HOUSE FILE 847
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 808)
(SUCCESSOR TO HSB 240)

(As Amended and Passed by the House March 25, 2021)
[ = New Language by the House

## A BILL FOR

An Act relating to educational programs, funding, tax credits and deductions, open enrollment, supplementary weighting, and including effective date, applicability, and retroactive applicability provisions.

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

DIVISION I

EDUCATION PROGRAM STANDARDS AND FUNDING

Section 1. Section 256.11, subsection 8, Code 2021, is amended by striking the subsection and inserting in lieu thereof the following:

8. *a.* The state board shall establish a flexible student and school support program to be administered by the director. Under the program, upon request of the board of directors of a public school district or the authorities in charge of an accredited nonpublic school, the director may, for a period not to exceed three years, grant the applicable board of directors or the authority in charge of the nonpublic school the ability to use the flexible student and school support program to implement evidence-based practices in innovative ways to enhance student learning, well-being, and postsecondary success.

*b.* Approval to participate in the flexible student and school support program shall exempt the school district or nonpublic school from one or more of the requirements of the educational program specified in subsection 3, 4, or 5, subsection 6, paragraph *"b"* or *"c"*, subsection 7, paragraph *"b"* or *"c"*, or the minimum school calendar requirements in section 279.10, subsection 1. An exemption shall be granted only if the director deems that the request made is an essential part of an educational program to support student learning, well-being, and postsecondary success; is necessary for the success of the program; and is broadly consistent with the intent of the requirements of the educational program specified in subsection 3, 4, or 5, subsection 6, paragraph *"b"* or *"c"*, subsection 7, paragraph *"b"* or *"c"*, or the minimum school calendar requirements in section 279.10, subsection 1.

*c.* Approval to participate in the flexible student and school support program shall include authority for a school district to use funds from the school district's flexibility account under section 298A.2, subsection 2, to implement all or

part of the flexible student and school support program.

*d.* The application for the flexible student and school support program shall include all of the following and be submitted on forms and in a format prescribed by the department:

(1) A description of the proposed educational program, including evidence used to design the program and evidence of involvement of board members, parents, students, community members, and staff in development of the program.

(2) Program goals and measures of program effectiveness and success, including student success and performance.

(3) A plan for program administration, including the use of personnel, facilities, and funding.

(4) A plan for evaluation of the proposed program on at least an annual basis, including a plan for program revisions, if necessary.

(5) The estimated financial impact of the program on the school district or nonpublic school.

*e.* Approval to participate in the program does not exempt the school district or nonpublic school from federal law or any other requirements of state law that are not specifically exempted by the director.

*f.* Each school district or nonpublic school approved to participate in the flexible student and school support program shall file an annual report with the department on the status of the program on forms and in a format prescribed by the department.

*g.* Participation in the flexible student and school support program may be renewed for additional periods of years, each not to exceed three years. The director may revoke approval of all or part of any application or approved education program if the annual report or any other information available to the department indicates that conditions no longer warrant use of an exemption or funding from the school district's flexibility account under section 298A.2, subsection 2. Notice

of revocation must be provided by the director to the school district or nonpublic school prior to the beginning of the school year for which participation is revoked.

Sec. 2. Section 257.10, subsection 12, paragraph d, Code 2021, is amended to read as follows:

*d.* For the budget year beginning July 1, 2014, and succeeding budget years, the use of the funds calculated under this subsection shall comply with the requirements of chapter 284 and shall be distributed to teachers pursuant to section 284.15. The funds shall be used only to increase the payment for a teacher assigned to a leadership role pursuant to a framework or comparable system approved pursuant to section 284.15; to increase the percentages of teachers assigned to leadership roles; to increase the minimum teacher starting salary to thirty-three thousand five hundred dollars; to cover the costs for the time mentor and lead teachers are not providing instruction to students in a classroom; for coverage of a classroom when an initial or career teacher is observing or co-teaching with a teacher assigned to a leadership role; for professional development time to learn best practices associated with the career pathways leadership process; and for other costs associated with a framework or comparable system approved by the department of education under section 284.15 with the goals of improving instruction and elevating the quality of teaching and student learning. If all requirements for the school district for the use of funds calculated under this subsection are met and funds received under this subsection remain unexpended and unobligated at the end of a fiscal year beginning on or after July 1, 2020, the school district may transfer all or a portion of such unexpended and unobligated funds for deposit in the school district's flexibility account established under section 298A.2, subsection 2.

