

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:

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
4 program or community-based provider's program for four-year-old
5 children approved by the department of education to provide
6 ~~high-quality~~ 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*
10 *to directly participate in the preschool program*" means a
11 community-based provider that meets the community-based
12 provider requirements under section 256C.3 and has been
13 approved by the department to directly participate in the
14 preschool program. "*Community-based provider approved to*
15 *directly participate in the preschool program*" does not mean a
16 community-based provider that partners with a school district's
17 approved local program.

18 Sec. 3. Section 256C.3, subsection 1, paragraph b, Code
19 2026, is amended to read as follows:

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

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

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

34 Sec. 5. Section 256C.3, subsection 3, unnumbered paragraph
35 1, Code 2026, is amended to read as follows:

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

7 Sec. 6. Section 256C.3, subsection 3, paragraph h, Code
8 2026, is amended to read as follows:

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

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

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

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

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

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

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

34 *a.* The department shall implement an application and
35 selection process for school district participation and

1 community-based provider participation in the preschool program
2 that includes but is not limited to the enrollment requirements
3 provided under [section 256C.4](#).

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

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

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

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

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

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

1 the district's approved local program.

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

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

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

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

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

31 *g.* For the fiscal year beginning July 1, 2015, and each
32 succeeding fiscal year, of the amount of preschool foundation
33 aid received by a school district for a fiscal year in
34 accordance with [section 257.16](#), not more than five percent may
35 be used by the school district for administering the district's

1 approved local program. Outreach activities and rent for
2 facilities not owned by the school district are permissive uses
3 of the administrative funds.

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

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

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

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

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

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

21 Sec. 11. Section 256C.4, subsection 2, paragraph a, Code
22 2026, is amended to read as follows:

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

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

33 *c.* "*Preschool budget enrollment*" means the figure that is
34 equal to fifty percent of the actual enrollment of eligible
35 students in the preschool programming provided by a school

1 district approved to participate in the preschool program or a
2 community-based provider approved to directly participate in
3 the preschool program on October 1 of the base year, or the
4 first Monday in October if October 1 falls on a Saturday or
5 Sunday.

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

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

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

35 Sec. 14. Section 256C.5, subsection 3, Code 2026, is amended

1 to read as follows:

2 3. *Aid payments.*

3 a. Preschool foundation aid shall be paid as part of the
4 state aid payments made to school districts in accordance with
5 section 257.16.

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

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

20 EXPLANATION

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

23 This bill authorizes community-based providers to
24 directly participate in the statewide preschool program for
25 four-year-old children.

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

1 required to adopt rules to further define the requirements of
2 community-based providers implementing the preschool program.
3 Under current law, state funding provided under the
4 statewide preschool program for four-year-old children is
5 provided to school districts based upon the number of eligible
6 students enrolled in the preschool programming provided by
7 the school district. Also under current law, if the school
8 district contracts with a community-based provider, state
9 funding passes from the school district to the community-based
10 provider. The bill allows a community-based provider approved
11 to directly participate in the preschool program to be paid
12 preschool foundation aid directly in the same manner as a
13 school district. The bill establishes the amount of preschool
14 foundation aid that is payable to such a community-based
15 provider for the initial school year for which the
16 community-based provider is approved to directly participate in
17 the preschool program, and for subsequent school years.
18 The bill makes conforming changes.