CHAPTER 88

EDUCATION — MISCELLANEOUS CHANGES

H.F. 454

AN ACT relating to education by modifying the duties and operations of the department of education, community colleges, the school budget review committee, and local school boards, and eliminating a reporting requirement relating to vocational education funds.

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

Section 1. Section 256.5A, Code 2013, is amended to read as follows:

256.5A Nonvoting member.

- <u>1. a.</u> The governor shall appoint the one nonvoting student member of the state board for a term of one year beginning and ending if the student is enrolled in grade eleven or for a term of two years if the student is enrolled in grade ten. The term shall begin and end as provided in section 69.19. The nonvoting student member shall be appointed from a list of names submitted by the state board of education. Students enrolled in either grade ten or eleven in a public school may apply to the state board to serve as a nonvoting student member.
- <u>b.</u> The department shall develop an application process that requires the consent of the student's parent or guardian if the student is a minor, initial application approval by the school district in which the student applicant is enrolled, and submission of approved applications by a school district to the department.
- <u>2.</u> The nonvoting student member's school district of enrollment shall notify the student's parents if the student's grade point average falls during the period in which the student is a member of the state board.
- $\underline{3}$. The state board shall adopt rules under chapter 17A specifying criteria for the selection of applicants whose names shall be submitted to the governor. Criteria shall include, but are not limited to, academic excellence, participation in extracurricular and community activities, and interest in serving on the board. Rules adopted by the state board shall also require, if the student is a minor, supervision of the student by the student's parent or guardian while the student is engaged in authorized state board business at a location other than the community in which the student resides, unless the student's parent or guardian submits to the state board a signed release indicating the parent or guardian has determined that supervision of the student by the parent or guardian is unnecessary.
 - 4. The nonvoting student member appointment is not subject to section 69.16 or 69.16A.
- <u>5.</u> The nonvoting student member shall have been enrolled in a public school in Iowa for at least one year prior to the member's appointment. A nonvoting student member who will not graduate from high school prior to the end of a second term may apply to the state board for submission of candidacy to the governor for a second one-year term.
- <u>6.</u> A nonvoting student member shall be paid a per diem as provided in section 7E.6 and the student and the student's parent or guardian shall be reimbursed for actual and necessary expenses incurred in the performance of the student's duties as a nonvoting member of the state board.
- $\overline{2}$. A vacancy in the membership of the nonvoting student member shall not be filled until the expiration of the term.
 - Sec. 2. Section 256.30, Code 2013, is amended to read as follows:

256.30 Educational expenses for American Indians.

1. For the fiscal year beginning July 1, 2011, and ending June 30, 2012, and for each succeeding fiscal year, there is appropriated from the general fund of the state to the department the sum of one hundred thousand dollars. The department shall distribute the appropriation to the tribal council of the Sac and Fox Indian settlement for expenses of educating American Indian children residing in the Sac and Fox Indian settlement on land held in trust by the secretary of the interior of the United States in excess of federal moneys paid to the tribal council for educating the American Indian children when moneys are appropriated for that purpose. The tribal council shall administer the moneys distributed

pursuant to this section and shall submit an annual report and other reports as required by the department to the department on the expenditure of the moneys.

2. The tribal council shall administer the moneys distributed by the department pursuant to subsection 1 and shall first use moneys distributed to it by the department of education for the purposes of this section to pay the additional costs of salaries for licensed instructional staff for educational attainment and full-time equivalent years of experience to equal the salaries listed on the proposed salary schedule for the school at the Sac and Fox Indian settlement for that school year, but the salary for a licensed instructional staff member employed on a full-time basis shall not be less than eighteen thousand dollars. The department of management shall approve allotments of moneys appropriated in and distributed pursuant to this section when the department of education certifies to the department of management that the requirements of this section have been met.

Sec. 3. Section 256B.7, Code 2013, is amended to read as follows:

256B.7 Examinations of children.

