

House File 914 - Introduced

HOUSE FILE 914

BY BAGNIEWSKI, WICHTENDAHL,
KRESSIG, B. MEYER, LEVIN,
KURTH, JACOBY, GOSA, OLSON,
BROWN-POWERS, SRINIVAS,
EHLERT, R. JOHNSON, and
MATSON

A BILL FOR

1 An Act relating to education, including by modifying provisions
2 related to the duties and powers of area education agencies,
3 the department of education, and area education agency
4 funding, and including effective date and applicability
5 provisions.
6 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 36, Code 2025, is amended by striking the subsection.

Sec. 2. Section 256B.3, subsections 16, 17, 18, 19, 20, 21, and 22, Code 2025, are amended by striking the subsections.

DIVISION II

AREA EDUCATION AGENCIES — GENERAL PROVISIONS

Sec. 3. Section 273.2, subsections 1 and 3, Code 2025, are amended to read as follows:

1. There are established throughout the state nine area education agencies, each of which is ~~under the general supervision of the director of the department of education, except as otherwise provided in this chapter~~ governed by an area education agency board of directors. ~~Each area education agency shall have an area education agency board of directors that shall serve in an advisory capacity.~~ The boundaries of an area education agency shall not divide a school district. The director of the department of education shall change boundaries of area education agencies to take into account mergers of local school districts and changes in boundaries of local school districts, when necessary to maintain the policy of this chapter that a local school district shall not be a part of more than one area education agency.

3. ~~α.~~ The area education agency board shall furnish educational services and programs as provided in section 273.1, this section, sections 273.3 through 273.8, and chapter 256B to pupils enrolled in public or nonpublic schools located within its boundaries which are on the list of accredited schools pursuant to section 256.11, ~~which request to receive such services~~. The programs and services provided shall be at least commensurate with programs and services existing on July 1, 1974. The programs and services provided to pupils enrolled in nonpublic schools shall be comparable to programs and services provided to pupils enrolled in public schools within constitutional

1 guidelines.

2 ~~b. The area education agency may furnish evidence-based~~
3 ~~professional development services to public or nonpublic schools~~
4 ~~which are on the list of accredited schools pursuant to section~~
5 ~~256.11 if any of the following requirements are satisfied:~~

6 ~~(1) The professional development service is included on the~~
7 ~~list developed by the director of the department of education~~
8 ~~pursuant to section 256.9, subsection 36.~~

9 ~~(2) The director of the department of education grants~~
10 ~~approval to the area education agency to furnish the~~
11 ~~evidence-based professional development services.~~

12 Sec. 4. Section 273.2, subsections 5 and 13, Code 2025, are
13 amended by striking the subsections.

14 Sec. 5. Section 273.3, subsections 1 and 12, Code 2025, are
15 amended to read as follows:

16 1. ~~Advise and consult with~~ Determine the policies of the
17 area education agency on policies and procedures for providing
18 programs and services.

19 12. ~~Area education agencies shall prepare~~ Prepare an annual
20 budget estimating income and expenditures for programs and
21 services as provided in sections 273.1, 273.2, this section,
22 sections 273.4 through 273.8, and chapter 256B within the limits
23 of funds provided under section 256B.9 and chapter 257. The
24 board shall submit the proposed budget to the director of the
25 department of education for approval not later than March 1 of
26 each year, and the director shall either approve or reject the
27 proposed budget for changes within ten days after submission
28 post notice of a public hearing on the proposed budget on the
29 area education agency's internet site and by publication in the
30 newspaper of general circulation in the territory of the area
31 education agency in which the principal place of business of a
32 school district that is part of the area education agency is
33 located. The notice shall specify the date, which shall be not
34 later than March 1 of each year, the time, and the location
35 of the public hearing. The proposed budget as approved by the

1 ~~director of the department of education board~~ shall then be
2 submitted to the state board of education, on forms provided by
3 the department, no later than March 15 preceding the next fiscal
4 year for approval. The state board shall review the proposed
5 budget of each area education agency and shall before May 1,
6 either grant approval or return the budget without approval with
7 comments of the state board included. An unapproved budget shall
8 be resubmitted to the state board for final approval not later
9 than May 15. The state board shall give final approval only to
10 budgets submitted by area education agencies accredited by the
11 state board or that have been given conditional accreditation by
12 the state board.

