

APR 20 2005
EDUCATION

HOUSE FILE 873
BY GIPP and MURPHY

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to recommendations of the education subcommittee
2 of the governor's committee on local governance by providing
3 for the development of a school sharing and efficiencies in
4 operations process, the referral of certain issues to
5 legislative standing committees for further review and
6 consideration, and a study by the department of education
7 concerning certain barriers to effective structure and
8 delivery models that promote optimum student achievement.

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

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HF 873

1

DIVISION I

2 Section 1. SCHOOL SHARING AND EFFICIENCIES IN OPERATIONS
3 PROCESS.

4 1. Not later than September 15, 2005, the department of
5 education and the boards of directors of the area education
6 agencies, in consultation with other appropriate education
7 stakeholders as necessary, shall collaboratively develop a
8 uniform structured conversation process, including specific
9 categories of discussion, to facilitate discussion between
10 school district leaders in order to identify and realize
11 sharing and efficiency of operations efforts with other school
12 districts, educational partners, and governmental
13 subdivisions, which will result in reductions in the costs of
14 operations and create additional resource availability for the
15 support of rigorous and relevant student programming and
16 efforts to increase student achievement. The process shall
17 provide a framework for a consistent regional plan for use by
18 area education agencies pursuant to subsection 3.

19 2. The department of education and the area education
20 agencies shall facilitate a series of meetings, using the
21 process developed pursuant to subsection 1, between area
22 education agency personnel and school district leaders from
23 every school district located within each area education
24 agency. Prior to the initial meeting, which shall be held not
25 later than January 13, 2006, school district leaders
26 designated to attend the meeting shall identify areas of
27 potential sharing and efficiency, efforts that are already
28 occurring, and existing barriers to increased sharing and
29 efficiency of operations. As meeting facilitators, area
30 education agency personnel may provide at the initial meeting
31 a list of available efficiency services, which may include
32 those services offered by the area education agencies. The
33 process shall include a discussion regarding the use of the
34 additional resources, made available through the proposed
35 sharing or efficiency efforts, in enhancing program

1 implementation and student achievement. After the initial
2 meeting, other appropriate education stakeholders and
3 representatives from governmental subdivisions or private
4 entities may be consulted or invited to participate in future
5 meetings. Discussion topics at the series of meetings shall
6 include, but not be limited to, operational efficiencies,
7 shared programming, transportation sharing, expansion of area
8 education agency cooperatives, common schedules for school
9 districts and community colleges, energy, insurance, effective
10 structure and delivery models that promote optimum student
11 achievement, graduation requirements, and a rigorous, relevant
12 curriculum.

13 3. At the conclusion of the process, each area education
14 agency shall develop a regional plan that identifies, using
15 the consistent regional plan framework developed under
16 subsection 1, the existing, new, or expanded opportunities for
17 school district sharing or efficiency of operations determined
18 as a result of completing the uniform structured conversation
19 process. The plan shall provide for long-term measures that
20 identify money or time saved as a result of the sharing or
21 efficiency of operations efforts, list the cooperative
22 partners in specific sharing or efficiency of operations
23 efforts, describe effective structure and delivery models that
24 promote optimum student achievement, and include provisions
25 for making educational stakeholders aware of the sharing and
26 efficiency in operations opportunities available in each
27 region. Each area education agency shall submit its plan to
28 the department of education not later than June 1, 2006.

29 4. The department of education shall compile and review
30 the plans submitted by the area education agencies pursuant to
31 subsection 3, identify barriers to potential sharing and
32 efficiency in operations efforts, recommend penalties related
33 to a reduction in funding for noncompliance with this section,
34 and submit its findings and recommendations to the general
35 assembly not later than January 1, 2007.

1 5. For purposes of this section, "school district leaders"
2 includes superintendents, administrators, central office
3 staff, educators, and school board members, though a school
4 district may designate one school district leader to represent
5 the school district regularly at the meetings held pursuant to
6 subsection 2.

7 DIVISION II

8 STANDING COMMITTEE ISSUE REFERRALS

9 Sec. 2. GOVERNOR'S COMMITTEE ON LOCAL GOVERNANCE --
10 EDUCATION SUBCOMMITTEE RECOMMENDATIONS -- STANDING COMMITTEE
11 REFERRAL.

