

House File 2612 - Introduced

HOUSE FILE 2612
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 713)

A BILL FOR

1 An Act relating to area education agencies, including
2 modifying provisions related to the duties and powers of
3 area education agencies, oversight by the department of
4 education, funding, shared operational functions, and
5 establishing a task force related to area education agency
6 property and operations, and including effective date and
7 applicability provisions.

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

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

DIVISION I

DIVISION OF SPECIAL EDUCATION OF THE DEPARTMENT OF EDUCATION

Section 1. Section 256B.3, Code 2024, is amended by adding the following new subsection:

NEW SUBSECTION. 15A. Beginning July 1, 2025, oversee the operation of each area education agency to ensure the area education agency complies with all applicable federal and state laws related to special education.

Sec. 2. DIVISION OF SPECIAL EDUCATION — EMPLOYEES. From July 1, 2024, to June 30, 2025, the division of special education of the department of education shall do all of the following:

1. Devote at least thirteen full-time equivalent positions within the department of education's location in the city of Des Moines to oversight of the area education agencies, including the accreditation of area education agencies under section 273.10.

a. At least one of the full-time equivalent positions shall be an administrator.

b. At least one of the full-time equivalent positions shall be a bureau chief of special education.

c. At least one of the full-time equivalent positions shall be a liaison for accredited nonpublic schools.

d. At least one of the full-time equivalent positions shall be an employee whose primary job duties relate to the child find process for special education.

e. At least one of the full-time equivalent positions shall be an employee whose primary job duties relate to best practices concerning the development and implementation of individualized education programs.

f. At least five of the full-time equivalent positions shall be devoted to the accreditation of area education agencies.

2. Devote five full-time equivalent positions within the main office of each area education agency to ensure the area education agency complies with all applicable federal and state

1 laws related to special education and to review the services
2 provided by the area education agency.

3

DIVISION II

4

AREA EDUCATION AGENCIES — GENERAL PROVISIONS

5

Sec. 3. Section 273.2, subsections 1 and 3, Code 2024, are
6 amended to read as follows:

7 1. There are established throughout the state fifteen
8 area education agencies, each of which is ~~governed by an~~
9 ~~area education agency board of directors~~ under the general
10 supervision of the director, except as otherwise provided
11 in this chapter. Each area education agency shall have an
12 area education agency board of directors that shall serve in
13 an advisory capacity. The boundaries of an area education
14 agency shall not divide a school district. The director of
15 the department of education shall change boundaries of area
16 education agencies to take into account mergers of local school
17 districts and changes in boundaries of local school districts,
18 when necessary to maintain the policy of [this chapter](#) that a
19 local school district shall not be a part of more than one area
20 education agency.

21 3. a. The area education agency board shall furnish
22 educational services and programs as provided in [section 273.1](#),
23 this section, [sections 273.3 through 273.8](#), and [chapter 256B](#)
24 to the pupils enrolled in public or nonpublic schools ~~located~~
25 ~~within its boundaries~~ which are on the list of accredited
26 schools pursuant to [section 256.11](#), which request to receive
27 such services. The programs and services provided shall be
28 at least commensurate with programs and services existing on
29 July 1, 1974. The programs and services provided to pupils
30 enrolled in nonpublic schools shall be comparable to programs
31 and services provided to pupils enrolled in public schools
32 within constitutional guidelines.

33 b. The area education agencies may furnish evidence-based
34 professional development services to public or nonpublic
35 schools located within its boundaries which are on the list of

1 accredited schools pursuant to section 256.11, subject to the
2 approval of the director of the department of education.

3 Sec. 4. Section 273.3, subsections 1, 11, and 12, Code 2024,
4 are amended to read as follows:

5 1. ~~Determine the policies of~~ Advise and consult with the
6 area education agency on policies and procedures for providing
7 programs and services.

8 11. Employ personnel to carry out the functions of the
9 area education agency which shall include the employment
10 of an administrator who shall possess a license issued
11 ~~under chapter 256, subchapter VII, part 3~~ by the board of
12 educational examiners and, beginning July 1, 2025, either
13 a teaching license with a special education endorsement or
14 a special education support personnel authorization. The
15 administrator shall be employed pursuant to [section 279.20](#)
16 and [sections 279.23, 279.24, and 279.25](#). The salary for an
17 area education agency administrator shall be established by
18 the board based upon the previous experience and education
19 of the administrator; provided, however, that the salary for
20 an area education agency administrator shall not exceed the
21 average salary of all superintendents of the school districts
22 that are located within the boundaries of the area education
23 agency. [Section 279.13](#) applies to the area education agency
24 board and to all teachers employed by the area education
25 agency. [Sections 279.23, 279.24, and 279.25](#) apply to the area
26 education board and to all administrators employed by the area
27 education agency. [Section 279.69](#) applies to the area education
28 agency board and employees of the board, including part-time,
29 substitute, or contract employees, who provide services to a
30 school or school district.

