

**Senate File 2386 - Introduced**

SENATE FILE 2386  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 3073)

**A BILL FOR**

1 An Act relating to education, including modifying provisions  
2 related to the duties and powers of area education  
3 agencies, the department of education, the department of  
4 administrative services, area education agency funding,  
5 the calculation of the teacher salary supplement district  
6 cost per pupil and the minimum teacher starting salary, and  
7 including transition, effective date, and applicability  
8 provisions.

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

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DIVISION I

DIVISION OF SPECIAL EDUCATION OF THE DEPARTMENT OF EDUCATION

Section 1. Section 256.9, subsection 54, Code 2024, is amended by striking the subsection.

Sec. 2. Section 256B.3, Code 2024, is amended by adding the following new subsections:

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.

NEW SUBSECTION. 15B. Beginning July 1, 2025, provide guidance and standards to area education agencies for federal and state education initiatives which the area education agencies must implement statewide.

Sec. 3. DEPARTMENT OF EDUCATION AND AREA EDUCATION AGENCIES — STAFFING AND TRANSITION PLAN.

1. The department of education shall coordinate with each area education agency, and with the division of special education of the department, to develop a plan to transfer employees of the area education agency whose primary job duties involve providing oversight and compliance services to the area education agency to ensure the area education agency complies with all applicable federal and state laws related to special education from employment under the area education agency to employment under the division of special education of the department, as needed. The plan shall include a description of how the area education agency will accommodate any space needed in the area education agency's facilities for employees of the division of special education.

2. The department of education will compile all of the plans created pursuant to subsection 1 and submit the compilation to the general assembly on or before January 1, 2025.

DIVISION II

AREA EDUCATION AGENCIES — GENERAL PROVISIONS

Sec. 4. Section 273.1, Code 2024, is amended to read as

1 follows:

2     **273.1 Intent.**

3     It is the intent of the general assembly to provide an  
4 effective, efficient, and economical means of identifying and  
5 serving children from under five years of age through grade  
6 twelve who require special education and any other children  
7 requiring special education as defined in [section 256B.2](#); to  
8 provide for media services and other programs and services  
9 for pupils in grades kindergarten through twelve and children  
10 requiring special education as defined in [section 256B.2](#); to  
11 provide a method of financing the programs and services; and  
12 ~~to avoid a duplication of programs and services provided by~~  
13 ~~any other school corporation in the state; and to provide~~  
14 services to school districts under a contract with those school  
15 districts; to improve student achievement; and to close student  
16 achievement gaps.

17     Sec. 5. Section 273.2, subsections 1, 3, and 4, Code 2024,  
18 are amended to read as follows:

19     1. There are established throughout the state fifteen  
20 area education agencies, each of which is governed by an area  
21 education agency board of directors and, beginning July 1,  
22 2025, by the division of special education of the department of  
23 education to the extent described in section 256B.3, subsection  
24 15A. The boundaries of an area education agency shall not  
25 divide a school district. The director of the department of  
26 education shall change boundaries of area education agencies  
27 to take into account mergers of local school districts and  
28 changes in boundaries of local school districts, when necessary  
29 to maintain the policy of [this chapter](#) that a local school  
30 district shall not be a part of more than one area education  
31 agency.

32     3. a. The area education agency board shall furnish  
33 educational services and programs as provided in [section 273.1](#),  
34 this section, [sections 273.3 through 273.8](#), and [chapter 256B](#)  
35 to the pupils enrolled in public or nonpublic schools located

1 within its boundaries which are on the list of accredited  
2 schools pursuant to [section 256.11](#). The programs and services  
3 provided shall be at least commensurate with programs and  
4 services existing on July 1, 1974. The programs and services  
5 provided to pupils enrolled in nonpublic schools shall be  
6 comparable to programs and services provided to pupils enrolled  
7 in public schools within constitutional guidelines.

8 b. The area education agencies may furnish evidence-based  
9 professional development services to public or nonpublic  
10 schools located within its boundaries which are on the list of  
11 accredited schools pursuant to section 256.11, subject to the  
12 approval of the director of the department of education.

13 4. The area education agency board shall ~~provide~~ do all of  
14 the following:

15 a. Provide for special education services ~~and media services~~  
16 for the local school districts in the area ~~and shall encourage~~  
17 that request to receive such services by February 1 of the  
18 preceding school year, including by providing for a method of  
19 payment for such services and entering into agreements with the  
20 area education agency. An area education agency may provide  
21 special education services for local school districts in the  
22 area that request to receive such services after February 1 of  
23 the preceding school year.

24 b. Encourage and assist school districts in the area to  
25 establish programs for gifted and talented children. ~~The board~~  
26 ~~shall assist~~

27 c. Assist in facilitating interlibrary loans of materials  
28 between school districts and other libraries.