Sec. 3. Section 284.3A, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 5. Notwithstanding any other provision of law to the contrary, if a school district has funds received for any fiscal year beginning before July 1, 2022, under section 257.10, subsection 9, or section 257.37A, subsection 1, that remain unexpended and unobligated at the conclusion of the fiscal year beginning July 1, 2021, the portion of such unexpended and unobligated funds that exceeds an amount equal to five percent of the amount received by the school district under section 257.10, subsection 9, or section 257.37A, subsection 1, for the fiscal year beginning July 1, 2021, shall be allocated and paid to the school district employees otherwise eligible to receive funds under this section on a per employee basis determined based on each eligible employee's full-time or part-time employment status. This subsection is repealed July 1, 2023.

Sec. 4. Section 298A.2, subsection 2, paragraph a, Code 2021, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (4) Teacher leadership supplement funds received under section 257.10, subsection 12.

Sec. 5. Section 298A.2, subsection 2, paragraph c, Code 2021, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (8) An approved flexible student and school support program under section 256.11, subsection 8.

DIVISION II

EDUCATION TAX CREDITS AND DEDUCTIONS

Sec. 6. Section 422.7, subsection 55, Code 2021, is amended to read as follows:

55. A taxpayer who is an eligible educator as defined in section 62(d)(1) of the Internal Revenue Code is allowed to take the deduction for certain expenses of elementary and secondary school teachers allowed under section 62(a)(2)(D) of the Internal Revenue Code~~, as amended by the federal Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343,~~ in computing net income for state tax purposes in excess of the amount of the taxpayer's deduction for certain expenses

of elementary and secondary school teachers for federal tax purposes allowed under section 62(a)(2)(D) of the Internal Revenue Code, but not to exceed five hundred dollars.

Sec. 7. Section 422.12, subsection 1, Code 2021, is amended by adding the following new paragraph:

NEW PARAGRAPH. *0c. "Private instruction"* means independent private instruction as defined in section 299A.1, subsection 2, paragraph *"b"*, competent private instruction under section 299A.2, or private instruction provided to a resident of this state by a nonlicensed person under section 299A.3.

Sec. 8. Section 422.12, subsection 2, paragraph b, Code 2021, is amended to read as follows:

*b.* A tuition credit equal to twenty-five percent of the first ~~one~~ two thousand dollars which the taxpayer has paid to others for each dependent in grades kindergarten through twelve, for tuition and textbooks of each dependent ~~in~~ who is receiving private instruction or who is attending an elementary or secondary school situated in Iowa, which school is accredited or approved under section 256.11, which is not operated for profit, and which adheres to the provisions of the federal Civil Rights Act of 1964 and chapter 216. Notwithstanding any other provision, all other credits allowed under this subsection shall be deducted before the tuition credit under this paragraph. The department, when conducting an audit of a taxpayer's return, shall also audit the tuition tax credit portion of the tax return.

Sec. 9. 2018 Iowa Acts, chapter 1161, section 118, is amended to read as follows:

SEC. 118. Section 422.7, subsections 3, 7, 8, 9, 10, 11, 14, 15, 16, 20, 22, 24, 25, 26, 30, 35, 36, 37, 39, 39B, 40, 43, 45, 49, 53, ~~55,~~ 56, 57, and 58, Code 2018, are amended by striking the subsections.

Sec. 10. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 11. RETROACTIVE APPLICABILITY. The following apply

retroactively to January 1, 2021, for tax years beginning on or after that date:

1. The section of this division of this Act amending section 422.7, subsection 55.

2. The section of this division of this Act amending section 422.12, subsection 1.

3. The section of this division of this Act amending section 422.12, subsection 2, paragraph "b".

DIVISION III

OPEN ENROLLMENT

Sec. 12. Section 256.46, subsection 1, Code 2021, is amended by adding the following new paragraph:

NEW PARAGRAPH. *i.* If the child's former school or school district, if located in this state, was unable to participate in varsity interscholastic sports as the result of a decision or implementation of a decision of the school board or superintendent.