31 12. Prepare an annual budget estimating income and
32 expenditures for programs and services as provided in sections
33 [273.1, 273.2, this section, sections 273.4 through 273.8,](#)
34 and [chapter 256B](#) within the limits of funds provided under
35 [section 256B.9 and chapter 257.](#) The board shall ~~post notice~~

1 ~~of a public hearing on~~ submit the proposed budget ~~on the area~~
2 ~~education agency's internet site and by publication in the~~
3 ~~newspaper of general circulation in the territory of the area~~
4 ~~education agency in which the principal place of business of~~
5 ~~a school district that is a part of the area education agency~~
6 ~~is located~~ to the director of the department of education for
7 approval not later than March 1 of each year. ~~The notice shall~~
8 ~~specify the date, which shall be not later than March 1 of~~
9 ~~each year, the time, and the location of the public hearing.~~
10 The proposed budget as approved by the ~~board~~ director of the
11 department of education shall then be submitted to the state
12 board of education, on forms provided by the department,
13 no later than March 15 preceding the next fiscal year for
14 approval. The state board shall review the proposed budget of
15 each area education agency and shall before May 1, either grant
16 approval or return the budget without approval with comments
17 of the state board included. An unapproved budget shall be
18 resubmitted to the state board for final approval not later
19 than May 15. The state board shall give final approval only to
20 budgets submitted by area education agencies accredited by the
21 state board or that have been given conditional accreditation
22 by the state board.

23 Sec. 5. Section 273.10, subsection 6, Code 2024, is amended
24 to read as follows:

25 6. a. If the deficiencies in an area education program have
26 not been corrected, the ~~agency board~~ director of the department
27 of education shall take one of the following actions within
28 sixty days from removal of accreditation:

29 (1) Merge the deficient program with a program from another
30 accredited area education agency.

31 (2) Contract with another area education agency or other
32 public educational institution for purposes of program
33 delivery.

34 b. The rules developed by the state board of education for
35 the accreditation process shall include provisions for removal

1 of accreditation, including provisions for proper notice to the
2 administrator of the area education agency, each member of the
3 board of directors of the area education agency, the department
4 of education, and the superintendents and administrators of the
5 schools of the districts served by the area education agency.

6 Sec. 6. Section 273.11, Code 2024, is amended to read as
7 follows:

8 **273.11 Standards for accrediting area education programs.**

9 1. The state board of education, in consultation with the
10 department of education, shall develop standards and rules
11 for the accreditation of area education agencies. Standards
12 shall be general in nature, but at a minimum shall identify
13 requirements addressing the services provided by each division,
14 as well as identifying indicators of quality that will permit
15 area education agencies, school districts, the division of
16 special education of the department of education, and the
17 general public to judge accurately the effectiveness of area
18 education agency services.

19 2. Standards developed shall include, but are not limited
20 to, the following:

21 a. Support for school-community planning, including a means
22 of assessing needs, developing collaborative relationships
23 among community agencies, establishing shared direction, and
24 implementing program plans and reporting progress toward goals
25 for students with disabilities.

26 b. ~~Professional~~ Evidence-based professional development
27 programs that respond to current needs.

28 c. Support for curriculum development, instruction, and
29 assessment ~~for~~ services that address the areas of reading,
30 language arts, math, and science, using research-based
31 methodologies, for students with disabilities.

32 d. Special education compliance and support.

33 e. Management services, including financial reporting and
34 purchasing as requested and funded by local districts.

35 f. Support for instructional media services that supplement

1 and support local district media centers and services.

2 g. Support for school technology planning and staff
3 development for implementing instructional technologies.

4 h. A program and services evaluation and reporting system
5 related to special education.

6 i. Support for school district libraries in accordance with
7 section 273.2, subsection 4.

8 j. Support for early childhood service coordination for
9 families and children, age birth through three years, to
10 meet health, safety, and learning needs, including service
11 coordination.

12 k. Support for schools and school districts in analyzing
13 student achievement data related to the learning environment,
14 comparing data to the external knowledge base, and using that
15 information to guide schools and school districts in setting
16 goals and implementing actions to improve student learning for
17 students with disabilities.

18 l. Support for addressing the diverse learning needs of
19 all children and youths with disabilities who are eligible for
20 special education, including through services that include
21 direct services to students with disabilities.

22 m. Support for schools and school districts to ensure
23 compliance with rules adopted by the state board of education
24 related to special education.

25 n. Support necessary to implement effective instruction
26 for all students with disabilities through school technology
27 services.

28 o. Support for students using educational programs and
29 services in a manner that is consistent with the educational
30 standards established pursuant to section 256.11.

