HOUSE FILE 2612
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 713)

(As Amended and Passed by the House February 29, 2024)

[= New Language by the House

* = Language Stricken by the House

A BILL FOR

* [An Act relating to area education agencies, including by modifying provisions related to the duties and powers of area education agencies, the membership of area education agency boards of directors, oversight by the department of education, funding, and establishing a task force related to area education agency operations, and including effective date and applicability provisions.]

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

DIVISION I

DIVISION OF SPECIAL EDUCATION OF THE DEPARTMENT OF EDUCATION

Section 1. Section 256B.3, Code 2024, is amended by adding the following new subsection:

*NEW SUBSECTION. 15A. [Oversee] the operation of each area education agency to ensure the area education agency complies with all applicable federal and state laws related to special education.

Sec. 2. DIVISION OF SPECIAL EDUCATION — EMPLOYEES. From July 1, 2024, to June 30, 2025, the division of special education of the department of education shall do all of the following:

1. Devote at least thirteen full-time equivalent positions within the department of education's location in the city of Des Moines to oversight of the area education agencies, including the accreditation of area education agencies under section 273.10.

a. At least one of the full-time equivalent positions shall be an administrator.

b. At least one of the full-time equivalent positions shall be a bureau chief of special education.

c. At least one of the full-time equivalent positions shall be a liaison for accredited nonpublic schools.

d. At least one of the full-time equivalent positions shall be an employee whose primary job duties relate to the child find process for special education.

e. At least one of the full-time equivalent positions shall be an employee whose primary job duties relate to best practices concerning the development and implementation of individualized education programs.

f. At least five of the full-time equivalent positions shall be devoted to the accreditation of area education agencies.

*[2. Within the main office of each area education agency, devote an amount of full-time equivalent positions, as determined by the division of special education of the

department of education but not to exceed forty full-time equivalent positions in the aggregate, that is commensurate with the number of students enrolled in school districts located within the area education agency to ensure the area education agency complies with all applicable federal and state laws related to special education and to review the services provided by the area education agency.]

DIVISION II

AREA EDUCATION AGENCIES — GENERAL PROVISIONS

[Sec. 3. Section 256.9, Code 2024, is amended by adding the following new subsection:

NEW SUBSECTION. 36. Develop and distribute to school districts, accredited nonpublic schools, and area education agencies a list of evidence-based professional development services that an area education agency may provide to a school district or accredited nonpublic school pursuant to section 273.2, subsection 3, paragraph "b".]

Sec. 4. Section 273.2, [subsections 1, 3, and 4,] Code 2024, are amended to read as follows:

1. There are established throughout the state fifteen area education agencies, each of which is ~~governed by an area education agency board of directors~~ under the general supervision of the director, except as otherwise provided in this chapter. 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. *a.* 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 ~~the~~ 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 guidelines.

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

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

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

4. The area education agency board shall provide for special education services and media services for ~~the local~~ school districts ~~in the area~~ and shall encourage and assist school districts ~~in the area~~ to establish programs for gifted and talented children. The board shall assist in facilitating interlibrary loans of materials between school districts and other libraries.]

[Sec. 5. Section 273.2, Code 2024, is amended by adding the following new subsections:

NEW SUBSECTION. 4A. *a.* The area education agency board may furnish services under subsection 3 or 4 to public or nonpublic schools located within its boundaries, or within the boundaries of a contiguous area education agency, which are on the list of accredited schools pursuant to section 256.11.

b. Notwithstanding paragraph "*a*", the area education agency board may furnish services under subsection 3 or 4 to a public school located within the boundaries of an area education agency that is not contiguous if the school district shares a superintendent with another school district, pursuant to section 257.11, subsection 5, that receives services from the area education agency board pursuant to paragraph "*a*".

NEW SUBSECTION. 4B. A school district shall not receive services under subsection 3 or 4 from different area education agency boards.]