29 d. Provide for media services for local school districts in  
30 the area.

31 Sec. 6. Section 273.2, Code 2024, is amended by adding the  
32 following new subsections:

33 NEW SUBSECTION. 12. The area education agency board shall  
34 charge reasonable costs that are consistent with current  
35 market rates for the educational services, special education

1 services, professional development services, and media services  
2 established by the area education agency board.

3 NEW SUBSECTION. 13. The area education agency board  
4 shall provide an annual report by October 1 of each year to  
5 the general assembly and the department of education that  
6 includes a description of the progress the area education  
7 agency has made to improve the outcomes achieved by students  
8 receiving special education services and a description of how  
9 the area education agency is focusing the moneys it receives on  
10 providing services in the classroom.

11 Sec. 7. Section 273.3, subsection 11, Code 2024, is amended  
12 to read as follows:

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

33 Sec. 8. Section 273.3, Code 2024, is amended by adding the  
34 following new subsection:

35 NEW SUBSECTION. 26. Annually, on or before January 1 of

1 each year, prepare and submit to each school district within  
2 the boundaries of the area education agency a report that  
3 includes all of the following:

4     *a.* A monetary accounting of payments the area education  
5 agency received from the school district, including payments  
6 under section 257.35, during the previous fiscal year.

7     *b.* A description of the services the area education agency  
8 provided to the school district during the previous fiscal  
9 year, including a calculation of the cost per pupil for each  
10 category of service the area education agency provided to the  
11 school district.

12     Sec. 9. Section 273.4, unnumbered paragraph 1, Code 2024,  
13 is amended to read as follows:

14     Under direction of the board of directors of the area  
15 education agency, and, beginning July 1, 2025, the division of  
16 special education of the department of education, to the extent  
17 described in section 256B.3, subsection 15A, the administrator  
18 of the area education agency shall, in addition to other  
19 duties:

20     Sec. 10. Section 273.10, Code 2024, is amended to read as  
21 follows:

22     **273.10 Accreditation of area education programs.**

23     1. The division of special education of the department  
24 of education shall develop, in consultation with the area  
25 education agencies, and establish an accreditation process for  
26 area education agencies ~~by July 1, 1997~~. At a minimum, the  
27 accreditation process shall consist of the following:

28     *a.* The timely submission by an area education agency of  
29 information required by the division of special education of  
30 the department on forms provided by the ~~department~~ division of  
31 special education.

32     *b.* The use of an accreditation team appointed by the  
33 ~~director~~ division of special education of the department of  
34 education to conduct an evaluation, including an on-site visit  
35 of each area education agency. The team shall include, but

1 is not limited to, department staff members, representatives  
2 from the school districts served by the area education agency  
3 being evaluated, area education agency staff members from area  
4 education agencies other than the area education agency that  
5 conducts the programs being evaluated for accreditation, and  
6 other team members with expertise as deemed appropriate by the  
7 ~~director~~ division of special education.

8 2. Prior to a visit to an area education agency, the  
9 accreditation team shall have access to that area education  
10 agency's program audit report filed with the ~~department~~  
11 division of special education of the department of education.  
12 After a visit to an area education agency, the accreditation  
13 team shall determine whether the accreditation standards for  
14 a program, including but not limited to standards established  
15 pursuant to ~~section 256.9, subsection 54~~ section 256B.3,  
16 subsection 15B, have been met and shall make a report to the  
17 ~~director and the state board~~ division of special education,  
18 together with a recommendation as to whether the programs of  
19 the area education agency should receive initial accreditation  
20 or remain accredited. The accreditation team shall report  
21 strengths and weaknesses, if any, for each accreditation  
22 standard and shall advise the area education agency of  
23 available resources and technical assistance to further enhance  
24 the strengths and improve areas of weakness. An area education  
25 agency may respond to the accreditation team's report.

26 3. ~~The state board of education~~ division of special  
27 education of the department of education shall determine  
28 whether a program of an area education agency shall receive  
29 initial accreditation or shall remain accredited.

30 a. Approval of area education agency programs by the ~~state~~  
31 ~~board~~ division of special education shall be based upon ~~the~~  
32 ~~recommendation of the director of the department of education~~  
33 ~~after~~ a study of the factual and evaluative evidence on record  
34 about each area education agency program in terms of the  
35 accreditation standards adopted by the state board.

1     *b.* Approval, if granted, shall be for a term of five years.  
2 However, the ~~state board~~ division of special education may  
3 grant conditional approval for a term of less than five years  
4 if conditions warrant.

