

House File 740 - Reprinted

HOUSE FILE _____
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 243)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the duties and responsibilities of school
2 districts, area education agencies, and the department of
3 education by expanding school district audit requirements,
4 requiring the department to submit an achievement gap report,
5 changing deadlines and adding reporting requirements related
6 to dropout and dropout prevention programs, changing testing
7 requirements for the issuance of high school equivalency
8 diplomas, eliminating certain requirements for school district
9 payments and settlements, authorizing school site sale
10 revenues to be used for physical plant and equipment levy fund
11 expenditures, allowing school districts to establish nonprofit
12 entities or organizations, eliminating Code provisions related
13 to extended school programs and evening and part-time schools,
14 providing for changes to open enrollment requirements,
15 deadlines, and authorizations, repealing a school district
16 lawful fence requirement, providing for the confidentiality of
17 records regarding a child receiving competent private
18 instruction, eliminating a requirement that school bus drivers
19 submit a certificate of physical fitness annually, expanding
20 the penalties for school bus drivers in violation of Code
21 requirements, and revising requirements for prior
22 authorization and a certificate of need for local option and
1 services tax for school infrastructure fund use, and including
2 a retroactive applicability provision.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 HF 740
5 kh/es/25

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1 1 Section 1. Section 11.6, subsection 1, paragraph a,
1 2 unnumbered paragraph 1, Code 2005, is amended to read as
1 3 follows:
1 4 The financial condition and transactions of all cities and
1 5 city offices, counties, county hospitals organized under
1 6 chapters 347 and 347A, memorial hospitals organized under
1 7 chapter 37, entities organized under chapter 28E having gross
1 8 receipts in excess of one hundred thousand dollars in a fiscal
1 9 year, merged areas, area education agencies, and all school
1 10 offices in school districts, shall be examined at least once
1 11 each year, except that cities having a population of seven
1 12 hundred or more but less than two thousand shall be examined
1 13 at least once every four years, and cities having a population
1 14 of less than seven hundred may be examined as otherwise
1 15 provided in this section. The examination shall cover the
1 16 fiscal year next preceding the year in which the audit is
1 17 conducted. The examination of school offices shall include an
1 18 audit of all school funds, the certified annual financial
1 19 report, ~~and~~ the certified enrollment as provided in section
1 20 257.6, and the revenues and expenditures of any nonprofit
1 21 school organization established pursuant to section 279.60.
1 22 Differences in certified enrollment shall be reported to the
1 23 department of management. The examination of a city that owns
1 24 or operates a municipal utility providing local exchange
1 25 services pursuant to chapter 476 shall include an audit of the
1 26 city's compliance with section 388.10. The examination of a
1 27 city that owns or operates a municipal utility providing
1 28 telecommunications services pursuant to section 388.10 shall
1 29 include an audit of the city's compliance with section 388.10.
1 30 Sec. 2. Section 256.9, Code 2005, is amended by adding the
1 31 following new subsection:

1 32 NEW SUBSECTION. 53. Prepare and submit to the
1 33 chairpersons and ranking members of the senate and house
1 34 education committees a report on the state's progress toward
1 35 closing the achievement gap, including student achievement for
2 1 minority subgroups, and a comprehensive summary of state
2 2 agency and local district activities and practices taken in
2 3 the past year to close the achievement gap.

2 4 Sec. 3. Section 257.38, unnumbered paragraph 1, Code 2005,
2 5 is amended to read as follows:

2 6 Boards of school districts, individually or jointly with
2 7 boards of other school districts, requesting to use additional
2 8 allowable growth for programs for returning dropouts and
2 9 dropout prevention pursuant to section 257.40, shall annually
2 10 submit comprehensive program plans for the programs and budget
2 11 costs, including requests for additional allowable growth for
2 12 funding the programs, to the department of education as
2 13 ~~provided in this chapter a component of the comprehensive~~
2 14 ~~school improvement plan submitted to the department pursuant~~
2 15 ~~to section 256.7, subsection 21.~~ The program plans shall

2 16 include:

2 17 Sec. 4. Section 257.38, unnumbered paragraph 2, Code 2005,
2 18 is amended to read as follows:

2 19 Program plans shall identify the parts of the plan that
2 20 will be implemented first upon approval of the ~~application~~
2 21 ~~request~~. If a district is requesting to use additional
2 22 allowable growth to finance the program, ~~it the district~~ shall
2 23 not identify more than five percent of its budget enrollment
2 24 for the budget year as returning dropouts and potential
2 25 dropouts.