31 p. Support for staff development and adult learners
32 utilizing evidence-based professional development in a manner
33 that meets the professional needs of staff and adult learners
34 consistent with standards adopted by the state board of
35 education.

1 g. Compliance with all relevant federal and state laws
2 in the provision of services and supports to students with
3 disabilities.

4 Sec. 7. AREA EDUCATION AGENCY — TASK FORCE.

5 1. The majority leader of the senate, the minority leader
6 of the senate, the speaker of the house of representatives,
7 and the minority leader of the house of representatives shall
8 convene an area education agency task force that shall study
9 and make recommendations related to all of the following:

10 a. The real property and facilities utilized by each area
11 education agency.

12 b. The media services, educational services, and special
13 education services provided by each area education agency.

14 c. What services area education agencies should provide.

15 d. Current accountability measures applicable to area
16 education agencies.

17 e. The special education services provided by the division
18 of special education of the department of education, area
19 education agencies, and school districts.

20 f. The overall organizational structure that determines how
21 special education services are provided to students in this
22 state.

23 g. How the operation of area education agencies is overseen.

24 h. The accreditation standards related to area education
25 agencies.

26 i. A timeline for modifications to the staffing numbers of
27 area education agencies and the transition of responsibilities
28 related to the oversight of area education agencies.

29 2. The task force shall consist of the following members:

30 a. Not more than three members who are appointed by the
31 majority leader of the senate and who are not members of the
32 general assembly.

33 b. Not more than two members who are appointed by the
34 minority leader of the senate and who are not members of the
35 general assembly.

1 c. Not more than three members who are appointed by the
2 speaker of the house of representatives and who are not members
3 of the general assembly.

4 d. Not more than two members who are appointed by the
5 minority leader of the house of representatives and who are not
6 members of the general assembly.

7 3. Any expenses incurred by a member of the task force
8 shall be the responsibility of the individual member or the
9 respective entity represented by the member.

10 4. The task force shall submit its findings and
11 recommendations to the general assembly on or before December
12 31, 2024.

13 Sec. 8. EFFECTIVE DATE. The following take effect July 1,
14 2025:

15 1. The portion of the section of this division of this Act
16 amending section 273.2, subsection 1.

17 2. The portion of the section of this division of this Act
18 amending section 273.3, subsection 1.

19 Sec. 9. APPLICABILITY. The following applies to employment
20 agreements entered into or renewed between an area education
21 agency and an area education agency administrator on or after
22 July 1, 2024:

23 The portion of the section of this division of this Act
24 amending section 273.3, subsection 11.

25 DIVISION III

26 AREA EDUCATION AGENCIES — FUNDING

27 Sec. 10. Section 257.1, subsection 3, Code 2024, is amended
28 to read as follows:

29 3. *Computations rounded.* In making computations and
30 payments under [this chapter](#), except in the case of computations
31 relating to funding of special education support services,
32 media services, and educational services ~~provided through the~~
33 ~~area education agencies~~ under section 257.37, and the teacher
34 salary supplement, the professional development supplement,
35 the early intervention supplement, and the teacher leadership

1 supplement, the department of management shall round amounts to
2 the nearest whole dollar.

3 Sec. 11. Section 257.10, subsection 7, Code 2024, is amended
4 to read as follows:

5 7. *Special education support services district cost.* Special
6 education support services district cost for a school district
7 for a budget year is equal to the special education support
8 services district cost per pupil for the budget year multiplied
9 by the special education support services weighted enrollment
10 for the district for the budget year. If the special education
11 support services district cost for a school district for
12 a budget year is less than the special education support
13 services district cost for that district for the base year, the
14 department of management shall adjust the special education
15 support services district cost for that district for the budget
16 year to equal the special education support services district
17 cost for the base year. Funds calculated under this subsection
18 and received by a school district shall be used by the school
19 district for special education support services contracted from
20 an area education agency.

21 Sec. 12. Section 257.10, subsection 8, paragraph a, Code
22 2024, is amended to read as follows:

23 a. Combined district cost is the sum of the regular program
24 district cost per pupil multiplied by the weighted enrollment,
25 the special education support services district cost, the
26 total teacher salary supplement district cost, the total
27 professional development supplement district cost, the total
28 early intervention supplement district cost, and the total
29 teacher leadership supplement district cost, plus the sum of
30 the additional district cost allocated to the district to fund
31 media services and educational services ~~provided through the~~
32 ~~area education agency~~ under section 257.37, the area education
33 agency total teacher salary supplement district cost and the
34 area education agency total professional development supplement
35 district cost.

1 Sec. 13. Section 257.35, subsection 1, Code 2024, is amended
2 to read as follows:

3 1. a. (1) The For fiscal years beginning before July 1,
4 2025, the department of management shall deduct the amounts
5 calculated for special education support services, media
6 services, area education agency teacher salary supplement
7 district cost, area education agency professional development
8 supplement district cost, and educational services for each
9 school district from the state aid due to the district pursuant
10 to this chapter and shall pay the amounts to the respective
11 area education agencies on a monthly basis from September 15
12 through June 15 during each school year.

