapter shall  
14 mean the applicable area education agency board of directors.

15    2. Any rule, regulation, form, order, or directive  
16 promulgated by the department of education, the state board  
17 of education, or the director of the department of education  
18 relative to the provisions of this chapter in existence at the  
19 conclusion of the fiscal year beginning July 1, 2017, shall  
20 continue in full force and effect.

21    Sec. 55. Section 276.3, subsections 5 and 9, Code 2017, are  
22 amended by striking the subsections.

23    Sec. 56. Section 279.51, subsection 1, unnumbered paragraph  
24 1, Code 2017, is amended to read as follows:

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

30    Sec. 57. Section 279.51, subsection 1, paragraphs b and d,  
31 Code 2017, are amended by striking the paragraphs.

32    Sec. 58. Section 279.51, subsection 2, Code 2017, is amended  
33 by striking the subsection.

34    Sec. 59. NEW SECTION.   **279.70 Transfer of authority and**  
35 **duties.**

1 1. Beginning July 1, 2018, the authority and duties of  
2 the department of education, the state board of education,  
3 and the director of the department of education under this  
4 chapter, to the extent feasible, shall be transferred to the  
5 boards of directors for the respective school districts in the  
6 state. Accordingly, beginning July 1, 2018, all references to  
7 the department of education, the state board of education, and  
8 the director of the department of education under this chapter  
9 and references to the department of education, the state board  
10 of education, and the director of the department of education  
11 under other provisions of law relating to this chapter shall  
12 mean the applicable board of directors of the school district.

13 2. Any rule, regulation, form, order, or directive  
14 promulgated by the department of education, the state board  
15 of education, or the director of the department of education  
16 relative to the provisions of this chapter in existence at the  
17 conclusion of the fiscal year beginning July 1, 2017, shall  
18 continue in full force and effect.

19 Sec. 60. NEW SECTION. **280.1A Transfer of authority and**  
20 **duties.**

21 1. Beginning July 1, 2018, the authority and duties of  
22 the department of education, the state board of education,  
23 and the director of the department of education under this  
24 chapter, to the extent feasible, shall be transferred to the  
25 boards of directors for the respective school districts in the  
26 state. Accordingly, beginning July 1, 2018, all references to  
27 the department of education, the state board of education, and  
28 the director of the department of education under this chapter  
29 and references to the department of education, the state board  
30 of education, and the director of the department of education  
31 under other provisions of law relating to this chapter shall  
32 mean the applicable board of directors of the school district.

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

1 relative to the provisions of this chapter in existence at the  
2 conclusion of the fiscal year beginning July 1, 2017, shall  
3 continue in full force and effect.

4 Sec. 61. NEW SECTION. **282.1A Transfer of authority and**  
5 **duties.**

6 1. Beginning July 1, 2018, the authority and duties of  
7 the department of education, the state board of education,  
8 and the director of the department of education under this  
9 chapter, to the extent feasible, shall be transferred to the  
10 boards of directors for the respective school districts in the  
11 state. Accordingly, beginning July 1, 2018, all references to  
12 the department of education, the state board of education, and  
13 the director of the department of education under this chapter  
14 and references to the department of education, the state board  
15 of education, and the director of the department of education  
16 under other provisions of law relating to this chapter shall  
17 mean the applicable board of directors of the school district.

18 2. Any rule, regulation, form, order, or directive  
19 promulgated by the department of education, the state board  
20 of education, or the director of the department of education  
21 relative to the provisions of this chapter in existence at the  
22 conclusion of the fiscal year beginning July 1, 2017, shall  
23 continue in full force and effect.