5     4. If the ~~state board of education~~ division of special  
6 education of the department of education determines that an  
7 area education agency's program does not meet accreditation  
8 standards, the ~~director of the department of education~~  
9 division of special education, in cooperation with the board  
10 of directors of the area education agency, shall establish a  
11 remediation plan prescribing the procedures that must be taken  
12 to correct deficiencies in meeting the program standards,  
13 and shall establish a deadline date for correction of the  
14 deficiencies. ~~The remediation plan is subject to the approval~~  
15 ~~of the state board.~~

16     5. The division of special education of the department  
17 of education may suspend the accreditation of the area  
18 education agency program ~~shall remain accredited~~ during the  
19 implementation of the remediation plan. The accreditation  
20 team shall visit the area education agency and shall determine  
21 whether the deficiencies in the standards for the program have  
22 been corrected and shall make a report and recommendation  
23 to the ~~director and the state board of education~~ division  
24 of special education. The ~~state board~~ division of special  
25 education shall review the report and recommendation and shall  
26 determine whether the deficiencies in the program have been  
27 corrected. If the division of special education determines  
28 that the deficiencies in the program have been corrected, the  
29 division of special education shall reinstate the accreditation  
30 of the area education agency program if such accreditation was  
31 suspended pursuant to this subsection.

32     6. *a.* If the deficiencies in an area education program  
33 have not been corrected, the ~~agency board~~ division of special  
34 education of the department of education shall take one  
35 of the following actions within sixty days from removal of



1 accreditation:

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

4 (2) Contract with another area education agency or other  
5 public educational institution for purposes of program  
6 delivery.

7 *b.* The rules developed by the state board of education for  
8 the accreditation process shall include provisions for removal  
9 of accreditation, including provisions for proper notice to the  
10 administrator of the area education agency, each member of the  
11 board of directors of the area education agency, the department  
12 of education, and the superintendents and administrators of the  
13 schools of the districts served by the area education agency.

14 Sec. 11. Section 273.11, Code 2024, is amended to read as  
15 follows:

16 **273.11 Standards for accrediting area education programs.**

17 1. The state board of education, in consultation with the  
18 division of special education of the department of education,  
19 shall develop standards and rules for the accreditation of area  
20 education agencies. Standards shall be general in nature,  
21 but at a minimum shall identify requirements addressing the  
22 services provided by each division, as well as identifying  
23 indicators of quality that will permit area education agencies,  
24 school districts, the division of special education of the  
25 department of education, and the general public to judge  
26 accurately the effectiveness of area education agency services.

27 2. Standards developed shall include, but are not limited  
28 to, the following:

29 *a.* Support for school-community planning, including a means  
30 of assessing needs, developing collaborative relationships  
31 among community agencies, establishing shared direction, and  
32 implementing program plans and reporting progress toward goals  
33 for students with disabilities.

34 *b.* ~~Professional~~ Evidence-based professional development  
35 programs that respond to current needs.

- 1     *c.* Support for curriculum development, instruction, and  
2 assessment ~~for~~ services that address the areas of reading,  
3 language arts, math, and science, using research-based  
4 methodologies, for students with disabilities.
- 5     *d.* Special education ~~compliance and~~ support.
- 6     *e.* Management services, including financial reporting and  
7 purchasing as requested and funded by local districts.
- 8     *f.* Support for instructional media services that supplement  
9 and support local district media centers and services.
- 10    *g.* Support for school technology planning and staff  
11 development for implementing instructional technologies.
- 12    *h.* A program and services evaluation and reporting system  
13 related to special education.
- 14    *i.* Support for school district libraries in accordance with  
15 section 273.2, subsection 4.
- 16    *j.* Support for early childhood service coordination for  
17 families and children, age birth through three years, to  
18 meet health, safety, and learning needs, including service  
19 coordination.
- 20    *k.* Timely submission of required reports and documents to  
21 the state board of education, the department of education,  
22 and the division of special education of the department of  
23 education.
- 24    *l.* Support for schools and school districts in analyzing  
25 student achievement data related to the learning environment,  
26 comparing data to the external knowledge base, and using that  
27 information to guide schools and school districts in setting  
28 goals and implementing actions to improve student learning for  
29 students with disabilities.
- 30    *m.* Support for addressing the diverse learning needs of  
31 all children and youths with disabilities who are eligible for  
32 special education, including through services that include  
33 direct services to students with disabilities.
- 34    *n.* Support for schools and school districts to ensure  
35 compliance with rules adopted by the state board of education

1 related to special education.

2 o. Support necessary to implement effective instruction  
3 for all students with disabilities through school technology  
4 services.

5 p. Support for students using educational programs and  
6 services in a manner that is consistent with the educational  
7 standards established pursuant to section 256.11.

8 q. Support for staff development and adult learners  
9 utilizing evidence-based professional development in a manner  
10 that meets the professional needs of staff and adult learners  
11 consistent with standards adopted by the state board of  
12 education.

13 r. Compliance with all relevant federal and state laws  
14 in the provision of services and supports to students with  
15 disabilities.

