SENATE FILE 159
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 1065)

A BILL FOR

1 An Act relating to educational offerings and funding by establishing a student first scholarship program for certain pupils attending nonpublic schools, establishing a student first scholarship fund, providing an income tax exemption, modifying and establishing charter school programs, modifying provisions governing the state’s open enrollment law including voluntary diversity plans, modifying the tuition and textbook tax credit, providing for the educator expense deduction, modifying provisions related to education data collection and permissible education programs and funding, making appropriations, providing penalties, and including effective date, applicability, and retroactive applicability provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
DIVISION I

STUDENT FIRST SCHOLARSHIP PROGRAM

Section 1. Section 256.9, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 63. Adopt rules relating to the administration of and applications for the student first scholarship program pursuant to section 257.11B, including but not limited to application processing timelines and information required to be submitted by a parent or guardian.

Sec. 2. NEW SECTION. 257.11B Student first scholarship program.

1. a. For the school budget year beginning July 1, 2022, and each succeeding school budget year, the following resident pupils who are attending a nonpublic school, as defined in section 285.16, shall be eligible to receive a student first scholarship in the manner provided in this section:

   (1) A pupil eligible to enroll in kindergarten who, if enrolled in the pupil's district of residence, would attend a public school identified for comprehensive support and improvement under the federal Every Student Succeeds Act, Pub. L. No. 114-95.

   (2) A pupil eligible to enroll in grade one through grade twelve if the pupil has attended a public school identified for comprehensive support and improvement under the federal Every Student Succeeds Act, Pub. L. No. 114-95, for the equivalent of the two immediately preceding semesters for which the student first scholarship is requested and if the pupil is not otherwise ineligible under this section.

   (3) A pupil who received a student first scholarship for the immediately preceding school budget year, who is eligible to enroll in grade one through grade twelve, and who is not otherwise ineligible under this section.

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

c. For purposes of this subsection, "resident" means the same as defined in section 282.1, subsection 2.

2. a. (1) By January 31 preceding the school year for which the student first scholarship is requested, the parent or guardian of the pupil requesting a student first scholarship shall submit an application to the department of education, on application forms developed by the department of education, indicating that the parent or guardian intends to enroll the pupil in a nonpublic school for the entirety of the school year.

(2) In addition to such information deemed appropriate by the department of education, the application shall require certification from the nonpublic school of the pupil’s enrollment for the following school year.

b. By March 1 preceding the school year for which the student first scholarship is requested, the department of education shall determine the number of pupils in each school district approved to receive a scholarship for the following school year and shall notify the parent or guardian of each pupil approved for the following school year to receive a scholarship and the amount of the scholarship for the pupil.

c. Student first scholarships shall only be approved for one school year and applications must be submitted annually for student first scholarships in subsequent school years.

3. The department of education shall assign each pupil a student first scholarship in an amount equal to the sum of all the following for the same school budget year:

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

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

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

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

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

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

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

4. A student first scholarship fund is created in the state treasury under the control of the department of education consisting of moneys appropriated to the department of education for the purpose of providing student first scholarships under this section. For the fiscal year commencing July 1, 2022, and each succeeding fiscal year, there is appropriated from the general fund of the state to the department of education to be credited to the fund the amount necessary to pay all student first scholarships approved for that fiscal year. The director of the department of education has all powers necessary to carry out and effectuate the purposes, objectives, and provisions of this section pertaining to the fund, including the power to do all of the following:

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

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

c. Contract with a private financial management firm to manage the fund, in collaboration with the treasurer of state, including providing for the disbursement of student first scholarships in the form of an electronic debit card or checks that are payable directly from the pupil's account within the fund.
d. Conduct audits or other reviews necessary to properly administer the program.

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

5. a. For each pupil approved for a student first scholarship, the department of education shall establish an account for that pupil in the student first scholarship fund. The amount of the pupil's student first scholarship shall be deposited into the pupil's account on July 1, and such amount shall be immediately available for the payment of qualified educational expenses incurred by the parent or guardian for the pupil during that fiscal year using the payment method authorized under subsection 4, paragraph "c".

b. A nonpublic school that accepts payment from a parent or guardian using funds from a pupil's account in the student first scholarship fund shall not refund, rebate, or share any portion of such payment with the parent, guardian, or pupil.

c. Moneys remaining in a pupil's account upon conclusion of the fiscal year shall remain in the pupil's account in the student first scholarship fund for the payment of qualified educational expenses in future fiscal years during which the pupil participates in the program or for the payment of higher education costs as provided under subsection 8.

6. a. For purposes of this section, "qualified educational expenses" includes tuition and fees at a nonpublic school, textbooks, fees or payments for educational therapies, including tutoring or cognitive skills training, curriculum fees and materials for a course of study for a specific subject matter or grade level, tuition or fees for nonpublic online education programs, tuition for vocational and life skills education approved by the department of education, education materials and services for pupils with disabilities, including the cost of paraprofessionals and assistants who are trained in accordance with state law, standardized test fees, advanced placement examinations or examinations related to postsecondary
1 education admission or credentialing, qualified education
2 expenses, as defined in section 12D.1, excluding room and board
3 expenses, and other expenses incurred by the parent or guardian
4 that are directly related to the education of the pupil at a
5 nonpublic school, including a nonpublic school accredited by
6 an independent accrediting agency approved by the department
7 of education.
8 b. "Qualified educational expenses" does not include
9 transportation costs for the pupil, the cost of food or
10 refreshments consumed by the pupil, the cost of clothing for
11 the pupil, or the cost of disposable materials, including
12 but not limited to paper, notebooks, pencils, pens, and art
13 supplies.
14 7. a. A person who makes a false claim for the purpose
15 of obtaining a student first scholarship provided for in this
16 section or who knowingly receives the scholarship or makes a
17 payment from an account within the student first scholarship
18 fund without being legally entitled to do so is guilty of a
19 fraudulent practice under chapter 714. The false claim for a
20 student first scholarship or a payment from an account shall
21 be disallowed. The department of education shall also close
22 the pupil's account in the student first scholarship fund and
23 transfer any remaining moneys in the account for deposit in the
24 general fund of the state. If the improperly obtained amounts
25 from the scholarship have been disbursed from the applicable
26 account in the student first scholarship fund, the department
27 of education shall recover such amounts from the parent or
28 guardian, or from the pupil for purposes of subsection 8,
29 including by initiating legal proceedings to recover such
30 amounts, if necessary. A parent or guardian, or a pupil for
31 purposes of subsection 8, who commits a fraudulent practice
32 under this section is prohibited from participating in the
33 student first scholarship program in the future.
34 b. If, prior to the end of the required attendance
35 period of the school year, a pupil who receives a student
first scholarship withdraws from enrollment in the nonpublic school or is expelled, the nonpublic school shall notify the department of education in writing of the pupil's withdrawal or expulsion, and the pupil's parent or guardian shall notify the department of education of the pupil's withdrawal or expulsion from the nonpublic school. A pupil's expulsion from the nonpublic school prior to the end of the required attendance period for the school year shall invalidate the pupil's eligibility for the student first scholarship for the school budget year. A pupil’s withdrawal from a nonpublic school prior to the end of the required attendance period of the school year shall invalidate the pupil’s eligibility for the student first scholarship for the school budget year unless the withdrawal is the result of a change in residence of the pupil and the pupil, following written notice by the parent or guardian and certification by the new nonpublic school to the department of education, enrolls in a different nonpublic school in this state for the remainder of the school year.

(1) Upon receipt of a notice of expulsion under paragraph "b", the department of education shall close the pupil’s account in the student first scholarship fund and transfer any remaining moneys in the account for deposit in the general fund of the state. In addition, if amounts from the scholarship for the school budget year during which the pupil is expelled have been disbursed from the expelled pupil’s account in the student first scholarship fund, the department of education shall recover such amounts from the parent or guardian, including by initiating legal proceedings to recover such amounts, if necessary.

(2) Upon receipt of a notice of withdrawal under paragraph "b" and a determination that the pupil’s withdrawal was not the result of a change in residence, the department of education shall cease disbursements of remaining moneys in the pupil’s account in the student first scholarship fund and maintain the pupil's account if and until such time that the pupil uses the...
funds for qualified education expenses under subsection 8. In addition, if amounts from the scholarship for the school budget year during which the withdrawal occurs have been disbursed from the pupil’s account in the student first scholarship fund, the department of education shall recover such amounts from the parent or guardian to the extent the amount disbursed exceeds the amount of the scholarship proportionate to the remaining portion of the school year following the withdrawal, including by initiating legal proceedings to recover such amounts, if necessary.

(3) Upon receipt of a notice of withdrawal under paragraph "b" and a determination that the withdrawal was the result of a change in residence but that the pupil did not enroll in a different nonpublic school in this state for the remainder of the school year, the department of education shall cease disbursements of remaining moneys in the pupil’s account in the student first scholarship fund and maintain the pupil’s account if and until such time that the pupil uses the funds for qualified education expenses under subsection 8.

(4) If a pupil’s eligibility is invalidated under the provisions of paragraph "b", the pupil shall be ineligible for a student first scholarship for the following school budget year under subsection 1, paragraph "a", subparagraphs (2) and (3). 8. a. For each pupil with a positive balance in the pupil’s account in the student first scholarship fund upon graduation from high school, the department of education shall maintain the account in the fund until the pupil is twenty-three years of age. Following graduation from high school until the pupil is twenty-three years of age, moneys in the pupil’s account may be used for qualified education expenses, as defined in section 12D.1, incurred by the pupil while attending an institution of higher education under the control of the state board of regents, a community college located in this state, or a private college or university located in this state. Payments from a pupil’s account for higher education costs shall be
made in the same manner as payments for qualified educational
expenses under subsection 5. Moneys in a pupil's account when
the pupil turns twenty-three years of age shall be transferred
by the department of education for deposit in the general fund
of the state.

b. Notwithstanding the age limitation in paragraph "a", if
the pupil with a positive balance in the pupil's account in
the student first scholarship fund upon graduation from high
school serves on federal active duty, other than training, and
is discharged under honorable conditions, the limitation date
otherwise applicable under paragraph "a" shall be extended
by one year for each year of federal active duty service by
the pupil, but not to a date after the pupil's twenty-seventh
birthday.