Sec. 13. Section 282.18, subsection 2, paragraph a, Code 2021, is amended to read as follows:

*a.* By March 1 of the preceding school year for students entering grades one through twelve, or by September 1 of the current school year for students entering kindergarten or for prekindergarten students enrolled in special education programs and included in the school district's basic enrollment under section 257.6, subsection 1, paragraph "*a*", subparagraph (1), the parent or guardian shall send notification to the district of residence and the receiving district, on forms prescribed by the department of education, that the parent or guardian intends to enroll the parent's or guardian's child in a public school in another school district. If a parent or guardian fails to file a notification that the parent intends to enroll the parent's or guardian's child in a public school in another district by the deadline specified in this subsection, the procedures of subsection 4 apply.

Sec. 14. Section 282.18, subsection 4, paragraph b, Code

2021, is amended to read as follows:

*b.* For purposes of this section~~, *"good cause"*~~:

(1) *"Good cause"* means a change in a child's residence due to a change in family residence, a change in a child's residence from the residence of one parent or guardian to the residence of a different parent or guardian, a change in the state in which the family residence is located, a change in a child's parents' marital status, a guardianship or custody proceeding, placement in foster care, adoption, participation in a foreign exchange program, initial placement of a prekindergarten student in a special education program requiring specially designed instruction, or participation in a substance abuse or mental health treatment program, a change in the status of a child's resident district such as removal of accreditation by the state board, surrender of accreditation, or permanent closure of a nonpublic school, revocation of a charter school contract as provided in section 256F.8, the failure of negotiations for a whole grade sharing, reorganization, dissolution agreement, ~~or~~ the rejection of a current whole grade sharing agreement, or reorganization plan, or if the child's assigned attendance center in the district of residence is identified as in significant need for improvement. If the good cause relates to a change in status of a child's school district of residence, however, action by a parent or guardian must be taken to file the notification within forty-five days of the last board action or within thirty days of the certification of the election, whichever is applicable to the circumstances.

(2) *"Significant need for improvement"* means a school attendance center designated by the department of education under the priority category under the Iowa school performance profiles for two or more of the immediately preceding school years or identified for comprehensive support and improvement under the federal Every Student Succeeds Act, Pub. L. No. 114-95, or an equivalent objective federal standard, for two or

more of the immediately preceding school years.

Sec. 15. Section 282.18, subsection 5, Code 2021, is amended to read as follows:

5. Open enrollment applications filed after March 1 of the preceding school year that do not qualify for good cause as provided in subsection 4 shall be subject to the approval of the board of the resident district and the board of the receiving district. The parent or guardian shall send notification to the district of residence and the receiving district that the parent or guardian seeks to enroll the parent's or guardian's child in the receiving district. A decision of either board to deny an application filed under this subsection involving repeated acts of harassment of the student that the resident district cannot adequately address, a consistent failure of the resident district to reasonably respond to a student's failure to meet basic academic standards after notice provided by a parent or guardian, or a serious health condition of the student that the resident district cannot adequately address is subject to appeal under section 290.1. The state board shall adopt by rule the criteria for determining a resident district's consistent failure to reasonably respond to a student's failure to meet basic academic standards and shall exercise broad discretion to achieve just and equitable results that are in the best interest of the affected child or children.

Sec. 16. Section 282.18, subsection 9, paragraphs a, b, and c, Code 2021, are amended to read as follows:

*a.* If a parent or guardian of a child, who is participating in open enrollment under this section, moves to a different school district during the course of either district's academic year, the child's first district of residence as determined on the date specified in section 257.6, subsection 1, shall be responsible for payment of the cost per pupil plus weightings or special education costs to the receiving school district for the balance of the school year in which the move took place.

The new district of residence shall be responsible for the payments during succeeding years.

*b.* If a request to transfer is due to a change in family residence, a change in a child's residence from the residence of one parent or guardian to the residence of a different parent or guardian, a change in the state in which the family residence is located, a change in a child's parents' marital status, a guardianship proceeding, placement in foster care, adoption, participation in a foreign exchange program, or participation in a substance abuse or mental health treatment program, and the child who is the subject of the request is enrolled in any grade from kindergarten through grade twelve or who is a prekindergarten student enrolled in a special education program at the time of the request and is not currently using any provision of open enrollment, the parent or guardian of the child shall have the option to have the child remain in the child's original district of residence under open enrollment with no interruption in the child's ~~kindergarten through grade twelve~~ educational program. If a parent or guardian exercises this option, the child's new district of residence is not required to pay the amount calculated in subsection 7 or 8, as applicable, until the start of the first full year of enrollment of the child.