12 1. The following recommendations of the education
13 subcommittee of the governor's committee on local governance
14 are referred to the standing committees on education in the
15 senate and the house of representatives for further review and
16 consideration:

17 a. Eliminate or modify the rule of statutory construction
18 commonly referred to as "Dillon's rule" as it applies to
19 school districts, pursuant to a constitutional amendment,
20 resulting in increased school district home rule authority and
21 power not inconsistent with the laws of the general assembly,
22 to be innovative in providing program supports and eliminating
23 barriers to school district collaboration and innovation.

24 b. Convert statutory requirements relating to the required
25 minimum number of days of classroom instruction per school
26 year to a required minimum number of hours of direct classroom
27 instruction per school year, at least equivalent to the
28 current number of hours of classroom instruction provided by a
29 school district, in order to encourage more creativity and
30 flexibility in the delivery of instruction.

31 c. Evaluate the impact of combining the funding sources
32 for phase I and phase II of the educational excellence
33 program.

34 2. The following recommendations of the education
35 subcommittee of the governor's committee on local governance

1 are referred to the standing committees on ways and means in
2 the senate and the house of representatives for further review
3 and consideration:

4 a. Consolidate existing local school district property tax
5 and income surtax levies into two primary property tax levies,
6 one board-approved and one voter-approved, in order to
7 increase flexibility and maintain and expand current areas of
8 levy coverage.

9 b. Examine the impact of the development of a statewide
10 local option sales tax for school infrastructure, including
11 replacement of the five hundred seventy-five dollar statewide
12 tax revenue per student calculation with a statewide rolling
13 average calculation and establishment of a hold harmless
14 provision for districts experiencing a tax increase as a
15 result of legislation.

16 c. Include school districts in tax increment financing
17 approval requirements.

18 DIVISION III

19 SHARED ACTIVITIES AND ATHLETIC PROGRAMS STUDY

20 Sec. 3. GOVERNOR'S COMMITTEE ON LOCAL GOVERNANCE --

21 EDUCATION SUBCOMMITTEE RECOMMENDATIONS -- SHARED ACTIVITIES

22 AND ATHLETIC PROGRAMS STUDY. The department of education, in

23 collaboration with education stakeholder groups,

24 organizations, associations, and parent organizations, to be

25 determined by the department, shall conduct a study and review

26 of existing regulations relating to shared activities and

27 athletic programs, and the impact of such regulations on the

28 ability of school districts to achieve effective structure and

29 delivery models that promote optimum student achievement. The

30 department shall submit a report of its findings, containing

31 recommendations and a proposed timeline for implementation, to

32 the members of the standing committees on education in the

33 senate and the house of representatives by December 1, 2005.

34 EXPLANATION

35 This bill relates to recommendations of the education

1 subcommittee of the governor's committee on local governance.
2 Division I of the bill directs the department of education
3 and the boards of directors of the area education agencies
4 (AEAs), in consultation with other appropriate education
5 stakeholders, to develop a uniform structured conversation
6 process to facilitate discussion between school district
7 leaders in order to identify and realize sharing and
8 efficiency of operations efforts with other school districts,
9 educational partners, and governmental subdivisions, which
10 will result in reductions in the costs of operations and
11 create additional resource availability for the support of
12 rigorous and relevant student programming and efforts to
13 increase student achievement.

14 The department and the AEAs are directed to facilitate a
15 series of meetings between AEA personnel and school district
16 leaders from every school district in every AEA. The process
17 shall include a discussion regarding the use of the additional
18 resources, made available through the proposed sharing or
19 efficiency efforts, in enhancing program implementation and
20 student achievement. After the initial meeting, other
21 appropriate education stakeholders and representatives from
22 governmental subdivisions or private entities may be consulted
23 or invited to participate in future meetings.

24 At the conclusion of the process, each AEA must develop a
25 regional plan that identifies existing, new, or expanded
26 opportunities for school district sharing or efficiency of
27 operations, and shall submit its plan to the department of
28 education not later than June 1, 2006.

29 The department of education must compile and review the
30 plans, identify barriers to potential sharing and efficiency
31 in operations efforts, and submit its findings and
32 recommendations to the general assembly not later than January
33 1, 2007.

