

**NINETIETH GENERAL ASSEMBLY
2024 REGULAR SESSION
DAILY
SENATE CLIP SHEET**

March 6, 2024

Clip Sheet Summary

Displays all amendments, fiscal notes, and conference committee reports for previous day.

Bill	Amendment	Action	Sponsor
SF 345	S-5050	Filed	RECEIVED FROM THE HOUSE
SF 2283	S-5047	Filed	ZACH WAHLS
SF 2289	S-5049	Adopted	MIKE BOUSSELOT
SF 2340	S-5048	Lost	JANICE WEINER
SF 2346	S-5045	Filed	JEFF TAYLOR
SF 2386	S-5042	Filed	LYNN EVANS
SF 2396	S-5044	Adopted	DAN DAWSON
HF 636	S-5046	Filed	JEFF TAYLOR
HF 2612	S-5043	Filed	LYNN EVANS

Fiscal Notes

[SF 2377](#) — [State Government Reorganization, Code Changes](#) (LSB5333SV)

[SF 2386](#) — [Area Education Agencies](#) (LSB5189SV)

[HF 2569](#) — [Highway 30](#) (LSB1865HZ.2)

[HF 2612](#) — [Area Education Agencies](#) (LSB6302HV.1)

HOUSE AMENDMENT TO
SENATE FILE 345

S-5050

1 Amend Senate File 345, as amended, passed, and reprinted by
2 the Senate, as follows:

3 1. Page 1, before line 1 by inserting:

4 <DIVISION I

5 DRUG PARAPHERNALIA

6 Section 1. Section 124.414, subsection 3, Code 2023, is
7 amended to read as follows:

8 3. A person who violates this section commits a simple
9 misdemeanor punishable as a scheduled violation under section
10 805.8C.

11 Sec. _____. Section 805.8C, Code 2023, is amended by adding
12 the following new subsection:

13 NEW SUBSECTION. 3A. *Drug paraphernalia violations*.

14 a. For a first violation of section 124.414, the scheduled
15 fine is two hundred sixty dollars.

16 b. For a second or subsequent violation of section 124.414,
17 the scheduled fine is five hundred twenty dollars.

18 DIVISION _____

19 DEVICE REGULATION>

20 2. By striking page 4, line 32, through page 5, line 9, and
21 inserting:

22 <4. *Issuance*.

23 a. Cities may approve device retailer permit applications
24 for applicants located within their respective limits. County
25 boards of supervisors may approve device retailer permit
26 applications for applicants located in their respective
27 counties, outside of the corporate limits of cities.

28 b. Upon approval of a device retailer permit application
29 by a city or county, the department shall issue the permit to
30 the applicant on behalf of the city or county, as applicable,
31 in a manner determined by the department. A city or county
32 shall use the department's electronic portal to process
33 device retailer permit applications. A city or county that is
34 unable to use the department's electronic portal may request
35 permission from the director to process device retailer permit

1 applications by another method.

2 c. The department shall submit the current list of all
3 device retailer permits issued to the department of health
4 and human services by the last day of each quarter of a state
5 fiscal year.>

6 3. Page 5, by striking lines 3 through 6 and inserting
7 <retailer permit to the department within thirty days of
8 issuance of a device retailer permit. The department shall
9 submit the current list of>

10 4. Page 5, by striking lines 14 and 15 and inserting <the
11 period ending June 30 next, to the department. The fee for a
12 device retailer>

13 5. Page 5, by striking lines 17 through 23 and inserting:
14 <6. *Application.* Device retailer permits shall be issued
15 only upon application, accompanied by the one thousand
16 five hundred dollar fee, made upon forms furnished by the
17 department. The application, any supporting documentation, and
18 the associated fees required by this section shall be submitted
19 to the department electronically. The forms shall specify all
20 of the following:>

21 6. By striking page 6, line 27, through page 7, line 10, and
22 inserting:

23 <1. A person shall not mail, ship, or otherwise cause to be
24 delivered any device in connection with a delivery sale to any
25 other person within this state unless the person has applied
26 for and holds a device delivery sale permit as provided in this
27 section.

28 2. All device delivery sale permits provided for in
29 this section shall expire on June 30 of each year. A device
30 delivery sale permit shall not be granted or issued until the
31 applicant has paid the fees provided for in this section for
32 the period ending June 30 next, to the department. The fee
33 for a device delivery sale permit is one thousand five hundred
34 dollars.

35 3. Device delivery sale permits shall be issued only upon

1 application, accompanied by the one thousand five hundred
2 dollar fee, made upon forms furnished by the department. The
3 application, any supporting documentation, and the associated
4 fees required by this section shall be submitted to the
5 department electronically. The forms shall specify all of the
6 following:

7 a. The manner under which the device delivery sale permit
8 holder transacts or intends to transact business as a device
9 delivery sale permit holder.

10 b. The principal office, residence, and place of business,
11 to which the device delivery sale permit is to apply.

12 c. If the applicant is not an individual, the names of the
13 partners if the applicant is a partnership or the names of
14 the principal officers or members if the applicant is a legal
15 entity, and their addresses.

16 d. Such other information as the director shall by rule
17 prescribe.>

18 7. Page 7, line 11, by striking <2.> and inserting <4.>

19 8. Page 7, line 35, after <submitted> by inserting
20 <electronically>

21 9. Page 8, line 4, by striking <3.> and inserting <5.>

22 10. Page 8, line 5, after <director> by inserting
23 <electronically>

24 11. Page 8, line 10, by striking <4.> and inserting <6.>

25 12. Page 8, by striking lines 25 through 28 and inserting:

26 <2. a. There is levied and imposed an excise tax on a
27 device purchased in this state through a sale by a device
28 retailer or purchased for use in this state through a delivery
29 sale of forty percent of the retail sales price of the device.

30 b. For the purposes of this section, "*retail sales price*"
31 means the total amount of consideration, including cash,
32 credit, property, and services, for which personal property or
33 services are sold, leased, or rented, valued in money, whether
34 received in money or otherwise, without any deduction for any
35 of the following:

S-5050 (Continued)

1 (1) The device retailer's or device delivery sale permit
2 holder's cost of the device sold.

3 (2) The cost of materials used, labor or service cost,
4 interest, losses, all costs of transportation to the device
5 retailer or to the device delivery sale permit holder, as
6 applicable, all taxes imposed on the device retailer or the
7 device delivery sale permit holder except as provided in
8 paragraph "c", subparagraphs (5) and (6), and any other expenses
9 of the device retailer or device delivery sale permit holder.

10 (3) Charges by the device retailer or device delivery sale
11 permit holder for any services necessary to complete the sale,
12 other than delivery and installation charges.

13 (4) Delivery charges.

14 c. *"Retail sales price"* does not include any of the
15 following:

16 (1) Discounts, including cash, term, or coupons that are
17 not reimbursed by a third party that are allowed by a device
18 retailer or a device delivery sale permit holder and taken by a
19 consumer on sale.

20 (2) Interest, financing, carrying charges from credit
21 extended on the sale of a device, if the amount is separately
22 stated on the invoice, bill of sale, or similar document given
23 to the consumer.

24 (3) Any taxes legally imposed directly on the consumer that
25 are separately stated on the invoice, bill of sale, or similar
26 document given to the consumer.

27 (4) Trade discounts given or allowed by manufacturers,
28 distributors, or wholesalers to device retailers or
29 device delivery sale permit holders or by manufacturers or
30 distributors to wholesalers and payments made by manufacturers,
31 distributors, or wholesalers directly to device retailers
32 or device delivery sale permit holders or by manufacturers
33 or distributors to wholesalers to reduce the sales price of
34 the manufacturer's, distributor's, or wholesaler's product
35 or to promote the sale or recognition of the manufacturer's,

1 distributor's, or wholesaler's product. This subparagraph does
2 not apply to coupons issued by manufacturers, distributors, or
3 wholesalers to consumers.

4 (5) Any state or local tax on a sale that is imposed on the
5 device retailer or device delivery sale permit holder if the
6 statute, rule, or local ordinance imposing the tax provides
7 that the device retailer or device delivery sale permit holder
8 may but is not required to collect such tax from the consumer,
9 and if the tax is separately stated on the invoice, bill of
10 sale, or similar document given to the consumer.

11 (6) Any tribal tax on a sale that is imposed on the device
12 retailer or device delivery sale permit holder if the tribal
13 law imposing the tax provides that the device retailer or
14 device delivery sale permit holder may but is not required
15 to collect such tax from the consumer, and if the tax is
16 separately stated on the invoice, bill of sale, or similar
17 document given to the consumer.

18 d. The retail sales price does not include, and the device
19 excise tax shall not apply to, amounts received for charges
20 included in paragraph "b", subparagraphs (3) and (4), if the
21 charges are separately contracted for, separately stated on
22 the invoice, bill of sale, or similar document given to the
23 consumer, and the amounts represent charges which are not the
24 retail sales price of a taxable sale of a device under this
25 chapter.>

26 13. Page 8, line 35, after <department> by inserting
27 <electronically>

28 14. Page 9, line 6, by striking <program> and inserting <and
29 diversion programs>

30 15. Page 10, by striking line 13 and inserting:

31 <Sec. ____ . NEW SECTION. 453E.6 Specialty courts and
32 diversion programs fund.>

33 16. Page 10, by striking lines 14 through 26 and inserting:

34 <1. A specialty courts and diversion programs fund is
35 created in the state treasury under the control of the office

1 of drug control policy. Moneys from permit fees, with the
2 exception of permit fees collected by the department on
3 behalf of cities or counties in the issuance of permits, and
4 excise taxes imposed and collected pursuant to section 453E.5,
5 shall be deposited in the fund. Permit fees collected by the
6 department on behalf of cities under this chapter shall be
7 remitted by the department to the treasurer of the city where
8 the permit is effective and credited to the general fund of the
9 city. Permit fees collected by the department on behalf of
10 counties under this chapter shall be remitted by the department
11 to the treasurer of the county where the permit is effective
12 and credited to the general fund of the county.>

13 17. Page 10, line 27, by striking <governor's>

14 18. Page 10, line 29, after <courts> by inserting <and
15 diversion programs>

16 19. Page 10, line 33, by striking <governor's>

17 20. Page 10, line 35, by striking <program> and inserting
18 <and diversion programs>

19 21. Page 11, line 2, after <courts> by inserting <and
20 diversion programs>

21 22. Page 11, line 3, by striking <governor's>

22 23. Page 11, line 25, by striking <governor's>

23 24. Page 12, by striking lines 24 through 28 and inserting:

24 <c. A local authority shall report the suspension or
25 revocation of a device retailer permit or a device delivery
26 sale permit under this section to the department within thirty
27 days of the suspension or revocation of the permit.>

28 25. Page 12, by striking lines 26 and 27 and inserting
29 <device delivery sale permit under this section to the
30 department within thirty>

31 26. Page 13, line 16, after <This> by inserting <division
32 of this>

33 27. Page 13, by striking lines 16 and 17 and inserting:

34 <Sec. ____ . EFFECTIVE DATE. This Act takes effect January 1,
35 2025.>

S-5050 (Continued)

1 28. Page 13, line 17, by striking <2024> and inserting
2 <2025>

3 29. Title page, line 1, after <regulation of> by inserting
4 <drug paraphernalia and>

5 30. By renumbering, redesignating, and correcting internal
6 references as necessary.

S-5050 FILED MARCH 5, 2024

SENATE FILE 2283

S-5047

- 1 Amend Senate File 2283 as follows:
- 2 1. Page 1, line 10, by striking <hundred twenty-five>
- 3 2. Page 1, line 29, by striking <hundred twenty-five>

By ZACH WAHLS

S-5047 FILED MARCH 5, 2024

SENATE FILE 2289

S-5049

1 Amend Senate File 2289 as follows:

2 1. Page 1, after line 31 by inserting:

3 <3. A prohibited person may request a review of the
4 determination made by the authority pursuant to subsection 2.

5 a. The request to review the determination shall be made
6 within thirty-five calendar days of the date the authority
7 provided written notice to the prohibited person. The request
8 to review the determination must be in writing and state the
9 specific reasons or legal basis for review.

10 b. Within sixty calendar days of the receipt of the request
11 to review, the authority shall approve, deny, or modify the
12 determination, if the authority finds that the determination
13 is based on a clear error of material fact or law, or if the
14 authority finds the determination was arbitrary, capricious, or
15 an abuse of discretion.

16 c. The authority shall issue its decision in writing and
17 provide written notice of the decision to the prohibited
18 person.

19 d. The decision of the authority pursuant to this subsection
20 shall be considered final agency action. A petition for
21 judicial review of the decision of the authority shall be filed
22 pursuant to section 17A.19.>

23 2. Page 1, line 32, by striking <3.> and inserting <4.>

24 3. By striking page 5, line 20, through page 7, line 10.