13 (2) (a) For the fiscal year beginning July 1, 2025, and
14 each fiscal year thereafter, the department of management shall
15 deduct the area education agency teacher salary supplement
16 district cost from the state aid due to each school district
17 pursuant to this chapter and shall pay the amounts to the
18 respective area education agencies on a monthly basis from
19 September 15 through June 15 during each school year.

20 (b) For the fiscal year beginning July 1, 2025, and each
21 fiscal year thereafter, the department of management shall
22 deduct the area education agency professional development
23 supplement district cost from the state aid due to each school
24 district pursuant to this chapter and shall pay the amounts
25 to the department of education to be used for evidence-based
26 professional development purposes.

27 b. The department of management shall notify each school
28 district of the amount of state aid deducted for these purposes
29 and the balance of state aid shall be paid to the district. If
30 a district does not qualify for state aid under this chapter
31 in an amount sufficient to cover its amount due to the area
32 education agency or the department of education as calculated
33 by the department of management, the school district shall pay
34 the deficiency to the area education agency or department of
35 education, as applicable, from other moneys received by the

1 district, on a quarterly basis during each school year.

2 Sec. 14. Section 257.36, subsection 1, Code 2024, is amended
3 to read as follows:

4 1. Notwithstanding [chapters 256B](#) and [273](#) and sections
5 of [this chapter](#) relating to the moneys available to school
6 districts and area education agencies for special education
7 support services, for each school year, the department of
8 education may direct the department of management to deduct
9 amounts from the portions of school district budgets that
10 fund special education support services in an area education
11 agency. The total amount deducted ~~in an area for a school~~
12 district shall be based upon excess special education support
13 services unreserved and undesignated fund balances in that
14 school district or paid by the school district to an area
15 education agency for a school year that remain unreserved and
16 undesignated as determined by the department of education. ~~The~~
17 ~~department of management shall determine the amount deducted~~
18 ~~from each school district in an area education agency on~~
19 ~~a proportional basis.~~ The department of management shall
20 determine from the amounts deducted from the portions of school
21 district budgets that fund area education agency special
22 education support services the amount that would have been
23 local property taxes and the amount that would have been state
24 aid and for the next following budget year shall increase the
25 district's total state school aid available under [this chapter](#)
26 for area education agency special education support services
27 and reduce the district's property tax levy for area education
28 agency special education support services by the amount
29 necessary for the property tax portion of the deductions made
30 under [this section](#) during the budget year.

31 Sec. 15. Section 257.37, Code 2024, is amended to read as
32 follows:

33 **257.37 Funding media and educational services.**

34 Media services and educational services provided by a school
35 district or through the area education ~~ageneies~~ agency shall be

1 funded, to the extent provided, by an addition to the combined
 2 district cost of each school district, determined as follows:

3 1. For the budget year beginning July 1, 1991, and
 4 succeeding budget years, the total amount funded in each area
 5 for media services shall be computed as provided in this
 6 subsection. For the budget year beginning July 1, 1991, the
 7 total amount funded in each area for media services in the base
 8 year shall be divided by the enrollment served in the base year
 9 to provide an area media services cost per pupil in the base
 10 year, and the department of management shall compute the state
 11 media services cost per pupil in the base year which is equal
 12 to the average of the area media services costs per pupil in
 13 the base year. For the budget year beginning July 1, 1991, and
 14 succeeding budget years, the department of management shall
 15 compute the supplemental state aid for media services in the
 16 budget year by multiplying the state media services cost per
 17 pupil in the base year times the state percent of growth for
 18 the budget year, and the total amount funded in each area for
 19 media services cost in the budget year equals the area media
 20 services cost per pupil in the base year plus the supplemental
 21 state aid for media services in the budget year times the
 22 enrollment served in the budget year. ~~Funds~~ For fiscal years
 23 beginning before July 1, 2025, funds shall be paid to area
 24 education agencies as provided in section 257.35. For fiscal
 25 years beginning on or after July 1, 2025, funds may be used by
 26 the school district for media services provided by the district
 27 or by contract through an area education agency. A school
 28 district may use unreserved fund balances for media services
 29 for special education support services.