13 Sec. 6. Section 273.3, subsection 26, Code 2025, is amended
14 by striking the subsection.

15 Sec. 7. Section 273.5, unnumbered paragraph 1, Code 2025, is
16 amended to read as follows:

17 There shall be established a division of special education
18 of the area education agency which shall provide for special
19 education programs and services to the local school districts.
20 The division of special education shall be headed by a director
21 of special education who meets certification standards of the
22 department of education. ~~The director of special education~~
23 ~~shall be an employee of the division of special education of~~
24 ~~the department of education. The director of special education~~
25 ~~shall not be an employee of the area education agency, shall not~~
26 ~~receive compensation from the area education agency, shall not~~
27 ~~supervise or manage employees of the area education agency, and~~
28 ~~shall not directly provide special education services for the~~
29 ~~agency. The director of special education's primary job duties~~
30 ~~and responsibilities to the area education agency are to provide~~
31 ~~oversight of the area education agency's special education~~
32 ~~services. The director of special education shall also have~~
33 the responsibility for implementation of state regulations and
34 guidelines relating to special education programs and services.
35 The director of special education shall have the following powers

1 and duties:

2 Sec. 8. Section 273.11, Code 2025, is amended to read as
3 follows:

4 **273.11 Standards for accrediting area education agency**
5 **programs.**

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

15 2. Standards developed shall include, but are not limited to,
16 the following:

17 a. Support for school-community planning, including a means
18 of assessing needs, developing collaborative relationships
19 among community agencies, establishing shared direction, and
20 implementing program plans and reporting progress toward goals
21 for all students, including students with disabilities.

22 b. Professional Evidence-based professional development
23 programs that respond to current needs.

24 c. Support for curriculum development, instruction, and
25 assessment ~~for~~ services that address the areas of reading,
26 language arts, math, and science, using research-based
27 methodologies, for all students, including students with
28 disabilities.

29 d. ~~Special education compliance and support.~~

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

32 f. Support for instructional media services that supplement
33 and support local district media centers and services.

34 g. Support for school technology planning and staff
35 development for implementing instructional technologies.

1 h. A program and services evaluation and reporting system
2 that includes information related to special education.

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

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

9 k. Timely submission of required reports and documents to the
10 state board of education, the department of education, and the
11 division of special education of the department of education.

12 l. 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 all students, including students with disabilities.

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

22 n. 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 o. Support necessary to implement effective instruction for
26 all students, including students with disabilities, through
27 school technology services.

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

35 r. Compliance with all relevant federal and state laws in the

1 provision of services and supports to students with disabilities.

2 Sec. 9. Section 284.6, subsection 10, Code 2025, is amended
3 to read as follows:

4 10. If funds are allocated for purposes of professional
5 development pursuant to section 284.13, subsection 1, paragraph
6 "c", the department shall, in collaboration with the area
7 education agencies, establish teacher development academies
8 for public and nonpublic school-based teams of teachers and
9 instructional leaders. Each academy shall include an institute
10 and shall provide follow-up training and coaching.