24 Sec. 62. Section 282.18, subsections 5 and 13, Code 2017,  
25 are amended to read as follows:

26 5. Open enrollment applications filed after March 1  
27 of the preceding school year that do not qualify for good  
28 cause as provided in [subsection 4](#) shall be subject to the  
29 approval of the board of the resident district and the board  
30 of the receiving district. The parent or guardian shall send  
31 notification to the district of residence and the receiving  
32 district that the parent or guardian seeks to enroll the  
33 parent's or guardian's child in the receiving district. A  
34 ~~decision of either board to deny an application filed under~~  
35 ~~this subsection involving repeated acts of harassment of the~~

~~1 student or serious health condition of the student that the  
2 resident district cannot adequately address is subject to  
3 appeal under [section 290.1](#). The state board shall exercise  
4 broad discretion to achieve just and equitable results that are  
5 in the best interest of the affected child or children.~~

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

1 be considered. A laboratory school may deny a request for  
2 transfer under the policy. ~~A denial of a request to transfer~~  
3 ~~under this subsection is not subject to appeal under section~~  
4 ~~290.1.~~

5 Sec. 63. Section 282.18, subsection 15, Code 2017, is  
6 amended by striking the subsection.

7 Sec. 64. Section 283.1, Code 2017, is amended to read as  
8 follows:

9 **283.1 Federal funds accepted.**

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

24 Sec. 65. NEW SECTION. **283A.1A Transfer of authority and**  
25 **duties.**

26 1. Beginning July 1, 2018, the authority and duties of  
27 the department of education, the state board of education,  
28 and the director of the department of education under this  
29 chapter, to the extent feasible, shall be transferred to the  
30 boards of directors for the respective school districts in the  
31 state. Accordingly, beginning July 1, 2018, all references to  
32 the department of education, the state board of education, and  
33 the director of the department of education under this chapter  
34 and references to the department of education, the state board  
35 of education, and the director of the department of education

1 under other provisions of law relating to this chapter shall  
2 mean the applicable board of directors of the school district.

3 2. Any rule, regulation, form, order, or directive  
4 promulgated by the department of education, the state board  
5 of education, or the director of the department of education  
6 relative to the provisions of this chapter in existence at the  
7 conclusion of the fiscal year beginning July 1, 2017, shall  
8 continue in full force and effect.

9 Sec. 66. Section 283A.3, Code 2017, is amended to read as  
10 follows:

11 **283A.3 Expenditure of federal funds.**

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

19 Sec. 67. NEW SECTION. **284.1A Transfer of authority and**  
20 **duties.**

21 1. Beginning July 1, 2018, the authority and duties of  
22 the department of education, the state board of education,  
23 and the director of the department of education under this  
24 chapter, to the extent feasible, shall be transferred to the  
25 boards of directors for the respective school districts in the  
26 state. Accordingly, beginning July 1, 2018, all references to  
27 the department of education, the state board of education, and  
28 the director of the department of education under this chapter  
29 and references to the department of education, the state board  
30 of education, and the director of the department of education  
31 under other provisions of law relating to this chapter shall  
32 mean the applicable board of directors of the school district.

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

1 relative to the provisions of this chapter in existence at the  
2 conclusion of the fiscal year beginning July 1, 2017, shall  
3 continue in full force and effect.

4 Sec. 68. NEW SECTION. **284A.1A Transfer of authority and**  
5 **duties.**

6 1. Beginning July 1, 2018, the authority and duties of  
7 the department of education, the state board of education,  
8 and the director of the department of education under this  
9 chapter, to the extent feasible, shall be transferred to the  
10 boards of directors for the respective school districts in the  
11 state. Accordingly, beginning July 1, 2018, all references to  
12 the department of education, the state board of education, and  
13 the director of the department of education under this chapter  
14 and references to the department of education, the state board  
15 of education, and the director of the department of education  
16 under other provisions of law relating to this chapter shall  
17 mean the applicable board of directors of the school district.

18 2. Any rule, regulation, form, order, or directive  
19 promulgated by the department of education, the state board  
20 of education, or the director of the department of education  
21 relative to the provisions of this chapter in existence at the  
22 conclusion of the fiscal year beginning July 1, 2017, shall  
23 continue in full force and effect.