30 ~~2. Up to thirty percent of the budget of an area for media~~
 31 ~~services may be expended for media resource material including~~
 32 ~~the purchase or replacement of material required in section~~
 33 ~~273.6, subsection 1. Funds shall be paid to area education~~
 34 ~~agencies as provided in section 257.35.~~

35 ~~3.~~ 2. For the budget year beginning July 1, 1991, and

1 succeeding budget years, the total amount funded in each area
 2 for educational services shall be computed as provided in this
 3 subsection. For the budget year beginning July 1, 1991, the
 4 total amount funded in each area for educational services
 5 in the base year shall be divided by the enrollment served
 6 in the area in the base year to provide an area educational
 7 services cost per pupil in the base year, and the department of
 8 management shall compute the state educational services cost
 9 per pupil in the base year, which is equal to the average of
 10 the area educational services costs per pupil in the base year.
 11 For the budget year beginning July 1, 1991, and succeeding
 12 budget years, the department of management shall compute the
 13 supplemental state aid for educational services by multiplying
 14 the state educational services cost per pupil in the base year
 15 times the state percent of growth for the budget year, and the
 16 total amount funded in each area for educational services for
 17 the budget year equals the area educational services cost per
 18 pupil for the base year plus the supplemental state aid for
 19 educational services in the budget year times the enrollment
 20 served in the area in the budget year. ~~Funds~~ For fiscal years
 21 beginning before July 1, 2025, funds shall be paid to area
 22 education agencies as provided in [section 257.35](#). For the
 23 fiscal year beginning July 1, 2025, funds shall be used by the
 24 school district for educational services contracted from an
 25 area education agency. For fiscal years beginning on or after
 26 July 1, 2026, funds may be used by the school district for
 27 educational services provided by the district or by contract
 28 through an area education agency. A school district may use
 29 unreserved fund balances for educational services for special
 30 education support services.

31 ~~4.~~ 3. *“Enrollment served”* means the basic enrollment of all
 32 school districts within the boundaries of the area education
 33 agency plus the number of nonpublic school pupils served by
 34 the area education agency with media services or educational
 35 services, as applicable, except that if a nonpublic school

1 pupil or a pupil attending another district under a whole grade
2 sharing agreement or open enrollment receives services through
3 an area other than the area of the pupil's residence, the
4 pupil shall be deemed to be served by the area of the pupil's
5 residence, which shall by contractual arrangement reimburse
6 the area through which the pupil actually receives services.
7 Each school district shall include in the enrollment report
8 submitted pursuant to [section 257.6, subsection 1](#), the number
9 of nonpublic school pupils within each school district for
10 media and educational services served by the area. However,
11 the school district shall not include in the enrollment report
12 nonpublic school pupils receiving classes or services funded
13 entirely by federal grants or allocations.

14 ~~5.~~ 4. a. ~~If~~ For fiscal years beginning before July 1,
15 2025, if an area education agency does not serve nonpublic
16 school pupils in a manner comparable to services provided
17 public school pupils for media and educational services, as
18 determined by the state board of education, the state board
19 shall instruct the department of management to reduce the funds
20 for media services and educational services within the area one
21 time by an amount to compensate for such reduced services. The
22 media services budget shall be reduced by an amount equal to
23 the product of the cost per pupil in basic enrollment for the
24 budget year for media services times the difference between
25 the enrollment served and the basic enrollment recorded for
26 the area. The educational services budget shall be reduced by
27 an amount equal to the product of the cost per pupil in basic
28 enrollment for the budget year for educational services times
29 the difference between the enrollment served and the basic
30 enrollment recorded for the area.

31 b. [This subsection](#) applies only to media and educational
32 services which cannot be diverted for religious purposes.

33 c. Notwithstanding [this subsection](#), an area education agency
34 shall distribute to nonpublic schools media materials purchased
35 wholly or partially with federal funds in a manner comparable

1 to the distribution of such media materials to public schools
2 as determined by the director of the department of education.
3 ~~6.~~ 5. For the budget year beginning July 1, 2002, and each
4 succeeding budget year, notwithstanding the requirements of
5 this section for determining the budgets and funding of media
6 services and education services, an area education agency or
7 school district may, ~~within the limits of the total of the~~
8 ~~funds provided for the budget years pursuant to [section 257.35](#),~~
9 expend for special education support services an amount that
10 exceeds the payment for special education support services
11 ~~pursuant to [section 257.35](#)~~ in order to maintain the level
12 of required special education support services in the area
13 education agency or the school district, as applicable.

14 Sec. 16. Section 257.37A, subsection 2, paragraph d, Code
15 2024, is amended to read as follows:

16 d. The For budget years beginning before July 1, 2025,
17 the use of the funds calculated under [this subsection](#) shall
18 comply with requirements of [chapter 284](#). For budget years
19 beginning on or after July 1, 2025, the funds calculated under
20 this subsection shall be paid to the department of education
21 as provided in section 257.35.

22 Sec. 17. Section 284.4, subsection 1, paragraph b,
23 subparagraph (3), Code 2024, is amended to read as follows:

24 (3) Determine, following the adoption of the Iowa
25 professional development model by the state board of education,
26 the use and distribution of the professional development
27 funds calculated and paid to the school district ~~or agency~~ as
28 provided in ~~[section 257.9, subsection 10](#)~~, or section 257.10,
29 subsection 10, based upon school district ~~or agency~~, attendance
30 center, and individual teacher and professional development
31 plans.

