

CHAPTER 153

SCHOOL DISTRICT FUNDING AND AUTHORIZED EXPENDITURES AND TRANSFERS

H.F. 564

AN ACT relating to school district funding and authorized expenditures and transfers and including effective date, applicability, and retroactive applicability provisions.

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

DIVISION I PROFESSIONAL DEVELOPMENT

Section 1. Section 284.6, subsections 8 and 9, Code 2017, 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; 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 of education 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.

Sec. 2. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 3. APPLICABILITY. This division of this Act applies to school budget years beginning on or after July 1, 2017.

DIVISION II AT-RISK AND DROPOUT PREVENTION

Sec. 4. Section 257.11, subsection 4, paragraph d, Code 2017, is amended to read as follows:

d. ~~Up to five percent of the total amount~~ Amounts that a school district receives as supplementary weighting pursuant to [this subsection](#) or as a modified supplemental amount received under [section 257.41](#) may be used in the budget year for purposes of

providing district-wide, ~~or~~ building-wide, or grade-specific at-risk and dropout prevention programming targeted to pupils who are not deemed at risk.

Sec. 5. Section 257.41, subsection 2, paragraphs a and b, Code 2017, are amended to read as follows:

a. Salary and benefits for instructional staff, instructional support staff, guidance counselors, and school-based youth services staff who are working with students who are participating in at-risk or dropout prevention programs, alternative programs, and alternative schools, in a traditional or alternative setting, if the staff person's or counselor's time is dedicated to working with such students in order to provide services beyond those which are provided by the school district to students who are not participating in such programs or alternative schools. However, if the staff person or counselor works part-time with students who are participating in a program or alternative school and the staff person or counselor has another unrelated staff assignment, only the portion of the staff person's or counselor's time that is related to the program or alternative school may be charged to the program or school. For each such staff person or counselor who works part time with students who are participating in a program or alternative school, the school district shall have the authority to designate the portion of the staff person's or counselor's time and the corresponding amount of salary and benefits that is related to the program or alternative school and shall include such designation as part of the program plan under [section 257.38](#), if applicable. For purposes of this paragraph, if an alternative setting is necessary to provide for a program which is offered at a location off school grounds and which is intended to serve student needs by improving relationships and connections to school, decreasing truancy and tardiness, providing opportunities for course credit recovery, or helping students identified as at risk to accelerate through multiple grade levels of achievement within a shortened time frame, the tuition costs for a student identified as at risk shall be considered an appropriate use of the program funding under [this section](#).

b. Professional development for all teachers, counselors, and staff working with at-risk students under a program or an alternative school setting.

Sec. 6. Section 257.41, subsection 2, Code 2017, is amended by adding the following new paragraphs:

NEW PARAGRAPH. d. Costs incurred for a program intended to address high rates of absenteeism, truancy, or frequent tardiness.

NEW PARAGRAPH. e. Costs incurred for programs authorized under [section 257.11, subsection 4](#), paragraph "d".

Sec. 7. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 8. APPLICABILITY. This division of this Act applies to school budget years beginning on or after July 1, 2017.

DIVISION III SCHOOL DISTRICT FLEXIBILITY

Sec. 9. Section 257.10, Code 2017, is amended by adding the following new subsection:

NEW SUBSECTION. 13. *Deference to school districts.*

a. When exercising authority to carry out an agency action, as defined in [section 17A.2](#), or to perform an activity or make a decision specified in [section 17A.2, subsection 11](#), paragraphs "a" through "l", if applicable, related to the provisions of [subsections 9, 10, and 11](#), including the expenditure of funds received by school districts under [subsections 9, 10, and 11](#), the department of education, the director of the department of education, and the state board of education shall carry out, perform, or make such agency action, activity, or decision in a manner that gives deference to decisions of school districts' boards of directors, promotes flexibility for school districts, and minimizes intrusions into school district operations and decision making by boards of directors.

b. (1) In addition to paragraph “a”, the department of education, the director of the department of education, and the state board of education shall not issue guidance related to the provisions of [subsections 9, 10, and 11](#), including the expenditure of funds received by a school district under [subsections 9, 10, and 11](#), that is inconsistent with any statute, rule, or other legal authority or that imposes any legally binding obligations or duties upon any person unless such legally binding obligations or duties are required or reasonably implied by any statute, rule, or other legal authority. Guidance issued in violation of this paragraph “b” shall not be deemed to be legally binding.

(2) For the purposes of this paragraph “b”, “guidance” means a document or statement issued by the department of education, the director of the department of education, or the state board of education that purports to interpret a law, a rule, or other legal authority and is designed to provide advice or direction to a person regarding the implementation of or compliance with the law, the rule, or the other legal authority being interpreted. “Guidance” does not include any action, activity, or decision governed by paragraph “a”, a document or statement required by federal law or a court, or a document or statement issued in the course of a contested case proceeding, an administrative proceeding, or a judicial proceeding to which the department, the state board, or the director is a party.

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

Sec. 11. APPLICABILITY. This division of this Act applies to school budget years beginning on or after July 1, 2017.

DIVISION IV PRESCHOOL PROGRAM

Sec. 12. Section 256C.3, subsection 1, paragraph b, Code 2017, is amended to read as follows:

b. If space and funding are available, including funding from another school district account or fund from which preschool program expenditures are authorized by law, a school district approved to participate in the preschool program may enroll and pay the cost of attendance for a younger or older child in the preschool program; however, the child shall not be counted for state funding purposes.

Sec. 13. Section 256C.4, subsection 1, paragraph e, Code 2017, is amended to read as follows:

e. Preschool foundation aid funding shall not be used for the costs of constructing a facility in connection with an approved local program. Preschool foundation aid funding may be used by approved local programs and community providers for any purpose determined by the board of directors of the school district to meet standards for high-quality preschool instruction and for purposes that directly or indirectly benefit students enrolled in the approved local program, including but not limited to professional development for preschool teachers, ~~for~~ instructional equipment and supplies, ~~for~~ material and equipment designed to develop pupils’ large and small motor skills, translation services, playground equipment and repair costs, food and beverages used by children in the approved local program, safety equipment, facility rental fees, and for other direct costs that enhance the approved local program, including by contracting with community partners for any such services. Preschool foundation aid funding may be used by approved local programs for the costs of transportation involving children participating in the preschool program. The costs of transporting other children associated with the preschool program or transported as provided in [section 256C.3, subsection 3](#), paragraph “h”, may be prorated by the school district. Preschool foundation aid funding received by an approved local program that remain unexpended or unobligated at the end of a fiscal year shall be used to build the approved local program’s preschool program capacity in the next succeeding fiscal year.

Sec. 14. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 15. APPLICABILITY. This division of this Act applies to school budget years beginning on or after July 1, 2017.

DIVISION V
STUDENT ACTIVITY FUND

Sec. 16. Section 298A.8, Code 2017, is amended to read as follows:

298A.8 Student activity fund.

1. The student activity fund is a special revenue fund. A student activity fund must be established in any school corporation receiving money from student-related activities such as admissions, activity fees, student dues, student fund-raising events, or other student-related cocurricular or extracurricular activities. Moneys in this fund shall be used to support only the cocurricular program defined in department of education administrative rules.

2. For school budget years beginning on or after July 1, 2016, the board of directors of a school corporation may, by board resolution, transfer from the school corporation's general fund to the student activity fund an amount necessary to purchase protective and safety equipment required for any extracurricular interscholastic athletic contest or competition that is sponsored or administered by an organization as defined in [section 280.13](#).

Sec. 17. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 18. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to July 1, 2016, for school budget years beginning on or after that date.

Approved May 11, 2017