11 Sec. 10. REPEAL. 2024 Iowa Acts, chapter 1002, sections 13,
12 14, and 19, are repealed.

13 DIVISION III

14 AREA EDUCATION AGENCIES — FUNDING

15 Sec. 11. Section 257.9, Code 2025, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 9A. *Area education agency professional*
18 *development supplement state cost per pupil.* For the budget
19 year beginning July 1, 2009, for the area education agency
20 professional development supplement state cost per pupil, the
21 department of management shall add together the professional
22 development allocation made to each area education agency for
23 the fiscal year beginning July 1, 2008, pursuant to section
24 284.13, subsection 1, paragraph "d", Code 2009, and divide that
25 sum by the statewide special education support services weighted
26 enrollment for the fiscal year beginning July 1, 2009. The
27 area education agency professional development supplement state
28 cost per pupil for the budget year beginning July 1, 2010,
29 and succeeding budget years, shall be the amount calculated by
30 the department of management under this subsection for the base
31 year plus a supplemental state aid amount that is equal to the
32 professional development supplement categorical state percent of
33 growth, pursuant to section 257.8, subsection 2, for the budget
34 year, multiplied by the amount calculated by the department of
35 management under this subsection for the base year.

1 Sec. 12. Section 257.10, subsection 7, Code 2025, is amended
2 to read as follows:

3 7. *Special education support services district cost.* Special
4 education support services district cost for a school district
5 for a budget year is equal to the special education support
6 services district cost per pupil for the budget year multiplied
7 by the special education support services weighted enrollment
8 for the district for the budget year. If the special education
9 support services district cost for a school district for a budget
10 year is less than the special education support services district
11 cost for that district for the base year, the department of
12 management shall adjust the special education support services
13 district cost for that district for the budget year to equal the
14 special education support services district cost for the base
15 year. ~~Funds calculated under this subsection and received by
16 a school district shall be used for special education support
17 services. For budget years beginning on or after July 1,
18 2025, not less than ninety percent of funds calculated under
19 this subsection and received by a school district shall be used
20 by the school district for special education support services
21 contracted from an area education agency. The contract between
22 the school district and the area education agency shall not
23 require the school district to describe the specific special
24 education support services the school district will receive
25 from the area education agency. The special education services
26 provided by the area education agency to the school district
27 pursuant to the contract shall not be limited by the amount
28 of funding the school district provided to the area education
29 agency.~~

30 Sec. 13. Section 257.16, subsection 4, Code 2025, is amended
31 to read as follows:

32 4. Notwithstanding any provision to the contrary, if
33 the governor orders budget reductions in accordance with
34 section 8.31, the teacher salary supplement district cost, the
35 professional development supplement district cost, the early

1 intervention supplement district cost, and the teacher leadership
2 supplement district cost as calculated under section 257.10,
3 subsections 9, 10, 11, and 12, and the area education agency
4 teacher salary supplement district cost and the area education
5 agency professional development supplement district cost as
6 calculated under section 257.37A, subsections 1 and 2, shall
7 be paid in full as calculated and the reductions in the
8 appropriations provided in accordance with this section shall
9 be reduced from the remaining moneys appropriated pursuant to
10 this section and shall be distributed on a per pupil basis
11 calculated with the weighted enrollment determined in accordance
12 with section 257.6, subsection 5.

13 Sec. 14. Section 257.35, subsection 1, paragraph a,
14 subparagraph (3), Code 2025, is amended by striking the
15 subparagraph and inserting in lieu thereof the following:

16 (3) For the fiscal year beginning July 1, 2025, and each
17 fiscal year thereafter, the department of management shall deduct
18 the amounts calculated for special education support services,
19 media 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 area
24 education agencies on a monthly basis from September 15 through
25 June 15 during each school year. The department of management
26 shall notify each school district of the amount of state aid
27 deducted for these purposes and the balance of state aid shall
28 be paid to the district. If a district does not qualify for
29 state aid under this chapter in an amount sufficient to cover
30 its amount due to the area education agency as calculated by
31 the department of management, the school district shall pay
32 the deficiency to the area education agency from other moneys
33 received by the district, on a quarterly basis during each school
34 year.

35 Sec. 15. Section 257.35, subsection 2, Code 2025, is amended

1 to read as follows:

2 2. Notwithstanding the deduction and payment under subsection
3 1, the amounts specified for school districts and area education
4 agencies in subsection 1, paragraph "a", for the fiscal year
5 beginning July 1, 2024, ~~and each succeeding fiscal year,~~ shall
6 be reduced by the department of management by seven million five
7 hundred thousand dollars. The department of management shall
8 calculate a reduction such that such amounts shall be reduced
9 proportionally to the amount that the district or agency would
10 otherwise have received under this section if the reduction
11 imposed pursuant to this subsection did not apply.