16 Sec. 12. TRANSITION PROVISIONS. An area education agency  
17 that was accredited pursuant to section 273.10 on or before  
18 the effective date of the section of this division of this Act  
19 amending section 273.10 shall remain accredited unless and  
20 until the division of special education of the department of  
21 education takes action to remove accreditation from the area  
22 education agency pursuant to section 273.10, as amended in this  
23 division of this Act.

24 Sec. 13. EFFECTIVE DATE. The following take effect July 1,  
25 2025:

26 1. The section of this division of this Act amending section  
27 273.2, subsection 4.

28 2. The section of this division of this Act amending section  
29 273.10.

30 3. The section of this division of this Act amending section  
31 273.11.

32 Sec. 14. APPLICABILITY. The following applies to  
33 employment agreements entered into or renewed between an area  
34 education agency and an area education agency administrator on  
35 or after July 1, 2024:

1 The section of this division of this Act amending section  
2 273.3, subsection 11.

3

DIVISION III

4

AREA EDUCATION AGENCIES — FUNDING

5 Sec. 15. Section 257.1, subsection 3, Code 2024, is amended  
6 to read as follows:

7 3. *Computations rounded.* In making computations and  
8 payments under **this chapter**, except in the case of computations  
9 relating to funding of special education support services,  
10 media services, and educational services ~~provided through the~~  
11 ~~area education agencies under section 257.37~~, and the teacher  
12 salary supplement, the professional development supplement,  
13 the early intervention supplement, and the teacher leadership  
14 supplement, the department of management shall round amounts to  
15 the nearest whole dollar.

16 Sec. 16. Section 257.10, subsection 7, Code 2024, is amended  
17 to read as follows:

18 7. *Special education support services district cost.* Special  
19 education support services district cost for a school district  
20 for a budget year is equal to the special education support  
21 services district cost per pupil for the budget year multiplied  
22 by the special education support services weighted enrollment  
23 for the district for the budget year. If the special education  
24 support services district cost for a school district for  
25 a budget year is less than the special education support  
26 services district cost for that district for the base year, the  
27 department of management shall adjust the special education  
28 support services district cost for that district for the budget  
29 year to equal the special education support services district  
30 cost for the base year. Funds calculated under this subsection  
31 and received by a school district or an area education agency,  
32 as applicable, shall be used for special education support  
33 services.

34 Sec. 17. Section 257.10, subsection 8, paragraph a, Code  
35 2024, is amended to read as follows:

1     *a.* Combined district cost is the sum of the regular program  
2 district cost per pupil multiplied by the weighted enrollment,  
3 the special education support services district cost, the  
4 total teacher salary supplement district cost, the total  
5 professional development supplement district cost, the total  
6 early intervention supplement district cost, and the total  
7 teacher leadership supplement district cost, plus the sum of  
8 the additional district cost allocated to the district to fund  
9 media services and educational services ~~provided through the~~  
10 ~~area education agency~~ under section 257.37, the area education  
11 agency total teacher salary supplement district cost and the  
12 area education agency total professional development supplement  
13 district cost.

14     Sec. 18. Section 257.35, subsection 1, Code 2024, is amended  
15 to read as follows:

16     1. *a.* (1) The For fiscal years beginning before July 1,  
17 2024, the department of management shall deduct the amounts  
18 calculated for special education support services, media  
19 services, area education agency teacher salary supplement  
20 district cost, area education agency professional development  
21 supplement district cost, and educational services for each  
22 school district from the state aid due to the district pursuant  
23 to [this chapter](#) and shall pay the amounts to the respective  
24 area education agencies on a monthly basis from September 15  
25 through June 15 during each school year.

26     (2) (a) For the fiscal year beginning July 1, 2024, the  
27 department of management shall deduct the following amounts  
28 from the state aid due to each school district pursuant to  
29 this chapter and shall pay the amounts to the respective area  
30 education agencies on a monthly basis from September 15 through  
31 June 15 during each school year:

32     (b) The amount calculated for special education support  
33 services for the school district.

34     (c) Forty percent of the amount calculated for media  
35 services for the school district.

1 (d) The area education agency teacher salary supplement  
2 district cost.

3 (e) The area education agency professional development  
4 supplement district cost.

5 (f) Forty percent of the amount calculated in section 257.37  
6 for educational services for the school district.

7 (3) For the fiscal year beginning July 1, 2025, and each  
8 fiscal year thereafter, the department of management shall  
9 deduct the following from the state aid due to each school  
10 district pursuant to this chapter and shall pay the amounts to  
11 the respective area education agencies on a monthly basis from  
12 September 15 through June 15 during each school year:

13 (a) Ten percent of the amount calculated for special  
14 education support services for the school district.

15 (b) Forty percent of the amount calculated for media  
16 services for the school district.

17 (c) The area education agency teacher salary supplement  
18 district cost.

