

Cannolly, McKinley, Rehberg

**SSB 3150
Education**

SENATE/HOUSE FILE _____

BY (PROPOSED DEPARTMENT
OF EDUCATION BILL)

By
(SF) HF 2259

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act amending Code provisions administered by the department of
2 education, including provisions related to participation in
3 extracurricular activities, tuition reimbursement payment by
4 school districts under the postsecondary enrollment options
5 Act, interscholastic activities agreements, school
6 infrastructure program calculations, phase I payment
7 calculations, and the use of phase III balances by school
8 districts and area education agencies.

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

- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

1 Section 1. Section 256.46, Code 2001, is amended to read
2 as follows:

3 256.46 RULES FOR PARTICIPATION IN EXTRACURRICULAR
4 ACTIVITIES BY CERTAIN CHILDREN.

5 The state board shall adopt rules that permit a child who
6 does not meet the residence requirements for participation in
7 extracurricular interscholastic contests or competitions
8 sponsored or administered by an organization as defined in
9 section 280.13 to participate in the contests or competitions
10 immediately if the child is duly enrolled in a school, is
11 otherwise eligible to participate, and meets one of the
12 following circumstances or a similar circumstance: the child
13 has been adopted; the child is placed under foster or shelter
14 care; the child is living with one of the child's parents as a
15 result of divorce, separation, death, or other change in the
16 child's parents' marital relationship, or pursuant to other
17 court-ordered decree or order of custody; the child is a
18 foreign exchange student; the child has been placed in a
19 juvenile correctional facility; the child is a ward of the
20 court or the state; the child is a participant in a substance
21 abuse or mental health program; or the child is enrolled in an
22 accredited nonpublic high school because the child's district
23 of residence has entered into a whole grade sharing agreement
24 for the pupil's grade with another district.

25 Sec. 2. Section 261C.6, unnumbered paragraph 1, Code 2001,
26 is amended to read as follows:

27 Not later than June 30 of each year, a school district
28 shall pay a tuition reimbursement amount to an eligible
29 postsecondary institution that has enrolled its resident
30 eligible pupils under this chapter, unless the eligible pupil
31 is participating in open enrollment under section 282.18, in
32 which case, the tuition reimbursement amount shall be paid by
33 the receiving district. However, if a child's residency
34 changes during a school year, the tuition shall be paid by the
35 district in which the child was enrolled as of the third

1 Friday in September or the district in which the child was
2 counted under section 257.6, subsection 1, paragraph "f". For
3 pupils enrolled at the school for the deaf and the Iowa
4 braille and sight saving school, the state board of regents
5 shall pay a tuition reimbursement amount by June 30 of each
6 year. The amount of tuition reimbursement for each separate
7 course shall equal the lesser of:

8 Sec. 3. Section 280.13A, unnumbered paragraph 1, Code
9 2001, is amended to read as follows:

10 If a school district or nonpublic school does not provide
11 an interscholastic activity for its students, the board of
12 directors of that school district or the authorities in charge
13 of the nonpublic school may complete an agreement with another
14 school district or nonpublic school to provide for the
15 eligibility of its students in interscholastic activities
16 provided by that other school district or nonpublic school. A
17 copy of each agreement completed under this section shall be
18 filed with the appropriate organization as organization is
19 defined in section 280.13 not later than April 30 of the
20 school year preceding the school year in which the agreement
21 takes effect, unless an exception is granted by the
22 organization for good cause. An agreement completed under
23 this section shall be deemed approved unless denied by the
24 governing organization within ten days after its receipt. A
25 governing organization shall determine whether an agreement
26 would substantially prejudice the interscholastic activities
27 of other schools. An agreement denied by a governing
28 organization under this section may be appealed to the state
29 board of education under chapter 290.

30 Sec. 4. Section 282.18, subsection 7, Code 2001, is
31 amended to read as follows:

32 7. A pupil participating in open enrollment shall be
33 counted, for state school foundation aid purposes, in the
34 pupil's district of residence. A pupil's residence, for
35 purposes of this section, means a residence under section

1 282.1. The board of directors of the district of residence
2 shall pay to the receiving district the state cost per pupil
3 for the previous school year, plus any moneys received for the
4 pupil as a result of the non-English speaking weighting under
5 section 280.4, subsection 3, for the previous school year
6 multiplied by the state cost per pupil for the previous year.
7 The district of residence shall also transmit the phase III
8 moneys allocated to the district for the previous year for the
9 full-time equivalent attendance of the pupil, who is the
10 subject of the request, to the receiving district specified in
11 the request for transfer. If the pupil participating in open
12 enrollment is also an eligible pupil under chapter 261C, the
13 receiving district shall pay the tuition reimbursement amount
14 to an eligible postsecondary institution as provided in
15 section 261C.6.