12 Sec. 16. Section 257.35, subsection 17, paragraph b, Code
13 2025, is amended to read as follows:

14 b. Notwithstanding subsection 1, and in addition to the
15 reductions applicable pursuant to subsection 2 and paragraph "a"
16 of this subsection, the state aid for area education agencies
17 and the portion of the combined district cost calculated for
18 these agencies related to professional development expenditures
19 for the fiscal year beginning July 1, 2022, and ending June
20 30, 2023, shall be reduced by the department of management
21 by an amount equal to the sum of the area education agency
22 professional development supplement district cost for all area
23 education agencies determined under section 257.37A, subsection
24 2, ~~Code 2022,~~ for the budget year beginning July 1, 2022. The
25 reduction for each area education agency shall be equal to the
26 area education agency's professional development district cost
27 determined under section 257.37A, subsection 2, ~~Code 2022,~~ for
28 the budget year beginning July 1, 2022. The amounts reduced
29 under this paragraph shall be considered funds paid to school
30 districts and area education agencies under chapter 284 for
31 purposes of requirements for providing professional development
32 opportunities.

33 Sec. 17. Section 257.36, subsection 1, Code 2025, is amended
34 to read as follows:

35 1. Notwithstanding chapters 256B and 273 and sections of this

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

26 Sec. 18. Section 257.37, Code 2025, is amended to read as
 27 follows:

28 **257.37 Funding media and educational services.**

29 Media services and educational services provided ~~by a school~~
 30 ~~district or~~ through the area education agency agencies shall be
 31 funded, to the extent provided, by an addition to the combined
 32 district cost of each school district, determined as follows:

33 1. For the budget year beginning July 1, 1991, and succeeding
 34 budget years, the total amount funded in each area for media
 35 services shall be computed as provided in this subsection. For

1 the budget year beginning July 1, 1991, the total amount funded
2 in each area for media services in the base year shall be
3 divided by the enrollment served in the base year to provide an
4 area media services cost per pupil in the base year, and the
5 department of management shall compute the state media services
6 cost per pupil in the base year which is equal to the average
7 of the area media services costs per pupil in the base year.
8 For the budget year beginning July 1, 1991, and succeeding
9 budget years, the department of management shall compute the
10 supplemental state aid for media services in the budget year by
11 multiplying the state media services cost per pupil in the base
12 year times the state percent of growth for the budget year, and
13 the total amount funded in each area for media services cost in
14 the budget year equals the area media services cost per pupil in
15 the base year plus the supplemental state aid for media services
16 in the budget year times the enrollment served in the budget
17 year. ~~For fiscal years beginning before July 1, 2025, funds~~
18 Funds shall be paid to area education agencies as provided in
19 section 257.35. ~~For fiscal years beginning on or after July~~
20 ~~1, 2024, funds not required to be paid to an area education~~
21 ~~agency may be used by the school district for any school district~~
22 ~~general fund purpose.~~

23 2. Up to thirty percent of the budget of an area for media
24 services may be expended for media resource material including
25 the purchase or replacement of material required in section
26 273.6, subsection 1. Funds shall be paid to area education
27 agencies as provided in section 257.35.

28 3. For the budget year beginning July 1, 1991, and succeeding
29 budget years, the total amount funded in each area for
30 educational services shall be computed as provided in this
31 subsection. For the budget year beginning July 1, 1991, the
32 total amount funded in each area for educational services in the
33 base year shall be divided by the enrollment served in the area
34 in the base year to provide an area educational services cost per
35 pupil in the base year, and the department of management shall