*c.* The receiving district shall bill the ~~first~~ resident district determined under paragraph *"a"* according to the timeline in section 282.20, subsection 3. Payments shall be made to the receiving district in a timely manner.

Sec. 17. Section 282.18, subsection 10, paragraph c, Code 2021, is amended to read as follows:

*c.* If the pupil meets the economic eligibility requirements established by the department and state board of education, the sending district is responsible for providing transportation or paying the pro rata cost of the transportation to a parent or guardian for transporting the pupil to and from a point on a regular school bus route of a contiguous receiving

district unless the cost of providing transportation or the pro rata cost of the transportation to a parent or guardian exceeds the average transportation cost per pupil transported for the previous school year in the district. The economic eligibility requirements established by the department of education and state board of education shall minimally include those pupils with household incomes of two hundred percent or less of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services. If the cost exceeds the average transportation cost per pupil transported for the previous school year, the sending district shall only be responsible for that average per pupil amount. A sending district which provides transportation for a pupil to a contiguous receiving district under this subsection may withhold, from the district cost per pupil amount that is to be paid to the receiving district, an amount which represents the average or pro rata cost per pupil for transportation, whichever is less.

Sec. 18. Section 282.18, subsection 11, paragraph a, unnumbered paragraph 1, Code 2021, is amended to read as follows:

A pupil who participates in open enrollment for purposes of attending a grade in grades nine through twelve in a school district other than the district of residence is ineligible to participate in varsity interscholastic athletic contests and athletic competitions during the pupil's first ninety ~~school~~ calendar days ~~of~~ following enrollment in the district. However, a pupil may participate immediately in a varsity interscholastic sport under any of the following circumstances:

Sec. 19. Section 282.18, subsection 11, paragraph a, Code 2021, is amended by adding the following new subparagraphs:

NEW SUBPARAGRAPH. (8) If the pupil participates in open enrollment because of circumstances that meet the definition of good cause under subsection 4, paragraph "*b*".

NEW SUBPARAGRAPH. (9) If the board of directors or superintendent of the district of residence issues or implements a decision that results in the discontinuance or suspension of varsity interscholastic sports activities in the district of residence.

NEW SUBPARAGRAPH. (10) If the board of directors of the district of residence and the board of directors of the receiving district both agree to waive the ineligibility period.

NEW SUBPARAGRAPH. (11) For open enrollment applications approved for the school year beginning July 1, 2021, if the pupil's district of residence had a voluntary diversity plan in effect on January 1, 2021, and applicable to the school year beginning July 1, 2021.

Sec. 20. Section 282.18, subsection 11, Code 2021, is amended by adding the following new paragraph:

NEW PARAGRAPH. *0c.* If a pupil is declared ineligible for interscholastic athletic contests and athletic competitions in the pupil's district of residence due to the pupil's academic performance, upon participating in open enrollment, in addition to any other period of ineligibility under this subsection, the pupil shall be ineligible in the receiving district for the remaining period of ineligibility declared by the district of residence.

Sec. 21. Section 282.18, subsection 11, paragraph c, Code 2021, is amended to read as follows:

*c.* ~~For purposes of this subsection, "school days of enrollment" does not include enrollment in summer school.~~ For purposes of this subsection, "*varsity*" means the same as defined in section 256.46, subsection 3.

[ Sec. 22. EXTRACURRICULAR INELIGIBILITY. In addition to the circumstances enumerated under section 256.46, subsection 1, for which the ineligibility period for extracurricular interscholastic contests or competitions shall not apply, and notwithstanding any provision of law or rule of the state board

of education to the contrary, for the school year beginning July 1, 2020, and ending June 30, 2021, a child may participate immediately in varsity interscholastic contests or competitions upon enrollment in a school or school district, if the child was previously enrolled in the school or school district on the first day of the school calendar for the school year, then enrolls in an accredited nonpublic school for a portion of the school year, and then, before July 1, 2021, reenrolls in the school or school district in which the child was initially enrolled.]

Sec. 23. EFFECTIVE DATE. The following, being deemed of immediate importance, take effect upon enactment:

1. The section of this division of this Act amending section 282.18, subsection 11, paragraph "a", unnumbered paragraph 1.

2. The portion of the section of this division of this Act enacting section 282.18, subsection 11, paragraph "a", subparagraph (10).