2 26 Sec. 5. Section 257.40, Code 2005, is amended to read as
2 27 follows:

2 28 257.40 PLANS FOR RETURNING DROPOUTS AND DROPOUT
2 29 PREVENTION.

2 30 1. The board of directors of a school district requesting
2 31 to use additional allowable growth for programs for returning
2 32 dropouts and dropout prevention shall submit ~~applications a~~
2 33 ~~request for approval for the programs~~ additional allowable
2 34 growth, including budget costs, to the department not later
2 35 than ~~November 1~~ December 15 preceding the budget year during
3 1 which the program will be offered. The department shall
3 2 review the ~~program plans~~ request and shall prior to January 15
3 3 either grant approval for the ~~program~~ request or return the
3 4 request for approval with comments of the department included.
3 5 An unapproved request for a program may be resubmitted with
3 6 modifications to the department not later than February 1.
3 7 Not later than February 15, the department shall notify the
3 8 department of management and the school budget review
3 9 committee of the names of the school districts for which
3 10 programs using additional allowable growth for funding have
3 11 been approved and the approved budget of each program listed
3 12 separately for each school district having an approved ~~program~~
3 13 request.

3 14 2. Beginning January 15, 2006, the department shall submit
3 15 an annual report to the chairpersons and ranking members of
3 16 the senate and house education committees that includes the
3 17 ways school districts are using additional allowable growth
3 18 approved under subsection 1; identifies, by grade level, age,
3 19 and district size, the students in the dropout and dropout
3 20 prevention programs for which the department approves a
3 21 request; describes school district progress toward increasing
3 22 student achievement and attendance for the students in the
3 23 programs; and describes how the school districts are using the
3 24 revenues from the additional allowable growth to improve
3 25 student achievement among minority subgroups.

3 26 Sec. 6. Section 259A.1, Code 2005, is amended to read as
3 27 follows:

3 28 259A.1 TESTS.

3 29 The department of education shall cause to be made
3 30 available for qualified individuals a high school equivalency
3 31 diploma. The diploma shall be issued on the basis of
3 32 satisfactory competence as shown by tests covering: ~~The~~
3 33 ~~correctness and effectiveness of expression; the~~
3 34 ~~interpretation of reading materials in the social studies;~~
3 35 ~~interpretation of reading material in the natural sciences;~~
4 1 ~~interpretation of literary materials; and general mathematical~~
4 2 ~~ability language arts, reading; language arts, writing;~~
4 3 ~~mathematics; science; and social studies.~~

4 4 Sec. 7. Section 279.30, Code 2005, is amended to read as
4 5 follows:

4 6 279.30 EXCEPTIONS.