9. a. A parent may appeal to the state board of education
any administrative decision the department of education
makes pursuant to this section, including but not limited
to determinations of eligibility, allowable expenses, and
removal from the program. The department shall notify the
time the department notifies the parent or guardian of the
administrative decision. The state board of education shall
establish the appeals process consistent with chapter 17A and
shall post such appeal process information on the state board
of education's internet site.

b. The state board of education may refer cases of
substantial misuse of student first scholarship funds to the
attorney general for the purpose of collection or for the
purpose of a criminal investigation if the state board of
education obtains evidence of fraudulent use of an account.

10. This section shall not be construed to authorize the
state or any political subdivision of the state to exercise
authority over any nonpublic school or construed to require
a nonpublic school to modify its academic standards for
admission or educational program in order to receive payment
from a parent or guardian using funds from a pupil’s account in the student first scholarship fund. A nonpublic school that accepts payment from a parent or guardian using funds from a pupil’s account in the student first scholarship fund is not an agent of this state or of a political subdivision of this state. Rules adopted by the department of education to implement this section that impose an undue burden on a nonpublic school are invalid.

Sec. 3. Section 422.7, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 51. Subtract, to the extent included, the amount of a student first scholarship under section 257.11B received by the taxpayer for payment of qualified educational expenses.

Sec. 4. APPLICABILITY. The following applies to school budget years and fiscal years beginning on or after July 1, 2022:

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

Sec. 5. APPLICABILITY. The following applies to tax years beginning on or after January 1, 2022:

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

DIVISION II
CHARTER SCHOOL PROGRAMS

Sec. 6. NEW SECTION. 256E.1 Establishment of charter schools — purpose.

1. Charter schools shall be part of the state’s program of public education.

2. A charter school may be established by either of the following methods:

a. A school board may create a founding group to apply to the state board for approval to establish and operate a charter school within and as a part of the school district by establishing a new attendance center, creating a new school
within an existing attendance center, or by converting an existing attendance center to charter status.

2. A founding group may apply to the state board for approval to establish and operate a charter school within the boundaries of the state that operates as a new attendance center independently from a public school district.

3. The purpose of a charter school established pursuant to this chapter shall be to accomplish the following:
   a. Improve student learning, well-being, and postsecondary success.
   b. Increase learning opportunities for students in areas of need in this state, including but not limited to science, technology, engineering, and math (STEM), and science, technology, engineering, arts, and math (STEAM).
   c. Increase opportunities for work-based learning, early literacy intervention, and serving at-risk populations.
   d. Accelerating student learning to prevent learning loss during the COVID-19 pandemic and other significant disruptions to student learning.
   e. Encourage the use of evidence-based practices in innovative environments.
   f. Require the measurement and evaluation of program implementation and learning outcomes.
   g. Establish models of success for Iowa schools.
   h. Create new professional opportunities for teachers and other educators.
   i. Investigate and establish different organizational structures for schools to use to implement a multi-tiered system of supports for students.
   j. Allow greater flexibility to meet the education needs of a diverse student population and changing workforce needs.
   k. Allow for the flexible allocation of resources through implementation of specialized school budgets for the benefit of the schools served.
   l. Allow greater flexibility for districts and schools to
focus on closing gaps in student opportunity and achievement for all students from preschool through postsecondary preparation.

4. The state board of education shall be the only authorizer of charter schools under this chapter.

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

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

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

2. "Charter school" means a school established in accordance with this chapter.

3. "Department" means the department of education.

4. "Education service provider" means an education management organization, charter school management organization, or other person with whom a charter school contracts for educational program implementation or comprehensive management.

5. "Founding group" means a person, group of persons, or education service provider that develops and submits an application for a charter school to the state board under this chapter.

6. "Governing board" means the independent board of a charter school whose members are elected or selected pursuant to the charter school contract.

7. "School board" means a board of directors regularly elected by the registered voters of an accredited public school district.

8. "State board" means the state board of education.

Sec. 8. NEW SECTION. 256E.3 Department — duty to monitor.

The department shall monitor the effectiveness of charter schools and shall implement the applicable provisions of this chapter.

Sec. 9. NEW SECTION. 256E.4 School board—state board model.
1. A school board may create a founding group to apply to the state board for approval to establish and operate a charter school within and as a part of the school district by establishing a new attendance center, creating a new school within an existing attendance center, or by converting an existing attendance center. The application shall demonstrate the founding group's academic and operational vision and plans for the proposed charter school, demonstrate the founding group's capacity to execute the vision and plans, and provide the state board a clear basis for assessing the founding group's plans and capacity.

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

3. The instructions for completing an application shall include or otherwise inform applicants of all of the following:
   a. The performance framework adopted by the state board for charter school oversight and evaluation requirements in accordance with sections 256E.9 and 256E.10.
   b. The criteria the state board will use in evaluating applications.
   c. The requirements concerning the format and content essential for applicants to demonstrate the capacities necessary to establish and operate a successful charter school.

4. An application submitted under this section shall also include all of the following items related to the proposed charter school:
   a. An executive summary.
   b. The mission and vision of the proposed charter school, including identification of the targeted student population and the community the charter school intends to serve.
   c. The location of the proposed charter school or the proposed geographic area within the school district where the school is proposed to be located.
   d. Identification of the grades to be served each school
1 year during the duration of the charter school contract.
2 e. Minimum, planned, and maximum enrollment per grade for
each school year during the duration of the charter school
contract.
3 f. Evidence of need and community support for the proposed
charter school.
4 g. Background information on the members of the founding
group and background information on the governing board,
administration, and management personnel of the proposed
charter school, if available.
5 h. The charter school’s proposed operations calendar and
sample daily schedule.
6 i. A description of the academic program and identification
of ways the program aligns with state academic standards.
7 j. A description of the charter school’s instructional
model, including the type of learning environment, class size
and structure, curriculum overview, and teaching methods.
8 k. The charter school’s plan for using internal and external
assessments to measure and report student progress on the
performance framework in accordance with section 256E.9.
9 l. Plans for identifying and serving students with
disabilities, students who are limited English proficient,
students who are academically failing or below grade level, and
gifted students, including but not limited to compliance with
applicable laws and regulations.
10 m. A description of cocurricular and extracurricular
programs and how the programs will be funded and delivered.
11 n. Plans and timelines for student recruitment, enrollment,
and transfers, including enrollment preferences and procedures
for conducting transparent admissions selections, including
admissions lotteries.
12 o. The proposed code of student conduct, including
applicable procedures and disciplinary sanctions for both
general students and special education students.
13 p. A chart or description of the charter school’s
organizational structure and the duties and powers of each position or group, including the delineation of authority and reporting between the governing board, administration, staff, and any related bodies or external organizations that have a role in managing the charter school.

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

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

s. Proposed governing bylaws for the charter school.

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

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

v. Proposed opportunities and expectations for parent involvement.

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

x. Evidence of anticipated fundraising contributions, if any.

y. Evidence of the founding group's success in serving student populations similar to that which is proposed in the application and if the founding group operates other charter schools, evidence of past performance of such other charter schools and evidence of the founding group's capacity for an
1 additional charter school.
2 z. A description of the charter school governing board's
3 performance evaluation measures, compensation structure,
4 methods of contract oversight and dispute resolution,
5 investment disclosures and conflicts of interest.
6 aa. A proposed duration and outline of the charter school
7 contract, including designation of roles, authority, and duties
8 of the governing board and the charter school staff.
9 5. If the founding group proposes to establish a charter
10 school by converting an existing attendance center of the
11 school district, the state board shall not approve the
12 application unless the founding group submits evidence that
13 the attendance center's teachers and parents or guardians of
14 students enrolled at the existing attendance center voted in
15 favor of the conversion. A vote in favor of conversion under
16 this subsection requires the support of a majority of the
17 teachers employed at the school on the date of the vote and
18 a majority of the parents or guardians voting whose children
19 are enrolled at the school, provided that a majority of the
20 parents or guardians eligible to vote participate in the ballot
21 process. The state board shall establish procedures by rule
22 for voting under this subsection. A parent or guardian voting
23 in accordance with this subsection must be a resident of this
24 state.
25 6. In reviewing and evaluating charter school applications,
26 the state board shall employ procedures, practices, and
27 criteria consistent with nationally recognized principles and
28 standards for reviewing charter school applications. Each
29 application review shall include thorough evaluation of the
30 written application, an in-person interview with the founding
31 group, and an opportunity in a public forum for local residents
32 to learn about and provide input on each application.
33 7. Following review of a charter school application and
34 completion of the process required under subsection 6, the
35 state board shall do all of the following:
a. Approve a charter school application only if the founding group has demonstrated competence in each element of the approval criteria and if the founding group is likely to open and operate a successful charter school.

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

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

8. The state board shall approve a charter school application if the application satisfies the requirements of this chapter. The state board shall approve or deny a charter school application no later than seventy-five calendar days after the application is received. If the state board denies an application, the state board shall provide notice of denial to the founding group in writing within thirty days after the state board’s action. The notice shall specify the exact reasons for denial and provide documentation supporting those reasons. An approval decision may include, if appropriate, reasonable conditions that the founding group must meet before a charter school contract may be executed pursuant to section 256E.6. An approved charter application shall not serve as a charter school contract.

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

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

Sec. 10. NEW SECTION. 256E.5 Founding group-state board model.

1. A founding group may apply to the state board for approval to establish and operate a charter school within the boundaries of the state that operates as a new attendance center independently from a public school district. The application shall demonstrate the founding group’s academic and operational vision and plans for the proposed charter
1 school, demonstrate the founding group's capacity to execute 2 the vision and plans, and provide the state board a clear basis 3 for assessing the founding group's plans and capacity.

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

3. The instructions for completing an application shall
   include or otherwise inform applicants of all of the following:
   a. The performance framework adopted by the state board
      for charter school oversight and evaluation requirements in
      accordance with sections 256E.9 and 256E.10.
   b. The criteria the state board will use in evaluating
      applications.
   c. The requirements concerning the format and content
      essential for applicants to demonstrate the capacities
      necessary to establish and operate a successful charter school.