3. The section of this division of this Act amending section 282.18, subsection 11, paragraph "c".

Sec. 24. RETROACTIVE APPLICABILITY. The following apply retroactively to January 1, 2021, for open enrollment requests approved on or after that date:

1. The section of this division of this Act amending section 282.18, subsection 11, paragraph "a", unnumbered paragraph 1.

2. The section of this division of this Act amending section 282.18, subsection 11, paragraph "c".

[3. The section of this division of this Act establishing an exception to the ineligibility period for extracurricular interscholastic contests or competitions for the school year beginning July 1, 2020, and ending June 30, 2021.]

Sec. 25. RETROACTIVE APPLICABILITY. The following apply retroactively to July 1, 2020:

1. The section of this division of this Act enacting section 256.46, subsection 1, paragraph "i".

2. The portion of the section of this division of this

Act enacting section 282.18, subsection 11, paragraph "a", subparagraph (9).

[3. The section of this division of this Act establishing an exception to the ineligibility period for extracurricular interscholastic contests or competitions for the school year beginning July 1, 2020, and ending June 30, 2021.]

DIVISION IV

SCHOOL BOARD POWERS AND DUTIES

Sec. 26. Section 279.1, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 3. A school corporation is entrusted with public funds for the purpose of improving student outcomes, including but not limited to student academic achievement and skill proficiency, and the board of directors of the school corporation is responsible for overseeing such improvement.

DIVISION V

SHARED OPERATIONAL FUNCTIONS

Sec. 27. Section 257.11, subsection 5, paragraph a, Code 2021, is amended to read as follows:

*a.* (1) In order to provide additional funding to increase student opportunities and redirect more resources to student programming for school districts that share operational functions, a district that shares with a political subdivision one or more operational functions of a curriculum director, master social worker, independent social worker, work-based learning coordinator, [special education director,] or school counselor, or one or more operational functions in the areas of superintendent management, business management, human resources, transportation, or operation and maintenance for at least twenty percent of the school year shall be assigned a supplementary weighting for each shared operational function. A school district that shares an operational function in the area of superintendent management shall be assigned a supplementary weighting of eight pupils for the function. A school district that shares an operational function in the area

of business management, human resources, transportation, or operation and maintenance shall be assigned a supplementary weighting of five pupils for the function. A school district that shares the operational functions of a curriculum director, a master social worker or an independent social worker licensed under chapters 147 and 154C, a work-based learning coordinator, special education director, or a school counselor shall be assigned a supplementary weighting of three pupils for the function. The additional weighting shall be assigned for each discrete operational function shared. However, a school district may receive the additional weighting under this subsection for sharing the services of an individual with a political subdivision even if the type of operational function performed by the individual for the school district and the type of operational function performed by the individual for the political subdivision are not the same operational function, so long as both operational functions are eligible for weighting under this subsection. In such case, the school district shall be assigned the additional weighting for the type of operational function that the individual performs for the school district, and the school district shall not receive additional weighting for any other function performed by the individual. The operational function sharing arrangement does not need to be a newly implemented sharing arrangement to receive supplementary weighting under this subsection.

(2) For the purposes of this ~~section, "political subdivision"~~ paragraph "a":

(a) "*Political subdivision*" means a city, township, county, school corporation, merged area, area education agency, institution governed by the state board of regents, or any other governmental subdivision.

(b) "*Work-based learning coordinator*" means an appropriately trained individual responsible for facilitating authentic, engaging work-based learning experiences for learners and educators in partnership with employers and others to enhance

learning by connecting the content and skills that are necessary for future careers.

[Sec. 28. Section 257.11, subsection 5, Code 2021, is amended by adding the following new paragraph:

NEW PARAGRAPH. *0b.* (1) Notwithstanding paragraph "*a*", subparagraph (1), each operational function assigned a supplementary weighting of five pupils under paragraph "*a*", subparagraph (1), shall instead be assigned a supplementary weighting of four pupils for the school budget years beginning July 1, 2022, July 1, 2023, and July 1, 2024.

(2) Notwithstanding paragraph "*a*", subparagraph (1), each operational function assigned a supplementary weighting of three pupils under paragraph "*a*", subparagraph (1), shall instead be assigned a supplementary weighting of two pupils for the school budget years beginning July 1, 2022, July 1, 2023, and July 1, 2024.]

Sec. 29. APPLICABILITY. This division of this Act applies to school budget years beginning on or after July 1, 2021, subject to the school budget year limitations of section 257.11, subsection 5.