19 (d) The area education agency professional development  
20 supplement district cost.

21 (e) Forty percent of the amount calculated in section 257.37  
22 for educational services for the school district.

23 b. The department of management shall notify each school  
24 district of the amount of state aid deducted for these purposes  
25 and the balance of state aid shall be paid to the district. If  
26 a district does not qualify for state aid under [this chapter](#)  
27 in an amount sufficient to cover its amount due to the area  
28 education agency as calculated by the department of management,  
29 the school district shall pay the deficiency to the area  
30 education agency from other moneys received by the district, on  
31 a quarterly basis during each school year.

32 Sec. 19. Section 257.37, Code 2024, is amended to read as  
33 follows:

34 **257.37 Funding media and educational services.**

35 Media services and educational services provided by a school

1 district or through the area education agencies agency shall be  
2 funded, to the extent provided, by an addition to the combined  
3 district cost of each school district, determined as follows:

4 1. For the budget year beginning July 1, 1991, and  
5 succeeding budget years, the total amount funded in each area  
6 for media services shall be computed as provided in this  
7 subsection. For the budget year beginning July 1, 1991, the  
8 total amount funded in each area for media services in the  
9 base year shall be divided by the enrollment served in the  
10 base year to provide an area media services cost per pupil in  
11 the base year, and the department of management shall compute  
12 the state media services cost per pupil in the base year which  
13 is equal to the average of the area media services costs per  
14 pupil in the base year. For the budget year beginning July 1,  
15 1991, and succeeding budget years, the department of management  
16 shall compute the supplemental state aid for media services  
17 in the budget year by multiplying the state media services  
18 cost per pupil in the base year times the state percent of  
19 growth for the budget year, and the total amount funded in each  
20 area for media services cost in the budget year equals the  
21 area media services cost per pupil in the base year plus the  
22 supplemental state aid for media services in the budget year  
23 times the enrollment served in the budget year. Funds shall be  
24 paid to area education agencies as provided in [section 257.35](#).  
25 Funds not required to be paid to the area education agency as  
26 provided in section 257.35 may be used by the school district  
27 for media services provided by the district or by contract  
28 through the area education agency. A school district may use  
29 unreserved fund balances for media services in a manner which  
30 the school district determines is appropriate to best maintain  
31 the level of special education services.

32 2. Up to thirty percent of the budget of an area for media  
33 services may be expended for media resource material including  
34 the purchase or replacement of material required in section  
35 273.6, subsection 1. ~~Funds shall be paid to area education~~

1 ~~agencies as provided in section 257.35.~~

2 3. For the budget year beginning July 1, 1991, and  
3 succeeding budget years, the total amount funded in each area  
4 for educational services shall be computed as provided in this  
5 subsection. For the budget year beginning July 1, 1991, the  
6 total amount funded in each area for educational services  
7 in the base year shall be divided by the enrollment served  
8 in the area in the base year to provide an area educational  
9 services cost per pupil in the base year, and the department of  
10 management shall compute the state educational services cost  
11 per pupil in the base year, which is equal to the average of  
12 the area educational services costs per pupil in the base year.  
13 For the budget year beginning July 1, 1991, and succeeding  
14 budget years, the department of management shall compute the  
15 supplemental state aid for educational services by multiplying  
16 the state educational services cost per pupil in the base year  
17 times the state percent of growth for the budget year, and the  
18 total amount funded in each area for educational services for  
19 the budget year equals the area educational services cost per  
20 pupil for the base year plus the supplemental state aid for  
21 educational services in the budget year times the enrollment  
22 served in the area in the budget year. Funds shall be paid  
23 to area education agencies as provided in section 257.35.

24 Funds not required to be paid to the area education agency as  
25 provided in section 257.35 may be used by the school district  
26 for educational services provided by the district or by  
27 contract through the area education agency. A school district  
28 may use unreserved fund balances for educational services in a  
29 manner which the school district determines is appropriate to  
30 best maintain the level of special education services.

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

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

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

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

13 Sec. 20. APPLICABILITY. This division of this Act applies  
14 July 1, 2024, for school budget years beginning on or after  
15 that date.