16 Sec. 5. Section 292.2, subsection 1, paragraph d, Code
17 2001, is amended to read as follows:

18 d. The department of education, in consultation with the
19 department of revenue and finance and the department of
20 management, shall annually compute capacity per pupil and the
21 local match percentage for each school district in the state.
22 The ~~initial~~ calculations shall be released not later than
23 ~~January 1, 2001. For all calculations thereafter, the~~
24 ~~calculations shall be released not later than July~~ September 1
25 of each year.

26 Sec. 6. Section 294A.6, unnumbered paragraph 1, Code 2001,
27 is amended to read as follows:

28 For the school year beginning July 1, 1998, the department
29 of education shall notify the department of revenue and
30 finance of the total minimum salary supplement, as described
31 in section 294A.5, subsection 2, paragraphs "a" and "b", to be
32 paid to each school district and area education agency under
33 phase I and the department of revenue and finance shall make
34 the payments. For school years after the school year
35 beginning July 1, ~~1998~~ 2001, if a school district or area

1 education agency reduces the number of its full-time
2 equivalent teachers in the base year below the number employed
3 during the school year beginning July 1, 1998, the department
4 of revenue and finance shall reduce the total minimum salary
5 supplement payable to that school district or area education
6 agency in the budget year so that the amount paid is equal to
7 the ratio of the number of full-time equivalent teachers
8 employed in the school district or area education agency for
9 that-school the base year divided by the number of full-time
10 equivalent teachers employed in the school district or area
11 education agency for the school year beginning July 1, 1998,
12 and multiplying that fraction by the total minimum salary
13 supplement paid to that school district or area education
14 agency for the school year beginning July 1, 1998. For
15 purposes of this section, "base year" and "budget year" mean
16 the same as defined in section 257.2.

17 Sec. 7. Section 294A.16, unnumbered paragraphs 4 and 5,
18 Code 2001, are amended to read as follows:

19 ~~A-school-district-or-area-education-agency, which receives~~
20 ~~money-for-a-school-year-for-an-approved-phase-III-plan, may~~
21 ~~retain-up-to-fifty-percent-of-the-moneys-allocated-to-the~~
22 ~~district-or-area-education-agency-for-the-next-succeeding~~
23 ~~school-year, in order to continue the approved plan. Any of~~
24 the retained phase III moneys remaining in the district or
25 area education agency account after at the second end of the
26 fiscal year of the plan shall revert to the general fund of
27 the state as provided in section 8.33 remain available for
28 expenditure for purposes of this division by the school
29 district or area education agency in succeeding fiscal years.

30 Any moneys allocated ~~or retained~~ for an approved phase III
31 plan, and any interest accrued on the moneys, are
32 miscellaneous income for purposes of chapter 257, shall not be
33 commingled with state aid payments made, under sections 257.16
34 and 257.35, to a school district or area education agency, and
35 shall be accounted for by the school district or area

1 education agency separately from state aid payment accounts.

2

EXPLANATION

3 This bill amends Code provisions administered by the
4 department of education, including provisions related to
5 participation by children in extracurricular activities,
6 payment for postsecondary enrollment options costs for a
7 student participating in open enrollment, agreements to
8 provide for interscholastic activities for nonpublic school
9 students, the date by which the department of education must
10 release its school infrastructure program calculations, the
11 basis for phase I payment calculations, and the use of phase
12 III balances by school districts and area education agencies.

13 The bill requires the state board of education to expand
14 the circumstances under which a child not meeting residence
15 requirements must be allowed to participate immediately in
16 extracurricular activities, to include a circumstance in which
17 a child is living with one of the child's parents pursuant to
18 a court-ordered decree or order of custody.

19 The bill shifts responsibility for the payment of the
20 tuition reimbursement amount owed by a school district for a
21 student who is enrolled under postsecondary enrollment options
22 and who is also participating in open enrollment to the
23 receiving district. However, the bill provides that if the
24 child's residency changes during the school year, tuition
25 shall be paid by the district in which the child was enrolled
26 on the third Friday in September.