Sec. 6. Section 273.3, subsections 1, 11, and 12, Code 2024, are amended to read as follows:

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

*[11. Employ personnel to carry out the functions of the area education agency which shall include the employment of an administrator who shall possess a license issued ~~under chapter 256, subchapter VII, part 3~~ by the board of educational examiners and, beginning July 1, 2025, a prekindergarten through grade twelve superintendent and area education agency administrator authorization issued by the board of educational examiners and either a prekindergarten through grade twelve principal and special education supervisor authorization issued by the board of educational examiners or a director of special education authorization issued by the board of educational examiners. The administrator shall be employed pursuant to section 279.20 and sections 279.23, 279.24, and 279.25. The salary for an area education agency administrator shall be established by the board based upon the previous experience and education of the administrator; provided, however, that the salary for an area education agency administrator shall not exceed one hundred twenty-five percent of the average salary of all superintendents of the school districts that are located within the boundaries of the area education

agency at the time the employment agreement is entered into or renewed between an area education agency and an area education agency administrator, not including superintendents who are responsible for supplementary weighting being made available to a school district pursuant to section 257.11, subsection 5. The salary for an area education agency administrator shall not be reduced during the initial term of the employment agreement between the area education agency and the area education agency administrator. Section 279.13 applies to the area education agency board and to all teachers employed by the area education agency. Sections 279.23, 279.24, and 279.25 apply to the area education board and to all administrators employed by the area education agency. Section 279.69 applies to the area education agency board and employees of the board, including part-time, substitute, or contract employees, who provide services to a school or school district.

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

no later than March 15 preceding the next fiscal year for approval. The state board shall review the proposed budget of each area education agency and shall before May 1, either grant approval or return the budget without approval with comments of the state board included. An unapproved budget shall be resubmitted to the state board for final approval not later than May 15. The state board shall give final approval only to budgets submitted by area education agencies accredited by the state board or that have been given conditional accreditation by the state board.]

[Sec. 7. Section 273.3, Code 2024, is amended by adding the following new subsection:

NEW SUBSECTION. 26. On a quarterly basis, prepare and submit to each school district that receives services from the area education agency a report that includes all of the following:

a. A monetary accounting of payments the area education agency received from the school district, including payments under section 257.35.

b. A description of all of the following:

(1) The special education services provided by the area education agency to the school district.

(2) The services provided by the area education agency under part C of the federal Individuals with Disabilities Education Act.

(3) The services provided by the area education agency that are related to the child find process for special education.

(4) The general supervision services provided by the area education agency.

(5) The services provided by the area education agency to accredited nonpublic schools and charter schools.

Sec. 8. Section 273.8, subsection 1, Code 2024, is amended to read as follows:

1. *Board of directors.* The board of directors of an area education agency shall consist of not less than five nor more

than nine members~~, each a resident of and elected in the manner provided in this section from a director district that is approximately equal in population to the other director districts in the area education agency~~. Each director shall serve a four-year term which commences at the organization meeting.

a. A majority of the members of the board of directors of an area education agency must be superintendents of school districts located within the boundaries of the area education agency who are elected in the manner provided in this section.

b. The remainder of the members of the board of directors of an area education agency must be residents of and elected in the manner provided in this section from a director district that is approximately equal in population to the other director districts in the area education agency.

Sec. 9. Section 273.8, subsection 2, paragraphs c and d, Code 2024, are amended to read as follows:

c. The board of each separate school district that is located entirely or partially inside an area education agency director district shall cast a vote for director of the area education agency board based upon the ratio that the population of the school district, or portion of the school district, in the director district bears to the total population in the director district. The population of each school district or portion shall be determined by the department of education. The member of the area education agency board to be elected may be a superintendent of a local school district or a member of a local school district board of directors and shall be an elector and a resident of the director district~~, but shall not be a school district employee~~.

d. Vacancies, as defined in section 277.29, in the membership of the area education agency board shall be filled for the unexpired portion of the term at a director district convention called and conducted in the manner provided in subsection 3. A vacancy created in a membership position

described in section 273.8, subsection 1, paragraph "a", shall be filled for the unexpired portion of the term by a superintendent of a school district located within the boundaries of the area education agency at a director district convention called and conducted in the manner provided in subsection 3.