4. The applications submitted under this section shall also
   include all of the following items related to the proposed
   charter school:
   a. An executive summary.
   b. The mission and vision of the proposed charter school,
      including identification of the targeted student population and
      the community the school intends to serve.
   c. The location of the proposed charter school or the
      proposed geographic area within the state where the school is
      proposed to be located.
   d. Identification of the grades to be served each school
      year during the duration of the charter school contract.
   e. Minimum, planned, and maximum enrollment per grade for
      each school year during the duration of the charter school
      contract.
   f. Evidence of need and community support for the proposed
      charter school.
   g. Background information on the members of the founding
      group and background information on the governing board,
administration, and management personnel of the proposed charter school, if available.

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

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

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

k. The charter school's plan for using internal and external assessments to measure and report student progress on the performance framework in accordance with section 256E.9.

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

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

n. Plans and timelines for student recruitment, enrollment, and transfers, including enrollment preferences and procedures for conducting transparent admissions selections, including admissions lotteries.

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

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

q. A staffing chart for the charter school's first year and a staffing plan for the duration of the charter school contract.
Plans for recruiting and developing school administrators, staff, and governing board members and the charter school’s employment policies, including performance evaluation plans.

Proposed governing bylaws for the charter school.

Identification and explanation of any partnerships or contractual relationships with an education service provider that are related to the charter school’s operations or mission.

The charter school’s plans for providing transportation services, food service, and all other operational or ancillary services.

Proposed opportunities and expectations for parent involvement.

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

Evidence of anticipated fundraising contributions, if any.

If the application includes a proposal that the governing board contracts with an education service provider, evidence of the education service provider’s success in serving student populations similar to that which is proposed in the application and if the education service provider operates other charter schools, evidence of past performance of such other charter schools and evidence of the education service provider’s capacity for growth.

If the application includes a proposal that the governing board contracts with an education service provider, a description of the education service provider’s performance evaluation measures, compensation structure, methods of contract oversight and dispute resolution, investment disclosures and conflicts of interest.
aa. A proposed duration and outline of the charter school contract, including designation of roles, authority, and duties of the governing board and the charter school staff.

5. In reviewing and evaluating charter school applications, the state board shall employ procedures, practices, and criteria consistent with nationally recognized principles and standards for reviewing charter school applications. Each application review shall include thorough evaluation of the written application, an in-person interview with the applicant, and an opportunity in a public forum for local residents of the public school district within which the applicant proposes to locate the charter school to learn about and provide input on each application.

6. Following review of a charter school application and completion of the process required under subsection 5, the state board shall do all of the following:

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

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

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

7. A charter school application under this section shall not be approved if the founding group has another pending application under this section.

8. The state board shall approve a charter school application if the application satisfies the requirements of this chapter. The state board shall approve or deny a charter school application no later than seventy-five calendar days after the application is received. If the state board denies an application, the state board shall provide notice of denial to the applicant in writing within thirty days after
board action. The notice shall specify the exact reasons for denial and provide documentation supporting those reasons.

An approval decision may include, if appropriate, reasonable conditions that the applicant must meet before a charter school contract may be executed pursuant to section 256E.6.

An approved charter application shall not serve as a charter school contract.

9. An unsuccessful charter school applicant may subsequently reapply to the state board.

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

Sec. 11. NEW SECTION. 256E.6 Charter school contract.

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

2. An initial charter school contract shall be granted for a term of ten school budget years. The charter school contract shall include the beginning and ending dates of the charter school contract term. An approved charter school may delay its opening for a period of time not to exceed one school year in order to plan and prepare for the charter school’s opening. If the charter school requires an opening delay of more than one school year, the charter school may request an extension from the state board.

3. Each charter school contract shall be signed by the president of the state board and the president or appropriate officer of the governing body of the founding group.

4. Within fifteen days of the execution of a charter school contract entered into by the state board, the state board shall
notify the department and the department of management of the name of the charter school and any applicable education service provider, the proposed location of the charter school, and the charter school's first year projected enrollment.

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

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

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

Sec. 12. NEW SECTION. 256E.7 General operating powers and duties.

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

a. Receive and expend funds for charter school purposes.

b. Secure appropriate insurance and enter into contracts and leases.

c. Contract with an education service provider for the management and operation of the charter school so long as the governing board retains oversight authority over the charter school.
d. Incur debt in anticipation of the receipt of public or private funds.

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

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

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

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

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

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

a. Meet all applicable federal, state, and local health and safety requirements and laws prohibiting discrimination on the basis of race, creed, color, sex, sexual orientation, gender identity, national origin, religion, ancestry, or disability. If approved under section 256E.4, the charter school shall be subject to any court-ordered desegregation in effect for the school district at the time the charter school application is approved, unless otherwise specifically provided for in the desegregation order.

b. Operate as a nonsectarian, nonreligious school.

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

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

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

f. Be subject to the same financial audits, audit procedures, and audit requirements as a school district. The
1 audit shall be consistent with the requirements of sections 2 11.6, 11.14, 11.19, and 279.29, and section 256.9, subsection 3 20, except to the extent deviations are necessary because 4 of the program at the school. The department, the auditor 5 of state, or the legislative services agency may conduct 6 financial, program, or compliance audits.
7  
8 g. Be subject to and comply with the provisions of chapter
9 285 relating to the transportation of students.
10 h. Be subject to and comply with the requirements of section
11 256.7, subsection 21, and the educational standards of section
12 256.11, unless specifically waived by the state board during
13 the application process.
14 i. Provide instruction for at least the number of days
15 or hours required by section 279.10, subsection 1, unless
16 specifically waived by the state board as part of the
17 application process.
18 j. Comply with the requirements of this chapter.
19  
20 3. A charter school shall employ or contract with teachers
21 as defined in section 272.1, who hold valid licenses with an
22 endorsement for the type of instruction or service for which
23 the teachers are employed or under contract.
24 4. A charter school shall not discriminate in its student
25 admissions policies or practices on the basis of intellectual
26 or athletic ability, measures of achievement or aptitude, or
27 status as a person with a disability. However, a charter
28 school may limit admission to students who are within a
29 particular range of ages or grade levels or on any other
30 basis that would be legal if initiated by a school district.
31 Enrollment priority shall be given to the siblings of students
32 enrolled in a charter school.
33 5. A charter school shall enroll an eligible student who
34 submits a timely application unless the number of applications
35 exceeds the capacity of a program, class, grade level, or
36 building. In this case, students must be accepted by lot.
37 Upon enrollment of an eligible student, the charter school
1 shall notify the public school district of residence not later
2 than March 1 of the preceding school year.
3 6. Each charter school governing board shall be required to
4 adopt a conflict of interest policy and a code of ethics for
5 all board members and employees.
6 7. Each charter school governing board shall adopt a policy
7 regarding the hiring of family members to avoid nepotism in
8 hiring and supervision. The policy shall include but is not
9 limited to a disclosure to the governing board of potential
10 nepotism in hiring and supervision. Any person subject to the
11 policy with a conflict shall not be involved in the hiring
12 decision or supervision of a potential employee.
13 8. Individuals compensated by an education service provider
14 are prohibited from serving as a voting member on the governing
15 board of any charter school unless the state board waives such
16 prohibition.
17 9. If the charter school is operated by an education service
18 provider, the governing board of the charter school shall have
19 access to all records of the education service provider that
20 are necessary to evaluate any provision of the contract or
21 evaluate the education service provider's performance under the
22 contract.
23 Sec. 13. NEW SECTION. 256E.8 Funding.
24 1. Each student enrolled in a charter school established
25 under this chapter shall be counted, for state school
26 foundation purposes, in the student's district of residence
27 pursuant to section 257.6, subsection 1, paragraph "a",
28 subparagraph (9). For purposes of this section, residence
29 means a residence under section 282.1.
30 2. The school district of residence shall pay to the
31 charter school in which the student is enrolled in the manner
32 required under section 282.18, subsection 7, and pursuant to
33 the timeline in section 282.20, subsection 3, an amount equal
34 to the sum of the state cost per pupil for the previous school
35 year plus the teacher leadership supplement state cost per
pupil for the previous fiscal year as provided in section 257.9 plus any moneys received for the pupil as a result of the non-English speaking weighting under section 280.4, subsection 3, for the previous school year multiplied by the state cost per pupil for the previous year. If a student is an eligible pupil under section 261E.6, the charter school shall pay the tuition reimbursement amount to an eligible postsecondary institution as provided in section 261E.7.

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

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

Sec. 14. **NEW SECTION. 256E.9 Performance framework.**

1. The performance provisions within the charter school contract shall be based on a performance framework adopted by the state board that clearly sets forth the academic and operational performance indicators, measures, and metrics that will guide the evaluation of the charter school by the state board, without compromising individual student privacy. The performance framework shall include but is not limited to indicators, measures, and metrics for all of the following:

   a. Student academic proficiency.
   
   b. Student academic growth.
   
   c. Achievement gaps in both proficiency and growth between specified populations or groups of students, including groups based on gender, race, poverty, special education status, limited English proficiency, and gifted status.
   
   d. Attendance.
1. Enrollment attrition.
2. Postsecondary readiness for students in grades nine through twelve.
3. Goals specified in the charter school’s mission.
5. Governing board performance and stewardship, including compliance with all applicable laws, regulations, and terms of the charter contract.

2. Annual performance targets shall be agreed upon between each charter school and the state board. Such performance targets shall be contained in the charter school contract and shall be designed to help each charter school meet applicable federal, state, and local standards. The performance targets contained in the charter school contract may be amended by mutual agreement after the charter school is operating and has collected initial achievement data for the charter school’s students.

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

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

5. Each charter school established under this chapter shall be evaluated and graded by the department pursuant to the attendance center performance ranking system developed and adopted by the department.

Sec. 15. NEW SECTION. 256E.10 Oversight — corrective action — contract renewal — revocation.

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

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

3. If a charter school's performance under the charter school contract or compliance with applicable laws or rules is unsatisfactory, the state board shall notify the charter school of the perceived problem and provide reasonable opportunity for the school to remedy the problem, unless the problem warrants revocation, in which case the revocation provisions of this section apply.