4 7 Each ~~warrant~~ payment must be made payable to the person

4 8 entitled to receive the money. The board of directors of a
4 9 school district or an area education agency may by resolution
4 10 authorize the secretary or administrator, in the case of an
4 11 area education agency, to issue warrants payments when the
4 12 board of directors is not in session in payment of freight,
~~4 13 drayage, express, postage, printing, water, light, and~~
~~4 14 telephone rents reasonable and necessary expenses,~~ but only
4 15 upon verified bills filed with the secretary or administrator,
4 16 and for the payment of salaries or wages pursuant to the terms
4 17 of a written contract, and the secretary or administrator
~~4 18 shall either deliver in person or mail the warrants to the~~
~~4 19 payees. In addition, the board of directors may by resolution~~
~~4 20 authorize the secretary or administrator, upon approval of the~~
~~4 21 president of the board, to issue warrants when the board of~~
~~4 22 directors is not in session, but only upon verified bills~~
~~4 23 filed with the secretary or administrator, and the secretary~~
~~4 24 or administrator shall either deliver in person or mail the~~
~~4 25 warrants to the payees employment.~~ Each warrant payment must
4 26 be made payable only to the person performing the service or
4 27 presenting the verified bill, and must state the purpose for
4 28 which the warrant payment is issued. All bills and salaries
4 29 for which warrants payments are issued prior to audit and
4 30 allowance by the board must be passed upon by the board of
4 31 directors at the next meeting and be entered in the regular
4 32 minutes of the secretary.

4 33 Sec. 8. Section 279.33, Code 2005, is amended to read as
4 34 follows:

4 35 279.33 ANNUAL SETTLEMENTS.

5 1 At a regular or special meeting held on or after August 31
5 2 and prior to the organizational meeting held after the regular
5 3 school election, the board of each school corporation shall
5 4 meet, examine the books of, and settle with the secretary and
5 5 treasurer for the year ending on the preceding June 30, and
5 6 transact other business as necessary. ~~The treasurer at the~~
~~5 7 time of settlement shall furnish the board with a sworn~~
~~5 8 statement from each depository showing the balance then on~~
~~5 9 deposit in the depository. If the secretary or treasurer~~
~~5 10 fails to make proper reports for the settlement, the board~~
~~5 11 shall take action to obtain the balance information.~~

5 12 Sec. 9. Section 279.41, Code 2005, is amended to read as
5 13 follows:

5 14 279.41 SCHOOLHOUSES AND SITES SOLD == FUNDS.

5 15 Moneys received from the condemnation, sale, or other
5 16 disposition for public purposes of schoolhouses, school sites,
5 17 or both schoolhouses and school sites, shall be deposited in
5 18 the physical plant and equipment levy fund and may without a
5 19 vote of the electorate be used for ~~the purchase of school~~
~~5 20 sites or the erection or repair of schoolhouses, or both~~
5 21 purposes authorized under section 298.3, as ordered by the
5 22 board of directors of the school district.

5 23 Sec. 10. NEW SECTION. 279.60 NONPROFIT SCHOOL
5 24 ORGANIZATIONS.

5 25 The board of directors of a school district may take action
5 26 to adopt a resolution to establish, and authorize expenditures
5 27 for the operational support of, an entity or organization for
5 28 the sole benefit of the school district and its students that
5 29 is exempt from federal income taxation under section 501(c)(3)
5 30 of the Internal Revenue Code. The entity or organization
5 31 shall reimburse the school district for expenditures made by
5 32 the school district on behalf of the entity or organization.
5 33 Prior to establishing such an entity or organization, the
5 34 board of directors shall hold a public hearing on the proposal
5 35 to establish such an entity or organization. Such an entity
6 1 or organization shall maintain its records in accordance with
6 2 chapter 22, except that the entity or organization shall
6 3 provide for the anonymity of a donor at the written request of
6 4 the donor. The board of directors of a school district shall
6 5 annually report to the department of education and to the
6 6 local community the administrative expenditures, revenues, and
6 7 activities of the entity or organization established by the
6 8 school district pursuant to this section. The department
6 9 shall include in its annual condition of education report a
6 10 statewide summary of the expenditures and revenues submitted
6 11 in accordance with this section.

6 12 Sec. 11. Section 282.1, unnumbered paragraph 1, Code 2005,
6 13 is amended to read as follows:

6 14 Persons between five and twenty-one years of age are of
6 15 school age. ~~A board may establish and maintain evening~~
~~6 16 schools or an educational program under section 282.1A for~~
~~6 17 residents of the corporation regardless of age and for which~~
~~6 18 no tuition need be charged.~~ Nonresident children shall be

6 19 charged the maximum tuition rate as determined in section
6 20 282.24, subsection 1, with the exception that those residing
6 21 temporarily in a school corporation may attend school in the
6 22 corporation upon terms prescribed by the board, and boards
6 23 discontinuing grades under section 282.7, subsection 1 or
6 24 subsections 1 and 3, shall be charged tuition as provided in
6 25 section 282.24, subsection 2.