Sec. 10. Section 273.8, subsection 3, Code 2024, is amended to read as follows:

3. *Director district convention.* If no candidate files with the area education agency secretary by the deadline specified in subsection 2, or a vacancy occurs, or if otherwise required as provided in section 273.23, subsection 3, a director district convention, attended by members of the boards of directors of the local school districts located within the director district, shall be called to elect a board member for that director district, consistent with the membership requirements described in subsection 1. The convention location shall be determined by the area education agency administrator. Notice of the time, date, and place of a director district convention shall be published by the area education agency administrator in at least one newspaper of general circulation in the director district at least thirty days prior to the day of the convention. The cost of publication shall be paid by the area education agency. A candidate for election to the area education agency board shall file a statement of candidacy with the area education agency secretary at least ten days prior to the date of the director district convention on forms prescribed by the department of education, or nominations may be made at the convention by a delegate from a board of directors of a school district located within the director district. A statement of candidacy shall include the candidate's name, address, and school district. Delegates to director district conventions shall not be bound by a school board or any school board member to pledge their votes to any candidate prior to the date of the convention.]

Sec. 11. Section 273.10, subsection 6, Code 2024, is amended to read as follows:

6. *a.* If the deficiencies in an area education program have not been corrected, the ~~agency board~~ director of the department of education shall take one of the following actions within sixty days from removal of accreditation:

(1) Merge the deficient program with a program from another accredited area education agency.

(2) Contract with another area education agency or other public educational institution for purposes of program delivery.

b. The rules developed by the state board of education for the accreditation process shall include provisions for removal of accreditation, including provisions for proper notice to the administrator of the area education agency, each member of the board of directors of the area education agency, the department of education, and the superintendents and administrators of the schools of the districts served by the area education agency.

Sec. 12. Section 273.11, Code 2024, is amended to read as follows:

273.11 Standards for accrediting area education programs.

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

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

a. Support for school-community planning, including a means of assessing needs, developing collaborative relationships

among community agencies, establishing shared direction, and implementing program plans and reporting progress toward goals for [all students, including] students with disabilities.

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

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

d. Special education compliance and support.

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

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

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

h. A program and services evaluation and reporting system related to special education.

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

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

k. Support for schools and school districts in analyzing student achievement data related to the learning environment, comparing data to the external knowledge base, and using that information to guide schools and school districts in setting goals and implementing actions to improve student learning for [all students, including] students with disabilities.

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

m. Support for schools and school districts to ensure compliance with rules adopted by the state board of education related to special education.

n. Support necessary to implement effective instruction for all [students, including students with disabilities,] through school technology services.

o. Support for students using educational programs and services in a manner that is consistent with the educational standards established pursuant to section 256.11.

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

q. Compliance with all relevant federal and state laws in the provision of services and supports to [students, including students with disabilities].

Sec. 13. AREA EDUCATION AGENCY — TASK FORCE.

[1. The legislative council shall convene an area education agency task force that shall do all of the following:

a. Study and make recommendations related to how to improve the outcomes of students who utilize services provided by area education agencies.

b. Study and make recommendations related to the amount of compensation paid to administrators employed by area education agencies, core services provided by area education agencies, and how to best fund the following services provided by area education agencies:

(1) Crisis response services.

(2) Media services for nonpublic schools.

(3) Professional development services.

(4) Cooperative purchasing.

(5) Services associated with regional planning partnerships.

(6) Services associated with the federal Carl D. Perkins

Career and Technical Education Improvement Act of 2006, codified at 20 U.S.C. §2301 et seq., as amended.

(7) Services associated with the federal Every Student Succeeds Act, Pub. L. No. 114-95.

(8) Services provided in conjunction with special education equipment.

c. Study and make recommendations related to all of the following:

(1) The real property and facilities utilized by each area education agency.

(2) The media services, educational services, and special education services provided by each area education agency.

(3) What services area education agencies should provide.

(4) Current accountability measures applicable to area education agencies.

(5) The special education services provided by the division of special education of the department of education, area education agencies, and school districts.

(6) The overall organizational structure that determines how special education services are provided to students in this state.

(7) How the operation of area education agencies is overseen.

(8) The accreditation standards related to area education agencies.

(9) A timeline for modifications to the staffing numbers of area education agencies and the transition of responsibilities related to the oversight of area education agencies.

2. a. The task force shall consist of the following voting members who are appointed by the legislative council to represent different geographical regions of this state:

(1) One special education teacher who is employed by a school district with a total enrollment of greater than or equal to one thousand students.

(2) One special education teacher who is employed by a

school district with a total enrollment of less than one thousand students.

