

House File 2358 - Introduced

HOUSE FILE 2358
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 604)

A BILL FOR

1 An Act authorizing community-based providers to directly
2 participate in the statewide preschool program for
3 four-year-old children.

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

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1 Section 1. Section 256C.1, subsection 1, Code 2026, is
2 amended to read as follows:

3 1. "Approved local program" means a school district's program
4 or community-based provider's program for four-year-old children
5 approved by the department of education to provide ~~high-quality~~
6 high-quality preschool instruction.

7 Sec. 2. Section 256C.1, Code 2026, is amended by adding the
8 following new subsection:

9 NEW SUBSECTION. 1A. "Community-based provider approved to
10 directly participate in the preschool program" means a
11 community-based provider that meets the community-based provider
12 requirements under section 256C.3 and has been approved by the
13 department to directly participate in the preschool program.
14 "Community-based provider approved to directly participate in the
15 preschool program" does not mean a community-based provider that
16 partners with a school district's approved local program.

17 Sec. 3. Section 256C.3, subsection 1, paragraph b, Code 2026,
18 is amended to read as follows:

19 b. If space and funding are available, including funding
20 from another school district account or fund from which
21 preschool program expenditures are authorized by law, a school
22 district approved to participate in the preschool program or
23 community-based provider approved to directly participate in the
24 preschool program may enroll and pay the cost of attendance for
25 a younger or older child in the preschool program; however, the
26 child shall not be counted for state funding purposes.

27 Sec. 4. Section 256C.3, subsection 2, paragraph a,
28 subparagraph (1), Code 2026, is amended to read as follows:

29 (1) The individual is either employed by or under contract
30 with the school district, or with the community-based provider
31 approved to directly participate in the preschool program, that
32 is implementing the program.

33 Sec. 5. Section 256C.3, subsection 3, unnumbered paragraph 1,
34 Code 2026, is amended to read as follows:

35 The state board shall adopt rules to further define the

1 following preschool program requirements which shall be used
2 to determine whether or not a local program implemented by a
3 school district approved to implement the preschool program or
4 a community-based provider directly approved to implement the
5 preschool program qualifies as an approved local program:

6 Sec. 6. Section 256C.3, subsection 3, paragraph h, Code 2026,
7 is amended to read as follows:

8 h. Provision for ensuring that children receiving care from
9 other child care arrangements can participate in the preschool
10 program with minimal disruption due to transportation and
11 movement from one site to another. The children participating in
12 the preschool program may be transported by the school district
13 or community provider to activities associated with the program
14 along with other children.

15 Sec. 7. Section 256C.3, Code 2026, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 4A. *Community-based provider*
18 *requirements.* The state board shall adopt rules to further
19 define the following requirements of community-based providers
20 approved to directly participate in the preschool program in
21 implementing the preschool program:

22 a. Methods of demonstrating readiness to implement
23 high-quality instruction in the local program shall be
24 identified.

25 b. A community-based provider shall participate in data
26 collection and performance measurement processes and reporting as
27 defined by rule.

28 c. Professional development for community-based provider
29 preschool teachers shall be addressed in the community-based
30 provider's professional development plan.

31 Sec. 8. Section 256C.3, subsection 5, paragraphs a, b, and d,
32 Code 2026, are amended to read as follows:

33 a. The department shall implement an application and
34 selection process for school district participation and
35 community-based provider participation in the preschool program

1 that includes but is not limited to the enrollment requirements
2 provided under section 256C.4.

3 b. The department shall track the progress of students
4 served by a school district preschool program or community-based
5 provider preschool program and the students' performance in
6 elementary and secondary education.

7 d. The state board, in collaboration with the department,
8 shall ensure that the administrative rules adopted to support
9 the preschool program emphasize that children's access to the
10 program is voluntary, that the preschool foundation aid provided
11 to a school district or a community-based provider is provided
12 based upon the enrollment of eligible students in the school
13 district's or community-based provider's local program regardless
14 of whether an eligible student is a resident of the school
15 district, and that agreements entered into by a school district
16 for the provision of programming in settings other than the
17 school district's facilities are between the school district and
18 the private provider.

19 Sec. 9. Section 256C.4, subsection 1, Code 2026, is amended
20 to read as follows:

21 1. General State funding for school district approved to
22 participate in the preschool program.

23 a. State funding provided under the preschool program to
24 school districts shall be based upon the enrollment of eligible
25 students in the preschool programming provided by a school
26 district approved to participate in the preschool program.

27 b. A school district approved to participate in the preschool
28 program may authorize expenditures for the district's preschool
29 programming from any of the revenue sources available to the
30 district from the sources listed in chapter 298A, provided
31 the expenditures are within the uses permitted for the revenue
32 source. In addition, the use of the revenue source for preschool
33 or prekindergarten programming must have been approved prior
34 to any expenditure from the revenue source for the district's
35 approved local program.

1 c. Funding provided under the preschool program is intended
2 to supplement, not supplant, existing public funding for
3 preschool programming.