1 compute the state educational services cost per pupil in the
 2 base year, which is equal to the average of the area educational
 3 services costs per pupil in the base year. For the budget
 4 year beginning July 1, 1991, and succeeding budget years, the
 5 department of management shall compute the supplemental state
 6 aid for educational services by multiplying the state educational
 7 services cost per pupil in the base year times the state percent
 8 of growth for the budget year, and the total amount funded in
 9 each area for educational services for the budget year equals the
 10 area educational services cost per pupil for the base year plus
 11 the supplemental state aid for educational services in the budget
 12 year times the enrollment served in the area in the budget year.
 13 ~~For fiscal years beginning before July 1, 2025, funds~~ Funds shall
 14 be paid to area education agencies as provided in section 257.35.
 15 ~~For fiscal years beginning on or after July 1, 2024, funds not~~
 16 ~~required to be paid to an area education agency may be used by~~
 17 ~~the school district for any school district general fund purpose.~~

18 4. "Enrollment served" means the basic enrollment ~~of all~~
 19 ~~school districts within the boundaries of the area education~~
 20 ~~agency plus the number of nonpublic school pupils served by~~
 21 ~~the area education agency with media services or educational~~
 22 services, as applicable, except that if a nonpublic school pupil
 23 or a pupil attending another district under a whole grade sharing
 24 agreement or open enrollment receives services through an area
 25 other than the area of the pupil's residence, the pupil shall be
 26 deemed to be served by the area of the pupil's residence, which
 27 shall by contractual arrangement reimburse the area through which
 28 the pupil actually receives services. Each school district shall
 29 include in the enrollment report submitted pursuant to section
 30 257.6, subsection 1, the number of nonpublic school pupils within
 31 each school district for media and educational services served
 32 by the area. However, the school district shall not include in
 33 the enrollment report nonpublic school pupils receiving classes
 34 or services funded entirely by federal grants or allocations.

35 5. a. If an area education agency does not serve nonpublic

1 school pupils in a manner comparable to services provided public
2 school pupils for media and educational services, as determined
3 by the state board of education, the state board shall instruct
4 the department of management to reduce the funds for media
5 services and educational services ~~within the area~~ one time by
6 an amount to compensate for such reduced services. The media
7 services budget shall be reduced by an amount equal to the
8 product of the cost per pupil in basic enrollment for the
9 budget year for media services times the difference between the
10 enrollment served and the basic enrollment recorded for the area.
11 The educational services budget shall be reduced by an amount
12 equal to the product of the cost per pupil in basic enrollment
13 for the budget year for educational services times the difference
14 between the enrollment served and the basic enrollment recorded
15 for the area.

16 b. This subsection applies only to media and educational
17 services which cannot be diverted for religious purposes.

18 c. Notwithstanding this subsection, an area education agency
19 shall distribute to nonpublic schools media materials purchased
20 wholly or partially with federal funds in a manner comparable
21 to the distribution of such media materials to public schools as
22 determined by the director of the department of education.

23 6. For the budget year beginning July 1, 2002, and each
24 succeeding budget year, notwithstanding the requirements of this
25 section for determining the budgets and funding of media services
26 and education services, an area education agency ~~or school~~
27 district may, within the limits of the total of the funds
28 provided for the budget years pursuant to section 257.35, expend
29 for special education support services an amount that exceeds
30 the payment for special education support services pursuant to
31 section 257.35 in order to maintain the level of required special
32 education support services in the area education agency ~~or the~~
33 ~~school district~~, as applicable.

34 Sec. 19. Section 257.37A, Code 2025, is amended to read as
35 follows:

1 **257.37A Area education agency salary supplement funding.**

2 1. Area education agency teacher salary supplement cost per
3 pupil and district cost.

4 ~~1.~~ a. For the budget year beginning July 1, 2009,
5 the department of management shall add together the teacher
6 compensation allocation made to each area education agency for
7 the fiscal year beginning July 1, 2008, pursuant to section
8 284.13, subsection 1, paragraph "i", Code 2009, and the phase II
9 allocation made to each area education agency for the fiscal year
10 beginning July 1, 2008, pursuant to section 294A.9, Code 2009,
11 and divide that sum by the special education support services
12 weighted enrollment in the fiscal year beginning July 1, 2009,
13 to determine the area education agency teacher salary supplement
14 cost per pupil. For the budget year beginning July 1, 2010,
15 and succeeding budget years, the area education agency teacher
16 salary supplement district cost per pupil for each area education
17 agency for a budget year is the area education agency teacher
18 salary supplement district cost per pupil for the base year plus
19 the area education agency teacher salary supplement supplemental
20 state aid amount for the budget year.