(3) One superintendent who is employed by a school district with a total enrollment of greater than or equal to one thousand students.

(4) One superintendent who is employed by a school district with a total enrollment of less than one thousand students.

(5) One teacher who is employed by a school district and who does not provide special education programs or services.

(6) One parent or guardian of a student who has an individualized education program.

(7) One parent or guardian of a student who has a plan under section 504 of the Rehabilitation Act, 29 U.S.C. §794.

(8) One president or chief executive officer of an accredited nonpublic school.

b. The task force shall also consist of the following voting members:

(1) One member to be appointed by the governor.

(2) One member to be appointed by the director of the department of education.

(3) One member who is the chief administrator of the heartland area education agency.

c. The task force shall also consist of the following ex officio, nonvoting members of the general assembly:

(1) Two state senators appointed by the majority leader of the senate.

(2) One state senator appointed by the minority leader of the senate.

(3) Two state representatives appointed by the speaker of the house of representatives.

(4) One state representative appointed by the minority leader of the house of representatives.

3. Any expenses incurred by a member of the task force shall be the responsibility of the individual member or the respective entity represented by the member.

4. The task force shall submit its findings and recommendations in a report to the general assembly on or before December 31, 2024. The report shall include an examination and evaluation of the impact to area education agencies and their operations and services made by this Act.]

[Sec. 14. AREA EDUCATION AGENCY BOARDS OF DIRECTORS — TRANSITION.

1. a. If, as of July 1, 2024, the membership of an area education agency board of directors does not comply with the provisions of section 273.8, subsection 1, as amended in this division of this Act, the members of the boards of directors of the local school districts located within the area education agency director districts shall select the applicable number of the members of the area education agency board of directors whose terms shall, as of July 1, 2024, be deemed to have expired, notwithstanding the terms of office associated with the members under section 273.8, subsection 1, as amended in this division of this Act.

b. If the members of the boards of directors of the local school districts located within the area education agency director districts are unable to select the applicable number of the members of the area education agency board of directors whose terms shall be deemed to have expired, as required in paragraph "a", the director of the department of education shall select the applicable number of such members.

2. The membership of the board members that were selected under subsection 1 shall be deemed vacant when such selection is made. A director district convention shall be called under section 273.8, subsection 3, to fill such vacancies.

3. From the time the membership of the board members is deemed vacant pursuant to subsection 2 until the time the vacancies are filled through the director district convention, the area education agency board shall be authorized to exercise all power granted to it under chapter 273, notwithstanding the lack of a quorum under section 273.8, subsection 5.]

Sec. 15. EFFECTIVE DATE. The following take effect July 1, 2025:

1. The portion of the section of this division of this Act amending section 273.2, subsection 1.

2. The portion of the section of this division of this Act amending section 273.3, subsection 1.

Sec. 16. APPLICABILITY. The following applies to employment agreements entered into or renewed between an area education agency and an area education agency administrator on or after July 1, 2024:

The portion of the section of this division of this Act amending section 273.3, subsection 11.

[Sec. 17. APPLICABILITY. The following apply to members of the boards of directors of area education agencies elected on or after July 1, 2024:

1. The section of this division of this Act amending section 273.8, subsection 1.

2. The section of this division of this Act amending section 273.8, subsection 2, paragraph "c".]

DIVISION III

AREA EDUCATION AGENCIES — FUNDING

Sec. 18. Section 257.1, subsection 3, Code 2024, is amended to read as follows:

3. *Computations rounded.* In making computations and payments under this chapter, except in the case of computations relating to funding of special education support services, media services, and educational services ~~provided through the area education agencies~~ under section 257.37, and the teacher salary supplement, the professional development supplement, the early intervention supplement, and the teacher leadership supplement, the department of management shall round amounts to the nearest whole dollar.

Sec. 19. Section 257.10, subsection 7, Code 2024, is amended to read as follows:

7. *Special education support services district cost.* Special

education support services district cost for a school district for a budget year is equal to the special education support services district cost per pupil for the budget year multiplied by the special education support services weighted enrollment for the district for the budget year. If the special education support services district cost for a school district for a budget year is less than the special education support services district cost for that district for the base year, the department of management shall adjust the special education support services district cost for that district for the budget year to equal the special education support services district cost for the base year. Funds calculated under this subsection and received by a school district shall be used by the school district for special education support services contracted from an area education agency. [The contract between the school district and the area education agency shall not require the school district to describe the specific special education services the school district will receive from the area education agency. The special education services provided by the area education agency to the school district pursuant to the contract shall not be limited by the amount of funding the school district provided to the area education agency.]