34 Division II of the bill refers specified issues relating to
35 education and taxation identified by the education

1 subcommittee of the governor's committee on local governance
2 to the education and ways and means standing committees for
3 further review and consideration.

4 The division provides for referral of three issues to the
5 standing committees on education. The division refers an
6 issue relating to the elimination or modification of a rule of
7 statutory construction commonly referred to as "Dillon's rule"
8 as it applies to school districts, pursuant to a
9 constitutional amendment. The result would be increased
10 school district home rule authority and power not inconsistent
11 with the laws of the general assembly, with the goal of
12 increasing innovation in providing program supports and
13 eliminating barriers to school district collaboration and
14 innovation. The division also refers an issue regarding
15 conversion of statutory requirements relating to the required
16 minimum number of days of direct classroom instruction per
17 school year to a required minimum number of hours of classroom
18 instruction per school year, at least equivalent to the
19 current number of hours of classroom instruction provided by a
20 school district, with the goal of encouraging more creativity
21 and flexibility in the delivery of instruction. The division
22 additionally refers an issue regarding evaluation of the
23 impact of combining the funding sources for phase I and phase
24 II of the educational excellence program.

25 The division also provides for referral of three issues to
26 the standing committees on ways and means. The division
27 refers an issue relating to consolidation of existing local
28 school district property tax and income surtax levies into two
29 primary property tax levies, one board-approved and one voter-
30 approved, in order to increase flexibility and maintain and
31 expand current areas of levy coverage. The division also
32 refers an issue regarding examining the impact of the
33 development of a statewide local option sales tax for school
34 infrastructure. The statewide tax would involve replacing the
35 \$575 statewide tax revenue per student calculation currently

1 specified in statute with a statewide rolling average
2 calculation, and establishing a hold harmless provision for
3 districts experiencing a tax increase as a result of
4 legislation. The division additionally refers an issue
5 regarding inclusion of school districts in tax increment
6 financing approval requirements.

7 Division III of the bill contains another recommendation by
8 the education subcommittee, providing that the department of
9 education, in collaboration with education stakeholder groups,
10 organizations, associations, and parent organizations, to be
11 determined by the department, shall conduct a study and review
12 of existing regulations relating to shared activities and
13 athletic programs, and the impact of such regulations on the
14 ability of school districts to achieve effective structure and
15 delivery models that promote optimum student achievement. The
16 division provides that the department shall submit a report of
17 its findings, recommendations, and a proposed implementation
18 timeline to the members of the standing committees on
19 education in the senate and the house of representatives by
20 December 1, 2005.

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HOUSE FILE 873

H-1513

- 1 Amend House File 873 as follows:
2 1. Page 1, line 10, by inserting after the word
3 "to" the following: "support rigorous and relevant
4 student programming and efforts to increase student
5 achievement, and to".
6 2. Page 2, line 31, by striking the figure "3,"
7 and inserting the following: "3;".
8 3. Page 2, line 32, by striking the word
9 "efforts," and inserting the following: "efforts;".
10 4. Page 2, line 32, by inserting after the word
11 "recommend" the following: "a timeline for
12 implementation of sharing and efficiency of operations
13 efforts and".
14 5. Page 2, line 33, by striking the words "with
15 this section" and inserting the following: "with the
16 implementation of sharing and efficiency of operations
17 efforts".
18 6. By renumbering, relettering, or redesignating
19 and correcting internal references as necessary.

COMMITTEE ON EDUCATION

TYMESON of Madison, CHAIRPERSON

H-1513 FILED APRIL 26, 2005

HOUSE FILE 873

H-1569

- 1 Amend the amendment, H-1513, to House File 873, as
2 follows:
3 1. Page 1, by striking lines 2 through 5 and
4 inserting the following:
5 "____. Page 1, by striking lines 4 through 16, and
6 inserting the following:
7 "1. Not later than September 15, 2005, the
8 department of education and the boards of directors of
9 the area education agencies shall, in consultation
10 with other appropriate education stakeholders as
11 necessary, develop a uniform structured conversation
12 process, including specific categories of discussion.
13 The purpose of the process shall be to facilitate
14 discussion between school district leaders in order to
15 support rigorous and relevant student programming and
16 efforts to increase student achievement through
17 identification and realization of sharing and
18 efficiency of operations efforts with other school
19 districts, educational partners, and governmental
20 subdivisions, which will result in reductions in the
21 costs of operations and create additional resource
22 availability. The process shall".
23 2. By renumbering as necessary.

