



**IOWA HOUSE
DEMOCRATS**

BILL SUMMARY

**School Flexibility
Funds
HF 2441**

Status of Bill: House Floor
Committee: Education (23-0)

Lead Democrat: Breckenridge
Floor Manager: Koester

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Background

HF 564 from 2017 provided more flexibility for schools by allowing certain designated funds to be transferred. It included professional development, and the Department of Education (DE) is prevented from designating an amount for professional development. TAG funds were not allowed to be transferred. It also allowed At-Risk Dropout Prevention programs to be used for guidance counselors. Allows preschool funds to be used for translation services, playground equipment, repair costs, safety equipment and food and beverages. HF 564 allowed flexibility for school districts to pay for protective sports equipment out of their general fund. It also allowed preschool costs for programming can be paid for by using a preschool ending balance or from the flexibility account. They still would not be counted for state funding purposes.

Bill Summary

Department of Education Guidance

The DE, its Director and the Iowa State Board of Education, is prohibited from issuing guidance as defined in the bill.

Guidance Definition: A document or statement issued by DE, the Iowa State Board of Education, or the Director that purports to interpret a law, a rule, or other legal authority and is designed to provide advice or direction to a person regarding the implementation of or compliance with the law, the rule, or the other legal authority being interpreted.

Such guidance cannot impose a legal obligation or duty on a person unless it is required or reasonably implied by law, rule, or other legal authority. If such guidance is issued, it would be in violation of the prohibition as not legally binding. The provision does not apply to administrative rules, declaratory orders, a document or statement required by federal law or a court, or a document or statement issued in the course of an administrative or judicial proceeding to which DE, its Director or the Iowa State Board of Education is a party. This provision takes effect upon enactment, and applies to the 2018-19 school year.

Class Size Reduction Early Intervention

Current law, 257.10(11), establishes an Early Intervention, Class Size Reduction Categorical funding supplement for school districts. Such funds are required to comply with code section 256D which lays out the requirements for the Iowa Early Intervention block grant program. The program requires school districts to expend funds for class size reduction to work toward, or to maintain, class sizes for grades K-3 at the state goal of seventeen students for every one teacher. It also requires funds to be used for achieving a higher level of student success in the basic skills, especially reading. Chapter 256D's sunset was extended to June 30, 2018 in the Ed Reform bill of 2013. Currently this sunset is in place, and without Legislative action, will sunset at that time. This provision takes effect upon enactment, and applies to the 2018-19 school year.

The bill changes the purposes for program so school districts may be expended these funds on any school general fund purpose. This section of the bill takes effect upon enactment and applies to school budget years beginning on or after July 1, 2018.

At-Risk, Dropout Prevention Funds

Currently school districts are required to submit to DE's School Budget Review Committee, plans and requests for modified supplemental amount for at-risk students, high school students who attend alternative programs and alternative schools, and returning dropouts and dropout prevention plans. Under the bill, school district plans are allowed to be approved by resolution of a school board. After a school board passes a modified supplemental amount for the excess cost of an adopted program, the bill requires such a request to be submitted to the school budget review committee and identify the number of students identified as returning dropouts, or potential dropouts. The bill keeps the requirement that the school district still has to provide a comprehensive plan, but the plan would no longer have to be a part of the comprehensive school improvement plan.

Of the list of items to be included in plan, the bill eliminates the ability of DE to require additional items as the department requires. The bill still includes the following to be a part of the program plan:

- A. Program goals, objectives, and activities to meet the needs of students identified as at risk, secondary students who attend alternative programs and alternative schools, or potential dropouts or returning dropouts.
- B. Student identification criteria and procedures.
- C. Staff in-service education design.
- D. Staff utilization plans.
- E. Evaluation criteria and procedures and performance measures.
- F. Program budget.
- G. Qualifications required of personnel delivering the program.
- H. A program for at-risk students.
- I. A provision for identifying at-risk students.

The current cap limit of 5% of a school district's budgeted enrollment that can be spent on such programs is removed. The deadline for filing requests for a modified supplemental amount is also moved from December 15, to November 17 of the year preceding the applicable budget year.

Requests for a modified supplemental amount are required to be approved by the School Budget Review Committee if the request does not exceed the modified supplemental amount limitations under current law minus any funds for the adopted program carried forward to the budget year. The bill requires the school board to certify by resolution that the request complies with the school district's adopted program plan. If the request violates the school district's adopted program plan, the school budget review committee may return the request to the school district for revision and resubmission no later than February 1. The School Budget Review Committee is to notify by February 15, which districts have been approved for a modified supplemental amount. The bill requires the school board, if requested, to provide the school district's adopted program plan for an audit. This section's changes to at-risk, dropout prevention funds and requests for a modified supplemental amount takes effect for FY 2019, and applies to the 2018-19 school year.

Additional Permissible Funding for At-Risk Staff

The bill specifically adds additional staff plus salary and benefits, of who are working with at-risk or dropout prevention programs, alternative programs, and alternative schools, in a traditional or alternative setting, or who are working with students who are participating in such programs or schools, to the list of permissible uses of funding. The professional development costs for all staff is also added to the list of permissible funding uses. Current law allows for instructional staff, instructional support staff, administrative staff, guidance counselors, and school based youth supported staff. The bill adds the following:

1. Psychologists licensed under Code chapter 154B.
2. Licensed Independent Social Workers or Master Social Workers under Code chapter 154C.
3. Licensed Mental Health Counselors under Code chapter 154D.

Under appropriate uses of at-risk dropout prevention funding, the bill authorizes the expenditure of such funding for any purpose determined by school board that directly benefits students participating in the adopted program. The bill does not provide any additional state funding for these positions, and any modified supplemental aid proposals funding comes entirely from property taxes. This section's changes to at-risk, dropout prevention staff takes effect for FY 2019, and applies to the 2018-19 school year.

Leased Portions of a School Building

A school board is currently allowed to lease a portion of an existing school building. The bill allows the leasing of school property and strikes a five-year lease duration limitation. Currently, a school district has to pay revenue from a lease to the state of Iowa, to the city, and any other political subdivision authorized to levy taxes. The bill states that this payout will not apply to property or equipment leased as part of a project designed to generate electricity for the school district. This provision takes effect upon enactment, and applies to the 2018-19 school year.

Sports Equipment

Last year's flexibility bill allowed, by resolution, a school district to transfer funds from their general fund to the student activity fund an amount necessary to purchase protective and safety equipment required for any extracurricular interscholastic athletic contest or competition. The bill adds the reconditioning of such protective and safety equipment to the list of purposes for which such a transfer is permitted. This provision takes effect upon enactment, and applies to the 2018-19 school year.

The bill includes various effective date and applicability date provisions which are stated in this summary under each provision.