32 Sec. 18. Section 284.6, subsections 8 and 9, Code 2024, are
33 amended to read as follows:

34 8. For each year in which a school district receives funds
35 calculated and paid to school districts for professional

1 development pursuant to [section 257.10, subsection 10](#), ~~or~~
2 ~~section 257.37A, subsection 2~~, the school district shall create
3 quality professional development opportunities. Not less than
4 thirty-six hours in the school calendar, held outside of the
5 minimum school day, shall be set aside during nonpreparation
6 time or designated professional development time to allow
7 practitioners to collaborate with each other to deliver
8 educational programs and assess student learning, or to engage
9 in peer review pursuant to [section 284.8, subsection 1](#). The
10 funds may be used to implement the professional development
11 provisions of the teacher career paths and leadership roles
12 specified in [section 284.15](#), including but not limited to
13 providing professional development to teachers, including
14 additional salaries for time beyond the normal negotiated
15 agreement; activities and pay to support a beginning teacher
16 mentoring and induction program that meets the requirements
17 of [section 284.5](#); pay for substitute teachers, professional
18 development materials, speakers, and professional development
19 content; textbooks and curriculum materials used for classroom
20 purposes if such textbooks and curriculum materials include
21 professional development; administering assessments pursuant to
22 [section 256.7, subsection 21, paragraph "b"](#), subparagraphs (1)
23 and (2), if such assessments include professional development;
24 and costs associated with implementing the individual
25 professional development plans. The use of the funds shall
26 be balanced between school district, attendance center,
27 and individual professional development plans, making every
28 reasonable effort to provide equal access to all teachers.

29 9. Moneys received pursuant to [section 257.10, subsection](#)
30 [10](#), ~~or [section 257.37A, subsection 2](#)~~, shall be maintained
31 as a separate listing within a school district's ~~or area~~
32 ~~education agency's~~ budget for funds received and expenditures
33 made pursuant to [this subsection](#). The department shall not
34 require a school district ~~or area education agency~~ to allocate
35 a specific amount or percentage of moneys received pursuant to

1 section 257.10, subsection 10, ~~or section 257.37A, subsection~~
2 ~~2,~~ for professional development related to implementation of
3 the core curriculum under [section 256.7, subsection 26](#). A
4 school district shall certify to the department how the school
5 district allocated the funds and that moneys received under
6 this subsection were used to supplement, not supplant, the
7 professional development opportunities the school district
8 would otherwise make available. For budget years beginning
9 on or after July 1, 2017, all or a portion of the moneys
10 received pursuant to [section 257.10, subsection 10](#), that remain
11 unexpended and unobligated at the end of a fiscal year may,
12 pursuant to [section 257.10, subsection 10](#), paragraph "d", be
13 transferred for deposit in the school district's flexibility
14 account established under [section 298A.2, subsection 2](#).

15 Sec. 19. EFFECTIVE DATE. This division of this Act takes
16 effect January 1, 2025.

17 Sec. 20. APPLICABILITY. This division of this Act applies
18 July 1, 2025, for school budget years beginning on or after
19 that date.

20 DIVISION IV

21 SHARED OPERATIONAL FUNCTIONS

22 Sec. 21. Section 257.11, subsection 5, paragraph a,
23 subparagraph (2), subparagraph division (b), Code 2024, is
24 amended to read as follows:

25 (b) "*Political subdivision*" means a city, township, county,
26 school corporation, merged area, ~~area education agency,~~
27 institution governed by the state board of regents, or any
28 other governmental subdivision except for an area education
29 agency.

30 Sec. 22. Section 257.11, subsection 5, paragraph e, Code
31 2024, is amended to read as follows:

32 e. Supplementary weighting pursuant to [this subsection](#) shall
33 be available to an area education agency during the period
34 commencing with the budget year beginning July 1, 2014, through
35 the budget year beginning July 1, ~~2034~~ 2023. The minimum

1 amount of additional funding for which an area education
2 agency shall be eligible in a budget year is thirty thousand
3 dollars, and the maximum amount of additional funding for which
4 an area education agency shall be eligible is two hundred
5 thousand dollars. The department of management shall annually
6 set a weighting for each area education agency to generate
7 the approved operational sharing expense using the area
8 education agency's special education cost per pupil amount and
9 foundation level. Criteria for determining the qualification
10 of operational functions for supplementary weighting shall be
11 determined by the department by rule, through consideration of
12 increased student opportunities.

13 Sec. 23. APPLICABILITY. This division of this Act applies
14 July 1, 2024, for school budget years beginning on or after
15 that date.