In order to render proper instruction to each child requiring special education, the school districts shall certify children requiring special education for special instruction in accordance with the requirements set up by the division of special education and shall provide examinations for children preliminary to making certification. The examinations necessary for the certification of children requiring special education shall be prescribed by the state division of special education. Final decision in case of disagreement or appeal is the responsibility of the director of the department of education, who may secure the advice of competent medical and educational authorities including the Iowa department of public health, the university hospitals, the department of human services, the superintendent of the state school for the deaf, and the superintendent of the Iowa braille and sight saving school Disputes concerning a child's eligibility for special education shall be addressed under rules and procedures adopted by the state board of education pursuant to section 256B.6 and consistent with the federal Individuals with Disabilities Education Act of 2004, 20 U.S.C. § 1400 et seq.

- Sec. 4. Section 257.6, subsection 1, paragraph a, subparagraph (3), Code 2013, is amended to read as follows:
- (3) Shared-time and part-time pupils of school age enrolled in public schools within the district, irrespective of the districts in which the pupils reside, in the proportion that the time for which they are enrolled or receive instruction for the school year is to the time that full-time pupils carrying a normal course schedule, at the same grade level, in the same school district, for the same school year, are enrolled and receive instruction. Tuition charges to the parent or guardian of a shared-time or part-time nonresident pupil shall be reduced by the amount of any increased state aid received by the district by the counting of the pupil. This subparagraph applies to pupils enrolled in grades nine through twelve under section 299A.8 and to pupils from accredited nonpublic schools accessing classes or services on the accredited nonpublic school premises or the school district site, but excludes accredited nonpublic school pupils receiving classes or services funded entirely by federal grants or allocations.
- Sec. 5. Section 257.11, subsection 3, paragraph c, Code 2013, is amended by striking the paragraph.
- Sec. 6. Section 257.11, Code 2013, is amended by adding the following new subsection: NEW SUBSECTION. 7A. District to community college innovative sharing project. A school district that collaborates with a community college to provide pupils enrolled in the school district's high school with a class that uses an activities-based, project-based, and problem-based learning approach that is offered through a partnership with a nationally recognized provider of rigorous and innovative science, technology, engineering, and mathematics curriculum for schools, which provider is exempt from taxation under section 501(c)(3) of the Internal Revenue Code, is eligible to assign its resident pupils attending the class an additional weighting of the percentage of the pupil's school day during which the pupil attends a class described in this subsection times seventy hundredths. To qualify for

additional weighting, the class must supplement, not supplant, high school courses required to be offered pursuant to section 256.11, subsection 5.

Sec. 7. Section 257.37, subsection 4, Code 2013, is amended to read as follows:

4. "Enrollment served" means the basic enrollment plus the number of nonpublic school pupils served 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.

Sec. 8. Section 258.12, Code 2013, is amended to read as follows:

258.12 Custodian of funds — reports.

The treasurer of state shall be custodian of the funds paid to the state from the appropriations made under said Act of Congress, and shall disburse the same on vouchers audited as provided by law. The treasurer of state shall report the receipts and disbursements of said funds to the general assembly at each biennial session.

Sec. 9. Section 259A.1, Code 2013, is amended to read as follows:

259A.1 Tests.

The department of education shall cause to be made available for qualified individuals a high school equivalency diploma. The diploma shall be issued on the basis of satisfactory competence as shown by tests covering all of the following: reading, arts, language arts, writing literacy, mathematics, science, and social studies.

Sec. 10. Section 259A.2, unnumbered paragraph 2, Code 2013, is amended to read as follows:

Application shall be made to a testing center approved by the department of education, accompanied by an application fee in an amount prescribed by the department. The test scores shall be forwarded by the testing center scorer of the test to the department.