24 Sec. 69. NEW SECTION. **285.7 Transfer of authority and**  
25 **duties.**

26 1. Beginning July 1, 2018, the authority and duties of  
27 the department of education, the state board of education,  
28 and the director of the department of education under this  
29 chapter, to the extent feasible, shall be transferred to the  
30 boards of directors for the respective school districts in the  
31 state. Accordingly, beginning July 1, 2018, all references to  
32 the department of education, the state board of education, and  
33 the director of the department of education under this chapter  
34 and references to the department of education, the state board  
35 of education, and the director of the department of education



1 under other provisions of law relating to this chapter shall  
2 mean the applicable board of directors of the school district.

3 2. Any rule, regulation, form, order, or directive  
4 promulgated by the department of education, the state board  
5 of education, or the director of the department of education  
6 relative to the provisions of this chapter in existence at the  
7 conclusion of the fiscal year beginning July 1, 2017, shall  
8 continue in full force and effect.

9 Sec. 70. Section 291.11, Code 2017, is amended to read as  
10 follows:

11 **291.11 Officers reported.**

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

17 Sec. 71. NEW SECTION. **292.1A Transfer of authority and**  
18 **duties.**

19 1. Beginning July 1, 2018, the authority and duties of the  
20 department of education under this chapter shall be transferred  
21 to the department of revenue. Accordingly, beginning July 1,  
22 2018, all references to the department of education under this  
23 chapter and references to the department of education under  
24 other provisions of law relating to this chapter shall mean the  
25 department of revenue.

26 2. Any moneys remaining in any account or fund under the  
27 control of the department of education at the conclusion of the  
28 fiscal year beginning July 1, 2017, relative to the provisions  
29 of this chapter shall be transferred to the control of the  
30 department of revenue for such purposes. Notwithstanding  
31 section 8.33, the moneys transferred in accordance with this  
32 subsection shall not revert to the account or fund from which  
33 appropriated or transferred.

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

1 conclusion of the fiscal year beginning July 1, 2017, shall  
2 continue in full force and effect pending transfer of such  
3 contracts to the department of revenue.

4 4. Any rule, regulation, form, order, or directive  
5 promulgated by the department of education relative to the  
6 provisions of this chapter in existence at the conclusion of  
7 the fiscal year beginning July 1, 2017, shall continue in full  
8 force and effect until amended, repealed, or supplemented by  
9 affirmative action of the department of revenue under the  
10 duties and powers established in this chapter and under the  
11 procedure established in subsection 5.

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

19 Sec. 72. Section 294.5, Code 2017, is amended to read as  
20 follows:

21 **294.5 Reports.**

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

25 Sec. 73. Section 296.3, Code 2017, is amended to read as  
26 follows:

27 **296.3 Election called.**

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

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

11 Sec. 74. NEW SECTION. **297.37 Transfer of authority and**  
12 **duties.**

13 1. Beginning July 1, 2018, the authority and duties of the  
14 department of education and the director of the department  
15 of education under this chapter shall be transferred to the  
16 department of administrative services and the director of the  
17 department of administrative services. Accordingly, beginning  
18 July 1, 2018, all references to the department of education  
19 and the director of the department of education under this  
20 chapter and references to the department of education and the  
21 director of the department of education under other provisions  
22 of law relating to this chapter shall mean the department of  
23 administrative services or the director of the department of  
24 administrative services.

25 2. Any rule, regulation, form, order, or directive  
26 promulgated by the department of education or the director  
27 of the department of education relative to the provisions of  
28 this chapter in existence at the conclusion of the fiscal  
29 year beginning July 1, 2017, shall continue in full force and  
30 effect.