25 4. Page 7, by striking lines 21 and 22 and inserting:

26 <Section 1. Section 298.3, subsection 1, paragraph g, Code
27 2024, is amended to read as follows:

28 g. Expenditures for energy conservation, ~~including payments~~
29 ~~made pursuant to a guarantee furnished by a school district~~
30 ~~entering into a financing agreement for energy management~~
31 ~~improvements, limited to agreements pursuant to section 473.19,~~
32 ~~473.20, or 473.20A.>~~

33 5. Page 7, by striking lines 23 through 31.

34 6. Page 8, by striking lines 18 and 19 and inserting
35 <agencies in response to an executive order by the governor

S-5049 (Continued)

1 under section 473.8.>

2 7. Page 8, by striking lines 20 through 25.

3 8. Page 8, line 26, by striking <473.7, 473.8, 473.9,
4 473.10>

By MIKE BOUSSELOT

[S-5049](#) FILED MARCH 5, 2024

ADOPTED

SENATE FILE 2340

S-5048

1 Amend Senate File 2340 as follows:

2 1. Page 4, line 20, by striking <prohibited>

3 2. Page 4, line 21, by striking <may not> and inserting
4 <may>

5 3. Page 4, line 24, by striking <initiated.> and inserting
6 <initiated, including but not limited to a determination of
7 whether the person holds or is eligible for a protective visa
8 under the federal Violence Against Women Act of 1994 and
9 subsequent reauthorizations of the Act.>

By JANICE WEINER

S-5048 FILED MARCH 5, 2024

LOST

SENATE FILE 2346

S-5045

1 Amend Senate File 2346 as follows:

2 1. Page 1, line 16, by striking <between eighteen and
3 twenty-one years of age> and inserting <eighteen years of age
4 or older but younger than twenty-two years of age>

5 2. Title page, line 2, by striking <between eighteen and
6 twenty-one> and inserting <under twenty-two>

By JEFF TAYLOR

S-5045 FILED MARCH 5, 2024

SENATE FILE 2386

S-5042

1 Amend Senate File 2386 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <DIVISION I

5 DIVISION OF SPECIAL EDUCATION OF THE DEPARTMENT OF EDUCATION

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

8 NEW SUBSECTION. 15A. Oversee the operation of each area
9 education agency to ensure the area education agency complies
10 with all applicable federal and state laws related to special
11 education.

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

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

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

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

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

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

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

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

1 2. Within the main office of each area education agency,
2 devote an amount of full-time equivalent positions, as
3 determined by the division of special education of the
4 department of education but not to exceed forty full-time
5 equivalent positions in the aggregate, that is commensurate
6 with the number of students enrolled in school districts
7 located within the area education agency to ensure the area
8 education agency complies with all applicable federal and state
9 laws related to special education and to review the services
10 provided by the area education agency.

11 DIVISION II

12 AREA EDUCATION AGENCIES — GENERAL PROVISIONS

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

15 NEW SUBSECTION. 36. Develop and distribute to school
16 districts, accredited nonpublic schools, and area education
17 agencies a list of evidence-based professional development
18 services that an area education agency may provide to a school
19 district or accredited nonpublic school pursuant to section
20 273.2, subsection 3, paragraph "b".

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

23 1. There are established throughout the state fifteen
24 area education agencies, each of which is ~~governed by an~~
25 ~~area education agency board of directors~~ under the general
26 supervision of the director, except as otherwise provided
27 in this chapter. Each area education agency shall have an
28 area education agency board of directors that shall serve in
29 an advisory capacity. The boundaries of an area education
30 agency shall not divide a school district. The director of
31 the department of education shall change boundaries of area
32 education agencies to take into account mergers of local school
33 districts and changes in boundaries of local school districts,
34 when necessary to maintain the policy of this chapter that a
35 local school district shall not be a part of more than one area

1 education agency.

2 3. a. The area education agency board shall furnish
3 educational services and programs as provided in section 273.1,
4 this section, sections 273.3 through 273.8, and chapter 256B
5 to the pupils enrolled in public or nonpublic schools ~~located~~
6 ~~within its boundaries~~ which are on the list of accredited
7 schools pursuant to section 256.11, which request to receive
8 such services. The programs and services provided shall be
9 at least commensurate with programs and services existing on
10 July 1, 1974. The programs and services provided to pupils
11 enrolled in nonpublic schools shall be comparable to programs
12 and services provided to pupils enrolled in public schools
13 within constitutional guidelines.

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

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

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

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

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

34 NEW SUBSECTION. 4A. a. The area education agency board may
35 furnish services under subsection 3 or 4 to public or nonpublic

1 schools located within its boundaries, or within the boundaries
2 of a contiguous area education agency, which are on the list of
3 accredited schools pursuant to section 256.11.

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

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

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

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

19 11. Employ personnel to carry out the functions of the
20 area education agency which shall include the employment of
21 an administrator who shall possess a license issued ~~under~~
22 ~~chapter 256, subchapter VII, part 3~~ by the board of educational
23 examiners and, beginning July 1, 2025, a prekindergarten
24 through grade twelve superintendent and area education agency
25 administrator authorization issued by the board of educational
26 examiners and either a prekindergarten through grade twelve
27 principal and special education supervisor authorization issued
28 by the board of educational examiners or a director of special
29 education authorization issued by the board of educational
30 examiners. The administrator shall be employed pursuant to
31 section 279.20 and sections 279.23, 279.24, and 279.25. The
32 salary for an area education agency administrator shall be
33 established by the board based upon the previous experience
34 and education of the administrator; provided, however, that
35 the salary for an area education agency administrator shall

1 not exceed one hundred twenty-five percent of the average
2 salary of all superintendents of the school districts that
3 are located within the boundaries of the area education
4 agency at the time the employment agreement is entered into or
5 renewed between an area education agency and an area education
6 agency administrator, not including superintendents who are
7 responsible for supplementary weighting being made available
8 to a school district pursuant to section 257.11, subsection 5.
9 The salary for an area education agency administrator shall not
10 be reduced during the initial term of the employment agreement
11 between the area education agency and the area education agency
12 administrator. Section 279.13 applies to the area education
13 agency board and to all teachers employed by the area education
14 agency. Sections 279.23, 279.24, and 279.25 apply to the area
15 education board and to all administrators employed by the area
16 education agency. Section 279.69 applies to the area education
17 agency board and employees of the board, including part-time,
18 substitute, or contract employees, who provide services to a
19 school or school district.

20 12. Prepare an annual budget estimating income and
21 expenditures for programs and services as provided in sections
22 273.1, 273.2, this section, sections 273.4 through 273.8,
23 and chapter 256B within the limits of funds provided under
24 section 256B.9 and chapter 257. The board shall ~~post notice~~
25 ~~of a public hearing on~~ submit the proposed budget ~~on the area~~
26 ~~education agency's internet site and by publication in the~~
27 ~~newspaper of general circulation in the territory of the area~~
28 ~~education agency in which the principal place of business of~~
29 ~~a school district that is a part of the area education agency~~
30 is located to the director of the department of education
31 for approval not later than March 1 of each year, and the
32 director shall either approve or reject the proposed budget for
33 changes within ten days after submission. ~~The notice shall~~
34 ~~specify the date, which shall be not later than March 1 of~~
35 ~~each year, the time, and the location of the public hearing.~~

1 The proposed budget as approved by the ~~board~~ director of the
2 department of education shall then be submitted to the state
3 board of education, on forms provided by the department,
4 no later than March 15 preceding the next fiscal year for
5 approval. The state board shall review the proposed budget of
6 each area education agency and shall before May 1, either grant
7 approval or return the budget without approval with comments
8 of the state board included. An unapproved budget shall be
9 resubmitted to the state board for final approval not later
10 than May 15. The state board shall give final approval only to
11 budgets submitted by area education agencies accredited by the
12 state board or that have been given conditional accreditation
13 by the state board.

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

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

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

23 b. A description of all of the following:

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

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

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

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

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

35 Sec. 8. Section 273.8, subsection 1, Code 2024, is amended

1 to read as follows:

2 1. *Board of directors.* The board of directors of an area
3 education agency shall consist of not less than five nor more
4 than nine members, ~~each a resident of and elected in the~~
5 ~~manner provided in this section from a director district that~~
6 ~~is approximately equal in population to the other director~~
7 ~~districts in the area education agency.~~ Each director shall
8 serve a four-year term which commences at the organization
9 meeting.

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

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

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

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

34 d. Vacancies, as defined in section 277.29, in the
35 membership of the area education agency board shall be filled

1 for the unexpired portion of the term at a director district
2 convention called and conducted in the manner provided in
3 subsection 3. A vacancy created in a membership position
4 described in section 273.8, subsection 1, paragraph "a",
5 shall be filled for the unexpired portion of the term by
6 a superintendent of a school district located within the
7 boundaries of the area education agency at a director district
8 convention called and conducted in the manner provided in
9 subsection 3.

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

12 3. *Director district convention.* If no candidate files
13 with the area education agency secretary by the deadline
14 specified in subsection 2, or a vacancy occurs, or if otherwise
15 required as provided in section 273.23, subsection 3, a
16 director district convention, attended by members of the
17 boards of directors of the local school districts located
18 within the director district, shall be called to elect a
19 board member for that director district, consistent with
20 the membership requirements described in subsection 1. The
21 convention location shall be determined by the area education
22 agency administrator. Notice of the time, date, and place
23 of a director district convention shall be published by the
24 area education agency administrator in at least one newspaper
25 of general circulation in the director district at least
26 thirty days prior to the day of the convention. The cost of
27 publication shall be paid by the area education agency. A
28 candidate for election to the area education agency board shall
29 file a statement of candidacy with the area education agency
30 secretary at least ten days prior to the date of the director
31 district convention on forms prescribed by the department of
32 education, or nominations may be made at the convention by a
33 delegate from a board of directors of a school district located
34 within the director district. A statement of candidacy shall
35 include the candidate's name, address, and school district.

1 Delegates to director district conventions shall not be bound
2 by a school board or any school board member to pledge their
3 votes to any candidate prior to the date of the convention.

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

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

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

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

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

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

24 **273.11 Standards for accrediting area education programs.**

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

35 2. Standards developed shall include, but are not limited

1 to, the following:

2 *a.* Support for school-community planning, including a means
3 of assessing needs, developing collaborative relationships
4 among community agencies, establishing shared direction, and
5 implementing program plans and reporting progress toward goals
6 for all students, including students with disabilities.

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

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

14 *d.* Special education compliance and support.

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

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

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

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

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

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

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

35 *l.* Support for addressing the diverse learning needs of

1 all children and youths with disabilities who are eligible for
2 special education, including through services that include
3 direct services to students with disabilities.

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

7 n. Support necessary to implement effective instruction for
8 all students, including students with disabilities, through
9 school technology services.

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

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

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

21 Sec. 13. AREA EDUCATION AGENCY — TASK FORCE.

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

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

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

32 (1) Crisis response services.

33 (2) Media services for nonpublic schools.

34 (3) Professional development services.

35 (4) Cooperative purchasing.

1 (5) Services associated with regional planning
2 partnerships.

3 (6) Services associated with the federal Carl D. Perkins
4 Career and Technical Education Improvement Act of 2006,
5 codified at 20 U.S.C. §2301 et seq., as amended.

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

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

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

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

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

16 (3) What services area education agencies should provide.

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

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

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

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

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

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

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

35 (1) One special education teacher who is employed by a

S-5042 (Continued)

1 school district with a total enrollment of greater than or
2 equal to one thousand students.

3 (2) One special education teacher who is employed by a
4 school district with a total enrollment of less than one
5 thousand students.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 Sec. 14. AREA EDUCATION AGENCY BOARDS OF DIRECTORS —
10 TRANSITION.

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

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

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

33 3. From the time the membership of the board members is
34 deemed vacant pursuant to subsection 2 until the time the
35 vacancies are filled through the director district convention,

1 the area education agency board shall be authorized to exercise
2 all power granted to it under chapter 273, notwithstanding the
3 lack of a quorum under section 273.8, subsection 5.

4 Sec. 15. EFFECTIVE DATE. The following take effect July 1,
5 2025:

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

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

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

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

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

19 1. The section of this division of this Act amending section
20 273.8, subsection 1.

21 2. The section of this division of this Act amending section
22 273.8, subsection 2, paragraph "c".

23 DIVISION III

24 AREA EDUCATION AGENCIES — FUNDING

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

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

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

3 7. *Special education support services district cost.* Special
4 education support services district cost for a school district
5 for a budget year is equal to the special education support
6 services district cost per pupil for the budget year multiplied
7 by the special education support services weighted enrollment
8 for the district for the budget year. If the special education
9 support services district cost for a school district for
10 a budget year is less than the special education support
11 services district cost for that district for the base year, the
12 department of management shall adjust the special education
13 support services district cost for that district for the
14 budget year to equal the special education support services
15 district cost for the base year. Funds calculated under this
16 subsection and received by a school district shall be used by
17 the school district for special education support services
18 contracted from an area education agency. The contract between
19 the school district and the area education agency shall not
20 require the school district to describe the specific special
21 education services the school district will receive from the
22 area education agency. The special education services provided
23 by the area education agency to the school district pursuant to
24 the contract shall not be limited by the amount of funding the
25 school district provided to the area education agency.