16 DIVISION IV

17 INITIAL TEACHER COMPENSATION

18 Sec. 21. Section 257.10, subsection 12, paragraph d, Code  
19 2024, is amended to read as follows:

20 *d.* Except as otherwise allowed under this paragraph, for  
21 the budget year beginning July 1, 2014, and succeeding budget  
22 years, the use of the funds calculated under [this subsection](#)  
23 shall comply with the requirements of [chapter 284](#) and shall  
24 be distributed to teachers pursuant to [section 284.15](#). The  
25 funds shall be used only to increase the payment for a teacher  
26 assigned to a leadership role pursuant to a framework or  
27 comparable system approved pursuant to [section 284.15](#); to  
28 increase the percentages of teachers assigned to leadership  
29 roles; to increase the minimum teacher starting salary to  
30 ~~thirty-three thousand five hundred dollars~~ the amount provided  
31 in section 284.15, subsection 2, paragraph "a", subparagraph  
32 (1); to cover the costs for the time mentor and lead teachers  
33 are not providing instruction to students in a classroom;  
34 for coverage of a classroom when an initial or career  
35 teacher is observing or co-teaching with a teacher assigned

1 to a leadership role; for professional development time to  
2 learn best practices associated with the career pathways  
3 leadership process; and for other costs associated with a  
4 framework or comparable system approved by the department of  
5 education under [section 284.15](#) with the goals of improving  
6 instruction and elevating the quality of teaching and student  
7 learning. If all requirements for the school district for  
8 the use of funds calculated under [this subsection](#) are met  
9 and funds received under [this subsection](#) remain unexpended  
10 and unobligated at the end of a fiscal year beginning on or  
11 after July 1, 2020, the school district may transfer all or a  
12 portion of such unexpended and unobligated funds for deposit  
13 in the school district's flexibility account established  
14 under [section 298A.2, subsection 2](#). At the end of a fiscal  
15 year beginning on or after July 1, 2022, school districts may  
16 use all or a portion of funds under [this subsection](#) for the  
17 purposes authorized under [subsection 9](#), paragraph "d", and,  
18 notwithstanding any provision of law to the contrary, school  
19 districts shall not be required to participate in or comply  
20 with [section 284.15](#) in order to continue to receive funding  
21 under [this subsection](#).

22 Sec. 22. Section 284.15, subsection 2, paragraph a,  
23 subparagraph (1), Code 2024, is amended to read as follows:

24 (1) The salary for an initial teacher who has successfully  
25 completed an approved practitioner preparation program as  
26 defined in [section 256.145](#) or holds an initial or intern  
27 teacher license issued under chapter 256, subchapter VII,  
28 part 3, shall be at least ~~thirty-three thousand five hundred~~  
29 forty-six thousand two hundred fifty-one dollars, which shall  
30 also constitute the minimum salary for an Iowa teacher.

31 Sec. 23. Section 284.16, subsection 1, paragraph a,  
32 unnumbered paragraph 1, Code 2024, is amended to read as  
33 follows:

34 The beginning teacher shall be paid not less than  
35 ~~thirty-three thousand five hundred~~ forty-six thousand two

1 hundred fifty-one dollars and shall meet the following  
2 requirements:

3 Sec. 24. Section 284.17, subsection 1, Code 2024, is amended  
4 to read as follows:

5 1. A minimum salary of ~~thirty-three thousand five hundred~~  
6 forty-six thousand two hundred fifty-one dollars for a  
7 full-time teacher.

8 DIVISION V

9 AREA EDUCATION AGENCIES — REQUIRED EVALUATIONS AND REPORTS

10 Sec. 25. AREA EDUCATION AGENCIES — CONTINUOUS  
11 IMPROVEMENT. On or before January 1, 2025, each area education  
12 agency shall submit a report to the director of the department  
13 of education and the general assembly that contains all of the  
14 following information:

15 1. Progress the area education agency has made in reducing  
16 expenses associated with executive administration by at least  
17 thirty percent by July 1, 2026.

18 2. A proposal for the reorganization of services provided by  
19 area education agencies to centralize some services provided by  
20 the area education agencies, including media services, and to  
21 create centers of excellence for other services.

22 Sec. 26. AREA EDUCATION AGENCY FACILITIES AND PROPERTY. On  
23 or before January 1, 2025, the department of administrative  
24 services, in coordination with the department of education  
25 and each area education agency, shall submit a report to  
26 the general assembly that contains all of the following  
27 information:

28 1. An inventory of all real property and facilities owned  
29 by the area education agencies.

30 2. An evaluation of the value of all real property and  
31 facilities owned by the area education agencies.

32 3. An evaluation of how the real property and facilities  
33 owned by the area education agencies are used.

34 DIVISION VI

35 TEACHER SALARY SUPPLEMENT DISTRICT COST PER PUPIL

1 Sec. 27. Section 257.10, subsection 9, paragraph a, Code  
2 2024, is amended to read as follows:

3 a. (1) For the budget year beginning July 1, 2009, the  
4 department of management shall add together the teacher  
5 compensation allocation made to each district for the fiscal  
6 year beginning July 1, 2008, pursuant to section 284.13,  
7 subsection 1, paragraph "h", Code 2009, and the phase II  
8 allocation made to each district for the fiscal year beginning  
9 July 1, 2008, pursuant to [section 294A.9, Code 2009](#), and divide  
10 that sum by the district's budget enrollment in the fiscal  
11 year beginning July 1, 2009, to determine the teacher salary  
12 supplement district cost per pupil. For the budget year  
13 beginning July 1, 2010, and succeeding budget years beginning  
14 before July 1, 2024, the teacher salary supplement district  
15 cost per pupil for each school district for a budget year  
16 is the teacher salary supplement program district cost per  
17 pupil for the base year plus the teacher salary supplement  
18 supplemental state aid amount for the budget year.