31 Sec. 75. Section 298A.8, Code 2017, is amended to read as  
32 follows:

33 **298A.8 Student activity fund.**

34 The student activity fund is a special revenue fund. A  
35 student activity fund must be established in any school

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

7     Sec. 76. NEW SECTION.   **299.25 Transfer of authority and**  
8 **duties.**

9     1. Beginning July 1, 2018, the authority and duties of  
10 the department of education, the state board of education,  
11 and the director of the department of education under this  
12 chapter, to the extent feasible, shall be transferred to the  
13 boards of directors for the respective school districts in the  
14 state. Accordingly, beginning July 1, 2018, all references to  
15 the department of education, the state board of education, and  
16 the director of the department of education under this chapter  
17 and references to the department of education, the state board  
18 of education, and the director of the department of education  
19 under other provisions of law relating to this chapter shall  
20 mean the applicable board of directors of the school district.

21     2. Any rule, regulation, form, order, or directive  
22 promulgated by the department of education, the state board  
23 of education, or the director of the department of education  
24 relative to the provisions of this chapter in existence at the  
25 conclusion of the fiscal year beginning July 1, 2017, shall  
26 continue in full force and effect.

27     Sec. 77. NEW SECTION.   **299A.1A Transfer of authority and**  
28 **duties.**

29     1. Beginning July 1, 2018, the authority and duties of  
30 the department of education, the state board of education,  
31 and the director of the department of education under this  
32 chapter, to the extent feasible, shall be transferred to the  
33 boards of directors for the respective school districts in the  
34 state. Accordingly, beginning July 1, 2018, all references to  
35 the department of education, the state board of education, and

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

6 2. Any rule, regulation, form, order, or directive  
7 promulgated by the department of education, the state board  
8 of education, or the director of the department of education  
9 relative to the provisions of this chapter in existence at the  
10 conclusion of the fiscal year beginning July 1, 2017, shall  
11 continue in full force and effect.

12 Sec. 78. NEW SECTION. 301.1A **Transfer of authority and**  
13 **duties.**

14 1. Beginning July 1, 2018, the authority and duties of  
15 the department of education, the state board of education,  
16 and the director of the department of education under this  
17 chapter, to the extent feasible, shall be transferred to the  
18 boards of directors for the respective school districts in the  
19 state. Accordingly, beginning July 1, 2018, all references to  
20 the department of education, the state board of education, and  
21 the director of the department of education under this chapter  
22 and references to the department of education, the state board  
23 of education, and the director of the department of education  
24 under other provisions of law relating to this chapter shall  
25 mean the applicable board of directors of the school district.

26 2. Any rule, regulation, form, order, or directive  
27 promulgated by the department of education, the state board  
28 of education, or the director of the department of education  
29 relative to the provisions of this chapter in existence at the  
30 conclusion of the fiscal year beginning July 1, 2017, shall  
31 continue in full force and effect.

32 Sec. 79. REPEAL. Sections 260C.6, 276.4, and 291.10, Code  
33 2017, are repealed.

34 Sec. 80. REPEAL. Chapters 256, 256A, 256G, and 290, Code  
35 2017, are repealed.



1 and the director of the department of education under this  
2 chapter shall be transferred to the department of management  
3 and the director of the department of management. Accordingly,  
4 beginning July 1, 2018, all references to the department of  
5 education under this chapter and references to the department  
6 of education under other provisions of law relating to this  
7 chapter shall mean the department of management and all  
8 references to the state board of education or the director  
9 of the department of education under this chapter or other  
10 provisions of law relating to this chapter shall mean the  
11 director of the department of management.

12 2. Any moneys remaining in any account or fund under the  
13 control of the department of education at the conclusion of the  
14 fiscal year beginning July 1, 2017, relative to the provisions  
15 of this chapter shall be transferred to the control of the  
16 department of management for such purposes. Notwithstanding  
17 section 8.33, the moneys transferred in accordance with this  
18 subsection shall not revert to the account or fund from which  
19 appropriated or transferred.

20 3. Any contract entered into by the department of education  
21 relating to the provisions of this chapter in effect at the  
22 conclusion of the fiscal year beginning July 1, 2017, shall  
23 continue in full force and effect pending transfer of such  
24 contracts to the department of management.