Sec. 11. Section 273.3, subsection 12, Code 2013, is amended to read as follows:

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 to 273.9, and chapter 256B within the limits of funds provided under section 256B.9 and chapter 257. The board shall give notice of a public hearing on the proposed budget by publication in an official county newspaper in each county 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. 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 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 April 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 April May 15. For the fiscal year beginning July 1, 1999, and each succeeding fiscal year, the 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. 12. Section 273.13, Code 2013, is amended to read as follows:

273.13 Administrative expenditures.

During the budget year beginning July 1, 1989, and the three succeeding budget years, the

board of directors of an area education agency in which the <u>The</u> administrative expenditures as a percent of the <u>an</u> area education agency's <u>operating general</u> fund for a base year <u>shall</u> <u>not</u> exceed five percent shall reduce its administrative expenditures to five percent of the area education agency's operating fund. During each of the four years, the board of directors shall reduce administrative expenditures by twenty five percent of the reduction in administrative expenditure required by this section. Thereafter, the administrative expenditures shall not exceed five percent of the operating fund. Annually, the board of directors shall certify to the department of education the amounts of the area education agency's expenditures and its <u>operating general</u> fund. For the purposes of this section, "base year" and "budget year" mean <u>means</u> the same as defined in section 442.6, Code 1989, and section 257.2, and "administrative expenditures" means expenditures for executive administration.

Sec. 13. Section 273.23, subsection 5, Code 2013, is amended to read as follows:

5. The initial board, or new board if established in time under subsection 3, of the newly formed agency shall prepare an annual budget estimating income and expenditures for programs and services as provided in sections 273.1 through 273.9 and chapter 256B within the limits of funds provided under section 256B.9 and chapter 257. The board shall give notice of a public hearing on the proposed budget by publication in an official county newspaper in each county 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. The notice shall specify the date, which shall not be later than March 1, the time, and the location of the public hearing. The proposed budget as approved by the board shall be submitted to the state board, on forms provided by the department, no later than March 15 for approval. The state board shall review the proposed budget of the newly formed area education agency and shall, before April 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 April 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. 14. Section 275.23A, subsection 2, Code 2013, is amended to read as follows:

2. Following each federal decennial census the school board shall determine whether the existing director district boundaries meet the standards in subsection 1 according to the most recent federal decennial census. In addition to the authority granted to voters to change the number of directors or method of election as provided in sections 275.35, 275.36, and 278.1, the board of directors of a school district may, following a federal decennial census, by resolution and in accordance with this section, authorize a change in the method of election as set forth in section 275.12, subsection 2, or a change to either five or seven directors after the board conducts a hearing on the resolution. If the board proposes to change the number of directors from seven to five directors, the resolution shall include a plan for reducing the number of directors. If the board proposes to increase the number of directors to seven directors, two directors shall be added according to the procedure described in section 277.23, subsection 2. If necessary, the board of directors shall redraw the director district boundaries. The director district boundaries shall be described in the resolution adopted by the school board. The resolution shall be adopted no earlier than November 15 of the second year immediately following the year in which the federal decennial census is taken nor later than May 15 of the second third year immediately following the year in which the federal decennial census is taken. A copy of the plan shall be filed with the area education agency administrator of the area education agency in which the school's electors reside. If the board does not provide for an election as provided in sections 275.35, 275.36, and 278.1 and adopts a resolution to change the number of directors or method of election in accordance with this subsection, the district shall change the number of directors or method of election as provided unless, within twenty-eight days following the action of the board, the secretary of the board receives a petition containing the required number of signatures, asking that an election be called to approve or disapprove the action of the board in adopting the resolution. The petition must be signed by eligible electors equal in number to not less than one hundred or thirty percent of the number of voters at the last preceding

regular school election, whichever is greater. The board shall either rescind its action or direct the county commissioner of elections to submit the question to the registered voters of the school district at an election held on a date specified in section 39.2, subsection 4, paragraph "c". If a majority of those voting on the question at the election favors disapproval of the action of the board, the district shall not change the number of directors or method of election. If a majority of those voting on the question does not favor disapproval of the action, the board shall certify the results of the election to the department of management and the district shall change the number of directors or method of election as provided in this subsection. At the expiration of the twenty-eight-day period, if no petition is filed, the board shall certify its action to the department of management and the district shall change the number of directors or method of election as provided in this subsection.

