

**House File 2543 - Introduced**

HOUSE FILE 2543  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 673)

**A BILL FOR**

1 An Act relating to education by establishing a right of  
2 first refusal for charter schools to purchase or lease  
3 school district property and modifying charter school and  
4 open enrollment funding, and charter school board member  
5 requirements.

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

DIVISION I

FUNDING FORMULA

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2  
3 Section 1. Section 256E.8, subsection 2, paragraph a, Code  
4 2024, is amended to read as follows:

5 a. The charter school in which the student is enrolled  
6 shall receive under paragraph "c" an amount equal to the sum  
7 of the regular program state cost per pupil for the previous  
8 ~~school~~ budget year plus the teacher leadership supplement state  
9 cost per pupil, the teacher salary supplement cost per pupil,  
10 the professional development supplement state cost per pupil,  
11 and the early intervention supplement state cost per pupil  
12 for the previous fiscal budget year as provided in section  
13 257.9 plus any moneys received by that would be due to the  
14 school district of residence for the student as a result of the  
15 non-English speaking weighting under section 280.4, subsection  
16 3, for the previous school budget year multiplied by the state  
17 cost per pupil for the previous budget year. If a student is  
18 an eligible pupil under section 261E.6, the charter school  
19 shall pay the tuition reimbursement amount to an eligible  
20 postsecondary institution as provided in section 261E.7.

21 Sec. 2. Section 282.18, subsection 5, paragraph b,  
22 subparagraph (1), Code 2024, is amended to read as follows:

23 (1) The board of directors of the district of residence  
24 shall pay to the receiving district the sum of the state cost  
25 per pupil for the previous school budget year plus either the  
26 teacher leadership supplement state cost per pupil, the teacher  
27 salary supplement cost per pupil, the professional development  
28 supplement state cost per pupil, and the early intervention  
29 supplement state cost per pupil for the previous fiscal budget  
30 year as provided in section 257.9 or the teacher leadership  
31 supplement foundation aid for the previous fiscal year as  
32 provided in section 284.13, subsection 1, paragraph "d", if  
33 both the district of residence and the receiving district are  
34 receiving such supplements, plus any moneys received that would  
35 be due to the school district of residence for the pupil as

1 a result of the non-English speaking weighting under section  
2 280.4, subsection 3, for the ~~previous school~~ budget year  
3 multiplied by the state cost per pupil for the ~~previous~~ budget  
4 year. If the pupil participating in open enrollment is also  
5 an eligible pupil under [section 261E.6](#), the receiving district  
6 shall pay the tuition reimbursement amount to an eligible  
7 postsecondary institution as provided in [section 261E.7](#).

8 DIVISION II

9 SCHOOL DISTRICT PROPERTY

10 Sec. 3. Section 256E.7, subsection 1, Code 2024, is amended  
11 by adding the following new paragraphs:

12 NEW PARAGRAPH. *j.* Purchase or lease underutilized property  
13 or vacant property pursuant to a right of first refusal granted  
14 by the board of directors of a school district under section  
15 297.24, subsection 3.

16 NEW PARAGRAPH. *k.* Access underutilized property or vacant  
17 property owned by a school district pursuant to section 279.39,  
18 subsection 2.

19 Sec. 4. Section 278.1, subsection 1, paragraph b, Code 2024,  
20 is amended to read as follows:

21 *b.* Except when restricted by [section 297.24 or 297.25](#),  
22 direct the sale, lease, or other disposition of any schoolhouse  
23 or school site or other property belonging to the corporation,  
24 and the application to be made of the proceeds thereof.

25 However, ~~nothing in~~ [this section](#) shall not be construed  
26 to prevent the sale, lease, exchange, gift, or grant and  
27 acceptance of any interest in real or other property of the  
28 corporation to the extent authorized in [section 297.22 or](#)  
29 [297.24](#).