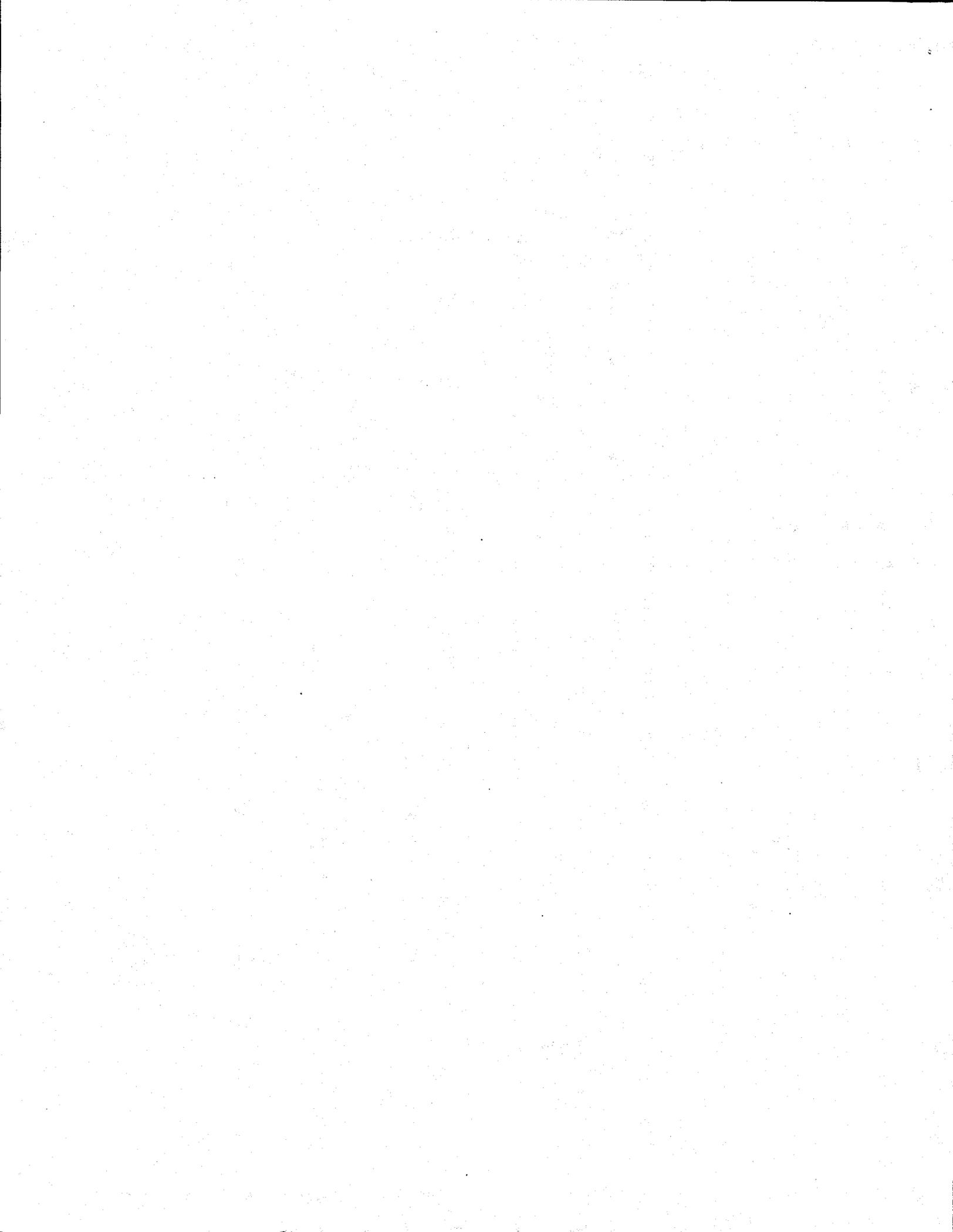
By RAECKER of Polk

WENDT of Woodbury

WINCKLER of Scott

DOLECHECK of Ringgold

H-1569 FILED APRIL 27, 2005



Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 873 - Education Reform, AEA Structured Conversation (LSB 3547 YH)
Analyst: Dwayne Ferguson (Phone: (515) 281-6561) (dwayne.ferguson@legis.state.ia.us)
Fiscal Note Version - New