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

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

6. Annually, by June 30, the state board shall issue a charter school performance report and charter school contract renewal application guidance to each charter school whose charter school contract will expire during the following school budget year. The performance report shall summarize the charter school's performance record to date based on the data...
1 required by the charter school contract and by this chapter
2 and shall identify concerns that may jeopardize renewal of the
3 charter school contract if not remedied. The charter school
4 shall have sixty days to respond to the performance report and
5 submit any corrections or clarifications for the report.
6 7. The renewal application guidance shall, at a minimum,
7 include the criteria that will be used when assessing charter
8 school contract renewal decisions and provide an opportunity
9 for the charter school to:
10  a. Present additional evidence, beyond the data contained in
11 the performance report.
12  b. Describe improvements undertaken or planned for the
13 charter school.
14  c. Describe the charter school’s plans, including any
15 proposed modifications, for the next charter school contract
16 term.
17 8. No later than October 1, the governing board of a charter
18 school seeking renewal shall submit a renewal application to
19 the state board pursuant to the renewal application guidance.
20 A renewal or denial shall be approved by resolution of the
21 state board within sixty days following the filing of the
22 renewal application.
23 9. Unless eligible for expedited renewal under subsection
24 13, when reviewing a charter school contract renewal
25 application, the state board shall do all of the following:
26  a. Use evidence of the school’s performance over the term of
27 the charter school contract in accordance with the applicable
28 performance framework.
29  b. Ensure that data used in making renewal decisions is
30 available to the charter school and the public.
31  c. Provide a report summarizing the evidence that served as
32 a basis for the decision.
33 10. A charter school contract may be revoked at any time
34 or not renewed if the state board determines that the charter
35 school did any of the following:
a. Committed a material violation of any of the terms, conditions, standards, or procedures required under the charter school contract or this chapter.

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

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

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

11. The state board shall develop charter school contract revocation and nonrenewal standards and procedures that do all of the following:

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

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

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

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

e. Permit the audio or video recording of such proceedings described in paragraphs "c" and "d".

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

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

13. If a charter school has been evaluated and graded to be in the exceptional category, or the highest rated category under a succeeding evaluation system, under the evaluation and grading required under section 256E.9, subsection 5, for the
immediately preceding two school years, and the charter school is in compliance with the current charter school contract and all provisions of this chapter, the charter school's application renewal under subsection 8 shall be renewed for an additional period of time equal to the length of the original charter school contract or the most recent renewal of the contract, whichever is longer, unless the state board provides written notice to the charter school of the state board's rejection of the expedited renewal within sixty days of the filing of the application. The state board shall not reject an expedited renewal application unless the state board finds exceptional circumstances for the rejection or seeks material changes to the charter school contract.

Sec. 16. NEW SECTION. 256E.11 Procedures for charter school closure — student enrollment.

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

2. In the event of a charter school closure, the assets of the charter school shall be used first to satisfy outstanding payroll obligations for employees of the school, then to creditors of the school, then to the public school district in which the charter school operated, if applicable, and then to the state general fund. If the assets of the charter school are insufficient to pay all obligations of the charter school, the prioritization of the distribution of assets shall be consistent with this subsection and otherwise determined by the district court.

Sec. 17. NEW SECTION. 256E.12 Reports.

1. Each charter school shall prepare and file an annual
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1 report with the department. The department shall prescribe
2 by rule the required contents of the report, but each such
3 report shall include information regarding student achievement,
4 including annual academic growth and proficiency, graduation
5 rates, and financial performance and sustainability. The
6 reports are public records and the examination, publication,
7 and dissemination of the reports are governed by the provisions
8 of chapter 22.
9 2. The state board shall prepare and file with the general
10 assembly by December 1, annually, a comprehensive report with
11 findings and recommendations relating to the charter school
12 program in the state and whether the charter school program
13 under this chapter is meeting the goals and purposes of the
14 program. The report also shall contain, for each charter
15 school, a copy of the charter school’s mission statement,
16 attendance statistics and dropout rate, aggregate assessment
17 test scores, projections of financial stability, and the number
18 and qualifications of teachers and administrators.
19 Sec. 18. Section 256F.3, Code 2021, is amended by adding the
20 following new subsection:
21 NEW SUBSECTION. 8A. The state board shall not approve a new
22 charter school under this chapter on or after July 1, 2021.
23 Sec. 19. NEW SECTION. 256F.12 Operation of existing charter
24 schools.
25 Charter schools established under this chapter prior to July
26 1, 2021, shall continue to operate under and be subject to
27 the requirements of this chapter and shall not be subject to
28 chapter 256E.
29 Sec. 20. Section 257.6, subsection 1, paragraph a, Code
30 2021, is amended by adding the following new subparagraph:
31 NEW SUBPARAGRAPH. (9) Resident pupils enrolled in a charter
32 school under chapter 256E or 256F.
33 Sec. 21. Section 257.31, subsection 5, paragraph d, Code
34 2021, is amended to read as follows:
35 d. The closing of a nonpublic school, wholly or in part, or
the opening or closing of a pilot charter school.

Sec. 22. Section 282.9, subsection 1, Code 2021, is amended to read as follows:

1. Notwithstanding sections 275.55A, 256E.7, 256F.4, 275.55A, and 282.18, or any other provision to the contrary, prior to knowingly enrolling an individual who is required to register as a sex offender under chapter 692A, but who is otherwise eligible to enroll in a public school, the board of directors of a school district shall determine the educational placement of the individual. Upon receipt of notice that a student who is enrolled in the district is required to register as a sex offender under chapter 692A, the board shall determine the educational placement of the student. The tentative agenda for the meeting of the board of directors at which the board will consider such enrollment or educational placement shall specifically state that the board is considering the enrollment or educational placement of an individual who is required to register as a sex offender under chapter 692A. If the individual is denied enrollment in a school district under this section, the school district of residence shall provide the individual with educational services in an alternative setting.

Sec. 23. Section 282.18, subsection 4, paragraph b, Code 2021, is amended to read as follows:

b. For purposes of this section, "good cause" means a change in a child’s residence due to a change in family residence, a change in the state in which the family residence is located, a change in a child’s parents’ marital status, a guardianship or custody proceeding, placement in foster care, adoption, participation in a foreign exchange program, or participation in a substance abuse or mental health treatment program, a change in the status of a child’s resident district such as removal of accreditation by the state board, surrender of accreditation, or permanent closure of a nonpublic school, revocation of a charter school contract as provided in section 256E.10 or 256F.8, the failure of negotiations for a whole
1 grade sharing, reorganization, dissolution agreement or the
2 rejection of a current whole grade sharing agreement, or
3 reorganization plan. If the good cause relates to a change
4 in status of a child’s school district of residence, however,
5 action by a parent or guardian must be taken to file the
6 notification within forty-five days of the last board action
7 or within thirty days of the certification of the election,
8 whichever is applicable to the circumstances.

DIVISION III

VOLUNTARY DIVERSITY PLANS

Sec. 24. Section 256F.4, subsection 2, paragraph a,
12 unnumbered paragraph 1, Code 2021, is amended to read as
13 follows:
14 Meet all applicable federal, state, and local health and
15 safety requirements and laws prohibiting discrimination on the
16 basis of race, creed, color, sex, sexual orientation, gender
17 identity, national origin, religion, ancestry, or disability.
18 A charter school or innovation zone school shall be under this
19 chapter located within the boundaries of a school district
20 subject to any court-ordered desegregation plan in effect
21 for the school district at the time the charter school or
22 innovation zone school application is approved shall be subject
23 to the desegregation order unless otherwise specifically
24 provided for in the desegregation order.

Sec. 25. Section 282.18, subsections 3 and 6, Code 2021, are
 amended to read as follows:

3. a. The superintendent of a district subject to a
 voluntary diversity or court-ordered desegregation plan, as
 recognized by rule of the state board of education, may deny a
 request for transfer under this section if the superintendent
 finds that enrollment or release of a pupil will adversely
 affect the district’s implementation of the desegregation
 order or diversity plan, unless the transfer is requested
 by a pupil whose sibling is already participating in open
 enrollment to another district, or unless the request for
transfer is submitted to the district in a timely manner as required under subsection 2 prior to implementation of the adoption of a desegregation plan order by the district. If a transfer request would facilitate implementation of a voluntary diversity or court-ordered desegregation plan order, the district shall give priority to granting the request over other requests.

b. A parent or guardian whose request has been denied because of the district’s implementation of a the desegregation order or diversity plan, may appeal the decision of the superintendent to the board of the district in which the request was denied. The board may either uphold or overturn the superintendent’s decision. A decision of the board to uphold the denial of the request is subject to appeal to the district court in the county in which the primary business office of the district is located. The state board of education shall adopt rules establishing definitions, guidelines, and a review process for school districts that adopt voluntary diversity plans. The guidelines shall include criteria and standards that school districts must follow when developing a voluntary diversity plan. The department of education shall provide technical assistance to a school district that is seeking to adopt a voluntary diversity plan. A school district implementing a voluntary diversity plan prior to July 1, 2008, shall have until July 1, 2009, to comply with guidelines adopted by the state board pursuant to this section.

c. The board of directors of a school district subject to voluntary diversity or court-ordered desegregation shall develop a policy for implementation of open enrollment in the district. The policy shall contain objective criteria for determining when a request would adversely impact the desegregation order or voluntary diversity plan and criteria for prioritizing requests that do not have an adverse impact on the order or plan.

6. A request under this section is for a period of not less
than one year. If the request is for more than one year and
the parent or guardian desires to have the pupil enroll in a
different district, the parent or guardian may petition the
current receiving district by March 1 of the previous school
year for permission to enroll the pupil in a different district
for a period of not less than one year. Upon receipt of such a
request, the current receiving district board may act on the
request to transfer to the other school district at the next
regularly scheduled board meeting after the receipt of the
request. The new receiving district shall enroll the pupil in
a school in the district unless there is insufficient classroom
space in the district or unless the district is subject to
court-ordered desegregation and enrollment of the pupil would
adversely affect the court-ordered or voluntary implementation
of the desegregation plan of the district order. A denial of
a request to change district enrollment within the approved
period is not subject to appeal. However, a pupil who has been
in attendance in another district under this section may return
to the district of residence and enroll at any time, once the
parent or guardian has notified the district of residence and
the receiving district in writing of the decision to enroll the
pupil in the district of residence.