26 Sec. 20. Section 257.10, subsection 8, paragraph a, Code
27 2024, is amended to read as follows:

28 a. Combined district cost is the sum of the regular program
29 district cost per pupil multiplied by the weighted enrollment,
30 the special education support services district cost, the
31 total teacher salary supplement district cost, the total
32 professional development supplement district cost, the total
33 early intervention supplement district cost, and the total
34 teacher leadership supplement district cost, plus the sum of
35 the additional district cost allocated to the district to fund

1 media services and educational services ~~provided through the~~
2 ~~area education agency~~ under section 257.37, the area education
3 agency total teacher salary supplement district cost and the
4 area education agency total professional development supplement
5 district cost.

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

8 1. a. (1) The For fiscal years beginning before July 1,
9 2025, the department of management shall deduct the amounts
10 calculated for special education support services, media
11 services, area education agency teacher salary supplement
12 district cost, area education agency professional development
13 supplement district cost, and educational services for each
14 school district from the state aid due to the district pursuant
15 to this chapter and shall pay the amounts to the respective
16 area education agencies on a monthly basis from September 15
17 through June 15 during each school year.

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

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

32 b. The department of management shall notify each school
33 district of the amount of state aid deducted for these purposes
34 and the balance of state aid shall be paid to the district. If
35 a district does not qualify for state aid under this chapter

1 in an amount sufficient to cover its amount due to the area
2 education agency or the department of education as calculated
3 by the department of management, the school district shall pay
4 the deficiency to the area education agency or department of
5 education, as applicable, from other moneys received by the
6 district, on a quarterly basis during each school year.

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

9 1. Notwithstanding chapters 256B and 273 and sections
10 of this chapter relating to the moneys available to school
11 districts and area education agencies for special education
12 support services, for each school year, the department of
13 education may direct the department of management to deduct
14 amounts from the portions of school district budgets that
15 fund special education support services in an area education
16 agency. The total amount deducted ~~in an area~~ for a school
17 district shall be based upon excess special education support
18 services unreserved and undesignated fund balances in that
19 school district or paid by the school district to an area
20 education agency for a school year that remain unreserved and
21 undesignated as determined by the department of education. ~~The~~
22 ~~department of management shall determine the amount deducted~~
23 ~~from each school district in an area education agency on~~
24 ~~a proportional basis.~~ The department of management shall
25 determine from the amounts deducted from the portions of school
26 district budgets that fund area education agency special
27 education support services the amount that would have been
28 local property taxes and the amount that would have been state
29 aid and for the next following budget year shall increase the
30 district's total state school aid available under this chapter
31 for area education agency special education support services
32 and reduce the district's property tax levy for area education
33 agency special education support services by the amount
34 necessary for the property tax portion of the deductions made
35 under this section during the budget year.

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

3 **257.37 Funding media and educational services.**

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

8 1. For the budget year beginning July 1, 1991, and
9 succeeding budget years, the total amount funded in each area
10 for media services shall be computed as provided in this
11 subsection. For the budget year beginning July 1, 1991, the
12 total amount funded in each area for media services in the base
13 year shall be divided by the enrollment served in the base year
14 to provide an area media services cost per pupil in the base
15 year, and the department of management shall compute the state
16 media services cost per pupil in the base year which is equal
17 to the average of the area media services costs per pupil in
18 the base year. For the budget year beginning July 1, 1991, and
19 succeeding budget years, the department of management shall
20 compute the supplemental state aid for media services in the
21 budget year by multiplying the state media services cost per
22 pupil in the base year times the state percent of growth for
23 the budget year, and the total amount funded in each area for
24 media services cost in the budget year equals the area media
25 services cost per pupil in the base year plus the supplemental
26 state aid for media services in the budget year times the
27 enrollment served in the budget year. ~~Funds~~ For fiscal years
28 beginning before July 1, 2025, funds shall be paid to area
29 education agencies as provided in section 257.35. For fiscal
30 years beginning on or after July 1, 2025, funds may be used by
31 the school district for media services provided by the district
32 or by contract through an area education agency. A school
33 district may use unreserved fund balances for media services
34 for special education support services.

35 2. ~~Up to thirty percent of the budget of an area for media~~

1 ~~services may be expended for media resource material including~~
2 ~~the purchase or replacement of material required in section~~
3 ~~273.6, subsection 1. Funds shall be paid to area education~~
4 ~~agencies as provided in section 257.35.~~

5 ~~3.~~ 2. For the budget year beginning July 1, 1991, and
6 succeeding budget years, the total amount funded in each area
7 for educational services shall be computed as provided in this
8 subsection. For the budget year beginning July 1, 1991, the
9 total amount funded in each area for educational services
10 in the base year shall be divided by the enrollment served
11 in the area in the base year to provide an area educational
12 services cost per pupil in the base year, and the department of
13 management shall compute the state educational services cost
14 per pupil in the base year, which is equal to the average of
15 the area educational services costs per pupil in the base year.
16 For the budget year beginning July 1, 1991, and succeeding
17 budget years, the department of management shall compute the
18 supplemental state aid for educational services by multiplying
19 the state educational services cost per pupil in the base year
20 times the state percent of growth for the budget year, and the
21 total amount funded in each area for educational services for
22 the budget year equals the area educational services cost per
23 pupil for the base year plus the supplemental state aid for
24 educational services in the budget year times the enrollment
25 served in the area in the budget year. Funds For fiscal years
26 beginning before July 1, 2025, funds shall be paid to area
27 education agencies as provided in section 257.35. For the
28 fiscal year beginning July 1, 2025, funds shall be used by the
29 school district for educational services contracted from an
30 area education agency. For fiscal years beginning on or after
31 July 1, 2026, funds may be used by the school district for
32 educational services provided by the district or by contract
33 through an area education agency. A school district may use
34 unreserved fund balances for educational services for special
35 education support services.

1 ~~4.~~ 3. *"Enrollment served"* means the basic enrollment of all
2 school districts within the boundaries of the area education
3 agency plus the number of nonpublic school pupils served by
4 the area education agency with media services or educational
5 services, as applicable, except that if a nonpublic school
6 pupil or a pupil attending another district under a whole grade
7 sharing agreement or open enrollment receives services through
8 an area other than the area of the pupil's residence, the
9 pupil shall be deemed to be served by the area of the pupil's
10 residence, which shall by contractual arrangement reimburse
11 the area through which the pupil actually receives services.
12 Each school district shall include in the enrollment report
13 submitted pursuant to section 257.6, subsection 1, the number
14 of nonpublic school pupils within each school district for
15 media and educational services served by the area. However,
16 the school district shall not include in the enrollment report
17 nonpublic school pupils receiving classes or services funded
18 entirely by federal grants or allocations.

19 ~~5.~~ 4. a. ~~If~~ For fiscal years beginning before July 1,
20 2025, if an area education agency does not serve nonpublic
21 school pupils in a manner comparable to services provided
22 public school pupils for media and educational services, as
23 determined by the state board of education, the state board
24 shall instruct the department of management to reduce the funds
25 for media services and educational services within the area one
26 time by an amount to compensate for such reduced services. The
27 media services budget shall be reduced by an amount equal to
28 the product of the cost per pupil in basic enrollment for the
29 budget year for media services times the difference between
30 the enrollment served and the basic enrollment recorded for
31 the area. The educational services budget shall be reduced by
32 an amount equal to the product of the cost per pupil in basic
33 enrollment for the budget year for educational services times
34 the difference between the enrollment served and the basic
35 enrollment recorded for the area.

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

3 *c.* Notwithstanding this subsection, an area education agency
4 shall distribute to nonpublic schools media materials purchased
5 wholly or partially with federal funds in a manner comparable
6 to the distribution of such media materials to public schools
7 as determined by the director of the department of education.

8 ~~6.~~ 5. For the budget year beginning July 1, 2002, and each
9 succeeding budget year, notwithstanding the requirements of
10 this section for determining the budgets and funding of media
11 services and education services, an area education agency or
12 school district may, ~~within the limits of the total of the~~
13 ~~funds provided for the budget years pursuant to section 257.35,~~
14 expend for special education support services an amount that
15 exceeds the payment for special education support services
16 ~~pursuant to section 257.35~~ in order to maintain the level
17 of required special education support services in the area
18 education agency or the school district, as applicable.

19 Sec. 24. Section 257.37A, subsection 2, paragraph d, Code
20 2024, is amended to read as follows:

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

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

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

1 plans.

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

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

34 9. Moneys received pursuant to section 257.10, subsection
35 10, ~~or section 257.37A, subsection 2,~~ shall be maintained

1 as a separate listing within a school district's ~~or area~~
2 ~~education agency's~~ budget for funds received and expenditures
3 made pursuant to this subsection. The department shall not
4 require a school district ~~or area education agency~~ to allocate
5 a specific amount or percentage of moneys received pursuant to
6 section 257.10, subsection 10, ~~or section 257.37A, subsection~~
7 ~~2,~~ for professional development related to implementation of
8 the core curriculum under section 256.7, subsection 26. A
9 school district shall certify to the department how the school
10 district allocated the funds and that moneys received under
11 this subsection were used to supplement, not supplant, the
12 professional development opportunities the school district
13 would otherwise make available. For budget years beginning
14 on or after July 1, 2017, all or a portion of the moneys
15 received pursuant to section 257.10, subsection 10, that remain
16 unexpended and unobligated at the end of a fiscal year may,
17 pursuant to section 257.10, subsection 10, paragraph "d", be
18 transferred for deposit in the school district's flexibility
19 account established under section 298A.2, subsection 2.

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

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

25 DIVISION IV

26 DEPARTMENT OF EDUCATION REQUIREMENTS

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

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

1 NEW SUBSECTION. 71. Provide professional learning and
2 other support materials and tools for individualized education
3 program teams, including students, families, teacher service
4 providers, and administrators of both school districts
5 and accredited nonpublic schools to help such individuals
6 understand the processes required under the federal law that
7 are relevant to students enrolled in accredited nonpublic
8 schools and to promote informed participation in individualized
9 education program meetings of students enrolled in accredited
10 nonpublic schools.

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

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

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

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

30 DIVISION V

31 STATE MANDATE

32 Sec. 30. IMPLEMENTATION OF ACT. Section 25B.2, subsection
33 3, shall not apply to this Act.>

34 2. Title page, by striking lines 1 through 8 and inserting
35 <An Act relating to area education agencies, including by

S-5042 (Continued)

1 modifying provisions related to the duties and powers of
2 area education agencies, the membership of area education
3 agency boards of directors, oversight by the department of
4 education, funding, and establishing a task force related to
5 area education agency operations, and including effective date
6 and applicability provisions.>

By LYNN EVANS

[S-5042](#) FILED MARCH 5, 2024

SENATE FILE 2396

S-5044

- 1 Amend Senate File 2396 as follows:
- 2 1. Page 5, by striking lines 3 through 20.
- 3 2. By renumbering as necessary.

By DAN DAWSON

S-5044 FILED MARCH 5, 2024

ADOPTED

HOUSE FILE 636

S-5046

1 Amend House File 636, as amended, passed, and reprinted by
2 the House, as follows:
3 1. Page 1, by striking lines 3 through 8 and inserting:
4 <NEW SUBSECTION. 2A. "*Educational setting*" means the
5 type of educational environment, not a specific school or
6 other geographic location, in which education is conducted.
7 "*Educational setting*" includes a public school, an accredited
8 nonpublic school, competent private instruction or independent
9 private instruction in accordance with the provisions of
10 chapter 299A, or any other method of educational instruction
11 that satisfies the compulsory education requirements of chapter
12 299.>

By JEFF TAYLOR

S-5046 FILED MARCH 5, 2024

HOUSE FILE 2612

S-5043

1 Amend House File 2612, as amended, passed, and reprinted by
2 the House, as follows:

3 1. By striking everything after the enacting clause and
4 inserting:

5 <DIVISION I

6 DIVISION OF SPECIAL EDUCATION OF THE DEPARTMENT OF EDUCATION

7 Section 1. Section 256.9, subsection 54, Code 2024, is
8 amended by striking the subsection.

9 Sec. 2. Section 256B.3, Code 2024, is amended by adding the
10 following new subsections:

11 NEW SUBSECTION. 15A. Beginning July 1, 2025, oversee the
12 operation of each area education agency to ensure the area
13 education agency complies with all applicable federal and state
14 laws related to special education.

15 NEW SUBSECTION. 15B. Beginning July 1, 2025, provide
16 guidance and standards to area education agencies for federal
17 and state education initiatives which the area education
18 agencies must implement statewide.