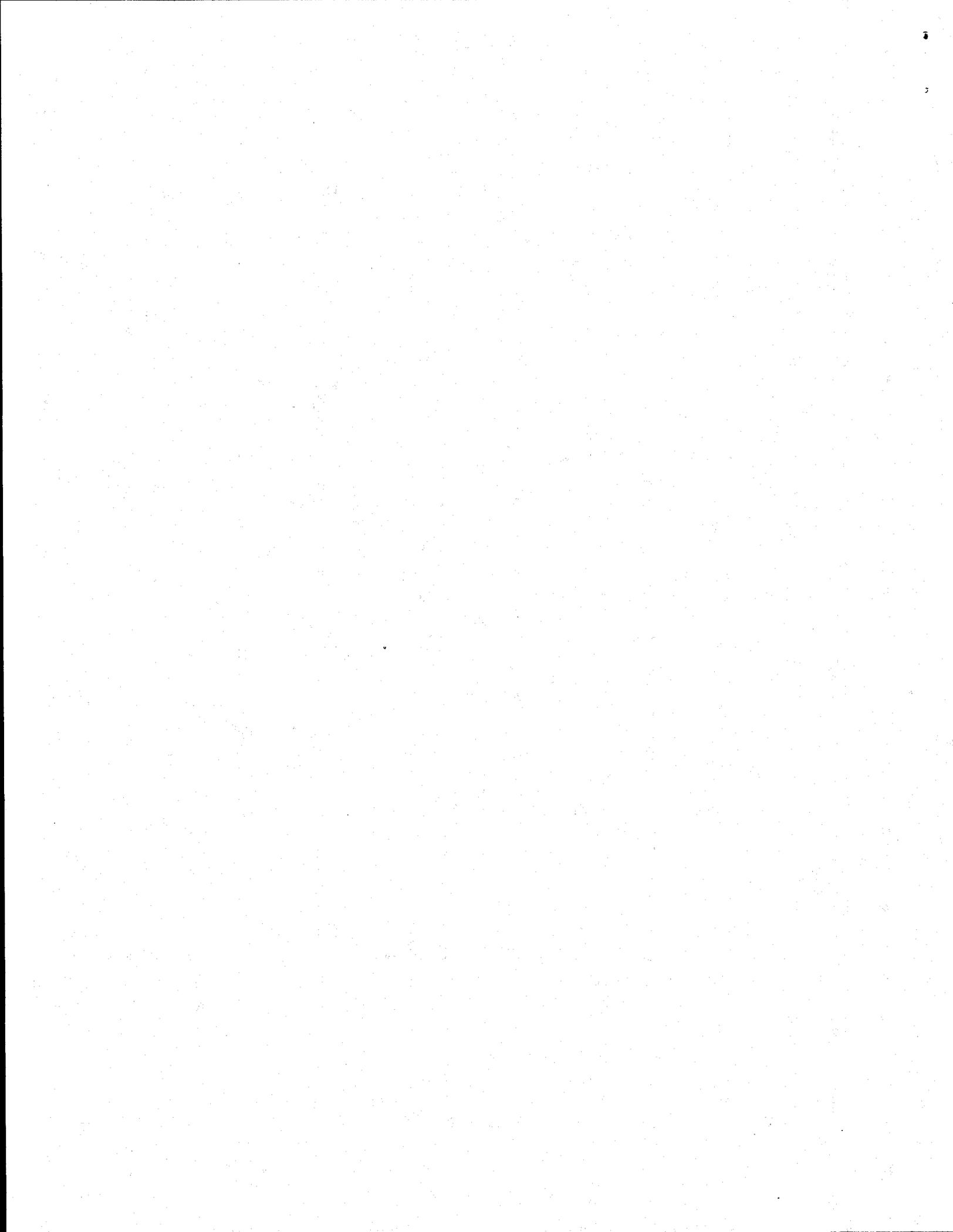
Description

House File 873 is the product of the Education Subcommittee of the Governor's Local Governance Committee. The Bill has three divisions:

- Division I – Facilitated Discussion for Sharing and Efficiencies: The Department of Education and the Area Education Agencies are to cooperatively facilitate a uniform structured conversation process that includes a series of meetings with school district leaders to identify and realize sharing and efficiency of operations efforts among school districts, educational partners, and governmental subdivisions. A general timeline is identified, regional plans are required, and the Department of Education is to compile the plans and report to the General Assembly by January 1, 2007.
- Division II – Standing Committee Issue Referrals: The Bill specifies issues to be referred to the Senate and House Education Standing Committees and the Senate and House Ways and Means Committees.
 - Education issues are:
 - Modification to the rule of statutory construction, referred to as "Dillon's Rule," to eliminate barriers to collaboration and innovation.
 - Converting from a minimum number of days of classroom instruction per school year to minimum number of classroom hours.
 - Evaluation of the impact of combining funding sources for Phase I and Phase II of the Education Excellence Program.
 - Ways and Means issues are:
 - Consolidating local school district property tax and income surtax levies into two property tax levies – one school board-approved and one voter-approved.
 - Expansion of the local option sales tax for school infrastructure to Statewide participation along with calculation changes.
 - Inclusion of school districts in tax increment financing (TIF) approval requirements.
- Division III - Shared Activities and Athletic Programs: The Department of Education, in collaboration with various education stakeholders, is to study and review regulations relating to shared activities and athletic programs and report to the Senate and House of Representatives by December 1, 2005.

Assumptions

1. Division I will require planning, training, meetings, travel, presentation materials, possibly overtime costs for meetings held outside the regular work day, and development of plans.
 - a. The Department of Education costs for staff time, travel, and other resources are expected to be between \$20,000 and \$50,000.
 - b. Each Area Education Agency costs for staff time, travel, and other resources are expected to be between \$25,000 and \$35,000.
 - c. School districts primary costs will be associated with travel to attend the meetings. There may be some additional costs for information collection to participate in the meetings and planning process. No specific amounts are included in this estimate.
 - d. Cost estimates are for the entire project and are not allocated among fiscal years.



2. Division II will be conducted within the normal operations of the Education and the Ways and Means Standing Committees and will not generate additional costs.
3. Divisions III will involve staff time and meetings. There is the potential for this study to be done in concert with Division I activities or to utilize some of the structure developed by Division I. No specific amounts are included in this estimate.

Fiscal Impact

House File 873 is estimated to cost between \$320,000 and \$470,000 for the Department of Education's and the twelve Area Education Agencies' participation in this project.