Sec. 15. Section 278.1, subsection 1, paragraph e, Code 2013, is amended to read as follows:

e. Direct the transfer of any surplus in the debt service fund, physical plant and equipment levy fund, <u>or other</u> capital <u>projects</u> project funds, or public education and recreation levy fund to the general fund.

Sec. 16. Section 279.30, Code 2013, is amended to read as follows:

279.30 Exceptions.

Each payment must be made payable to the person entitled to receive the money or deposited directly into an account at a financial institution, as defined in section 527.2, specified by the person entitled to receive the money. The board of directors of a school district or an area education agency may by resolution authorize the secretary, upon approval of the superintendent or designee, or administrator, in the case of an area education agency, to issue payments when the board of directors is not in session in payment of reasonable and necessary expenses, but only upon verified bills filed with the secretary or administrator, and for the payment of salaries pursuant to the terms of a written contract. Each payment must be made payable only to the person performing the service or presenting the verified bill, and must state the purpose for which the payment is issued. All bills and salaries for which payments are issued prior to audit and allowance by the board must be passed upon by the board of directors at the next meeting and be entered in the regular minutes of the secretary.

Sec. 17. Section 279.42, Code 2013, is amended to read as follows:

279.42 Gifts to schools.

The board of directors of a school district which that receives funds through gifts, devises, and bequests a gift, devise, or bequest shall deposit these the funds in a trust and fund, permanent fund, or agency fund and shall use them the funds in accordance with the terms of the gift, devise, or bequest.

Sec. 18. Section 279.45, Code 2013, is amended to read as follows:

279.45 Administrative expenditures.

For the budget year beginning July 1, 1989, and each of the following three budget years, the board of directors of a school district in which the The administrative expenditures as a percent of the a school district's operating general fund for a base year shall not exceed five percent, shall reduce its administrative expenditures so that they are one-half percent less as a percent of the school district's operating fund than they were for the base year. However, a school district is not required to reduce its administrative expenditures below five percent of its operating fund. Thereafter, a school district shall not increase the percent of its administrative expenditures compared to its operating fund. Annually, the board of directors shall certify to the department of education the amounts of the school district's administrative expenditures and its operating general fund. For the purposes of this section, "base year" and "budget year" mean means the same as defined in section 442.6, Code 1989, and section 257.2, and "administrative expenditures" means expenditures for executive administration.

Sec. 19. Section 282.10, subsection 4, Code 2013, is amended to read as follows:

4. A whole grade sharing agreement shall be signed by the boards of the districts involved in the agreement not later than February 1 of the school year preceding the school year for

which the agreement is to take effect. The boards of the districts shall negotiate as part of the new or existing agreement the disposition of teacher quality funding provided under chapter 284.

Sec. 20. Section 282.20, unnumbered paragraph 3, Code 2013, is amended to read as follows:

On or before February 15 and June July 15 of each year the secretary of the creditor district shall deliver to the secretary of the debtor district an itemized statement of such tuition fees.

Sec. 21. Section 291.1, Code 2013, is amended to read as follows:

291.1 President — duties.

The president of the board of directors shall preside at all of its meetings, sign all contracts made by the board, and appear in on behalf of the corporation in all actions brought by or against it, unless individually a party, in which case this duty shall be performed by the secretary. The president or the president's designee shall sign, using an original or facsimile signature, all school district warrants payments drawn and authorize electronic funds transfers as provided by law. The board of directors, by resolution, may designate an individual, who shall not be the secretary, to sign warrants payments or authorize electronic funds transfers on behalf of the president.

