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EDUCATION

HOUSE FILE **359**  
BY JACOBS

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the funding and provision of media services  
2 and education services, and containing an applicability  
3 provision.

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

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**HF 359**

1 Section 1. Section 257.35, Code 2001, is amended to read  
2 as follows:

3 257.35 AREA EDUCATION AGENCY PAYMENTS.

4 1. The department of management shall deduct the amounts  
5 calculated for special education support services, media  
6 services, and educational services for each school district  
7 from the state aid due to the district pursuant to this  
8 chapter and shall pay the amounts to the respective area  
9 education agencies on a monthly basis from September 15  
10 through June 15 during each school year. The department of  
11 management shall notify each school district of the amount of  
12 state aid deducted for these purposes and the balance of state  
13 aid shall be paid to the district. If a district does not  
14 qualify for state aid under this chapter in an amount  
15 sufficient to cover its amount due to the area education  
16 agency as calculated by the department of management, the  
17 school district shall pay the deficiency to the area education  
18 agency from other moneys received by the district, on a  
19 quarterly basis during each school year.

20 2. For the school budget year beginning July 1, 2002, and  
21 succeeding budget years, notwithstanding any other provision  
22 of the Code to the contrary, amounts calculated by the  
23 department of management for media services and educational  
24 services shall be distributed as follows:

25 a. Sixty percent of the amounts calculated shall be paid  
26 to the respective area education agencies as provided in  
27 subsection 1.

28 b. Forty percent of the amounts shall be paid directly to  
29 each school district as part of the state aid otherwise due to  
30 the district. Amounts paid to a school district for media  
31 services and educational services shall be expended by the  
32 district pursuant to section 257.37A only for such services.  
33 A school district shall not be authorized to utilize the  
34 amounts for any other purpose.

35 c. Out of the amount paid to each school district pursuant

1 to paragraph "b", the school district shall remit to the  
2 nonpublic schools located within the school district an amount  
3 determined by the department of management to represent the  
4 school district's proportionate share of the sum of the  
5 product of the cost per pupil in basic enrollment for the  
6 budget year for media services times the difference between  
7 the enrollment served and the basic enrollment recorded for  
8 the school district, and the product of the cost per pupil in  
9 basic enrollment for the budget year for educational services  
10 times the difference between the enrollment served and the  
11 basic enrollment recorded for the school district.

12 Sec. 2. Section 257.37, Code 2001, is amended to read as  
13 follows:

14 257.37 FUNDING MEDIA AND EDUCATIONAL SERVICES.

15 Media services and educational services ~~provided-through~~  
16 ~~the-area-education-agencies~~ shall be funded, to the extent  
17 provided, by an addition to the combined district cost of each  
18 school district, determined as follows:

19 1. For the budget year beginning July 1, 1991, and  
20 succeeding budget years, the total amount funded in each area  
21 for media services shall be computed as provided in this  
22 subsection. For the budget year beginning July 1, 1991, the  
23 total amount funded in each area for media services in the  
24 base year, including the cost for media resource material  
25 which shall only be used for the purchase or replacement of  
26 material required in section 273.6, subsection 1, paragraphs  
27 "a", "b", and "c", shall be divided by the enrollment served  
28 in the base year to provide an area media services cost per  
29 pupil in the base year, and the department of management shall  
30 compute the state media services cost per pupil in the base  
31 year which is equal to the average of the area media services  
32 costs per pupil in the base year. For the budget year  
33 beginning July 1, 1991, and succeeding budget years, the  
34 department of management shall compute the allowable growth  
35 for media services in the budget year by multiplying the state

1 media services cost per pupil in the base year times the state  
2 percent of growth for the budget year, and the total amount  
3 funded in each area for media services cost in the budget year  
4 equals the area media services cost per pupil in the base year  
5 plus the allowable growth for media services in the budget  
6 year times the enrollment served in the budget year. Funds  
7 shall be paid to area education agencies and school districts  
8 as provided in section 257.35.

9       2. Thirty percent of the budget of an area for media  
10 services shall be expended for media resource material which  
11 shall only be used for the purchase or replacement of material  
12 required in section 273.6, subsection 1. Funds shall be paid  
13 to area education agencies as provided in section 257.35.  
14 Beginning July 1, 2002, the requirements of this subsection  
15 shall be funded from the sixty percent funding amount paid to  
16 an area education agency pursuant to section 257.35,  
17 subsection 2.