16 DIVISION V

17 DEPARTMENT OF EDUCATION REQUIREMENTS

18 Sec. 24. Section 256.9, Code 2024, is amended by adding the
19 following new subsections:

20 NEW SUBSECTION. 70. Develop and distribute to school
21 districts and accredited nonpublic schools a process to
22 facilitate the development of individualized education
23 programs and assist individualized education program teams
24 with decisions regarding free appropriate public education
25 and placement for students enrolled in accredited nonpublic
26 schools.

27 NEW SUBSECTION. 71. Provide professional learning and
28 other support materials and tools for individualized education
29 program teams, including students, families, teacher service
30 providers, and administrators of both school districts
31 and accredited nonpublic schools to help such individuals
32 understand the processes required under the federal law that
33 are relevant to students enrolled in accredited nonpublic
34 schools and to promote informed participation in individualized
35 education program meetings of students enrolled in accredited

1 nonpublic schools.

2 NEW SUBSECTION. 72. Provide information to individualized
3 education program teams and public agencies that nonpublic
4 schools may be considered a placement option so long as the
5 individualized education program of a child with a disability
6 does not require some other arrangement.

7 NEW SUBSECTION. 73. Develop and distribute to school
8 districts professional learning and other materials for
9 meaningful consultation for representatives of area education
10 agencies, school districts, and accredited nonpublic schools.

11 NEW SUBSECTION. 74. Establish sustainable accountability
12 and data collection systems related to special education
13 that meet federal and state legal requirements and encourage
14 innovative models for meeting the needs of students.

15 NEW SUBSECTION. 75. Develop and distribute to school
16 districts and accredited nonpublic schools an implementation
17 plan related to identifying, evaluating, and promoting
18 strategies and models for providing special education and
19 related services with accredited nonpublic schools that improve
20 the experiences and outcomes for students with disabilities.

21 DIVISION VI

22 STATE MANDATE

23 Sec. 25. IMPLEMENTATION OF ACT. Section 25B.2, subsection
24 3, shall not apply to this Act.

25 EXPLANATION

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

28 This bill relates to area education agencies, including
29 modifying provisions related to the duties and powers of area
30 education agencies, oversight by the department of education
31 (DE), funding, shared operational functions, and establishing
32 a task force related to area education agency property and
33 operations.

34 DIVISION I — DIVISION OF SPECIAL EDUCATION OF THE
35 DEPARTMENT OF EDUCATION. The bill requires the division of

1 special education of DE to, beginning July 1, 2025, oversee
2 the operation of each area education agency to ensure the area
3 education agency complies with all applicable federal and state
4 laws related to special education.

5 The bill provides that, from July 1, 2024, to June 30, 2025,
6 the division of special education shall devote 13 full-time
7 equivalent positions to oversight of the area education
8 agencies and shall devote five full-time equivalent positions
9 within the main office of each area education agency to ensure
10 the area education agency complies with all applicable federal
11 and state laws related to special education and to review the
12 services provided by the area education agency.

13 DIVISION II — AREA EDUCATION AGENCIES — GENERAL
14 PROVISIONS. The bill provides that, effective July 1,
15 2025, the area education agencies will be under the general
16 supervision of the director of DE, and the boards of directors
17 of the area education agencies will serve in an advisory
18 capacity.

19 Current law requires the area education agency boards of
20 directors to determine the policies of the area education
21 agency for providing programs and services. The bill provides
22 that, beginning July 1, 2025, the area education agency boards
23 of directors are required to advise and consult with the area
24 education agency on policies and procedures for providing
25 programs and services.

26 Current law requires area education agencies to furnish
27 educational services and programs, including special education
28 services and programs, to the pupils enrolled in public or
29 nonpublic schools located within the area education agency's
30 boundaries. The bill modifies this provision to provide that
31 area education agencies shall furnish such educational services
32 and programs to pupils enrolled in public or nonpublic schools,
33 regardless of location within this state, that request to
34 receive such services.

35 The bill authorizes area education agencies to furnish

1 evidence-based professional development services to public or
2 nonpublic schools located within their boundaries.

3 The bill requires an administrator employed by an area
4 education agency to, beginning July 1, 2025, possess either
5 a teaching license with a special education endorsement or a
6 special education support personnel authorization.

7 Current law requires the board of directors of an area
8 education agency to establish the administrator's salary
9 based upon the previous experience and education of the
10 administrator. The bill provides that the salary for an area
11 education agency administrator shall not exceed the average
12 salary of all superintendents of the school districts that are
13 located within the boundaries of the area education agency.
14 The bill provides that this provision applies to employment
15 agreements entered into or renewed between an area education
16 agency and an area education agency administrator on or after
17 July 1, 2024.

18 Current law requires the board of directors of an area
19 education agency to conduct a public hearing related to
20 the area education agency's proposed annual budget. The
21 bill strikes this provision and, instead, requires the area
22 education agency to submit the proposed annual budget to the
23 director of DE for approval not later than March 1 of each
24 year.