27 The bill permits the authorities in charge of a nonpublic
28 school to enter into an agreement with a school district or
29 other nonpublic school to provide for the eligibility of its
30 students in interscholastic activities provided by the school
31 district or other nonpublic school.

32 The bill extends from July 1 to September 1 the date by
33 which the department of education must annually release its
34 school infrastructure program calculations for the purpose of
35 providing grants to school districts under the program.

1 The bill also requires phase I payments to be based upon
2 the prior year's full-time equivalent teacher count, and
3 permits school districts and area education agencies to retain
4 their phase III balances for use in succeeding school years
5 for phase III purposes.

- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35

Substitutes for HF 2456
4-11-02
(P. 1387)

FILED FEB 20 2002

SENATE FILE 2259
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 3150)

Passed Senate, Date 3/12/02 (P. 582) Passed House, Date 4-11-02 (P. 1388)
Vote: Ayes 47 Nays 0 Vote: Ayes 94 Nays 0
Approved April 26, 2002

A BILL FOR

1 An Act amending Code provisions administered by the department of
2 education, including provisions related to participation in
3 extracurricular activities, tuition reimbursement payment by
4 school districts under the postsecondary enrollment options
5 Act, interscholastic activities agreements, school
6 infrastructure program calculations, phase I payment
7 calculations, and the use of phase III balances by school
8 districts and area education agencies.

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

10
11
12
13
14
15
16
17
18
19
20
21
22
23

SF 2259

1 Section 1. Section 256.46, Code 2001, is amended to read
2 as follows:

3 256.46 RULES FOR PARTICIPATION IN EXTRACURRICULAR
4 ACTIVITIES BY CERTAIN CHILDREN.

5 The state board shall adopt rules that permit a child who
6 does not meet the residence requirements for participation in
7 extracurricular interscholastic contests or competitions
8 sponsored or administered by an organization as defined in
9 section 280.13 to participate in the contests or competitions
10 immediately if the child is duly enrolled in a school, is
11 otherwise eligible to participate, and meets one of the
12 following circumstances or a similar circumstance: the child
13 has been adopted; the child is placed under foster or shelter
14 care; the child is living with one of the child's parents as a
15 result of divorce, separation, death, or other change in the
16 child's parents' marital relationship, or pursuant to other
17 court-ordered decree or order of custody; the child is a
18 foreign exchange student; the child has been placed in a
19 juvenile correctional facility; the child is a ward of the
20 court or the state; the child is a participant in a substance
21 abuse or mental health program; or the child is enrolled in an
22 accredited nonpublic high school because the child's district
23 of residence has entered into a whole grade sharing agreement
24 for the pupil's grade with another district.

25 Sec. 2. Section 261C.6, unnumbered paragraph 1, Code 2001,
26 is amended to read as follows:

27 Not later than June 30 of each year, a school district
28 shall pay a tuition reimbursement amount to an eligible
29 postsecondary institution that has enrolled its resident
30 eligible pupils under this chapter, unless the eligible pupil
31 is participating in open enrollment under section 282.18, in
32 which case, the tuition reimbursement amount shall be paid by
33 the receiving district. However, if a child's residency
34 changes during a school year, the tuition shall be paid by the
35 district in which the child was enrolled as of the third

1 Friday in September or the district in which the child was
2 counted under section 257.6, subsection 1, paragraph "f". For
3 pupils enrolled at the school for the deaf and the Iowa
4 braille and sight saving school, the state board of regents
5 shall pay a tuition reimbursement amount by June 30 of each
6 year. The amount of tuition reimbursement for each separate
7 course shall equal the lesser of:

8 Sec. 3. Section 280.13A, unnumbered paragraph 1, Code
9 2001, is amended to read as follows:

10 If a school district or nonpublic school does not provide
11 an interscholastic activity for its students, the board of
12 directors of that school district or the authorities in charge
13 of the nonpublic school may complete an agreement with another
14 school district or nonpublic school to provide for the
15 eligibility of its students in interscholastic activities
16 provided by that other school district or nonpublic school. A
17 copy of each agreement completed under this section shall be
18 filed with the appropriate organization as organization is
19 defined in section 280.13 not later than April 30 of the
20 school year preceding the school year in which the agreement
21 takes effect, unless an exception is granted by the
22 organization for good cause. An agreement completed under
23 this section shall be deemed approved unless denied by the
24 governing organization within ten days after its receipt. A
25 governing organization shall determine whether an agreement
26 would substantially prejudice the interscholastic activities
27 of other schools. An agreement denied by a governing
28 organization under this section may be appealed to the state
29 board of education under chapter 290.