4 d. Preschool foundation aid funding shall not be commingled
5 with the other state aid payments made under section 257.16
6 to a school district and shall be accounted for by the local
7 school district separately from the other state aid payments.
8 Preschool foundation aid payments made to school districts are
9 miscellaneous income for purposes of chapter 257. A school
10 district shall maintain a separate listing within its budget
11 for preschool foundation aid payments received and expenditures
12 made. A school district shall certify to the department of
13 education that preschool foundation aid funding received by the
14 school district was used to supplement, not supplant, moneys
15 otherwise received and used by the school district for preschool
16 programming.

17 e. Preschool foundation aid funding shall not be used for
18 the costs of constructing a facility in connection with an
19 approved local program. Preschool foundation aid funding may
20 be used by approved local programs and community providers
21 for any purpose determined by the board of directors of the
22 school district to meet standards for high-quality preschool
23 instruction and for purposes that directly or indirectly benefit
24 students enrolled in the approved local program, including
25 but not limited to professional development for preschool
26 teachers, instructional equipment and supplies, material and
27 equipment designed to develop pupils' large and small motor
28 skills, translation services, playground equipment and repair
29 costs, food and beverages used by children in the approved
30 local program, safety equipment, facility rental fees, and for
31 other direct costs that enhance the approved local program,
32 including by contracting with community partners for any such
33 services. Preschool foundation aid funding may be used by
34 approved local programs for the costs of transportation involving
35 children participating in the preschool program. The costs of

1 transporting other children associated with the preschool program
2 or transported as provided in section 256C.3, subsection 3,
3 paragraph "h", may be prorated by the school district. Preschool
4 foundation aid funding received by an approved local program that
5 remains unexpended and unobligated at the end of a fiscal year
6 beginning on or after July 1, 2017, shall be used to build the
7 approved local program's preschool program capacity in the next
8 succeeding fiscal year excluding that portion of such unexpended
9 and unobligated funding that the school district authorizes
10 for transfer for deposit in the school district's flexibility
11 account established under section 298A.2, subsection 2, if the
12 statutory requirements for the use of such funding are met. For
13 purposes of determining whether a school district has authority
14 to transfer preschool foundation aid funding for deposit in the
15 school district's flexibility account established under section
16 298A.2, subsection 2, the school district must have provided
17 preschool programming during the fiscal year for which funding
18 remains unexpended and unobligated to all eligible students for
19 whom a timely application for enrollment was submitted.

20 *f.* The receipt of funding by a school district for the
21 purposes of this chapter, the need for additional funding for
22 the purposes of this chapter, or the enrollment count of eligible
23 students under this chapter shall not be considered to be unusual
24 circumstances, create an unusual need for additional funds, or
25 qualify under any other circumstances that may be used by the
26 school budget review committee to grant supplemental aid to or
27 establish a modified supplemental amount for a school district
28 under section 257.31.

29 *g.* For the fiscal year beginning July 1, 2015, and each
30 succeeding fiscal year, of the amount of preschool foundation aid
31 received by a school district for a fiscal year in accordance
32 with section 257.16, not more than five percent may be used by
33 the school district for administering the district's approved
34 local program. Outreach activities and rent for facilities
35 not owned by the school district are permissive uses of the

1 administrative funds.

2 *h.* For the fiscal year beginning July 1, 2015, and each
3 succeeding fiscal year, of the amount of preschool foundation aid
4 received by a school district for a fiscal year in accordance
5 with section 257.16, not less than ninety-five percent of the
6 per pupil amount shall be passed through to a community-based
7 provider for each pupil enrolled in the district's approved local
8 program. For the fiscal year beginning July 1, 2015, and each
9 succeeding fiscal year, not more than ten percent of the amount
10 of preschool foundation aid passed through to a community-based
11 provider may be used by the community-based provider for
12 administrative costs. The costs of outreach activities and
13 rent for facilities not owned by the school district are
14 permissive administrative costs. The costs of transportation
15 involving children participating in the preschool program and
16 other children may be prorated.

17 Sec. 10. Section 256C.4, Code 2026, is amended by adding the
18 following new subsection:

19 NEW SUBSECTION. 1A. *State preschool funding for*
20 *community-based providers approved to directly participate in the*
21 *preschool program.*

22 *a.* State preschool funding shall not be used for the costs
23 of constructing a facility in connection with an approved local
24 program. Preschool foundation aid funding may be used by
25 community-based providers for any purpose determined by the
26 community-based provider to meet standards for high-quality
27 preschool instruction and for purposes that directly or
28 indirectly benefit students enrolled in the approved local
29 program, including but not limited to professional development
30 for preschool teachers, instructional equipment and supplies,
31 material and equipment designed to develop pupils' large and
32 small motor skills, translation services, playground equipment
33 and repair costs, food and beverages used by children in the
34 approved local program, safety equipment, facility rental fees,
35 and for other direct costs that enhance the approved local

1 program, including by contracting with other community partners
2 for any such services. State preschool funding may be used by
3 approved local programs for the costs of transportation involving
4 children participating in the preschool program. Preschool
5 foundation aid funding received by a community-based provider
6 approved to directly participate in the preschool program that
7 remains unexpended and unobligated at the end of a fiscal year
8 shall be used to build the community-based provider's capacity in
9 the next succeeding fiscal year.