19 Sec. 3. DEPARTMENT OF EDUCATION AND AREA EDUCATION AGENCIES
20 — STAFFING AND TRANSITION PLAN.

21 1. The department of education shall coordinate with
22 each area education agency, and with the division of special
23 education of the department, to develop a plan to transfer
24 employees of the area education agency whose primary job duties
25 involve providing oversight and compliance services to the area
26 education agency to ensure the area education agency complies
27 with all applicable federal and state laws related to special
28 education from employment under the area education agency to
29 employment under the division of special education of the
30 department, as needed. The plan shall include a description of
31 how the area education agency will accommodate any space needed
32 in the area education agency's facilities for employees of the
33 division of special education.

34 2. The department of education will compile all of the plans
35 created pursuant to subsection 1 and submit the compilation to

1 the general assembly on or before January 1, 2025.

2

DIVISION II

3

AREA EDUCATION AGENCIES — GENERAL PROVISIONS

4 Sec. 4. Section 273.1, Code 2024, is amended to read as
5 follows:

6

273.1 Intent.

7 It is the intent of the general assembly to provide an
8 effective, efficient, and economical means of identifying and
9 serving children from under five years of age through grade
10 twelve who require special education and any other children
11 requiring special education as defined in section 256B.2; to
12 provide for media services and other programs and services
13 for pupils in grades kindergarten through twelve and children
14 requiring special education as defined in section 256B.2; to
15 provide a method of financing the programs and services; and
16 ~~to avoid a duplication of programs and services provided by~~
17 ~~any other school corporation in the state; and to provide~~
18 services to school districts under a contract with those school
19 districts; to improve student achievement; and to close student
20 achievement gaps.

21 Sec. 5. Section 273.2, subsections 1, 3, and 4, Code 2024,
22 are amended to read as follows:

23 1. There are established throughout the state ~~fifteen~~ nine
24 area education agencies, each of which is governed by an area
25 education agency board of directors and, beginning July 1,
26 2025, by the division of special education of the department of
27 education to the extent described in section 256B.3, subsection
28 15A. The boundaries of an area education agency shall not
29 divide a school district. The director of the department of
30 education shall change boundaries of area education agencies
31 to take into account mergers of local school districts and
32 changes in boundaries of local school districts, when necessary
33 to maintain the policy of this chapter that a local school
34 district shall not be a part of more than one area education
35 agency.

1 3. a. (1) The Subject to subparagraph (2), the area
2 education agency board shall furnish educational services and
3 programs as provided in section 273.1, this section, sections
4 273.3 through 273.8, and chapter 256B to the pupils enrolled
5 in public or nonpublic schools located within its boundaries
6 which are on the list of accredited schools pursuant to section
7 256.11.

8 (2) A public school located within an area education
9 agency's boundaries that wishes to receive educational services
10 and programs from the area education agency must request to
11 receive such educational services and programs by February 1 of
12 the preceding school year, including by providing for a method
13 of payment for such services and programs and entering into an
14 agreement with the area education agency. If a public school
15 located within an area education agency's boundaries requests
16 to receive such services after February 1 of the preceding
17 school year, the area education agency board may furnish the
18 educational services and programs.

19 (3) The programs and services provided under this
20 subsection shall be at least commensurate with programs and
21 services existing on July 1, 1974.

22 (4) The programs and services provided to pupils enrolled
23 in nonpublic schools shall be comparable to programs and
24 services provided to pupils enrolled in public schools within
25 constitutional guidelines.

26 b. The area education agencies may furnish evidence-based
27 professional development services to public or nonpublic
28 schools located within its boundaries which are on the list of
29 accredited schools pursuant to section 256.11, subject to the
30 approval of the director of the department of education.

31 4. The area education agency board shall ~~provide~~ do all of
32 the following:

33 a. Provide for special education services and ~~media services~~
34 for the local school districts in the area and ~~shall encourage~~
35 that request to receive such services by February 1 of the

1 preceding school year, including by providing for a method of
2 payment for such services and entering into agreements with the
3 area education agency. An area education agency may provide
4 special education services for local school districts in the
5 area that request to receive such services after February 1 of
6 the preceding school year.

7 b. Encourage and assist school districts in the area to
8 establish programs for gifted and talented children. ~~The board~~
9 ~~shall assist~~

10 c. Assist in facilitating interlibrary loans of materials
11 between school districts and other libraries.

12 Sec. 6. Section 273.2, Code 2024, is amended by adding the
13 following new subsections:

14 NEW SUBSECTION. 4A. The area education agency board shall
15 provide for media services for the local school districts in
16 the area that request to receive such services by February 1 of
17 the preceding school year, including by providing for a method
18 of payment for such services and entering into agreements
19 with the area education agency. An area education agency may
20 provide media services for local school districts in the area
21 that request to receive such services after February 1 of the
22 preceding school year.

23 NEW SUBSECTION. 12. The area education agency board shall
24 charge reasonable costs that are consistent with current
25 market rates for the educational services, special education
26 services, professional development services, and media services
27 established by the area education agency board.

28 NEW SUBSECTION. 13. The area education agency board
29 shall provide an annual report by October 1 of each year to
30 the general assembly and the department of education that
31 includes a description of the progress the area education
32 agency has made to improve the outcomes achieved by students
33 receiving special education services and a description of how
34 the area education agency is focusing the moneys it receives on
35 providing services in the classroom.

1 Sec. 7. Section 273.3, subsection 11, Code 2024, is amended
2 to read as follows:

3 11. Employ personnel to carry out the functions of the
4 area education agency which shall include the employment of
5 an administrator who shall possess a license issued under
6 chapter 256, subchapter VII, part 3. The administrator shall
7 be employed pursuant to section 279.20 and sections 279.23,
8 279.24, and 279.25. The salary for an area education agency
9 administrator shall be established by the board based upon
10 the previous experience and education of the administrator;
11 provided, however, that the salary for an area education agency
12 administrator shall not exceed one hundred twenty-five percent
13 of the average salary of all superintendents of the school
14 districts that are located within the boundaries of the area
15 education agency. Section 279.13 applies to the area education
16 agency board and to all teachers employed by the area education
17 agency. Sections 279.23, 279.24, and 279.25 apply to the area
18 education board and to all administrators employed by the area
19 education agency. Section 279.69 applies to the area education
20 agency board and employees of the board, including part-time,
21 substitute, or contract employees, who provide services to a
22 school or school district.

23 Sec. 8. Section 273.3, Code 2024, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 26. Annually, on or before January 1 of
26 each year, prepare and submit to each school district within
27 the boundaries of the area education agency a report that
28 includes all of the following:

29 *a.* A monetary accounting of payments the area education
30 agency received from the school district, including payments
31 under section 257.35, during the previous fiscal year.

32 *b.* A description of the services the area education agency
33 provided to the school district during the previous fiscal
34 year, including a calculation of the cost per pupil for each
35 category of service the area education agency provided to the

1 school district.

2 Sec. 9. Section 273.4, unnumbered paragraph 1, Code 2024,
3 is amended to read as follows:

4 Under direction of the board of directors of the area
5 education agency, and, beginning July 1, 2025, the division of
6 special education of the department of education, to the extent
7 described in section 256B.3, subsection 15A, the administrator
8 of the area education agency shall, in addition to other
9 duties:

10 Sec. 10. Section 273.5, unnumbered paragraph 1, Code 2024,
11 is amended to read as follows:

12 There shall be established a division of special education
13 of the area education agency which shall provide for special
14 education programs and services to the local school districts.
15 The division of special education shall be headed by a director
16 of special education who meets certification standards of the
17 department of education. The director of special education
18 shall be an employee of the division of special education of
19 the department of education. The director of special education
20 shall have the responsibility for implementation of state
21 regulations and guidelines relating to special education
22 programs and services. The director of special education shall
23 have the following powers and duties:

24 Sec. 11. Section 273.8, subsection 1, Code 2024, is amended
25 to read as follows:

26 1. *Board of directors.*

27 a. The board of directors of an area education agency shall
28 consist of ~~not less than five nor more than nine members,~~
29 ~~each a resident of and elected in the manner provided in this~~
30 ~~section from a director district that is approximately equal~~
31 ~~in population to the other director districts in the area~~
32 ~~education agency.~~ Each director shall serve a four-year term
33 which commences at the organization meeting.

34 b. Five members of the board of directors of an area
35 education agency must be residents of and elected in the

1 manner provided in this section from a director district that
2 is approximately equal in population to the other director
3 districts in the area education agency.

4 c. Four members of the board of directors of an area
5 education agency must be appointed by the majority vote of
6 the superintendents of school districts located within the
7 boundaries of the area education agency. A member appointed
8 pursuant to this paragraph must be a superintendent of a school
9 district located within the boundaries of the area education
10 agency; provided, however, that a superintendent appointed
11 pursuant to this paragraph may designate any individual to
12 serve for all, or the remainder of, the superintendent's term.

13 Sec. 12. Section 273.8, subsection 2, paragraphs c and d,
14 Code 2024, are amended to read as follows:

15 c. The board of each separate school district that is
16 located entirely or partially inside an area education agency
17 director district shall cast a vote for director of the area
18 education agency board described in subsection 1, paragraph
19 "b", based upon the ratio that the population of the school
20 district, or portion of the school district, in the director
21 district bears to the total population in the director
22 district. The population of each school district or portion
23 shall be determined by the department of education. The member
24 of the area education agency board described in subsection 1,
25 paragraph "b", to be elected may be a member of a local school
26 district board of directors and shall be an elector and a
27 resident of the director district, but shall not be a school
28 district employee.

29 d. (1) ~~Vacancies~~ A vacancy, as defined in section 277.29,
30 ~~in the~~ a membership position of the area education agency board
31 described in subsection 1, paragraph "b", shall be filled
32 for the unexpired portion of the term at a director district
33 convention called and conducted in the manner provided in
34 subsection 3.

35 (2) A vacancy, as defined in section 277.29, in a membership

1 position of the area education agency board described in
2 subsection 1, paragraph "c", shall be filled for the unexpired
3 portion of the term by an individual who is appointed by
4 the majority vote of the superintendents of school districts
5 located within the boundaries of the area education agency.

6 Sec. 13. Section 273.8, subsection 3, Code 2024, is amended
7 to read as follows:

8 3. *Director district convention.* If no candidate files with
9 the area education agency secretary by the deadline specified
10 in subsection 2, or a vacancy occurs, or if otherwise required
11 as provided in section 273.23, subsection 3, a director
12 district convention, attended by members of the boards of
13 directors of the local school districts located within the
14 director district, shall be called to elect a board member
15 described in subsection 1, paragraph "b", for that director
16 district. The convention location shall be determined by the
17 area education agency administrator. Notice of the time, date,
18 and place of a director district convention shall be published
19 by the area education agency administrator in at least one
20 newspaper of general circulation in the director district at
21 least thirty days prior to the day of the convention. The cost
22 of publication shall be paid by the area education agency. A
23 candidate for election to the area education agency board shall
24 file a statement of candidacy with the area education agency
25 secretary at least ten days prior to the date of the director
26 district convention on forms prescribed by the department of
27 education, or nominations may be made at the convention by a
28 delegate from a board of directors of a school district located
29 within the director district. A statement of candidacy shall
30 include the candidate's name, address, and school district.
31 Delegates to director district conventions shall not be bound
32 by a school board or any school board member to pledge their
33 votes to any candidate prior to the date of the convention.

34 Sec. 14. Section 273.10, Code 2024, is amended to read as
35 follows:

1 **273.10 Accreditation of area education programs.**

2 1. The division of special education of the department
3 of education shall develop, in consultation with the area
4 education agencies, and establish an accreditation process for
5 area education agencies ~~by July 1, 1997~~. At a minimum, the
6 accreditation process shall consist of the following:

7 a. The timely submission by an area education agency of
8 information required by the division of special education of
9 the department on forms provided by the ~~department~~ division of
10 special education.

11 b. The use of an accreditation team appointed by the
12 ~~director~~ division of special education of the department of
13 education to conduct an evaluation, including an on-site visit
14 of each area education agency. The team shall include, but
15 is not limited to, department staff members, representatives
16 from the school districts served by the area education agency
17 being evaluated, area education agency staff members from area
18 education agencies other than the area education agency that
19 conducts the programs being evaluated for accreditation, and
20 other team members with expertise as deemed appropriate by the
21 ~~director~~ division of special education.

22 2. Prior to a visit to an area education agency, the
23 accreditation team shall have access to that area education
24 agency's program audit report filed with the ~~department~~
25 division of special education of the department of education.
26 After a visit to an area education agency, the accreditation
27 team shall determine whether the accreditation standards for
28 a program, including but not limited to standards established
29 pursuant to ~~section 256.9, subsection 54~~ section 256B.3,
30 subsection 15B, have been met and shall make a report to the
31 ~~director and the state board~~ division of special education,
32 together with a recommendation as to whether the programs of
33 the area education agency should receive initial accreditation
34 or remain accredited. The accreditation team shall report
35 strengths and weaknesses, if any, for each accreditation

1 standard and shall advise the area education agency of
2 available resources and technical assistance to further enhance
3 the strengths and improve areas of weakness. An area education
4 agency may respond to the accreditation team's report.