6 26 Sec. 12. Section 282.18, subsection 2, Code 2005, is
6 27 amended to read as follows:

6 28 2. By ~~January~~ March 1 of the preceding school year ~~for~~
6 29 ~~students entering grades one through twelve, or by September 1~~
6 30 ~~of the current school year for students entering kindergarten,~~

6 31 the parent or guardian shall send notification to the district
6 32 of residence and the receiving district, on forms prescribed
6 33 by the department of education, that the parent or guardian
6 34 intends to enroll the parent's or guardian's child in a public
6 35 school in another school district. If a parent or guardian
7 1 fails to file a notification that the parent intends to enroll
7 2 the parent's or guardian's child in a public school in another
7 3 district by the deadline of ~~January 1 of the previous year~~
7 4 ~~specified in this subsection, and one of the criteria defined~~
7 5 ~~in procedures of subsection 4 exists for the failure to meet~~
7 6 ~~the deadline or if the request is to enroll a child in~~
7 7 ~~kindergarten in a public school in another district, the~~
7 8 ~~parent or guardian shall be permitted to enroll the child in~~
7 9 ~~the other district in the same manner as if the deadline had~~
7 10 ~~been met apply.~~

7 11 The board of the receiving district shall enroll the pupil
7 12 in a school in the receiving district for the following school
7 13 year unless the receiving district does not have classroom
7 14 space for the pupil. The board of directors of a receiving
7 15 district may adopt a policy granting the superintendent of the
7 16 school district authority to approve open enrollment

7 17 applications. If the request is granted, the board shall
7 18 transmit a copy of the form to the parent or guardian and the
7 19 school district of residence within five days after board
7 20 action, but not later than ~~March~~ June 1 of the preceding
7 21 school year. The parent or guardian may withdraw the request
7 22 at any time prior to the start of the school year. A denial
7 23 of a request by the board of a receiving district is not
7 24 subject to appeal.

7 25 Sec. 13. Section 282.18, subsection 4, paragraphs a and b,
7 26 Code 2005, are amended to read as follows:

7 27 a. After ~~January~~ March 1 of the preceding school year and
7 28 until the third Friday in September of that calendar year, the
7 29 parent or guardian shall send notification to the district of
7 30 residence and the receiving district, on forms prescribed by
7 31 the department of education, that good cause, as defined in
7 32 paragraph "b", exists for failure to meet the ~~January~~ March 1
7 33 deadline. The board of directors of a school district may
7 34 adopt a policy granting the superintendent of the school
7 35 district authority to approve open enrollment applications

8 1 submitted after the March 1 deadline if good cause exists.
8 2 Upon approval of the resident district, the board of the
8 3 receiving district shall take action to approve the request if
8 4 good cause exists. If the request is granted, the board in
8 5 the resident district shall transmit a copy of the form to the
8 6 parent or guardian and the school receiving district of
8 7 residence within five days after board action. A denial of a
8 8 request by the board of a receiving resident district is not
8 9 subject to appeal to the director of the department of
8 10 education.