25 4. Any rule, regulation, form, order, or directive  
26 promulgated by the department of education relative to the  
27 provisions of this chapter in existence at the conclusion of  
28 the fiscal year beginning July 1, 2017, shall continue in full  
29 force and effect until amended, repealed, or supplemented by  
30 affirmative action of the department of management under the  
31 duties and powers established in this chapter and under the  
32 procedure established in subsection 5.

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

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

5     Sec. 85. NEW SECTION.   **257.11B Education savings grant**  
6 **program.**

7     1. Pupils eligible to enroll in grades kindergarten through  
8 twelve or eligible to participate in a preschool program under  
9 chapter 256C and attending a nonpublic school, receiving  
10 competent private instruction under chapter 299A, or receiving  
11 private preschool instruction shall be eligible to receive an  
12 education savings grant in the manner provided in this section  
13 for school years beginning on or after July 1, 2018. Education  
14 savings grants shall be made available to parents and guardians  
15 in the manner authorized under subsection 4, paragraph "c", for  
16 the payment of qualified educational expenses as provided in  
17 this section.

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

27     (2) In addition to such information deemed appropriate by  
28 the department of management, the application shall require  
29 certification from the nonpublic school of the pupil's  
30 enrollment for the following school year or a statement  
31 indicating the parent or guardian's intent to place the pupil  
32 under competent private instruction or private preschool  
33 instruction for the following school year.

34     *b.* By March 1 preceding the school year for which the  
35 education savings grant is requested, the department of



1 management shall notify the parent or guardian of each pupil  
2 who is approved to receive an education savings grant and the  
3 amount of the grant.

4 *c.* Education savings grants shall only be approved for one  
5 school year and applications must be submitted annually for  
6 education savings grants in subsequent school years.

7 3. *a.* The department of management shall assign each  
8 pupil an education savings grant in an amount equal to the  
9 difference between eighty-seven and five-tenths percent of  
10 the regular program state cost per pupil and the statewide  
11 average foundation property tax per pupil for the same school  
12 year. However, for a pupil that is eligible to participate  
13 in a preschool program under chapter 256C, the amount of the  
14 grant shall be an amount equal to fifty percent of the regular  
15 program state cost per pupil for the same school year.

16 *b.* The department of management shall on July 1 following  
17 the determination of the amount of the education savings grant  
18 for each approved pupil transfer such amounts to the pupil's  
19 account in the education savings grant fund established under  
20 subsection 4. Such amount shall be available to the pupil's  
21 parent or guardian in the manner authorized under subsection  
22 4, paragraph "c", for the payment of qualified educational  
23 expenses incurred by such persons for the pupil during that  
24 school year.

25 4. An education savings grant fund is created in the state  
26 treasury under the control of the department of management  
27 consisting of moneys appropriated to the department of  
28 management for the purpose of providing education savings  
29 grants under this section. For the fiscal year commencing July  
30 1, 2018, and each succeeding fiscal year, there is appropriated  
31 from the general fund of the state to the department of  
32 management to be credited to the fund the amount necessary  
33 to pay all education savings grants approved for that fiscal  
34 year. The director of the department of management has all  
35 powers necessary to carry out and effectuate the purposes,

1 objectives, and provisions of this section pertaining to the  
2 fund, including the power to do all of the following:

3     *a.* Make and enter into contracts necessary for the  
4 administration of the fund.

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

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

12     *d.* Conduct audits or other review necessary to properly  
13 administer the program.

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

16     5. *a.* For each pupil approved for an education savings  
17 grant, the department of management shall establish an account  
18 for that pupil in the education savings grant fund. The  
19 amount of the pupil's education savings grant determined under  
20 subsection 3 shall be deposited into the pupil's account on  
21 July 1 and such amount shall be immediately available for the  
22 payment of qualified educational expenses incurred by the  
23 parent or guardian for the pupil during that fiscal year using  
24 the payment method authorized under subsection 4, paragraph  
25 "c".