30 Sec. 4. Section 282.18, subsection 7, Code 2001, is
31 amended to read as follows:

32 7. A pupil participating in open enrollment shall be
33 counted, for state school foundation aid purposes, in the
34 pupil's district of residence. A pupil's residence, for
35 purposes of this section, means a residence under section

1 282.1. The board of directors of the district of residence
2 shall pay to the receiving district the state cost per pupil
3 for the previous school year, plus any moneys received for the
4 pupil as a result of the non-English speaking weighting under
5 section 280.4, subsection 3, for the previous school year
6 multiplied by the state cost per pupil for the previous year.
7 The district of residence shall also transmit the phase III
8 moneys allocated to the district for the previous year for the
9 full-time equivalent attendance of the pupil, who is the
10 subject of the request, to the receiving district specified in
11 the request for transfer. If the pupil participating in open
12 enrollment is also an eligible pupil under chapter 261C, the
13 receiving district shall pay the tuition reimbursement amount
14 to an eligible postsecondary institution as provided in
15 section 261C.6.

16 Sec. 5. Section 292.2, subsection 1, paragraph d, Code
17 2001, is amended to read as follows:

18 d. The department of education, in consultation with the
19 department of revenue and finance and the department of
20 management, shall annually compute capacity per pupil and the
21 local match percentage for each school district in the state.
22 The ~~initial~~ calculations shall be released not later than
23 ~~January 17, 2001. For all calculations thereafter, the~~
24 ~~calculations shall be released not later than July~~ September 1
25 of each year.

26 Sec. 6. Section 294A.6, unnumbered paragraph 1, Code 2001,
27 is amended to read as follows:

28 For the school year beginning July 1, 1998, the department
29 of education shall notify the department of revenue and
30 finance of the total minimum salary supplement, as described
31 in section 294A.5, subsection 2, paragraphs "a" and "b", to be
32 paid to each school district and area education agency under
33 phase I and the department of revenue and finance shall make
34 the payments. For school years after the school year
35 beginning July 1, ~~1998~~ 2001, if a school district or area

1 education agency reduces the number of its full-time
2 equivalent teachers in the base year below the number employed
3 during the school year beginning July 1, 1998, the department
4 of revenue and finance shall reduce the total minimum salary
5 supplement payable to that school district or area education
6 agency in the budget year so that the amount paid is equal to
7 the ratio of the number of full-time equivalent teachers
8 employed in the school district or area education agency for
9 ~~that school~~ the base year divided by the number of full-time
10 equivalent teachers employed in the school district or area
11 education agency for the school year beginning July 1, 1998,
12 and multiplying that fraction by the total minimum salary
13 supplement paid to that school district or area education
14 agency for the school year beginning July 1, 1998. For
15 purposes of this section, "base year" and "budget year" mean
16 the same as defined in section 257.2.

17 Sec. 7. Section 294A.16, unnumbered paragraphs 4 and 5,
18 Code 2001, are amended to read as follows:
19 ~~A school district or area education agency, which receives~~
20 ~~money for a school year for an approved phase III plan, may~~
21 ~~retain up to fifty percent of the moneys allocated to the~~
22 ~~district or area education agency for the next succeeding~~
23 ~~school year, in order to continue the approved plan. Any of~~
24 the retained phase III moneys remaining in the district or
25 area education agency account after at the second end of the
26 fiscal year of the plan shall revert to the general fund of
27 the state as provided in section 8-33 remain available for
28 expenditure for purposes of this division by the school
29 district or area education agency in succeeding fiscal years.
30 Any moneys allocated ~~or retained~~ for an approved phase III
31 plan, and any interest accrued on the moneys, are
32 miscellaneous income for purposes of chapter 257, shall not be
33 commingled with state aid payments made, under sections 257.16
34 and 257.35, to a school district or area education agency, and
35 shall be accounted for by the school district or area

1 education agency separately from state aid payment accounts.