- Sec. 22. Section 291.6, subsection 3, Code 2013, is amended by striking the subsection and inserting in lieu thereof the following:
- 3. Accounting records. Keep an accurate accounting record of each payment or electronic funds transfer from each fund which shall be provided monthly to the board of directors. The secretary of the creditor district shall prepare and deliver to debtor districts an itemized statement of tuition fees charged in accordance with sections 275.55A and 282.11, and section 282.24, subsection 1.
 - Sec. 23. Section 291.6, subsection 4, Code 2013, is amended to read as follows:
- 4. Claims. Keep an accurate account accounting of all expenses incurred by the corporation, and present the same to the board for audit and payment.
 - Sec. 24. Section 291.7, Code 2013, is amended to read as follows:

291.7 Monthly receipts, disbursements, and balances.

The secretary of each district shall file monthly with the board of directors a complete statement of all receipts and disbursements from the various funds each individual fund during the preceding month, and also the balance remaining on hand in the various funds each individual fund at the close of the period covered by the statement, which monthly statements shall be open to public inspection.

Sec. 25. Section 291.8, Code 2013, is amended by striking the section and inserting in lieu thereof the following:

291.8 Payments and electronic funds transfers.

The secretary shall make each authorized payment, countersign using an original or facsimile signature, and maintain accounting records of the payments or electronic funds transfers, showing the number, date, payee, originating fund, the purpose, and the amount, and shall provide to the board at each regular annual meeting a copy of the accounting records maintained by the secretary.

Sec. 26. Section 291.12, Code 2013, is amended to read as follows:

291.12 Duties of treasurer — payment of warrants receipts and expenditures.

The treasurer shall receive all moneys belonging to the corporation, pay the same out only upon the order of the president countersigned by the secretary, keeping and shall keep an accurate accounting record of all receipts and expenditures in a book provided for that purpose. The treasurer shall register all orders drawn payments and electronic funds transfers made and reported to the treasurer by the secretary, showing the number, date, to whom drawn, the fund upon from which drawn each payment and transfer was made, the purpose and amount.

Sec. 27. Section 291.14, Code 2013, is amended to read as follows:

291.14 Financial statement.

The treasurer shall render a statement of the finances of the corporation whenever required by the board, and the treasurer's $\frac{\text{books}}{\text{books}}$ accounting records shall always be open for inspection.

Sec. 28. Section 298.2, subsections 1 and 5, Code 2013, are amended to read as follows:

- 1. A physical plant and equipment levy of not exceeding one dollar and sixty-seven cents per thousand dollars of assessed valuation in the district is established except as otherwise provided in this subsection. The physical plant and equipment levy consists of the regular physical plant and equipment levy of not exceeding thirty-three cents per thousand dollars of assessed valuation in the district and a voter-approved physical plant and equipment levy of not exceeding one dollar and thirty-four cents per thousand dollars of assessed valuation in the district. However, the voter-approved physical plant and equipment levy may consist of a combination of a physical plant and equipment property tax levy and a physical plant and equipment income surtax as provided in subsection 4 with the maximum amount levied and imposed limited to an amount that could be raised by a one dollar and thirty-four cent property tax levy. The levy limitations of this subsection are subject to subsection 6.
- 5. a. The proposition to levy the voter-approved physical plant and equipment levy is not affected by a change in the boundaries of the school district, except as otherwise provided in this section. If each school district involved in a school reorganization under chapter 275 has adopted the voter-approved physical plant and equipment levy or the sixty-seven and one-half cents per thousand dollars of assessed value schoolhouse levy under section 278.1, subsection 7, Code 1989, prior to July 1, 1991, and if the voters have not voted upon the proposition to levy the voter-approved physical plant and equipment levy in the reorganized district, the existing voter-approved physical plant and equipment levy or the existing schoolhouse levy, as applicable, is in effect for the reorganized district for the least amount and the shortest time for which it is in effect in any of the districts.
- b. Authorized levies An authorized levy for the period of time approved are <u>is</u> not affected as a result of a failure of a proposition proposed to expand the purposes for which the funds may be expended.
 - Sec. 29. Section 298.2, subsection 6, Code 2013, is amended by striking the subsection.
 - Sec. 30. Section 298A.4, Code 2013, is amended to read as follows:

298A.4 Physical plant and equipment levy fund.

The physical plant and equipment levy fund is a special revenue capital project fund. A physical plant and equipment levy fund must be established in any school corporation which levies the tax authorized, whether regular or voter-approved, under section 298.2.