21 ~~2.~~ b. For the budget year beginning July 1, 2010,
22 and succeeding budget years, if the department of management
23 determines that the unadjusted area education agency teacher
24 salary supplement district cost of an area education agency for
25 a budget year is less than one hundred percent of the unadjusted
26 area education agency teacher salary supplement district cost for
27 the base year for the area education agency, the area education
28 agency shall receive a budget adjustment for that budget year
29 equal to the difference.

30 ~~3.—a.~~ c. (1) The unadjusted area education agency teacher
31 salary supplement district cost is the area education agency
32 teacher salary supplement district cost per pupil for each area
33 education agency for a budget year multiplied by the special
34 education support services weighted enrollment for that area
35 education agency.

1 ~~b.~~ (2) The total area education agency teacher salary
2 supplement district cost is the sum of the unadjusted area
3 education agency teacher salary supplement district cost plus the
4 budget adjustment for that budget year.

5 ~~4.~~ d. For the budget year beginning July 1, 2009, the
6 use of the funds calculated under this ~~section~~ subsection shall
7 comply with requirements of chapter 284 and shall be distributed
8 to teachers pursuant to section 284.3A. For the budget year
9 beginning July 1, 2010, and succeeding budget years, the use of
10 the funds calculated under this ~~section~~ subsection shall comply
11 with the requirements of chapter 284 and shall be distributed to
12 teachers pursuant to section 284.3A.

13 2. Area education agency professional development supplement
14 cost per pupil and district cost.

15 a. For the budget year beginning July 1, 2009, the department
16 of management shall divide the area education agency professional
17 development supplement made to each area education agency for
18 the fiscal year beginning July 1, 2008, pursuant to section
19 284.13, subsection 1, paragraph "d", Code 2009, by the special
20 education support services weighted enrollment in the fiscal year
21 beginning July 1, 2009, to determine the professional development
22 supplement cost per pupil. For the budget year beginning July
23 1, 2010, and succeeding budget years, the area education agency
24 professional development supplement district cost per pupil for
25 each area education agency for a budget year is the area
26 education agency professional development supplement district
27 cost per pupil for the base year plus the area education agency
28 professional amount for the budget year.

29 b. For the budget year beginning July 1, 2010, and succeeding
30 budget years, if the department of management determines that
31 the unadjusted area education agency professional development
32 supplement district cost of an area education agency for a budget
33 year is less than one hundred percent of the unadjusted area
34 education agency professional development supplement district
35 cost for the base year for the area education agency, the area

1 education agency shall receive a budget adjustment for that
2 budget year equal to the difference.

3 c. (1) The unadjusted area education agency professional
4 development supplement district cost is the area education agency
5 professional development supplement district cost per pupil for
6 each area education agency for a budget year multiplied by the
7 special education support services weighted enrollment for that
8 area education agency.

9 (2) The total area education agency professional development
10 supplement district cost is the sum of the unadjusted area
11 education agency professional development supplement district
12 cost plus the budget adjustment for that budget year.

13 d. The use of the funds calculated under this subsection
14 shall comply with the requirements of chapter 284.

15 Sec. 20. Section 284.3A, subsection 4, Code 2025, is amended
16 to read as follows:

17 4. The teacher salary supplement district cost as calculated
18 under section 257.10, subsection 9, and the area education agency
19 teacher salary supplement district cost as calculated under
20 section 257.37A, subsection 1, are not subject to a uniform
21 reduction in accordance with section 8.31.