DIVISION IV
EDUCATION INFORMATION, PROGRAM STANDARDS, AND FUNDING
Sec. 26. Section 22.7, subsection 1, Code 2021, is amended
to read as follows:
1. Personal information in records regarding a student,
prospective student, or former student maintained, created,
collected or assembled by or for a school corporation or
educational institution maintaining such records. This
subsection shall not be construed to prohibit a postsecondary
education institution from disclosing to a parent or guardian
information regarding a violation of a federal, state, or
local law, or institutional rule or policy governing the use
or possession of alcohol or a controlled substance if the
child is under the age of twenty-one years and the institution

determines that the student committed a disciplinary violation
with respect to the use or possession of alcohol or a
controlled substance regardless of whether that information is
contained in the student’s education records. This subsection
shall not be construed to prohibit a school corporation or
educational institution from transferring student records
electronically to the department of education, an accredited
nonpublic school, an attendance center, a school district, or
an accredited postsecondary institution in accordance with
section 256.9, subsection 4.

Sec. 27. Section 256.9, subsection 11, Code 2021, is amended
by striking the subsection and inserting in lieu thereof the
following:

11. a. Approve, coordinate, and supervise the use of
electronic data and information processing by school districts,
area education agencies, and merged areas, including the
procurement or development of a single, comprehensive,
statewide, student information system that is required to be
used by all school districts, accredited nonpublic schools, and
area education agencies.

b. (1) The student information system procured or developed
shall be designed for the purpose of establishing standardized
electronic data collections and reporting protocols that
facilitate compliance with state and federal reporting
requirements, improve school-to-school and district-to-district
information exchanges, and maintain the confidentiality of
individual student and staff data.

(2) The system shall provide for the electronic transfer
of individual student records between attendance centers,
school districts, accredited nonpublic schools, area education
agencies, postsecondary institutions, merged areas, and the
department.

(3) The system shall be designed to ensure compatibility
with other information or data management systems used or
maintained by postsecondary institutions and merged areas as required by law.

c. The director shall, to the extent practicable, establish a uniform coding and reporting system as part of the student information system.

d. The department shall pay for the procurement or development of the student information system and shall pay for at least the first year of statewide implementation, after which the cost of operating the system may be funded through the collection of a fee by the department from each school district and accredited nonpublic school. The amount of the fee shall be based on a per-student rate, not to exceed seven dollars per student for the first year of the fee.

e. The student information system shall only be used for the purpose of collecting information from school districts, accredited nonpublic schools, and area education agencies required by state or federal law or for preparation of state or federal reports.

f. A school district, accredited nonpublic school, or area education agency shall not duplicate the collection of any information in the student information system.

Sec. 28. Section 256.9, subsection 44, Code 2021, is amended by striking the subsection.

Sec. 29. Section 256.11, subsection 8, Code 2021, is amended by striking the subsection and inserting in lieu thereof the following:

8. a. The state board shall establish a flexible student and school support program to be administered by the director. Under the program, upon request of the board of directors of a public school district or the authorities in charge of an accredited nonpublic school, the director may, for a period not to exceed three years, grant the applicable board of directors or the authority in charge of the nonpublic school the ability to use the flexible student and school support program to implement evidence-based practices in innovative
ways to enhance student learning, well-being, and postsecondary success.

b. Approval to participate in the flexible student and school support program shall exempt the school district or nonpublic school from one or more of the requirements of the educational program specified in subsection 3, 4, or 5, subsection 6, paragraph "b" or "c", subsection 7, paragraph "b" or "c", or the minimum school calendar requirements in section 279.10, subsection 1. An exemption shall be granted only if the director deems that the request made is an essential part of an educational program to support student learning, well-being, and postsecondary success; is necessary for the success of the program; and is broadly consistent with the intent of the requirements of the educational program specified in subsection 3, 4, or 5, subsection 6, paragraph "b" or "c", subsection 7, paragraph "b" or "c", or the minimum school calendar requirements in section 279.10, subsection 1.

c. Approval to participate in the flexible student and school support program shall include authority for a school district to use funds from the school district's flexibility account under section 298A.2, subsection 2, to implement all or part of the flexible student and school support program.

d. The application for the flexible student and school support program shall include all of the following and be submitted on forms and in a format prescribed by the department:

(1) A description of the proposed educational program, including evidence used to design the program and evidence of involvement of board members, parents, students, community members, and staff in development of the program.

(2) Program goals and measures of program effectiveness and success, including student success and performance.

(3) A plan for program administration, including the use of personnel, facilities, and funding.

(4) A plan for evaluation of the proposed program on at
least an annual basis, including a plan for program revisions, if necessary.

(5) The estimated financial impact of the program on the school district or nonpublic school.
e. Approval to participate in the program does not exempt the school district or nonpublic school from federal law or any other requirements of state law that are not specifically exempted by the director.
f. Each school district or nonpublic school approved to participate in the flexible student and school support program shall file an annual report with the department on the status of the program on forms and in a format prescribed by the department.
g. Participation in the flexible student and school support program may be renewed for additional periods of years, each not to exceed three years. The director may revoke approval of all or part of any application or approved education program if the annual report or any other information available to the department indicates that conditions no longer warrant use of an exemption or funding from the school district’s flexibility account under section 298A.2, subsection 2. Notice of revocation must be provided by the director to the school district or nonpublic school prior to the beginning of the school year for which participation is revoked.

Sec. 30. Section 257.10, subsection 9, paragraph d, Code 2021, is amended to read as follows:

d. For the budget year beginning July 1, 2009, the use of the funds calculated under this subsection shall comply with the requirements of chapter 284 and shall be distributed to teachers pursuant to section 284.3A. For the budget year beginning July 1, 2010, and succeeding budget years, the use of the funds calculated under this subsection shall comply with the requirements of chapter 284 and shall be distributed to teachers pursuant to section 284.3A. If all teacher compensation requirements of chapter 284 for the school
district are met and funds received under this subsection remain unexpended and unobligated at the end of a fiscal year beginning on or after July 1, 2020, the school district may transfer all or a portion of such unexpended and unobligated funds for deposit in the school district’s flexibility account established under section 298A.2, subsection 2.

Sec. 31. Section 257.10, subsection 12, paragraph d, Code 2021, is amended to read as follows:

d. For the budget year beginning July 1, 2014, and succeeding budget years, the use of the funds calculated under this subsection shall comply with the requirements of chapter 284 and shall be distributed to teachers pursuant to section 284.15. The funds shall be used only to increase the payment for a teacher assigned to a leadership role pursuant to a framework or comparable system approved pursuant to section 284.15; to increase the percentages of teachers assigned to leadership roles; to increase the minimum teacher starting salary to thirty-three thousand five hundred dollars; to cover the costs for the time mentor and lead teachers are not providing instruction to students in a classroom; for coverage of a classroom when an initial or career teacher is observing or co-teaching with a teacher assigned to a leadership role; for professional development time to learn best practices associated with the career pathways leadership process; and for other costs associated with a framework or comparable system approved by the department of education under section 284.15 with the goals of improving instruction and elevating the quality of teaching and student learning. If all requirements for the school district for the use of funds calculated under this subsection are met and funds received under this subsection remain unexpended and unobligated at the end of a fiscal year beginning on or after July 1, 2020, the school district may transfer all or a portion of such unexpended and unobligated funds for deposit in the school district’s flexibility account established under section
298A.2, subsection 2.

Sec. 32. Section 298A.2, subsection 2, paragraph a, Code 2021, is amended by adding the following new subparagraphs:

NEW SUBPARAGRAPH. (4) Teacher salary supplement funds received under section 257.10, subsection 9.

NEW SUBPARAGRAPH. (5) Teacher leadership supplement funds received under section 257.10, subsection 12.

Sec. 33. Section 298A.2, subsection 2, paragraph c, Code 2021, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (8) An approved flexible student and school support program under section 256.11, subsection 8.

DIVISION V

EDUCATION TAX CREDITS AND DEDUCTIONS

Sec. 34. Section 422.7, subsection 55, Code 2021, is amended to read as follows:

55. A taxpayer who is an eligible educator as defined in section 62(d)(1) of the Internal Revenue Code is allowed to take the deduction for subtract, to the extent included, certain expenses of elementary and secondary school teachers allowed as described under section 62(a)(2)(D) of the Internal Revenue Code, as amended by the federal Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, in computing net income for state tax purposes, not to exceed five hundred dollars.

Sec. 35. Section 422.12, subsection 1, Code 2021, is amended by adding the following new paragraph:

NEW PARAGRAPH. Oc. "Private instruction" means independent private instruction as defined in section 299A.1, subsection 2, paragraph "b", competent private instruction under section 299A.2, or private instruction by a nonlicensed person under section 299A.3.