8 11 b. For purposes of this section, "good cause" means a
8 12 change in a child's residence due to a change in family
8 13 residence, a change in the state in which the family residence
8 14 is located, a change in a child's parents' marital status, a
8 15 guardianship or custody proceeding, placement in foster care,
8 16 adoption, participation in a foreign exchange program, or
8 17 participation in a substance abuse or mental health treatment
8 18 program, or a similar set of circumstances consistent with the
8 19 definition of "good cause"; or a change in the status of a
8 20 child's resident district such as removal of accreditation by
8 21 the state board, surrender of accreditation, or permanent
8 22 closure of a nonpublic school, revocation of a charter school
8 23 contract as provided in section 256F.8, the failure of
8 24 negotiations for a whole-grade sharing, reorganization,
8 25 dissolution agreement or the rejection of a current whole-
8 26 grade sharing agreement, or reorganization plan, or a similar
8 27 set of circumstances consistent with the definition of "good
8 28 cause". If the good cause relates to a change in status of a
8 29 child's school district of residence, however, action by a

8 30 parent or guardian must be taken to file the notification
8 31 within forty-five days of the last board action or within
8 32 thirty days of the certification of the election, whichever is
8 33 applicable to the circumstances.

8 34 Sec. 14. Section 282.18, subsections 5 and 6, Code 2005,
8 35 are amended to read as follows:

9 1 5. Open enrollment applications filed after ~~January~~ March
9 2 1 of the preceding school year that do not qualify for good
9 3 cause as provided in subsection 4 shall be subject to the
9 4 approval of the board of the resident district and the board
9 5 of the receiving district. The parent or guardian shall send
9 6 notification to the district of residence and the receiving
9 7 district that the parent or guardian seeks to enroll the
9 8 parent's or guardian's child in the receiving district. A
9 9 decision of either board to deny an application filed under
9 10 this subsection involving repeated acts of harassment of the
9 11 student or serious health condition of the student that the
9 12 resident district cannot adequately address is subject to
9 13 appeal under section 290.1. The state board shall exercise
9 14 broad discretion to achieve just and equitable results that
9 15 are in the best interest of the affected child or children.

9 16 6. A request under this section is for a period of not
9 17 less than one year. If the request is for more than one year
9 18 and the parent or guardian desires to have the pupil enroll in
9 19 a different district, the parent or guardian may petition the
9 20 current receiving district by ~~January~~ March 1 of the previous
9 21 school year for permission to enroll the pupil in a different
9 22 district for a period of not less than one year. Upon receipt
9 23 of such a request, the current receiving district board may
9 24 act on the request to transfer to the other school district at
9 25 the next regularly scheduled board meeting after the receipt
9 26 of the request. The new receiving district shall enroll the
9 27 pupil in a school in the district unless there is insufficient
9 28 classroom space in the district or unless enrollment of the
9 29 pupil would adversely affect the court-ordered or voluntary
9 30 desegregation plan of the district. A denial of a request to
9 31 change district enrollment within the approved period is not
9 32 subject to appeal. However, a pupil who has been in
9 33 attendance in another district under this section may return
9 34 to the district of residence and enroll at any time, once the
9 35 parent or guardian has notified the district of residence and
10 1 the receiving district in writing of the decision to enroll
10 2 the pupil in the district of residence.

10 3 Sec. 15. Section 285.11, subsection 9, Code 2005, is
10 4 amended by striking the subsection.

10 5 Sec. 16. Section 297.14, Code 2005, is amended to read as
10 6 follows:

10 7 297.14 BARBED WIRE.

10 8 No fence ~~provided for in section 297.13~~ built where the
10 9 school grounds adjoin cultivated or improved lands shall be
10 10 constructed of barbed wire, nor shall any barbed wire fence be
10 11 placed within ten feet of any school grounds. Any person
10 12 violating the provisions of this section shall be guilty of a
10 13 simple misdemeanor.

10 14 Sec. 17. NEW SECTION. 299A.11 STUDENT RECORDS
10 15 CONFIDENTIAL.

10 16 Notwithstanding any provision of law or rule to the
10 17 contrary, personal information in records regarding a child
10 18 receiving competent private instruction pursuant to this
10 19 chapter, which are maintained, created, collected, or
10 20 assembled by or for a state agency shall be kept confidential
10 21 in the same manner as personal information in student records
10 22 maintained, created, collected, or assembled by or for a
10 23 school corporation or educational institution in accordance
10 24 with section 22.7, subsection 1.