22 Sec. 21. Section 284.4, subsection 1, paragraph b,
23 subparagraph (3), Code 2025, 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 funds
27 calculated and paid to the school district or agency as provided
28 in section 257.9, subsection 9A, or section 257.10, subsection
29 10, based upon school district or agency, attendance center, and
30 individual teacher and professional development plans.

31 Sec. 22. Section 284.6, subsections 8 and 9, Code 2025, are
32 amended to read as follows:

33 8. For each year in which a school district receives
34 funds calculated and paid to school districts for professional
35 development pursuant to section 257.10, subsection 10, or section

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

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

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

14 Sec. 23. EFFECTIVE DATE. This division of this Act, being
15 deemed of immediate importance, takes effect upon enactment.

16 Sec. 24. APPLICABILITY. This division of this Act applies
17 July 1, 2025, for school budget years beginning on or after that
18 date.

19 EXPLANATION

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

22 This bill relates to education, including by modifying
23 provisions related to the duties and powers of area education
24 agencies, the department of education, and area education agency
25 funding.

26 DIVISION I — DIVISION OF SPECIAL EDUCATION OF THE DEPARTMENT
27 OF EDUCATION. Current law requires the director of the department
28 of education to develop and distribute to school districts,
29 accredited nonpublic schools, and area education agencies a list
30 of evidence-based professional development services that an area
31 education agency may provide to a public school or accredited
32 nonpublic school. The bill strikes these provisions.

33 Current law requires the division of special education within
34 the department of education to oversee the operation of each
35 area education agency to ensure the area education agency

1 complies with all applicable federal and state laws related to
2 special education; develop and distribute to school districts
3 and accredited nonpublic schools a process to facilitate the
4 development of individualized education programs and assist
5 individualized education program teams with decisions regarding
6 free appropriate public education and placement for students
7 enrolled in accredited nonpublic schools; provide professional
8 learning and other support materials and tools for individualized
9 education program teams; provide information to individualized
10 education program teams and public agencies that nonpublic
11 schools shall be considered a placement option so long
12 as the individualized education program of a child with a
13 disability does not require some other arrangement; develop
14 and distribute to school districts professional learning and
15 other materials for meaningful consultation for representatives
16 of area education agencies, school districts, and accredited
17 nonpublic schools; establish sustainable accountability and data
18 collection systems related to special education; and develop and
19 distribute to school districts and accredited nonpublic schools
20 an implementation plan related to identifying, evaluating, and
21 promoting strategies and models for providing special education
22 and related services with accredited nonpublic schools. The bill
23 strikes these provisions.

24 DIVISION II — AREA EDUCATION AGENCIES — GENERAL
25 PROVISIONS. Current law provides that each area education agency
26 is under the general supervision of the director of the
27 department of education and that the area education agency board
28 of directors serves in an advisory capacity. The bill provides
29 that each area education agency is governed by a board of
30 directors. The bill makes conforming changes.

31 The bill modifies provisions related to students that an
32 area education agency may provide services to. Current law
33 provides that an area education agency may furnish evidence-based
34 professional development services to public or nonpublic schools
35 which are on the list of accredited schools if certain specified

1 requirements are satisfied. The bill strikes this provision.

2 Current law requires area education agencies to prepare a
3 proposed annual budget and submit the proposed budget to the
4 director of the department of education for approval not later
5 than March 1 of each year. Under current law, the director is
6 required to either approve or reject the proposed budget for
7 changes within 10 days after submission. The bill modifies
8 this provision to require area education agencies to prepare a
9 proposed annual budget and post notice of a public hearing on
10 the proposed budget on the area education agency's internet site
11 and by publication in the newspaper of general circulation in
12 the territory of the area education agency in which the principal
13 place of business of a school district that is part of the area
14 education agency is located. The notice shall specify the date,
15 which shall be not later than March 1 of each year, the time, and
16 the location of the public hearing.

17 Current law requires an area education agency to, on a
18 quarterly basis, prepare and submit to each school district
19 that receives services from the area education agency a report
20 that includes certain specified financial and programmatic
21 information. The bill strikes this provision.