Sec. 36. Section 422.12, subsection 2, paragraph b, Code 2021, is amended to read as follows:

b. (1) A tuition credit equal to twenty-five fifty percent of the first one two thousand dollars which the taxpayer has
1 paid to others for each dependent in grades kindergarten
2 through twelve, for tuition and textbooks of each dependent in
3 receiving private instruction or attending an elementary or
4 secondary school situated in Iowa, which school is accredited
5 or approved under section 256.11, which is not operated for
6 profit, and which adheres to the provisions of the federal
7 Civil Rights Act of 1964 and chapter 216. Notwithstanding
8 any other provision, all other credits allowed under this
9 subsection shall be deducted before the tuition credit under
10 this paragraph. The department, when conducting an audit of
11 a taxpayer’s return, shall also audit the tuition tax credit
12 portion of the tax return.
13 (2) Any credit allowed under this paragraph in excess
14 of the tax liability is refundable. In lieu of claiming a
15 refund, the taxpayer may elect to have the overpayment shown
16 on the taxpayer’s final, completed return credited to the tax
17 liability for the following tax year.
18 Sec. 37. EFFECTIVE DATE. This division of this Act, being
19 deemed of immediate importance, takes effect upon enactment.
20 Sec. 38. RETROACTIVE APPLICABILITY. This division of this
21 Act applies retroactively to January 1, 2021, for tax years
22 beginning on or after that date.
23 DIVISION VI
24 STUDENT ENROLLMENT
25 Sec. 39. Section 257.6, subsection 1, paragraph a,
26 unnumbered paragraph 1, Code 2021, is amended to read as
27 follows:
28 Actual enrollment is determined annually by calculating the
29 average of the sum of all of the following on October 1, or the
30 first Monday in October if October 1 falls on a Saturday or
31 Sunday, and includes all of the following and the sum of all
32 of the following on April 1 immediately preceding the October
33 determination, or the first Monday in April if April 1 falls
34 on a Saturday or Sunday:
35 Sec. 40. Section 257.6, subsection 3, Code 2021, is amended
to read as follows:

3. Additional enrollment because of special education.

   a. A school district shall determine its additional enrollment because of special education, as defined in this section, by November 1 of each year, or by the first Monday in November if November 1 falls on a Saturday or Sunday, and shall certify its additional enrollment because of special education to the department of education by November 15 of each year, and the department shall promptly forward the information to the department of management.

   b. For the purposes of this chapter, "additional enrollment because of special education" is determined by calculating the average of the following:

      (1) An amount determined by multiplying the weighting of each category of child under section 256B.9 times the number of children in each category totaled for all categories minus the total number of children in all categories, as determined on May 1 immediately preceding the November determination under subparagraph (2), or the first Monday in May if May 1 falls on a Saturday or Sunday.

      (2) An amount determined by multiplying the weighting of each category of child under section 256B.9 times the number of children in each category totaled for all categories minus the total number of children in all categories, as determined on November 1 of each year, or the first Monday in November if November 1 falls on a Saturday or Sunday.

Sec. 41. Section 257.6, subsection 5, paragraph a, Code 2021, is amended to read as follows:

   a. Weighted enrollment is the budget enrollment plus the district's additional enrollment because of special education calculated by in November 1 of the base year under subsection 3 plus additional pupils added due to the application of the supplementary weighting as determined under subsection 5A.

Sec. 42. Section 257.6, Code 2021, is amended by adding the following new subsection:
NEW SUBSECTION. 5A. Pupils added due to application of supplementary weighting.

a. A school district shall determine its pupils added due to application of supplementary weighting by October 1 of each year, or by the first Monday in October if October 1 falls on a Saturday or Sunday, and shall certify its pupils added due to the application of supplementary weighting to the department of education by October 15 of each year, and the department shall promptly forward the information to the department of management.

b. For the purposes of this chapter, "pupils added due to application of supplementary weighting" is determined by calculating the average of the following:

(1) The sum of the number of additional pupils assigned to a student or to the school district under section 257.11, 280.4, or other provision of law providing for supplementary weighting, but excluding those under subsection 1, as determined on April 1 immediately preceding the October determination under subparagraph (2), or the first Monday in April if April 1 falls on a Saturday or Sunday.

(2) The sum of the number of additional pupils assigned to a student or to the school district under section 257.11, 280.4, or other provision of law providing for supplementary weighting, but excluding those under subsection 1, as determined on October 1 of each year, or the first Monday in October if October 1 falls on a Saturday or Sunday.

Sec. 43. Section 261E.7, subsection 1, unnumbered paragraph 1, Code 2021, is amended to read as follows:

Not later than June 30 of each year, a school district shall pay a tuition reimbursement amount to a postsecondary institution that has enrolled its resident eligible students under this chapter, unless the eligible student is participating in open enrollment under section 282.18, in which case, the tuition reimbursement amount shall be paid by the receiving district. However, if a child’s residency
changes during a school year, the tuition shall be paid by the
district in which the child was enrolled as of the October
date specified in section 257.6, subsection 1, paragraph "a",
or the district in which the child was counted under section
257.6, subsection 1, paragraph "a", subparagraph (6), as of
the October date specified in section 257.6, subsection 1,
paragraph "a". For students enrolled at the Iowa school for the
deaf and the Iowa braille and sight saving school, the state
board of regents shall pay a tuition reimbursement amount by
June 30 of each year. The amount of tuition reimbursement for
each separate course shall equal the lesser of:

Sec. 44. Section 273.5, subsection 5, Code 2021, is amended
to read as follows:

5. Provide Annually provide each school district within
the area served and the department of education with a special
education weighted enrollment count, including the additional
enrollment because of special education for December 1 of each
year.

Sec. 45. Section 279.60, subsection 1, Code 2021, is amended
to read as follows:

1. Each school district shall administer the teaching
strategies gold early childhood assessment to every resident
prekindergarten or four-year-old child whose parent or guardian
enrolls the child in the district, and shall administer a valid
and reliable universal screening instrument, as prescribed by
the department of education, to every kindergarten student
enrolled in the district not later than the October date
specified in section 257.6, subsection 1, paragraph "a". The
assessment shall be aligned with state early learning standards
and preschool programs shall be encouraged to administer the
assessment at least at the beginning and end of the preschool
program, with the assessment information entered into the
statewide longitudinal data system. The department shall work
to develop agreements with head start programs to incorporate
similar information about four-year-old children served by head
start into the statewide longitudinal data system.

Sec. 46. Section 282.12, subsection 4, Code 2021, is amended to read as follows:

4. The number of pupils participating in a whole grade sharing agreement shall be determined on the October date specified in section 257.6, subsection 1, paragraph "a", and on the second Friday of January of each year.

Sec. 47. Section 282.18, subsection 4, paragraph a, Code 2021, is amended to read as follows:

a. After March 1 of the preceding school year and until the October date specified in section 257.6, subsection 1, paragraph "a", the parent or guardian shall send notification to the district of residence and the receiving district, on forms prescribed by the department of education, that good cause, as defined in paragraph "b", exists for failure to meet the March 1 deadline. The board of directors of a receiving school district may adopt a policy granting the superintendent of the school district authority to approve open enrollment applications submitted after the March 1 deadline. The board of the receiving district shall take action to approve the request if good cause exists. If the request is granted, the board shall transmit a copy of the form to the parent or guardian and the school district of residence within five days after board action. A denial of a request by the board of a receiving district is not subject to appeal.

Sec. 48. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 49. APPLICABILITY. This division of this Act applies to actual enrollment determinations for school budget years beginning on or after the effective date of this division of this Act.

DIVISION VII
OPEN ENROLLMENT

Sec. 50. Section 282.18, subsection 4, paragraphs a and b, Code 2021, are amended to read as follows:
a. After March 1 of the preceding school year and until the date specified in section 257.6, subsection 1, the parent or guardian shall send notification to the district of residence and the receiving district, on forms prescribed by the department of education, that good cause, as defined in paragraph "b", exists for failure to meet the March 1 deadline. However, notifications of good cause based on significant need for improvement must be filed on or before April 15. The board of directors of a receiving school district may adopt a policy granting the superintendent of the school district authority to approve open enrollment applications submitted after the March 1 deadline. The board of the receiving district shall take action to approve the request if good cause exists. If the request is granted, the board shall transmit a copy of the form to the parent or guardian and the school district of residence within five days after board action. A denial of a request by the board of a receiving district is not subject to appeal.

b. For purposes of this section, "good cause":

(1) "Good cause" means a change in a child's residence due to a change in family residence, a change in the state in which the family residence is located, a change in a child's parents' marital status, a guardianship or custody proceeding, placement in foster care, adoption, participation in a foreign exchange program, or participation in a substance abuse or mental health treatment program, a change in the status of a child's resident district such as removal of accreditation by the state board, surrender of accreditation, or permanent closure of a nonpublic school, revocation of a charter school contract as provided in section 256F.8, the failure of negotiations for a whole grade sharing, reorganization, dissolution agreement, or the rejection of a current whole grade sharing agreement, or reorganization plan, or if the child's assigned attendance center in the district of residence is identified as in significant need for improvement. If the good cause relates to a change in status of a child's school district of residence,
however, action by a parent or guardian must be taken to file
the notification within forty-five days of the last board
action or within thirty days of the certification of the
election, whichever is applicable to the circumstances.

(2) “Significant need for improvement” means a school
attendance center designated by the department of education
under the priority category under the Iowa school performance
profiles for two or more of the immediately preceding school
years or identified for comprehensive support and improvement
under the federal Every Student Succeeds Act, Pub. L. No.
114-95, for two or more of the immediately preceding school
years.

Sec. 51. Section 282.18, subsection 5, Code 2021, is amended
to read as follows:

5. Open enrollment applications filed after March 1
of the preceding school year that do not qualify for good
cause as provided in subsection 4 shall be subject to the
approval of the board of the resident district and the board
of the receiving district. The parent or guardian shall send
notification to the district of residence and the receiving
district that the parent or guardian seeks to enroll the
parent’s or guardian’s child in the receiving district. A
decision of either board to deny an application filed under
this subsection involving repeated acts of harassment of the
student that the resident district cannot adequately address, a
consistent failure of the district to reasonably respond to a
student’s failure to meet basic academic standards after notice
provided by a parent or guardian, or a serious health condition
of the student that the resident district cannot adequately
address is subject to appeal under section 290.1. The state
board shall adopt by rule the criteria for determining a
district’s consistent failure to reasonably respond to a
student’s failure to meet basic academic standards and shall
exercise broad discretion to achieve just and equitable
results that are in the best interest of the affected child or
children.