30 Sec. 5. Section 279.39, Code 2024, is amended to read as  
31 follows:

32 **279.39 School buildings — reasonable access for charter**  
33 **schools.**

34 1. The board of ~~any school corporation~~ directors of a  
35 school district shall establish attendance centers and provide

1 suitable buildings for each school in the district and may  
2 at the regular or a special meeting resolve to submit to the  
3 registered voters of the district at an election held on a date  
4 specified in [section 39.2, subsection 4](#), the question of voting  
5 a tax or authorizing the board to issue bonds, or both.

6 2. The board of directors of a school district shall allow  
7 charter schools established under chapter 256E reasonable  
8 access to underutilized property and vacant property, as those  
9 terms are defined in section 297.24, for educational purposes.

10 Sec. 6. Section 297.22, Code 2024, is amended by adding the  
11 following new subsection:

12 NEW SUBSECTION. 4. The provisions in subsections 1 through  
13 3 relating to the sale or lease of school district property do  
14 not apply to underutilized property or vacant property that the  
15 board of directors of a school district sells or leases to a  
16 charter school pursuant to section 297.24.

17 Sec. 7. NEW SECTION. **297.23 Publication of information**  
18 **related to real property.**

19 The board of directors of a school district shall publish  
20 information related to all of the following on the school  
21 district's internet site:

22 1. The square footage of each school building owned by the  
23 school district.

24 2. The enrollment capacity of each attendance center owned  
25 by the school district.

26 3. How each school building owned by the school district is  
27 currently utilized by the school district.

28 4. School buildings owned by the school district that are  
29 vacant.

30 Sec. 8. NEW SECTION. **297.24 Real property — sale to other**  
31 **schools — right of first refusal for charter schools.**

32 1. For purposes of this section:

33 *a. "Underutilized property"* means real property owned by  
34 the school district that the school district has determined is  
35 not being used to the fullest extent reasonably possible by

1 the school district because the school district uses the real  
2 property irregularly or intermittently or because the school  
3 district uses the real property for purposes that only require  
4 a portion of the real property.

5 *b. "Vacant property"* means real property owned by the  
6 school district that the school district has determined is not  
7 occupied by the school district or is not being put to use by  
8 the school district.

9 2. The board of directors of a school district shall not  
10 enter into any agreement that prohibits the sale of real  
11 property to any of the following:

12 *a.* A school district.

13 *b.* An accredited nonpublic school.

14 *c.* A charter school established pursuant to chapter 256E.

15 *d.* A charter school or innovation zone school established  
16 pursuant to chapter 256F.

17 *e.* The state board of regents.

18 *f.* An institution of higher education under the control of  
19 the state board of regents.

20 *g.* An accredited private institution as defined in section  
21 256.183.

22 *h.* An eligible institution as defined in section 256.183.

23 3. The board of directors of a school district shall  
24 give a right of first refusal to an existing charter school  
25 established pursuant to chapter 256E that is located within the  
26 school district to purchase or lease underutilized property and  
27 vacant property that the school district is offering to sell or  
28 lease.

29 4. Subsection 3 shall be construed as independent of  
30 the power vested in the electors by section 278.1, and as  
31 additional to such power. If a board of directors of a  
32 school district has exercised its independent power under  
33 subsection 3 regarding the granting of a right of first  
34 refusal to an existing charter school established pursuant to  
35 chapter 256E that is located within the school district to

1 purchase or lease underutilized property or vacant property,  
2 and has by resolution approved such action, the electors  
3 shall not subsequently proceed to exercise their power under  
4 section 278.1 for a purpose directly contrary to the action  
5 previously approved by the board of directors in accordance  
6 with subsection 3.

7 Sec. 9. IMPLEMENTATION OF ACT. Section 25B.2, subsection 3,  
8 shall not apply to this division of this Act.

9

DIVISION III

10

CHARTER SCHOOLS — BOARD MEMBER RESIDENCE

11 Sec. 10. Section 256E.7, subsection 11, Code 2024, is  
12 amended to read as follows:

13 11. A majority of the membership of each charter school's  
14 governing board shall be residents of the geographic area  
15 served by the charter school. ~~Each member of the governing~~  
16 ~~board who is not a resident of the geographic area served by~~  
17 ~~the charter school must be a resident of this state.~~

18

EXPLANATION

19

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

21 This bill relates to education by establishing a right  
22 of first refusal for charter schools to purchase or lease  
23 school district property and modifying charter school and  
24 open enrollment funding, and charter school board member  
25 requirements.