22 Current law requires that the director of special education
23 within each area education agency be an employee of the division
24 of special education of the department of education and not be
25 an employee of the area education agency, receive compensation
26 from the area education agency, supervise or manage employees
27 of the area education agency, or directly provide special
28 education services for the agency. Current law also provides
29 that the director of special education's primary job duties and
30 responsibilities to the area education agency are to provide
31 oversight of the area education agency's special education
32 services. The bill strikes these provisions.

33 The bill modifies provisions related to the standards used
34 by the state board of education for the accreditation of area
35 education agencies.

1 The bill repeals certain specified provisions of 2024 Iowa
2 Acts, chapter 1002, related to the accreditation of area
3 education programs that were to take effect July 1, 2025.

4 DIVISION III — AREA EDUCATION AGENCIES — FUNDING. The bill
5 modifies provisions related to the calculation of the area
6 education agency professional development supplement state cost
7 per pupil.

8 Current law provides that funds calculated under Code section
9 257.10(7) (special education support services district cost) and
10 received by a school district are required to be used for special
11 education support services. Current law also provides that for
12 budget years beginning on or after July 1, 2025, not less than
13 90 percent of funds calculated under Code section 257.10(7) and
14 received by a school district are required to be used by the
15 school district for special education support services contracted
16 from an area education agency. The contract between the school
17 district and the area education agency shall not require the
18 school district to describe the specific special education
19 support services the school district will receive from the area
20 education agency. The special education services provided by
21 the area education agency to the school district pursuant to the
22 contract shall not be limited by the amount of funding the school
23 district provided to the area education agency. The bill strikes
24 these provisions.

25 The bill provides that for the fiscal year beginning July
26 1, 2025, and each fiscal year thereafter, the department
27 of management is required to deduct the amounts calculated
28 for special education support services, media services, area
29 education agency teacher salary supplement district cost, area
30 education agency professional development supplement district
31 costs, and educational services for each school district from
32 the state aid due to the district pursuant to Code chapter 257
33 and pay the amounts to the respective area education agencies on
34 a monthly basis from September 15 through June 15 during each
35 school year. The bill requires the department of management to

1 notify each school district of the amount of state aid deducted
2 for these purposes and the balance of state aid is required to
3 be paid to the district. If a district does not qualify for
4 state aid under Code chapter 257 in an amount sufficient to cover
5 its amount due to the area education agency as calculated by the
6 department of management, the school district is required to pay
7 the deficiency to the area education agency from other moneys
8 received by the district, on a quarterly basis during each school
9 year.

10 Current law provides that, notwithstanding the deduction and
11 payment called for under Code section 257.35(1), the amounts
12 specified for school districts and area education agencies in
13 Code section 257.35(1)(a) for the fiscal year beginning July 1,
14 2024, and each succeeding fiscal year, shall be reduced by the
15 department of management by \$7.5 million. The bill provides that
16 this reduction does not apply to fiscal years after the fiscal
17 year beginning July 1, 2024.

18 The bill modifies provisions related to moneys available
19 to school districts and area education agencies for special
20 education support services and the funding and provisions
21 related to the media and educational services provided by
22 school districts or through area education agencies, including
23 by modifying Code section 257.37 (funding media and educational
24 services) to strike a provision that state funds that are not
25 required to be paid to an area education agency may be used by
26 the school district for any school district general fund purpose
27 and by modifying the definition of "enrollment served" in Code
28 section 257.37.

29 The bill modifies Code section 257.37A (area education agency
30 salary supplement funding), including by providing that, if the
31 department of management determines that the unadjusted area
32 education agency professional development supplement district
33 cost of an area education agency for a budget year is less than
34 100 percent of the unadjusted area education agency professional
35 development supplement district cost for the base year for the

1 area education agency, the area education agency shall receive a
2 budget adjustment for that budget year equal to the difference.
3 The division takes effect upon enactment and applies July 1,
4 2025, for school budget years beginning on or after that date.

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