Sec. 20. Section 257.10, subsection 8, paragraph a, Code 2024, is amended to read as follows:

a. Combined district cost is the sum of the regular program district cost per pupil multiplied by the weighted enrollment, the special education support services district cost, the total teacher salary supplement district cost, the total professional development supplement district cost, the total early intervention supplement district cost, and the total teacher leadership supplement district cost, plus the sum of the additional district cost allocated to the district to fund media services and educational services ~~provided through the area education agency~~ under section 257.37, the area education agency total teacher salary supplement district cost and the

area education agency total professional development supplement district cost.

Sec. 21. Section 257.35, subsection 1, Code 2024, is amended to read as follows:

1. *a.* (1) ~~The~~ For fiscal years beginning before July 1, 2025, the department of management shall deduct the amounts calculated for special education support services, media services, area education agency teacher salary supplement district cost, area education agency professional development supplement district cost, and educational services for each school district from the state aid due to the district pursuant to this chapter and shall pay the amounts to the respective area education agencies on a monthly basis from September 15 through June 15 during each school year.

(2) (a) For the fiscal year beginning July 1, 2025, and each fiscal year thereafter, the department of management shall deduct the area education agency teacher salary supplement district cost from the state aid due to each school district pursuant to this chapter and shall pay the amounts to the respective area education agencies on a monthly basis from September 15 through June 15 during each school year.

(b) For the fiscal year beginning July 1, 2025, and each fiscal year thereafter, the department of management shall deduct the area education agency professional development supplement district cost from the state aid due to each school district pursuant to this chapter and shall pay the amounts to the department of education to be used for evidence-based professional development purposes.

b. The department of management shall notify each school district of the amount of state aid deducted for these purposes and the balance of state aid shall be paid to the district. If a district does not qualify for state aid under this chapter in an amount sufficient to cover its amount due to the area education agency or the department of education as calculated by the department of management, the school district shall pay

the deficiency to the area education agency or department of education, as applicable, from other moneys received by the district, on a quarterly basis during each school year.

Sec. 22. Section 257.36, subsection 1, Code 2024, is amended to read as follows:

1. Notwithstanding chapters 256B and 273 and sections of this chapter relating to the moneys available to school districts and area education agencies for special education support services, for each school year, the department of education may direct the department of management to deduct amounts from the portions of school district budgets that fund special education support services in an area education agency. The total amount deducted ~~in an area~~ for a school district shall be based upon excess special education support services unreserved and undesignated fund balances in that school district or paid by the school district to an area education agency for a school year that remain unreserved and undesignated as determined by the department of education. ~~The department of management shall determine the amount deducted from each school district in an area education agency on a proportional basis.~~ The department of management shall determine from the amounts deducted from the portions of school district budgets that fund area education agency special education support services the amount that would have been local property taxes and the amount that would have been state aid and for the next following budget year shall increase the district's total state school aid available under this chapter for area education agency special education support services and reduce the district's property tax levy for area education agency special education support services by the amount necessary for the property tax portion of the deductions made under this section during the budget year.

Sec. 23. Section 257.37, Code 2024, is amended to read as follows:

257.37 Funding media and educational services.

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

1. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for media services shall be computed as provided in this subsection. For the budget year beginning July 1, 1991, the total amount funded in each area for media services in the base year shall be divided by the enrollment served in the base year to provide an area media services cost per pupil in the base year, and the department of management shall compute the state media services cost per pupil in the base year which is equal to the average of the area media services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the supplemental state aid for media services in the budget year by multiplying the state media services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for media services cost in the budget year equals the area media services cost per pupil in the base year plus the supplemental state aid for media services in the budget year times the enrollment served in the budget year. ~~Funds~~ For fiscal years beginning before July 1, 2025, funds shall be paid to area education agencies as provided in section 257.35. For fiscal years beginning on or after July 1, 2025, funds may be used by the school district for media services provided by the district or by contract through an area education agency. A school district may use unreserved fund balances for media services for special education support services.