Sec. 52. Section 282.18, subsection 10, paragraphs b and c, Code 2021, are amended to read as follows:

b. A receiving district may send school vehicles into the district of residence of the pupil using the open enrollment option under this section, for the purpose of transporting the pupil to and from school in the receiving district, if the boards of both the sending and receiving districts agree to this arrangement districts are contiguous.

c. If the pupil meets the economic eligibility requirements established by the department and state board of education, the sending district is responsible for providing transportation or paying the pro rata cost of the transportation to a parent or guardian for transporting the pupil to and from a point on a regular school bus route of a contiguous receiving district unless the cost of providing transportation or the pro rata cost of the transportation to a parent or guardian exceeds the average transportation cost per pupil transported for the previous school year in the district. The economic eligibility requirements established by the department of education and state board of education shall minimally include those pupils with household incomes of two hundred percent or less of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services. If the cost exceeds the average transportation cost per pupil transported for the previous school year, the sending district shall only be responsible for that average per pupil amount. A sending district which provides transportation for a pupil to a contiguous receiving district under this subsection may withhold, from the district cost per pupil amount that is to be paid to the receiving district, an amount which represents the average or pro rata cost per pupil for transportation, whichever is less.

Sec. 53. Section 282.18, subsection 11, Code 2021, is
amended to read as follows:

11. A pupil who participates in open enrollment for purposes of attending a grade in grades nine through twelve in a school district other than the district of residence is ineligible to or who has paid tuition and attended school, or has attended school pursuant to a mutual agreement between the two districts in a district other than the pupil’s district of residence, may participate immediately in varsity interscholastic athletic contests and athletic competitions during the pupil’s first ninety school days of upon enrollment in the district. However, a pupil may participate immediately in a varsity interscholastic sport under any of the following circumstances:

(1) If the pupil is entering grade nine for the first time and did not participate in an interscholastic athletic competition for another school or school district during the summer immediately following eighth grade.

(2) If the district of residence and the other school district jointly participate in the sport.

(3) If the sport in which the pupil wishes to participate is not offered in the district of residence.

(4) If the pupil chooses to use open enrollment to attend school in another school district because the district in which the student previously attended school was dissolved and merged with one or more contiguous school districts under section 256.11, subsection 12.

(5) If the pupil participates in open enrollment because the pupil’s district of residence has entered into a whole grade sharing agreement with another district for the pupil’s grade.

(6) If the parent or guardian of the pupil participating in open enrollment is an active member of the armed forces and resides in permanent housing on government property provided by a branch of the armed services.

(7) If the district of residence determines that the pupil was previously subject to a founded incident of harassment or
bullying as defined in section 280.28 while attending school in the district of residence.

b. A pupil who has paid tuition and attended school, or has attended school pursuant to a mutual agreement between the two districts, in a district other than the pupil’s district of residence for at least one school year is also eligible to participate immediately in interscholastic athletic contests and athletic competitions under this section, but only as a member of a team from the district that pupil had attended.

c. For purposes of this subsection, “school days of enrollment” does not include enrollment in summer school. For purposes of this subsection, “varsity” means the same as defined in section 256.46, subsection 3.

DIVISION VIII
SCHOOL BOARD POWERS AND DUTIES
Sec. 54. Section 279.1, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 3. A school corporation is entrusted with public funds for the purpose of improving student outcomes, including but not limited to student academic achievement and skill proficiency, and the board of directors of the school corporation is responsible for overseeing such improvement.

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

This bill relates to the funding and operation of educational offerings in the state by establishing a student first scholarship program for certain pupils attending a nonpublic school, modifying provisions governing voluntary diversity plans, creating a new charter school program, modifying certain education tax credits and deductions, and amending provisions relating to education information, programs, and funding.

Under division I of the bill, the following pupils who attend a nonpublic school are eligible to receive a student first
1 scholarship: (1) a pupil eligible to enroll in kindergarten who, if enrolled in the pupil's district of residence, would attend a public school identified for comprehensive support and improvement under the federal Every Student Succeeds Act, Pub. L. No. 114-95; (2) a pupil eligible to enroll in grade 1 through grade 12 if the pupil has attended a public school identified for comprehensive support and improvement under the federal Every Student Succeeds Act, Pub. L. No. 114-95, for the equivalent of the two immediately preceding semesters; and (3) a pupil who received a student first scholarship for the immediately preceding school budget year and who is eligible to enroll in grade 1 through grade 12. By January 31 preceding the school year for which the student first scholarship is requested, the parent or guardian of the pupil requesting to receive a student first scholarship must submit an application to the department of education indicating that the parent or guardian intends to enroll the pupil in a nonpublic school for the entirety of the school year.

The bill requires that by March 1 preceding the school year for which the student first scholarship is requested, the department of education must notify the parent or guardian of each pupil approved for the following school year to receive a student first scholarship and the amount of the student first scholarship for the pupil, as specified in the bill. Student first scholarships must be approved for each school year and applications must be submitted each year.

The bill creates a student first scholarship fund in the state treasury under the control of the department of education consisting of moneys appropriated to the department of education for the purpose of providing student first scholarships. For the fiscal year commencing July 1, 2022, and each succeeding fiscal year, the bill appropriates from the general fund of the state to the department of education for deposit in the fund the amount necessary to pay all student first scholarships approved for that fiscal year. For each
1 pupil approved for a student first scholarship, the department
2 of education must establish an account for that pupil in the
3 student first scholarship fund. The amount of the pupil’s
4 student first scholarship is deposited into the pupil’s account
5 on July 1 and such amount is available for use by parents and
6 guardians for the payment of qualified educational expenses, as
7 defined in the bill, incurred by the parent or guardian for the
8 pupil during that fiscal year.
9 The bill authorizes the department of education to contract
10 with a private financial management firm to manage the student
11 first scholarship fund, in collaboration with the treasurer
12 of state, including providing for the disbursement of student
13 first scholarships in the form of an electronic debit card
14 or checks that are payable directly from the pupil’s account
15 within the fund.
16 The bill provides that moneys remaining in a pupil’s account
17 upon the conclusion of the fiscal year shall remain in the
18 pupil’s account in the student first scholarship fund for the
19 payment of qualified educational expenses in future fiscal
20 years during which the pupil participates in the program or for
21 higher education costs as authorized in the bill.
22 Under the bill, for each pupil with a positive balance in
23 the pupil’s account in the student first scholarship fund upon
24 graduation from high school, the department of education is
25 required to maintain the account in the fund until the pupil
26 reaches an age specified in the bill. Until the pupil reaches
27 the age limitation, moneys in the pupil’s account may be used
28 by the pupil for qualified education expenses, as defined in
29 Code section 12D.1. Moneys in a pupil’s account when the pupil
30 reaches the age limitation are transferred by the department of
31 education for deposit in the general fund of the state.
32 The bill establishes procedures for parent or guardian
33 appeals to the state board of education and provides that a
34 person who makes a false claim for the purpose of obtaining
35 a student first scholarship or who knowingly receives the
1 scholarship or makes a payment from an account in the student
2 first scholarship fund without being legally entitled to do so
3 is guilty of a fraudulent practice and is subject to a criminal
4 penalty. The bill directs the department of education to
5 recover scholarships and amounts improperly awarded or paid
6 and requires the closure of the pupil’s account and transfer
7 of all remaining moneys to the general fund of the state. The
8 bill also establishes requirements and procedures for parents
9 or guardians and for the department of education when a pupil
10 receiving a student first scholarship withdraws or is expelled
11 from the nonpublic school prior to the end of the required
12 attendance period of the school year, including requirements
13 for disposition of the pupil’s account within the student first
14 scholarship fund and recovery of scholarship funds.
15 Division I of the bill provides that a student first
16 scholarship received by a taxpayer is not taxable income for
17 purposes of state individual income taxation. This provision
18 of the bill applies to tax years beginning on or after January
19 1, 2022.
20 The section of the bill enacting the student first
21 scholarship program applies to school budget years and fiscal
22 years beginning on or after July 1, 2022.
23 Division II of the bill establishes a new charter school
24 program within the state under new Code chapter 256E and
25 prohibits new charter schools from being established on or
26 after July 1, 2021, under the existing charter school program,
27 Code chapter 256F. Charter schools established under Code
28 chapter 256F prior to July 1, 2021, shall continue to operate
29 under and be subject to the requirements of that Code chapter.
30 The bill creates two models by which a charter school may
31 be established: (1) school board-state board model, under
32 which a school board may create a founding group to apply to
33 the state board of education (state board) for approval to
34 establish and operate a charter school within and as a part of
35 the school district by establishing a new attendance center,
creating a new school within an existing attendance center, or converting an existing attendance center; and (2) founding group-state board model, under which a founding group may apply to the state board for approval to establish and operate a charter school within the boundaries of the state that operates independently from any public school district as a new attendance center.

The bill defines “founding group” to mean a person, group of persons, or education service provider that develops and submits an application for a charter school to the state board. The bill defines “governing board” to mean the independent board of a charter school whose members are elected or selected pursuant to the charter school’s application and charter school contract.

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

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

After approval of the charter school application, the applicant and the state board must execute a charter school contract setting forth the operational performance expectations.
and measures by which the charter school will be evaluated. An initial charter school contract shall be granted for a term of 10 school budget years. The contract may provide for requirements or conditions to govern and monitor the start-up progress of an approved charter school prior to the opening of the charter school including but not limited to conditions to ensure that the charter school meets all building, health, safety, insurance, and other legal requirements.