18       3. For the budget year beginning July 1, 1991, and  
19 succeeding budget years, the total amount funded in each area  
20 for educational services shall be computed as provided in this  
21 subsection. For the budget year beginning July 1, 1991, the  
22 total amount funded in each area for educational services in  
23 the base year shall be divided by the enrollment served in the  
24 area in the base year to provide an area educational services  
25 cost per pupil in the base year, and the department of  
26 management shall compute the state educational services cost  
27 per pupil in the base year, which is equal to the average of  
28 the area educational services costs per pupil in the base  
29 year. For the budget year beginning July 1, 1991, and  
30 succeeding budget years, the department of management shall  
31 compute the allowable growth for educational services by  
32 multiplying the state educational services cost per pupil in  
33 the base year times the state percent of growth for the budget  
34 year, and the total amount funded in each area for educational  
35 services for the budget year equals the area educational

1 services cost per pupil for the base year plus the allowable  
2 growth for educational services in the budget year times the  
3 enrollment served in the area in the budget year. Funds shall  
4 be paid to area education agencies and school districts as  
5 provided in section 257.35.

6 4. "Enrollment served" means the basic enrollment plus the  
7 number of nonpublic school pupils served with media services  
8 or educational services, as applicable, except that if a  
9 nonpublic school pupil or a pupil attending another district  
10 under a whole-grade sharing agreement or open enrollment  
11 receives services through an area other than the area of the  
12 pupil's residence, the pupil shall be deemed to be served by  
13 the area of the pupil's residence, which shall by contractual  
14 arrangement reimburse the area through which the pupil  
15 actually receives services. Each school district shall  
16 include in the third Friday in September enrollment report the  
17 number of nonpublic school pupils within each school district  
18 for media and educational services served by the area.

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

35 This subsection applies only to media and educational

1 services which cannot be diverted for religious purposes.

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

8 Sec. 3. NEW SECTION. 257.37A CONTRACTS FOR SERVICES.

9 A school district or nonpublic school may utilize amounts  
10 received for media services and educational services pursuant  
11 to section 257.35, subsection 2, to contract with one or more  
12 school districts, area education agencies, or independent  
13 agencies not associated with a school district or area  
14 education agency pursuant to section 28E.12 for the partial or  
15 complete furnishing of any service or activity which the  
16 district could have contracted with the area education agency  
17 to which it is assigned to provide for the budget year. This  
18 section shall not be construed to impact the utilization of an  
19 area education agency for the identifying, weighting, or  
20 providing of special education enrollment counts pursuant to  
21 section 273.5, the provision of special education support  
22 services, or the administration of federally funded health  
23 care programs pursuant to section 256B.15. A district or  
24 nonpublic school shall contract with the area education agency  
25 to which it is assigned for provision of these services.

26 Sec. 4. Section 273.2, subsection 3, Code 2001, is amended  
27 to read as follows:

28 3. The area education agency board shall furnish  
29 educational services and programs as provided in sections  
30 273.1 to 273.9 and chapter 256B to the pupils enrolled in  
31 public or nonpublic schools located within its boundaries, or  
32 within the boundaries of another area education agency  
33 pursuant to a contract under section 257.37A, which are on the  
34 list of accredited schools pursuant to section 256.11. The  
35 programs and services provided shall be at least commensurate

1 with programs and services existing on July 1, 1974. The  
2 programs and services provided to pupils enrolled in nonpublic  
3 schools shall be comparable to programs and services provided  
4 to pupils enrolled in public schools within constitutional  
5 guidelines.

6 Sec. 5. Section 273.2, subsection 4, Code 2001, is amended  
7 to read as follows:

8 4. The area education agency board shall provide for  
9 special education services and media services for the local  
10 school districts in the area, or another area pursuant to a  
11 contract under section 257.37A, and shall encourage and assist  
12 school districts ~~in-the-area~~ to establish programs for gifted  
13 and talented children.