26     *b.* A nonpublic school or a provider of competent private  
27 instruction that accepts payment from a parent or guardian  
28 using funds from a pupil's account in the education savings  
29 grant fund shall not refund, rebate, or share any portion of  
30 such payment with the parent, guardian, or pupil.

31     *c.* Moneys remaining in a pupil's account upon conclusion  
32 of the fiscal year shall remain in the pupil's account in the  
33 education savings grant fund for the payment of qualified  
34 educational expenses in future fiscal years or for the payment  
35 of higher education costs under subsection 8.

1     6. For purposes of this section, "*qualified educational*  
2 *expenses*" includes tuition and fees at a nonpublic school  
3 or nonpublic preschool, textbooks, fees or payments for  
4 tutoring or cognitive skills training, curriculum materials,  
5 tuition or fees for nonpublic online education programs,  
6 education materials and services for pupils with disabilities,  
7 standardized test fees, fees required by the department not to  
8 exceed for each grant recipient five percent of the total grant  
9 amount in any fiscal year, and other expenses incurred by the  
10 parent or guardian that are directly related to the education  
11 of the pupil at a nonpublic preschool or a nonpublic school,  
12 including a nonpublic school accredited by an independent  
13 accrediting agency approved by the department of management, or  
14 directly related to providing competent private instruction for  
15 the pupil under chapter 299A or private preschool instruction.  
16 The cost of one computer or other portable computing device  
17 shall be allowed as a qualified educational expense for  
18 a pupil if such a purchase has not been made using funds  
19 from that pupil's account in either of the two immediately  
20 preceding fiscal years. "*Qualified educational expenses*" do not  
21 include transportation costs for the pupil, the cost of food  
22 or refreshments consumed by the pupil, the cost of clothing  
23 for the pupil, or the cost of disposable materials including  
24 but not limited to paper, notebooks, pencils, pens, and art  
25 supplies.

26     7. A person who makes a false claim for the purpose  
27 of obtaining an education savings grant provided for in  
28 this section or who knowingly receives the grant or makes a  
29 payment from an account within the education savings grant  
30 fund without being legally entitled to do so is guilty of a  
31 fraudulent practice under chapter 714. The false claim for an  
32 education savings grant or a payment from an account shall be  
33 disallowed. If amounts from the grant have been disbursed from  
34 the applicable account in the education savings grant fund, the  
35 department of management shall initiate legal proceedings to

1 recover such amounts. A parent or guardian, or a pupil for  
2 purposes of subsection 8, who commits a fraudulent practice  
3 under this subsection is prohibited from participating in the  
4 education savings grant program in the future.

5 8. For each pupil with a positive balance in the pupil's  
6 account in the education savings grant fund upon graduation  
7 from high school or completion of an equivalent level of  
8 competent private instruction under chapter 299A, the  
9 department of management shall maintain such account in the  
10 fund until the pupil is twenty-five years of age. Following  
11 graduation from high school until the pupil is twenty-five  
12 years of age, moneys in the pupil's account may be used  
13 for higher education costs, as defined in section 12D.1,  
14 incurred by the pupil while attending an institution of higher  
15 education under the control of the state board of regents, a  
16 community college located in this state, or a private college  
17 or university located in this state. Payments from a pupil's  
18 account for higher education costs shall be made in the same  
19 manner as payments for qualified educational expenses under  
20 subsection 5. Moneys in a pupil's account when the pupil turns  
21 twenty-five years of age shall be transferred by the department  
22 of management for deposit in the general fund of the state.

23 9. This section shall not be construed to authorize the  
24 state or any political subdivision of the state to exercise  
25 authority over any nonpublic school or provider of competent  
26 private instruction under chapter 299A or construed to require  
27 a nonpublic school to modify its standards for admission or  
28 educational program in order to receive payment from a parent  
29 or guardian using funds from a pupil's account in the education  
30 savings grant fund. A nonpublic school or provider of  
31 competent private instruction under chapter 299A that accepts  
32 payment from a parent or guardian using funds from a pupil's  
33 account in the education savings grant fund is not an agent  
34 of this state or of a political subdivision of this state.  
35 Rules adopted by the department of management to implement this

1 section that impose an undue burden on a nonpublic school or  
2 provider of competent private instruction under chapter 299A  
3 are invalid.