10 25 Sec. 18. Section 321.376, subsection 1, Code 2005, is
10 26 amended to read as follows:

10 27 1. The driver of a school bus shall hold a driver's
10 28 license issued by the department of transportation valid for
10 29 the operation of the school bus and a certificate of
10 30 qualification for operation of a commercial motor vehicle
10 31 issued by a physician licensed pursuant to chapter 148 or
10 32 150A, physician's assistant, advanced registered nurse
10 33 practitioner, or chiropractor or any other person identified
10 34 by federal and state law as authorized to perform physical
10 35 examinations, and shall successfully complete an approved
11 1 course of instruction in accordance with subsection 2. A
11 2 person holding a temporary restricted license issued under
11 3 chapter 321J shall be prohibited from operating a school bus.
11 4 The department of education shall ~~revoke or~~ refuse to issue an
11 5 authorization to operate a school bus to any person who, after

11 6 notice and opportunity for hearing, is determined to have
11 7 committed any of the acts proscribed under section 321.375,
11 8 subsection 2. The department of education shall take adverse
11 9 action against any person who, after notice and opportunity
11 10 for hearing, is determined to have committed any of the acts
11 11 proscribed under section 321.375, subsection 2, paragraphs "a"
11 12 through "d", or is determined not to be physically or mentally
11 13 competent under section 321.375, subsection 2, paragraph "e",
11 14 unless the person was qualified to operate a school bus as
11 15 provided in section 321.375, subsection 3. Notwithstanding
11 16 section 321.375, subsection 2, such action may include a
11 17 reprimand or warning to the person or the suspension or
11 18 revocation of the person's authorization to operate a school
11 19 bus. The department of education shall recommend, and the
11 20 state board of education shall adopt under chapter 17A, rules
11 21 and procedures for issuing, suspending, and revoking
11 22 authorization to operate a school bus in this state. Rules
11 23 and procedures adopted shall include, but are not limited to,
11 24 provisions for the suspension or revocation of, or refusal to
11 25 issue, authorization to persons who are determined to have
11 26 committed any of the acts proscribed under section 321.375,
11 27 subsection 2.

11 28 Sec. 19. Section 423E.4, subsection 6, unnumbered
11 29 paragraph 1, Code 2005, is amended to read as follows:

11 30 A school district with a certified enrollment of fewer than
11 31 two hundred fifty pupils in the entire district or certified
11 32 enrollment of fewer than one hundred pupils in high school

11 33 shall not expend the supplemental school infrastructure amount
11 34 received for new construction or for payments for bonds issued
11 35 for new construction against the supplemental school
12 1 infrastructure amount without prior application to the
12 2 department of education and receipt of a certificate of need
12 3 pursuant to this subsection. However, a certificate of need
12 4 is not required for the payment of outstanding bonds issued
12 5 for new construction pursuant to section 296.1, before April
12 6 1, 2003. A certificate of need is also not required for
12 7 repairing schoolhouses or buildings, equipment, technology, or
12 8 transportation equipment for transporting students as provided
12 9 in section 298.3, or for construction necessary for compliance
12 10 with the federal Americans With Disabilities Act pursuant to
12 11 42 U.S.C. } 12101==12117. In determining whether a
12 12 certificate of need shall be issued or denied, the department
12 13 shall consider all of the following:

12 14 Sec. 20. Sections 282.1A and 297.13, Code 2005, are
12 15 repealed.

12 16 Sec. 21. Chapters 288 and 289, Code 2005, are repealed.

12 17 Sec. 22. RETROACTIVE APPLICABILITY FOR NONPROFIT SCHOOL
12 18 ORGANIZATIONS. The provisions of section 279.60, as enacted
12 19 by this Act, authorizing the board of directors of a school
12 20 district to establish and authorize expenditures for the
12 21 operational support of an entity or organization for the sole
12 22 benefit of the school district and its students, apply to
12 23 entities or organizations established by the board of
12 24 directors of a school district before, on, or after July 1,
12 25 2005.

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