Sec. 31. Section 298A.9, Code 2013, is amended to read as follows:

298A.9 Capital project funds.

A capital project fund must be established in any school corporation which issues bonds or other authorized indebtedness for capital projects or which initiates a capital project, or which receives grants or other funds for capital projects. Boards are authorized to establish more than one capital project fund as necessary. Any balance remaining in a capital project fund after the capital project is completed may be retained for future capital projects in accordance with the original purpose of the bond issue or voter-approved levy; or may be transferred, by board resolution, to the debt service fund, to the physical plant and equipment levy fund or another capital project fund, or other to the fund from which the surplus originated; or transferred to the general fund in accordance with section 278.1, subsection 1, paragraph "e".

Sec. 32. Section 298A.13, Code 2013, is amended to read as follows:

298A.13 Trust, permanent, or agency funds.

Trust, permanent, or agency funds shall be established by any school corporation to account for gifts it receives to be used for a particular purpose or to account for money and property received and administered by the district as trustee or custodian or in the capacity

of an agent. Boards may establish trust and, permanent, or agency funds as necessary.

Sec. 33. Section 299A.4, subsection 6, Code 2013, is amended to read as follows:

6. Except when a child has been enrolled in a public \underline{A} school district under section 299A.8, or area education agency shall, if requested, administer the annual achievement evaluation at no cost to the parent, guardian, or legal custodian of the child being evaluated shall reimburse the entity conducting the evaluation for no more than the actual cost of evaluation required by this chapter. However, and, in addition, the parent, guardian, or legal custodian is not required to reimburse the evaluating entity for costs incurred as a result of evaluation under section 299A.9. The administration of the annual achievement evaluation shall not constitute a dual enrollment purpose under section 299A.8.

Sec. 34. Section 299A.8, Code 2013, is amended to read as follows: **299A.8 Dual enrollment.**

- 1. If a parent, guardian, or legal custodian of a school-age child who is receiving competent private instruction under this chapter submits a request, the child shall also be registered in a public school for dual enrollment purposes. If the child is enrolled in a public school district for dual enrollment purposes, the child shall be permitted to participate in any academic activities in the district and shall also be permitted to participate on the same basis as public school children in any extracurricular activities available to children in the child's grade or group, and the parent, guardian, or legal custodian shall not be required to pay the costs of any annual evaluation under this chapter. Dual enrollment of a child solely for purposes of accessing the annual achievement evaluation shall not constitute a dual enrollment purpose.
- 2. If the child is enrolled for dual enrollment purposes, the child shall be included in the public school's basic enrollment under section 257.6. A pupil who is participating only in extracurricular activities shall be counted under section 257.6, subsection 1, paragraph "a", subparagraph (6). A pupil enrolled in grades nine through twelve under this section shall be counted in the same manner as a shared-time pupil under section 257.6, subsection 1, paragraph "a", subparagraph (3).
 - Sec. 35. Section 321.375, subsection 2, Code 2013, is amended to read as follows:
- 2. Prior to hiring an applicant for a school bus driver position, including a contract position, an employer shall have access to and shall review the information in the Iowa court information system available to the general public, the sex offender registry information under section 692A.121 available to the general public, the central registry for child abuse information established under section 235A.14, and the central registry for dependent adult abuse information established under section 235B.5 for information regarding the applicant. An employer shall follow the same procedure every five years upon the renewal of an employee's or contract employee's school bus driver's license issued by the department of transportation valid for the operation of a school bus. An employer shall pay for the cost of the registry checks conducted pursuant to this subsection. An employer shall maintain documentation demonstrating compliance with this subsection.
- Sec. 36. Section 423F.3, subsection 1, paragraph d, Code 2013, is amended by striking the paragraph.
- Sec. 37. REPEAL. Sections 256.20, 256.21, 256.22, 256.23, 256.38, 297.35, and 298A.5, Code 2013, are repealed.

Approved May 1, 2013