5 3. ~~The state board of education~~ division of special
6 education of the department of education shall determine
7 whether a program of an area education agency shall receive
8 initial accreditation or shall remain accredited.

9 a. Approval of area education agency programs by the ~~state~~
10 ~~board~~ division of special education shall be based upon the
11 ~~recommendation of the director of the department of education~~
12 after a study of the factual and evaluative evidence on record
13 about each area education agency program in terms of the
14 accreditation standards adopted by the state board.

15 b. Approval, if granted, shall be for a term of five years.
16 However, the ~~state board~~ division of special education may
17 grant conditional approval for a term of less than five years
18 if conditions warrant.

19 4. If the ~~state board of education~~ division of special
20 education of the department of education determines that an
21 area education agency's program does not meet accreditation
22 standards, the ~~director of the department of education~~
23 division of special education, in cooperation with the board
24 of directors of the area education agency, shall establish a
25 remediation plan prescribing the procedures that must be taken
26 to correct deficiencies in meeting the program standards,
27 and shall establish a deadline date for correction of the
28 deficiencies. ~~The remediation plan is subject to the approval~~
29 ~~of the state board.~~

30 5. The division of special education of the department
31 of education may suspend the accreditation of the area
32 education agency program ~~shall remain accredited~~ during the
33 implementation of the remediation plan. The accreditation
34 team shall visit the area education agency and shall determine
35 whether the deficiencies in the standards for the program have

1 been corrected and shall make a report and recommendation
2 to the ~~director and the state board of education~~ division
3 of special education. The ~~state board~~ division of special
4 education shall review the report and recommendation and shall
5 determine whether the deficiencies in the program have been
6 corrected. If the division of special education determines
7 that the deficiencies in the program have been corrected, the
8 division of special education shall reinstate the accreditation
9 of the area education agency program if such accreditation was
10 suspended pursuant to this subsection.

11 6. a. If the deficiencies in an area education program
12 have not been corrected, the ~~agency board~~ division of special
13 education of the department of education shall take one
14 of the following actions within sixty days from removal of
15 accreditation:

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

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

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

28 Sec. 15. Section 273.11, Code 2024, is amended to read as
29 follows:

30 **273.11 Standards for accrediting area education programs.**

31 1. The state board of education, in consultation with the
32 division of special education of the department of education,
33 shall develop standards and rules for the accreditation of area
34 education agencies. Standards shall be general in nature,
35 but at a minimum shall identify requirements addressing the

1 services provided by each division, as well as identifying
2 indicators of quality that will permit area education agencies,
3 school districts, the division of special education of the
4 department of education, and the general public to judge
5 accurately the effectiveness of area education agency services.

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

8 a. Support for school-community planning, including a means
9 of assessing needs, developing collaborative relationships
10 among community agencies, establishing shared direction, and
11 implementing program plans and reporting progress toward goals
12 for all students, including students with disabilities.

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

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

20 d. Special education ~~compliance and~~ support.

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

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

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

27 h. A program and services evaluation and reporting system
28 that includes information related to special education.

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

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

35 k. Timely submission of required reports and documents to

1 the state board of education, the department of education,
2 and the division of special education of the department of
3 education.

4 l. Support for schools and school districts in analyzing
5 student achievement data related to the learning environment,
6 comparing data to the external knowledge base, and using that
7 information to guide schools and school districts in setting
8 goals and implementing actions to improve student learning for
9 all students, including students with disabilities.

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

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

17 o. Support necessary to implement effective instruction for
18 all students, including students with disabilities, through
19 school technology services.

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

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

28 r. Compliance with all relevant federal and state laws
29 in the provision of services and supports to students with
30 disabilities.

31 Sec. 16. TRANSITION PROVISIONS.

32 1. An area education agency that was accredited pursuant to
33 section 273.10 on or before the effective date of the section
34 of this division of this Act amending section 273.10 shall
35 remain accredited unless and until the division of special

1 education of the department of education takes action to remove
2 accreditation from the area education agency pursuant to
3 section 273.10, as amended in this division of this Act.

4 2. a. As of July 1, 2024, each area education agency shall
5 terminate the employment of all directors of special education
6 employed by the area education agency pursuant to section
7 273.5, as amended in this division of this Act.

8 b. Within a reasonable time after July 1, 2024, the
9 division of special education of the department of education
10 shall employ at least one individual to serve as a director
11 of special education in each area education agency. During
12 the hiring process associated with employing an individual to
13 serve as director of special education in an area education
14 agency, the division of special education shall give preference
15 to individuals whose employment was terminated pursuant to
16 paragraph "a".

17 Sec. 17. EFFECTIVE DATE. The following take effect July 1,
18 2025:

19 1. The section of this division of this Act amending section
20 273.10.

21 2. The section of this division of this Act amending section
22 273.11.

23 Sec. 18. APPLICABILITY. The following applies to
24 employment agreements entered into or renewed between an area
25 education agency and an area education agency administrator on
26 or after July 1, 2024:

27 The section of this division of this Act amending section
28 273.3, subsection 11.

29 Sec. 19. APPLICABILITY. The following applies to the
30 election of directors and vacancies occurring under section
31 273.8, as amended in this division of this Act, on or after
32 July 1, 2024:

33 The sections of this division of this Act amending section
34 273.8.

35 Sec. 20. APPLICABILITY. The following apply to school years

1 beginning on or after July 1, 2025:

2 1. The portion of the section of this division of this Act
3 amending section 273.2, subsection 3.

4 2. The portion of the section of this division of this Act
5 amending section 273.2, subsection 4.

6 3. The portion of the section of this division of this Act
7 enacting section 273.2, subsection 4A.

8 DIVISION III

9 AREA EDUCATION AGENCIES — FUNDING

10 Sec. 21. Section 257.1, subsection 3, Code 2024, is amended
11 to read as follows:

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

21 Sec. 22. Section 257.10, subsection 7, Code 2024, is amended
22 to read as follows:

23 7. *Special education support services district cost.* Special
24 education support services district cost for a school district
25 for a budget year is equal to the special education support
26 services district cost per pupil for the budget year multiplied
27 by the special education support services weighted enrollment
28 for the district for the budget year. If the special education
29 support services district cost for a school district for
30 a budget year is less than the special education support
31 services district cost for that district for the base year, the
32 department of management shall adjust the special education
33 support services district cost for that district for the budget
34 year to equal the special education support services district
35 cost for the base year. Funds calculated under this subsection

1 and received by a school district or an area education agency,
2 as applicable, shall be used for special education support
3 services.

4 Sec. 23. Section 257.10, subsection 8, paragraph a, Code
5 2024, is amended to read as follows:

6 a. Combined district cost is the sum of the regular program
7 district cost per pupil multiplied by the weighted enrollment,
8 the special education support services district cost, the
9 total teacher salary supplement district cost, the total
10 professional development supplement district cost, the total
11 early intervention supplement district cost, and the total
12 teacher leadership supplement district cost, plus the sum of
13 the additional district cost allocated to the district to fund
14 media services and educational services ~~provided through the~~
15 area education agency under section 257.37, the area education
16 agency total teacher salary supplement district cost and the
17 area education agency total professional development supplement
18 district cost.

19 Sec. 24. Section 257.35, subsection 1, Code 2024, is amended
20 to read as follows:

21 1. a. (1) ~~The~~ For fiscal years beginning before July 1,
22 2024, the department of management shall deduct the amounts
23 calculated for special education support services, media
24 services, area education agency teacher salary supplement
25 district cost, area education agency professional development
26 supplement district cost, and educational services for each
27 school district from the state aid due to the district pursuant
28 to this chapter and shall pay the amounts to the respective
29 area education agencies on a monthly basis from September 15
30 through June 15 during each school year.

31 (2) For the fiscal year beginning July 1, 2024, the
32 department of management shall deduct the following amounts
33 from the state aid due to each school district pursuant to
34 this chapter and shall pay the amounts to the respective area
35 education agencies on a monthly basis from September 15 through

1 June 15 during each school year:

2 (a) The amount calculated for special education support
3 services for the school district.

4 (b) Forty percent of the amount calculated for media
5 services for the school district.

6 (c) The area education agency teacher salary supplement
7 district cost.

8 (d) The area education agency professional development
9 supplement district cost.

10 (e) Forty percent of the amount calculated in section 257.37
11 for educational services for the school district.

12 (3) For the fiscal year beginning July 1, 2025, and each
13 fiscal year thereafter, the department of management shall
14 deduct the following from the state aid due to each school
15 district pursuant to this chapter and shall pay the amounts to
16 the respective area education agencies on a monthly basis from
17 September 15 through June 15 during each school year:

18 (a) Ten percent of the amount calculated for special
19 education support services for the school district.

20 (b) The area education agency teacher salary supplement
21 district cost.

22 (c) The area education agency professional development
23 supplement district cost.

24 b. The department of management shall notify each school
25 district of the amount of state aid deducted for these purposes
26 and the balance of state aid shall be paid to the district. If
27 a district does not qualify for state aid under this chapter
28 in an amount sufficient to cover its amount due to the area
29 education agency as calculated by the department of management,
30 the school district shall pay the deficiency to the area
31 education agency from other moneys received by the district, on
32 a quarterly basis during each school year.

33 Sec. 25. Section 257.37, Code 2024, is amended to read as
34 follows:

35 **257.37 Funding media and educational services.**

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

5 1. For the budget year beginning July 1, 1991, and
6 succeeding budget years, the total amount funded in each area
7 for media services shall be computed as provided in this
8 subsection. For the budget year beginning July 1, 1991, the
9 total amount funded in each area for media services in the
10 base year shall be divided by the enrollment served in the
11 base year to provide an area media services cost per pupil in
12 the base year, and the department of management shall compute
13 the state media services cost per pupil in the base year which
14 is equal to the average of the area media services costs per
15 pupil in the base year. For the budget year beginning July 1,
16 1991, and succeeding budget years, the department of management
17 shall compute the supplemental state aid for media services
18 in the budget year by multiplying the state media services
19 cost per pupil in the base year times the state percent of
20 growth for the budget year, and the total amount funded in each
21 area for media services cost in the budget year equals the
22 area media services cost per pupil in the base year plus the
23 supplemental state aid for media services in the budget year
24 times the enrollment served in the budget year. Funds shall be
25 paid to area education agencies as provided in section 257.35.
26 Funds not required to be paid to the area education agency as
27 provided in section 257.35 may be used by the school district
28 for media services provided by the district or by contract
29 through the area education agency. A school district may use
30 unreserved fund balances for media services in a manner which
31 the school district determines is appropriate to best maintain
32 the level of special education services.

33 2. Up to thirty percent of the budget of an area for media
34 services may be expended for media resource material including
35 the purchase or replacement of material required in section

1 273.6, subsection 1. ~~Funds shall be paid to area education~~
2 ~~agencies as provided in section 257.35.~~

3 3. For the budget year beginning July 1, 1991, and
4 succeeding budget years, the total amount funded in each area
5 for educational services shall be computed as provided in this
6 subsection. For the budget year beginning July 1, 1991, the
7 total amount funded in each area for educational services
8 in the base year shall be divided by the enrollment served
9 in the area in the base year to provide an area educational
10 services cost per pupil in the base year, and the department of
11 management shall compute the state educational services cost
12 per pupil in the base year, which is equal to the average of
13 the area educational services costs per pupil in the base year.
14 For the budget year beginning July 1, 1991, and succeeding
15 budget years, the department of management shall compute the
16 supplemental state aid for educational services by multiplying
17 the state educational services cost per pupil in the base year
18 times the state percent of growth for the budget year, and the
19 total amount funded in each area for educational services for
20 the budget year equals the area educational services cost per
21 pupil for the base year plus the supplemental state aid for
22 educational services in the budget year times the enrollment
23 served in the area in the budget year. Funds shall be paid
24 to area education agencies as provided in section 257.35.
25 Funds not required to be paid to the area education agency as
26 provided in section 257.35 may be used by the school district
27 for educational services provided by the district or by
28 contract through the area education agency. A school district
29 may use unreserved fund balances for educational services in a
30 manner which the school district determines is appropriate to
31 best maintain the level of special education services.

32 4. "Enrollment served" means the basic enrollment of all
33 school districts within the boundaries of the area education
34 agency plus the number of nonpublic school pupils served by
35 the area education agency with media services or educational

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

15 5. a. If an area education agency does not serve nonpublic
16 school pupils in a manner comparable to services provided
17 public school pupils for media and educational services, as
18 determined by the state board of education, the state board
19 shall instruct the department of management to reduce the funds
20 for media services and educational services within the area one
21 time by an amount to compensate for such reduced services. The
22 media services budget shall be reduced by an amount equal to
23 the product of the cost per pupil in basic enrollment for the
24 budget year for media services times the difference between
25 the enrollment served and the basic enrollment recorded for
26 the area. The educational services budget shall be reduced by
27 an amount equal to the product of the cost per pupil in basic
28 enrollment for the budget year for educational services times
29 the difference between the enrollment served and the basic
30 enrollment recorded for the area.

