

The bond or custodial account posted by a service company pursuant to this section shall be for the benefit of, and subject to recovery thereon by any residential service contract holder sustaining actionable injury due to the failure of the service company to faithfully perform its obligations under a residential service contract because of insolvency of the service company.

If a service company ceases to do business in this state and furnishes to the commissioner satisfactory proof that it has discharged all obligations to contract holders, the surety bond or custodial account shall be released.

The commissioner may by rule designate institutions authorized to act as a depository under this section and establish requirements for custodians, custodial agreements, custodial accounts, or the method of valuing noncash assets held in a custodial account which the commissioner believes necessary to protect the holders of residential service contracts issued and outstanding in this state.

Sec. 706. Section 523C.6, unnumbered paragraph 2, Code 1987, is amended to read as follows:

For purposes of this chapter, "net worth" means the excess of all assets over all liabilities including required reserves, but excluding assets held in a custodial account under section 523C.5, computed in accordance with generally accepted accounting principles. At least twenty thousand dollars of net worth shall consist of paid-in capital.

Sec. 707. Section 523C.11, subsection 1, Code 1987, is amended to read as follows:

1. A service company shall maintain in an independent depository a reserve account containing cash or marketable securities in an amount equal to fifty percent of aggregate annual fees collected on residential service contracts issued in this state, if any, and ~~for~~ less actual expenditures for services rendered under those contracts.

Sec. 708. Section 523C.11, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The commissioner may by rule designate institutions authorized to act as a depository under this section and may establish requirements for reserve accounts, reserve account agreements, or the method of valuing marketable securities which the commissioner believes necessary to protect the holders of residential service contracts issued and outstanding in this state.

Approved April 26, 1988

CHAPTER 1113

OPEN ENROLLMENT IN CONTIGUOUS SCHOOL DISTRICTS

S.F. 323

AN ACT to provide a procedure for parents or guardians to enroll their children in the public schools of contiguous school districts and providing for the implementation of administrative rules and an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. 282.18 OPEN ENROLLMENT.

It is the intent of the general assembly to allow a pupil with special and exceptional needs to enroll in a district contiguous to the pupil's resident district if the contiguous district offers coursework or programs, not already available to the pupil, that would meet the needs of the pupil.

1. Except as provided in subsection 2, for the school year commencing July 1, 1990, and each succeeding school year, a parent or guardian residing in a school district may be allowed to

enroll the parent's or guardian's child or ward in a public school in a contiguous school district as provided in this section.

Not later than November 1, 1989, or not later than November 1 of the preceding school year, the parent or guardian shall notify the district of residence and the department of education that the parent or guardian intends to enroll the parent's or guardian's child or ward in a contiguous school district. Notice shall be made in the form and manner prescribed by the department of education and shall contain a description of the substantial educational opportunities necessary and available for the child in the receiving district that are not available in the district of residence and a statement that the child intends to take advantage of the opportunity before graduation. The state board of education shall adopt rules under chapter 17A by January 1, 1989, that define substantial educational opportunity. The definition shall include, but not be limited to, whether the contiguous district offers coursework or programs not available in the district of residence. A request under this section is for a period of not less than four years, unless the pupil will graduate within the four-year period.

The board of directors of the district of residence shall approve or disapprove the request within thirty days of receipt of the parent's and guardian's notice. The parent or guardian may appeal the decision of the board under chapter 290. If the parent or guardian appeals to the state board of education, the parent or guardian must prove by substantial evidence to the state board that the conditions listed in the request exist and the denial of the request of the parent or guardian was an abuse of discretion by the board of the district of residence.

Following approval of the transfer, the board of the district of residence shall transmit a copy of the form to the contiguous school district. The board of the contiguous school district shall enroll the pupil in a school in the contiguous district for the following school year, unless the contiguous school district does not have classroom space for the pupil or enrolling the pupil in the contiguous district will adversely affect the minority enrollment in the resident or contiguous school district because of voluntary or court ordered desegregation. The child shall, however, be included in the basic enrollment of the district of residence for purposes of section 442.4.

The board of directors of the district of residence shall pay to the receiving school district an amount which is equal to the lesser of the state aid portion of the resident district's cost per pupil or the state aid of the receiving district's cost per pupil. For the purpose of this section, "state aid portion of a district's cost per pupil" is the state foundation aid for the budget year received by the district under section 442.26 for regular program costs divided by the district's basic enrollment for the budget year. In addition, the state aid amount shall include moneys received under sections 294A.9 and 294A.14. If the amount paid to the receiving school district is not equal to that district's cost per pupil, the receiving district has the option of either accepting the amount paid by the district of residence, or billing the parent or guardian for the difference between the district cost per pupil and the amount received from the district of residence. The district of residence may reimburse the parent for any difference paid to the receiving district. Quarterly payment shall be made to the receiving district. Notwithstanding section 285.1 relating to transportation of nonresident pupils, the parent or guardian is responsible for transporting the pupil without reimbursement to and from a point on a regular school bus route of the receiving district. A parent or guardian who chooses to reenroll the child in the district of residence, or to enroll the child in another school district, during the four-year period covered by the request, shall pay the maximum tuition fee to the enrolling district pursuant to section 282.24. However, the tuition fee requirement does not apply if a child is enrolled in another school district, during the four-year period covered by the request, because of a change in the child's place of residence.

A student who attends school in a contiguous school district is not eligible to participate in interscholastic athletic contests and athletic competitions during the first year of enrollment under this section except for an interscholastic sport in which the district of residence and the contiguous school district jointly participate.

2. This section does not apply if the contiguous district, in which the parent or guardian wishes to enroll their child, is a party to a sharing agreement, which covers the request, with the district of residence under sections 282.7 through 282.12. If a resident or receiving district is participating in a reorganization study under chapter 275, subsection 1 shall not be available to a parent or guardian until the study is completed.

Sec. 2. Section 280.16, Code Supplement 1987, is repealed effective July 1, 1990.

Sec. 3. By January 1, 1989, the department of education shall adopt rules to implement chapter 261C including, but not limited to, defining the term "academic". For purposes of this section, "academic" shall be defined narrowly to provide opportunities for an enriched curriculum extending beyond ordinary high school offerings.

Approved April 27, 1988

CHAPTER 1114

EDUCATIONAL PROGRAMS FOR AT-RISK CHILDREN

S.F. 2295

AN ACT relating to the development of programs for the identification, educational methods, and staff qualifications for at-risk children.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 256.9, Code Supplement 1987, is amended by adding the following new subsections:

NEW SUBSECTION. 31. Develop criteria and procedures to assist in the identification of at-risk children and their developmental needs.

NEW SUBSECTION. 32. Develop, in conjunction with the child development coordinating council or other similar agency, child-to-staff ratio recommendations and standards for at-risk programs based on national literature and test results and Iowa longitudinal test results.

NEW SUBSECTION. 33. Develop programs in conjunction with the center for early development education to be made available to the school districts to assist them in identification of at-risk children and their developmental needs. For a period of one year, beginning July 1, 1988, and ending June 30, 1989, direct the educational services division of the area education agencies to develop program plans to assist the districts in educating at-risk children. The area education agencies may enter into contracts with other groups or agencies to provide all or part of the program. The programs shall include but are not limited to:

- a. Administrator and staff in-service education.
- b. Area education agency and district staff utilization plans.
- c. Qualifications required of personnel administering the program.
- d. Child-to-staff ratio specifications.
- e. Longitudinal testing of the children.
- f. Referrals to outside agencies.
- g. An emphasis on integrating the identified children with the balance of the class.
- h. Proposed curriculum content and materials.
- i. Cost projections for provision of the programs.