10 b. For the fiscal year beginning July 1, 2026, and each
11 succeeding fiscal year, of the amount of state preschool funding
12 received by a community-based provider approved to directly
13 participate in the preschool program for a fiscal year, not more
14 than five percent may be used by the community-based provider for
15 administering the approved local program. Outreach activities
16 and rent for facilities not owned by the community-based provider
17 are permissive uses of the administrative funds.

18 Sec. 11. Section 256C.4, subsection 2, paragraph a, Code
19 2026, is amended to read as follows:

20 a. To be included as an eligible student in the enrollment
21 count of the preschool programming provided by a school
22 district approved to participate in the preschool program or
23 a community-based provider approved to directly participate in
24 the preschool program, a child must be four years of age by
25 September 15 in the base year and attending the school district's
26 or community-based provider's approved local program.

27 Sec. 12. Section 256C.5, subsection 1, paragraphs c and d,
28 Code 2026, are amended to read as follows:

29 c. "Preschool budget enrollment" means the figure that is
30 equal to fifty percent of the actual enrollment of eligible
31 students in the preschool programming provided by a school
32 district approved to participate in the preschool program or a
33 community-based provider approved to directly participate in the
34 preschool program on October 1 of the base year, or the first
35 Monday in October if October 1 falls on a Saturday or Sunday.

1 *d.* "Preschool foundation aid" means the product of the
2 regular program state cost per pupil for the budget year
3 multiplied by the school district's preschool budget enrollment
4 or the community-based provider's preschool budget enrollment.

5 Sec. 13. Section 256C.5, Code 2026, is amended by adding the
6 following new subsection:

7 NEW SUBSECTION. 2A. *Preschool foundation aid community-based*
8 *provider amount.* For the initial school year for which a
9 community-based provider approved to directly participate in
10 the preschool program receives that approval and implements
11 the preschool program, the preschool foundation aid payable
12 to the community-based provider is the product of the regular
13 program state cost per pupil for the school year multiplied
14 by fifty percent of the community-based provider's eligible
15 student enrollment on the date in the school year determined
16 by rule. For budget years subsequent to the initial year
17 for which a community-based provider approved to directly
18 participate in the preschool program receives that initial
19 approval and implements the preschool program, the preschool
20 foundation aid is the same as calculated pursuant to subsection
21 1. The funding for the preschool foundation aid payable to the
22 community-based provider shall be paid from the appropriation
23 made in section 257.16. Continuation of a community-based
24 provider's participation in the preschool program for a second
25 or subsequent budget year is subject to the approval of the
26 department based upon the community-based provider's compliance
27 with accountability provisions and the department's on-site
28 review of the community-based provider's implementation of the
29 preschool program.

30 Sec. 14. Section 256C.5, subsection 3, Code 2026, is amended
31 to read as follows:

32 3. *Aid payments.*

33 a. Preschool foundation aid shall be paid as part of the
34 state aid payments made to school districts in accordance with
35 section 257.16.

1 b. Preschool foundation aid paid directly to community-based
2 providers shall be paid to the community-based provider in
3 monthly installments beginning on September 15 of a budget year
4 and ending on or about June 15 of the budget year as determined
5 by the department of management, taking into consideration the
6 relative budget and cash position of the state resources.

7 Sec. 15. EMERGENCY RULES. The state board of education may
8 adopt emergency rules under section 17A.4, subsection 3, and
9 section 17A.5, subsection 2, paragraph "b", to implement the
10 provisions of this Act and the rules shall be effective
11 immediately upon filing unless a later date is specified in the
12 rules. Any rules adopted in accordance with this section shall
13 also be published as a notice of intended action as provided in
14 section 17A.4.

15 EXPLANATION

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

18 This bill authorizes community-based providers to directly
19 participate in the statewide preschool program for four-year-old
20 children.

21 Under current law, only school districts that meet certain
22 requirements established by the state board of education are
23 able to participate in the statewide preschool program for
24 four-year-old children established pursuant to Code chapter
25 256C, although school districts may contract with community-based
26 providers. The bill authorizes community-based providers to
27 directly participate in the statewide preschool program for
28 four-year-old children established pursuant to Code chapter 256C
29 by applying with the department of education to implement a
30 preschool program. The state board is required to adopt rules
31 to further define the requirements of community-based providers
32 implementing the preschool program.

33 Under current law, state funding provided under the statewide
34 preschool program for four-year-old children is provided to
35 school districts based upon the number of eligible students

1 enrolled in the preschool programming provided by the school
2 district. Also under current law, if the school district
3 contracts with a community-based provider, state funding passes
4 from the school district to the community-based provider. The
5 bill allows a community-based provider approved to directly
6 participate in the preschool program to be paid preschool
7 foundation aid directly in the same manner as a school district.
8 The bill establishes the amount of preschool foundation aid that
9 is payable to such a community-based provider for the initial
10 school year for which the community-based provider is approved to
11 directly participate in the preschool program, and for subsequent
12 school years.

13 The bill makes conforming changes.

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