A charter school established under the bill has all the powers necessary for carrying out the terms of the charter school contract including those powers specified in the bill. A charter school established under the bill is exempt from all state statutes and rules and any local rule, regulation, or policy applicable to a noncharter school, except that the charter school shall do all of the following: (1) meet all applicable federal, state, and local health and safety requirements and laws prohibiting discrimination on the basis of race, creed, color, sex, sexual orientation, gender identity, national origin, religion, ancestry, or disability; (2) operate as a nonsectarian, nonreligious school; (3) be free of tuition and application fees to Iowa resident students between the ages of 5 and 21 years; (4) be subject to and comply with Code chapters 216 and 216A relating to civil and human rights; (5) provide special education services in accordance with Code chapter 256B; (6) be subject to the same financial audits, audit procedures, and audit requirements as a school district; (7) be subject to and comply with the provisions of Code chapter 285 relating to the transportation of students; (8) be subject to and comply with the education program and testing requirements of Code section 256.7(21) and the educational standards of Code section 256.11, unless waived by the state board during the application process; and (9) provide instruction for at least the number of days or hours required by Code section 279.10(1), unless waived by the state board during the application process.
The bill requires a charter school to employ or contract with teachers who hold a valid license with an endorsement for the type of instruction or service for which the teacher is employed or under contract and establishes requirements for charter schools relating to enrollment and admissions policies. Upon enrollment of an eligible student, the charter school is required to notify the public school district of residence. Each student enrolled in a charter school established under the bill shall be counted, for state school foundation purposes, in the student's district of residence. The school district of residence is then required to pay to the charter school in which the student is enrolled an amount equal to the sum of the state cost per pupil for the previous school year plus the teacher leadership supplement state cost per pupil for the previous school year plus any moneys received for the pupil as a result of the non-English speaking weighting for the previous school year multiplied by the state cost per pupil for the previous school year. If a student is an eligible pupil under the postsecondary enrollment options program, the charter school shall pay the tuition reimbursement amount to an eligible postsecondary institution. The bill also establishes provisions governing the payments to charter schools in the first year of operation. The bill establishes requirements for the performance provisions within the charter school contract that will guide the evaluation of the charter school by the state board. The state board is required to monitor the performance and compliance of each charter school it approves, including collecting and analyzing data according to the charter school contract in order to meet the requirements of the charter school contract and the bill. As part of the charter school contract, the charter school may be required to submit an annual report to assist the state board in evaluating the charter school's performance and compliance with the performance framework.
The bill also establishes provisions to govern situations where a charter school's performance under the charter school contract or compliance with applicable laws or rules is unsatisfactory, including the authority to take appropriate corrective actions, impose sanctions, or revoke the contract. A charter school contract may be renewed for periods of time not to exceed an additional 10 years. The bill also establishes provisions that govern the renewal process for a charter school contract, including standards under which the state board must operate when reviewing a charter school contract renewal application.

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

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

Division III of the bill eliminates implementation of a voluntary diversity plan as a reason to deny open enrollment of a pupil.

Under current law, a school district subject to a voluntary diversity plan or court-ordered desegregation may deny a request for open enrollment of a pupil from one district to another if the superintendent finds that the enrollment or
release of the pupil will adversely affect the district’s implementation of the voluntary diversity plan or court-ordered desegregation.

The bill further eliminates provisions directing the state board of education to adopt rules establishing definitions, guidelines, and a review process that school districts must follow when adopting a voluntary diversity plan and provisions requiring the department of education to provide technical assistance to school districts seeking to adopt a voluntary diversity plan.

The bill makes conforming changes and strikes obsolete language.

Division IV of the bill modifies and consolidates language regarding electronic data and information duties of the director of the department of education. Under the bill, the director is required to approve, coordinate, and supervise the use of electronic data and information processing by school districts, area education agencies, and merged areas, including the procurement or development of a single, comprehensive, statewide, student information system that is required to be used by all school districts, accredited nonpublic schools, and area education agencies. The student information system procured or developed must be designed for the purpose of establishing standardized electronic data collections and reporting protocols that facilitate compliance with state and federal reporting requirements, improve school-to-school and district-to-district information exchanges, and maintain the confidentiality of individual student and staff data.

The department of education is required to pay for the procurement or development of the student information system and shall pay for at least the first year of statewide implementation, after which the cost of operating the system may be funded through the collection of a fee by the department from each school district and accredited nonpublic school. The amount of the fee shall be based on a per-student rate, not to
exceed $7 per student for the first year of the fee.

Division IV also requires the state board of education
to establish a flexible student and school support program
to be administered by the director of the department of
education. Under such program, upon request of the board of
directors of a public school district or the authorities in
charge of an accredited nonpublic school, the director may,
for a period not to exceed three years, grant the applicable
board of directors or the authority in charge of the nonpublic
school the ability to use the flexible student and school
support program to implement evidence-based practices in
innovative ways to enhance student learning, well-being, and
postsecondary success. Approval to participate in the flexible
student and school support program shall exempt the school
district or nonpublic school from one or more requirements of
the educational program specified in the bill or the minimum
school calendar requirements in Code section 279.10. An
exemption shall be granted only if the director deems that the
request made is an essential part of an educational program
to support student learning, well-being, and postsecondary
success; is necessary for the success of the program; and
is broadly consistent with the intent of the requirements
of the educational program or the minimum school calendar
requirements.

Approval to participate in the flexible student and school
support program also includes the authority for a school
district to use funds from the school district's flexibility
account under Code section 298A.2(2) to implement all or part
of the flexible student and school support program. The bill
also establishes requirements relating to program applications,
renewal of participation in the program, and revocation of
participation in the program.

Division IV of the bill also authorizes school districts to
transfer unexpended and unobligated teacher salary supplement
funding under Code section 257.10(9) and teacher leadership
salary supplement funding under Code section 257.10(12) to
the school district's flexibility account under Code section
298A.2(2).
Currently, a taxpayer receives the tuition and textbook
tax credit for each dependent of the taxpayer attending an
accredited private elementary or secondary school equal to
25 percent of the first $1,000 which the taxpayer has paid
to others for the tuition and textbooks of each dependent in
attendance at such a school.

Division V of the bill allows a taxpayer to receive
the tuition and textbook tax credit for the tuition and
textbooks of each dependent of the taxpayer receiving private
instruction. The bill defines "private instruction" to mean a
student receiving independent private instruction as defined in
Code section 299A.1(2)(b), competent private instruction under
Code section 299A.2, or private instruction by a nonlicensed
person under Code section 299A.3.
The bill also increases the tuition and textbook tax credit
to equal 50 percent of the first $2,000 for the tuition and
textbooks of each dependent receiving private instruction or in
attendance in grades kindergarten through 12. The bill makes
the tax credit refundable.
Division V also provides that a taxpayer that is an eligible
educator is allowed to deduct certain expenses of elementary
and secondary school teachers as described under section
62(a)(2)(D) of the Internal Revenue Code in computing net
income for state tax purposes, not to exceed $500.
Division V of the bill takes effect upon enactment and
applies retroactively to January 1, 2021, for tax years
beginning on or after that date.

Code section 257.6(1)(a) provides that each school
district's actual enrollment is determined annually on October
1, or the first Monday in October if October 1 falls on a
Saturday or Sunday. Division VI of the bill amends methodology
for determining the actual enrollment each year. Under the
1 bill, actual enrollment is determined annually by calculating
2 the average of the count on October 1, or the first Monday
3 in October if October 1 falls on a Saturday or Sunday,
4 and the count on April 1 immediately preceding the October
5 determination, or the first Monday in April if April 1 falls
6 on a Saturday or Sunday.
7 Division VI makes similar changes to the provisions of
8 Code section 257.6 governing the calculation of each school
9 district’s additional enrollment because of special education
10 and each school district’s pupils added due to application
11 of supplementary weighting, by requiring an average of such
12 amounts determined on two specified dates.
13 Division VI makes corresponding changes to other provisions
14 of law.
15 Division VI of the bill takes effect upon enactment and
16 applies to actual enrollment determinations for school budget
17 years beginning on or after the effective date of division VI
18 of the bill.
19 Division VII modifies several provisions relating to Iowa’s
20 open enrollment law under Code section 282.18.
21 Under current law, good cause must be shown for failing to
22 file an open enrollment request after the March 1 deadline
23 preceding the school year. The bill adds the determination
24 that the child’s assigned attendance center in the district of
25 residence is identified as in significant need for improvement,
26 as defined in the bill, to the definition of “good cause” and
27 specifies that notifications of good cause based on significant
28 need for improvement must be filed on or before April 15.
29 Under Code section 282.18(5), open enrollment applications
30 filed after March 1 of the preceding school year that do not
31 qualify for good cause are subject to the approval of the
32 board of the resident district and the board of the receiving
33 district. The bill provides that a district’s denial of
34 an application that involves a consistent failure of the
35 district to reasonably respond to a student’s failure to meet
basic standards is subject to appeal to the state board of education under Code section 290.1. The bill also requires the state board of education to adopt by rule the criteria for determining a consistent failure to respond to academic needs. Under Code section 282.18(10)(b), a receiving district may send school vehicles into the district of residence of the pupil using the open enrollment option under this Code section, for the purpose of transporting the pupil to and from school in the receiving district, if the boards of both the sending and receiving districts agree to this arrangement. The bill modifies this authority to send school vehicles into a district of residence by striking the condition that both school boards agree and instead authorizes such action if the districts are contiguous.

Under Code section 282.18(10)(b), if a pupil meets the economic eligibility requirements established by the department of education and state board of education, the sending district is responsible for providing transportation or paying the pro rata cost of the transportation to a parent or guardian for transporting the pupil to and from a point on a regular school bus route of a contiguous receiving district unless the cost of providing transportation or the pro rata cost of the transportation to a parent or guardian exceeds the average transportation cost per pupil transported for the previous school year in the district. If the cost exceeds the average transportation cost per pupil transported for the previous school year, the sending district shall only be responsible for that average per pupil amount. The bill removes the condition for the receiving district to be contiguous and establishes minimum standards for the economic eligibility requirements established by the department and state board of education. The bill also modifies conditions for a sending district to withhold certain amounts payable to the receiving district when the sending district provides transportation for a pupil.

Code section 282.18(11)(a) generally provides that a pupil
who participates in open enrollment for purposes of attending a grade in grades 9 through 12 in a school district other than the district of residence is ineligible to participate in varsity interscholastic athletic contests and athletic competitions during the pupil's first 90 school days of enrollment in the district. Additionally, under Code section 282.18(11)(b), a pupil who has paid tuition and attended school, or has attended school pursuant to a mutual agreement between the two districts, in a district other than the pupil's district of residence for at least one school year, is also eligible to participate immediately in interscholastic athletic contests and athletic competitions. The bill removes the 90-day restriction and the one-year restriction and provides that a pupil who participates in open enrollment or who has paid tuition and attended school, or has attended school pursuant to a mutual agreement between the two districts in a district other than the pupil's district of residence, may participate immediately in interscholastic athletic contests and athletic competitions upon enrollment in the district. Division VIII amends Code section 279.1 to specify that a school corporation is entrusted with public funds for the purpose of improving student outcomes, including but not limited to student academic achievement and skill proficiency, and the board of directors of the school corporation is responsible for overseeing such improvement.