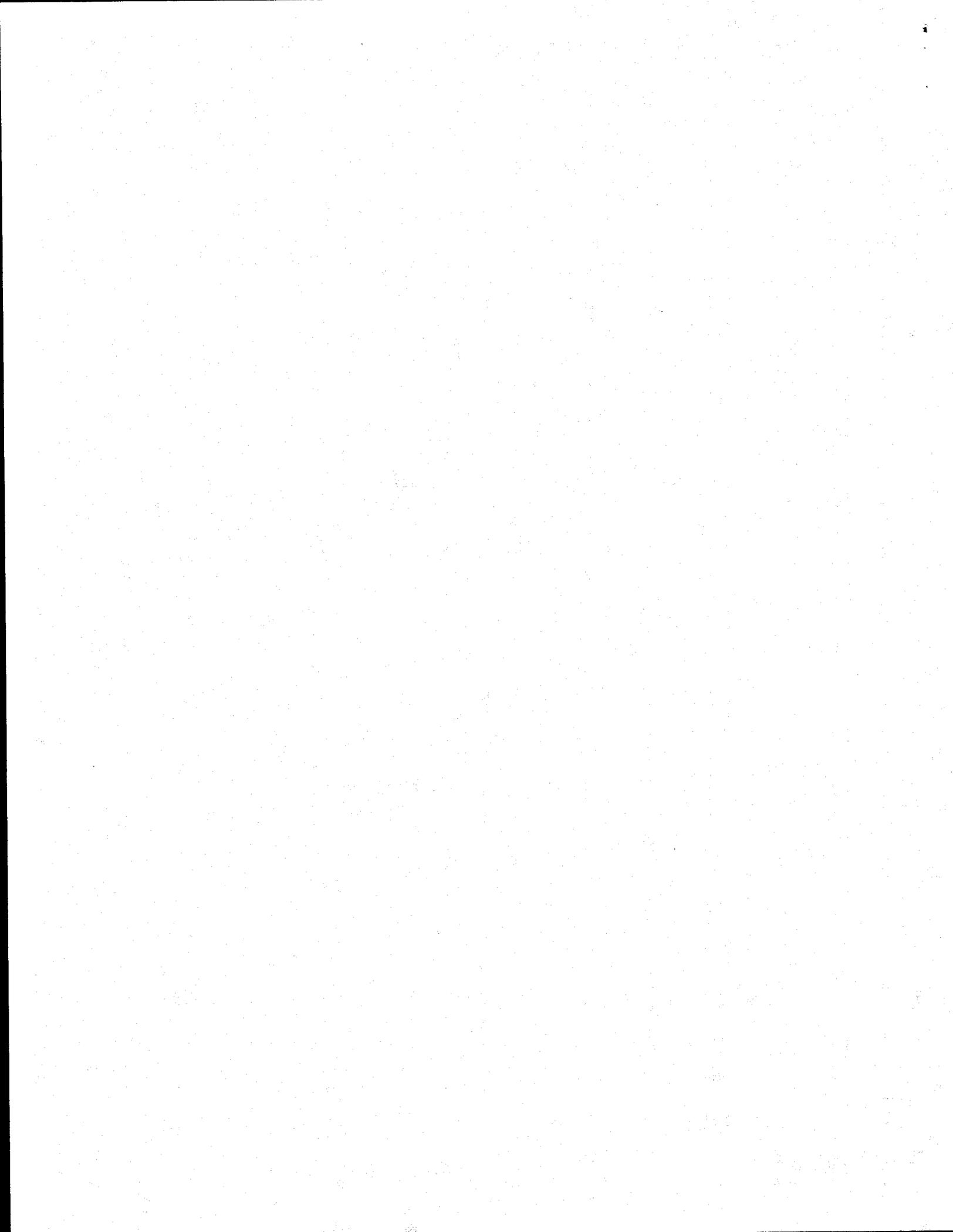
Sources

Department of Education
Area Education Agencies
Iowa Association of School Boards
Department of Management

/s/ Holly M. Lyons

April 26, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.



HOUSE FILE 873
BY GIPP and MURPHY

(As Amended and Passed by the House April 28, 2005)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to recommendations of the education subcommittee
2 of the governor's committee on local governance by providing
3 for the development of a school sharing and efficiencies in
4 operations process, the referral of certain issues to
5 legislative standing committees for further review and
6 consideration, and a study by the department of education
7 concerning certain barriers to effective structure and
8 delivery models that promote optimum student achievement.

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

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House Amendments _____

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DIVISION I

2

Section 1. SCHOOL SHARING AND EFFICIENCIES IN OPERATIONS

3

PROCESS.

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1. Not later than September 15, 2005, the department of

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education and the boards of directors of the area education

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2. The department of education and the area education

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additional resources, made available through the proposed

1 sharing or efficiency efforts, in enhancing program
2 implementation and student achievement. After the initial
3 meeting, other appropriate education stakeholders and
4 representatives from governmental subdivisions or private
5 entities may be consulted or invited to participate in future
6 meetings. Discussion topics at the series of meetings shall
7 include, but not be limited to, operational efficiencies,
8 shared programming, transportation sharing, expansion of area
9 education agency cooperatives, common schedules for school
10 districts and community colleges, energy, insurance, effective
11 structure and delivery models that promote optimum student
12 achievement, graduation requirements, and a rigorous, relevant
13 curriculum.