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

33 c. Notwithstanding this subsection, an area education agency
34 shall distribute to nonpublic schools media materials purchased
35 wholly or partially with federal funds in a manner comparable

1 to the distribution of such media materials to public schools
2 as determined by the director of the department of education.
3 6. For the budget year beginning July 1, 2002, and each
4 succeeding budget year, notwithstanding the requirements of
5 this section for determining the budgets and funding of media
6 services and education services, an area education agency or
7 school district may, ~~within the limits of the total of the~~
8 ~~funds provided for the budget years pursuant to section 257.35,~~
9 expend for special education support services an amount that
10 exceeds the payment for special education support services
11 ~~pursuant to section 257.35~~ in order to maintain the level
12 of required special education support services in the area
13 education agency or the school district, as applicable.

14 Sec. 26. APPLICABILITY. This division of this Act applies
15 July 1, 2024, for school budget years beginning on or after
16 that date.

17 DIVISION IV

18 INITIAL TEACHER COMPENSATION

19 Sec. 27. Section 257.10, subsection 12, paragraph d, Code
20 2024, is amended to read as follows:

21 *d.* Except as otherwise allowed under this paragraph, for
22 the budget year beginning July 1, 2014, and succeeding budget
23 years, the use of the funds calculated under this subsection
24 shall comply with the requirements of chapter 284 and shall
25 be distributed to teachers pursuant to section 284.15. The
26 funds shall be used only to increase the payment for a teacher
27 assigned to a leadership role pursuant to a framework or
28 comparable system approved pursuant to section 284.15; to
29 increase the percentages of teachers assigned to leadership
30 roles; to increase the minimum teacher starting salary to
31 ~~thirty-three thousand five hundred dollars~~ the amount provided
32 in section 284.15, subsection 2, paragraph "a", subparagraph
33 (1); to cover the costs for the time mentor and lead teachers
34 are not providing instruction to students in a classroom;
35 for coverage of a classroom when an initial or career

1 teacher is observing or co-teaching with a teacher assigned
2 to a leadership role; for professional development time to
3 learn best practices associated with the career pathways
4 leadership process; and for other costs associated with a
5 framework or comparable system approved by the department of
6 education under section 284.15 with the goals of improving
7 instruction and elevating the quality of teaching and student
8 learning. If all requirements for the school district for
9 the use of funds calculated under this subsection are met
10 and funds received under this subsection remain unexpended
11 and unobligated at the end of a fiscal year beginning on or
12 after July 1, 2020, the school district may transfer all or a
13 portion of such unexpended and unobligated funds for deposit
14 in the school district's flexibility account established
15 under section 298A.2, subsection 2. At the end of a fiscal
16 year beginning on or after July 1, 2022, school districts may
17 use all or a portion of funds under this subsection for the
18 purposes authorized under subsection 9, paragraph "d", and,
19 notwithstanding any provision of law to the contrary, school
20 districts shall not be required to participate in or comply
21 with section 284.15 in order to continue to receive funding
22 under this subsection.

23 Sec. 28. Section 284.15, subsection 2, paragraph a,
24 subparagraph (1), Code 2024, is amended to read as follows:

25 (1) The salary for an initial teacher who has successfully
26 completed an approved practitioner preparation program as
27 defined in section 256.145 or holds an initial or intern
28 teacher license issued under chapter 256, subchapter VII,
29 part 3, shall be at least ~~thirty-three thousand five hundred~~
30 forty-six thousand two hundred fifty-one dollars, which shall
31 also constitute the minimum salary for an Iowa teacher.

32 Sec. 29. Section 284.16, subsection 1, paragraph a,
33 unnumbered paragraph 1, Code 2024, is amended to read as
34 follows:

35 The beginning teacher shall be paid not less than

1 ~~thirty-three thousand five hundred forty-six thousand two~~
2 hundred fifty-one dollars and shall meet the following
3 requirements:

4 Sec. 30. Section 284.17, subsection 1, Code 2024, is amended
5 to read as follows:

6 1. A minimum salary of ~~thirty-three thousand five hundred~~
7 forty-six thousand two hundred fifty-one dollars for a
8 full-time teacher.

9

DIVISION V

10 AREA EDUCATION AGENCIES — REQUIRED EVALUATIONS AND REPORTS

11 Sec. 31. AREA EDUCATION AGENCIES — CONTINUOUS

12 IMPROVEMENT. On or before January 1, 2025, each area education
13 agency shall submit a report to the director of the department
14 of education and the general assembly that contains all of the
15 following information:

16 1. Progress the area education agency has made in reducing
17 expenditures associated with administration and administrators,
18 including chief administrators, directors and department heads,
19 regional administrators, regional and zone coordinators,
20 district coordinators, and human resources and personnel
21 managers by at least thirty percent by July 1, 2026.

22 2. A proposal for the reorganization of services provided by
23 area education agencies to centralize some services provided by
24 the area education agencies, including media services, and to
25 create centers of excellence for other services.

26 Sec. 32. AREA EDUCATION AGENCY FACILITIES AND PROPERTY. On
27 or before January 1, 2025, the department of administrative
28 services, in coordination with the department of education
29 and each area education agency, shall submit a report to
30 the general assembly that contains all of the following
31 information:

32 1. An inventory of all real property and facilities owned
33 by the area education agencies.

34 2. An evaluation of the value of all real property and
35 facilities owned by the area education agencies.

1 3. An evaluation of how the real property and facilities
2 owned by the area education agencies are used.

3 DIVISION VI

4 TEACHER SALARY SUPPLEMENT DISTRICT COST PER PUPIL

5 Sec. 33. Section 257.10, subsection 9, paragraph a, Code
6 2024, is amended to read as follows:

7 a. (1) For the budget year beginning July 1, 2009, the
8 department of management shall add together the teacher
9 compensation allocation made to each district for the fiscal
10 year beginning July 1, 2008, pursuant to section 284.13,
11 subsection 1, paragraph "h", Code 2009, and the phase II
12 allocation made to each district for the fiscal year beginning
13 July 1, 2008, pursuant to section 294A.9, Code 2009, and divide
14 that sum by the district's budget enrollment in the fiscal
15 year beginning July 1, 2009, to determine the teacher salary
16 supplement district cost per pupil. For the budget year
17 beginning July 1, 2010, and succeeding budget years beginning
18 before July 1, 2024, the teacher salary supplement district
19 cost per pupil for each school district for a budget year
20 is the teacher salary supplement program district cost per
21 pupil for the base year plus the teacher salary supplement
22 supplemental state aid amount for the budget year.

23 (2) For the budget year beginning July 1, 2024, the teacher
24 salary supplement district cost per pupil for a school district
25 shall be the greater of the following:

26 (a) The teacher salary supplement district cost per pupil
27 for the school district for the base year plus the teacher
28 salary supplement supplemental state aid amount for the budget
29 year.

30 (b) The per pupil amount necessary, as calculated by
31 the department of management, to allow the school district
32 to provide a minimum teacher starting salary of forty-six
33 thousand two hundred fifty-one dollars in accordance with
34 the requirements of chapter 284, including costs associated
35 with the employer's share of contributions to the Iowa public

1 employees' retirement system and the employer's share of the
2 tax imposed by the federal Insurance Contributions Act.

3 (3) For the budget year beginning July 1, 2025, and
4 succeeding budget years, the teacher salary supplement district
5 cost per pupil for each school district for a budget year
6 is the teacher salary supplement program district cost per
7 pupil for the base year plus the teacher salary supplement
8 supplemental state aid amount for the budget year.

9

DIVISION VII

10

DEPARTMENT OF EDUCATION REQUIREMENTS

11

Sec. 34. Section 256.9, Code 2024, is amended by adding the
12 following new subsections:

13

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

20

NEW SUBSECTION. 71. Provide professional learning and
21 other support materials and tools for individualized education
22 program teams, including students, families, teacher service
23 providers, and administrators of both school districts
24 and accredited nonpublic schools to help such individuals
25 understand the processes required under the federal law that
26 are relevant to students enrolled in accredited nonpublic
27 schools and to promote informed participation in individualized
28 education program meetings of students enrolled in accredited
29 nonpublic schools.

30

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

35

NEW SUBSECTION. 73. Develop and distribute to school

1 districts professional learning and other materials for
2 meaningful consultation for representatives of area education
3 agencies, school districts, and accredited nonpublic schools.
4 NEW SUBSECTION. 74. Establish sustainable accountability
5 and data collection systems related to special education
6 that meet federal and state legal requirements and encourage
7 innovative models for meeting the needs of students.

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

14 DIVISION VIII

15 STATE MANDATE

16 Sec. 35. IMPLEMENTATION OF ACT. Section 25B.2, subsection
17 3, shall not apply to this Act.>

18 2. Title page, by striking lines 1 through 7 and inserting
19 <An Act relating to education, including modifying provisions
20 related to the duties and powers of area education agencies,
21 the membership of the boards of directors of area education
22 agencies, the department of education, the department of
23 administrative services, area education agency funding, the
24 calculation of the teacher salary supplement district cost per
25 pupil and the minimum teacher starting salary, and including
26 transition, effective date, and applicability provisions.>

By LYNN EVANS

S-5043 FILED MARCH 5, 2024



SF 2377 – State Government Reorganization, Code Changes (LSB5333SV)
Staff Contacts: Austin Brinks (515.725.2200) austin.brinks@legis.iowa.gov
Maria Wagenhofer (515.281.5270) maria.wagenhofer@legis.iowa.gov
Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov

Fiscal Note Version – New

[Senate File 2377](#) is composed of 15 divisions. The Bill relates to the organization, structure, and functions of State and local government.

Divisions with No Fiscal Impact

- Division I** — Removes the requirement for the Department of Natural Resources (DNR) to provide permanent housing for certain children from the State Training School.
- Division III** — Provides for changes to the Iowa Code for various functions of the Department of Transportation (DOT).
- Division IV** — Provides for changes to the Iowa Code for various functions of the Department of Education (DE).
- Division V** — Amends, repeals, and transfers various provisions relating to the Department of Corrections (DOC) and Judicial District Departments of Correctional Services.
- Division VI** — Provides for changes to the Iowa Code for various references and functions of the Iowa Department of Revenue (IDR) and Iowa Lottery Division of the IDR.
- Division VII** — Adds the Supplemental Nutrition Assistance Program (SNAP) to the list of programs administered by the Iowa Department of Workforce Development (IWD) and requires the IWD to jointly implement adult education and literacy programs with community colleges.
- Division VIII** — Removes the requirement that the Director of the Office of Drug Control Policy submit an annual report to the Governor and General Assembly, and updates various references in the Iowa Code.
- Division IX** — Allows the Iowa Economic Development Authority (IEDA) and the Iowa Finance Authority (IFA) to include any other report that they are required to submit in the reports they are required to submit in Iowa Code sections [15.107B](#) and [16.7](#), respectively.
- Division X** — Removes the requirement for the IEDA to establish and administer certain internship programs for Iowa students and requires the IWD to establish and administer a similar program.
- Division XI** — Amends various provisions relating to the duties and authority of the Department of Health and Human Services (HHS) and the Council on Health and Human Services.
- Division XIII** — Removes language requiring the Office for State-Federal Relations to be located in Washington, D.C., and instead provides that the office be attached to the Office of the Governor.
- Division XIV** — Provides changes for various duties and functions of the Department of Administrative Services (DAS) in regard to State historical sites.

Division II — Department of Inspections, Appeals, and Licensing

Description and Background

Division II provides for changes to the Iowa Code for various functions of the Department of Inspections, Appeals, and Licensing (DIAL). **Division II** repeals the Contractor Registration Revolving Fund (CRRF), redirects fees that were paid into the CRRF into the Licensing and Regulation Fund (LRF), and transfers funds that remain in the CRRF to the LRF at the end of FY 2024.

Assumptions and Fiscal Impact

As of February 28, 2024, the balance of the CRRF is approximately \$4.4 million. Any funds that remain in the CRRF will be transferred to the LRF at the end of FY 2024.

Division XII — State Salaries, Appointed State Officers

Description and Background

Division XII relates to the salaries of appointed State officials. 2023 Iowa Acts, [chapter 19](#) (State Government Reorganization Act), established salary ranges four through seven for various State officials. **Figure 1** includes the salary ranges and minimum and maximum salary amounts for each salary range, as set in 2023.

Figure 1 — Salary Ranges Set in 2023

<u>Salary Range</u>	<u>Minimum</u>	<u>Maximum</u>
4	\$ 63,690	\$ 97,460
5	73,250	112,070
6	84,240	128,890
7	100,840	154,300

Division XII instead provides for three salary ranges that are to be paid in a range set in accordance with the specified pay grade of the pay plans published by the Department of Administrative Services. **Figure 2** includes the salary ranges established under **Division XII** and the current minimum and maximum salary amounts for those pay grades.