25 Current law provides that, if during the accreditation
26 process deficiencies in an area education agency program
27 have not been corrected, the board of directors of the area
28 education agency is required to either merge the deficient
29 program with a program from another accredited area education
30 agency or contract with another area education agency or
31 other public educational institution for purposes of program
32 delivery. The bill modifies this provision to, instead,
33 require the director of DE to take one of these steps. The
34 bill requires DE to be notified if the accreditation of an area
35 education agency is removed.

1 The bill modifies the standards that are used for the
2 accreditation of area education agencies to include several
3 new standards, including but not limited to support for
4 schools and school districts to ensure compliance with rules
5 adopted by the state board of education related to special
6 education, support necessary to implement effective instruction
7 for all students with disabilities through school technology
8 services, support for students using educational programs and
9 services in a manner that is consistent with the educational
10 standards, and support for staff development and adult learners
11 utilizing professional development in a manner that meets the
12 professional needs of staff and adult learners consistent with
13 standards adopted by the state board of education.

14 The bill requires the majority leader of the senate, the
15 minority leader of the senate, the speaker of the house of
16 representatives, and the minority leader of the house of
17 representatives to convene an area education agency task force.
18 The bill establishes what the task force is to study and make
19 recommendations related to. The bill requires the task force
20 to submit its findings and recommendations to the general
21 assembly on or before December 31, 2024.

22 DIVISION III — AREA EDUCATION AGENCIES — FUNDING. The
23 bill modifies funding methodologies for area education agencies
24 and certain educational services provided by area education
25 agencies under current law.

26 Code section 257.35 generally requires the department
27 of management to deduct the amounts calculated for special
28 education support services, media services, area education
29 agency teacher salary supplement district cost, area education
30 agency professional development supplement district cost,
31 and educational services for each school district from the
32 state aid due to the district pursuant to Code chapter 257
33 and, instead, pay the amounts to the respective area education
34 agencies on a monthly basis. Beginning with the fiscal year
35 beginning July 1, 2025, the bill eliminates the required

1 payment transfer to the area education agencies, except for the
2 amount of the area education agency teacher salary supplement
3 and also directs the department of management to pay the
4 amount of the area education agency professional development
5 supplement to DE to be used for professional development
6 opportunities as required by the bill. Consequently, the
7 amounts that were formerly paid to the area education agency
8 will remain part of the state aid paid to school districts.
9 The bill allows districts to use unreserved fund balances for
10 media services or educational services for special education
11 support services.

12 The bill makes corresponding changes to other provisions
13 governing funding reductions for unreserved and undesignated
14 fund balances and the purposes for which such funding
15 supplements may be used by school districts.

16 This division of the bill takes effect January 1, 2025, and
17 applies July 1, 2025, for school budget years beginning on or
18 after that date.

19 DIVISION IV — SHARED OPERATIONAL FUNCTIONS. Current
20 law allows school districts to share operational functions
21 with several types of political subdivisions, including area
22 education agencies, in order to provide additional funding to
23 increase student opportunities and redirect more resources
24 to student programming for such school districts. The bill
25 provides that area education agencies are no longer considered
26 political subdivisions for purposes of shared operational
27 functions.

28 Current law provides that supplementary weighting under
29 Code section 257.11(5) (shared operational functions) shall
30 be available to an area education agency through the budget
31 year beginning July 1, 2034. The minimum amount of additional
32 funding for which an area education agency shall be eligible in
33 a budget year pursuant to this provision is \$30,000, and the
34 maximum amount is \$200,000. The bill modifies this provision
35 to provide that such supplementary weighting shall not be

1 available to an area education agency after the budget year
2 beginning July 1, 2023.

3 The bill provides that the division applies July 1, 2024, for
4 school budget years beginning on or after that date.

5 DIVISION V — DEPARTMENT OF EDUCATION REQUIREMENTS. The
6 bill requires the director of DE to develop and distribute to
7 school districts and accredited nonpublic schools a process
8 to facilitate the development of individualized education
9 programs, certain professional learning materials, and an
10 implementation plan related to identifying, evaluating, and
11 promoting strategies and models for providing special education
12 and related services with accredited nonpublic schools, provide
13 professional learning and other support materials and tools
14 for individualized education program teams, and establish
15 sustainable accountability and data collection systems related
16 to special education.

17 DIVISION VI — STATE MANDATE. The bill may include a state
18 mandate as defined in Code section 25B.3. The bill makes
19 inapplicable Code section 25B.2(3), which would relieve a
20 political subdivision from complying with a state mandate if
21 funding for the cost of the state mandate is not provided or
22 specified. Therefore, political subdivisions are required to
23 comply with any state mandate included in the bill.