2 EXPLANATION

3 This bill amends Code provisions administered by the
4 department of education, including provisions related to
5 participation by children in extracurricular activities,
6 payment for postsecondary enrollment options costs for a
7 student participating in open enrollment, agreements to
8 provide for interscholastic activities for nonpublic school
9 students, the date by which the department of education must
10 release its school infrastructure program calculations, the
11 basis for phase I payment calculations, and the use of phase
12 III balances by school districts and area education agencies.

13 The bill requires the state board of education to expand
14 the circumstances under which a child not meeting residence
15 requirements must be allowed to participate immediately in
16 extracurricular activities, to include a circumstance in which
17 a child is living with one of the child's parents pursuant to
18 a court-ordered decree or order of custody.

19 The bill shifts responsibility for the payment of the
20 tuition reimbursement amount owed by a school district for a
21 student who is enrolled under postsecondary enrollment options
22 and who is also participating in open enrollment to the
23 receiving district. However, the bill provides that if the
24 child's residency changes during the school year, tuition
25 shall be paid by the district in which the child was enrolled
26 on the third Friday in September.

27 The bill permits the authorities in charge of a nonpublic
28 school to enter into an agreement with a school district or
29 other nonpublic school to provide for the eligibility of its
30 students in interscholastic activities provided by the school
31 district or other nonpublic school.

32 The bill extends from July 1 to September 1 the date by
33 which the department of education must annually release its
34 school infrastructure program calculations for the purpose of
35 providing grants to school districts under the program.

1 The bill also requires phase I payments to be based upon
2 the prior year's full-time equivalent teacher count, and
3 permits school districts and area education agencies to retain
4 their phase III balances for use in succeeding school years
5 for phase III purposes.

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

SENATE FILE 2259

AN ACT

AMENDING CODE PROVISIONS ADMINISTERED BY THE DEPARTMENT OF EDUCATION, INCLUDING PROVISIONS RELATED TO PARTICIPATION IN EXTRACURRICULAR ACTIVITIES, TUITION REIMBURSEMENT PAYMENT BY SCHOOL DISTRICTS UNDER THE POSTSECONDARY ENROLLMENT OPTIONS ACT, INTERSCHOLASTIC ACTIVITIES AGREEMENTS, SCHOOL INFRASTRUCTURE PROGRAM CALCULATIONS, PHASE I PAYMENT CALCULATIONS, AND THE USE OF PHASE III BALANCES BY SCHOOL DISTRICTS AND AREA EDUCATION AGENCIES.

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

Section 1. Section 256.46, Code 2001, is amended to read as follows:

256.46 RULES FOR PARTICIPATION IN EXTRACURRICULAR ACTIVITIES BY CERTAIN CHILDREN.

The state board shall adopt rules that permit a child who does not meet the residence requirements for participation in extracurricular interscholastic contests or competitions sponsored or administered by an organization as defined in section 280.13 to participate in the contests or competitions immediately if the child is duly enrolled in a school, is otherwise eligible to participate, and meets one of the following circumstances or a similar circumstance: the child has been adopted; the child is placed under foster or shelter care; the child is living with one of the child's parents as a result of divorce, separation, death, or other change in the child's parents' marital relationship, or pursuant to other court-ordered decree or order of custody; the child is a foreign exchange student; the child has been placed in a juvenile correctional facility; the child is a ward of the court or the state; the child is a participant in a substance abuse or mental health program; or the child is enrolled in an accredited nonpublic high school because the child's district of residence has entered into a whole grade sharing agreement

for the pupil's grade with another district.

Sec. 2. Section 261C.6, unnumbered paragraph 1, Code 2001, is amended to read as follows:

Not later than June 30 of each year, a school district shall pay a tuition reimbursement amount to an eligible postsecondary institution that has enrolled its resident eligible pupils under this chapter, unless the eligible pupil is participating in open enrollment under section 282.18, in which case, the tuition reimbursement amount shall be paid by the receiving district. However, if a child's residency changes during a school year, the tuition shall be paid by the district in which the child was enrolled as of the third Friday in September or the district in which the child was counted under section 257.6, subsection 1, paragraph "f". For pupils enrolled at the school for the deaf and the Iowa braille and sight saving school, the state board of regents shall pay a tuition reimbursement amount by June 30 of each year. The amount of tuition reimbursement for each separate course shall equal the lesser of:

Sec. 3. Section 280.13A, unnumbered paragraph 1, Code 2001, is amended to read as follows:

If a school district or nonpublic school does not provide an interscholastic activity for its students, the board of directors of that school district or the authorities in charge of the nonpublic school may complete an agreement with another school district or nonpublic school to provide for the eligibility of its students in interscholastic activities provided by that other school district or nonpublic school. A copy of each agreement completed under this section shall be filed with the appropriate organization as organization is defined in section 280.13 not later than April 30 of the school year preceding the school year in which the agreement takes effect, unless an exception is granted by the organization for good cause. An agreement completed under this section shall be deemed approved unless denied by the governing organization within ten days after its receipt. A governing organization shall determine whether an agreement

would substantially prejudice the interscholastic activities of other schools. An agreement denied by a governing organization under this section may be appealed to the state board of education under chapter 290.

Sec. 4. Section 282.18, subsection 7, Code 2001, is amended to read as follows:

7. A pupil participating in open enrollment shall be counted, for state school foundation aid purposes, in the pupil's district of residence. A pupil's residence, for purposes of this section, means a residence under section 282.1. The board of directors of the district of residence shall pay to the receiving district the state cost per pupil for the previous school year, plus any moneys received for the pupil as a result of the non-English speaking weighting under section 280.4, subsection 3, for the previous school year multiplied by the state cost per pupil for the previous year. The district of residence shall also transmit the phase III moneys allocated to the district for the previous year for the full-time equivalent attendance of the pupil, who is the subject of the request, to the receiving district specified in the request for transfer. If the pupil participating in open enrollment is also an eligible pupil under chapter 261C, the receiving district shall pay the tuition reimbursement amount to an eligible postsecondary institution as provided in section 261C.6.

Sec. 5. Section 292.2, subsection 1, paragraph d, Code 2001, is amended to read as follows:

d. The department of education, in consultation with the department of revenue and finance and the department of management, shall annually compute capacity per pupil and the local match percentage for each school district in the state. The initial calculations shall be released not later than ~~January 17, 2001~~ September 1 of each year. ~~For all calculations thereafter, the calculations shall be released not later than July~~

Sec. 6. Section 294A.6, unnumbered paragraph 1, Code 2001, is amended to read as follows:

For the school year beginning July 1, 1998, the department of education shall notify the department of revenue and finance of the total minimum salary supplement, as described in section 294A.5, subsection 2, paragraphs "a" and "b", to be paid to each school district and area education agency under phase I and the department of revenue and finance shall make the payments. For school years after the school year beginning July 1, ~~1998~~ 2001, if a school district or area education agency reduces the number of its full-time equivalent teachers in the base year below the number employed during the school year beginning July 1, 1998, the department of revenue and finance shall reduce the total minimum salary supplement payable to that school district or area education agency in the budget year so that the amount paid is equal to the ratio of the number of full-time equivalent teachers employed in the school district or area education agency for ~~that school~~ the base year divided by the number of full-time equivalent teachers employed in the school district or area education agency for the school year beginning July 1, 1998, and multiplying that fraction by the total minimum salary supplement paid to that school district or area education agency for the school year beginning July 1, 1998. For purposes of this section, "base year" and "budget year" mean the same as defined in section 257.2.

Sec. 7. Section 294A.16, unnumbered paragraphs 4 and 5, Code 2001, are amended to read as follows:

~~A school district or area education agency which receives money for a school year for an approved phase III plan may retain up to fifty percent of the moneys allocated to the district or area education agency for the next succeeding school year in order to continue the approved plan.~~ Any of the retained phase III moneys remaining in the district or area education agency account after at the second end of the fiscal year of the plan shall ~~revert to the general fund of the state as provided in section 8-33~~ remain available for expenditure for purposes of this division by the school district or area education agency in succeeding fiscal years.

Any moneys allocated ~~or-retained~~ for an approved phase III plan₇ and any interest accrued on the moneys₇ are miscellaneous income for purposes of chapter 257, shall not be commingled with state aid payments made₇ under sections 257.16 and 257.35₇ to a school district or area education agency₁ and shall be accounted for by the school district or area education agency separately from state aid payment accounts.

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2259, Seventy-ninth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved April 26, 2002

THOMAS J. VILSACK
Governor