Figure 2 — New Salary Ranges Under Division XII

<u>Salary Range</u>	<u>Pay Grade</u>	<u>Minimum</u>	<u>Maximum</u>
1	32	\$ 65,395	\$ 101,150
2	38	93,288	132,829
3	43	118,082	167,898

Figure 3 includes the changes to the salary range for current positions established under 2023 Iowa Acts, chapter 19, compared to the salary ranges established in **Division XII**.

Figure 3 — Changes to Salary Ranges Under Division XII

Position Title	Salary Range	Salary
	Under Current Law	Range Under SF 2377
Chairperson and Members of the Employment Appeal Board of the DIAL	4	1
Director of the Iowa Civil Rights Commission	4	2
Director of the Department for the Blind	4	1
Executive Director of the Ethics and Campaign Disclosure Board	4	1
Board of Parole Chairperson, Vice Chairperson, and Members	4	1
Executive Director of the Iowa Public Information Board	4	1
State Public Defender	5	3
Labor Commissioner (Workforce Development)	5	3
Workers' Compensation Commissioner (Workforce Development)	5	2
Director of the Iowa Law Enforcement Academy	5	2
Executive Director of the Public Employment Relations Board	5	*
Superintendent of Banking of the Department of Insurance and Financial Services	6	2
Superintendent of Credit Unions of the Department of Insurance and Financial Services	6	2
Consumer Advocate	6	2
Chairperson and Members of the Utilities Board	6	3
Administrator of the Public Broadcasting Division of the Department of Education	7	2
Executive Director of the Iowa Telecommunications and Technology Commission (ICN)	7	3
Executive Director of the State Board of Regents	7	3
State Court Administrator	7	3
Lottery Administrator of the Department of Revenue	7	3

* The salary of the Executive Director of the Public Employment Relations Board is not set within a salary range under SF 2377. Instead, under the Bill, the Governor sets the salary of the Executive Director.

Unless the Bill specifies otherwise, **Division XII** allows the Governor to establish the salary for the various appointed State officials within their specified salary range.

Division XII takes effect June 21, 2024 (first pay period of FY 2025).

Assumptions and Fiscal Impact

There may be a fiscal impact for the agency if the salary of the Director is set above the current salary range maximum or below the current salary range minimum. However, any potential fiscal impact as a result of these changes cannot be determined at this time.

Division XV — Department of Management, Justice Information

Description and Background

Division XV relates to the transfer of the Criminal and Juvenile Justice Planning (CJJP) research staff from the HHS to the Department of Management (DOM). The Bill requires the DOM to maintain a Statewide Integrated Justice Information System. The Bill also transfers the responsibility of maintaining the Iowa Statistical Analysis Center, the Iowa Correctional Policy Project, and the Multiagency Information System for Juveniles from the HHS to the DOM. The Bill requires the Multiagency Information System for Juveniles to also include adults who have been charged with a criminal offense in the court system.

The DOM and the HHS entered into a Memorandum of Understanding (MOU) on January 5, 2024, to coordinate the transition of CJJP staff from the HHS to the DOM. The MOU states that

the DOM will charge the HHS monthly in arrears for the cost of all funded positions and filled contractor roles, including training, travel, office space, equipment, and other related expenses.

In FY 2024, the HHS was appropriated \$1.2 million and 10.7 full-time equivalent (FTE) positions from the General Fund for CJJP research staff.

Assumptions and Fiscal Impact

Based on FY 2024 funding for CJJP, it is assumed the fiscal impact of **Division XV** is approximately \$1.2 million and 10.7 FTE positions for CJJP research staff, which will be appropriated in FY 2025 to the DOM Department Operations instead of the HHS.

Sources

Department of Management
Legislative Services Agency

/s/ Jennifer Acton

March 4, 2024

Doc ID 1446800

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

www.legis.iowa.gov



[SF 2386](#) – Area Education Agencies (LSB5189SV)
Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov
Fiscal Note Version – New

Description and Background

[Senate File 2386](#) relates to education, including modifying provisions related to the duties and powers of Area Education Agencies (AEAs), the Department of Education (DE), the Department of Administrative Services (DAS), AEA funding, and the calculation of the teacher salary supplement (TSS) district cost per pupil (DCPP) and the minimum teacher starting salary.

Division I — Division of Special Education of the Department of Education

Current law requires the Director of the DE to provide guidance and standards to AEAs for federal and State education initiatives which the AEAs must implement statewide. The Bill transfers this responsibility to the Division of Special Education (DSE) of the DE beginning with FY 2026. The Bill also requires the DSE to oversee the operation of each AEA beginning with FY 2026.

The Bill requires the DE to coordinate with each AEA, and with the DSE, to develop a plan to transfer certain specified employees of the AEA from employment under the AEA to employment under the DSE. The Bill requires the DE to compile those plans and submit them to the General Assembly on or before January 1, 2025.

Division II — Area Education Agencies — General Provisions

The Bill authorizes the AEAs to furnish evidence-based professional development services to public or nonpublic schools located within the AEA's boundaries, subject to the approval of the director of the DE.

The Bill requires AEAs to provide special education services to local school districts that request to receive such services by February 1 of the preceding school year. The Bill authorizes an AEA to provide the services to local school districts that request to receive the services after February 1 of the preceding school year. The Bill also authorizes AEAs to provide media services for local school districts in the area. The Bill establishes that these provisions are effective for FY 2026.

The Bill requires AEA boards to charge reasonable costs that are consistent with market rates for the educational services, special education services, professional development services, and media services provided by the AEA.

The Bill requires AEA boards to provide an annual report to the General Assembly and the DE related to student outcomes and use of moneys.

The Bill limits the salary for an AEA administrator to 125.0% of the average salary of all superintendents of school districts that are located within the boundaries of the AEA. The Bill establishes that this provision applies to employment agreements entered or renewed beginning in FY 2025.

The Bill requires AEAs to prepare and submit to each school district within the AEA's boundaries an annual report containing information related to an accounting of payments and a description of services provided.

The Bill modifies several provisions related to the accreditation of AEA programs to incorporate the DSE of the DE into the accreditation process and to incorporate additional standards related to accreditation. The Bill provides that an AEA that was accredited on or before July 1, 2025, will remain accredited unless and until the DSE takes action to remove accreditation. The Bill establishes that these provisions are effective in FY 2026.

Division III — Area Education Agencies — Funding

The Bill provides that the funds calculated under Iowa Code section [257.10\(7\)](#) (Special Education Support Services District Cost) and received by a school district or an AEA must be used for special education support services.

Under current law, amounts calculated for special education support services, media services, AEA teacher salary supplement district cost, AEA professional development supplement district cost, and educational services are deducted by the Department of Management (DOM) from State aid for each school district and instead paid to the school district's AEA.

The Bill provides that beginning in FY 2025, the DOM must deduct the following amounts from the State aid due to each school district and pay the amounts to the respective AEAs:

- The amount calculated for special education support services for the school district.
- 40.0% of the amount calculated for media services for the school district.
- The AEA teacher salary supplement district cost.
- The AEA professional development supplement district cost.
- 40.0% of the amount calculated for educational services for the school district.

The Bill provides that beginning with FY 2026, and each fiscal year thereafter, the DOM must deduct the following amounts from the State aid due to each school district and pay the amounts to the respective AEAs:

- 10.0% of the amount calculated for special education support services for the school district.
- 40.0% of the amount calculated for media services for the school district.
- The AEA teacher salary supplement district cost.
- The AEA professional development supplement district cost.
- 40.0% of the amount calculated for educational services for the school district.

The Bill modifies provisions related to the funding of media services and educational services provided by a school district or through an AEA. The Bill provides that funds not required to be paid to the AEA pursuant to Iowa Code section [257.35](#) (AEA Payments) may be used by the school district for media services and educational services provided by the district or by contract through the AEA. The Bill authorizes a school district to use unreserved fund balances for media services and educational services to best maintain the level of special education services as determined by the school district.

The Bill provides that, for purposes of Iowa Code section [257.37](#) (Funding Media and Educational Services), “enrollment served” means the basic enrollment of all school districts within the boundaries of the AEA plus the number of nonpublic school pupils served by the AEA.

The Bill authorizes AEAs and school districts to expend for special education support services an amount that exceeds the payment for special education support services to maintain the level of required special education support services in the AEA or the school district.

Division IV — Initial Teacher Compensation

The Bill increases the minimum annual salary for an initial teacher who has successfully completed an approved practitioner preparation program or holds an initial or intern teacher license issued by the Board of Educational Examiners (BOEE), as specified in Iowa Code chapter [284](#) (Teacher Compensation), from \$33,500 to \$46,251.

Division V — Area Education Agencies — Required Evaluations and Reports

The Bill requires each AEA, on or before January 1, 2025, to submit a report to the DE and the General Assembly that contains information related to progress the AEA has made in reducing executive administration expenses and a proposal for the reorganization of services provided by AEAs.

The Bill requires the DAS, in coordination with the DE and each AEA, on or before January 1, 2025, to submit a report to the General Assembly that contains an inventory of all real property and facilities owned by the AEAs, an evaluation of the value of all real property and facilities owned by the AEAs, and an evaluation of how the real property and facilities owned by the AEAs are used.

Division VI — Teacher Salary Supplement District Cost Per Pupil

The Bill provides that, for FY 2025, the TSS DCPD for a school district must be the greater of the TSS DCPD for the school district for the base year plus the TSS supplemental State aid amount for the budget year or the per pupil amount necessary to allow the school district to provide a minimum teacher starting salary of \$46,251, an increase of \$12,751 compared to the current law minimum of \$33,500. Additionally, the Bill provides that for FY 2026 and succeeding budget years, the TSS DCPD for each school district for a budget year is the TSS DCPD for the base year plus the TSS supplemental State aid amount for the budget year.

Division VII — State Mandate

The Bill makes inapplicable Iowa Code section [25B.2\(3\)](#), which would relieve a political subdivision from complying with a State mandate if funding for the cost of the State mandate is not provided or specified. Therefore, political subdivisions are required to comply with any State mandate included in the Bill.

Assumptions

- Information is not available regarding the cost of real property reporting under **Division V**.
- The DE and the DSE’s required staffing and responsibilities will be funded with current AEA staffing funding.
- The pupil count and attached funding will follow the pupil to the AEA that provides the services.
- The market rates for services provided and charged by the AEA’s will be comparable to the costs and revenues provided under the current system.
- The AEA’s will not incur costs for services that are no longer provided by the AEA’s.
- The State percent of growth will be 0.00% each year.
- There will not be an additional reduction for the AEA’s beyond the \$7.5 million reduction specified in Iowa Code section [257.35\(2\)](#).

Fiscal Impact

The estimated fiscal impact of SF 2386, by division, is as follows:

Division I relates to the DE and the DSE’s required staffing and responsibilities and will not have a fiscal impact since the required staffing and responsibilities will be funded with current AEA staffing funding.

Division II relates to general AEA provisions. The provision that specifies that AEA’s can furnish services and programs to pupils will not have an overall fiscal impact since the assumption is that the funding will follow the pupil.

The market rates for services provided and charged by the AEA’s will be comparable to the costs and revenues provided under the current system and will not have an overall fiscal impact.

The reporting required from the AEA’s may have little to no fiscal impact and can be completed within available resources.

The provision relating to AEA administrator salaries will reduce overall AEA expenditures from all sources by an estimated \$251,000 annually, beginning in FY 2025.

The change in the accreditation process will not have a fiscal impact.

Division III relates to AEA funding and will reallocate current AEA funding between AEA’s and school districts. The AEA funding allocation is displayed below.

Figure 1
AEA Funding Allocation
(in Millions)

FY 2024 AEA Funding	FY 2025 Allocation			FY 2026 Allocation			
	AEA	School Districts	Total	AEA	School Districts	Total	
AEA Special Ed Support District Cost	\$ 185.3	\$ 185.3	\$ 0.0	\$185.3	\$18.5	\$ 166.8	\$185.3
AEA Special Ed Support Adjustment	0.6	0.6	0.0	0.6	0.1	0.5	0.6
AEA Media Services	32.3	12.9	19.4	32.3	12.9	19.4	32.3
AEA Ed Services	35.7	14.3	21.4	35.7	14.3	21.4	35.7
AEA Sharing	0.2	0.2	0.0	0.2	0.2	0.0	0.2
AEA Teacher Salary Supplement	18.2	18.2	0.0	18.2	18.2	0.0	18.2
AEA Professional Development Supplement	2.1	2.1	0.0	2.1	2.1	0.0	2.1
AEA Statewide State Aid Reduction	-29.6	-7.5	0.0	-7.5	-7.5	0.0	-7.5
Total	\$ 244.9	\$ 226.1	\$ 40.8	\$266.9	\$58.8	\$ 208.1	\$266.9

Division IV, relating to increasing the minimum teacher starting salary by \$12,751 to \$46,251, will increase General Fund expenditures for the TSS by an estimated \$19.9 million in FY 2025, compared to estimated FY 2024, and General Fund appropriations will increase each year thereafter by the increase in the categorical State percent of growth.