~~2. Up to thirty percent of the budget of an area for media services may be expended for media resource material including the purchase or replacement of material required in section 273.6, subsection 1. Funds shall be paid to area education~~

~~agencies as provided in section 257.35.~~

~~3.~~ 2. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for educational services shall be computed as provided in this subsection. For the budget year beginning July 1, 1991, the total amount funded in each area for educational services in the base year shall be divided by the enrollment served in the area in the base year to provide an area educational services cost per pupil in the base year, and the department of management shall compute the state educational services cost per pupil in the base year, which is equal to the average of the area educational services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the supplemental state aid for educational services by multiplying the state educational services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for educational services for the budget year equals the area educational services cost per pupil for the base year plus the supplemental state aid for educational services in the budget year times the enrollment served in the area in the budget year. ~~Funds~~ For fiscal years beginning before July 1, 2025, funds shall be paid to area education agencies as provided in section 257.35. For the fiscal year beginning July 1, 2025, funds shall be used by the school district for educational services contracted from an area education agency. For fiscal years beginning on or after July 1, 2026, funds may be used by the school district for educational services provided by the district or by contract through an area education agency. A school district may use unreserved fund balances for educational services for special education support services.

~~4.~~ 3. *"Enrollment served"* means the basic enrollment of all school districts within the boundaries of the area education agency plus the number of nonpublic school pupils served by

the area education agency with media services or educational services, as applicable, except that if a nonpublic school pupil or a pupil attending another district under a whole grade sharing agreement or open enrollment receives services through an area other than the area of the pupil's residence, the pupil shall be deemed to be served by the area of the pupil's residence, which shall by contractual arrangement reimburse the area through which the pupil actually receives services. Each school district shall include in the enrollment report submitted pursuant to section 257.6, subsection 1, the number of nonpublic school pupils within each school district for media and educational services served by the area. However, the school district shall not include in the enrollment report nonpublic school pupils receiving classes or services funded entirely by federal grants or allocations.

~~5.~~ 4. *a.* ~~If~~ For fiscal years beginning before July 1, 2025, if an area education agency does not serve nonpublic school pupils in a manner comparable to services provided public school pupils for media and educational services, as determined by the state board of education, the state board shall instruct the department of management to reduce the funds for media services and educational services within the area one time by an amount to compensate for such reduced services. The media services budget shall be reduced by an amount equal to the product of the cost per pupil in basic enrollment for the budget year for media services times the difference between the enrollment served and the basic enrollment recorded for the area. The educational services budget shall be reduced by an amount equal to the product of the cost per pupil in basic enrollment for the budget year for educational services times the difference between the enrollment served and the basic enrollment recorded for the area.

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

c. Notwithstanding this subsection, an area education agency

shall distribute to nonpublic schools media materials purchased wholly or partially with federal funds in a manner comparable to the distribution of such media materials to public schools as determined by the director of the department of education.

~~6.~~ 5. For the budget year beginning July 1, 2002, and each succeeding budget year, notwithstanding the requirements of this section for determining the budgets and funding of media services and education services, an area education agency or school district may~~, within the limits of the total of the funds provided for the budget years pursuant to section 257.35,~~ expend for special education support services an amount that exceeds the payment for special education support services ~~pursuant to section 257.35~~ in order to maintain the level of required special education support services in the area education agency or the school district, as applicable.

Sec. 24. Section 257.37A, subsection 2, paragraph d, Code 2024, is amended to read as follows:

d. ~~The~~ For budget years beginning before July 1, 2025, the use of the funds calculated under this subsection shall comply with requirements of chapter 284. For budget years beginning on or after July 1, 2025, the funds calculated under this subsection shall be paid to the department of education as provided in section 257.35.

Sec. 25. Section 284.4, subsection 1, paragraph b, subparagraph (3), Code 2024, is amended to read as follows:

(3) Determine, following the adoption of the Iowa professional development model by the state board of education, the use and distribution of the professional development funds calculated and paid to the school district ~~or agency~~ as provided in ~~section 257.9, subsection 10, or~~ section 257.10, subsection 10, based upon school district ~~or agency~~, attendance center, and individual teacher and professional development plans.