14 Sec. 6. Section 273.3, subsection 6, Code 2001, is amended  
15 to read as follows:

16 6. Area education agencies may cooperate and contract  
17 between themselves and with other public agencies to provide  
18 special education programs and services, media services, and  
19 educational services to schools and children residing within  
20 their respective areas, or another area pursuant to a contract  
21 under section 257.37A. Area education agencies may provide  
22 print and nonprint materials to public and private colleges  
23 and universities that have teacher education programs approved  
24 by the state board of education.

25 Sec. 7. Section 273.4, subsections 1 and 2, Code 2001, are  
26 amended to read as follows:

27 1. ~~Co-operate~~ Cooperate with boards of directors of local  
28 school districts ~~of-the-area-education-agency~~ in considering  
29 and developing plans for the improvement of the educational  
30 programs and services in the area education agency.

31 2. When requested, provide such other assistance as  
32 possible to school districts ~~of-the-area-education-agency~~ for  
33 the general improvement of their educational programs and  
34 operations.

35 Sec. 8. Section 273.7, Code 2001, is amended to read as

1 follows:

2 273.7 ADDITIONAL SERVICES.

3 If sixty percent of the number of local school boards  
4 located in, or who have contracted with, an area education  
5 agency, or if local school boards representing sixty percent  
6 of the enrollment in the school districts located in, or who  
7 have contracted with, the agency, request in writing to the  
8 area education agency board that an additional service be  
9 provided them, for pupils in grades kindergarten through  
10 twelve or children requiring special education as defined in  
11 section 256B.2 or for employees or board members of school  
12 districts or area education agencies, the area education  
13 agency board shall arrange for the service to be provided to  
14 all school districts in the area within the financial  
15 capabilities of the area education agency.

16 Sec. 9. Section 273.7A, unnumbered paragraph 1, Code 2001,  
17 is amended to read as follows:

18 The board of an area education agency may provide services  
19 to school districts located in within or outside the area  
20 education agency under contract with the school districts.  
21 These services may include, but are not limited to,  
22 superintendency services, personnel services, business  
23 management services, specialized maintenance services, and  
24 transportation services. In addition, the board of the area  
25 education agency may provide for furnishing expensive and  
26 specialized equipment for school districts. School districts  
27 shall pay to area education agencies the cost of providing the  
28 services.

29 Sec. 10. APPLICABILITY DATE. This Act applies to school  
30 budget years beginning on or after July 1, 2002.

31 EXPLANATION

32 This bill provides for a change in the distribution of  
33 funding for the provision of media services and education  
34 services. The bill provides that for the school budget year  
35 beginning July 1, 2002, and succeeding budget years, amounts

1 calculated by the department of management for media services  
2 and educational services shall be distributed on a 60-40 basis  
3 between area education agencies and local school districts.  
4 The bill provides that 60 percent of the amounts calculated  
5 pursuant to Code section 257.35 shall be paid to the  
6 respective area education agencies, and that 40 percent of the  
7 amounts shall be paid directly to each school district as part  
8 of the state aid otherwise due to the district. The bill  
9 provides that amounts paid to a school district for media  
10 services and educational services shall be expended by the  
11 district only for such services. The bill provides for the  
12 payment by school districts to nonpublic schools located  
13 within the school district, out of the 40 percent funding  
14 amount, of an amount for media and educational support  
15 services representing the proportional enrollment of nonpublic  
16 school pupils compared to both public and nonpublic school  
17 enrollment in the school district. The bill provides that a  
18 school district or nonpublic school may utilize the amounts  
19 received for media services and educational services to  
20 contract with one or more school districts, area education  
21 agencies, or independent agencies for the partial or complete  
22 furnishing of any service or activity for which the district  
23 could have contracted with the area education agency to which  
24 it is assigned. The bill provides that a school district or  
25 nonpublic school shall continue to contract with the area  
26 education agency to which it is assigned for special education  
27 purposes and relating to the administration of federally  
28 funded health care programs pursuant to Code section 256B.15.  
29 The bill provides several conforming changes to Code chapter  
30 273 relating to the provision of services by an area education  
31 agency to school districts both within the area and with whom  
32 it may contract pursuant to Code section 257.37A. The bill  
33 applies to the school budget year beginning July 1, 2002.

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