Division V, relating to AEA evaluation reporting, may have a minimal fiscal impact and can be implemented with available resources. Information is not available regarding the cost of real property reporting and, therefore, a fiscal estimate cannot be made.

Division VI, relating to the TSS DCP, will not have any additional fiscal impact other than the fiscal impact estimated for **Division IV**.

Division VII relates to the inapplicability of a possible State mandate and will not have a fiscal impact.

Sources

Department of Education, Certified Enrollment and Enrollment Projections File
Department of Management, School Aid File
Legislative Services Agency analysis and calculations

/s/ Jennifer Acton

March 4, 2024

Doc ID 1446746

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

www.legis.iowa.gov



[HF 2569](#) – Highway 30 (LSB1865HZ.2)
Staff Contact: Garry Martin (515.281.4611) garry.martin@legis.iowa.gov
Fiscal Note Version – As amended and passed by the House

Description

[House File 2569](#) requires the State Transportation Commission to prioritize the improvement of United States Highway 30. The Commission is required to include in its long-range program plans to expand all roadways to four-lane divided roadways until the entire highway is comprised of four-lane divided roadways. For the expansion of Highway 30, the Department of Transportation (DOT) is required to expend all reasonable alternatives before exercising eminent domain to acquire land that is a part of a century farm or residential real property.

Background

United States Highway 30 is a roadway that goes east to west across the continental United States, with approximately 331 miles running through Iowa.

The State Transportation Commission consists of seven members appointed by the Governor and confirmed by the Senate. The State Transportation Commission is responsible for developing, coordinating, and annually updating a comprehensive transportation policy and plan for the State, including preparing, adopting, and publishing a long-range program for the primary road system. The program is required to be prepared for a period of at least five years and is required to be revised, updated, and republished at least once every year to maintain a continuing five-year program. Currently, the State Transportation Commission's long-range plan does not include plans for Highway 30. The 2022 State Transportation Plan can be found [here](#).

In most cases, the DOT allocates approximately 80.0% of federal highway funding to larger projects. However, federal funding is between 50.0% and 60.0% of annual funding available for construction projects. Iowa is allocated a fixed amount of federal highway formula funding each year, and funding for Highway 30 expansion will use the same resources.

Assumptions

- Two lanes will need to be added to approximately 120 miles, costing an estimated \$6.7 million per mile.
- Four-lane bypasses will need to be constructed for approximately 39.5 miles, costing an estimated \$10.0 million per mile.
- An estimated 16 interchanges will be needed, costing approximately \$16.1 million each.
- Construction costs are based on the current bid prices for the types of improvements listed above.
- Construction costs will be funded by a combination of federal funds and the Primary Road Fund (PRF). Federal funding for Highway 30 expansion may pay for up to 80.0% of the construction costs. However, this will depend on the timing of the project.
- Operations and maintenance will be funded primarily by the PRF and will cost approximately \$1.7 million annually.

Fiscal Impact

The expansion of Highway 30 is estimated to cost \$1.500 billion throughout the course of construction. Federal funding could cover up to 80.0% of the total cost, but this will depend on future budgeting decisions made by the State Transportation Commission. All State funding for construction will be provided by the PRF. Annual maintenance costs for the full 120 miles will be funded by the PRF and are estimated to be approximately \$1.7 million per year.

Source

Department of Transportation

/s/ Jennifer Acton

March 5, 2024

Doc ID 1447588

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

www.legis.iowa.gov



[HF 2612](#) – Area Education Agencies (LSB6302HV.1)
Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov
Fiscal Note Version – As amended and passed by the House

Description and Background

[House File 2612](#) relates to Area Education Agencies (AEAs), including modifying provisions related to the duties and powers of AEAs, the membership of AEA board of directors, oversight by the Department of Education (DE), funding, shared operational functions, and establishing a task force related to property and operations of AEAs.

Division I — Division of Special Education of the Department of Education

The Bill requires the Division of Special Education (DSE) of the DE to oversee the operation of each AEA to ensure the AEA complies with all applicable federal and State laws related to special education.

The Bill provides that in FY 2025, the DSE is required to assign 13.0 full-time equivalent (FTE) positions to oversight of the AEAs and is allowed to assign not more than 40.0 FTE positions within the main office of each AEA to ensure the AEA complies with all applicable federal and State laws related to special education and to review the services provided by the AEA.

Division II — Area Education Agencies — General Provisions

The Bill requires the Director of the DE to develop and distribute a list of evidence-based professional development services that AEAs can provide.

The Bill provides that beginning in FY 2026, the AEAs will be under the general supervision of the Director of the DE and the boards of directors of the AEAs will serve in an advisory capacity.

Current law requires the AEA boards of directors to determine the policies of the AEA for providing programs and services. The Bill provides that beginning in FY 2026, the AEA boards of directors are required to advise and consult with the AEA on policies and procedures for providing programs and services.

Current law requires AEAs to furnish educational services and programs, including special education services and programs, to the pupils enrolled in public or nonpublic schools located within the AEA's boundaries. The Bill modifies this provision to provide that AEAs are required to furnish educational services and programs to pupils enrolled in public or nonpublic schools, regardless of location within the State, that request to receive such services.

The Bill authorizes AEAs to furnish evidence-based professional development services to public or nonpublic schools located within the AEA's boundaries if the requirements specified in the Bill are satisfied.

The Bill permits the AEAs to provide educational services, special education services, media services, and other programs to specified schools within the boundaries of the AEA, within the boundaries of a contiguous AEA, or if the public school district being served by the AEA shares a superintendent with a school district that receives services from the AEA. A school district may only receive services from one AEA.

The Bill requires an administrator employed by an AEA to possess specified authorizations issued by the Board of Educational Examiners (BOEE) beginning in FY 2026.

Current law requires the board of directors of an AEA to establish the AEA's administrator's salary based upon the previous experience and education of the administrator. The Bill limits the salary for an AEA administrator to not more than 125.0% of the average salary of all superintendents of the school districts that are located within the boundaries of the AEA at the time the employment agreement is entered or renewed, excluding superintendents responsible for supplementary weighting being available to a school district. The Bill provides that this provision applies to employment agreements entered or renewed between an AEA and an AEA administrator beginning in FY 2025.

Current law requires the board of directors of an AEA to conduct a public hearing related to the AEA's proposed annual budget. The Bill removes this provision and instead requires the AEA to submit the proposed annual budget to the Director of the DE for approval no later than March 1 of each year and requires the Director to either approve or reject the budget for changes within 10 days after submission.

The Bill requires AEAs to prepare and submit to each school district that receives services from the AEA a quarterly report containing information related to an accounting of payments and a description of services provided.

The Bill amends the makeup of the AEA boards of directors and the process for filling positions.

Current law provides that, if during the accreditation process deficiencies in an AEA program have not been corrected, the board of directors of the AEA is required to either merge the deficient program with a program from another accredited AEA or contract with another AEA or other public educational institution for purposes of program delivery. The Bill modifies this provision to require the Director of the DE, rather than the board of directors, to take one of these actions. The Bill requires that the DE be notified if the accreditation of an AEA is removed.

The Bill modifies the standards that are used for the accreditation of AEAs to include several new standards, including but not limited to:

- Support for schools and school districts to ensure compliance with rules adopted by the State Board of Education related to special education.
- Support necessary to implement effective instruction for all students with disabilities through school technology services.
- Support for students using educational programs and services in a manner that is consistent with the educational standards.
- Support for staff development and adult learners utilizing 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.

The Bill requires the Legislative Council to convene an AEA Task Force. The Bill establishes the Task Force's required areas of study and recommendations. The Bill establishes the makeup of the Task Force. The Bill requires the Task Force to submit its findings and recommendations to the General Assembly on or before December 31, 2024. Any expenses incurred by a member of the AEA Task Force are the responsibility of the member or the respective entity represented by the member.

The Bill provides for the transition of the AEA boards of directors.

Division III — Area Education Agencies — Funding

The Bill modifies funding methodologies for AEAs and certain educational services provided by AEAs under current law.

Iowa Code section [257.35](#) generally requires the Department of Management (DOM) to deduct the amounts calculated for special education support services, media services, AEA teacher salary supplement district cost, AEA professional development supplement district cost, and educational services for each school district from the State aid due to the district pursuant to Iowa Code chapter [257](#) and, instead, pay the amounts to the respective AEA monthly. Beginning with FY 2026, the Bill eliminates the required payment transfer to the AEAs, except for the amount of the AEA teacher salary supplement, and directs the DOM to pay the amount of the AEA professional development supplement to the DE to be used for professional development opportunities as required by the Bill. Consequently, the amounts that were formerly paid to the AEA will remain part of the State aid paid to school districts. The Bill allows districts to use unreserved fund balances for media services or educational services for special education support services.

Division III of the Bill takes effect January 1, 2025, and applies July 1, 2025 (FY 2026), for school budget years beginning on or after that date.

Division IV — Department of Education Requirements

The Bill requires the Director of the DE to develop and distribute to school districts and accredited nonpublic schools a process to facilitate the development of individualized education programs, certain professional learning materials, and an implementation plan related to identifying, evaluating, and promoting strategies and models for providing special education and related services with accredited nonpublic schools. The Bill also requires the Director of the DE to provide professional learning and other support materials and tools for individualized education program teams and establish sustainable accountability and data collection systems related to special education.

Division V — State Mandate

The Bill makes inapplicable Iowa Code section [25B.2\(3\)](#), which would relieve a political subdivision from complying with a State mandate if funding for the cost of the State mandate is not provided or specified. Therefore, political subdivisions are required to comply with any State mandate included in the Bill.

Assumptions

- The DSE's required FTE positions will be funded with current AEA staffing funding.
- The pupil count and attached funding will follow the pupil to the AEA that provides the services even if that pupil is not located within the current geographic boundaries of the AEA.
- Any expenses incurred by a member of the AEA Task Force are the responsibility of the member or the respective entity represented by the member and will be minimal.
- All AEA shared operational functions are with school districts.
- The State percent of growth will be 0.00% each year.
- There will not be an additional reduction for the AEA's beyond the \$7.5 million reduction specified in Iowa Code section [257.35\(2\)](#).

Fiscal Impact

The estimated fiscal impact of HF 2612, by division, is as follows:

Division I relates to DSE FTE position staffing requirements and will not have a fiscal impact since the FTE positions will be funded with current AEA staffing funding.

Division II relates to general AEA provisions.

The provision requiring the Director of the DE to develop and distribute a list of evidence-based professional development services that AEA's can provide may have little to no fiscal impact and can be done within available resources.

The provision that specifies that AEA's must furnish educational services and programs to pupils enrolled in public or nonpublic schools, regardless of location within the State, that request to receive such services will not have an overall fiscal impact since the assumption is that the funding will follow the pupil.

The provision relating to AEA administrator salaries will reduce overall AEA expenditures from all sources by an estimated \$251,000.

The reporting requirements placed on the AEA's may have little to no fiscal impact and can be met within available resources.

Changes to the makeup of the AEA's boards of directors and the process for filling positions will not have a fiscal impact.

The provision related to the AEA Task Force will have a minimal cost to the member or the respective entity represented by the member.

Division III relates to AEA funding and will reallocate current AEA funding between AEA, school districts, and the DE. The AEA funding allocation is displayed below.

Figure 1
AEA Funding Allocation
(in Millions)

	FY 2024 AEA Funding	FY 2026 Allocation			
		AEA	School Districts	DE	Total
AEA Special Ed Support District Cost	\$ 185.3	\$ 0.0	\$ 185.3	\$ 0.0	\$185.3
AEA Special Ed Support Adjustment	0.6	0.0	0.6	0.0	0.6
AEA Media Services	32.3	0.0	32.3	0.0	32.3
AEA Ed Services	35.7	0.0	35.7	0.0	35.7
AEA Sharing	0.2	0.2	0.0	0.0	0.2
AEA Teacher Salary Supplement	18.2	18.2	0.0	0.0	18.2
AEA Professional Development Supplement	2.1	0.0	0.0	2.1	2.1
AEA Statewide State Aid Reduction	-29.6	-7.5	0.0	0.0	-7.5
Total	\$ 244.9	\$ 10.8	\$ 253.9	\$ 2.1	\$266.9

*Numbers may not equal totals due to rounding.

Division IV relating to DE requirements may have little to no fiscal impact and can be implemented with available resources.

Division V relates to the inapplicability of a possible State mandate and will not have a fiscal impact.

Sources

Department of Education, Certified Enrollment and Enrollment Projections File
 Department of Management, School Aid File
 Legislative Services Agency analysis and calculations

/s/ Jennifer Acton

March 4, 2024

Doc ID 1447567

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