4 Sec. 86. Section 422.7, Code 2017, is amended by adding the  
5 following new subsection:

6 NEW SUBSECTION. 51. Subtract, to the extent included, the  
7 amount of an education savings grant under section 257.11B  
8 received by the taxpayer for payment of qualified educational  
9 expenses.

10 Sec. 87. APPLICABILITY. Except as otherwise provided, this  
11 division of this Act applies to school budget years and fiscal  
12 years beginning on or after July 1, 2018.

13 Sec. 88. APPLICABILITY. The section of this division of  
14 this Act enacting section 422.7, subsection 51, applies to tax  
15 years beginning on or after January 1, 2018.

16 Sec. 89. EFFECTIVE DATE. The section of this division of  
17 this Act enacting section 257.1A takes effect July 1, 2018.

18 DIVISION IV

19 CORRESPONDING AMENDMENTS LEGISLATION

20 Sec. 90. CORRESPONDING AMENDMENTS LEGISLATION. Additional  
21 legislation is required to fully implement the section of  
22 division III of this Act enacting section 257.1A. The director  
23 of the department of education shall, in compliance with  
24 section 2.16, prepare draft legislation for submission to the  
25 legislative services agency, as necessary, to implement the  
26 transition and elimination of authority and duties of the  
27 department of education, the state board of education, and  
28 director of the department of education under the section  
29 of division III of this Act enacting section 257.1A and to  
30 implement the transition and elimination of authority and  
31 duties under other provisions of law.

32 EXPLANATION

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

35 This bill relates to education and school district funding

1 by modifying the duties and authority of certain state and  
2 local governmental entities, establishing an education savings  
3 grant program, and modifying the school district funding  
4 formula.

5 Division I of the bill repeals Code chapter 256, which  
6 establishes the department of education, establishes the office  
7 of the director of the department of education, establishes  
8 the state board of education, specifies certain educational  
9 standards, establishes various education programs, establishes  
10 certain councils and entities within the department of  
11 education, includes provisions relating to the participation in  
12 extracurricular activities, establishes the division of library  
13 services, includes the library compact, and establishes the  
14 public broadcasting division.

15 Division I of the bill also amends and repeals other chapters  
16 of the Code relating to education to transition the duties and  
17 authority of the department of education, the director of the  
18 department of education, and the state board of education to  
19 other specified local and state governmental entities beginning  
20 July 1, 2018.

21 Division I of the bill takes effect July 1, 2018.

22 Division II of the bill provides that additional legislation  
23 is required to fully implement division I of the bill and  
24 requires the director of the department of education to  
25 prepare draft legislation for submission to the legislative  
26 services agency, as necessary, to implement the transition  
27 and elimination of authority and duties under division I of  
28 the bill and to implement the transition and elimination of  
29 authority and duties under other provisions of law including  
30 but not limited to the duties and authority of the department  
31 of education, the state board of education, the director of  
32 the department of education, and any division, commission,  
33 or subunit of such entities or offices under specified Code  
34 chapters.

35 Division III of the bill provides that beginning July

1 1, 2018, the authority and duties of the department of  
2 education, the state board of education, and the director  
3 of the department of education under Code chapter 257 are  
4 transferred to the department of management and the director  
5 of the department of management. The bill also provides that  
6 moneys remaining in any account or fund under the control of  
7 the department of education at the conclusion of the fiscal  
8 year beginning July 1, 2017, relative to the provisions of Code  
9 chapter 257 are transferred to the control of the department  
10 of management for such purposes. The bill provides that  
11 any contract entered into by the department of education  
12 relating to the provisions of Code chapter 257 in effect at  
13 the conclusion of the fiscal year beginning July 1, 2017,  
14 shall continue in full force and effect pending transfer of  
15 such contracts to the department of management. The bill also  
16 provides for the continuation of any rule, regulation, form,  
17 order, or directive promulgated by the department of education  
18 until amended, repealed, or supplemented by affirmative action  
19 of the department of management.