19 (2) For the budget year beginning July 1, 2024, the teacher  
20 salary supplement district cost per pupil for a school district  
21 shall be the greater of the following:

22 (a) The teacher salary supplement district cost per pupil  
23 for the school district for the base year plus the teacher  
24 salary supplement supplemental state aid amount for the budget  
25 year.

26 (b) The per pupil amount necessary, as calculated by  
27 the department of management, to allow the school district  
28 to provide a minimum teacher starting salary of forty-six  
29 thousand two hundred fifty-one dollars in accordance with  
30 the requirements of chapter 284, including costs associated  
31 with the employer's share of contributions to the Iowa public  
32 employees' retirement system and the employer's share of the  
33 tax imposed by the federal Insurance Contributions Act.

34 (3) For the budget year beginning July 1, 2025, and  
35 succeeding budget years, the teacher salary supplement district

1 cost per pupil for each school district for a budget year  
2 is the teacher salary supplement program district cost per  
3 pupil for the base year plus the teacher salary supplement  
4 supplemental state aid amount for the budget year.

5 DIVISION VII

6 STATE MANDATE

7 Sec. 28. IMPLEMENTATION OF ACT. Section 25B.2, subsection  
8 3, shall not apply to this Act.

9 EXPLANATION

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

12 This bill relates to education, including modifying  
13 provisions related to the duties and powers of area education  
14 agencies, the department of education (DE), the department of  
15 administrative services, area education agency funding, and the  
16 calculation of the teacher salary supplement district cost per  
17 pupil and the minimum teacher starting salary.

18 DIVISION I — DIVISION OF SPECIAL EDUCATION OF THE  
19 DEPARTMENT OF EDUCATION. Current law requires the director  
20 of DE to provide guidance and standards to area education  
21 agencies for federal and state education initiatives which  
22 the area education agencies must implement statewide. The  
23 bill transfers this responsibility to the division of special  
24 education of DE, beginning July 1, 2025. The bill also  
25 requires the division of special education to oversee the  
26 operation of each area education agency beginning July 1, 2025.

27 The bill requires DE to coordinate with each area education  
28 agency, and with the division of special education, to develop  
29 a plan to transfer certain specified employees of the area  
30 education agency from employment under the area education  
31 agency to employment under the division of special education.  
32 The bill establishes that DE is to compile the plans and submit  
33 the compilation to the general assembly on or before January  
34 1, 2025.

35 DIVISION II — AREA EDUCATION AGENCIES — GENERAL

1 PROVISIONS. The bill authorizes the area education agencies  
2 to furnish evidence-based professional development services to  
3 public or nonpublic schools located within the area education  
4 agency's boundaries, subject to the approval of the director  
5 of DE.

6 The bill requires area education agencies to provide special  
7 education services to local school districts that request to  
8 receive such services by February 1 of the preceding school  
9 year. The bill authorizes an area education agency to provide  
10 such services to local school districts that request to receive  
11 such services after February 1 of the preceding school year.  
12 The bill also authorizes area education agencies to provide for  
13 media services for local school districts in the area. The  
14 bill establishes that these provisions are effective July 1,  
15 2025.

16 The bill requires area education agency boards to charge  
17 reasonable costs that are consistent with market rates for the  
18 educational services, special education services, professional  
19 development services, and media services provided by the area  
20 education agency.

21 The bill requires area education agency boards to provide an  
22 annual report to the general assembly and DE related to student  
23 outcomes and use of moneys.

24 The bill provides that the salary for an area education  
25 agency administrator shall not exceed 125 percent of the  
26 average salary of all superintendents of school districts that  
27 are located within the boundaries of the area education agency.  
28 The bill establishes that this provision applies to employment  
29 agreements entered into or renewed on or after July 1, 2024.

30 The bill requires area education agencies to prepare and  
31 submit to each school district within the area education  
32 agency's boundaries an annual report containing information  
33 related to an accounting of payments and a description of  
34 services provided.

35 The bill modifies several provisions related to the

1 accreditation of area education agency programs to incorporate  
2 the division of special education of DE into the accreditation  
3 process and to incorporate additional standards related to  
4 accreditation. The bill provides that an area education agency  
5 that was accredited on or before July 1, 2025, will remain  
6 accredited unless and until the division of special education  
7 takes action to remove accreditation. The bill establishes  
8 that these provisions are effective July 1, 2025.