Sec. 26. Section 284.6, subsections 8 and 9, Code 2024, are amended to read as follows:

8. For each year in which a school district receives funds calculated and paid to school districts for professional development pursuant to section 257.10, subsection 10, ~~or section 257.37A, subsection 2,~~ the school district shall create quality professional development opportunities. Not less than thirty-six hours in the school calendar, held outside of the minimum school day, shall be set aside during nonpreparation time or designated professional development time to allow practitioners to collaborate with each other to deliver educational programs and assess student learning, or to engage in peer review pursuant to section 284.8, subsection 1. The funds may be used to implement the professional development provisions of the teacher career paths and leadership roles specified in section 284.15, including but not limited to providing professional development to teachers, including additional salaries for time beyond the normal negotiated agreement; activities and pay to support a beginning teacher mentoring and induction program that meets the requirements of section 284.5; pay for substitute teachers, professional development materials, speakers, and professional development content; textbooks and curriculum materials used for classroom purposes if such textbooks and curriculum materials include professional development; administering assessments pursuant to section 256.7, subsection 21, paragraph "*b*", subparagraphs (1) and (2), if such assessments include professional development; and costs associated with implementing the individual professional development plans. The use of the funds shall be balanced between school district, attendance center, and individual professional development plans, making every reasonable effort to provide equal access to all teachers.

9. Moneys received pursuant to section 257.10, subsection 10, ~~or section 257.37A, subsection 2,~~ shall be maintained as a separate listing within a school district's ~~or area education agency's~~ budget for funds received and expenditures made pursuant to this subsection. The department shall not

require a school district ~~or area education agency~~ to allocate a specific amount or percentage of moneys received pursuant to section 257.10, subsection 10, ~~or section 257.37A, subsection 2,~~ for professional development related to implementation of the core curriculum under section 256.7, subsection 26. A school district shall certify to the department how the school district allocated the funds and that moneys received under this subsection were used to supplement, not supplant, the professional development opportunities the school district would otherwise make available. For budget years beginning on or after July 1, 2017, all or a portion of the moneys received pursuant to section 257.10, subsection 10, that remain unexpended and unobligated at the end of a fiscal year may, pursuant to section 257.10, subsection 10, paragraph *"d"*, be transferred for deposit in the school district's flexibility account established under section 298A.2, subsection 2.

Sec. 27. EFFECTIVE DATE. This division of this Act takes effect January 1, 2025.

Sec. 28. APPLICABILITY. This division of this Act applies July 1, 2025, for school budget years beginning on or after that date.

DIVISION IV

DEPARTMENT OF EDUCATION REQUIREMENTS

Sec. 29. Section 256.9, Code 2024, is amended by adding the following new subsections:

NEW SUBSECTION. 70. Develop and distribute to school districts and accredited nonpublic schools a process to facilitate the development of individualized education programs and assist individualized education program teams with decisions regarding free appropriate public education and placement for students enrolled in accredited nonpublic schools.

NEW SUBSECTION. 71. Provide professional learning and other support materials and tools for individualized education program teams, including students, families, teacher service

providers, and administrators of both school districts and accredited nonpublic schools to help such individuals understand the processes required under the federal law that are relevant to students enrolled in accredited nonpublic schools and to promote informed participation in individualized education program meetings of students enrolled in accredited nonpublic schools.

NEW SUBSECTION. 72. Provide information to individualized education program teams and public agencies that nonpublic schools may be considered a placement option so long as the individualized education program of a child with a disability does not require some other arrangement.

NEW SUBSECTION. 73. Develop and distribute to school districts professional learning and other materials for meaningful consultation for representatives of area education agencies, school districts, and accredited nonpublic schools.

NEW SUBSECTION. 74. Establish sustainable accountability and data collection systems related to special education that meet federal and state legal requirements and encourage innovative models for meeting the needs of students.

NEW SUBSECTION. 75. Develop and distribute to school districts and accredited nonpublic schools an implementation plan related to identifying, evaluating, and promoting strategies and models for providing special education and related services with accredited nonpublic schools that improve the experiences and outcomes for students with disabilities.

DIVISION V

STATE MANDATE

Sec. 30. IMPLEMENTATION OF ACT. Section 25B.2, subsection 3, shall not apply to this Act.