20 Division III of the bill provides education savings grants  
21 for pupils attending a nonpublic school, receiving competent  
22 private instruction, or receiving private preschool instruction  
23 and establishes an education savings grant fund.

24 Under division III of the bill, pupils eligible to enroll  
25 in grades kindergarten through 12 or eligible to participate  
26 in a preschool program under Code chapter 256C and attending a  
27 nonpublic school, receiving competent private instruction under  
28 Code chapter 299A, or receiving private preschool instruction  
29 are eligible to receive an education savings grant for school  
30 years beginning on or after July 1, 2018. By January 31  
31 preceding the school year for which the education savings grant  
32 is requested, the parent or guardian of the pupil requesting to  
33 receive an education savings grant must submit an application  
34 to the department of management.

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

1 the school year for which the education savings grant is  
2 requested, the department of management must notify the parent  
3 or guardian of each pupil designated to receive an education  
4 savings grant and the amount of the education savings grant.  
5 Education savings grants may only be approved for one school  
6 year and annual applications must be submitted for education  
7 savings grants in subsequent school years.

8 The amount of each education savings grant is equal to the  
9 statewide average regular program state foundation aid per  
10 pupil in the same school year or in the case of a preschool  
11 eligible pupil an amount equal to 50 percent of the regular  
12 program state cost per pupil.

13 Division III of the bill creates an education savings  
14 grant fund in the state treasury under the control of the  
15 department of management consisting of moneys appropriated to  
16 the department for the purpose of providing education savings  
17 grants. For the fiscal year commencing July 1, 2018, and each  
18 succeeding fiscal year, there is appropriated from the general  
19 fund of the state to the department of management for deposit  
20 in the fund the amount necessary to pay all education savings  
21 grants approved for that fiscal year. For each pupil approved  
22 for an education savings grant, the department of management  
23 must establish an account for that pupil in the education  
24 savings grant fund. The amount of the pupil's education  
25 savings grant is deposited into the pupil's account on July 1  
26 and such amount is available for use by parents and guardians  
27 for the payment of qualified educational expenses, as defined  
28 in the bill, incurred by the parent or guardian for the pupil  
29 during that fiscal year.

30 Division III of the bill authorizes the department of  
31 management to contract with a private financial management firm  
32 to manage the education savings grant fund, in collaboration  
33 with the treasurer of state, including providing for the  
34 disbursement of education savings grants in the form of an  
35 electronic debit card or checks that are payable directly from



1 the pupil's account within the fund.

2 Division III of the bill provides that moneys remaining in a  
3 pupil's account upon the conclusion of the fiscal year shall  
4 remain in the pupil's account within the education savings  
5 grant fund for the payment of qualified educational expenses in  
6 future fiscal years or for higher education costs as authorized  
7 in the bill.

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

19 Division III of the bill provides that a person who makes a  
20 false claim for the purpose of obtaining an education savings  
21 grant or who knowingly receives the grant or makes a payment  
22 from an account within the education savings grant fund without  
23 being legally entitled to do so is guilty of a fraudulent  
24 practice and is subject to a criminal penalty. The bill allows  
25 the department of management to initiate legal proceedings to  
26 recover grants and amounts improperly awarded or paid from  
27 accounts under the bill.

28 Division III of the bill provides that an education savings  
29 grant received by a taxpayer is not taxable income for purposes  
30 of state individual income taxation. This provision of the  
31 bill applies to tax years beginning on or after January 1,  
32 2018.

33 The section of division III of the bill enacting Code section  
34 257.1A takes effect July 1, 2018. Division III of the bill  
35 applies to school budget years and fiscal years beginning on

1 or after July 1, 2018.

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