9 DIVISION III — AREA EDUCATION AGENCIES — FUNDING. The bill  
10 provides that the funds calculated under Code section 257.10(7)  
11 (special education support services district cost) and received  
12 by a school district or an area education agency shall be used  
13 for special education support services.

14 Under current law, amounts calculated for special education  
15 support services, media services, area education agency  
16 teacher salary supplement district cost, area education  
17 agency professional development supplement district cost,  
18 and educational services are deducted by the department of  
19 management from state aid for each school district and instead  
20 paid to the school district's area education agency.

21 The bill provides that, for the fiscal year beginning July  
22 1, 2024, the department of management shall instead deduct  
23 the following amounts from the state aid due to each school  
24 district and pay the amounts to the respective area education  
25 agencies: the amount calculated for special education support  
26 services for the school district, 40 percent of the amount  
27 calculated for media services for the school district, the  
28 area education agency teacher salary supplement district cost,  
29 the area education agency professional development supplement  
30 district cost, and 40 percent of the amount calculated for  
31 educational services for the school district.

32 The bill provides that, for the fiscal year beginning July  
33 1, 2025, and each fiscal year thereafter, the department of  
34 management shall deduct the following amounts from the state  
35 aid due to each school district and pay the amounts to the



1 respective area education agencies: 10 percent of the amount  
2 calculated for special education support services for the  
3 school district, 40 percent of the amount calculated for media  
4 services for the school district, the area education agency  
5 teacher salary supplement district cost, the area education  
6 agency professional development supplement district cost, and  
7 40 percent of the amount calculated for educational services  
8 for the school district.

9 The bill modifies provisions related to the funding of media  
10 services and educational services provided by a school district  
11 or through an area education agency. The bill provides that  
12 funds not required to be paid to the area education agency  
13 pursuant to Code section 257.35 (area education agency  
14 payments) may be used by the school district for media services  
15 provided by the district or by contract through the area  
16 education agency. The bill authorizes a school district to use  
17 unreserved fund balances for media services in a manner which  
18 the school district determines is appropriate to best maintain  
19 the level of special education services.

20 The bill provides that, for purposes of Code section 257.37  
21 (funding media and educational services), "enrollment served"  
22 means the basic enrollment of all school districts within the  
23 boundaries of the area education agency plus the number of  
24 nonpublic school pupils served by the area education agency.

25 The bill authorizes area education agencies and school  
26 districts to expend for special education support services an  
27 amount that exceeds the payment for special education support  
28 services in order to maintain the level of required special  
29 education support services in the area education agency or the  
30 school district.

31 DIVISION IV — INITIAL TEACHER COMPENSATION. Current Code  
32 chapter 284 (teacher compensation) provides that the minimum  
33 annual salary for an initial teacher who has successfully  
34 completed an approved practitioner preparation program or holds  
35 an initial or intern teacher license issued by the board of

1 educational examiners shall be at least \$33,500. The bill  
2 increases this minimum annual salary to \$46,251. The bill  
3 makes conforming changes to Code chapter 257 (financial school  
4 programs).

5 DIVISION V — AREA EDUCATION AGENCIES — REQUIRED  
6 EVALUATIONS AND REPORTS. The bill requires each area education  
7 agency, on or before January 1, 2025, to submit a report to  
8 DE and the general assembly that contains information related  
9 to progress the area education agency has made in reducing  
10 executive administration expenses and a proposal for the  
11 reorganization of services provided by area education agencies.  
12 The bill requires the department of administrative services,  
13 in coordination with DE and each area education agency, on  
14 or before January 1, 2025, to submit a report to the general  
15 assembly that contains an inventory of all real property and  
16 facilities owned by the area education agencies, an evaluation  
17 of the value of all real property and facilities owned by the  
18 area education agencies, and an evaluation of how the real  
19 property and facilities owned by the area education agencies  
20 are used.

21 DIVISION VI — TEACHER SALARY SUPPLEMENT DISTRICT COST PER  
22 PUPIL. The bill provides that, for the budget year beginning  
23 July 1, 2024, the teacher salary supplement district cost per  
24 pupil for a school district shall be the greater of the teacher  
25 salary supplement district cost per pupil for the school  
26 district for the base year plus the teacher salary supplement  
27 supplemental state aid amount for the budget year or the per  
28 pupil amount necessary to allow the school district to provide  
29 a minimum teacher starting salary of \$46,251. Additionally,  
30 the bill provides that for the budget year beginning July  
31 1, 2025, and succeeding budget years, the teacher salary  
32 supplement district cost per pupil for each school district for  
33 a budget year is the teacher salary supplement program district  
34 cost per pupil for the base year plus the teacher salary  
35 supplement supplemental state aid amount for the budget year.

1     DIVISION VII — STATE MANDATE. The bill provides that Code  
2 section 25B.2(3) (effect of unfunded state mandate) shall not  
3 apply to the bill.