26 DIVISION I — FUNDING FORMULA. The bill requires the  
27 department of education, when a student enrolls in a charter  
28 school, to pay the charter school a sum equal to the regular  
29 program state cost per pupil for the budget year plus the  
30 teacher leadership supplement state cost per pupil, the teacher  
31 salary supplement cost per pupil, the professional development  
32 supplement state cost per pupil, and the early intervention  
33 supplement state cost per pupil for the budget year, plus any  
34 moneys that would be due to the student's school district of  
35 residence as a result of non-English speaking weighting for the

1 budget year, multiplied by the state cost per pupil for the  
2 budget year. Under current law, the department of education  
3 only pays the state cost per pupil, teacher leadership  
4 supplement, and non-English speaking weighting based on the  
5 previous year as multiplied by the state cost per pupil based  
6 on the previous year to a charter school in which a student  
7 enrolls. The bill contains similar provisions for a school  
8 district of residence's payments to a school in which a pupil  
9 open enrolls.

10 DIVISION II — SCHOOL DISTRICT PROPERTY. The bill requires  
11 the board of directors of a school district to allow charter  
12 schools reasonable access to underutilized property and vacant  
13 property for educational purposes. The bill also requires the  
14 board of directors of a school district to publish information  
15 related to the square footage of each school building owned by  
16 the school district, the enrollment capacity of each attendance  
17 center owned by the school district, how each school building  
18 owned by the school district is currently utilized by the  
19 school district, and school buildings owned by the school  
20 district that are vacant on the school district's internet  
21 site.

22 The bill prohibits the board of directors of a school  
23 district from entering into any agreement that prohibits the  
24 sale of real property to a school district, an accredited  
25 nonpublic school, a charter school, an innovation zone school,  
26 the state board of regents, an institution of higher education  
27 under the control of the state board of regents, or certain  
28 private colleges and universities.

29 The bill requires the board of directors of a school district  
30 to give a right of first refusal to an existing charter school  
31 established pursuant to Code chapter 256E that is located  
32 within the school district to purchase or lease underutilized  
33 property and vacant property. The bill provides that this  
34 provision is to be construed as independent of the power vested  
35 in the electors by Code section 278.1 (power of electors), and

1 as additional to such power. The bill also provides that if  
2 a board of directors of a school district has exercised its  
3 independent power under this provision, and has by resolution  
4 approved such action, the electors shall not subsequently  
5 proceed to exercise their power under Code section 278.1 for  
6 a purpose directly contrary to the action previously approved  
7 by the board of directors. The bill defines "underutilized  
8 property" as real property owned by the school district that  
9 the school district has determined is not being used to the  
10 fullest extent reasonably possible by the school district  
11 because the school district uses the real property irregularly  
12 or intermittently or because the school district uses the real  
13 property for purposes that only require a portion of the real  
14 property. The bill defines "vacant property" as real property  
15 owned by the school district that the school district has  
16 determined is not occupied by the school district or is not  
17 being put to use by the school district.

18 The division may include a state mandate as defined in Code  
19 section 25B.3. The division makes inapplicable Code section  
20 25B.2, subsection 3, which would relieve a school district  
21 from complying with a state mandate if funding for the cost of  
22 the state mandate is not provided or specified. Therefore,  
23 school districts are required to comply with any state mandate  
24 included in the division.

25 DIVISION III — CHARTER SCHOOLS — BOARD MEMBER RESIDENCE.  
26 Current law provides that each member of the governing board  
27 of a charter school established under Code chapter 256E who is  
28 not a resident of the geographic area served by the charter  
29 school must be a resident of this state. The bill strikes this  
30 provision.