14 3. At the conclusion of the process, each area education
15 agency shall develop a regional plan that identifies, using
16 the consistent regional plan framework developed under
17 subsection 1, the existing, new, or expanded opportunities for
18 school district sharing or efficiency of operations determined
19 as a result of completing the uniform structured conversation
20 process. The plan shall provide for long-term measures that
21 identify money or time saved as a result of the sharing or
22 efficiency of operations efforts, list the cooperative
23 partners in specific sharing or efficiency of operations
24 efforts, describe effective structure and delivery models that
25 promote optimum student achievement, and include provisions
26 for making educational stakeholders aware of the sharing and
27 efficiency in operations opportunities available in each
28 region. Each area education agency shall submit its plan to
29 the department of education not later than June 1, 2006.

30 4. The department of education shall compile and review
31 the plans submitted by the area education agencies pursuant to
32 subsection 3; identify barriers to potential sharing and
33 efficiency in operations efforts; recommend a timeline for
34 implementation of sharing and efficiency of operations efforts
35 and penalties related to a reduction in funding for

1 noncompliance with the implementation of sharing and
2 efficiency of operations efforts, and submit its findings and
3 recommendations to the general assembly not later than January
4 1, 2007.

5 5. For purposes of this section, "school district leaders"
6 includes superintendents, administrators, central office
7 staff, educators, and school board members, though a school
8 district may designate one school district leader to represent
9 the school district regularly at the meetings held pursuant to
10 subsection 2.

11 DIVISION II

12 STANDING COMMITTEE ISSUE REFERRALS

13 Sec. 2. GOVERNOR'S COMMITTEE ON LOCAL GOVERNANCE --
14 EDUCATION SUBCOMMITTEE RECOMMENDATIONS -- STANDING COMMITTEE
15 REFERRAL.

16 1. The following recommendations of the education
17 subcommittee of the governor's committee on local governance
18 are referred to the standing committees on education in the
19 senate and the house of representatives for further review and
20 consideration:

21 a. Eliminate or modify the rule of statutory construction
22 commonly referred to as "Dillon's rule" as it applies to
23 school districts, pursuant to a constitutional amendment,
24 resulting in increased school district home rule authority and
25 power not inconsistent with the laws of the general assembly,
26 to be innovative in providing program supports and eliminating
27 barriers to school district collaboration and innovation.

28 b. Convert statutory requirements relating to the required
29 minimum number of days of classroom instruction per school
30 year to a required minimum number of hours of direct classroom
31 instruction per school year, at least equivalent to the
32 current number of hours of classroom instruction provided by a
33 school district, in order to encourage more creativity and
34 flexibility in the delivery of instruction.

35 c. Evaluate the impact of combining the funding sources

1 for phase I and phase II of the educational excellence
2 program.

3 2. The following recommendations of the education
4 subcommittee of the governor's committee on local governance
5 are referred to the standing committees on ways and means in
6 the senate and the house of representatives for further review
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8 a. Consolidate existing local school district property tax
9 and income surtax levies into two primary property tax levies,
10 one board-approved and one voter-approved, in order to
11 increase flexibility and maintain and expand current areas of
12 levy coverage.

13 b. Examine the impact of the development of a statewide
14 local option sales tax for school infrastructure, including
15 replacement of the five hundred seventy-five dollar statewide
16 tax revenue per student calculation with a statewide rolling
17 average calculation and establishment of a hold harmless
18 provision for districts experiencing a tax increase as a
19 result of legislation.

20 c. Include school districts in tax increment financing
21 approval requirements.

22 DIVISION III

23 SHARED ACTIVITIES AND ATHLETIC PROGRAMS STUDY

24 Sec. 3. GOVERNOR'S COMMITTEE ON LOCAL GOVERNANCE --
25 EDUCATION SUBCOMMITTEE RECOMMENDATIONS -- SHARED ACTIVITIES
26 AND ATHLETIC PROGRAMS STUDY. The department of education, in
27 collaboration with education stakeholder groups,
28 organizations, associations, and parent organizations, to be
29 determined by the department, shall conduct a study and review
30 of existing regulations relating to shared activities and
31 athletic programs, and the impact of such regulations on the
32 ability of school districts to achieve effective structure and
33 delivery models that promote optimum student achievement. The
34 department shall submit a report of its findings, containing
35 recommendations and a proposed timeline for implementation, to

1 the members of the standing committees on education in the
2 senate and the house of representatives by December 1, 2005.

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